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NEWS RELEASE

OLAM TO INVEST US\$49.2 MILLION IN A GREENFIELD FULLY INTEGRATED, MECHANISED AND IRRIGATED RICE FARMING AND RICE MILLING FACILITY IN NIGERIA

Singapore, December 1, 2011 – Olam International Limited (“Olam” or “the Company”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today announced that it would invest US\$ 49.2 million to set up a 6,000 hectare greenfield, fully integrated, mechanised and irrigated paddy farming and rice milling facility in Nigeria.

The farm and the milling facility would be set up in Nasarawa State, one of the main rice growing belts in Nigeria. The farming operations would be carried out over 6,000 hectares in a phased manner between FY 2013 and FY 2016. The farm at its peak is expected to yield 10 metric tonnes (MT) per hectare (over two annual crop cycles) thus providing 60,000 MT of paddy annually to the rice processing facility. The paddy would then get converted into 36,000 MT of milled rice and distributed through Olam’s existing network of distributors and dealers across Nigeria.

Nigeria consumes about 5.5 million MT of rice annually of which about 3.6 million MT is produced locally through subsistence farming operations and the balance 1.9 million MT is imported. Local production of paddy and its subsequent processing into rice is a fundamentally attractive industry given (a) the large size of the rice market in Nigeria, (b) the high incidence of duties and costs of importing rice and (c) favourable government policies to enhance local production and enhance food security. Olam is currently a market leader in the import and distribution of rice in Nigeria. The Company is also one of the largest rice traders globally.



Olam's President for the Rice business Rajeev Raina said, "Globally, land under rice cultivation has remained stagnant around 150 million hectares over the last 30 years. With the growth in population not being accompanied by an increase in the area under cultivation, we have seen a lot of pressure in respect of global rice supplies with growing countries either banning exports altogether or increasing the support prices to farmers thereby increasing the selling price of milled rice in the international market. Our investment into rice farming and processing in selective destination markets, while helping the importing countries in their import substitution efforts, would also help us to selectively get integrated in the value chain by participating in attractive and higher margin profit pools upstream in rice farming."

The investment will be funded by a combination of internal accruals and borrowings. The farming operations will commence in the last quarter of FY2012 and deliver an IRR of 28%.

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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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