



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

**ANNOUNCEMENT**

**PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE**

**1. INTRODUCTION**

The directors (the “**Directors**”) of Olam International Limited (the “**Company**”) wish to announce that the Company proposes to undertake a renounceable underwritten rights issue (the “**Rights Issue**”) of US\$750 million in principal amount of 6.75 per cent. bonds due 2018 (the “**Bonds**”), in the denomination of US\$1.00 for each Bond, with 387,365,079<sup>1</sup> free detachable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (the “**New Share**”) at an exercise price of US\$1.291 for each New Share (the “**Exercise Price**”), on the basis (the “**Rights Issue Basis**”) of 313 Bonds of principal amount of US\$1.00 each with 162 Warrants for every 1,000 existing ordinary shares in the capital of the Company (the “**Shares**”) held by the Entitled Shareholders (as defined in paragraph 2.2 of this Announcement), which for the avoidance of doubt excludes treasury Shares held by the Company, as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), fractional entitlements to be disregarded. The issue price of the Bonds will be 95 per cent. of the principal amount and the gross proceeds from the issue of the Bonds is US\$712.5 million.

The issue of the Warrants and the New Shares is proposed to be made pursuant to the share issue mandate approved by shareholders of the Company (the “**Shareholders**”) at the Company’s Annual General Meeting held on 31 October 2012.

The Company has appointed Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and J.P. Morgan (S.E.A.) Limited as joint bookrunners, lead managers and underwriters of the Rights Issue (“**Joint Bookrunners**”). The Rights Issue is underwritten in full by the Joint Bookrunners subject to the terms and conditions of an underwriting agreement entered into between the Joint Bookrunners and the Company (the “**Underwriting Agreement**”).

**2. PARTICULARS OF THE RIGHTS ISSUE**

**2.1 Proposed Terms of the Rights Issue**

The principal terms of the Rights Issue, the Bonds, the Warrants and the New Shares are summarised below:

**Rights Issue**

- Basis of Provisional Allotment** : The Bonds with Warrants are proposed to be offered to Entitled Shareholders on a renounceable basis on the basis of 313 Bonds of principal amount of US\$1.00 each with 162 Warrants for every 1000 Shares held by, or standing to the credit of the Securities Accounts (as defined in paragraph 2.2 of this Announcement) of, Entitled Shareholders (which, for the avoidance of doubt, excludes treasury Shares held by the Company) as at 5.00 p.m. (Singapore time) on the Books Closure Date, fractional entitlements to be disregarded.
- Eligibility to Participate** : Please refer to paragraph 2.2 of this Announcement.
- Acceptance, Excess Application and Payment Procedures** : Please refer to paragraph 2.2 of this Announcement.

**The Bonds**

- Issue Size** : Based on the issued share capital of the Company as at the date of this Announcement comprising 2,390,213,869 Shares (excluding 52,196,000 treasury Shares held by the Company), the Company will issue US\$750 million in principal amount of Bonds and 387,365,079 Warrants and up to 387,365,079 New Shares upon the exercise of the Warrants (subject to adjustments as described in the section “The Warrants and the New Shares” below). In the event that any of the outstanding US\$300 million 1.0 per cent. convertible bonds due 2013 issued by the Company in 2008 or the outstanding US\$500 million principal amount of 6.0 per cent. convertible bonds due 2016 issued by the Company in 2009 are converted into shares in the Company or the outstanding share options under the Company’s employee share options scheme are exercised, in either case, on or before the Books Closure Date, the Rights Issue Basis will be adjusted by amending the entitlement ratio of the Entitled

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<sup>1</sup> This will amount to US\$500 million in principal amount of Warrants calculated on the basis of the closing price of the Shares quoted on the Singapore Exchange Securities Trading Limited on 30 November 2012 of S\$1.575 and the exchange rate of S\$1.2202 to US\$1.

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Shareholders to the Bonds with Warrants to take into account the enlarged issued share capital of the Company. The Company will not be selling any treasury Shares held by it on or prior to the Books Closure Date. There will be no increase in the issue size of the Bonds with Warrants.

