OLAM INTERNATIONAL LIMITED

Financial Statements for the Fourth Quarter and Full Year Ended 30th June 2006

PART I: **Information required for announcements of Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Results.**

1(a) An income statement [for the ("Group") - Olam International Limited ("Company") and its subsidiaries] together with a comparative statement for the corresponding period of the immediately preceding financial year.

Profit & Loss Statement – Fourth Quarter and Full Year FY2006: Group

(in S$'000)	Group Year Ended			Group Three Months Ended		
	30 Jun 06	Restated 30 Jun 05	%	30 Jun 06	Restated 30 Jun 05	%
Revenue						
Sales of goods	4,361,102	3,369,237		1,018,802	813,086	
Other revenue	16,675	5,718		4,351	332	
	4,377,777	**3,374,955**	**30%**	**1,023,153**	**813,418**	**26%**
Costs and expenses						
Cost of goods sold	3,372,172	2,635,527		710,694	583,801	
Shipping and Logistics	573,454	463,059		171,880	153,322	
Commission and Claims	53,126	27,822		18,796	8,417	
Staff costs	64,736	50,406		26,701	22,430	
Share-based compensation	1,719	1,115		649	499	
Depreciation	12,144	7,551		3,823	2,662	
Net measurement of derivative instruments	(507)	-		(2,660)	-	
Gain/(loss) on foreign exchange	9,688	(13,373)		16,203	(8,082)	
Other operating expenses	100,033	77,572		28,105	15,782	
	4,186,565	**3,249,679**		**974,191**	**778,831**	
Profit from operating activities	**191,212**	**125,276**	**53%**	**48,962**	**34,587**	**42%**
Finance Costs	(94,704)	(51,485)	**84%**	(22,109)	(14,931)	**48%**
Share of gain/(loss) of jointly controlled entity	230	(3)		(58)	59	
Profit before taxation	**96,738**	**73,788**	**31%**	**26,795**	**19,715**	**36%**
Taxation	(9,531)	(7,878)		(1,487)	(1,315)	
Minority Interests, net of taxes	25	-		25	-	
Profit for the financial year	**87,232**	**65,910**	**32%**	**25,333**	**18,400**	**38%**

Notes:

(in S$'000)	Group Year Ended			Group Three Months Ended		
	30 Jun 06	30 Jun 05	%	30 Jun 06	30 Jun 05	%
Other operating expenses include bank charges of	15,954	17,461		3,455	2,693	
Other revenue includes interest income of	11,081	2,140		7,019	1,386	
Gross Contribution	343,064	242,316	**42%**	97,733	71,941	**36%**
Net Contribution	259,441	192,971	**34%**	82,643	58,396	**42%**

1(b)(i) A Balance Sheet (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet: Group & Company

(in S$'000)	Group		Company	
	30 Jun 2006	Restated 30 Jun 2005	30 Jun 2006	Restated 30 Jun 2005
Fixed assets	72,518	39,166	1,129	665
Subsidiary companies	-	-	36,246	50,120
Deferred tax assets	4,608	860	2,652	717
Investments	2,194	1,484	2,116	1,606
Current assets				
Amounts due from subsidiary companies	-	-	259,153	200,856
Trade debtors	426,778	649,179	263,317	531,810
Margin accounts with brokers	43,147	57,335	41,382	57,079
Stocks	1,013,904	1,019,025	237,379	314,035
Advance payment to suppliers	160,669	90,881	63,128	51,940
Advance payment to subsidiary companies	-	-	904,364	619,878
Other debtors	325,279	119,143	209,017	54,776
Fixed deposits	133,885	61,655	125,306	60,897
Cash & bank balances	162,356	103,712	36,487	21,082
	2,266,018	**2,100,931**	**2,139,533**	**1,912,353**
Current liabilities				
Trade creditors and accruals	134,874	175,026	88,823	130,395
Other creditors	232,342	9,789	221,639	7,368
Amount due to bankers	783,312	1,187,967	698,962	1,075,752
Medium term notes	352,508	262,780	352,508	262,780
Provision for taxation	13,251	8,627	7,214	4,817
	1,516,287	**1,644,189**	**1,369,146**	**1,481,112**
Net current assets	749,731	456,742	770,387	431,241
Long term loans from banks	(213,330)	-	(213,330)	-
Long term medium term notes	(127,681)	-	(127,681)	-
	488,039	**498,251**	**471,519**	**484,349**
Equity attributable to equity holders of the company				
Share capital	396,954	155,459	396,954	155,459
Reserves	129,632	340,151	112,233	326,249
Fair value adjustment reserves	(41,978)	-	(41,046)	-
Share-based compensation reserves	3,378	2,641	3,378	2,641
	487,986	498,251	471,519	484,349
Minority Interest	53	-	-	-
Total Equity	**488,039**	**498,251**	**471,519**	**484,349**

