

STANDARDIZED MILK PRICE CALCULATIONS for JANUARY 2013 deliveries

(for standardized milk (1) and based on payment systems of the companies; all prices in euro / 100kg)

| Company | | Quality adjustment | Quantity adjustment | Seasonal adjustment | MILK PRICE this month | Most recent supplementary payment | Rolling average last 12 month (4) |
|--|----|--------------------|---------------------|---------------------|-----------------------|-----------------------------------|-----------------------------------|
| Milcobel | BE | 0.73 | 1.37 | | 34.79 | 0.10 | 30.95 |
| Alois Müller | DE | 0.51 | | | 33.94 | 0.38 | 31.65 |
| Humana Milchunion eG | DE | | 0.15 | | 33.11 | 0.00 | 31.06 |
| Nordmilch | DE | | 0.15 | | 33.11 | 0.00 | 31.12 |
| Arla Foods | DK | 0.65 | | | 32.92 | 1.49 | 33.17 |
| Hämeenlinnan Osuusmeijeri | FI | | | | 41.28 | 2.82 | 44.06 |
| Bongrain CLE (Basse Normandie) | FR | 0.74 | | | 34.44 | none | 33.40 |
| Danone (Pas de Calais) | FR | | | | 33.53 | none | 33.49 |
| Lactalis (Pays de la Loire) | FR | | | | 33.47 | none | 32.69 |
| Sodiaal | FR | 0.58 | | | 33.76 | none | 33.51 |
| Dairy Crest (Davidstow) | GB | 0.12 | 0.35 | | 35.99 | 0.00 | 35.26 |
| First Milk | GB | 0.58 | 2.19 | | 33.09 | 0.00 | 32.02 |
| Glanbia | IE | | | | 33.12 | 0.00 | 30.88 |
| Kerry | IE | | | | 33.16 | none | 30.44 |
| Granarolo (North) | IT | 1.15 | 3.42 | | 41.21 | none | 40.69 |
| DOC Kaas | NL | 0.05 | 0.34 | | 33.23 | 2.03 | 33.46 |
| Friesland Campina | NL | 0.05 | 0.75 | | 34.65 | 1.79 | 34.60 |
| AVERAGE MILK PRICE THIS MONTH (2) | | | | | 34,63 | | 33,67 |
| Emmi A.G. | CH | | 2.86 | | 46.05 | none | 46.64 |
| Fonterra (5) | NZ | | | | 27.85 | 0.00 | 28.63 |
| United States of America (3) | US | 0.14 | | | 33.42 | none | 33.44 |

