



NEWS RELEASE

OLAM INTERNATIONAL CLOSES ADM COCOA ACQUISITION TO CREATE GLOBALLY INTEGRATED COCOA BUSINESS

- *Olam Cocoa* is now a fully integrated cocoa bean and cocoa products supplier (powder, butter and liquor)
- Beans sourced from all major origins¹ via a network of 650,000 farmers ensuring stability of supply, quality and traceability
- 12 advanced processing, refining and milling facilities with combined capacity of 700,000 metric tonnes in the main producing countries of Côte d'Ivoire, Nigeria, Ghana and Brazil, as well as in or adjacent to consumption markets in Europe, USA, Canada and Asia – optimising transport and reducing environmental impact
- Six innovation centres² with 40 R&D professionals developing and innovating custom applications for confectionery, bakery, beverages and desserts
- A portfolio of respected brands spearheaded by the iconic *deZaan*®, plus West African origin brand *UNICAO*® and Latin American brand *Joanes*®. These join Olam's established *Macao*® and *Britannia* (speciality fats, oils and product formulation) brands
- Leading-edge market intelligence and research, trading, crop forecasting and risk management skills
- Enhanced ability to scale up smallholder development programmes to accelerate progress towards goal of 100% sustainably sourced cocoa by 2020
- Led by a Cocoa Executive team with combined experience of over 200 years in the cocoa industry and a highly experienced senior leadership team
- Transaction to achieve between US\$180.0 million and US\$200.0 million including synergies in EBITDA at steady-state in 2018

Singapore, October 17, 2015 – Olam International Limited (“**Olam**”), a leading agri-business operating across the value chain in 65 countries, is pleased to announce that the acquisition of ADM's worldwide cocoa business, previously announced on December 16, 2014, was successfully completed on Friday, October 16, 2015 at an enterprise value on a cash free and debt free basis of US\$1,204.0 million. The closing value is estimated at US\$550.0 million in fixed assets and US\$654.0 million in working capital subject to the usual purchase price adjustment post closing.

The acquisition satisfies increasing customer demand for full integration within the cocoa supply chain by bringing together a world leader in cocoa bean sourcing (Olam) and one of the world's foremost cocoa processors (ADM Cocoa). The newly created entity *Olam Cocoa* offers breadth, depth and scalability – from origin sourcing, trading, risk management, value chain processing and supply chain solutions, to sustainability, research and development, and product innovation. Over 2,400 dedicated



cocoa experts, of whom 1,500 have today joined from ADM, will be based in a total of 11 producing countries, seven usines, 12 midstream processing facilities, six innovation centres, 20 marketing offices and more than 200 warehouses.

Olam's Co-Founder, Group Managing Director and CEO, Sunny Verghese said: "Olam Cocoa is now a leading, global integrated supplier of cocoa products. This is a transformation of an already strong, prioritised business platform with attractive market prospects that is poised to contribute significantly to Group EBITDA by 2018."

CEO of Olam Cocoa, Gerard Manley said: "Having been in cocoa for 32 years, it is with a mixture of pride and purpose that I see two world class businesses unite in Olam Cocoa. Together we have created a dynamic and experienced enterprise with sustainable sourcing and the iconic *deZaan*® brand at its heart. By maximising our complementary capabilities in a fully integrated business, we can meet the needs of our 2,000 customers, from pure bean buyers to international brands, both now and in the future."

Jeff Pfalzgraf, who was the Vice President of ADM Cocoa's Global Operations and now designated as Global Head of Manufacturing of Olam Cocoa, said: "This is a momentous day for me and my colleagues around the world as we join Olam Cocoa. Anyone working in the cocoa sector knows how much passion it inspires. Through Olam Cocoa we are now perfectly poised to take our combined experience and values to customers based on our manufacturing expertise, whilst exploring new opportunities."

A strong strategic fit

Cocoa business is one of six, prioritised platforms identified "to invest and grow" in Olam's strategic plan. Renowned for its farm-gate origination, sustainability programmes, trading and export presence in the major cocoa origins prior to the acquisition, Olam's cocoa business had already started to successfully integrate its supply chain by investing in origin processing in Côte d'Ivoire and Nigeria, and in value-added midstream processing facilities in Spain and the UK.

Olam Cocoa will now benefit from operating leverage and scale. The combined business optimises its procurement, manufacturing, logistics, warehousing, trading and risk management systems, and working capital utilisation by integrating its entire operation. Olam expects to derive synergy impact of between US\$35.0 and US\$40.0 million by 2018.



Transaction to achieve between US\$180.0 million and US\$200.0 million in EBITDA in 2018

The acquisition of ADM Cocoa is expected to be earnings, returns and cash flow accretive in first full year of consolidation. Olam expects the acquired business to generate an EBITDA of between US\$180.0 and US\$200.0 million including synergies at steady-state in 2018. This represents a 20-22% growth over the results for the year ended June 30, 2014. The return from the transaction based on EBITDA on average invested capital is expected to be within Olam's target midstream value chain returns of 13-16% in 2018.

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Notes to editors

¹Origin countries: Brazil, Côte d'Ivoire, Ghana, Nigeria, Cameroon, Congo Brazzaville, Tanzania, Uganda, Indonesia, Papua New Guinea and Ecuador

²Innovation centres: Brazil, USA, Netherlands, Singapore, Spain and United Kingdom

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About Olam International

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 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.