

Market Announcement

13 September 2018

CLEANSING NOTICE

Fonterra Co-operative Group Limited – offer of financial products of same class

Fonterra Co-operative Group Limited ("**Fonterra**") gives notice under clause 20(1)(a) of Schedule 8 of the Financial Markets Conduct Regulations 2014 ("**Regulations**") that it proposes to issue up to 534,081 new co-operative shares in Fonterra ("**New Shares**") to shareholders eligible to participate in the 2018 Farm Source Dollars for Shares Offer ("**Offer**").

Under the Offer, eligible shareholders may apply to use their Farm Source Dollars ("**FS\$**") to acquire new shares. To be eligible, a shareholder must have a registered address in New Zealand, need to acquire shares to meet the minimum shareholding requirement for the 2018/19 season and apply to redeem at least FS\$500. The Offer will be available from 14 - 28 September 2018.

The Offer is being made to shareholders in reliance upon the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 ("**FMCA**").

The Offer is for co-operative shares in Fonterra, and therefore the New Shares are of the same class as those already quoted on the Fonterra Shareholders' Market for the purposes of the FMCA and the Regulations.

As at the date of this notice, Fonterra is in compliance with:

- the continuous disclosure obligations (as defined in the Regulations) that apply to it in relation to the co-operative shares; and
- its financial reporting obligations (as defined in the Regulations).

As at the date of this notice, there is no information that is excluded information (as defined in the Regulations).

The Offer is not expected to have any effect on the control of Fonterra within the meaning set out in clause 48 of Schedule 1 of the FMCA.

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