Chief Executive Officer's Email

13 December 2022

Subject: Further information on sale of DPA Brazil JV

Kia ora [name],

You will have seen my note this morning regarding the sale of our Dairy Partners Americas (DPA) Brazil joint venture to French dairy company Lactalis. This is great news given we have had this asset held for sale for the last two years. As I mentioned there are regulatory authority approvals to be obtained prior to a final settlement.

I referenced the BRL 700 million (approximately $210 million) sale price. Fonterra's 51% share of these sale proceeds will be used to repay debt related to that business and given the asset has been held for sale since 2020 there will be little cash impact on Fonterra's earnings. We will provide an update on the final, overall impact of our divestment programme as part of our FY23 financial reporting.

We will keep you updated as the divestment process proceeds.

Ngā mihi
Miles