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NEWS RELEASE

OLAM ENTERS THE HAZELNUTS BUSINESS WITH THE ACQUISITION OF THE PROGIDA GROUP, A LEADING EXPORTER OF HAZELNUTS FROM TURKEY

Singapore, November 10, 2011 – Olam International Limited (“Olam” or “the Company”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today announced the proposed acquisition of 100% of equity interests in the Progida Group (“Progida”) for an enterprise value of 66 million Turkish Lira (~US\$ 38 million), subject to closing conditions.

About the Progida Group

The Progida group is one the world’s leading manufacturers and suppliers of natural and processed Turkish hazelnut kernels. Turkey is the world’s largest producer of Hazelnuts accounting for 70 % of world Hazelnut production.

Progida was founded in partnership with the Pisani & Rickertsen company in Istanbul in 1988. It is one of the leading manufacturers and suppliers of natural and semi-finished hazelnut kernels to the global confectionary manufacturers. It operates a modern ingredients factory in Giresun, Turkey, and has been consistently ranked amongst the top 3 Hazelnut exporters from Turkey

Their product categories include hazelnut kernels and value added processed products such as natural, blanched, roasted and chopped kernels as well as hazelnut paste and flour. In addition, Progida is equipped to process organic hazelnut kernels and also has a presence in the local snack food segment under the “Fındıkçı” brand.

Progida is an accredited ingredient supplier to the leading confectionery brands and food majors with an operating history of 23 years. Progida products find application in confectionary, ice creams, cakes, pastries and convenience foods.



The transaction involves the acquisition of Progida's key assets and processing capabilities, which comprise ingredients processing facility in the Giresun region of Turkey with a total capacity of 40,000 metric tonnes of kernel per annum and two leased cracking units in the Ordu region, a key hazelnut growing region in Turkey.

The facilities are located on a 7.5 hectare plot of land that provides scope for expansion. The facility adheres to stringent quality standards and is certified by IFS, BRC, ISO 9001, ISO 14001, ISO 22000 etc.

Olam's Managing Director and Global Head for Edible Nuts, Ashok Krishen commented: "We are excited about the opportunity to enter the Hazelnuts business, an adjacent Edible Nut category and to bring Progida under the Edible Nuts platform of Olam. Progida is one of the top 3 Hazelnut exporters from Turkey and has built a strong reputation for outstanding quality products and customer service with its key customers.

"This investment represents a further step towards consolidating our position as a leading supplier of Edible Nuts with an entry into Hazelnuts (the fourth largest nut category) and into Turkey (the world's largest producer of Hazelnuts). Progida also offers us the ability to expand our footprint in the ingredients supply chain and leverage this expertise across other nut categories."

Investment Rationale and Strategic Fit

The acquisition of Progida is aligned with Olam's strategy of becoming a global leader in the Edible Nuts segment and with this acquisition, Olam will be uniquely positioned as the only global supplier with a strong position in four major nut categories – Cashews, Almonds, Peanuts and Hazelnuts. Further, it would strengthen Olam's presence in the confectionery segment in Europe as a leading value-added ingredient supplier.

Turkey's geographical proximity to the European Union, which consumes ~80% to 85% of Turkey's hazelnut production, provides a logistic cost advantage to the Turkish hazelnut processors.



The acquisition of Progida also comes with a strong and experienced management team who will continue with the business post acquisition. The expertise of Progida in operating an ingredient processing facility and its long track record of participating in the ingredient value chain are key additions to Olam's mid-stream processing capabilities. Going forward, this platform will be expanded to include the other nut categories, thus enhancing the service offering to the combined customer base.

Olam, in turn, will provide Progida with supply chain and inventory management skills, greater financial strength, hedging and risk management expertise. The transaction also offers customer sharing opportunities with Olam's Cocoa, Sugar, Palm and Dairy businesses.

This acquisition also provides a strong base and platform for origination of other products from Turkey, which have a potential to service customers in the EU, Middle East and Eastern Europe.

Financial Impact

The acquisition would be funded through internal accruals. The acquisition will be both value and earnings accretive from the first full year after consolidation.

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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, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,600 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, 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 and 2010 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.

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