

10 July 2015

Fonterra Co-operative Group Limited
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Dear Noteholder,

CAPITAL NOTES INTEREST RATE RESET NOTICE

In accordance with the terms and conditions of Fonterra Co-operative Group Ltd's capital notes, the interest rate payable on the notes was recently reset from 5.59% per annum to 4.69% per annum.

Under the terms on which the perpetual capital notes were issued, the interest rate is reset on 10 July each year to the current Base Rate (being the one year Treasury Bank Bill rate) plus a margin based on the capital notes' credit rating. As the credit rating of the capital notes is unchanged, the new interest rate reflects the lower Base Rate. The new interest rate will apply until 10 July 2016, unless there is a change in the credit rating of the capital notes in the interim.

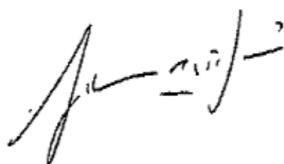
The next quarterly interest payment on the notes is due to be made on 12 October 2015 to those holders registered on 02 October 2015.

As at the date of this notice there is \$35,083,679 principal amount of capital notes on issue to holders other than Fonterra Co-operative Group Limited. All notes rank equally.

If you have any questions about this advice, please contact Link Market Services, PO Box 384, Ashburton, New Zealand, phone +64 (3) 308 8887, fax +64 (3) 308 1311, or e-mail

imsenquiries@linkmarketservices.com.

Yours faithfully,



Simon Till
Group Treasurer