

# Market Announcement

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12 DECEMBER 2016

## **FONTERRA CONFIRMS FORECAST FARMGATE MILK PRICE FOR DIRA**

Fonterra is required to consider its forecast Farmgate Milk Price every quarter as a condition of the Dairy Industry Restructuring Act (DIRA). For this purpose, Fonterra Co-operative Group Limited today confirmed the forecast Farmgate Milk Price of \$6.00 per kgMS announced in November.

Fonterra also confirmed forecast earnings per share range for the 2017 financial year of 50 to 60 cents, and the monthly Advance Rate Schedule of payments to farmer announced in November remains unchanged.

Chairman John Wilson said the current forecast milk price continues to reflect improving global milk prices, due to lower supply from New Zealand, Australia and Europe and steady demand worldwide, but also acknowledged ongoing volatility.

ENDS

**For further information contact:**

Simon Till  
Director Capital Markets  
Phone: +64 21 777 807