Fressure Foods Limited

26 May 2011

A signed copy of this Offer Document, together with copies of the documents required by section 41 of the Securities Act 1978 being the financial statements of the issuer for the period ended 30 June 2010, together with the auditor's report thereon were registered on 30 May 2011.

An Instrument to Amend Prospectus dated 14 June 2011 was registered on 14 June 2011, and this Offer Document incorporates the amendments set out in that instrument.

OFFER DOCUMENT

This Offer Document is a combined Investment Statement and Short Form Prospectus for the purposes of the Securities Act 1978, prepared as at 26 May 2011, as amended by an Instrument to Amend Prospectus dated 14 June 2011, for Fressure Foods Limited ("FFL" or "the Company") which is a company incorporated under the Companies Act 1993.

The purpose of this Investment Statement is to provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to acquire new Shares in FFL and to bring to the attention of prospective investors the fact that other important information about the Shares in FFL is available in the Offer Document.

This Offer Document incorporates an Investment Statement and a Short Form Prospectus dated 26 May 2011, as amended by an Instrument to Amend Prospectus dated 14 June 2011, registered under the Securities Act 1978. The Prospectus contains further details of the Offer to which this Investment Statement relates.* The Prospectus is a "short form" prospectus prepared under clause 6 of the Securities Regulations 2009.

(*This is the wording required by schedule 13 of the Securities Regulations 2009, which contemplates a separate investment statement and prospectus. For this offer, the two documents have been combined and accordingly the prospectus available on request is available in this document.)

The Securities comprised in this Offer have not been approved for trading on a securities market operated by a registered exchange.

All legislation referred to in this Offer Document can be viewed on line at www.legislation.govt.nz.

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

In addition to the information in this document, important information can be found in the current registered prospectus for the investment.

Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including—

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include—

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

Table of Contents

Index of Statutory Information

(Required by Regulation 16 of Securities Regulations 2009)

Naturally Fresh

FressureFoods

Letter from the Chairman

May 2011

Dear Investor

On behalf of the Board of Fressure Foods I am pleased to put before you a further Offer to invest in the Company's ultra high pressure processing facility at Paerata, New Zealand.

Since the Offer of March 2010, from which some $5.4 million was raised considerable progress has been made in establishing the business. The plant is up and running on a consistent basis and markets have been established in New Zealand, Singapore and Japan with discussions for sales well advanced in Australia. As I have previously advised start up of the facility was later than predicted in the March 2010 Offer Document by nearly three months, due in the main to the delayed arrival of equipment from offshore suppliers. This delayed commencement of production and hence sales effort and has put pressure on the Company's earnings and cashflow, which in turn has constrained the ability to recruit additional resources to support sales and management and to purchase equipment to expand capacity and make the manufacturing process more robust.

Short term funds through loans from the Company's bank and a small number of shareholders should ensure the Company is able to continue through to the next avocado season, but if the Company is to grow its markets and take advantage of what is forecast to be a very large upcoming avocado crop, further capital is required. This additional injection of funds, coupled with the experience gained to date, both in manufacturing and sales, will place the Company in a good position for the foreseeable future which will bring the anticipated healthy returns.

On behalf of the Board I recommend this further investment opportunity to you and look forward to your continued support in establishing this exciting new industry in New Zealand.

Yours sincerely

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Web: www.fressurefoods.co.nz | Email: info@fressurefoods.co.nz

Terms of Offer

Fressure Foods Limited (FFL) is seeking to raise $1,216,815 through an issue of 1,216,815 ordinary shares in FFL at an issue price of $1 per share.

The Shares in the Offer will be offered to existing shareholders on the basis of two shares for every nine shares held on the share register of FFL on the date of this Offer. For the purpose of calculating entitlements fractions of shares will be rounded down to the nearest whole number. Shareholders may apply for a greater number of shares than their allocation. Such bids in excess of allocations will be distributed pro rata on the amount of that excess to the total excess shares requested and the number of shares available being those not being taken up through the original allocation to shareholders.

FFL may accept over-subscriptions up to 1,600,000 shares, which is the maximum number of shares to be issued under this Offer.

The minimum number of Shares that can be applied for is 1000 shares. All applications are subject to the constitution of FFL.

The issue price of shares is payable in full on application. The offer is not renounceable. The Board may issue any Shares not taken up to any other shareholder who is willing to apply for them, and may make a further offer of such Shares to any other person to whom an offer can lawfully be made. Further information on how to apply, and the terms of application, is set out in the application form. The shareholders who have made advances to the Company (see page 11) have the right to require the Company to set off the issue price of any shares for which they apply against the amount owing to them under their respective loans, and are therefore not required to pay the issue price in full upon application. None of those shareholders has given any commitment to apply for shares in the Offer.

The Shareholder Loan Agreements require repayment of the shareholder loans from the Offer proceeds. The Board may elect, by agreement with some or all of the shareholder lenders, to defer part or full repayment of the shareholder loans to a later date, instead of repaying them in full from the Offer proceeds.

The Board has decided that the Offer will not proceed unless applications are received for a minimum of 800,000 Shares.

Any interest earned on application monies held by FFL shall be for the account of FFL, except as required by the Securities Act. Any surplus application monies will be refunded to applicants within six working days of allotment of shares to successful applicants and will not carry interest.

The return on shares will be in the form of dividends and an intended increase in the value of the shares. The amount of any dividends to be paid by the Company will be determined by the Board from time to time.

The issuer is Fressure Foods Limited. Its registered office is at:

Paerata Business Park
25 Crown Road
Paerata
Pukekohe

Timetable

Offer opens on 31 May 2011

Closing date for receipt of completed applications (subject to extension by the Board), is 8 July 2011. The shares will be allotted within six working days of the closing date.

After allotment shares can be freely traded subject to the cap on ownership of 20% of the total shareholding imposed by the Constitution, and to the provisions of the Takeovers Code.

Progress to Date and Prospects

The Offer Document of March 2010 sought to raise $5.7 million through the issue of 5.7 million $1.00 shares, with a maximum shares to be issued of 6.7 million. The additional funds above the $5.7 million would have been used to increase production capacity if proved economic to do so. In the event, and after an extension to the Offer closing date approximately $4.776 million was raised in cash and the Directors made the decision to proceed with the project on 30 April 2010, issuing 4.776 million shares for cash and 700,000 shares in accordance with the Information Transfer Agreement with UHP Technologies Limited, a total of 5.476 million shares being issued.

Equipment was sourced locally where possible, but the main processing and materials handling equipment was purchased from offshore manufacturers who had supplied similar plant to a number of ultra high pressure (UHP) processing facilities world-wide. Unfortunately, in the event, these manufacturers were not able to meet the expected delivery schedules (August and September 2010), which coupled with the extended Offer closing date deadline, meant start up and commissioning of the plant did not eventuate until December 2010 rather than the planned start up in October 2010.

