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SUBSCRIPTION (THE "SUBSCRIPTION") OF 273,459,000 NEW ORDINARY SHARES IN THE CAPITAL OF OLAM INTERNATIONAL LIMITED (THE "NEW SHARES")

Introduction

The Board of Directors of Olam International Limited (the "**Company**") wishes to announce that the Company has on 30 May 2009 entered into a subscription agreement (the "**Subscription Agreement**") with Breedens Investments Pte. Ltd. and Aranda Investments Pte. Ltd. (collectively, the "**Investors**"), wholly-owned subsidiaries of Temasek Holdings (Private) Limited ("**Temasek**"). Subject to and upon the terms of the Subscription Agreement, the Company proposes to raise capital by issuing an aggregate of 273,459,000 New Shares at an issue price of S\$1.60 (the "**Issue Price**") to raise gross proceeds of approximately S\$437.5 million.

The Issue Price was arrived at following negotiations and having taken into account the weighted average price of the Shares of approximately S\$1.64 for the 60 trading days up to and including 29 May 2009, which approximately represents the period during which the Company and Temasek became more closely engaged in discussions and negotiations on the investment by Temasek in the Company. The Issue Price represents a discount of approximately 17.4% to the weighted average price of S\$1.937 for trades done on the Shares on the SGX-ST on 29 May 2009 (being the preceding full market day up to the time the Subscription Agreement was signed).

The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the New Shares on the Official List of the SGX-ST.

The allotment and issue of the New Shares will be subject to the approval of shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting to be convened (the "**EGM**"). Kewalram Singapore Limited, a controlling Shareholder, and Mr. Sunny George Verghese, the Company's Group Managing Director and Chief Executive Officer and a substantial Shareholder, which together hold approximately 32.0% of the existing issued share capital of the Company, have undertaken to vote in favour of the relevant resolutions at the EGM. A circular relating to the Subscription and the Notice of EGM will be despatched to Shareholders in due course.



Conditions Precedent

The Subscription is subject to certain conditions precedent set out in the Subscription Agreement, including without limitation, the in-principle approval being obtained from the SGX-ST for the listing and quotation of the New Shares on the Main Board of the SGX-ST, the receipt of the approval of Shareholders at the EGM and the receipt of other applicable approvals required by the parties.

The completion for the Subscription is expected to take place no later than 45 days from the date of the Subscription Agreement or such later date as the parties may agree in accordance with the terms of the Subscription Agreement.

Financial Effects

As at the date of this announcement, the New Shares represent approximately 13.76% of the enlarged issued and paid-up share capital of the Company after completion of the Subscription.

The New Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Subscription. The Company has agreed not to declare and pay any dividends prior to the completion of the Subscription.

Use of Proceeds

The participation by Temasek will strengthen the equity base of the Company and facilitate its long term growth and expansion. Through Temasek's network, the Company would be able to tap on more investment opportunities for growth.

The net proceeds of approximately S\$437.0 million, after deducting estimated expenses of approximately S\$0.5 million, from the Subscription (the "**Net Proceeds**") will be used for the following purposes:

	Use of Proceeds	Estimated Percentage Allocation (%)
(a)	To finance new capital expenditures and acquisition of assets for the Group	80% - 100%
(b)	For general corporate purposes of the Group	0% – 20%



The actual apportionment of Net Proceeds for the aforementioned purposes would be subject to the availability and size of investment and acquisition opportunities, the relative timing of various requirements for funds, and the Company's overall objective of achieving an optimal cost of capital to fund its growth initiatives. The Company will make periodic announcements on the utilisation of proceeds from the Subscription as and when such proceeds are materially disbursed.

Lock-up

Under the Subscription Agreement, the Company has agreed, for a period of six (6) months from the completion of the Subscription, not to, without the prior written consent of the Investors, among others, allot and issue any shares, whether or not on a pro rata basis to Shareholders or otherwise increase its share capital, save for certain exceptions.

Appointment of Directors

Subject to and conditional upon the completion of the Subscription, the Investors shall be entitled to nominate one (1) director for appointment to the Board of Directors of the Company in accordance with the terms and subject to the conditions of the Subscription Agreement.

Interests of Directors and substantial Shareholders

Mr. Wong Heng Tew, currently a Non-Executive and Independent Director of the Company, is an Advisory Director of Temasek. Save as disclosed, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Subscription.

The Company will make the necessary announcements once the in-principle approval for the listing and quotation of the New Shares has been obtained from the SGX-ST.

By Order of the Board

Sunny George Verghese
Group Managing Director and CEO

1 June 2009



About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 60 countries and supplying them to over 6,500 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, rice, cotton and wood products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. More information on Olam can be found at www.olamonline.com.

For media and investor enquiries, please contact:

Olam

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