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NEWS RELEASE

Olam announces the acquisition of a Peanuts shelling and processing unit, Senwes in South Africa.

Founded 97 years ago, Sentraalwes played a leading role in the South African agricultural industry. The business grew steadily and diversified across the agricultural complex, and in April 1997 the old co-operative business made way for a new public company, Senwes.

Senwes today has operations in various sectors such as the grain industry, provision of agricultural services, trade and retail, the mechanization market and as insurance brokers in the Free State, North West, Northern Cape and Gauteng provinces. It's extensive and strategically located silo infrastructure has a capacity of 4.6 million tons and constitutes more than 25% of the overall South African commercial storage capacity. Senwes silos handle about 32% of the country's grain and oil-seeds. For the year ended 30th April, 2006, it had a Sales Revenue of 3,979 million Rand and a NPAT of 107 million Rand.

The peanut shelling and processing unit that Olam has now acquired from Senwes is one of the largest factories of its type in the country and is located in the centre of the peanuts growing area of Free State province. The unit can process 20,000 MT of In-shell peanuts every year. At current prices, this translates to Sales Revenues of US\$20 million with prospects to enhance capacity going forward.

The acquisition is in line with Olam's overall strategy within the Peanuts and overall Edible Nuts segment to set up direct procurement, shelling and blanching operations in all major production centres. Olam can now offer the entire range of in-shell, blanched and kernel grade peanuts, from origins that account for 75% of world Peanuts trade flow.

Olam is successfully leveraging its existing relationships with customers in the food services, snack and bakery sectors to accelerate the growth of its peanuts business. To this end, the Company set up a 30,000 ton capacity new peanut processing facility in China earlier this year and is also planning significant investments in Argentina, which is another key producer of peanuts. This acquisition of the peanut factory in South Africa will help Olam to provide its customers a comprehensive supply chain solution of product range, customised quality, traceability, factory gate deliveries and other value added services, similar to those that it provides in other products.

South Africa is an important origin for peanuts producing 100,000 MT of In-shell peanuts every year. South African peanuts are of high quality and are exported to some of the most discerning customers in high end markets like Japan and the European Union. South Africa also has a large domestic market, which we intend to service through this unit.



Olam has been participating in South Africa as an importer, contract processor, distributor and exporter of peanuts for the last three years. This acquisition will put Olam in pole position in the South African peanuts industry. Apart from acquiring the plant and machinery, Olam has also retained the key personnel of the unit in the areas of procurement, processing and marketing. Hence not only has the unit added to our captive processing capacity, it will also bring in long established grower relationships, who have been supplying to the Senwes factory for years. This is a key success determinant for building a leading position in the peanut business.

The acquisition will provide Olam the opportunity to enhance its margins, ensure better control over its quality and increase its overall market share, in the high value South African Peanuts market. The acquisition, though small, is expected to be both earnings and value accretive in the first year itself.

About Olam

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients. Today, the Company sources 14 products directly from over 41 origin countries, supplying these to over 3,300 customers in more than 50 destination markets, with over 5,000 employees worldwide. Olam has been included in MSCI Singapore Index effective 31st May 2005.

Olam was ranked 7th in the Singapore International 100 (2006 Ranking), a ranking of Singapore's top 100 exporters. It is ranked 1st for overseas revenues from Africa and among the top five companies for the markets of Europe, India, Middle East and North Asia regions. It was also noted for its good Corporate Governance as a recipient of the Most Transparent Company Award 2005 by the Securities Investors Association of Singapore (SIAS) and for Best Investor Relations (for an IPO) by IR Magazine.

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