The original concept in the first year was to focus on supplying the food service sector to gain early cash flow, but by the end of 2010 it was clear that world prices had reduced substantially due to the abundant frozen supply from South American manufacturers, such as to make this sector relatively unattractive. The change to retail sale focus necessitated re-design of packaging and marketing strategy to gain quick access to customers but incurred delays over the Christmas period in getting final packaging stocks delivered so that finished product could be packed and product could be offered in final form for sale.

We also experienced some difficulties commissioning the chosen vacuum packing machine for the smaller retail pack (2x 100gm) we had chosen to run with and this took much of December to resolve the issues.

The total cost of the equipment, installation and commissioning was generally in line with predicted levels. Added cost came from additional compressed air and vacuum supply needed to meet the higher than anticipated demand for air supply as well as significantly higher costs than anticipated getting the leasehold premises up to a food grade standard.

Food safety clearance from the NZFSA was achieved early in January and immediately following that production began in earnest. At this point we were nearly three months behind the production and sales targets.

Our first sales occurred in February to Singapore and into a limited number of Foodstuffs supermarkets in Auckland. Three containers have now been sold to Japan with a further two ordered and in the process of being delivered – a market we are anticipating will continue and grow.

Retail sales into the New Zealand retail sector required further quality assurance standards to be met and the product has only recently been able to be launched extensively in both of the main New Zealand supermarket chains.

Sales have subsequently progressed as expected following the change to the Company's sales strategy with the mild and spicy guacamole products performing well.

However it has not been without challenges, with the Company encountering problems in producing a reliable pure avocado spread, which was made more difficult by the high oil content of the late season fruit. As a consequence this product has been withdrawn from the market place and a reformulated avocado spread is being tested and will be trialled before launching the product with new season fruit. (This resulted in some credits being given to our early New Zealand customer and with our first (March) sale to Japan as well as a small percentage of the stock sold to Singapore being replaced by the Company.)

Timing of retail sales are very much determined by the end customers, notwithstanding the effort put into getting them underway. Supermarkets decide when they will add the product to their range and when that product is to be launched. Fressure now has products and is making sales in both Progressives and Foodstuffs in New Zealand and in-store demos commenced in the first week in May 2011. These launches will be supported by suitable advertising to get sales pull through. Once sales have been established in these two major supermarket chains, second tier retailers will become the focus. Initial discussions with these second tier retailers are in hand.

The sales to Singapore are expected to continue on an intermittent basis and the sales to Japan are expected to grow quickly to four containers, or around 24 tonnes, a month.

With the New Zealand avocado season coming to an end, entry into the Australian retail sector will now not commence until the next season's crop becomes available to ensure there is ample supply to meet the projected demand. Discussions have progressed well with one of the major supermarket chains in Australia who are keen to take the Company's products once they are able to be incorporated into their range. Sales of up to 30 tonnes/month are anticipated starting in August this year but currently there are no commitments.

The expected sales growth in New Zealand and the projected sales to Japan, Singapore and Australia would take up all the current single shift manufacturing capability of 3 tonnes per day. Options to increase manufacturing capacity are being reviewed and will be implemented once the additional funding is obtained and need demonstrated by sales.

The late start-up and change to a retail focus has meant lower than predicted sales (and sales growth) and therefore revenues to this date, with a consequential significant impact on financial performance. Essentially the Company is three to four months behind sales and cash flow forecasts. The actual loss for the period from 1 July 2010 to 28 February 2011 was $1.28 million.

The original $4.776 million raised in cash was anticipated to be sufficient to cover the funding requirements for capital equipment and working capital through to the point where profitable sales volumes were achieved. But because of the late start-up with committed overheads, the Company has needed to seek additional funds to continue operating until sales revenues meet the ongoing needs of the Company. Term funding has been obtained from the Company's bank ($300,000) and a small number of Shareholders (as listed in note 19 to the Interim Financial Statements on pages 24-43) have loaned the company approximately NZD$525,000. The shareholder funding is sufficient to continue trading but is due for repayment no later than 30 September 2011 and will need to be replaced by new capital or longer term funds. The bank funding is a 48 month term loan, and is subject to review on 31 October 2011. The bank has the right to review credit if quarterly net profit is below forecast by a margin of greater than 15%. The Company is required to apply part of the proceeds of the Offer in repayment of the shareholder loans. As noted on page 8 the Board may defer repayment of loans by agreement.

As previously advised, the amount initially raised meant that only a basic process line could be installed and minimum staff employed. The operations, particularly in the logistics and sales areas are quite complex, and require additional resources. It is clear a full time general manager and a sales manager, which was foreshadowed in the second year of operation in the Offer Document, need to be appointed to provide on-site day-to-day co-ordination and leadership and to co-ordinate and drive the sales strategy. The process line also needs to have some built in redundancy capability to make it more robust by the addition of more blending and packaging equipment.

The additional capital raised by this Offer are intended to:

- allow the short term funding from shareholders to be repaid (and the bank if the covenants are breached and bank support not continuing),
- provide additional working capital to enable the Company to continue trading until it becomes profitable,

- allow the additional resources (key management staff) and equipment to be purchased to improve the reliability and capacity of the process line, and
- fund increased promotional marketing activity that is required to quickly develop the retail markets in New Zealand, Australia, Japan and Singapore.

Issue Costs	approx	$50,000
Repay shareholder loans	NZ$400,000 US$100,000 approx	$525,000
Repay BNZ facility (if required)		$300,000
Additional working capital – April to September	approx	$240,000
Plant modifications and additions	approx	$100,000
ISSUE AMOUNT SOUGHT (approximately)		**$1,215,000**
Increased promotional activity	up to	$385,000
MAXIMUM TO BE RAISED		$1,600,000

The amount sought through this Offer ($1,216,815) is considered by the Directors to be sufficient for the purposes outlined above, particularly if the BNZ facility does not require repayment prior to its full term.

Our internal forecasts already provide for modest promotional spending of approximately $500,000 between July and November 2011. We strongly believe that more resources should be applied to this activity to underpin the retail sales growth required to meet production capacity and the expected availability of low cost fruit during the next avocado export season – likely to be September 2011 to February 2012. Thus we are happy to accept applications for up to 1.6m shares which will provide further funding to broaden the planned promotional activities.

While a minimum capital raising of $800,000 has been identified, your Directors will consider all information available to them at the time of Offer closing (including progress with both our Japanese customer and prospective Australian customer, the possibility of re-negotiating the shareholder loans and extending their terms, as well as recent trading and the risk of the BNZ facility being reviewed) before determining whether to proceed with the share issue, even if more than 800,000 shares have been applied for but significantly less than the 1,216,815 shares offered.

