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## **NEWS RELEASE**

### **OLAM INTERNATIONAL ACQUIRES 100% STAKE IN DEHYDRO FOODS IN EGYPT FOR US\$30.8M**

*Singapore, November 30, 2012* – Olam International Limited (“Olam”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, announced today that it has acquired 100% equity interest in Dehydro Foods Limited (“Dehydro”), a leading processor of dehydrated onions and herbs in Egypt, for US\$30.8 million including an estimated amount of US\$3.5 million for net working capital. The consideration was arrived on a negotiated basis taking into the account the historical performance and the prospects of the business. The consideration shall be discharged on a cash basis from internal accruals and shall be paid at completion.

#### **About Dehydro**

Established in 2000, Dehydro is today the largest exporter of dehydrated onions from Egypt. Dehydrated onions account for about 85% of its annual revenues with the balance 15% from processed herbs and specialty vegetable oils.

Dehydro operates two facilities located just outside Cairo with current annual capacity of 8,500 metric tonnes in dehydrated onions and 2,300 metric tonnes in herbs in finished form.

#### **Investment Rationale and Strategic Fit**

This transaction is part of Olam’s strategic thrust to become the leading supply chain partner to its major global customers as the large food companies increasingly outsource their raw material and ingredient supply chain to reliable third party suppliers who have a global sourcing and processing network.



In addition to the US and China being the key origins for dehydrated vegetables, Olam has identified new origins including Egypt as potential growth areas. Egypt enjoys close proximity to the Middle East and Europe and preferential duty access for imports into the EU. The country also produces high quality onions which are processed at more competitive costs relative to other origins.

The acquisition of the largest exporter of dehydrated onions in Egypt further consolidates Olam's global leadership position in the Spices & Vegetable Ingredients space. Dehydro will add to Olam's configuration of assets and product lines from earlier acquisitions in spices and dehydrated vegetables in the US, China and India to bring about further synergies in sourcing, value-added processing and distribution.

Olam's President and Global Head of Spices & Vegetable Ingredients, Greg Estep said: "Dehydro produces high quality dehydrates and its plants are accredited with key customers so we believe they have a strong franchise and a very strong potential for growth in exports into the Middle East, Europe, Brazil and Japan. It fits very well with our overall spices portfolio where we have a global market leading position."

### **Financial Impact**

The investment is expected to be immediately earnings accretive to Olam.

Olam expects growth to come from sales through its existing customer network, in addition to sales growth from Dehydro's customers in the Middle East and Europe.

Overall, the investment is expected to deliver 28% in EBITDA margin and 45% in Equity IRR at steady-state.

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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, supplying various products across 16 platforms to over 12,300 customers worldwide. From a direct presence in more than 65 countries with sourcing and processing in most major producing countries, Olam has built a global leadership position in many of its businesses, including Cashew, Spices & Vegetable Dehydrates, Cocoa, Coffee, 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, 2010 and 2012 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](http://www.olamonline.com).*

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