- Issue Price of the Bonds** : 95 per cent. of the principal amount of the Bonds or US\$0.95 for each US\$1.00 of principal amount of Bonds.
- Maturity Date** : The 5<sup>th</sup> anniversary of the date of issue of the Bonds (the “**Maturity Date**”)
- Interest** : The Bonds will bear interest from the date of issue of the Bonds up to the Maturity Date at the rate of 6.75 per cent. per annum payable semi-annually in arrears . Subject to the terms and conditions of the Bonds, each Bond will cease to bear interest from the due date of redemption thereof unless upon surrender, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment.
- Form and Denomination** : The Bonds will be issued in registered form and in the denomination of US\$1.00 each or integral multiples thereof and will be represented by a global bond certificate registered in the name of The Central Depository (Pte) Limited (“**CDP**”), and deposited with CDP. Except in the limited circumstances described in the provisions of the global bond certificate, owners of interests in Bonds represented by the global bond certificate will not be entitled to receive definitive bond certificates in respect of their individual holdings of Bonds. Bonds which are represented by the global bond certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.
- Status of the Bonds** : The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves.

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**Redemption** : Unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Bonds, the Company will redeem each Bond at 100 per cent. of its principal amount on the Maturity Date.

**Redemption at the Option of the Company** : On or after the second anniversary of the date of issue of the Bonds, the Company shall have the option to redeem such outstanding Bonds in whole but not in part at 103.375 per cent. of their principal amount together with accrued interest.

On or after the third anniversary of the date of issue of the Bonds, the Company shall have the option to redeem such outstanding Bonds in whole but not in part at 101.6875 per cent. of their principal amount together with accrued interest.

On or after the fourth anniversary of the date of issue of the Bonds, the Company shall have the option to redeem such outstanding Bonds in whole but not in part at 100 per cent. of their principal amount together with accrued interest.

**The Warrants and the New Shares**

**Exercise Price and Exercise Period** : Each Warrant will, subject to the terms and conditions to be set out in an instrument constituting the Warrants (the "**Instrument**"), carry the right to subscribe for one New Share at an exercise price of US\$1.291 for each New Share, at any time during the period commencing on and including the third anniversary of the date of the issue of the Warrants and expiring at 5.00 p.m. on a date falling 60 months after the date of the issue of the Warrants (the "**Expiration Date**"), unless such date is a date on which the register of warrant holders is closed or is not a market day, in which event the period shall end on the market day prior to the closure of the register of warrant holders or the immediate preceding market day, as the case may be, but excluding such period(s) during which the register of warrant holders may be closed pursuant to the terms and conditions of the Warrants as set out in the Instrument (the

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“**Exercise Period**”). Any Warrants which have not been exercised by the Expiration Date shall lapse and cease to be valid for any purpose.

The Exercise Price is the USD equivalent (based on the exchange rate of S\$1.2202 to US\$1) of the closing price of the Shares quoted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 30 November 2012 of S\$1.575.

The number of New Shares to be allotted and issued by the Company, pursuant to the full exercise of the Warrants, is 387,365,079 New Shares (based on conversion at the Exercise Price of US\$1.291 and assuming no further adjustments to the Exercise Price), which represents approximately 16.2 per cent. of the existing issued Shares (excluding treasury Shares).

- Form** : The Warrants will be issued in registered form and will be traded on a book-entry (scripless) settlement basis on the SGX-ST upon the listing of and quotation for the Warrants on the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.
- Status of New Shares** : The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of allotment and issue of the New Shares.
- Adjustment** : The Exercise Price and/or the number of Warrants to be held by each warrant holder will be subject to adjustments under certain circumstances as set out in the Instrument. Any additional warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series.

**2.2 Eligibility of Shareholders to Participate in the Rights Issue**

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The Company proposes to provisionally allot by way of rights to all Shareholders who are eligible to participate in the Rights Issue (“**Entitled Shareholders**”), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

Shareholders whose Shares are registered in the name of CDP and whose securities accounts (“**Securities Accounts**”) with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (“**Depositors**”) will be provisionally allotted Bonds with Warrants entitlements on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at the Books Closure Date. “**Entitled Depositors**” are Depositors whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three market days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents. For the avoidance of doubt, other than subject to certain exceptions, the rights to the Bonds with Warrants will not be offered to Shareholders with a registered address in the United States or who are U.S. persons, or who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of rights, the Bonds with Warrants and the New Shares may not be lawfully made.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 will be registered to determine the provisional Bonds with Warrants entitlements of the transferee (a “**Scripholder**”, which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights Issue. “**Entitled Scripholders**” are Scripholders whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three market days prior to the Books Closure Date, provided the Company's Share Registrar with addresses in Singapore for the service of notices and documents. For the avoidance of doubt, other than subject to certain exceptions, the rights to the Bonds with Warrants will not be offered to Shareholders with a registered address in the United States or who are U.S. persons, or who are otherwise located, resident or with a registered address in any jurisdiction in which the offering of rights, the Bonds with Warrants and the New Shares may not be lawfully made.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the rights to the Bonds with Warrants will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three market days prior to the Books Closure Date, provided CDP or the Company's Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents, unless otherwise reasonably determined by the Directors that the Bonds with Warrants may be offered based on applicable securities legislation (“**Foreign Shareholders**”). Entitlements to Bonds with Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold “nil-paid” on the SGX-ST after dealings in the provisional allotments of Bonds with Warrants commence, and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in the offer information statement (the “**Offer Information Statement**”) to be issued for the Rights Issue.