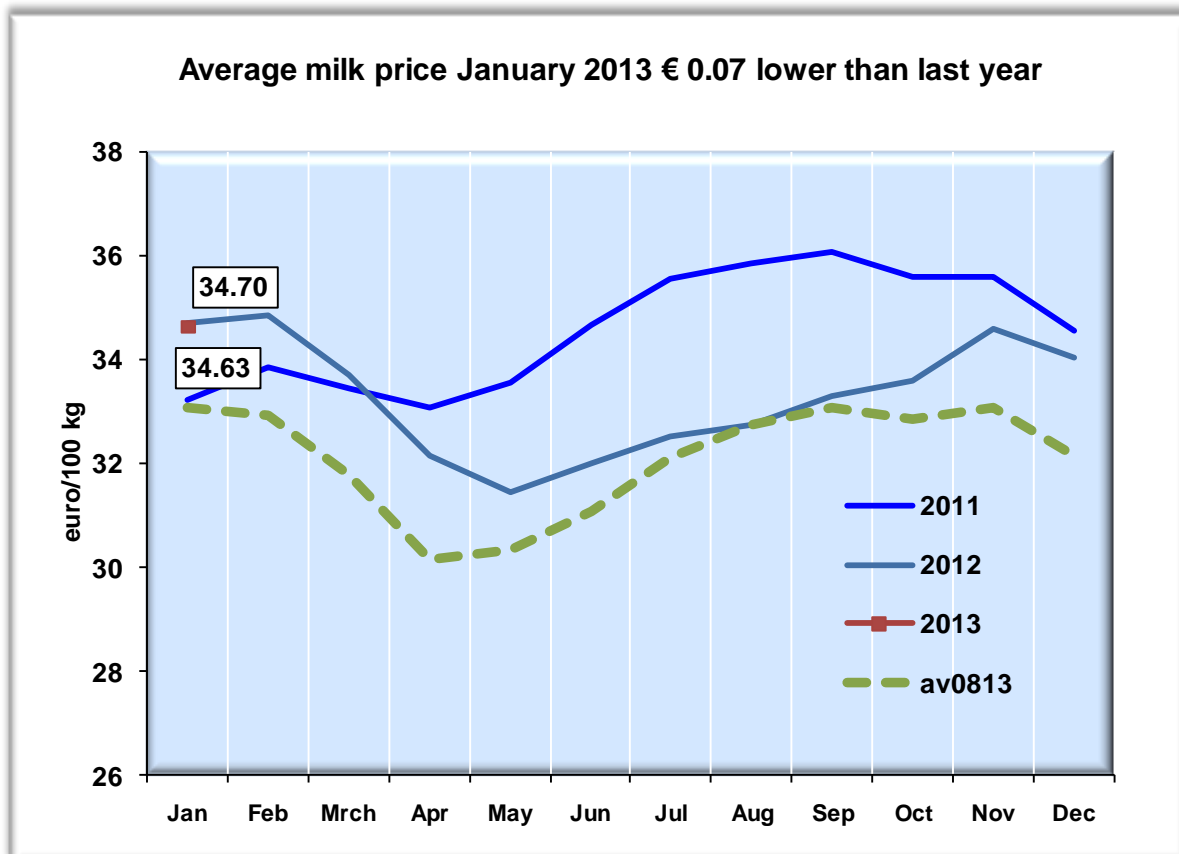
Remarks:

- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA announcement, adjusted for 4.2% fat, 3.4% protein and somatic cell count 249,999 per ml.
- (4) Including most recent supplementary payment.
- (5) Based on payout forecast, adjusted for 4.2% fat and 3.4% protein.

ADDITIONAL REMARKS MILK PRICES JANUARY 2013

MILK PRICES

The average calculated milk price for January 2013 deliveries is € 34.63 per 100 kg standard milk. Thus, the average milk price is slightly lower (minus 0.07) than a year ago, but compared to the previous month (December 2012), the milk price increased by € 0.59.



Although the French milk prices rose in January compared to December, these prices decreased most compared to the previous year.

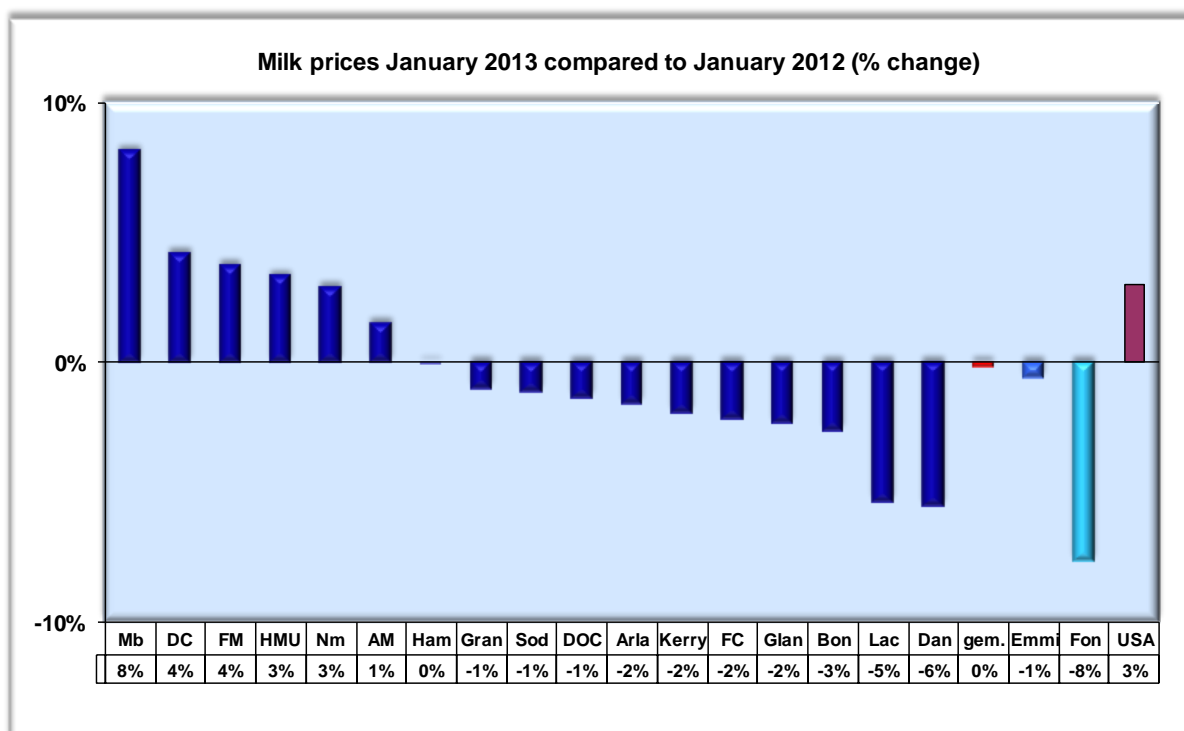
In January only Arla, FrieslandCampina and DOC Cheese reduced their prices namely by € 0.44, € 0.95 respectively € 1.14 per 100 kg standard milk. The Dutch companies also have announced further price reductions for February of approx € 0, 70 per 100 kg. The milk price of Arla remains the same in February and will increase in March by about 0.70 per 100 kilograms.

