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NEWS RELEASE

OLAM IPO TO RAISE S\$233m

- **Offering 375 million shares at S\$0.62 each**
- **Expected to be one of 50 largest companies listed on SGX-ST**

Singapore, January 31, 2005 – Olam International Limited (“Olam”), a leading global integrated supply chain manager of agricultural products and food ingredients, launched its initial public offering (“IPO”) of 375 million shares at S\$0.62 per share today. Measured against the market capitalisation of companies currently listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Olam would rank among the 50 largest listed companies with a market capitalisation of S\$929 million at the invitation price.

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients. Today, the Group sources 14 products directly from over 35 origin countries, supplying these to over 3,000 customers in more than 50 destination markets, with over 3,000 employees worldwide.

In 15 years, Olam has rapidly grown to become a multinational company with S\$2.6 billion in revenues and profit after tax of S\$48.1 million for the financial year ended 30 June 2004 (“FY2004”). It has leading global market positions in various products, including cocoa, coffee, cashew, and teak. Its customers include leading multinationals such as Cadbury, Kraft, Lavazza, Mars and Nestle.

Olam's current shareholders include Kewalram Singapore Limited, Russell-AIF Singapore Investments Limited, Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek Holdings (Pte) Ltd), International Finance Corporation, and the company's management team.

Said Mr. Sunny Verghese, Olam's Group Managing Director and CEO, "During our two-week road-shows in Singapore, Hong Kong, the United Kingdom and continental Europe, institutional investors we met were impressed with our business model and track record. They have given us their vote of confidence and are keen to participate in Olam's growth. This is evidenced by the strong indicative demand we have received from these institutional investors."

DBS Bank Ltd and CLSA Asia-Pacific Markets are the Joint Global Co-ordinators, Joint Lead Managers and Joint Bookrunners for Olam's IPO, while Cazenove Asia Limited and Nomura Singapore Limited are the Co-ead Managers.

Commenting on the IPO, Mr Tan Jeh Wuan, Managing Director of Equity Capital Markets at DBS Bank Ltd said, "Olam's unique business model in the supply chain management of agricultural products and food ingredients is the first of its kind to be listed on the local bourse. Its strong integration of end-to-end supply chain capabilities from farm gate to factory gate, combining origin capabilities with market capabilities, differentiates it from other global players in this sector."

Added Mr Edward Slade, Director of Investment Banking, Head of S.E. Asian Equity Capital Markets, CLSA: "It is rare for a company with Olam's global breadth and depth of operations to come to market. The international investors we met during the roadshows were very impressed by the quality of the company's management, their growth model, their strong competitive position, and the culture of risk management throughout Olam's organisation".

The Invitation

The Invitation comprises 312,188,606 New Shares and 62,811,394 Vendor Shares at S\$0.62 per share. This represents approximately 25% of Olam's enlarged share capital. In addition, Olam has granted DBS Bankan Over-Allotment Option to subscribe and/or procure subscription for up to an aggregate of 56,250,000 additional New Shares, representing 15% of the Invitation Shares.

The Invitation is structured as follows:

- 30 million Offer Shares by way of public offer; and
- 345 million Placement Shares by way of placement, comprising:
 - 332.75 million Placement Shares;
 - 1 million Internet Placement Shares for applications through the Internet website of DBS Vickers Securities Online (Singapore) Pte Ltd; and
 - 11.25 million Reserved Shares for Olam's management, staff and business associates of the Group and those who have contributed to the success of the Group.

At S\$0.62 per share, Olam is priced at a historical price earnings ratio of 15.1 times, based on the Group's net earnings per share of 4.1 cents for FY2004.

Financial Highlights

For FY2004, the Group achieved a turnover of S\$2.6 billion and profit after tax of S\$48.1 million. From 2002 to 2004, Olam has grown its turnover at a compounded annual growth rate (CAGR) of 30%, and profit after tax at a compounded annual growth rate (CAGR) of 39%. As at 30 June 2004, Olam's shareholders' equity amounted to S\$189.9 million.

Strategies for Growth and Use of Proceeds

Olam plans to grow its business by capitalising on adjacent business opportunities in geographies, products and supply chains.

Olam plans to use the estimated net proceeds of S\$184.94 million raised from its IPO as follows:

- approximately S\$55.48 million for investments in logistics infrastructure and processing facilities in existing Origins and markets to enhance its established presence;
- approximately S\$36.99 million to expand operations in new origins and new markets;
- the balance of approximately S\$92.47 million to fund additional working capital requirements arising from planned growth in volumes of products traded and other general corporate purposes.

The Singapore public offer will open at 9.00 a.m. on February 1, 2005, and will close at 8.30 am on February 7, 2005. Listing and trading of Olam's shares on the Main Board of the Singapore Exchange is expected to commence at 9.00 am on February 11, 2005.

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