



Freedom Nutritional Products Limited

29 October 2009

Chairman's Address to Shareholders, 29 October 2009

Freedom Nutritional Products Limited ("FNP") reported a Net Profit from Operations of \$1.8m, representing an increase of 90% compared to the prior year. The result was after expensing one off restructuring and corporate development costs of \$615k.

The Company was obliged to bring to account the mark to market value of its foreign exchange contracts which at balance date represented an unrealised foreign exchange loss of \$706k (pre tax). Net Profit adjusted for this mark to market adjustment was \$1.3m. The result reflected a credible improvement in operating performance for the FNP group.

The highlights for the year included successfully progressing the establishment of a unique new manufacturing facility for the major "free from" products of Freedom Foods at Leeton NSW and significant improvement in the performance of the CBPA and A2 Dairy Products Australia joint ventures.

Geoff Babidge, our CEO and Managing Director shall provide commentary on the operations for the year in his presentation to follow as well as an outlook for 2010.

In May, shareholders voted in favour of repealing the Company's prior Articles of Association and replacing it with an updated Company Constitution. The adopted Company Constitution reflects necessary changes in the current legal and regulatory environment.

A fully franked dividend of 1 cent was paid during the year and the Board has determined there be no final 2009 dividend paid to assist in the funding of the new Freedom Foods factory. The Board is pleased to advise that, subject to financial performance continuing to plan, it is our intention for a dividend to be declared in the second half of the 2010 year.

We are also announcing today our intention to proceed with a non renounceable entitlements offer to shareholders of up to approximately 22.8 million shares at \$0.30 cents per share to raise approximately \$6.8 million. The offer will not be underwritten. The proceeds of the entitlement offer will be used to fund working capital for Freedom Foods and to refinance a shareholder loan incurred in the development of the Freedom Foods manufacturing premises at Leeton, NSW. The Company intends to lodge an Offer document with the ASX on Monday 2nd November 2009 with documents sent to shareholders shortly thereafter.

I would like to thank Geoff Babidge and his management team for their contributions during the year and look forward to further progress in the year ahead.

Perry Gunner
Chairman