The calculated January milk price of UK companies Dairy Crest and First Milk decreased compared to December, but this is entirely due to a combination of the seasonal effect and the decrease in the value of the British pound against the euro. Expressed in national currency Dairy Crest and First Milk increased their milk prices with 1.25 and 0.4 pence per liter. For April First Milk announced a further increase of 0.4 pence per liter.

The Irish companies Glanbia and Kerry have increased their milk prices by 1 and € 2 per 100 kg. The milk price of Italian Granarolo increased with € 1.

Milcobel and the German companies have not changed their milk prices. Also in February, the milk price of Alois Muller remains unchanged.

The class III milk price in the United States has decreased slightly, while New Zealand Fonterra has recently confirmed the payout forecast for the farm gate milk price for the current season. The calculated milk price of Swiss Emmi has decreased due to the decline of the value of the Swiss Franc in combination with a very low price decrease.



Additional remarks milk prices January 2013

Belgium

The calculated milk price of Milcobel remained unchanged in January, despite a slight increase in the fixed deduction per month.

Germany

The base milk prices of all German companies remained unchanged.

Scandinavia

The calculated milk price of the Arla Foods in January fell by € 0.44. The calculated milk price of the Finnish Hämeenlinnan Osuusmeijeri has not changed.

As a result of the introduction of contracts from 2013 milk prices will be settled at enterprise level, but still national indicators (development of dairy prices and price difference with Germany) and regional agreements relating to payment according to quality and season will be taken into account.

United Kingdom

Dairy Crest and First Milk have increased their milk prices by 1.25 and 0.4 pence per liter. Due to the expiry of the seasonal bonus (Dairy Crest) and the lower marginal milk price (First Milk) and in combination with the decline of the British pound the calculated milk prices expressed in Euros decreased.

Ireland

The calculated milk price of Kerry and Glanbia have increased to € 33.12 respectively € 33.16 per 100 kg standard milk.

Netherlands

FrieslandCampina guaranteed price in January reduced with € 1.20 and in February with € 0.70 per 100 kg. The cooperative and their members are currently considering a possible change in the payment system from 2014 onwards. In addition to protein, and fat it is considered to pay also for the lactose content in a fixed price ratio of 10 (protein):5 (fat) :1 (lactose).

DOC Cheese has reduced the milk price in January and February with the equivalent of € 0.94 and € 0.71 per 100 kg standard milk.

Italy

The calculated milk price of Granarolo increased with € 0.97 to € 41.21.

Switzerland

The calculated milk price of Emmi has decreased with € 0.94, but this is largely due to the lower value of the Swiss Franc against the euro. Without depreciation of the Swiss Franc the milk price would have decreased with 0.19.

