



ANNOUNCEMENT

29 August 2014

Fonterra Notifies Rating Agencies' Reviews

Fonterra Co-operative Group Ltd has been notified by Fitch Ratings and Standard & Poor's Ratings Services that they have reviewed Fonterra's credit rating.

Fitch Ratings has affirmed Fonterra's long and short-term issuer default ratings at AA- and F1+, with a stable outlook. Fitch has also affirmed the ratings of Fonterra's senior unsecured notes at AA-, subordinated notes at A+, and commercial paper at F1+.

Standard & Poor's has affirmed Fonterra's short-term rating of A-1 but has lowered its long-term rating on Fonterra and its rated senior unsecured notes to A from A+ with a stable outlook on the long-term rating. Standard and Poor's has also lowered the rating on Fonterra's subordinated notes to A- from A.

Chief Financial Officer Lukas Paravicini said the two agencies' ratings of AA- and A continued to reflect Fonterra's solid balance sheet position, and strong liquidity and gearing.