



Freedom Nutritional Products Limited

FREEDOM NUTRITIONAL PRODUCTS LIMITED Chairman's Address to Shareholders 30 October 2008

Freedom Nutritional Products reported a profit before tax of \$1.508 million for the 2007/08 financial year.

Geoff Babidge, our CEO and Managing Director shall provide commentary on the operations for the year in his presentation to follow.

FNP paid 2 cents in fully franked dividends during the year. The Board has further declared a 1 cent fully franked final dividend to be paid on the 19th of December 2008 to shareholders on the Register of Members on the 1st of December 2008.

To summarise the year since our last Annual General Meeting:-

- In October 2007 the company acquired the 'Norganics' health food brand. This acquisition will assist with consolidating Freedom's leading position in health food and grocery channels.
- In April 2008 the company completed the acquisition of a modern food grade factory near Leeton, NSW. The factory will be a dedicated manufacturing facility for gluten, wheat and nut free cereal and baked products and should commence production by mid 2009.
- Further in April 2008 Telunapa Pty Limited, an entity associated with Mr Terry Morris, became a substantial shareholder through a private placement. The introduction of a new substantial sophisticated investor together with the Perich Group will further support the Company's strategy of developing unique platforms in nutrition markets in Australia and internationally.
- Mr Rory Macleod was appointed an Executive Director during May 2008. Rory has been responsible for the strategic and corporate development of the company since 2003. Formerly Rory was senior director, corporate finance for UBS where he gained experience in strategy and commercial development. As per ordinary resolution 2.2 of today's meeting Rory

retires in accordance with the provisions of the Constitution and being eligible offers himself for re-election.

- The past twelve months has also seen the group successfully develop the A2 Dairy Products Australia joint venture with significant growth in fresh milk volumes being achieved.
- We have implemented a new strategic and management plan for our CBPA joint venture which has resulted in a turnaround in the financial performance of the JV since year end.

During the year our largest shareholder Arrovest has been supportive of the Board and Management in assisting our next phase of growth.

I would also like to thank Geoff Babidge and his management team for their contributions during the year which has been one of strategic progress.

Finally I look forward to the ongoing development of the group during the 2009 year which will see a number of initiatives realising their full potential.

A handwritten signature in black ink, appearing to read 'Perry Gunner', with a long horizontal line extending to the right.

Perry Gunner
Chairman - 30 October 2008