

PRESS RELEASE

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Goch (Germany), Amersfoort (The Netherlands), Auckland (New Zealand)

DMV-Fonterra Excipients and DOMO-pharma business under one ownership

DMV-Fonterra Excipients, the 50/50 joint venture between Royal FrieslandCampina and Fonterra for pharmaceutical excipients, has announced to buy the activities of FrieslandCampina Domo in pharmaceutical lactose as per 1 March 2010. This will further strengthen the knowledge base, sales network, sourcing and R&D capability. This, in turn, will improve the ability to better serve worldwide pharmaceutical customers in providing non-active ingredients for medicines, such as tablets and inhalation concepts. The new combination will have an annual turnover of approximately EUR 120 million.

The transaction brings together two companies with more than 100 years of experience in supplying the pharmaceutical industry. Both have successfully built up their own customer base, which they serve from their individual production facilities. DMV-Fonterra Excipients sources its products in Europe and New Zealand, while FrieslandCampina Domo-Pharma sources its products in Europe. They were the first in the market to develop inhalation grade lactose, which is used for inhalation medicines.

Shared technology and experience

"This transaction underlines the shared ambition of FrieslandCampina and Fonterra to further develop their excipients business through the joint venture DMV-Fonterra Excipients", says Frans Visser, COO at FrieslandCampina responsible for the Ingredients business group.

Long-term synergies will be achieved by improving the shared base of the two companies. This includes: the core technology and experience in producing pharmaceutical lactose; the shared knowledge base needed for innovations, formulations and applications; and the shared expertise in dedicated quality systems applicable to the production of pharmaceutical ingredients. The integration will create a broader base for future investments to better serve customer needs. "These synergies will benefit the shareholders of Fonterra and FrieslandCampina as well as customers", explains Andrei Mikhalevsky, Fonterra's Managing Director for Ingredients.

Continuity for customers

"After the integration, DMV-Fonterra Excipients and Domo Pharma will continue to serve their own customers in their own distinct and successful ways with their well-known product ranges. By doing so, we offer the customers consistent reliability and continuity, which are essential in the global pharmaceutical industry", according to Herman Ermens, CEO of DMV-Fonterra Excipients. The Domo infant food grade lactose business will stay within FrieslandCampina Domo.

The total value of the transaction is EUR 52.5 million (NZD 106 million), which will be equally divided between both joint venture partners. The transaction concerns the formulas, marketing activities, sales and distribution channels and use of the Domo name for pharmaceutical excipients. In addition, in future the

current FrieslandCampina locations which produce for Domo Pharma and DMV-Fonterra Excipients will serve both brands. The number of employees involved will not change due to this transaction.

The transaction is subject to regulatory and other approvals. The employee representative bodies have been informed.

About DMV-Fonterra Excipients

DMV-Fonterra Excipients is a 50/50 joint venture between Royal FrieslandCampina and Fonterra. It develops, produces and markets excipients to the pharmaceutical industry worldwide (excipients are non-active pharmaceutical ingredients). DMV-Fonterra Excipients has its own production locations in Germany, the Netherlands and New Zealand. The joint venture has more than 100 years of experience in the pharmaceutical market and supplies its global customers through a sales and distribution network with over 100 offices worldwide.

About FrieslandCampina Domo-Pharma

FrieslandCampina Domo-Pharma was previously owned by Friesland Foods. Following the merger of Friesland Foods and Campina at the end of 2008, it is now part of FrieslandCampina and markets pharmaceutical lactose, among other products, to the pharmaceutical industry. FrieslandCampina Domo manufactures a complete range of pharmaceutical grade lactose with production locations in the Netherlands. FrieslandCampina Domo serves its global customer base through an extensive network of sales offices and exclusive distribution partners with a strong customer focus.

About Royal FrieslandCampina

Royal FrieslandCampina is an international farmers' owned dairy company. It achieves worldwide turnover of EUR 9.5 billion (2008) and has about 21,000 employees across the globe. Its 16,000 member farmers are located in the Netherlands, Germany and Belgium. They supply 8.6 billion kilos of milk annually. FrieslandCampina is active in over 130 countries in both consumer and industrial products.

About Fonterra

Fonterra Ltd, is a subsidiary of Fonterra Co-operative Group Ltd, an international dairy co-operative with turnover of USD 16 billion and approximately 10,500 dairy farmer shareholders. Fonterra Co-operative Group Ltd. operates in 140 countries worldwide and has about 18,000 employees.