New Zealand

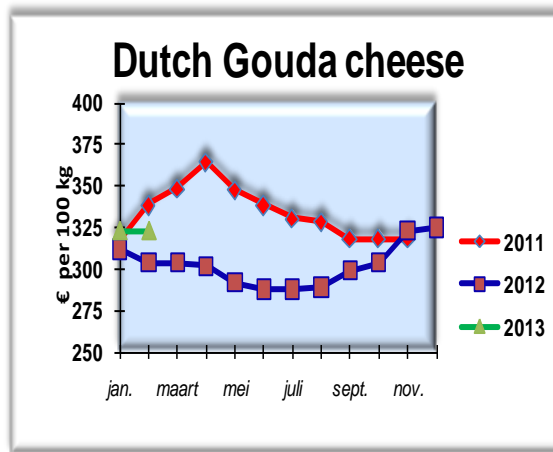
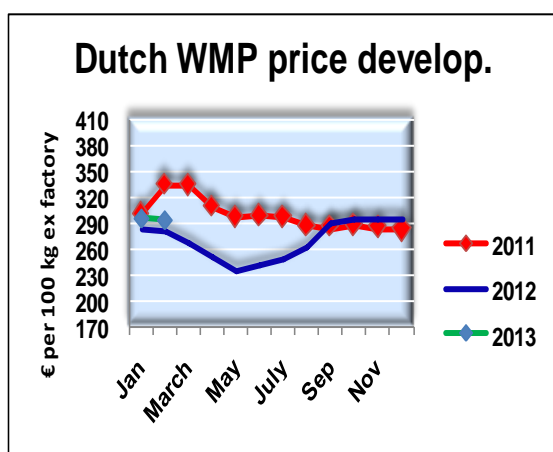
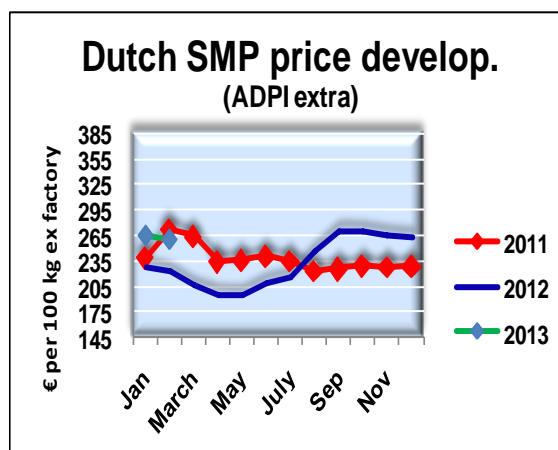
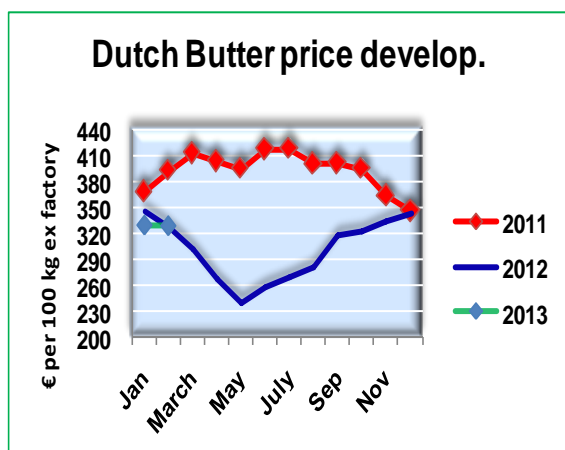
Fonterra forecast milk price for the current season 2012/13 remained unchanged..

