



Allied Brands Limited
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For immediate release to the market

ALLIED BRANDS Limited (ASX: ABQ)

Thursday 14th December 2009.

Allied Brands secures \$4.9m funding from the New York institutional investor SpringTree Special Opportunities Fund – to assist in the growth of the Franchise Services Division.

Allied Brands has secured a convertible credit facility of up to \$4.9 million over the next twenty four months from SpringTree Special Opportunities Fund, LP (the “Fund”). The Fund is managed by SpringTree Global Investors, LLC (“SpringTree”), a New York asset management company that makes equity and debt investments in public companies around the world.

These funds will be utilised for working capital to help establish the franchising services arm of Allied Brands.

The agreement provides that over the next two years funds will be extended to Allied Brands under the following terms:

- An initial convertible note placement of \$150,000 with a coupon rate of 6%. The initial note is convertible at the election of the Fund. Further tranches of \$100,000 per month, interest-free and fee-free, will be drawn down monthly.
- The company may draw down additional funds of up to a total of \$200,000 per month, but these additional funds attract a 5% fee.
- The subsequent tranches will be convertible at the conversion price equal to the lower of 90 per cent of the VWAP (value weighted average price) per share during a specified period prior to their conversion or 24.7 cents.
- Allied Brands has the option to repay the monthly tranches of this facility in cash rather than issuing equity, and the financial facility is totally subordinated and not subject to any profit or financial covenants.

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- The purpose for this convertible credit facility is to fund working capital requirements fuelled by the growth opportunities of the franchise services division. The company is in advanced discussions with several retail franchise systems in this regard.
- There is an initial establishment fee of 1,092,792 ABQ shares. Allied Brands has also granted the Fund 3 million options exercisable at 130 per cent of the average of the volume-weighted average prices per share for the 20 trading days prior to the date of execution of this agreement.

The CEO of Allied Brands Shane Radbone said, "This is a great coup for the group. Investment from the reputable New York institutional investor SpringTree Special Opportunities Fund is testimony to our new strategy and the opportunities in the market for our Franchise services division both domestically and internationally. It also raises our profile in the US and international financial markets and shows that we are now firmly on the international institutional investor radar screen for the first time".

Jeff Easton, a Managing Director of SpringTree, commented, "We have been very impressed with the current management of Allied Brands and the strategic opportunities in the Australian and international market for the Allied Brands business. This is our fourth Australian investment, and we have been encouraged by the successes of our Australian portfolio companies."

<ENDS>

For further information contact:

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CEO Allied Brands
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For Media queries

Marshall Hall
Consulting Hall
0404 195 896.

SpringTree Global Investors, LLC contact:

Jeff Easton
Managing Director
+1 212 255 3552



About Allied Brands Limited

Allied Brands is a company specialising in the franchising sector based in Australia.

Allied has three divisions to its business model.

The first division is the Retail Franchising division, which includes the following brands : Baskin Robbins, Cookie Man, Villa and Hut and Kenny's Cardiology. This division also has a focus on vertical integration with its own manufacturing facility in Sydney providing a range of products to the franchised stores, including coffee and cookie dough. It makes its money through a percentage of sales royalty income stream and margin from the manufacturing facility.

The bulk of the Retail Franchised businesses are based in Australia, however, the Cookie Man brand has stores in India, China, Greece and Singapore.

The second division is the Direct to the Home division, which includes the following brands : Awesome Water and Awesome Entertainment. This is a direct to the home model providing water cooler and LCD plasma screens to the home.

The third division is the newly launched Franchised services division. This is a service division to the franchising sector providing services to assist franchise companies and/or those wanting to franchise. The recent announcement in November 2009, included the winning of the first franchise service contract with Bay Swiss/Freedom Homes.

Headquartered on the Gold Coast, Allied Brands is listed on the Australian Securities Exchange, under the ASX code of ABQ. For more information about Allied Brands, visit www.alliedbrands.com.au

About SpringTree Global Investors, LLC

SpringTree Global Investors, LLC (www.springtreegi.com) is a New York-based asset management company that makes debt and equity investments in public companies around the world with a focus on small-cap and mid-cap companies requiring US\$5-US\$150 million in debt and/or equity. It invests across a broad range of industries and a wide range of geographies and economic environments.



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14 January 2010

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Notice under section 708A (5)(e) of the Corporations Act 2001 (Cth)

As a disclosing entity, Allied Brands Limited (ABQ) is subject to regular reporting and disclosure obligations. Allied Brands Limited gives notice under section 708A (5)(e) of the Corporations Act 2001 (Cth) ("Corporations Act").