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less or on demand

	As at 30/06/2006		As at 30/06/2005	
	Secured (in S$'000)	Unsecured (in S$'000)	Secured (in S$'000)	Unsecured (in S$'000)
Overdrafts	-	28,840	-	77,558
Loans	-	754,472	-	1,110,409
Medium Term Notes	-	352,508	-	262,780
Total	-	**1,135,820**	-	**1,450,747**

Amount repayable after one year

	As at 30/06/2006		As at 30/06/2005	
	Secured (in S$'000)	Unsecured (in S$'000)	Secured (in S$'000)	Unsecured (in S$'000)
Long Term Loans	-	213,330	-	-
Long Term MTN	-	127,681	-	-
Total	-	**341,011**	-	-

1(c) A Cash Flow Statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(in S$'000)	**Group**		**Group**	
	Twelve Months Ended		**Three Months Ended**	
	30 Jun 2006	**30 Jun 2005**	**30 Jun 2006**	**30 Jun 2005**
Cash flow from operating activities				
Operating profit before taxation	96,738	73,788	26,795	19,715
Adjustments for:				
Share of (gain)/loss of jointly controlled entity	(230)	3	58	(59)
Depreciation of fixed assets	12,144	7,551	3,823	2,662
Gain on disposal of assets	(78)	(126)	(74)	(126)
Net measurement of derivative instruments	(507)	-	(2,660)	-
Share-based payment expense	1,719	1,115	649	499
Interest income	(11,081)	(2,140)	(7,019)	(1,386)
Interest expense	94,704	51,485	22,109	14,931
Operating profit before reinvestment in working capital	**193,409**	**131,676**	**43,681**	**36,236**
Decrease in amount due from a related party	-	3,000	-	-
Decrease/(increase) in stocks	5,121	(540,967)	41,972	(296,682)
Decrease/(increase) in debtors	192,509	(276,030)	216,739	(116,400)
(Increase)/decrease in advance payment to suppliers	(69,788)	(791)	56,347	72,406
Decrease/(increase) in creditors	(29,694)	19,978	(15,787)	76,875
Cash generated from/(used in) operations	**291,557**	**(663,134)**	**342,952**	**(227,565)**
Interest expenses paid	(83,531)	(47,012)	(15,989)	(10,458)
Interest income received	11,081	2,140	7,019	1,386
Tax paid	(5,672)	(5,283)	(96)	(689)
Net cash generated from/(used in) operating activities	**213,435**	**(713,289)**	**333,886**	**(237,326)**
Cash flow from investing activities				
Proceeds from disposal of fixed assets	741	655	297	655
Purchase of fixed assets	(48,440)	(25,885)	(16,019)	(11,674)
(Advances to) / repayment from jointly controlled entity	(575)	-	30	-
Investment in a jointly controlled entity	-	(1,414)	-	(51)
Net cash used in investing activities	**(48,274)**	**(26,644)**	**(15,692)**	**(11,070)**
Cash flow from financing activities				
Dividends paid on ordinary shares by the Company	(33,579)	(24,272)	-	-
(Decrease)/increase in amount due to a corporate shareholder	-	(1,403)	2	-
Expenses on issuance of ordinary shares	-	(10,907)	-	(356)
Proceeds from issue of ordinary shares at premium	-	245,433	-	-
Repayment of term loan from banks	-	(266)	-	-
Proceeds/(repayment) from issue of medium term notes	217,409	85,780	(34,928)	2,538
Repayment of long term loan from a corporate shareholder	-	(8,600)	-	-
(Decrease)/increase in loans from banks	(142,606)	505,419	(166,986)	239,408
Net cash provided by/(used in) financing activities	**41,224**	**791,184**	**(201,912)**	**241,590**
Net effect of exchange rate changes in consolidating subsidiary companies	(26,792)	3,902	(9,038)	16,715
Net increase in cash & cash equivalent	179,593	55,153	107,244	9,909
Cash & cash equivalents at beginning of year	87,809	32,656	160,157	77,900
Cash & cash equivalents at end of year	**267,401**	**87,809**	**267,401**	**87,809**