Your Directors are very mindful of the risks for the Company as set out elsewhere in this Offer and include lack of funds to promote the products successfully to retail consumers, operational trading below that forecasted to the BNZ triggering a credit review, delayed or non acceptance of the product into a key Australian supermarket chain as anticipated, slower or discontinued sales to Japan and slower uptake of the product at retail in New Zealand.

The prospects for success of the Company are dependent on achieving sufficient manufacturing volumes, and profitable sales. The risk that sales will not generate enough cash to continue trading until profitability is greater at or close to the minimum subscription amount.

The Company has established a high quality production facility which is generally working well, and a good understanding has been gained of the intricacies of the process.

Food safety standard approval has been gained for BRC as well as NZFSA and should allow quick acceptance of the Company's food safety control regime by any new customers.

The sales anticipated by the Board will fully utilise the Company's manufacturing capability and the forthcoming predicted large avocado crop will also ensure that Fressure Foods has access to a cost effective high volume supply of avocados. This will allow the Company to take advantage of the expected strong demand for its products as they become established in their respective market places through sound promotional activity.

To capture these opportunities additional capital above that necessary for cash flow purposes is required. The approximately $1,217 million that is sought through this Offer is expected to provide a sound financial base for the Company for the foreseeable future without needing to source further third party funds.

The fundamentals of the business remain strong and the prospects for the upcoming financial year remain very positive. The experience to date – at significant cost, but arguably not surprising for a start-up business - should ensure the Company is able to take advantage of the opportunities that will occur.

Financial Statements

The date of the last statement of financial position sent to holders of ordinary shares in FFL is 30 June 2010. Copies of the latest financial statements and auditor's report for FFL can be obtained free of charge from FFL at its contact details on page 45, from FFL's website (www.fressurefoods.co.nz) or from the Companies Office website (www.companies.govt.nz).

Unaudited interim financial statements for the period from 1 July 2010 to 28 February 2011 are set out on pages 24-43.

Directors' Statement

In the opinion of the directors, having made due enquiry in relation to the period between 30 June 2010 (being the balance date of the audited financial statements of the Company registered under the Financial Reporting Act 1993) and the date of this Offer Document:

a. There has been a material adverse change in the trading of the Company, which has traded at a greater than anticipated loss. As disclosed in the interim financial statements set out on pages 24-43 of this Offer Document the loss to 28 February 2011 was $1,284,648. The Company has continued to make losses since that date.

b. The value of the Company's assets has been maintained on a going concern basis, but if the Company does not continue to trade it is likely that there will be a material reduction in the value of its assets.

c. The Company's cash resources have been depleted and it has arranged short term loans from the Bank of New Zealand and from a number of shareholders, as listed in note 19 to the interim financial statements set out on pages 24-43. In the directors' opinion, unless this Offer proceeds the Company is unlikely to be able to repay its liabilities due within the next 12 months without selling assets including fixed assets and the Company will be unable to continue trading.

Auditor's Emphasis of Matter contained within the Audited Financial Statements for the two month period ended 30 June 2010

The latest financial statements and auditor's report for FFL for the two month period ended 30 June 2010 (see page 22 for details of where to obtain copies) provided to shareholders with the first Annual Report contained the following note within the Auditor's report:

"Emphasis of Matter

"Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the company incurred a net loss of $558,763 during the 2 month period ended 30 June 2010 and, as of that date, the company has not yet generated any sales revenue or secured any customer commitments. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern."

Comment

The Company was at the very beginning of its start-up phase at its first balance date (30 June 2010) and the audited result was in line with prospective financial statements included in the March 2010 Offer, as reported. The Company had a clear plan which it was setting about executing.

However, as set out elsewhere in this Offer, the Company was subsequently delayed in getting equipment installed and commissioned in the newly completed facility at Paerata and changed its sales strategy, which delayed commencement of initial sales efforts, sales commitments and actual sales, and production to an extent, all of which has put the Company significantly behind the point at which it expected to be at, as set out in a) above.

The Company thus remains in its early development phase and as a consequence there remain substantial risks for investors in committing new funds to this Offer.

Change in Management

Vernon Dark has resigned as Managing Director and Director of the Company as of 14 June 2011. John Schnackenberg has been appointed Chairman. The Directors are currently recruiting to appoint a General Manager of the Company. In the meantime, Walter Colville has been appointed to act as acting manager.

Issue Expenses

The estimated amount of expenses of the Offer is $50,000. That amount comprises legal and accounting fees and other fees associated with the Offer, together with printing and distribution of this Offer Document. There is no commission or brokerage payable in relation to the issue.

Other Terms of Offer and Securities

All the terms of the Offer, and all the terms of the Shares being offered, are set out in this Offer Document, except for those implied by law or set out in a document that:

- Is registered with a public official; and
- Is available for public inspection; and
- Is referred to in this Offer Document.

Answers to Important Questions

What sort of investment is this?

1. The securities being offered are shares ("Shares") issued subject to the Companies Act 1993. The Shares are ordinary shares. Shares carry the right to participate in any dividends or other distributions declared by the Directors, and the right to vote.

Who is involved in providing it for me?

2. The issuer of the Shares is Fressure Foods Limited. Its address and contact details are set out on page 45 of this Offer Document.

   The directors of the Company are:

   Walter Frederic Colville
   Andrew Gillies Fenton
   John Ellis Schnackenberg

   The addresses of the directors are set out on page 45 of this Offer Document.

Activities

3. Fressure Foods Limited was incorporated on 11 May 2009. The Company raised capital in early 2010. Since then it has leased land at Paerata, near Pukekohe, and has acquired plant and equipment to establish a facility for ultra high pressure processing of avocados. Production

commenced in December 2010 and product has been sold to customers in New Zealand, Australia, Singapore and Japan.

How much do I pay?

4. Moneys Payable by Subscribers

The amount payable by subscribers in respect of the Shares is $1.00 per Share. This amount is payable in cash upon application.

The subscriber is the person liable to pay for the Shares. Payment must be made by cheque payable to Sharp Tudhope Lawyers - Fressure Foods Limited Share Offer, or by direct credit to the Sharp Tudhope Trust Account. Applications for Shares must be made on the Application Form that accompanies this Offer Document and on the terms and conditions set out in that Application Form. If full payment of the issue price does not accompany the application for Shares, the application will be rejected.

What are the charges?

5. Applicants for Shares are not required to pay any fees or charges to the Company or to any other party in relation to the Offer.

The Company has entered into arrangements to meet all fees and other expenses in respect of the Offer. These are estimated to amount to $50,000. They include accounting, legal, printing and promotional costs. The Company will not charge any fee in relation to the transfer of shares. Shareholders who subsequently buy or sell shares may be asked to pay brokerage or sales commission to any broker acting in relation to the sale.

What returns will I get?

