



Freedom Nutritional Products Limited

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2 November 2009

ASX Limited
Company Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

MARKET ANNOUNCEMENT
(ASX:FNP)

Notice under section 708AA(2)(f) of the Corporations Act – pro rata rights issue

Freedom Nutritional Products Limited (**FNP**) gives notice under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (the **Act**) that:

- (a) it intends to make a pro rata, non-renounceable offer of shares for issue to all FNP shareholders with a registered address in Australia and New Zealand (**Entitlement Offer**);
- (b) FNP will offer the shares for issue without disclosure to investors under Part 6D.2 of the Act;
- (c) as at the date of this notice, FNP has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to FNP; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no information that is “excluded information” within the meaning of sections 708A(7) and 708A(8) of the Corporations Act; and
- (e) The potential effect of the Entitlement Offer on the control of FNP and the consequences of that effect are dependent on a number of factors, including whether or not the major shareholders take up their entitlements and demand from other shareholders.

Arrovest Pty Limited (**Arrovest**) and Telunapa Pty Ltd (together, **Major Shareholders**) hold 66.16% and 16.47% of the Shares respectively. Therefore, the potential effect of the issue of New Shares on the control of FNP is illustrated below:

If the offer is fully subscribed by shareholders.	No effect on control.
If 50% of the rights offered are subscribed for by the shareholders other than the Major Shareholders and the major shareholders subscribe for their full entitlement and for the shortfall in accordance with the Underwriting Agreement.	The Major Shareholders' shareholding would increase from 82.63% to 84.8%.
If the rights offer is subscribed by no shareholders other than the Major Shareholders.	The Major Shareholders' shareholding would increase from 82.63% to 87.1%.
If the rights offer is subscribed by no shareholders other than Arrovest.	Arrovest's shareholding would increase from 66.16% to 73.47%.

Yours faithfully



Mark Gilio
Company Secretary