



# Market Announcement

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19 February 2025

## Fonterra provides update on Consumer divestment process

Fonterra Co-operative Group Ltd has today provided an update on the process to divest its global Consumer business and integrated businesses Fonterra Oceania and Sri Lanka.

Fonterra CEO Miles Hurrell says the Co-op's decision to pursue a divestment is grounded in an understanding of where it creates the most value for farmers today and where there's further room for growth.

"We are clear on our strategy and have a pathway to grow further value for farmer shareholders and the New Zealand economy through our innovative Foodservice and Ingredients businesses. At the same time, we recognise the responsibility we have to find the right steward for iconic brands such as Anchor™, Mainland™ and Western Star™ and an ownership structure that allows these businesses to continue to grow.

"We announced in November 2024 that we are pursuing both a trade sale and Initial Public Offering (IPO) as potential divestment options. Our intention is to thoroughly test the terms and value of both a trade sale and IPO before selecting an option to put to farmer shareholders for a vote. Ahead of that, we are today indicating the next steps that are required in both processes," says Mr Hurrell.

As part of the trade sale process, over the coming weeks Fonterra will be engaging with potential buyers of the Consumer and associated business.

Alongside this, as part of preparing for a potential IPO, Fonterra has named key management team members and chosen a corporate brand for the entity if it is to be publicly listed.

"Fonterra has chosen Mainland Group as the corporate brand for the group if we are to proceed with an IPO. The Mainland™ brand has strong New Zealand dairy heritage and is also well known by consumers in New Zealand, Australia and across many of our global markets," says Mr Hurrell.

"I'm pleased to share that René Dedoncker has been named as CEO-elect for Mainland Group. René is currently Fonterra's Managing Director Global Markets Consumer and Foodservice, leading the businesses in scope for divestment. He joined Fonterra in 2005 and has held several global leadership positions during that time. He has led our Australian business since 2017, including through its recent merger with Fonterra Brands New Zealand to form Fonterra Oceania.

“We have also appointed Paul Victor as CFO-elect for Mainland Group. Paul has joined Fonterra from ASX-listed Incitec Pivot Limited, where he was Chief Financial Officer. Paul brings more than 30 years of experience, working across functions including finance, treasury, tax, financial planning and analysis, control, M&A, investor relations and IT.

“René and Paul are very capable leaders with the experience to take these businesses forward into their next phase. Both will lead roadshow meetings with potential investor groups, commencing in March.

“We recognise the ongoing interest in the divestment process and will provide further updates as we make progress,” says Mr Hurrell.

Fonterra’s chosen option will balance:

- Maximising long term value for farmer shareholders, including the best return on capital invested;
- Cementing Fonterra’s competitive advantage in Ingredients and Foodservice; and
- Expanding international channels to market for high-quality New Zealand dairy.

Fonterra continues to target a significant capital return to be made to farmer shareholders and unit holders following the divestment.

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