



Securities Act (Fonterra Co-operative Group Limited) Exemption Notice 2005

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

- 1 Title**
This notice is the Securities Act (Fonterra Co-operative Group Limited) Exemption Notice 2005.
- 2 Commencement**
This notice comes into force on its notification in the *Gazette*.
- 3 Expiry**
This notice expires on the close of 31 December 2005.
- 4 Interpretation**
(1) In this notice, unless the context otherwise requires,—
Act means the Securities Act 1978
Fonterra means Fonterra Co-operative Group Limited, a co-operative dairy company registered under the Companies Act 1993 and the Co-operative Companies Act 1996

Fonterra Foods means Fonterra Foods Pty Limited, a wholly-owned subsidiary of Fonterra that is incorporated in the Commonwealth of Australia

National Foods means National Foods Limited, a company incorporated in Australia

redeemable preference shares means the redeemable preference shares in Fonterra to be issued by Fonterra and offered to shareholders of National Foods as part of the takeover offer by Fonterra Foods for National Foods

Regulations means the Securities Regulations 1983.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from sections 37, 37A, 38A, and 54 of the Act and from Regulations (except regulation 8)

Fonterra, Fonterra Foods, and every person acting on behalf of either or both of them are exempted in respect of the redeemable preference shares from—

- (a) sections 37, 37A, 38A, and 54 of the Act; and
- (b) the Regulations (except regulation 8).

6 Conditions of exemption in clause 5

- (1) The exemption in clause 5 is subject to the condition that the offer of the redeemable preference shares to the public in New Zealand complies with the laws of the Commonwealth of Australia including any code, rules, or other requirements applying in the Commonwealth of Australia to the offer of the redeemable preference shares.
- (2) The exemption in clause 5 is subject to the condition that the offer document distributed to members of the public in New Zealand who are shareholders in National Foods contains, or has attached, statements to the following effect:
- (a) that the offer of securities is made in compliance with the laws of the Commonwealth of Australia; and
 - (b) that the offer document is not a prospectus registered under New Zealand law and may not contain all the information that a New Zealand registered prospectus is required to contain; and

- (c) that Fonterra is an issuer of the redeemable preference shares and has obligations as an issuer under New Zealand law.

Dated at Wellington this 28th day of February 2005.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

J. Diplock,
Chairperson.

Statement of reasons

This notice comes into force on its notification in the *Gazette* and expires on 31 December 2005. It exempts Fonterra Co-operative Group Limited (**Fonterra**) and Fonterra Foods Pty Limited from sections 37, 37A, 38A, and 54 of the Securities Act 1978, and from the Securities Regulations 1983 (except regulation 8) in relation to redeemable preference shares to be offered as part of a takeover offer for National Foods Limited.

The Securities Commission considers it is appropriate to grant the exemption because—

- the offer of redeemable preference shares is to be made primarily in Australia, as part of a takeover offer for National Foods Limited, an Australian company. There are few New Zealand shareholders of National Foods Limited. In this case, the cost of full compliance with New Zealand securities laws, in addition to compliance with Australian law, would outweigh the benefits of such compliance for shareholders of the Australian company;
- the offer is to be made in compliance with Australian law, and New Zealand shareholders of National Foods Limited will receive the same disclosure as Australian shareholders;
- the offer document permitted under the exemption will be an advertisement under New Zealand securities law, and therefore must comply with the rule that it must not be likely to deceive, mislead, or confuse investors. Fonterra and its directors are responsible under New Zealand law for the contents

of the offer document. The conditions of the exemption
require that this is made clear to investors.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 1 March 2005.

This notice is administered by the Securities Commission.
