

Market Announcement

3 SEPTEMBER 2014

CHANGE TO NOTIFICATION OF ALLOTMENTS / REDEMPTIONS OF UNITS

The Fonterra Shareholders' Fund ("**Fund**") has sought and obtained a waiver from NZX Regulation ("**NZXR**") in relation to NZX Main Board Listing Rule ("**Rule**") 7.12.1.

The Fund currently files allotment / redemption notices in accordance with Rule 7.12.1 in respect of allotments / redemptions of units in the Fund that occur on each trading day. As a result, allotment / redemption notices are filed almost daily. The Fund considers that the frequency with which these notices are filed imposes an administrative burden on the Fund without providing any significant benefits to the market in terms of the information disclosed.

In broad terms, the waiver that the Fund has obtained from Rule 7.12.1 permits the Fund to file monthly (instead of daily) allotment / redemption notices in respect of the net allotments / redemptions of Units during that calendar month. However, the Fund will still be required to file a separate allotment / redemption notice in respect of:

- any trading day on which the total number of units issued combined with the total number of units redeemed exceeds 1% of the number of units then on issue; and
- any allotments / redemptions that occur otherwise than as a result of "daily trading". The term "daily trading" is defined in the waiver granted by NZXR and captures allotments / redemptions that occur as part of the normal operation of the Fund.

The Fund will rely on this waiver as from Monday 8 September 2014.

-ENDS-

For further information contact:

Abhy Maharaj

Director Equity Markets

Phone: +64 21 879 458