



## Market Announcement

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23 December 2020

### **SALE OF WHOLLY OWNED CHINA FARMS RECEIVES ANTITRUST CLEARANCE**

As previously announced in October 2020, Fonterra agreed to sell its two wholly-owned farming hubs in China to Inner Mongolia Natural Dairy Co. Ltd, a subsidiary of China Youran Dairy Group Limited (Youran). The transaction is subject to anti-trust clearance and other regulatory approvals in China.

Fonterra can now advise that the anti-trust clearance has been received. Subject to obtaining the remaining regulatory approvals in China, Fonterra expects to complete the sale within this financial year.

The transaction value initially indicated of RMB 2.31 billion remains subject to usual purchase price adjustments. As previously announced, Fonterra intends to use the cash proceeds from the transaction to pay down debt, as part of its overall debt reduction programme.

ENDS

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