- (a) ABQ issued 3,092,792 fully paid ordinary shares and 3,000,000 options and \$150,000 convertible notes convertible at 24.7cents or 90% VWAP at time of conversion to sophisticated investors on 14 January 2009 without disclosure to those investors under Part 6D.2 of the Corporations Act;
- (b) As at the date of this notice, ABQ has complied with:
 - i. the provisions of Chapter 2M of the Corporations Act as they apply to ABQ; and
 - ii. section 674 of the Corporations Act.
- (c) As at the date of this notice all information of the kind that would be required to be disclosed to the market for the purposes of sections 708A(7) and (8) of the Corporations Act has been disclosed to ASX and there was and is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; or
 - ii. that Investors and their professional advisers would reasonably require for making an informed assessment of:
 - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of ABQ; or
 - (b) the rights and liabilities attaching to the ordinary shares of ABQ,

Yours Faithfully

James Fay
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Allied Brands Limited

ABN

20 108 958 274

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares and Share Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 3,092,792 Ordinary Shares
3,000,000 Share Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1,092,792 Fully paid Ordinary Shares

2,000,000 ordinary shares (collateral)

3,000,000 Share Options granted in accordance with the terms of the Convertible Loan Agreement due to expire on 13 January 2015.

Convertible Notes to the value of \$300,000 issued in accordance with the terms of the Convertible Loan Agreement. |

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Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	<p>Yes, shares rank equally with all other issued shares, including for dividends.</p> <p>Share options grant the holder the right but not the obligation to be issued one Ordinary Share. Options do not entitle the holder the right to vote or entitlement to dividend.</p> <p>Convertible notes are issued in accordance with the terms of the Convertible Loan Agreement.</p>
<p>5 Issue price or consideration</p>	<p>2,000,000 ordinary shares issued at nil consideration to secure the loan in accordance with the Convertible Loan Agreement</p> <p>1,092,792 ordinary shares issued at \$0.1345 (total \$147,000)</p> <p>3,000,000 share options issued in accordance with the Convertible Loan Agreement</p> <p>Convertible Notes issued in accordance with the terms of the Convertible Loan Agreement</p>

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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>2,000,000 ordinary shares issued as Collateral Share Holding in accordance with terms of the Convertible Loan Agreement</p> <p>1,092,792 ordinary shares issued as Commitment Shares in accordance with terms of the Convertible Loan Agreement</p> <p>3,000,000 share options issued as Commitment Options in accordance with terms of the Convertible Loan Agreement</p> <p>Convertible Notes issued in accordance with the terms of the Convertible Loan Agreement</p>
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<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>14 January 2010</p>
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Number	+Class
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Appendix 3B
New issue announcement

8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<p>190,903,344</p> <p>Including:</p> <p>1,666,666 escrowed until 2 February 2010</p> <p>250,000 escrowed until 5 March 2010</p> <p>1,299,529 escrowed until 5 May 2010</p> <p>2,546,282 escrowed until 5 May 2010</p> <p>983,557 escrowed until 5 May 2010</p> <p>555,179 escrowed until 5 May 2010</p> <p>1,923,248 escrowed until 5 May 2010</p> <p>384,513 escrowed until 5 May 2010</p> <p>1,333,333 escrowed until 27 July 2010</p> <p>333,333 escrowed until 27 July 2010</p> <p>300,000 escrowed until 27 July 2010</p> <p>100,000 escrowed until 8 October 2010</p> <p>66,667 escrowed until 8 October 2010</p> <p>166,667 escrowed until 8 October 2010</p> <p>1,666,666 escrowed until 2 February 2011</p>	Fully Paid Ordinary Shares
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230,769 escrowed until 6 February 2011	
333,334 escrowed until 27 July 2011	
1,666,668 escrowed until 2 February 2012	
333,334 escrowed until 27 July 2012	
2,000,000	Ordinary Shares Held as collateral
29,372,394	Options expiring 28 December 2010 exercisable at \$0.60

Number	+Class
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Appendix 3B
New issue announcement

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	3,000,000	Options expiring 13 January 2015 exercisable in accordance with the terms of the Convertible Loan Agreement
		400,000	Options expiring 22 May 2011 exercisable at \$0.35
		150,000	Convertible Notes granted to the value of \$150,000 a price determined in accordance with the terms of the Convertible Loan Agreement
		11,580,000	Convertible Notes
		1,200,000	Partly paid \$0.60 Shares
		900,000	Partly paid \$0.65 Shares
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not Applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	

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- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations

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Appendix 3B
New issue announcement

- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders
- 25 If the issue is contingent on *security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do *security holders sell their entitlements *in full* through a broker?
- 31 How do *security holders sell *part* of their entitlements through a broker and accept for the balance?

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32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1(shares only)

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
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39	Class of +securities for which quotation is sought	
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40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
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41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	
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42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 50px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company Secretary

Date: 14 January 2010

Print name: James Fay

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