6. The returns shareholders will be entitled to receive on their Shares in the Company will be any dividends paid by the Company on the shares held by them, and when they sell their Shares, the difference between the issue price and the eventual sale price after taking account of transaction costs and taxes and assuming the selling price is higher than the issue price. The level of dividends will be set by the Board, after having regard to a number of factors, including the Company's ability to satisfy the solvency test in the Companies Act, historical and forecast expected financial performance, capital expenditure requirements, and the Company's dividend policy from time to time. The dividend policy of the Company will be to distribute monies that the directors deem are surplus to the ongoing requirements of the Company.

New Zealand taxes may affect the return to shareholders. Dividends will be subject to New Zealand withholding and final taxes but the shareholder's liability in respect of such taxes may be reduced or satisfied to the extent the dividends have imputation credits attached. It is intended that dividends will carry imputation credits to the extent that imputation credits are available.

The above comments and the descriptions referred to are of a general nature only. They do not constitute legal or taxation advice. Persons considering the purchase, ownership or disposition of Shares should consult their own tax advisers concerning the tax consequences of owning Shares, in light of their particular situation.

The Board reserves the right to alter the dividend policy. The Board gives no assurances that the dividend policy set out above will continue, about the level of future dividends, if any, or the level of imputation credits.

The returns received by shareholders when they sell their shares will be dependent on the expected future performance of the Company at the time. The Board gives no assurance that the shares will be able to be sold for more than their issue price.

7. The Company is legally liable to pay any dividends if and when declared. Neither the Company nor any other person guarantees the return of capital or the amount of returns in relation to any investment arising from this offer.

What are my risks?

8. The principal risks to holders of shares are an inability to recover some or all of their investment and/or failure by FFL to pay dividends. This could occur for a number of reasons including:

- There is no market for the shares, and holders are unable to sell their shares. The Board does not intend to have the shares quoted on any registered exchange (see also paragraph 12 on page 21).

- Returns that investors receive from holding their shares, which may consist of dividends, other distributions and the price received on the sale of shares, is less than the price they have paid due to the Company's operating and/or financial performance.

- Fressure Foods Limited is placed in receivership, voluntary administration, or liquidation and the holders of shares receive less than the original value of the shares.

- The amount of money required by the Company to establish its plant and commence business was originally based on the Board's assessment of the relevant costs, including the costs to acquire the necessary equipment, the cost to establish the processing factory and the cost to upgrade the existing building to suit the Company. In the event, the amount originally raised by the Company has been insufficient, and the purpose of the current Offer is to raise the additional funds required. While the Board believes the amount to be raised under this Offer will be sufficient, there is a risk that the amount raised will still be inadequate, or that profitable production cannot be achieved for some other reason. The Company's business is still at an early stage and in order to succeed it needs to continue to develop its production capabilities, and develop profitable markets for its products.

Company Specific Risks

Exchange Rates

A substantial part of FFL's revenue is and will be in currencies other than the New Zealand dollar. Fluctuations in the value of the New Zealand dollar relative to these currencies could have an impact on FFL's revenues and therefore its financial performance. The Company uses hedging to mitigate its foreign exchange exposure risks (see also Note 9 on page 34).

Fruit Supply

Biennial or triennial crop fluctuations are common with avocados, and climatic conditions can have an impact on the volume of avocados produced and therefore the volume available for processing by FFL, and hence affect profitability.

The Company, as soon as economical and practical, will expand its production capability and broaden the range of products to be processed so that supply fluctuations can be managed through alternative products. Tolling of third party finished products in the future will also assist in overcoming variations in fruit supply.

Funding

At the date of this Offer Document the Company has arranged a term loan from the Bank of New Zealand of $300,000. The Company also has loans from three shareholders amounting to NZD$400,000 and from one further shareholder of USD$100,000. The shareholder loans are due to be repaid from the proceeds of this Offer. The Board intends that the amount to be raised in the Offer will be sufficient, even if the Bank of New Zealand subsequently cancels or reduces its facility.

Sales development

At the date of this Offer Document the Company has made progress in developing markets in New Zealand, Australia, Singapore and Japan. The Company's success depends on continuing to develop these markets, and others. Market development could be affected negatively if the Company cannot supply products of sufficient quantity and quality, or because of competitive activity or smaller total demand than anticipated. Conversely, demand in markets could be considerably in excess of that anticipated with resultant strains being placed on the Company's ability to supply.

Distribution

A Memorandum of Understanding has been proposed between the Company, Southern Produce Ltd and Primor Produce Ltd to establish a company, Fressure International Limited, to carry out the sales and distribution of all Fressure Foods products. Fressure International has been registered with Fressure Foods holding 50% of the shares and Southern Produce and Primor holding 25% of the shares each.

Detailed operational parameters are currently under discussion. In the meantime sales and distribution are being undertaken by Southern Produce and Primor with the sales commission of 7% being shared between these two parties, as they agree, for sales in the period to 30 June 2011. For the subsequent year it is intended that net returns earned by Fressure International will be distributed in the ratio of shareholding held.

Competition

There are a number of avocado processors that have an influence on the world market for processed avocados, in particular Mexico, Chile and Peru. At some times these processors may source avocados more cheaply and in some cases may have lower manufacturing costs. Hence, they are potential significant competitors that could affect returns to the Company.

Where possible, the Company will avoid competing directly with these producers by taking advantage of our opportunities to supply out of season and into markets not adequately serviced by the major avocado growing countries. We will rely on quality presentation, excellent marketing and product support to extract a premium from the market.

There are currently no other avocado processing facilities using UHP technology in New Zealand. It is possible that competitors could be established.

Solvency

The company has been able to pay its liabilities as they fall due from the proceeds of shareholder loans, and is currently utilising the BNZ facility. The board expects that with receipt of the proceeds of this Offer the company will be able to continue to pay its liabilities as they fall due, and will be able to continue to trade. If the Offer does not proceed and the company ceases to trade, it is likely that the company's total liabilities will exceed the realisable value of its assets.

General Business Risks

Economic Conditions

The Company is exposed to the risks of economic fluctuations that may affect customers' ability or willingness to purchase our products.

Interest Rates

The Company will be exposed to interest rate variations in respect of its borrowings. A significant increase in interest rates may have an adverse effect on the Company's financial performance.

The Company may mitigate the impact of adverse fluctuations in interest rates through the use of interest rate hedging as part of its treasury policy.

Compliance

Approval where applicable has been obtained from authorities in countries to which FFL's products are exported. FFL has obtained food safety registration from NZFSA (New Zealand Food safety Authority) and BRC (British Retail Consortium).

Consequences of Insolvency

Holders of the shares will not be liable to pay any money to any person as a result of the insolvency of the Company, provided the Shares held are fully paid up.

All creditors of the Company including the shareholders who also have made loans to the Company, will rank ahead of shareholder claims. After all such creditors have been paid, the remaining assets will be available for distribution among the shareholders.

