

**FONTERRA'S FORECASTS FOR SEASON ENDING 31 MAY 2012**  
***Clauses 16(1) to (3) Dairy Industry Restructuring (Raw Milk) Regulations 2001***

As at 15 December 2011, Fonterra forecasts the following figures in respect of the 2011/2012 season ending 31 May 2012:

<i>Total Cost of Milk:</i>	Fonterra's total cost of milk for the 2011/2012 season is forecast to be \$9,149 million.				
<i>Farmgate Milk Price</i>	Fonterra's farmgate milk price for the 2011/2012 season is forecast to be \$6.50/kgMS				
<i>Milksolids:</i>	The milksolids supplied by shareholding farmers in the 2011/2012 season is forecast to be 1,412million kgMS.				
<i>Winter Milk:</i>	The additional cost of winter milk (being raw milk supplied in June and July 2011) is: <table><tr><td><i>North Island</i></td><td><b>\$0.69/kgMS</b></td></tr><tr><td><i>South Island</i></td><td><b>\$2.05/kgMS</b></td></tr></table>	<i>North Island</i>	<b>\$0.69/kgMS</b>	<i>South Island</i>	<b>\$2.05/kgMS</b>
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<i>Organic Milk</i>	The additional cost of organic milk for the 2011/2012 season is forecast to be <b>\$1.20/kgMS</b>				
<i>Raw Milk:</i>	<p>The aggregate of the volume limits of raw milk that Fonterra is contracted to supply to independent processors is 250 million litres and Fonterra estimates that it is likely to supply above this amount for the 2011/2012 season.</p> <p>The total volume of raw milk that Fonterra is contracted to supply to independent processors for the following 5 seasons is:</p> <ul style="list-style-type: none"><li>- 2012/2013 season – 250 million litres</li><li>- 2013/2014 season – 250 million litres</li><li>- 2014/2015 season – 250 million litres</li><li>- 2015/2016 season – 250 million litres</li><li>- 2016/2017 season – 250 million litres</li></ul>				

Fonterra will publish revised forecasts and actual information for this season in accordance with the Dairy Industry Restructuring (Raw Milk) Regulations 2001.