



**Olam International Limited, Louis Dreyfus Commodities NV and  
Queensland Cotton Holdings Limited**

**Takeover Offer for Queensland Cotton Holdings Limited**

JOINT ASX/SGX-ST AND MEDIA RELEASE – 21 June 2007

- **OLAM HAS INCREASED ITS OFFER PRICE TO A\$5.90 CASH PER SHARE**
- **THE REVISED OLAM A\$5.90 CASH PER SHARE OFFER IS NOW FULLY UNCONDITIONAL IRRESPECTIVE OF THE AGGREGATE NUMBER OF SHARES TENDERED BY SHAREHOLDERS**
- **ACCEPTING SHAREHOLDERS TO BE PAID A\$5.90 CASH PER SHARE WITHIN 5 DAYS**
- **QUEENSLAND COTTON'S DIRECTORS UNANIMOUSLY RECOMMEND OLAM'S REVISED OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL**
- **LOUIS DREYFUS HAS ANNOUNCED THAT IT WILL IMMEDIATELY ACCEPT OLAM'S REVISED OFFER**
- **OLAM AND LOUIS DREYFUS TO EXPLORE OTHER POSSIBLE CO-OPERATION OPPORTUNITIES UNRELATED TO QUEENSLAND COTTON IN THE FUTURE**

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*Brisbane, 21 June, 2007* – Olam International Limited's wholly owned subsidiary Olam Australia Pty Limited (**Olam**) today increased its offer for all the shares in Queensland Cotton Holdings Limited (**Queensland Cotton**) (**Offer**).

**THE REVISED OFFER BY OLAM – A\$5.90 PER SHARE UNCONDITIONAL**

Olam announced today that it has increased its Offer to **A\$5.90 cash per share**. **This higher price will now be paid to all accepting shareholders regardless of the aggregate level of acceptances received by Olam.**

All Queensland Cotton shareholders who accept Olam's Offer will be paid A\$5.90 per share in cash in full within 5 days of receipt of acceptance. All shareholders who have already accepted Olam's Offer at A\$5.65 per share will receive an additional A\$0.25 per share.

The offer price values Queensland Cotton at A\$166.45 million and is higher than Louis Dreyfus' offer of A\$5.85 per share.



Mr Sunny Verghese, Group Managing Director and CEO of Olam said today:

“We have always sought to adopt a disciplined approach to valuation throughout this transaction with incremental consideration only payable if we were confident of obtaining effective control of Queensland Cotton. Our offer has now been increased to A\$5.90 per share with such offer no longer being conditional on any level of minimum acceptance (or any other condition).

We are pleased that the Queensland Cotton board recommends our revised offer and that Louis Dreyfus Commodities, the world’s leading cotton trading house, has announced that they will immediately accept our offer. This improves our prospects to secure effective control of Queensland Cotton and capture the synergies that we have identified in this transaction. We believe that A\$5.90 per share represents an outstanding outcome for all Queensland Cotton shareholders”.

### **QUEENSLAND COTTON’S BOARD UNANIMOUSLY RECOMMENDS THE OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL**

The revised Olam Offer is unanimously recommended by the directors of Queensland Cotton in the absence of a superior proposal.

Mr John Reynolds, Queensland Cotton’s Chairman, welcomed the announcements by Olam and Louis Dreyfus, saying, “the Board believes that these developments represent a great outcome for Queensland Cotton’s shareholders, staff and management and the Australian farmers who rely on us to buy their cotton.”

“We look forward to the ownership position of the company now being resolved quickly and Queensland Cotton entering the next phase of its evolution,” he said

As a result of these developments, QCH will proceed to pay to Louis Dreyfus a total break fee of \$1,650,452 in accordance with its arrangements with Louis Dreyfus.