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(in S$'000)	GROUP		COMPANY		GROUP		COMPANY	
	For the period		For the period		For the period		For the period	
From	1 Jul 05	1 Jul 04	1 Jul 05	1 Jul 04	1 Apr 06	1 Apr 05	1 Apr 06	1 Apr 05
To	30 Jun 06	30 Jun 05	30 Jun 06	30 Jun 05	30 Jun 06	30 Jun 05	30 Jun 06	30 Jun 05
Attributable to the equity holders of the company								
Share Capital								
Balance at beginning	155,459	100,791	155,459	100,791	396,954	155,459	396,954	155,459
Issuance of ordinary shares	-	54,668	-	54,668	-	-	-	-
Transfer from share premium (Note 1)	241,495	-	241,495	-	-	-	-	-
Balance at end	396,954	155,459	396,954	155,459	396,954	155,459	396,954	155,459
Reserves								
Share Premium								
Balance at beginning	241,495	36,035	241,495	36,035	-	241,851	-	241,851
Issuance of ordinary shares	-	216,367	-	216,367	-	-	-	-
Expenses on issuance of ordinary shares	-	(10,907)	-	(10,907)	-	(356)	-	(356)
Transfer to share capital (Note 1)	(241,495)		(241,495)		-	-	-	-
Balance at end	-	241,495	-	241,495	-	241,495	-	241,495
Foreign Currency Translation Reserves								
Balance at beginning	(24)	(4,005)	5,834	3,079	(16,865)	(16,822)	(11,159)	(11,028)
Balance at beginning, as restated	(24)	(4,005)	5,834	3,079	(16,865)	(16,822)	(11,159)	(11,028)
Foreign currency translation adjustment	(25,067)	3,981	(25,379)	2,755	(8,226)	16,798	(8,386)	16,862
Balance at end	(25,091)	(24)	(19,545)	5,834	(25,091)	(24)	(19,545)	5,834
Revenue Reserves								
Balance at beginning, as previously reported	99,795	57,042	79,493	40,320	129,390	80,280	131,238	60,219
Cumulative effects of adopting FRS 102	1,275	-	2,057	-	-	-	-	-
Balance at beginning, as restated	101,070	57,042	81,550	40,320	129,390	80,280	131,238	60,219
Profit for the financial period	87,232	65,910	83,807	62,872	25,333	18,400	540	18,701
Dividends paid during the period	(33,579)	(24,272)	(33,579)	(24,272)	-	-	-	-
Balance at end	154,723	98,680	131,778	78,920	154,723	98,680	131,778	78,920
Total Reserves	129,632	340,151	112,233	326,249	129,632	340,151	112,233	326,249
Fair Value Adjustment Reserves								
Balance at beginning	-	-	-	-	(34,614)	-	(37,516)	-
Adjustment for change in accounting policy	(31,941)	-	(31,969)	-	-	-	-	-
Fair Value adjustment during the period	(10,037)	-	(9,077)	-	(7,364)	-	(3,530)	-
Balance at end	(41,978)	-	(41,046)	-	(41,978)	-	(41,046)	-
Share-based Compensation Reserves								
Balance at beginning, as previously reported	-	-	-	-	2,884	2,549	2,884	2,549
Adjustment for change in accounting policy	2,641	-	2,641	-	-	-	-	-
Balance at beginning, as restated	2,641	-	2,641	-	2,884	2,549	2,884	2,549
Share-based payment during the period	737	2,641	737	2,641	494	92	494	92
Balance at end	3,378	2,641	3,378	2,641	3,378	2,641	3,378	2,641
Minority interest								
Balance at beginning	-	-	-	-	-	-	-	-
Share of equity of minority interest	78				78			
Loss for the period	(25)	-	-	-	(25)	-	-	-
Balance at end	53	-	-	-	53	-	-	-
Total Equity	**488,039**	**498,251**	**471,519**	**484,349**	**488,039**	**498,251**	**471,519**	**484,349**

Note 1 : Pursuant to the Companies (Amendment) Act 2005 effective 30 January 2006, the concept of authorized share capital and par value has been abolished. The credit in the share premium account has been transferred to the share capital account as at that date.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	JUN 2006	JUN 2005
Issued, fully paid share capital		
Balance no. of shares as at 1st July	1,554,584,400	503,954,686
Conversion of redeemable preference shares each on 21-Oct-04		52,161,689
Issue of ordinary shares on 02-Dec-04		29,835,700
Issue of ordinary shares on 14-Dec-04		7,120,822
Sub Total of above Shares	1,554,584,400	593,072,897
Above Shares sub divided on 04-Jan-05	1,554,584,400	1,186,145,794
Issue of further ordinary shares through an IPO on 11-Feb-05		312,188,606
Issue of further ordinary shares through exercise of over allotment option on 04-Mar-05		56,250,000
Total No. of Shares outstanding as at 30 June	**1,554,584,400**	**1,554,584,400**

