

# Media release

Monday 16 March 2015

## FONTERRA COMPLETES BEINGMATE PARTIAL TENDER OFFER

Fonterra Co-operative Group Limited today confirmed that it has completed the partial tender offer and will acquire 18.8 per cent of leading Chinese infant formula manufacturer, Beingmate Baby & Child Food Company Ltd. The transaction will be closed in the next few days.

Chief Financial Officer Lukas Paravicini said the companies had earlier made provision for the possibility of the Partial Tender Offer reaching slightly less than 20 per cent.

“Our goal was to acquire up to 20 per cent. We are extremely satisfied and confident that the partnership can and should proceed on the basis of the 18.8 per cent stake. It is a good result.

“Over the next few weeks, Fonterra and Beingmate will now move ahead with the next phase of our partnership, which includes establishing a joint venture to purchase the Darnum plant in Australia and finalising a distribution agreement making Beingmate Fonterra’s exclusive Annum™ distributor in mainland China,” said Mr Paravicini.

Number of Beingmate Baby & Child Food Company Ltd shares on issue (rounded)	1,022 Million
Number of shares acquired by Fonterra (rounded)	192.4 Million
Cost per share	RMB18./ share
Total cost excluding transaction fees (rounded)	RMB 3,464 million
Percentage of Beingmate Baby & Child Food Company Ltd shares gained by Fonterra (rounded)	18.8%

Last August, Fonterra and Beingmate announced that they intended to form a global partnership to help meet China’s growing demand for infant formula. The partnership will create a fully integrated global supply chain from the farm gate direct to China’s consumers, using Fonterra’s milk pools and manufacturing sites in New Zealand, Australia, and Europe. It is intended to increase the volume and value of Fonterra’s ingredients and branded products exported to China.

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**For further information contact:**

Daniel Wrigley  
Fonterra Communications  
Phone: +64 21 820 679

24-hour media line  
Phone: +64 21 507 072

**About Fonterra**

Fonterra is a global leader in dairy nutrition – the preferred supplier of dairy ingredients to many of the world's leading food companies. Fonterra is also a market leader with our own consumer and foodservice dairy brands in Australia/New Zealand, Asia/Africa, Middle East and Latin America.

The farmer-owned New Zealand co-operative is the largest processor of milk in the world, producing more than two million tonnes of dairy ingredients, specialty ingredients, foodservice products and consumer products every year. Drawing on generations of dairy expertise, Fonterra is one of the largest investors in dairy based research and innovation in the world. Our more than 18,000 staff work across the dairy spectrum from advising farmers on sustainable farming and milk production, to ensuring we live up to exacting quality standards and delivering every day on our customer promise in more than 100 markets around the world.

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