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OLAM INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No.: 199504676H

ANNOUNCEMENT

ADJUSTMENT TO THE CONVERSION PRICE OF US\$500 MILLION 6.0 PER CENT. CONVERTIBLE BONDS DUE 2016 (ISIN: XS0450423321)

Olam International Limited (the "**Company**") refers to the US\$500 million 6.0 per cent. Convertible Bonds due 2016 (ISIN: XS0450423321) issued by the Company (the "**Bonds**"), as well as its earlier announcement dated 7 June 2011 (the "**EFR and Proposed Subscription Announcement**") in connection with, *inter alia*, its equity fund raising exercise by way of a combination of (i) a private placement of 94,408,000 new ordinary shares to institutional and other investors (the "**Placement**"), (ii) a *pro rata* and non-renounceable preferential offering of 97,292,951 new ordinary shares in the capital of the Company to entitled shareholders (the "**Preferential Offering**") and (iii) the proposed subscription of 94,408,000 new ordinary shares in the capital of the Company by Breedens Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (the "**Subscription**").

*Unless otherwise defined herein, all capitalised terms used herein shall bear the same meanings as in the terms and conditions of the Bonds (the "**Conditions**").*

The Conditions provide for adjustments to be made to the Conversion Price of the Bonds in any of the following events:

- (a) whenever the Company issues Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant; and
- (b) whenever the Company issues (otherwise than as mentioned in paragraph (a) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for Shares) at a price per Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of the announcement of the terms of such issue.

The Company is pleased to set out below, a summary of the calculations on the adjustment to be made to the Conversion Price based on the formula in Condition 6(C)(6) (in respect of the Placement and the Subscription) and Condition 6(C)(4) (in respect of the Preferential Offering):

(A) **Placement**

$$\text{Adjusted Conversion Price} = \text{Conversion Price} \times \frac{A + B}{C}$$

Where

$$\text{Conversion Price} = \text{S\$3.0853 per Share}$$

$$A = 2,141,074,918, \text{ being the number of Shares in issue immediately before the issue of the Shares pursuant to the Placement}$$

$$B = 85,463,877, \text{ being the number of Shares which the aggregate consideration receivable pursuant to the Placement would purchase at such Current Market Price}$$

$$\text{Current Market Price} = \text{S\$2.8721}$$

$$C = 2,235,482,918, \text{ being the aggregate number of Shares in issue immediately after the Placement}$$

The Conditions provide that no adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) is less than one per cent. of the Conversion Price then in effect and that any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment.

Given that the adjustment to be made pursuant to the Placement was less than one per cent. of the Conversion Price then in effect, no adjustment was made to the Conversion Price pursuant to the Placement at the relevant time, and such adjustment not made was carried forward and taken into account in the subsequent adjustment event, being the Preferential Offering.

(B) **Preferential Offering**

$$\text{Adjusted Conversion Price} = \text{Conversion Price} \times \frac{A + B}{A + C}$$

Where

$$\text{Conversion Price} = \text{S\$3.0853 per Share}$$

$$A = 2,234,852,918, \text{ being the number of Shares in issue immediately before the announcement of the Preferential Offering (but after taking into account the Shares issued pursuant to the Placement)}$$

$$B = 86,720,502, \text{ being the number of Shares which the aggregate amount payable for the Shares issued pursuant to the Preferential Offering would purchase at such Current Market Price}$$

$$\text{Current Market Price} = \text{S\$2.8721}$$

C = 97,292,951, being the number of Shares to be issued pursuant to the Preferential Offering

Given that the adjustment to be made pursuant to the Preferential Offering, after taking into account of the adjustments and amounts carried forward from the Placement, was less than one per cent. of the Conversion Price then in effect, no adjustment was made to the Conversion Price pursuant to the Placement and the Preferential Offering at the relevant time, and all such adjustments not made were carried forward and taken into account in the subsequent adjustment event, being the Subscription.

(C) **Subscription**

Adjusted Conversion Price = Conversion Price x $\frac{A + B}{C}$

Where

Conversion Price = S\$3.0853 per Share

A = 2,347,801,869, being the number of Shares in issue immediately before the issue of the Shares pursuant to the Subscription

B = 85,463,877, being the number of Shares which the aggregate consideration receivable pursuant to the Subscription would purchase at such Current Market Price

Current Market Price = S\$2.8721

C = 2,442,209,869, being the aggregate number of Shares in issue immediately after the Subscription

The adjusted Conversion Price pursuant to the Subscription, after taking into account the adjustments and amounts carried forward from the Placement and the Preferential Offering, is therefore **S\$3.04** per Share.

The adjustment shall become effective on **11 July 2011**, the date of allotment and issue of the new Shares pursuant to the Subscription.

A copy of this announcement is concurrently being despatched to The Bank of New York Mellon, the Trustee and the Agents, for distribution to the Bondholders.

By Order of the Board

Sridhar Krishnan
Director

11 July 2011

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any shares in the capital of the Company (the "**Securities**").

The value of the Securities and the income derived from them may fall as well as rise. The Securities are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in the Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the Company redeem or purchase the Securities while the Securities are listed. It is intended that holders of the Securities may only deal in the Securities through trading on the SGX-ST.

Listing of the Securities on the SGX-ST does not guarantee a liquid market for the Securities.

This document is not an offer of securities for sale in the United States. The Securities are not being registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Securities may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, such registration. The Company does not intend to register the Securities under the Securities Act.