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16 February 2009

**ANNOUNCEMENT**

**INVITATION TO HOLDERS OF OLAM INTERNATIONAL LIMITED (THE "COMPANY")**  
**US\$300,000,000 1 PERCENT. CONVERTIBLE BONDS DUE 2013 TO OFFER FOR**  
**EXCHANGE EXISTING CONVERTIBLE BONDS FOR NEW CONVERTIBLE BONDS OF**  
**THE COMPANY**

The Company has issued an aggregate of US\$300,000,000 1 per cent Convertible Bonds due 2013 on 3 July 2008 (the "Existing Bonds"), which are convertible into ordinary shares of the Company (the "Shares").

On 19 December 2008, the Company repurchased Existing Bonds having an aggregate principal amount of US\$117,600,000 through a tender offer at a price of 65%. Further open market repurchases of an aggregate principal amount of US\$6,000,000 have been made.. These repurchases have helped the Company reduce its leverage and resulted in the Company recording a non-recurring gain of approximately S\$55,900,000 in the six months ended 31 December 2008. The repurchased bonds were cancelled. The aggregate principal amount of Existing Bonds remaining outstanding is US\$176,400,000.

The Company wishes to announce that it intends to invite the remaining holders of the Existing Bonds ("Holders") to offer to exchange ("Exchange Offer"), their outstanding Existing Bonds for new US dollar-denominated 1.2821 per cent. Convertible Bonds due 2013 (the "New Bonds") of the Company convertible into Shares at an initial conversion price of S\$1.656 per Share ("Conversion Shares"). The New Bonds will be constituted by a trust deed to be executed by the Company and a trustee for the holders of the New Bonds (the "Trust Deed"). Holders will receive a principal amount of New Bonds equal to 78% of the principal amount of the Existing Bonds accepted for exchange.

The Company is committed to a continuous and pro-active approach to its balance sheet management which takes into account both the challenges and the opportunities associated with the new market conditions.



The Company's stated strategy is to consolidate its position through both organic and inorganic growth in a disciplined approach.

Keeping this in mind, the Company is making the Exchange Offer with the following objectives:

- to benefit from an immediate reduction in leverage ratios;
- to offer Holders the ability to convert into Shares at S\$1.656 (a conversion premium of 20% to S\$1.38, the closing price of the Company's shares on 13 February, 2009) ;
- to reduce potential refinancing obligations and preserve cash by reducing the conversion price of the Existing Bonds;
- marginal reduction in put and redemption considerations if the New Bonds do not convert; and
- to recognise a gain by retiring debt below par if the Exchange Offer proceeds.

The Company will dispatch to Holders, an exchange offer memorandum (the "Exchange Offer Memorandum") dated 16 February 2009 setting out, *inter alia*, the terms and conditions of the Exchange Offer and terms and conditions of the New Bonds. A summary of the key terms of the New Bonds, which will be annexed to the Exchange Offer Memorandum, is attached as Annex A.

The Exchange Offer will commence at 8:00 am (Singapore time) on 17 February 2009 and will expire at 8:00 am (Singapore time) on 18 February 2009, unless extended, re-opened or earlier terminated as provided in the Exchange Offer Memorandum (the "Exchange Period").

The Exchange Offer requires Holders who wish to participate to complete an Exchange Application (as defined, and in the form set out, in the Exchange Offer Memorandum), which must be received by J.P. Morgan (S.E.A.) Limited, as exchange agent, during the Exchange Period. In addition, such Holders are also required to complete an Electronic Exchange Confirmation (as defined in the Exchange Offer Memorandum), which must be received by the relevant Clearing Systems (as defined in the Exchange Offer Memorandum) by no later than 11:59 pm (Singapore time) on 20 February 2009. The relevant Clearing Systems may set and inform Holders of an earlier deadline within which Holders should submit their Electronic Exchange Confirmations to the relevant Clearing Systems.

Holders who do not validly complete and send Exchange Applications and Electronic Exchange Confirmations will not be able to participate in the Exchange Offer.

It is currently envisaged that the Company will make an announcement no later than 8:00 a.m. (Singapore time) on 24 February 2009 on, *inter alia*, the amount of New Bonds to be issued based on the aggregate principal amount of Existing Bonds submitted for exchange on the Settlement Date (as defined below) pursuant to the Exchange Offer.

Save in the event that the Settlement Date is postponed in accordance with the Exchange Offer Memorandum, the Company also envisages making a further announcement no later than 8:00 a.m. (Singapore time) on 5 March 2009 stating, *inter alia*, that settlement has taken



place and the total aggregate principal amount of New Bonds issued by the Company for the Existing Bonds accepted for exchange pursuant to the Exchange Offer. The settlement date for the Exchange Offer is currently expected to be 2 March 2009, subject to the right of the Company to extend, re-open, amend and/or terminate the Exchange Offer (the "Settlement Date") and the receipt of an approval from the Singapore Exchange Securities Trading Limited for the listing of the Conversion Shares.

The Company may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Exchange Offer at any time (subject to applicable law and as will be provided in the Exchange Offer Memorandum).

The financial effects of the Exchange Offer will be disclosed in a further announcement to be released by the Company.

By Order of the Board

Sunny George Verghese  
Group Managing Director and CEO

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The New Bonds may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

The Exchange Offer is subject to offer and distribution restrictions in, among other countries, the United States, Italy, United Kingdom, Belgium, France, Hong Kong and Singapore.

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