



NEWS RELEASE

OLAM INTERNATIONAL TO ACQUIRE 100% OF LEADING US PEANUT SHELLER MCCLESKEY MILLS AT ENTERPRISE VALUE OF US\$176.0M

Backward integration into the shelling business further strengthens Olam's existing blanching and ingredient business in the US

Singapore, December 5, 2014 – Olam International Limited ("Olam" or "the Company"), a leading agri-business operating across the value chain in 65 countries, today announced that it has signed a purchase agreement to acquire a 100% interest in a leading US peanut sheller, McCleskey Mills, Inc. ("MMI"), at an enterprise value of US\$176.0 million.

MMI is currently the third largest peanut sheller in the US with a market share of approximately 12% and an annual capacity of approximately 250,000 Farmer Stock Tons (FST). MMI owns processing facilities at two locations in Georgia, the heart of the country's peanut growing region in the Southeast. In addition, it owns or manages 20 buying points and farmer stock storage assets at strategic locations in the Southeast region with a strong franchise amongst growers. MMI has also built long-standing relationships with a diverse set of customers in the snack, peanut butter and confectionery space.

Investment Rationale and Benefits of the Acquisition

Olam is a leading, global player in peanuts and has been operating in the US peanut industry since 2007 through its acquisition of Universal Blanchers LLC ("UB"), which specialises in toll blanching and ingredient manufacturing of peanuts. UB today has four manufacturing facilities strategically located across the US peanut belt in Georgia, Texas and North Carolina.

The acquisition of MMI is consistent with Olam's strategy to selectively invest in prioritised platforms, which includes Edible Nuts. It extends Olam's participation in the US peanut value chain as MMI links its own procurement and origination (supply chain) infrastructure with Olam's midstream processing capabilities, thereby completing Olam's value chain presence from farm gate to factory gate.

Olam's existing global network for marketing its range of Edible Nuts and experience in peanut shelling through its operations in Argentina, India and South Africa will help unlock the full growth potential of MMI. This has increasingly become a strategic imperative as the US is the leading cost-competitive producer and exporter of peanut products in the world. This competitive advantage arises from the continued investment in seed research and development in the US, which has resulted in productivity gains and better yields.



The deal will also enhance Olam's farmer relationships and market intelligence on the ground as MMI brings in a strong grower network and franchise, some of who can supply other crops, such as cotton, to the Company in the US.

As Olam integrates its value chain into direct farm procurement and shelling through MMI, it will be better positioned to differentiate its product offering to customers globally. This will further strengthen Olam's market position as a supplier of choice for Edible Nuts with the most diversified offering in almonds, cashews, hazelnuts and peanuts. Olam will also be the only global player with sourcing and peanut shelling operations in all key peanut origins (US, Argentina, India and South Africa) and presence in all main markets (EU, US, China, India and Southeast Asia).

President of Olam's peanut business, Anupam Jindel, said: "Today, the US is the lowest cost producer of peanuts and has the acreage and resources to expand production. The US peanut industry has an evolved market structure and is advanced in its seed technology, which helps to keep the industry very competitive. We see a steady rise in production and exports in the future to meet the increased demand in emerging markets such as China and India. This provides a clear rationale to invest in US peanut shelling operations and close out an existing gap in our supply chain. We are pleased to have secured this opportunity through MMI."

Olam's Managing Director and Global Head of Edible Nuts, Ashok Krishen remarked: "This acquisition will add further to the scale, scope and strong franchise of our global Edible Nuts business. I am confident that the Edible Nuts team has the capability to integrate this business, achieve volume growth and extract synergies in peanuts, both within and outside the US. This combination will strengthen our portfolio and enable us bring further value to our customers and suppliers."

Said Jerry Chandler, Chairman and Chief Executive Officer of MMI: "We are joining forces with Olam because there is a great opportunity to utilise each other's strengths and create a best-in-class solution for both our customers and growers. We are very excited about the future."

"With Olam, we will have access to the resources and infrastructure of a larger parent company that will afford our customers, growers and employees with tremendous stability," said Joe West, Executive Vice President of Operations and Sales of MMI. "Notwithstanding the change in ownership, we will continue to drive the business as we always have."

The MMI senior management team, including Joe West, Chad Chandler, Vice President of Procurement, and Bill Marshall, Vice President of Seeds and Projects, will continue to manage MMI's operations from Smithville, Georgia after the acquisition and will be responsible for expanding MMI's franchise with its growers and customers.



The acquisition will be funded by a combination of internal accruals and existing debt facilities. Subject to customary closing conditions, the transaction is expected to be completed by Q3 FY2015. It is also expected to be earnings and returns accretive from Year 1 after its consolidation.

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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 13,800 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), 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 McCleskey Mills, Inc:

McCleskey Mills, Inc. was founded as McCleskey Cotton Company in the Americas, Georgia in 1929. The company's current structure was created in June 1974 when Thomas J. Chandler acquired McCleskey Mills and operated in Georgia until 1983 when the shelling operation was moved to a new facility 12 miles south in Smithville, Georgia. The company continues to be closely held after Mr Chandler's death in 1993. After moving to Smithville, McCleskey Mills immediately tripled its capacity to produce a high quality product to meet an ever changing buyer demand. McCleskey Mills provides quality raw shelled peanuts to peanut butter manufacturers, candy and confectionery plants and salted nut roasters throughout the United States and the World. Today, McCleskey Mills offers Georgia, Florida and Alabama a competitive market with support services and its manufacturer customers with the industry's highest quality shelled peanuts in bags, boxes, totes or bulk containers. More information on McCleskey Mills can be found at <http://mccleskeymills.com>.

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