



NEWS RELEASE

OLAM INTERNATIONAL EXPANDS PARTNERSHIP WITH SANYO FOODS TO GROW ITS PACKAGED FOODS BUSINESS IN SUB-SAHARAN AFRICA

- **Sanyo Foods to acquire 25.0% stake in Olam's Packaged Foods business for US\$187.5 million based on initial enterprise value (EV) of US\$750.0 million**
- **Based on initial EV, Olam will book US\$167.5 million in net cash inflow and with an addition to reserves of US\$80.8 million**
- **EV could increase up to US\$850.0 million, subject to achievement of specific performance milestones in FY2015**
- **Based on EV of US\$850.0 million, Olam would book US\$192.5 million in net cash inflow and an addition to reserves of US\$105.8 million**

Singapore, August 18, 2014 – Leading agri-business Olam International Limited (“**Olam**”) and Japan’s third largest instant noodles maker Sanyo Foods Co. Ltd (“**Sanyo Foods**”) have agreed to expand their existing strategic partnership with Sanyo Foods taking a 25.0% stake in Olam’s Packaged Foods business for a price consideration of US\$187.5 million.

Olam expects to record a net cash inflow of US\$167.5 million and an addition to reserves of US\$80.8 million after the transaction is completed. The transaction is subject to the conclusion of a definitive agreement and customary closing conditions and is expected to be completed by Q2 FY2015. The existing joint venture for Olam’s instant noodles, in which Sanyo took a direct 25.5% stake for US\$20.0 million in 2013, will be folded into a Singapore incorporated holding company set up to house all of Olam’s Packaged Foods businesses.

The consideration for the 25.0% stake, which was arrived at between both parties on a willing-buyer, willing-seller basis, translates to an initial 100% enterprise value (EV) for the Packaged Foods business of US\$750.0 million. Olam will hold the majority ownership of 75.0% and will have management control of the Singapore incorporated holding company.

The EV can rise up to US\$850.0 million and correspondingly the price consideration can increase to US\$212.5 million should the Packaged Foods business achieve specific performance milestones in FY2015. Olam would then book a net cash inflow of US\$192.5 million and an addition to reserves of US\$105.8 million.



Olam's President and Global Head of Packaged Foods, M Ramanarayanan said: "This strategic partnership is a win-win for both parties and an exciting step forward for our Packaged Foods business. Given our common vision for this sector and our strong working relationship over the past year, Sanyo Foods is a natural choice as a strategic partner. Our combined experience and expertise will help us build on our current market leadership (top two) in five out of nine categories, expand the extensive distribution network in all of our key markets in Sub-Saharan Africa and further develop the deep consumer insights that we have gained over the past few years."

Sanyo Foods' President Junichiro Ida said: "As we enter our seventh decade of growth, we are excited by the strong prospects in Sub-Saharan Africa with its growing middle class and rising aspirations. We share the ambition of Olam's Packaged Foods business to achieve leadership positions in all of its categories and markets.

"As we strengthen our strategic alliance with Olam by investing beyond the noodles business into their entire range of packaged food categories, I believe that the synergy created by the two companies will lead to a larger share of Sub-Saharan Africa's consumer market than would otherwise be possible."

The food and beverage sector in Sub-Saharan Africa benefits from a growing population, rising income levels, rapid urbanisation and aspirational consumers. The industry is at a relatively early stage of development with significant upside as income rises in key markets in this region.

Olam's Packaged Foods business currently participates in nine categories – tomato paste, seasonings, biscuits, candies, juices, dairy beverages, milk powder, coffee mixes and instant noodles. It focuses on serving consumers in Nigeria, Ghana, Mali, Burkina Faso, Benin, Togo and South Africa and the business achieved sales turnover of US\$350.0 million in FY2013.

Sanyo Foods is a global leader in the instant noodles business. It has significant experience and expertise in the food and beverage business in emerging markets, having jointly built leadership positions in markets including China and Vietnam through long term joint ventures in Hong Kong listed Tingyi Holding Corp (since 1999) and Acecook (since 1981). Sanyo Foods through its joint ventures is a leader in instant noodles, ready-to-drink teas, bottled water and juices in the respective markets.



Olam's Executive Director of Finance and Business Development, A. Shekhar, said: "The partial monetisation of our Packaged Foods business allows us to unlock the intrinsic and hidden value in our portfolio and puts us in a better position to continue further investment into this platform while still retaining majority ownership and management control. It also represents our sharp focus on the successful execution of our Strategic Plan (FY2014-2016) with the objective to further strengthen the company and enhance shareholder value."

.

About Olam International Limited

Olam International is a leading agri-business operating across the value chain in 65 countries, supplying various products across 16 platforms to over 13,600 customers worldwide. From a direct sourcing and processing presence in most major producing countries, Olam has built a global leadership position in many of its businesses. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 50 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.olamgroup.com. Olam is located at 9 Temasek Boulevard #11-02 Suntec Tower Two Singapore 038989, Telephone: +65 63394100, Facsimile: +65 63399755.

About Sanyo Foods Co. Ltd

Sanyo Foods is a global leader in the instant noodles business. Founded in 1953, Sanyo Foods is Japan's third largest instant noodles maker. In Japan, the fifth largest instant noodles maker, Acecook, and instant noodles maker Marutai listed in Japan, are also affiliated companies of Sanyo Foods. Sanyo Foods has established market leadership positions in various countries across the globe, including China, Vietnam, Nigeria, Russia and the USA through its affiliated companies: Tingyi, Acecook Vietnam, Olam Sanyo Foods, King Lion and US Sanyo Foods respectively. Tingyi, an integrated food company in China with the largest market share in instant noodles and PET bottled tea drinks, is listed in the Hong Kong Stock Exchange. In instant noodles, Acecook Vietnam has the largest market share in Vietnam.

Issued on behalf of Olam International Limited by:
WATATAWA Consulting, 28 Maxwell Road #03-03 Red Dot Traffic Building Singapore 069120

Contacts For Olam Investor Relations

Aditya Renjen – General Manager, +65 66031104, 96570339, aditya.renjen@olamnet.com

Chow Hung Hoeng – Associate General Manager, +65 63179471, 98346335,
chow.hunghoeng@olamnet.com

Contacts For WATATAWA Consulting

Simon Pangrazio – Managing Partner, +65 90603513, simon.pangrazio@watatawa.asia

Josephine Chew – Associate Partner, +65 90610353, josephine.chew@watatawa.asia