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NEWS RELEASE

OLAM INTERNATIONAL ACQUIRES SUGAR MILLING AND CO-GENERATION FACILITIES AND ACCOMPANYING ASSETS FROM HEMARUS INDUSTRIES LIMITED IN INDIA FOR A TOTAL PURCHASE CONSIDERATION OF US\$73.8 MILLION

Singapore, August 31, 2011 – Olam International Limited (Olam or the Group), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, announced today that it has agreed to **acquire 100% shareholding of Hemarus Industries Limited (“HIL”)** with its **3,500 tons crush per day (TCD) sugar milling facility, a 20 MW co-generation facility** and accompanying assets in India for a **total purchase consideration of US\$73.8 million** (INR 3,400 million). In addition, Olam will **further invest US\$6.6 million** to **enhance the sugar milling capacity to 5,000 TCD**. The consideration for the transaction of US\$73.8 million was arrived at on a willing buyer-willing seller basis, taking into account the book value of the target of approximately US\$70 million. The purchase consideration will be satisfied by part cash payment of approximately US\$8 million and part assumption of debt of approximately US\$66 million upon completion.

The purchase consideration is towards the acquisition of the following:

- A new (recently commissioned) sugar milling facility of 3,500 TCD capacity, located in the most preferred sugar growing region of India (Kohlapur district of Maharashtra State).
- 20MW co-generation plant capable of handling coal feedstock.
- Additional licences to build a 45 Kilo litre per day (KLPD) ethanol facility and a 3500 TCD Sugar mill in Belgaum district (with 20MW co-generation facility).
- 210 acres of land which would be sufficient for sugar mill capacity augmentation, setting up of an ethanol facility and the bio compost plant.

Olam plans to invest an additional US\$6.6 million to expand HIL's sugar milling capacity to 5,000 TCD by the next year.

Olam's President for the Sugar business Devashish Chaubey said: "This acquisition is another step forward in our plans to build a configuration of sugar milling assets in large sugar producing countries that have a comparative cost advantage. In this regard, we had made our first investment in India, which is the world's second largest sugar producer and the world's



largest sugar consumer when we acquired Giridharilal Sugar and Allied Industries (GSIL) in the State of Madhya Pradesh in November 2008.

Olam India and SAARC Regional Head, Sanjay Sacheti said: "This acquisition strengthens our position in the Indian sugar industry and is in line with our stated strategic objective of building an annual sugarcane crush capacity of between 2 to 2.5 million tons over the course of the next 5 years."

This transaction is expected to be EBITDA accretive from the first year and earnings accretive from the second year post consolidation. At steady state, HIL is expected to contribute revenues of US\$90 to 100 million with an expected Return on Equity of 32%.

The transaction is subject to customary closing conditions.

About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,600 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 and 2010 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 by Hewitt Associates, the RBL Group and Fortune. More information on Olam can be found at www.olamonline.com.



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