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NEWS RELEASE

Olam International Wins Bid to Acquire Assets of SK Foods

Singapore, June 26, 2009 – Olam International Limited (“Olam” or “the Company”), a leading global integrated supply chain manager of agricultural products and food ingredients, today announced that the agreement by its wholly owned subsidiary Olam Tomato Processors Inc. to purchase selected assets of major U.S. tomato processor, SK Foods, L.P. (“SK Foods”) and its wholly owned subsidiary RHM Industrial/Specialty Foods, Inc. (“RHM”) in California has been approved by the United States Bankruptcy Court in Sacramento. The purchase value is US\$39 million.

On June 24, 2009, Olam had signed a “stalking horse” asset purchase agreement for the acquisition. On June 25, 2009, the Trustee declared Olam the successful bidder and its agreement was approved by the Court on June 26, 2009. The court has stipulated a closing period of 11 days from the date of its approval, and hence the acquisition is expected to close on or before July 10, 2009.

Asset Overview

Established in 1990, SK Foods was privately owned by the Scott Salyer family and is the second largest Californian tomato processor with 14% market share in the US. It is estimated to be the fourth largest globally with a global market share of 5%. In addition, SK Foods is also one of the largest certified processors of organic products with more than 30 percent supply of the organic processing tomato acreage in California. RHM, which operates under the name of SK Foods Colusa Canning in Williams, California, was acquired by SK Foods in 2003.

SK Foods’ tomato processing facility is located on 82 acres in the Central California city of Lemoore while RHM’s processing plant is located on 42 acres in Williams, in the northern Sacramento Valley. The two facilities offer a wide range of aseptic bulk tomato paste, diced and canned products, with a combined peak capacity to process 1.5 million tons of raw tomatoes.



The Lemoore facility is regarded as one of the most modern and well equipped facilities globally in the tomato processing sector and both plants are capable of handling paste, diced and multiple canning products for tomatoes and other ingredients.

Investment Rationale and Strategic Fit

The acquisition represents a one-step adjacency expansion in Olam's Spice & Dehydrates business given the high degree of customer, channel and cost sharing it offers.

This is part of Olam's Dehydrates business strategy to enlarge its product offering to its customers as well as to capture the synergies associated with cross-selling to a combined customer base and existing grower relationships. In addition, there are cost synergies due to the sharing of processing and packaging technology, and administrative costs across multiple products post the consolidation of all Olam operations in California.

Olam's Managing Director and Group Product Head for Spices & Dehydrates, Ashok Krishen said: "The acquisition of SK Foods' facilities is in line with our strategy to be a quality ingredient supplier of value-added spices and dehydrates to our customers in the food industry globally. We have already built a strong presence in the US market through our previous acquisitions of Key Foods Ingredients (KFI) and the newly acquired vegetable dehydration facility in Firebaugh, California. This acquisition enhances Olam's product portfolio as well as provides access to processing capabilities, processes and technologies, which we expect to leverage across all our other product groups and manufacturing facilities. We believe that this would improve our competitive position significantly."

This acquisition further demonstrates Olam's commitment to building capabilities in the food ingredients sector within the US, which already has substantial momentum through previous acquisitions of Universal Blanchers, KFI and the Firebaugh vegetable dehydration facility.



John Gibbons, President of Olam Americas explained: “This acquisition will improve Olam’s competitive position in the dehydrated vegetables business and provide an accelerated entry as the number two processor in the Californian tomato industry. We can also leverage grower relations established by our Anderson Clayton Cotton franchise that extends from Bakersfield to Williams. Many tomato growers also grow cotton and other crops, including onions, almonds and wheat. We believe that with the support of our existing growers and customers, we will be able to replicate Olam’s successful growth formula in the Tomato business as well.”

Financial Impact

The acquisition is an all-cash transaction financed through a combination of internal accruals and debt.

Olam plans to participate in the tomato season starting in July 2009. However, due to the limited time available for preparation before the start of this season, a lower capacity utilisation is expected for FY2010. Olam does not expect the business to be earnings accretive in FY2010 and hopes to achieve steady state revenues of US\$200 million and EBITDA margins of 12-13% from FY2012.

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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, peanuts, 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.



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