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CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

CLARIFICATION ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

China Mengniu Dairy Company Limited (the “**Company**”, together with its subsidiaries the “**Group**”) noted that there were recent newspaper articles published and circulated in the internet alleging that, among others, (i) the Group was involved in activities damaging the business reputation of rival companies and (ii) executives of the Group were arrested by the public security in the People’s Republic of China (the “**PRC**”) in connection thereto.

The board of directors of the Company (the “**Board**”) would like to clarify as follows:-

1. the Group has not planned, organised or acted relating to the claim of rival companies’ products triggered precocious puberty;
2. the allegation that the two executives of a public relation company as referred to in the internet as an executive assistant to the Chairman of the Group and chief consultant is false and untrue and none of these persons is an employee of the Group;
3. to the best knowledge of the Company, none of the directors or senior management of the Group were arrested and all directors and senior management attend office as usual; and
4. to the best knowledge of the Company, a business manager of the Group (who is not a senior management staff) is cooperating with the relevant authority in the PRC in relation to the investigation.

Based on the information available to the Board as at the date of this announcement, the Board is of the view that the above allegations will not have an impact on the business and operations of the Group as a whole.

The Group has reported the incident to the public security of the PRC and reserves its right to claim against any individual or organization for spreading such false and untrue statement.

The Company will keep the shareholders and potential investors informed of any material development by way of further announcement(s) as and when appropriate.

By order of the Board
China Mengniu Dairy Company Limited
Kwok Wai Cheong, Chris
Company Secretary

Hong Kong, 21 October 2010

As at the date of this announcement, the Board comprises: Mr. Yang Wenjun, Mr. Bai Ying, Mr. Wu Jingshui and Mr. Ding Sheng as executive directors, Mr. Niu Gensheng, Mr. Ning Gaoning, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Yu Xubo, Mr. Ma Jianping, Mr. Fang Fenglei and Mr. Ma Wangjun as non-executive directors, Mr. Zhang Julin, Mr. Liu Fuchun and Mr. Zhang Xiaoya as independent non-executive directors.

** For identification purposes only*