### **LOUIS DREYFUS TO IMMEDIATELY ACCEPT OLAM’S REVISED OFFER**

Louis Dreyfus, the world’s leading cotton trading house, has announced that it will immediately accept the revised Olam Offer of A\$5.90 per share, unconditional, with respect to its entire shareholding of about 20% as well as any acceptances it receives with respect to its offer for Queensland Cotton. Once Louis Dreyfus’ accepts Olam’s takeover offer, Olam will have a relevant interest in approximately 28.5% of Queensland Cotton shares and be the company’s largest shareholder.

Over the past three months, Queensland Cotton has been the subject of competitive bidding process by two of the world’s leading commodity companies, Louis Dreyfus and Olam International. Each company has found the strength of Queensland Cotton’s business and management team attractive and saw important synergies with their own business.

Mr Tommy Malone, COO of the Louis Dreyfus Allenberg Cotton Division said today, “I want to pay tribute to Queensland Cotton’s Board for being able to deliver full and fair value for the shareholders and preserve the ability for its fine management team to now revert to developing its business. We will maintain our efforts to further



expand our existing relationships with Australian partners to develop our activities in Australia as we have successfully done elsewhere for the last one and a half centuries. We welcome Olam's willingness to strengthen and develop the Australian market by trading and competing with us. Accordingly, we will be happy to continue having mutually beneficial commercial dealings with Queensland Cotton and its management team as it engages into an ambitious strategy with its new shareholder".

Louis Dreyfus' takeover offer will close on 2 July 2007. The offer price under the Louis Dreyfus offer will not be increased and the offer will not be extended.

### **OLAM'S INTENTIONS FOR QUEENSLAND COTTON**

Olam understands that Louis Dreyfus has also expressed a continuing interest in buying Queensland Cotton's warehouse in Eloy, Arizona. Olam has made no decision to sell such warehouse to Louis Dreyfus or to any other party should Olam acquire control of Queensland Cotton and no agreement, undertaking or understanding exists with anyone to sell any assets. Louis Dreyfus' stated intention to accept the Olam takeover offer is not conditional on any sale or any other matter.

Should Olam acquire control of Queensland Cotton, it will, together with the Queensland Cotton management undertake a review of its assets and consider selling any assets outside Australia which are considered to be non-core. Any such action would only be pursued if the Queensland Cotton board at the relevant time determines it to be in the best interests of the company and after discussing the matter with the Queensland Cotton management team. Olam would only consider such non-core asset sales after an independent valuation on the fair market value of these assets, a shareholder vote (to the extent required) and after consultations with relevant Australian regulatory authorities (to the extent required).

Olam's consideration of a sale of non-core assets in no way detracts from Olam's objective of using Queensland Cotton as a base for continued expansion in Australia.

Separate to Queensland Cotton and following completion of the takeover offer, Olam proposes to explore with Louis Dreyfus possible opportunities for partnering across non-cotton products in other countries which may be of mutual benefit. This may for example include leveraging on grain and sugar distribution capabilities in Africa and Asia, including joint opportunities in China. No substantive or specific discussions have been held to date. It is too early to speculate whether or not these discussions may result in any co-operation or agreement between the parties.

### **OLAM'S OFFER IS SCHEDULED TO CLOSE ON 6 JULY (UNLESS EXTENDED)**

Olam's Offer is open and ready for acceptances. In order to provide sufficient time to Queensland Cotton shareholders for accepting the Offer, Olam has extended the offer period by 2 weeks. The Offer is now scheduled to close at 7.00pm (Brisbane time) on Friday 6 July 2007 (unless extended). Formal notices and letters to shareholders in respect of the extension will be dispatched to all shareholders.

Shareholders who have not accepted can accept immediately by contacting their stockbroker (if their holding is in CHESS) or the Olam Offer Information Line on the contact details set out below.



For further information, Queensland Cotton shareholders should call the Olam Offer Information Line on 1300 135 403 (Australian callers) or +61 2 8280 7482 (overseas callers).

## **CONTACT DETAILS**

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