

News Release

London, 26 February, 2019

Olam announces acquisition of Indonesia's largest cocoa processor, BT Cocoa, to capitalise on Asia's trajectory to become the largest global consumer of cocoa powder

- Global food and agri-business Olam International Limited today announced that it has acquired an 85% share of YTS Holdings Pte Limited for a consideration of USD\$90 million which is 100% owner of PT. Bumitangerang Mesindotama ("BT Cocoa")
- The remaining 15% of shares are to be held by the founding members of BT Cocoa, Piter Jasman and family
- Adds 120,000 metric tonnes of cocoa bean processing capacity and 30,000 metric tonnes of cocoa mass pressing capacity to serve increasing demand for cocoa products in Asia, especially cocoa powder
- Brings together a world leader (Olam Cocoa) in traceable cocoa sourcing and processing, with one of Asia's leading cocoa processors (BT Cocoa)
- Strengthens brand portfolio offering by adding strong Indonesian national brand BT Cocoa and enables the further development and growth of Olam Cocoa's Huysman brand
- The significant synergies derived and a competitive cost advantage will add further value

CEO of Olam Cocoa, Gerard A. Manley said: *"We are excited to have the opportunity to rapidly expand our footprint in Asia and to develop this business with the founder and family of BT Cocoa. Our longstanding relationship will enable us to deliver world class cocoa ingredients and services to our expanded customer base and look to strengthen these relationships in the future in one of the fastest growing regions in the world."*

A strong strategic fit

The acquisition satisfies increasing customer demand for full integration within the cocoa supply chain by bringing together Olam Cocoa, a world leader in traceable cocoa bean sourcing and a leading processor of cocoa ingredients, and BT Cocoa, the largest cocoa processor in Indonesia. 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 cocoa ingredient innovation. BT Cocoa supplies size and scale in Indonesian cocoa processing with a total installed cocoa bean grind and cocoa mass capacity of 150,000 metric tonnes and a facility equipped with the latest processing technology.

Olam Cocoa has been working closely with BT Cocoa for nearly 3 years through a Business Collaborative Agreement and has already made considerable financial and operational improvements, including helping BT Cocoa achieve a 30% reduction in energy consumption.

This acquisition supports the worldwide positive growth trend of chocolate and cocoa ingredient consumption and the expectation that the need for cocoa processing will continue to grow, supported by additional investment in cocoa producing and consuming countries.

Addressing future trends in cocoa ingredients

In 2018, global chocolate consumption was above 6 million metric tonnes and is expected to increase in the next five years. Indonesia is currently the world's 6th largest cocoa producing country and Asia is set to become the second largest consumer of cocoa ingredients in the world led by China, India, Japan and the Philippines¹. Asian demand for cocoa powder in particular is increasing with a 5 year CAGR projection of 8%². Growth in snack food categories like sweet

^{1, 2} Olam Cocoa Research

biscuits and cookies, which accounted for 40% of new product development in Asia in 2018, is driving this trend³.

BT Cocoa's prominence as an existing supplier to leading chocolate and confectionery manufacturers in the region presents new market opportunities for Olam Cocoa's ingredients portfolio, such as value cocoa powders brand Huysman, which was launched in Asia in 2018, and to complement premium cocoa brand deZaan. With its world-leading team of R&D and Product Development and Innovation experts, Olam Cocoa is well positioned to capitalise on these emerging trends to support the needs of regional consumers.

Ensuring a strong and sustainable cocoa supply chain

Olam Cocoa has been operating in Indonesia since 1996 and is the country's largest exporter of cocoa beans, establishing the company's first cocoa sustainability initiative there in 2004. Since that time, USD\$20 million in premiums have been paid to cocoa farmers and 5 million cocoa tree seedlings distributed. Today Olam Cocoa includes 65,500 Indonesian cocoa farmers across 6 provinces in sustainability programmes. Supplying resources for the best cocoa growing techniques based on leading plant science R&D, programmes aim to support livelihoods comparable to the farming of competing crops. Olam Cocoa also owns one of the largest cocoa plantations in Indonesia, located on Seram Island.

Piter Jasman of BT Cocoa, said: *"The relationship with Olam Cocoa represents a powerful opportunity for BT Cocoa to significantly expand our market with enhancements to quality, safety and ethically responsible cocoa products. The past 3 years of collaboration has clearly demonstrated the potential for delivering better value. The combination of Olam Cocoa's expertise as the leading global supplier and processor of sustainable cocoa, with BT Cocoa's strong local network, will provide our customers with increasing benefits."*

Yeong Chye of Olam Cocoa, added: *"With the acquisition of BT Cocoa we will be able to meet Asia's increasing demand for cocoa ingredients with additional offerings that support the strong positioning of deZaan ingredients supplied from Singapore. We welcome the potential to further expand the BT Cocoa and Huysman brands in the Asian markets, allowing us to extend our breadth and competitiveness."*

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About Olam International

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to over 22,000 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of 4.7 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.

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³ Innova Market Research

About Olam Cocoa

A leading originator of cocoa beans, a globally leading cocoa processor, and the world's foremost focused supplier of cocoa beans and cocoa ingredients (cocoa powder, cocoa butter and cocoa mass), Olam Cocoa is a fully integrated cocoa business. As one of the world's leading suppliers of sustainable cocoa, Olam Cocoa is accelerating progress towards the goal of 100% traceable cocoa volumes from its direct origination supply chain by 2020.

Cocoa beans are sourced from all major origins across Africa, Asia and South America from a network of 650,000 cocoa farmers. Olam Cocoa's portfolio of ingredient brands is led by deZaan, with its heritage of more than 100 years of excellence, as well as African origin brand Unicao, South American origin brand Joanes, the regional Macao and Husyman cocoa powder brands and the Britannia confectionery and speciality fats brand. Olam Cocoa has a global cocoa bean grind capacity in excess of 800,000 metric tonnes, and a refining and milling presence of over 120,000 metric tonnes in, or adjacent to, primary consumption markets in Europe, the Americas, and Asia.

About BT Cocoa

PT. Bumitangerang Mesindotama ("BT Cocoa"), a subsidiary of YTS Holdings Pte Limited, has an operating history dating back to 1993 and is one of the largest cocoa processing companies in Asia. Situated in Tangerang, near Jakarta, with an installed grind capacity of 150,000 metric tonnes, BT Cocoa is the largest cocoa processor in Indonesia.

BT Cocoa was founded by Piter Jasman and family, and supplies many local, regional and global manufacturers with cocoa powder, cocoa butter and cocoa mass. It has customers in more than 50 countries around the world with distributors in all major consumption regions.

Its state-of-the-art, bonded facility is located close to Indonesia's capital city, Jakarta, the main port of Tanjung Priok and a large customer base. The Greater Jakarta region is the world's second most populous urban area with a total population of more than 31 million, BT Cocoa is therefore well positioned to take advantage of the growing demand for cocoa and chocolate products in Asia, particularly driven by China, India and Southeast Asia.

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