Entitlements to subscribe for the Bonds with Warrants will be renounceable and are expected to be tradable on the Main Board of the SGX-ST over a period to be determined by the Directors in compliance with the rules of the SGX-ST Listing Manual. Entitled Shareholders will be at liberty to accept, decline, renounce or trade, in whole or in part, their provisional

allotments of the Bonds with Warrants and will be eligible to apply for Bonds with Warrants in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, the Warrants will be issued free with the Bonds on the basis of 162 Warrants for every 313 Bonds successfully subscribed for, fractional entitlements to be disregarded.

Entitlements which are not allotted or taken up for any reason (including any fractional entitlements to the Bonds with Warrants) will be aggregated and used to satisfy applications, if any, for excess Bonds with Warrants or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Joint Bookrunners, may deem appropriate. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

### **3. PURPOSES OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

#### **3.1 Purposes of the Rights Issue**

The Rights Issue will enable the Company to demonstrate its ability to access the capital markets, further strengthen its balance sheet and liquidity position and provide a strong vote of confidence from its strategic shareholder.

#### **3.2 Use of Proceeds**

The estimated amount of the proceeds from the Rights Issue (net of the estimated amount of underwriting commissions incurred in connection with the Rights Issue) is approximately US\$697.5 million. If all the Warrants are exercised, the Company is expected to receive further gross proceeds of approximately US\$500 million.

The Company intends to utilise the net proceeds for terming out short term debt (approximately 50%) and general corporate purposes including meeting working capital requirements (approximately 50%).

Pending the deployment of the net proceeds from the Rights Issue and the exercise of the Warrants, the net proceeds may be deposited with banks and/or financial institutions as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue, as the funds from the Rights Issue are materially disbursed and provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report.

### **4. UNDERWRITING AGREEMENT AND IRREVOCABLE UNDERTAKINGS**

#### **4.1** Except for the Bonds with Warrants to be subscribed by the Undertaking Shareholders (as defined below), the Rights Issue is underwritten in full by the Joint Bookrunners on the terms and subject to the conditions of the Underwriting Agreement. In consideration of the Joint Bookrunners' agreement to underwrite the Bonds with Warrants, the Company will pay the Joint Bookrunners an underwriting commission of 2% on the principal amount of the Bonds.

**4.2** As at the date of this Announcement, the following Shareholders of the Company (collectively, the “**Undertaking Shareholders**”) have irrevocably undertaken to the Company, *inter alia*, to subscribe for and/or procure subscriptions for, and pay and/or procure payment for all their Bonds with Warrants entitlements under the Rights Issue (the “**Irrevocable Undertakings**”):

<b>Name of Undertaking Shareholder</b>	<b>Number of Shares beneficially owned as at the date of this Announcement (excluding deemed interests)</b>	<b>% of total issued Shares<sup>[1]</sup></b>	<b>Principal Amount of Bonds to be subscribed for<sup>[2]</sup></b>	<b>Number of Warrants to be subscribed for<sup>[3]</sup></b>	<b>% of Rights Issue</b>
Breedens Investments Pte. Ltd. (“ <b>Breedens</b> ”) (a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“ <b>Temasek</b> ”))	311,136,140	13.02	US\$97,385,568	50,404,032	13.02
Aranda Investments Pte. Ltd. (“ <b>Aranda</b> ”) (a wholly-owned subsidiary of Temasek)	79,262,313	3.32	US\$24,809,006	12,840,444	3.32

**Notes:**

1. Excluding 52,196,000 treasury Shares held by the Company.
2. The principal amount of Bonds to be subscribed for is calculated on the basis of an entitlement of 313 Bonds for every board lot of 1000 shares.
3. The number of Warrants to be subscribed for is calculated on the basis of an entitlement of 162 Warrants for every board lot of 1000 shares.

The Irrevocable Undertakings are subject to, and conditional upon, *inter alia*:

- (a) the approval in-principle having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the Rights Issue) for the listing of and quotation for the Bonds, the Warrants and the New Shares on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (b) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection



with the Rights Issue, by the Company with the Monetary Authority of Singapore (the “MAS”).

