



Olam International Limited
9 Temasek Boulevard
11-02 Suntec Tower Two
Singapore 03898
telephone 65 63394100
facsimile 65 63399755
Website www.olamonline.com
Regn no. 199504676-H

11 December 2008

**INVITATION TO HOLDERS OF OLAM INTERNATIONAL LIMITED (THE "COMPANY")
US\$300,000,000 1 PER CENT. CONVERTIBLE BONDS DUE 2013 ("BONDS") TO
TENDER BONDS FOR REPURCHASE BY THE COMPANY**

On 4 December 2008, the Company announced that it intended to repurchase for cash an aggregate principal amount of outstanding Bonds in an amount to be determined by the Company at its sole discretion, and invited holders of Bonds (the "**Bondholders**") to tender their Bonds for repurchase (the "**Invitation to Tender**") in accordance with the terms and conditions contained in the Tender Offer Memorandum dated 4 December 2008 in relation to the Bonds ("**Tender Offer Memorandum**"). Terms used herein shall, unless the context otherwise requires, have the meanings ascribed to them in the Tender Offer Memorandum.

The Tender Offer received strong interest with over 60 bids submitted from a variety of global investors.

As previously announced on 5 December 2008, the Clearing Price (being the price at which the Company is repurchasing the Bonds accepted for repurchase, expressed as a percentage of each US\$100,000 principal amount of the Bonds accepted for repurchase) is 65%.

Following the close of the Tender Period and based on a reconciliation of Tender Applications validly received by J.P. Morgan (S.E.A.) Limited as tender agent and Tender Confirmations validly received by the relevant Clearing Systems, the Company wishes to announce the following in respect of the Invitation to Tender:

- (i) The Final Aggregate Repurchase Amount (being the aggregate principal amount of the Bonds accepted by the Company for repurchase on the Settlement Date) is US\$117,600,000;
- (ii) Based on the Clearing Price of 65%, the aggregate cash amount payable by the Company based on the aggregate principal amount of the Bonds it will repurchase on the Settlement Date is US\$76,440,000; and
- (iii) The aggregate principal amount of the bonds remaining outstanding following completion of the Invitation to Tender is US\$182,400,000.

Settlement Date for the Invitation to Tender is scheduled to occur on 17 December 2008.

The repurchase of Bonds will be funded by a new 3 year term loan. As a result of the Invitation to Tender there will be a net reduction in debt of US\$41.16 million (approximately S\$61.8 million). For illustration purposes, the Net Debt to Equity ratio of 2.71 (before fair value



adjustments) for the first financial quarter ended 30 September 2008 (as illustrated in page 42 of the presentation entitled "First Quarter FY2009 Results Briefing" disseminated by the Company on SGXNET on 14 November 2008) would have been reduced to approximately 2.46 had the repurchase of Bonds occurred on 30 September 2008.

In addition, the repurchase of Bonds reduces potential refinancing obligations on the part of the Company with respect to the repurchased Bonds by up to US\$130.67 million (equivalent to 111.11% of the principal amount of Bonds repurchased) should holders of the Bonds elect to put the Bonds back to the Company in accordance with its terms in July 2011. As a result of the repurchase, the Company avoids future coupon payments and accretion on the Bonds repurchased of up to US\$13.64 million (S\$20.48 million).

The Company will book a non-taxable gain of approximately US\$41.16 million (approximately S\$61.8 million) upon completion of the repurchase.

Olam's Group Managing Director and CEO Sunny Verghese said: "We are very pleased with the results of the Tender Offer. Olam is committed to the prudent management of its balance sheet and current market conditions afforded us an opportunity to reduce outstanding debt, reduce refinancing risk, strengthen our balance sheet and deliver value to our shareholders. We believe that the results also demonstrate that the Bondholders who have chosen to hold the remaining outstanding Bonds of US\$182.4 million see value in the Bonds and the future prospects of Olam."

By Order of the Board

Sunny George Verghese
Group Managing Director and CEO