Can the investment be altered?

9. The terms of the Offer may be altered by the Company by an amendment to the Offer Document, details of which must be filed with the Registrar. Other than the right of the Board to extend the Closing Date for the offer, the terms cannot be altered after acceptance of an application.

10. The rights conferred on a holder of Shares are governed by the Company's Constitution and summarised in the section titled "What sort of investment is this?" on page 16. These rights may be negated, altered or added to by amendment of the Company's constitution. Section 117 of the Companies Act restricts the Company from taking any action that affects the rights attached to its shares, unless the action has been approved by special resolution of the shareholders whose rights are affected by such action. A special resolution must be approved by 75% of eligible shareholders voting on the resolution. Under certain circumstances, a shareholder whose rights have been affected by a special resolution may require the Company to purchase its shares.

11. The amount payable in respect of each Share cannot be changed, except by alteration to the Offer Document as set out above.

How do I cash in my investment?

12. Holders of Shares do not have any right to require the Company to redeem the shares and in general can most easily cash in their investment by selling their Shares. The Board will not be taking any steps to have any of the Company's securities quoted on any registered exchange and in the opinion of the Company, there will be a limited market for the sale of Shares. No charges are payable to the Company in respect of any sale of Shares although brokerage may be payable to a sharebroker. Further information on the charges payable on the sale of Shares is set out in the section titled "*What are the charges?*"

13. Shares are tradable, subject to the restrictions set out in the Constitution. In particular the Constitution provides that no person, together with their associates, can have a relevant interest in more than 20% of the Shares on issue at any time.

Who do I contact with enquiries about my investment?

14. Enquiries about the Shares can be made to:

Joe Clark
Operations Manager

Contact details are set out on page 45.

Is there anyone to whom I can complain if I have problems with the investment?

15. Complaints about the investment can be addressed to the Company at the address and phone/fax numbers set out on page 45. Complaints can also be made to the Registrar, C/- Registrar of Companies, Northern Business Centre, Level 18, ASB Centre, 135 Albert Street, Auckland 1010 (phone 0508 266 726; fax 0508 266 736).

16. There is no ombudsman to whom complaints about the Shares can be made. Any complaints about false or misleading information in the Offer document should be directed to the Financial Markets Authority PO Box 1179, Wellington 6140, Phone 04-472 9830, Fax 04-472 8076, www.fma.govt.nz.

What other information can I obtain about this investment?

17. Other information about the Shares and about the Company is contained elsewhere in this Offer Document. Copies of this Offer Document are available for public inspection through the Companies Office (www.companies.govt.nz).

18. As a shareholder of the Company, the subscriber will be provided with an annual report under the Companies Act. The Annual Report will include audited financial statements for the Company.

19. A copy of the Company's Constitution, which contains information relating to the rights attached to the Shares, is kept on the public file of the Company at the Companies Office and is available through the Companies Office website at www.companies.govt.nz or at the Companies Office address specified in paragraph 15 above. A copy can also be obtained free of charge from the registered office of the Company shown on page 9.

20. The following further information will be available free of charge from the Company upon request, as required by the Companies Act and the Securities Act:

- Certificate of Incorporation of the Company;

- Share Register;
- Full names and residential addresses of the Directors;
- Registered office and address for service;
- Minutes of all meetings and resolutions of shareholders;
- Copies of written communications to all shareholders during the preceding 10 years; including annual reports, financial statements and auditor's reports;
- Certificates given by Directors under the Companies Act;
- Interests Register of the Company; and
- The most recent prospectus and investment statement relating to ordinary shares in the Company.

The information set out in this clause should be requested from the Company at the address set out on page 45. If a subscriber requires a copy of or an extract from a document which is available for inspection, the Company may require the subscriber to pay a reasonable copying and administration fee, as prescribed by the Company.

This Offer Document has been duly signed by or on behalf of all the directors of Fressure Foods Limited as issuer:

____

W F Colville

____

A G Fenton

____

J E Schnackenberg

Fressure Foods Limited

Unaudited Interim Condensed Financial Statements

for the eight months ended

28 February 2011

Contents

Company directory

Nature of business	Fruit processor and marketer
Registered office and Principal place of business	Paerata Business Park 25 Crown Road Paerata Pukekohe New Zealand
Incorporation date & number	11 May 2009 2231851
IRD Number	103-012-635
Directors	VJ Dark (Chairman) WF Colville AG Fenton GJ Greenwood (resigned 22 March 2011) JE Schnackenberg
Accountants	CST Nexia
Auditor	KPMG Tauranga
Bankers	BNZ Pukekohe
Solicitors	Rice Craig Papakura Sharp Tudhope Tauranga

Directors' report

The Directors have pleasure in presenting the following interim condensed financial statements for the eight months ended 28 February 2011.

The Board of Directors of the Company authorised these interim condensed financial statements for issue on 26 May 2011.

For and on behalf of the Board of Directors:

AG Fenton – *Director*

Director

26 May 2011

JE Schnackenberg - *Director*

Director

26 May 2011

Fressure Foods Limited

Interim statement of financial position

As at 28 February 2011

	Note	28 February 2011 (unaudited) $	30 June 2010 (audited) $
Assets			
Property, plant and equipment	6	3,912,043	1,050,964
Intangible assets		4,362	4,362
Total non-current assets		**3,916,405**	**1,055,326**
Cash and cash equivalents	8	264,912	3,653,455
Trade receivables		117,411	3,563
Prepayments		12,657	8,736
GST refund due		84,969	162,872
Income tax receivable		12,660	-
Inventories	14	425,068	-
Derivative financial instruments		-	517
Total current assets		**917,677**	**3,829,143**
Total assets		**4,834,082**	**4,884,469**
Equity			
Share capital		5,342,648	5,342,648
Retained earnings (deficit)		(1,843,411)	(558,763)
Total equity		**3,499,237**	**4,783,885**
Liabilities			
Trade and other payables	7	85,962	-
Total non-current liabilities		**85,962**	**-**
Trade and other payables	7	1,238,124	100,584
Derivative financial instruments	9	10,759	-
Total current liabilities		**1,248,883**	**100,584**
Total liabilities		**1,334,845**	**100,584**
Total equity and liabilities		**4,834,082**	**4,884,469**

The accompanying notes form part of these interim condensed financial statements

Fressure Foods Limited
Interim statement of comprehensive income
For the eight months ended 28 February 2011

