



HD Fonterra to **buy** 20% **stake** in **China's** Beingmate

WC 351 words

PD 27 August 2014

ET 11:41

SN BusinessDesk

SC BUSWNZ

LA English

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Fonterra to **buy** 20% **stake** in **China's** Beingmate, sell Darnum plant into JV

Aug. 27 (BusinessDesk) - Fonterra Cooperative **Group** plans to enter a joint venture with **China's** Beingmate that will own the **dairy** giant's Darnum plant in Australia and produce infant formula products for the **Chinese** market, for a total investment of \$615 **million**.

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The Australian joint venture will be 51 percent owned by Beingmate and 49 percent by Fonterra and will distribute Fonterra's Annum **brand** products into **China**, the Auckland-based **company** said in a statement. The two companies will also evaluate joint investments in **dairy** farms in **China**.

Fonterra will shortly start a process to issue a partial tender offer to gain up to a 20 percent **stake** in Beingmate it said. It didn't specify if this was a **stake** in Beingmate Baby & Food Co, a listed **Chinese company** with a market value of US\$2.39 **billion**. It did say the offer was at 18 renminbi a share.

The infant formula partnership would mark the first significant tie up in that market since the disastrous San Lu venture that failed amid a tainted **milk** scandal in 2008.

"Our partnership with Beingmate will show the benefits of an integrated and secure supply chain, starting in New Zealand - our number one **milk** pool - where we are fast-tracking investment in **milk** processing capacity to meet global demand," chief executive Theo Spierings said in a statement.

In a separate statement today, Fonterra said it will make investments of \$555 **million** to build a 4.4 **million** litres a day drier at Lichfield in South Waikato while adding three new plants at its Edendale site in Southland that will produce **milk** protein concentrate, a reverse osmosis plant that will increase capacity on an extra drier by 300,000 litres a day and an anhydrous **milk** fat plant with a 550,000 a day capacity.

The **company** also affirmed its forecast farmgate **milk** price payout for the 2014/2015 season at \$6 per kilogram of **milk** solids.

(BusinessDesk)

CO foncop : Fonterra Co-operative Group Limited

IN i010010502 : Dairy Cattle Farming | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | ilsfarm : Livestock Farming | i41 : Food/Beverages/Tobacco | i413 : Dairy Products | icnp : Consumer Goods | ifood : Food Products

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