
# Market Announcement

23 January 2026

## Fonterra releases materials for February Special Meeting

Fonterra Co-operative Group Ltd has today provided further details on the upcoming shareholder vote related to the return of capital that's expected from the sale of its global consumer and associated businesses, Mainland Group, to Lactalis.

The Co-operative is targeting a tax-free capital return of $2.00 per share to shareholders and unit holders, equivalent to around $3.2 billion, once the sale is complete.

See attached a copy of the Notice of Meeting for the upcoming Special Meeting, at which shareholders will be asked to vote to approve the scheme of arrangement related to the proposed capital return.

The Special Meeting will be held virtually at 10:30am on Thursday 19 February 2026.

The Notice of Meeting, including the Explanatory Notes, provides shareholders with the information required to enable them to vote.

In accordance with the Initial Court Orders, relevant materials being sent to farmer shareholders are also attached.

**Update on process to complete divestment**

The sale of Mainland Group to Lactalis remains subject to receiving certain regulatory approvals and separation of the business from Fonterra.

Fonterra can confirm that Lactalis has received approval from Australia's Foreign Investment Review Board (FIRB) for the acquisition.

The separation activity is also progressing well and, provided the remaining regulatory approvals are received within the expected timeframes, the Co-operative now expects the transaction to be complete in the first quarter of the 2026 calendar year.

Holding the shareholder vote on the capital return in February will enable Fonterra to return capital to shareholders and unit holders as soon as possible after the transaction is complete.

**An overview of how the capital return will work**

The capital return will be a pro rata return of capital effected by a Court approved scheme of arrangement under Part 15 of the Companies Act 1993.

The process of implementing the capital return involves a share buyback and then cancellation and subdivision of shares so that shareholders hold the same number of shares after the capital return as they did beforehand.

This is designed to ensure no shareholder's compliance with Fonterra's minimum shareholding requirements or their voting entitlement is affected by the capital return.

As previously indicated, the payment should be tax-free, although it is recommended that shareholders and unit holders obtain independent tax advice on the effect of the capital return based on their individual circumstances. Page 8 of the Notice of the Meeting includes a section on taxation with further details.

**Next steps**

The capital return requires approval by at least 75% of the votes cast on the resolution at the Special Meeting.

If the resolution is approved, Fonterra will seek final Court approval to undertake the capital return subject to divestment completion.

The record date for being eligible for the capital return will be within the five business days prior to the payment being made to shareholders and unitholders.

ENDS

**For further information contact:**

Philippa Norman
Fonterra Communications
Phone: +64 21 507 072