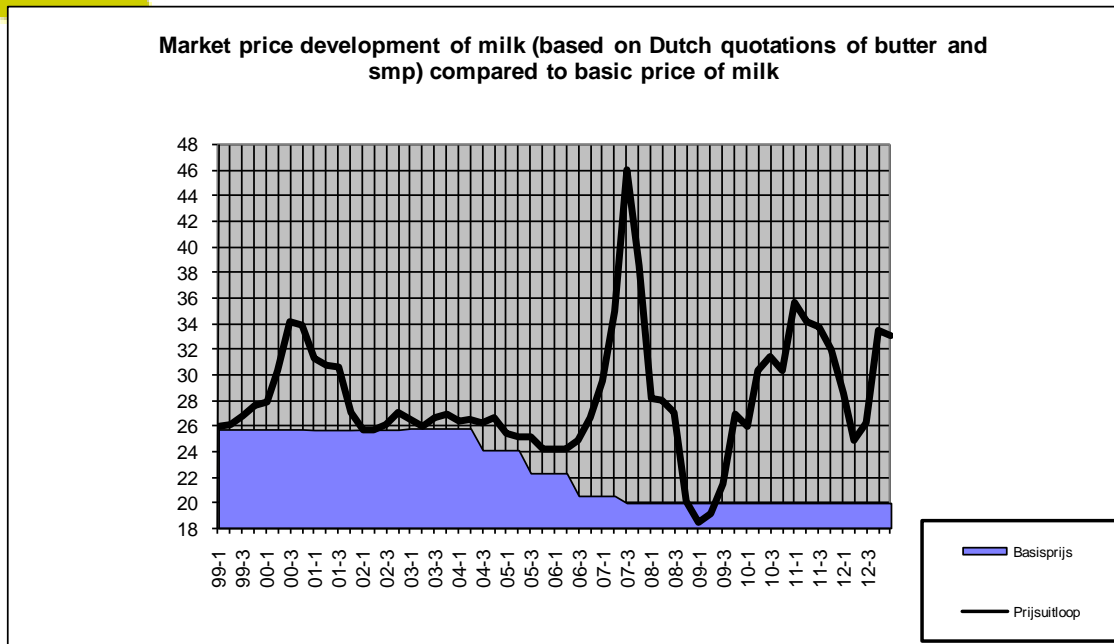
USA

The USA called Class III price dropped to \$ 18.66 in January (December 2012: \$ 20.83).

MARKET SITUATION

| Dutch Quotations | | | | |
|---------------------|----------------------------------|------------------------------------|-------|-------|
| | 1 January 2013 (€ per 100 kg) | 28 February 2013 (€ per 100 kg) | index | trend |
| Butter | 342 | 330 | 96.4 | → |
| Whole milk powder | 296 | 294 | 99.3 | → |
| Skimmed milk powder | 264 | 258 | 97.7 | ↓ |
| Whey powder | 101 | 86 | 85.1 | ↓ |
| Gouda cheese | ± 320 | ± 310 | 96.8 | → |





Market development

Due to extreme dry weather on Northern Island estimates for New Zealand's milk production in the current season 2012/13 reduced to 1-2% grow compared to the previous year. Also the US milk production growth rates are slowing after being higher during the latter part of 2012.

According to recent figures milk output in the EU-27 for calendar year 2012 was approximately 0.6% higher compared to same period in 2011. Milk output has continued its seasonal pattern and is increasing.

Prices on the dairy market are steady during the first weeks of 2013. Low supplies at the milk processing industry, combined with a moderate milk production are underpinning a firm price environment. Despite current reasonable milk prices, low quality of fodder and high feed concentrate prices could still have a negative impact on milk deliveries for the current quarter with a limited availability of raw milk as a result. Dairy producers are therefore in a comfortable position, feeling less selling pressure for the moment. Especially with the upcoming second quarter in mind potential buyers however have in general a wait and see approach. They are not always willing to purchase at current prices, and cover their needs at the latest moment possible. Currently the market is becoming a little more nervous as it lacks a clear trend and refuses to choose direction for the time being.

The butter market started the year on a weak note. Lower cream prices and unsold private storage supplies exerted some downward pressure, which abated when milk production during the course of the month appeared to be lower than anticipated. In addition more milk was diverted to the manufacturing of cheese which limits the supply of available milk fat. Also less butter was being imported from New Zealand, compared to the 40.000 tons imported in the 1 quarter of 2011. From January onwards the market was roughly in balance with stable prices.

Also the milk powder market showed a stable picture with prices moving within a narrow range. Persistently high prices for skim concentrates as well as a lack of ample supplies kept the market on a strong footing. However recently market tends

to be weakening a little. Skim concentrate prices are declining somewhat and export is currently hampered by the higher exchange rate of the euro and lower prices of competitors on the world market

The question is how milk production in the coming weeks will continue to develop. All players currently operate extremely cautious and seem to wait for new impulses that