



STATEMENT

Date: 12 September 2017

IOI GROUP

IOI Corporation divests 70% equity stake and retains 30% stake in IOI Loders Croklaan in a new business partnership with Bunge

IOI Corporation Berhad (IOI) today announced the company has entered into a definitive sale and purchase agreement with Bunge Limited (Bunge) to sell a 70% controlling stake in IOI Loders Croklaan (Loders) and its related businesses for a total consideration of Euro 297 million plus US Dollars 595 million, subject to certain adjustments to be determined at the closing of the transaction. This values the entire Loders and its related businesses at Euro 425 million plus US Dollars 850 million, net of external debt and cash and including normalised working capital. The transaction is expected to close within the next 12 months, subject to regulatory and other customary approvals which include the approval of IOI's shareholders.

After the transaction, Loders will, in combination with Bunge, be part of a global agri-food company with differentiated and comprehensive product offerings based on both tropical and seed oils, and world-class formulation and application capabilities. Loders will continue its focus of being a leading specialty edible-oils solution provider with premier formulation and application capabilities, backed by a traceable and sustainable supply chain in tropical oils particularly palm oil.

During the fourteen years since IOI acquired Loders, Loders has grown from having three processing plants to seven plants in Europe, North America and Asia, and earnings have nearly quadrupled during this period. IOI has positioned Loders as a leading palm-based specialty fats player which supplies its products to nearly all major MNC food companies. In order to sustain its significant growth and better serve its multinational customers, Loders will need to expand its processing plant footprints to regions such as South America and South Asia, and offer more varied product offerings including seed oil-based products. In IOI's assessment, the faster and more effective way to do so is by leveraging on Bunge's existing plant assets in these regions and Bunge's established integrated supply chain in seed oils.

The approach from Bunge to acquire a controlling stake in Loders follows a period of discussion between Bunge and Loders about forming alliances in certain regions which has resulted in the establishment of a collaboration arrangement between both companies. Having engaged with Bunge through this period of discussion as a shareholder of Loders, IOI finds that both IOI and Bunge share similar corporate values and are aligned on business priorities and commitments. Given the complementary nature of Loders and Bunge's asset base and product offerings, we expect the integration process to be smooth and that any change to Loders' operations and employee movements after the close of the transaction to be insignificant.

"After the transaction, IOI will still play an important role in Loders given our expertise in palm oil sourcing and our business experience in the fast-growing Asia Pacific Region. IOI will have two representatives on Loders' five-member Board of Directors and our representatives will also be involved in key management decisions taken by Loders. IOI will continue to be a major supplier of palm oil and palm products to Loders after the transaction. In this respect, IOI will maintain our strong sustainability commitments as spelled out in IOI Group's Sustainable Palm Oil Policy", said IOI CEO Dato' Lee Yeow Chor.

Soren Schroder, CEO of Bunge stated, “We have tremendous respect for the quality business that IOI has built with Loders and look forward to adding their global customer and application capabilities into Bunge’s already strong business. Together, our combined capabilities and differentiated product offerings will create the leading solutions provider in B2B oils and enable us to meet growing customer needs globally. We look forward to welcoming the Loders employees to Bunge”.

Going forward, IOI intends to be a vital partner to Bunge in supporting Loders’ growth and Bunge’s corporate objective to grow their value-added portfolio in the edible oils business. On IOI’s part, our continued equity interest and involvement in Loders, and the expected significant growth in Loders in the future will support IOI’s business focus of being a leading integrated and sustainable palm oil player with global presence in both specialty fats and oleochemical segments.

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About IOI Corporation Berhad

IOI Corporation Berhad (IOIC, www.ioigroup.com), listed on the Main Board of Malaysian Stock Exchange, is a leading global integrated and sustainable palm oil player. Employing more than 30,000 people in 15 countries, IOIC is a fully integrated company that undertakes the plantation and resource-based manufacturing businesses. Its plantation business covers Malaysia and Indonesia with a land bank of more than 230,000 hectares, making it one of the largest plantation owners in the industry. Its downstream resource-based manufacturing business includes refining of palm oil as well as manufacturing of oleochemicals and specialty oils and fats, with strong presence in Asia, Europe and USA.

About Bunge Limited

Bunge Limited (www.bunge.com, NYSE: BG) is a leading global agribusiness and food company operating in over 40 countries with approximately 32,000 employees. Bunge buys, sells, stores and transports oilseeds and grains to serve customers worldwide; processes oilseeds to make protein meal for animal feed and edible oil products for commercial customers and consumers; produces sugar and ethanol from sugarcane; mills wheat, corn and rice to make ingredients used by food companies; and sells fertilizer in South America. Founded in 1818, the company is headquartered in White Plains, New York.

For more information, please contact:

Investor Contact:

Mr Kong Kian Beng
Deputy Group Financial Controller
IOI Corporation Berhad
Tel: +603-8947 8874
Email: kbkong@ioigroup.com

Media Contact:

Ms Karen Liew
Head of Corporate Communications
IOI Corporation Berhad
Tel: +603-8947 8927
Email: karen.liew@ioigroup.com