



Market Announcement

19 April 2022

Fonterra responds to Castalia report on share price and Milk Price

Castalia has published a report criticising Fonterra's capital structure changes that received over 85% support from Fonterra's shareholders in December 2021. The report was commissioned by Fonterra's largest competitor for New Zealand raw milk.

Fonterra disagrees with the report and a number of its conclusions including the assertion that protections for a fair milk price will be eroded and that the restructure will cause Fonterra's Milk Price to increase. Fonterra also notes that Castalia estimates Fonterra's future share price on the basis of possible dividends up to 2030 but appears to assume that Fonterra has zero value at the end of 2030. Fonterra considers this to be a misleading approach to valuing its shares.

The report contains no perspectives not previously considered by Fonterra and discussed with shareholders in the lead up to the 2021 vote.

ENDS

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