	Note	8 months ended 28 February 2011 (unaudited) $	2 months ended 30 June 2010 (audited) $
Sales		114,387	-
Cost of Sales	13a	(291,573)	-
Gross loss		(177,186)	-
Other income			
Grant received		40,537	-
Sundry income		14,879	-
Total other income		**55,416**	-
Expenses			
Distribution expenses		(25,443)	-
Marketing and promotions		(120,594)	(2,404)
Administrative expenses		(469,950)	(87,607)
Pre-production expenses	13b	(369,302)	(985)
Research and development		(123,132)	(23)
Feasibility/start up expenditure		-	(484,386)
Auditor's remuneration		(2,500)	(3,500)
Other expenses		(77,401)	-
Total expenses		**(1,188,322)**	**(578,905)**
Profit before finance (costs)/income and taxation		**(1,310,092)**	**(578,905)**
Finance income - interest earned		43,233	28,774
Finance expenses - interest paid and net losses on forward exchange contracts	7	(17,789)	-
Net finance income/(costs)		25,444	28,774
Loss before income tax expense		**(1,284,648)**	**(550,131)**
Income tax expense	10	-	(8,632)
Loss for the period		**(1,284,648)**	**(558,763)**
Other comprehensive loss		-	-
Total comprehensive loss for the period		**(1,284,648)**	**(558,763)**

The accompanying notes form part of these interim condensed financial statements

Fressure Foods Limited
Interim statement of changes in equity
For the eight months ended 28 February 2011

	Share Capital $	Retained Earnings $	Total Equity $
Balance at inception	-	-	-
Loss for the period	-	(558,763)	(558,763)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	558,763)	(558,763)
Transactions with owners in their capacity as owners:			
Issue of shares	5,476,000	-	5,476,000
Transaction costs on issue of shares	(133,352)	-	(133,352)
Balance at 30 June 2010	**5,342,648**	**(558,763)**	**4,783,885**
Loss for the period	-	(1,284,648)	(1,284,648)
Other comprehensive loss	-	-	-
Total comprehensive loss for the period	-	(1,284,648)	(1,284,648)
Transactions with owners in their capacity as owners:			
Issue of shares	-	-	-
Transaction costs on issue of shares	-	-	-
Balance at 28 February 2011	**5,342,648**	**(1,843,411)**	**3,499,237**

The accompanying notes form part of these interim condensed financial statements

Fressure Foods Limited
Interim statement of cash flows
For the eight months ended 28 February 2011

	Note	8 months ended 28 February 2011 (unaudited) $	2 months ended 30 June 2010 (audited) $
Cash flows from operating activities:			
Receipts from customers (including GST)		15,935	-
Payments to suppliers and employees (including GST)		(794,055)	(653,492)
Interest paid		(6,513)	-
Interest received		43,233	28,774
Grants received		40,537	-
Income tax paid	10	(12,660)	(8,632)
Net cash inflow / (outflow) from operating activities	11	**(713,523)**	**(633,350)**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(2,675,020)	(1,051,481)
Purchase of intangible assets		-	(4,362)
Net cash inflow (outflow) from investing activities		**(2,675,020)**	**(1,055,843)**
Cash Flows from financing activities			
Issue of shares		-	5,476,000
Transactions costs on issue of shares		-	(133,352)
Net cash inflow (outflow) from financing activities		**-**	**5,342,648**
Net increase (decrease) in cash and cash equivalents		**(3,388,543)**	**3,653,455**
Cash and cash equivalents at start of period		3,653,455	-
Cash and cash equivalents at end of period	8	**264,912**	**3,653,455**

The accompanying notes form part of these interim condensed financial statements

Fressure Foods Limited

Notes to the interim condensed financial statements

For the eight months ended 28 February 2011

1) Reporting Entity

Fressure Foods Limited ("the Company") is a limited liability company incorporated and domiciled in New Zealand and registered under the Companies Act 1993 and is unlisted. The Company is an issuer in terms of the Financial Reporting Act 1993.

The Company is designated as profit oriented for financial reporting purposes.

The Company was incorporated on 11 May 2009 commencing operations on 30 April 2010. For this reason the comparatives in the interim statement of comprehensive income are for the 2 months from 30 April 2010 to 30 June 2010 and not for the comparable interim period of the immediately preceding financial year.

The Company is primarily involved in the processing and marketing of avocado products.

These interim condensed financial statements have been approved for issue by the Board of Directors on 26 May 2011.

2) Basis of Preparation

These interim condensed financial statements for the 8 months ended 28 February 2011 have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all notes of the type normally included within the complete annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the complete annual financial statements.

It is recommended that the interim condensed financial statements be read in conjunction with the complete annual financial statements for the period ended 30 June 2010.

These interim condensed financial statements have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the complete annual financial statements and related notes for the period ended 30 June 2010. The preparation of interim financial statements also requires management to make judgements, estimates and assumptions. The Company has been consistent in applying the judgements, estimates and assumptions adopted in the complete annual financial statements for the period ended 30 June 2010.

3) New Accounting Policies and New Zealand Equivalents to International Financial Reporting Standards

New standards and amendments to existing standards which could be expected to have an impact on the Company's financial statements, which were available for early adoption but have not been adopted are stated below:

New Zealand Equivalents to International Financial Reporting Standard (NZ IFRS) 9: Financial Instruments: Classification and Measurement is the multi-phase NZ IAS 39 replacement project. The standard now specifies how an entity should classify and measure financial assets and financial liabilities. For financial assets, NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. It also adopts a single impairment method. Mandatory adoption of NZ IFRS 9 is required for periods commencing on or after 1 January 2013, therefore the Company will adopt the standard no later than the period commencing 1 July 2013. At this time it is not possible to estimate the impact of adoption.

4) Seasonality of operations

Supply of avocado fruit is for 9 – 11 months of the year (July to May) dependent upon early maturity (July) and national crop volume which has varied substantially, year by year (biennial bearing), with significant cost hikes during the "shoulder" or non-export part of the season (July to September, and March to May) when harvest volumes are reduced dramatically limiting domestic supply.

5) Operating segments information

The Company identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

For the current and prior period the Company has been viewed as one operating segment.

6) Property, plant & equipment

During the 8 months ended 28 February 2011, the Company acquired assets with a cost of $2,983,977. Assets with a cost of $1,045,339 were transferred from capital work in progress within property, plant and equipment to the respective categories of property, plant and equipment.

7) Trade and other payables

Included in trade and other payables is an amount of $206,137 payable to Multivac with deferred payment terms with $85,962 payable between 1 March 2012 and 1 October 2012 and is therefore shown as a non-current liability at 28 February 2011 in the interim statement of financial position.

Interest of $6,513 has been paid to the supplier on this deferred settlement arrangement during the interim period.

8) Cash and cash equivalents

	28 February 2010 (unaudited) $	**30 June 2010 (audited) $**
Cash and cash equivalents		
Bank balances	24,282	21,525
Call deposits	150,630	3,601,930
Short-term deposits	90,000	30,000
	264,912	**3,653,455**

At 28 February 2011 the Company had no overdraft or loan facilities in place with its bankers (30 June 2010: nil).

