



## News Release

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### **Olam Orchards Australia announces sale of permanent water rights in Australia to PSP Investments for A\$490.0 million**

#### ***Agreement includes revenue-sharing arrangement to operate almond orchards and access permanent water rights***

**Singapore, December 3, 2019** – Global food and agri-business, Olam International Limited (“Olam”), today announced that its wholly owned subsidiary Olam Orchards Australia (“OOA”) has entered into an agreement to sell 89,085 megalitres of its permanent water rights in Australia to a related entity of the Public Sector Pension Investment Board (“PSP Investments”), one of Canada’s largest pension investment managers, for a total consideration of A\$490.0 million (~US\$332.5 million).

In a separate transaction, PSP Investments has agreed to acquire approximately 12,000 hectares of almond orchards and related assets in Victoria, Australia, which were previously leased to OOA. Both the almond orchards and the associated water rights will continue to be operated by OOA.

OOA has also entered into a new, tiered revenue sharing arrangement with PSP Investments for the almond orchards, related assets and permanent water rights, pursuant to which it will pay PSP Investments a share of revenue from the almond orchards. The arrangement is for an initial period of 25 years with options to renew for another 25 years.

Olam’s Managing Director and CEO of Edible Nuts, Ashok Krishen remarked: “Consistent with our asset-light approach to tree crop production, this arrangement will enable Olam Orchards Australia to focus on operations and continue to deliver best-in-class products and services to customers. I am confident this partnership with PSP Investments will help lead the industry in sustainable farming and agricultural practices, and protect critical natural resources, such as water in Australia.”

PSP Investments Managing Director and Head of Natural Resources, Marc Drouin, said: “Our agreement with Olam Orchards Australia is consistent with our strategy to partner with best-in-class operators who take the long-term view, and to invest in high-quality agricultural assets globally. It is also quite complementary to our existing permanent crop investments around the world and represents a unique avenue to add scale, particularly in Australia.”

The transaction is expected to be completed in December 2019, subject to customary conditions. On completion, Olam will receive cash proceeds of A\$490.0 million and is also expected to book a one-time pre-tax capital gain of approximately A\$311.0 million (~US\$211.0 million).

In addition to this transaction, Olam is currently engaged in various discussions for divesting and/or restructuring various assets and businesses in line with the Strategic Plan, some of which may be concluded in this financial year. The financial impact (viz. one-off exit costs, gains/losses on sale and/or potential impairment) whether arising from such divestment or from the Company’s remaining investments is subject to multiple factors outside the Company’s control and not quantifiable at this point of time. Such financial impact will be assessed by the Company and reflected in the full year financials. Shareholders should keep this disclosure in mind when trading in the shares of the Company.

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### About Olam International Limited

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Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 19,800 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 4.8 million farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam aims to address the many challenges involved in meeting the needs of a growing global population, while achieving positive impact for farming communities, our planet and all our stakeholders.

Headquartered and listed in Singapore, Olam currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

More information on Olam can be found at [www.olamgroup.com](http://www.olamgroup.com). Follow @olam:



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Issued on behalf of Olam International Limited by:

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