



Olam International Limited
9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989
telephone 65 63394100
facsimile 65 63399755
Website www.olamonline.com
Regn no. 199504676-H

NEWS RELEASE

Olam International acquires 14.35% stake in New Zealand Dairy Farming Systems Uruguay (NZFSU)

Singapore, September 1, 2009 – Olam International Limited (“Olam” or “the Company”), a leading global integrated supply chain manager of agricultural products and food ingredients, today announced the acquisition of a 14.35% stake in New Zealand Farming Systems Uruguay (“NZFSU”), an operator of large scale Kiwi-style dairy farming operations in Uruguay. Olam will purchase this stake for a cash consideration of NZ\$14.37 million (US\$9.88 million).

Overview of NZFSU

Listed in the New Zealand stock exchange, NZFSU was established in 2006 by PGG Wrightson Ltd (“PGGW”), New Zealand’s leading rural services company, with the aim of providing an opportunity to New Zealand farmers and investors to benefit from the export of their world-leading dairy farming practices. NZFSU, as the name suggests, was formed for the purpose of applying New Zealand’s high performing pastoral based farming systems to extensive areas of high quality, low cost and under-utilised Uruguayan farm land for dairy farming.

NZFSU currently owns 36,300 hectares of dairy farm land. As of mid-2009, approximately 10,500 hectares of dairy land has been developed with 26 farms, with typically one milking shed per farm. The targeted developed dairying area is expected to be just above 20,000 hectares, with 11,000 hectares irrigated.

NZFSU produced 44.6 million litres of milk in the financial year ended 30 June 2009 (FY2009) and expects to produce 80-85 million litres in FY2010. NZFSU sells all its milk produced to the largest Uruguayan milk processing co-operative, Conaprole, which processes around two-thirds of all milk produced in Uruguay. When all of its farms are developed by June 2012 (full production expected in the spring of 2013), NZFSU will supply close to 20% of milk and account for most of the growth in milk produced in Uruguay.



Investment Rationale and Strategic Fit

The acquisition is in line with Olam's Dairy Products strategy, which includes participation in dairy farming in low cost origins that will strengthen its market position in the dairy industry and significantly raise its margin profile.

Like New Zealand, Uruguay has climatic conditions suitable for dairy farming. Capital costs are significantly lower in Uruguay compared to large dairy exporting countries such as the US, Europe, Australia and New Zealand. In addition, labour and other overhead costs in Uruguay are significantly lower than these countries. In NZFSU's experience, native pasture in Uruguay is highly responsive to New Zealand style pasture management through the application of improved New Zealand's farming systems, including increasing stocking rate by using high genetic worth cattle, improved pasture species, more intensive maintenance and capital fertiliser application, subdivision of paddocks to control pasture growth and water reticulation by creating water troughs.

Olam's Managing Director and Group Product Head for Coffee and Dairy Products, Vivek Verma said: "While Uruguay's current productivity levels are relatively lower, its climatic conditions are conducive for Kiwi-style intensive pasture management. Success in adopting Kiwi practices in Uruguay would result in a powerful combination of low capital and operating costs with high productivity. Therefore, Uruguay and NZFSU fit well with our stated ambition of participating selectively in the dairy farming value chain segment."

.



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 10,600 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.

ISSUED ON BEHALF OF : Olam International Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
1 Raffles Place
#26-02 OUB Centre
SINGAPORE 048616

For Olam

CONTACT : Mr Vasanth Subramanian, Senior Vice President
(Investor Relations)
Ms Chow Hung Hoeng, Manager (Investor Relations)
DURING OFFICE HOURS : +65 6508-9632 / 6317-9471 (Office)
AFTER OFFICE HOURS : +65 9785-2593 / 9834-6335 (Mobile)
EMAIL : vasanth_s@olamnet.com /
chow.hunghoeng@olamnet.com

For CDRi.MAGE

CONTACT : Ms Dolores Phua / Ms Carol Wee
DURING OFFICE HOURS : +65 6534-5122 (Office)
AFTER OFFICE HOURS : +65 9750-8237 / 9730-5754 (Mobile)
EMAIL : dolores.phua@citigatedrimage.com /
carol.wee@citigatedrimage.com