9) Hedge activities

At 28 February 2011 the Company held twenty seven foreign currency forward contracts for a nominal value of EUR237,083 designated as hedges of expected future payments of amounts owing to foreign suppliers at period end. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted payments.

As at 28 February 2011 an unrealised loss of $10,759 was included in finance expenses on the interim statement of comprehensive income in respect of these contracts.

10) Income tax

	For the 8 months ended 28 February 2011 (unaudited) $	For the 2 months ended 30 June 2010 (audited) $
Income tax expense		
The major components of income tax expense are:		
Current income tax charge	-	8,632
Deferred income tax	-	-
Income tax expense reported in profit or loss	**-**	**8,632**

The Company does not expect to make a taxable profit for the current financial year based on the interim results. Therefore there will be no income tax liability for the year. For the current interim period residents' withholding tax of $12,660 has been paid on interest earned and it is expected that this will be refunded by Inland Revenue Department.

11) Statement of cash flows reconciliation

	8 months ended 30 June 2011 (unaudited) $	2 months ended 30 June 2010 (audited) $
Reconciliation of net (loss)/profit after tax to net cash flows from operations		
Net loss for the period	(1,284,648)	(558,763)
Adjustment for:		
Depreciation	119,763	-
Asset written off	3,135	-
Net fair value change on derivatives	11,276	-
Working capital movements		
(Increase)/decrease in trade receivables	(113,848)	(3,563)
(Increase)/decrease in GST refundable	77,903	(162,872)
(Increase)/decrease in prepayments	(3,921)	(8,736)
(Increase)/decrease in inventories	(425,068)	-
(Increase)/decrease in tax receivable	(12,660)	-
(Decrease)/increase in trade and other payables**	914,545	100,584
Net cash from/(used) in operating activities	**(713,523)**	**(633,350)**

** excluding suppliers of items of property, plant and equipment

12) Related party transactions

Directors'/key management personnel remuneration

Director	8 months ended 28 February 2011 (unaudited)			2 months ended 30 June 2010 (audited)		
	Directors fees	Management/ consulting fees	Total	Directors fees	Management/ consulting fees	Total
	$	$	$	$	$	$
VJ Dark	13,333	32,312	45,645	3,332	8,687	12,019
GJ Greenwood	6,667	84,108	90,775	1,667	20,990	22,657
WF Colville	6,667	-	6,667	1,667	-	1,667
JE Schnackenberg	6,667	9,775	16,442	1,667	6,526	8,193
AG Fenton	6,667	-	6,667	1,667	-	1,667
	40,001	**126,195**	**166,196**	**10,000**	**36,203**	**46,203**

VJ Dark, GJ Greenwood and JE Schnackenberg as shown above have provided management / consulting services to the Company under standard Contracts for Service during the establishment phase of the Company prior to the appointment of full time staff, in addition to Director duties.

They are remunerated on the following basis for their management / consulting services:

VJ Dark	$125 per hour
GJ Greenwood	$83 - $100 per hour
JE Schnackenberg	$100 per hour

Other related party transactions

All Directors are avocado growers in their own right, through family business or family trusts. In the normal course of events the Company is likely to purchase fruit from them on the same terms and conditions as those entered into with other growers and grower shareholders. During the current period there have been no purchases of fruit from the Directors although Directors' fruit may have been supplied to the Company by their respective packing organisations in the ordinary course of business (30 June 2010: nil).

Commission of $7,840 (30 June 2010: nil) is payable to shareholders, Southern Produce Limited and Primor Produce Limited, which is 7% of sales made through these parties.

12) Related party transactions (continued)

Due (to)/from related parties

Party	Relationship	28 February 2011 (unaudited) $	30 June 2010 (audited) $
VJ Dark	Director	(4,130)	(5,877)
GJ Greenwood	Director	(13,746)	(13,422)
JE Schnackenberg	Director	(3,914)	(8,853)
Southern Produce Limited/Primor Produce Limited	Shareholders	(7,840)	-
		(29,630)	**(28,152)**

The above amounts have been included in the interim statement of financial position in trade and other payables.

Loans to directors

There are no loans to directors.

13a) Cost of Sales

The gross loss is principally due to the factory not operating at full capacity because of start up issues. The major expense contributing to this is the labour cost.

13b) Pre-production Expenses

Expenses incurred by the factory prior to commencement of production totalled $369,302. As these expenses were incurred prior to commencement of production they have been disclosed separately under expenses in the interim statement of comprehensive income.

Fressure Foods Limited

Notes to the interim condensed financial statements

For the eight months ended 28 February 2011

14) Inventories

	30 June 2011 (unaudited) $	30 June 2010 (audited) $
Raw materials	23,554	-
Packaging materials	41,859	-
Finished goods	355,212	-
Net cash from/(used) in operating activities	**420,625**	-

Once the Company was in a position to be fully productive, it was, availing itself of available fruit during the remaining export season which lead to the significant finished goods build up pending sales and fully utilizing contracted process staff availability. Almost all of this inventory has been frozen and thus has at least a twelve month shelf life prior to sale.

15) Update Of Operations Since 30 June 2010

Equipment – largely ordered and deposits paid prior to 30 June 2010 - was sourced locally where possible, but the main processing and materials handling equipment was purchased from offshore manufacturers who had supplied similar plant to a number of ultra high pressure (UHP) processing facilities world-wide.

Building and interior alterations and installation of processing rooms and ripening rooms was completed by late October 2010 and start up and commissioning of the plant did not eventuate until December rather than the planned start up in October due to equipment supply delays.

The original concept to focus on supplying the food service sector to gain early cash flow was changed to a retail focus when it became apparent by the end of 2010 that food service product was widely available and our price expectations could not be met. The change necessitated re-design of packaging and marketing strategy to gain quick access to customers but incurred delays over the Christmas period in getting final packaging stocks delivered so that finished product could be packed and product could be offered in final form for sale.

15) Update Of Operations Since 30 June 2010 (continued)

The total cost of the equipment, installation and commissioning was generally in line with predicted levels. Added cost came from additional compressed air and vacuum supply needed to meet the higher than anticipated demand for air supply as well as significantly higher costs than anticipated getting the leasehold premises up to a food grade standard.

Food safety clearance from the NZFSA was achieved early in January and immediately following that production began in earnest. At this point we were nearly three months behind the production and sales targets.

Our first sales occurred in February to Singapore and into a limited number of Foodstuffs supermarkets in Auckland. Multiple containers have now been sold to Japan – a market we are anticipating will continue and grow.

Retail sales into the New Zealand retail sector required further quality assurance standards to be met and the product has only recently been able to be launched extensively in both of the main New Zealand supermarkets.

