



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

## ANNOUNCEMENT

### PROPOSED ISSUE OF S\$275,000,000 7 PER CENT. PERPETUAL CAPITAL SECURITIES

#### 1. INTRODUCTION

Olam International Limited (the "**Company**") refers to its earlier announcement dated 20 February 2012 relating to its proposed issue (the "**Proposed Issue**") of Singapore dollar denominated perpetual capital securities (the "**Capital Securities**").

The Company wishes to announce that it has on 22 February 2012, entered into a subscription agreement (the "**Subscription Agreement**") with DBS Bank Ltd., J.P. Morgan (S.E.A.) Limited and UBS AG, Singapore Branch as joint lead managers (collectively, the "**Joint Lead Managers**") in connection with the Proposed Issue.

Under the terms of the Subscription Agreement, the Company has agreed to issue as issuer, and the Joint Lead Managers have severally agreed to subscribe and/or procure subscriptions for an aggregate of S\$275,000,000 in principal amount of the Capital Securities at an issue price of 100 per cent. of their principal amount.

The Capital Securities will be constituted by a trust deed to be executed by the Company and a trustee for the holders of the Capital Securities (the "**Trust Deed**").

Unless otherwise defined herein, terms used in this announcement and which are defined in the terms and conditions of the Capital Securities ("**Conditions**") shall bear the same meanings ascribed to them in the Conditions.

#### 2. PRINCIPAL TERMS OF THE CAPITAL SECURITIES

The principal terms and conditions of the Capital Securities are summarised as follows:

Issue Size	:	S\$275,000,000 in principal amount of the Capital Securities.
Issue Price	:	100 per cent. of the principal amount of the Capital Securities.
Form and Denomination	:	The Capital Securities will be issued in registered form in the denomination of S\$250,000 and in higher integral multiples of S\$1,000 in excess thereof.
Status of the Capital Securities	:	The Capital Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference among themselves and with any Parity Obligations.

The Holder Claims will, in the event that an order is made or an effective resolution is passed for the winding-up of the Company (subject to and to the extent permitted by applicable law), rank in such winding-up:



- (i) junior to the rights and claims of all Senior Creditors of the Company;
- (ii) *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations; and
- (iii) senior to the rights and claims of holders of Junior Obligations.

Distribution : Subject to the Conditions, the Capital Securities confer a right to receive Distribution from and including the Issue Date at the applicable Distribution Rate payable semi-annually in arrear on 1 March and 1 September of each year (each, a "**Distribution Payment Date**"), with the first Distribution Payment Date falling on 1 September 2012.

Distribution Rate : The Distribution Rate applicable to the Capital Securities shall be:

- (i) in respect of the period from, and including, the Issue Date to, but excluding, 1 March 2022 (the "**Step-up Date**"), 7 per cent. per annum; and
- (ii) in respect of the period from, and including, the Step-up Date and each date falling every 10 years after the Step-up Date (each, a "**Reset Date**") falling thereafter to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

Optional Deferral of Distributions : The Company may, at its sole discretion, elect to defer any Distribution (in whole and not in part) which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice of such election to the Holders in accordance with the Conditions, not more than 15 nor less than five business days prior to the relevant Distribution Payment Date unless a Compulsory Distribution Payment Event has occurred in the 12-month period prior to such Distribution Payment Date. Any Distribution so deferred will not be due and payable or be paid until the relevant Payment Reference Date and will constitute "**Arrears of Distribution**".

Arrears of Distribution : Each amount of Arrears of Distribution shall bear interest as if constituted the principal of the Capital Securities at the prevailing Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distributions shall be due and payable pursuant to the Conditions and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distributions and otherwise *mutatis mutandis* as provided in the Conditions. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distributions remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distributions. The Company is not subject to



any limit as to the number of times Distributions and Arrears in Distributions can be deferred.

Maturity Date : There is no maturity date.

Redemption of the Capital Securities : The Issuer may redeem the Capital Securities in whole, but not in part, on any Distribution Payment Date falling on or after the fifth anniversary of the Issue Date at their principal amount together with Distributions accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) on the Issuer giving not less than 30 nor more than 60 days' notice to, *inter alia*, the Holders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Capital Securities on the relevant date for redemption).

The Capital Securities may also be redeemed in whole, but not in part, at the option of the Issuer at their principal amount together with any Distributions accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable): (i) upon the occurrence of an Accounting Event; (ii) upon the occurrence of a change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date such that the Issuer would be required to pay additional amounts in respect of the Capital Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; (iii) upon the occurrence of a Tax Deductibility Event or (iv) if the aggregate principal amount of the Capital Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Governing Law : Singapore law.

### 3. USE OF PROCEEDS

The net proceeds from the Proposed Issue (after the deduction of fees and commission) will be used by the Company for general corporate purposes, refinancing existing borrowings, working capital requirements as well as to finance capital expenditure and the expansion of its supply chain management business.

### 4. CONDITIONS

The Proposed Issue is conditional upon, *inter alia*, the approval in-principle of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of the Capital Securities.

### 5. CLOSING DATE

The closing date ("**Closing Date**") of the Proposed Issue is expected to be on or about 1 March 2012.



## **6. LOCK-UP AGREEMENT**

The Company has agreed with the Joint Lead Managers that neither the Company nor any of its Principal Subsidiaries (as defined in the Subscription Agreement), nor any person acting on its or their behalf will, from the date of the Subscription Agreement until 90 days after the Issue Date, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) debt securities issued by the Company and having a maturity of more than one year from the date of issue save for any securities which are to be issued pursuant to the Company's S\$800,000,000 Multicurrency Medium Term Note Programme (which programme limit may be increased from time to time) and which have a maturity of not more than three years without the prior written consent of the Joint Lead Managers, such consent not to be unreasonably withheld.

## **7. LISTING**

Approval in-principle has been obtained for the listing and quotation of the Capital Securities on the Official List of the SGX-ST. The approval in-principle granted by the SGX-ST for the listing and quotation of the Capital Securities is not to be taken as an indication of the merits of the Capital Securities, the Company and/or its subsidiaries.

## **8. OTHER INFORMATION**

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

By Order of the Board

Sunny George Verghese  
Group Managing Director and CEO

23 February 2012