Aranda, a wholly-owned subsidiary of Temasek, has also entered into a sub-underwriting agreement (“**Sub-Underwriting Agreement**”) with the Joint Bookrunners, pursuant to which Aranda has agreed to subscribe for all of the Bonds with Warrants to the extent that such Bonds with Warrants are not validly subscribed for under the Rights Issue (the “**Sub-Underwriting Commitment**”).

In consideration of Aranda's commitment under the Sub-Underwriting Agreement, the Joint Bookrunners have agreed to pay to Aranda's sub-underwriting commissions of 0.85% of the principal amount of the Bonds (being approximately US\$6.375 million).

The Company is grateful for the support of its Shareholders during its rapid growth, and in particular since its listing in February 2005.

Temasek first became an investor in the Company in 2003, prior to its listing. Temasek has invested in the Company on a further three occasions prior to this announcement: in July 2009, November 2009 and in June 2011, when its participation in the equity fund raising exercise increased its stake to 16%.

“We have invested in Olam over the years. We are supportive of its publicly known strategy to take the opportunity, in recent years, to add on more upstream and midstream capabilities and capacities. While no business is without risks, we remain comfortable with Olam's credit position and longer term prospects, and are pleased to have another opportunity to invest in the company, alongside other shareholders,” said Temasek's Senior Managing Director, Investments, Mr David Heng.

None of the Undertaking Shareholders would trigger an obligation under the Singapore Code on Take-overs and Mergers to make a general offer for the Shares of the Company in the event that none of the other Shareholders subscribes for the Bonds with Warrants.

In the reasonable opinion of the Directors, no minimum amount must be raised by the Rights Issue and the minimum proceeds of the Rights Issue (based on the Irrevocable Undertakings), together with other sources of funding currently available to the Company, are sufficient to meet the Company's present funding requirements.

## **5. BOARD CONFIRMATION**

**5.1** Having considered the terms of the Underwriting Agreement (including the commissions payable to Aranda thereunder), the Board (including all of the independent Directors) is unanimously of the view that the terms of the Underwriting Agreement have been entered into on an arm's length basis and are on normal commercial terms. Temasek currently does not have representation (whether directly or indirectly through a nominee) on the Board of the Company or control or influence over the Company in connection with the day-to-day affairs of the Company. The Board and Mr Wong Heng Tew, an independent director of the Company, confirm that Mr Wong does not represent Temasek on the Board of the Company.

**5.2** In considering the structure of the Rights Issue underwriting, the Board has considered and noted, *inter alia*, the following:

- (a) the rationale for, and the use of proceeds from, the Rights Issue, as set out in this Announcement;
- (b) the importance of the Rights Issue to be fully underwritten, given the execution risks posed by the rights issue execution period;
- (c) the written confirmation from the Joint Bookrunners to the Board that they will not underwrite the Rights Issue without the Sub-Underwriting Agreement being put in place, and that the discussion on the sub-underwriting arrangement with Aranda was initiated by the Joint Bookrunners and not by Aranda;
- (d) the assumption by Aranda of market risks for the entire Rights Issue and the giving up of its ability to trade its Rights; and
- (e) the sub-underwriting fee paid to Aranda (i) not being higher than the commission payable to the Joint Bookrunners; (ii) being paid by the Joint Bookrunners out of their own underwriting commission; and (iii) not leading to an additional cost to the Company over and above the underwriting commission payable to the Joint Bookrunners.

On the bases set out above, the Board (including all of the independent Directors) is unanimously of the view that the terms of the Sub-Underwriting Agreement are fair and not prejudicial to the Company and to other Shareholders.

## **6. APPROVALS**

### **6.1 Listing Approval**

The Rights Issue is subject to the approval in-principle from the SGX-ST for the listing of and quotation for the Bonds, the Warrants and the New Shares on the Official List of the SGX-ST. An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Bonds, the Warrants and the New Shares (as separate instruments) on the Official List of the SGX-ST.

### **6.2 Offer Information Statement**

The Rights Issue is subject to the lodgment of the Offer Information Statement together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, by the Company with the MAS.

### **6.3 Other Approvals**

The Rights Issue is subject to all necessary waivers, consents and approvals from *inter alia* the SGX-ST and if required, Shareholders of the Company, in connection with the Rights Issue being obtained.

Where appropriate, further details will be disclosed in subsequent announcements.

**7. GENERAL**

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Joint Bookrunners, may deem appropriate. Further details of the Rights Issue (including the financial effects of the Rights Issue) will be made available in the Offer Information Statement to be despatched to Entitled Shareholders in due course.

**BY ORDER OF THE BOARD**

Sunny Verghese  
Group Managing Director and Chief Executive Officer

3 December 2012  
Singapore

**IMPORTANT NOTICE**

This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.