Sales have subsequently progressed as expected following the change to the Company's sales strategy with the mild and spicy guacamole products performing well. Our products are now available to the two key NZ retail chains. Once sales are well established in these major supermarket chains, second tier retailers will become the focus. Initial discussions with these second tier retailers are in hand.

The sales to Singapore are expected to continue on an intermittent basis and the sales to Japan are expected to grow quickly to four containers, or around 24 tonnes, a month.

Entry to the Australian market will be deferred until new season supply is available. Discussions have progressed well with one of the major supermarket chains in Australia who are keen to take the Company's products once they are able to be incorporated into their range. Sales of up to 30 tonnes a month are anticipated starting in August this year but currently there are no commitments.

The expected sales growth in New Zealand and the projected sales to Japan, Singapore and Australia would take up all the current single shift manufacturing capability of 3 tonnes per day. Options to increase manufacturing capacity are being reviewed and will be implemented once the additional funding is obtained and need demonstrated by sales.

15) Update Of Operations Since 30 June 2010 (continued)

The late start-up and change to a retail focus has meant lower than predicted sales (and sales growth) and therefore revenues to this date, with a consequential significant impact on financial performance.

Essentially the Company is three to four months behind sales and cash flow forecasts. The actual loss for the period from 1 July 2010 to 28 February 2011 was $1.28 million.

The original $4.776 million raised in cash was anticipated to be sufficient to cover the funding requirements for capital equipment and working capital through to the point where profitable sales volumes were achieved. But because of the late start-up with committed overheads, the Company has needed to seek additional funds (as set out in Note 19) to continue operating until sales revenues meet the ongoing needs of the Company.

Additionally, the Company is intending to issue a Short Form Prospectus seeking to raise up to a further $1,216,815 by the issue of up to 1,216,815 shares for $1.00 each, with the right to accept oversubscriptions to 1,600,000 shares. The funds raised will:

- allow the short term funding from shareholders to be repaid (and the bank if the covenants are breached and bank support not continuing),
- provide additional working capital to enable the Company to continue trading until it becomes profitable,
- allow the additional resources (key management staff) and equipment to be purchased to improve the reliability and capacity of the process line, and
- fund increased promotional marketing activity that is required to quickly develop the retail markets in New Zealand, Australia, Japan and Singapore.

The Company has established a high quality production facility which is generally working well, and a good understanding has been gained of the intricacies of the process. The fundamentals of the business remain strong and the prospects for the upcoming financial year remain very positive.

The sales anticipated by the Board will fully utilise the Company's manufacturing capability and the forthcoming predicted large avocado crop will also ensure that Fressure Foods has access to a cost effective high volume supply of avocados. This will allow the Company to take advantage of the expected strong demand for its products as they become established in their respective market places through sound promotional activity.

15) Update Of Operations Since 30 June 2010 (continued)

To capture these opportunities additional capital above that necessary for cash flow purposes is required. The approximately $1.217 million that is sought through this Offer is expected to provide a strong financial base for the Company for the foreseeable future without needing to source further third party funds.

16) Joint Venture

During the current interim period a joint venture company, Fressure International Limited, was established between Southern Produce Limited, Primor Produce Limited and the Company to undertake the distribution and sale of all Fressure Foods products except those tolled for third parties under existing distribution arrangements. The Company holds 50% of the shareholding in the joint venture. Fressure International Limited did not trade during the current interim period. Therefore the joint venture results are not incorporated in these interim condensed financial statements. The joint venture agreement is yet to be fully executed.

17) Commitments

There are no significant commitments at 28 February 2011 (30 June 2010: The Company had contractual obligations to purchase plant and equipment for $3,028,610 for the construction of the factory.)

18) Contingencies

There are no significant contingencies at 28 February 2011 (30 June 2010: The Company was defending a dispute raised by the Inland Revenue Department in relation to a portion of GST claimed on the Information Transfer Agreement. The dispute estimate was $13,815. This dispute was settled during the interim period for $2,660).

19) Post Balance Date Events

Subsequent to balance date the Company has been advanced loans totaling $350,000 by two directors (or shareholders associated with Directors) and separate loans of $50,000 by one shareholder and US$100,000 by another shareholder. The NZ dollar denominated loans are at a fixed interest rate of 10.5% and the US$ denominated loan (for which forex cover has been taken) is at an interest rate of 5.5%. All of these loans have a fixed term of 30 September 2011 but the Shareholder Loan Agreements require repayment of the shareholder loans from the intended May 2011 Share Offer proceeds. The Board may elect, by agreement with some or all of the shareholder lenders, to defer part of full repayment of shareholder loans to a later date.

Fressure Foods Limited

Notes to the interim condensed financial statements

For the eight months ended 28 February 2011

19) Post Balance Date Events (continued)

The loans are secured by a general security agreement granting a second ranking security interest in all of the Company's property (present and subsequently acquired).

The lenders are as follows:

Shareholder	**Loans**
VJ & AM Dark (VJ (Vern) Dark, Chairman of Directors)	NZ$100,000
Shirttail Orchards Limited (Director, Walter F (Wally) Colville is a 50% shareholder of this company)	NZ$250,000
RB Freeman & SG Soltysik & Far North Trustee Services 1998 Ltd	NZ$50,000
NZ$ TOTAL	**NZ$400,000**
JB Clark	**US$100,000**

If the lenders of the loans apply for shares in the current offer prior to repayment of any unpaid balances of the loans, the lenders may require the Company to repay the unpaid balances to the extent required to pay the subscription amount payable by the lender in respect of the subscription shares no later than the date on which the lender is required to pay the subscription amount.

Subsequent to balance date the Company has also been offered a working capital credit facility of up to $300,000 by the bank. For the first six months only interest is payable on the amount drawn down and after that interest and the principal amount is payable over 42 months. Interest is 9.87% and can be adjusted with market movements. The facility is secured by a first ranking general security over the assets and undertakings of the Company plus specific security over named plant items.

20) Going Concern

The interim condensed financial statements have been prepared on a going concern basis the validity of which depends on the success of the current offer and/or the availability of additional funding from the bank and/or other parties.

Glossary

Board	means the board of directors of Fressure Foods Limited, acting as a board.
BRC	means British Retail Consortium, an internationally recognised food safety accreditation standard for retail foods.
Closing Date	Means 8 July 2011.
Company	means Fressure Foods Limited.
NZFSA	means New Zealand Food Safety Authority.
Offer	means the offer of up to 1,216,815 ordinary shares on the terms set out in this Offer Document.
Offer Document	means this combined Prospectus and Investment Statement.

Directory

Issuer:

Fressure Foods Limited
Paerata Business Park
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Paerata
Pukekohe
P.O. Box 304
Pukekohe
Phone: (09) 239 2068
Contact: Joe Clark, Operations Manager (email: joe@fressurefoods.co.nz)

Directors of the Issuer:

Walter Frederic Colville
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Kaitaia 0484

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