



Olam International Limited
9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989
telephone 65 6339 4100
facsimile 65 6339 9755
website www.olamonline.com
Reg. No. 199504676-H

NEWS RELEASE

OLAM INTERNATIONAL AGREES TO ACQUIRE CROWN FLOUR MILLS LIMITED, A LEADING PORT-BASED WHEAT MILLER IN NIGERIA

Singapore, January 12, 2010 – Olam International Limited (“Olam” or “the Group”), a leading global, integrated supply chain manager of agricultural products and food ingredients, announced today that it has agreed to acquire 99.5% of the outstanding shares and voting rights in Crown Flour Mills Limited (“CFM”) with its wheat milling and noodle manufacturing facilities along with accompanying additional assets for a total purchase consideration of US\$107.6 million.

The consideration is towards the acquisition of the following:

1. 99.5% equity ownership in Crown Flour Mills Limited for an enterprise value of US\$87.6 million and an equity value of US\$38.6 million; and
2. An additional sum of US\$20 million towards surplus assets in the business, which include buildings, warehouses, other logistics assets and accompanying additional land for potential agro-processing activities.

CFM is amongst the three largest wheat millers in Nigeria, supplying bread flour, noodle flour and semolina to both industrial users and wholesalers in the country. The wheat milling operation includes two port-based milling facilities in Lagos and Warri with total installed capacity of 1,550 metric tonnes per day. In addition, it has its own noodle manufacturing facility, a fast-growing business under the Cherie brand franchise.

Olam’s President for the Grains business K C Suresh said: “We have in the recent past outlined our strategy to build a configuration of port-based wheat milling facilities in Africa. Nigeria, being one of the largest wheat importing countries in the world (of 4 million tonnes), is our priority anchor market for executing this strategy.”



Olam's Group Managing Director and Chief Executive Officer, Sunny Verghese said: "This acquisition is in line with our strategy of selectively integrating into value-added mid-stream processing in excess-return opportunities."

CFM's Managing Director and Chief Executive Officer Chief Maan Lababidi remarked: "Olam has a strong and long standing presence in Nigeria and we are confident that Olam, with an extensive distribution network for staples and packaged foods across West Africa, is capable of taking the wheat milling business to its full potential locally and regionally. We will continue to support Olam's wheat milling and noodle business in Nigeria, and will look for opportunities to partner with them in other agro-processing projects in Nigeria and the region."

Olam intends to scale this business to its full potential by leveraging its origination and global wheat sourcing and freight management capabilities. Olam, with its strong footprint in the distribution of food staples such as rice, sugar, dairy and packaged foods, is likely to extract significant synergies arising from customer, channel and cost sharing.

Olam plans to invest an additional US\$5.5 million to expand CFM's wheat handling and milling capacity. CFM is expected to process 400,000 tonnes of wheat by 2013 and achieve EBITDA and Profit Before Tax margins in excess of 15% and 10% respectively.

The acquisition is subject to customary closing conditions and is expected to be completed by end-January 2010.

.



About Olam International Limited

Olam International 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, 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. Olam is the only Singapore firm to be named in the 2009 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region. 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 Rajesh Chopra, SVP, Head – Corporate Affairs & Investor Relations
Ms Chow Hung Hoeng, Manager, Investor Relations

DURING OFFICE HOURS : + 65 6317-9509 / 6317-9471 (Office)
AFTER OFFICE HOURS : + 65 9710-2773 / 9834-6335 (Mobile)
EMAIL : rajesh.chopra@olamnet.com /
chow.hunghoeng@olamnet.com

For CDRI.MAGE

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