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements presented above are not audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N/A

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under Note 5, the same accounting policies and methods of computation have been followed as in our last audited financial statements dated 30th June 2005.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 30th June 2005, except for the adoption of the following new Financial Reporting Standards (FRS), that are mandatory for the financial year beginning 1st July 2005

FRS 39	Financial Instruments: Recognition and Measurement
FRS 102	Share-based Payment

FRS 39

In accordance with the transitional provisions of FRS 39, there has been no restatement of results for the period ended 30th June 2005. The impact of the transitional adjustments on the group on 1st July 2005 and adjustments as on 30th June 2006 are detailed below:

(in S$'000)	Current Asset	Current Liabilities	Deferred taxation	Foreign Exchange Translation Reserves	Fair Value Adjustment Reserves	Profit & Loss Account	Revenue Reserves
Transitional adjustments as on 1 July 2005							
Measurement of derivative instruments	136,774	(168,177)	1,681	-	31,941	-	(2,219)
Measurement of financial instruments at amortised cost	171	-	-	-	-	-	(171)

FRS 102

During the half year the company also adopted FRS 102. There has been two schemes that have been covered under the provision of FRS 102 :

1. Employee Share Subscription Scheme (ESSS)
2. Employee Share Options Scheme (ESOS)

Since both these schemes where launched prior to the IPO and considering the performance of the shares post IPO, we have revised our computations of perquisite value under these above schemes. The details are as under:

	Prior Year Adjustment S$'000	12 Months FY 2006 S$'000	Carried Forward S$'000	Total S$'000
ESSS	931	1,012	515	2,457
ESOS	184	306	246	737
Total	1,115	1,318	761	3,194

	GROUP			COMPANY		
	As Restated S$'000	Adjustment S$'000	As previously stated in 2005 Annual Report S$'000	As Restated S$'000	Adjustment S$'000	As previously stated in 2005 Annual Report S$'000
Other Debtors	119,143	1,526	117,617	54,776	1,526	53,250
Share based payment reserves	2,641	2,641	-	2,641	2,641	-

The relevant adjustments have been incorporated in the financial statements presented herewith.

6. Earnings per ordinary share of the Group for the current financial period reported and for the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	Year Ended		Three Months Ended	
	30 Jun 2006	30 Jun 2005	30 Jun 2006	30 Jun 2005
(a) Based on weighted average no. of shares (Cents/share)	5.61	5.11	1.63	1.18
(b) Based on fully diluted basis (Cents/share)	5.58	5.04	1.62	1.18
Weighted average no. of shares applicable to basic earnings per share	1,554,584,400	1,291,057,444	1,554,584,400	1,554,584,400
Weighted average no. of shares based on fully diluted basis	1,563,035,104	1,308,235,555	1,563,622,862	1,558,512,971

7. Net asset value (for the Issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

(In Cents per Share)	Group		Company	
	As at 30 Jun 06	As at 30 Jun 05	As at 30 Jun 06	As at 30 Jun 05
Net asset value per ordinary share based on issued share capital as at end of the period	31.39	32.05	30.33	31.16

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Introduction

Olam is a leading, global, integrated supply chain manager of agricultural products and food ingredients with operations in 44 countries. Since the establishment of our business in 1989, we have evolved from a single country, single product trader to a multi country, multi product supply chain manager. Today, we manage an integrated supply chain for over 14 agricultural products. As supply chain managers, we are engaged in the sourcing, processing, warehousing, transportation, shipping, distribution and marketing of these products from the farm gate in the producing countries to the factory gate of our customers in the destination markets while managing the risks at each stage of the supply chain. We organize the 14 products that we supply into 4 business segments as given below:

Business Segment	**Products**
Edible Nuts, Spices & Beans	Cashews, Other Edible Nuts (Peanuts, Almonds, Hazelnuts) Spices (Pepper, Cloves, Nutmeg, Cassia, Ginger, desiccated coconut and other spices) Sesame Beans (Pulses, Lentils & Peas)
Confectionery & Beverage ingredients	Cocoa Coffee Sheanuts
Food Staples & Packaged Foods	Rice Sugar Dairy Products Packaged Foods
Fibre & Wood Products	Cotton Timber

Background to analyzing our Financial Statements

Profitability

a. ***Gross and Net Contribution*:** We measure and track our profitability in terms of Gross Contribution (GC) and Net Contribution (NC) per ton of product supplied. GC is calculated as total revenue less cost of goods sold (raw material costs plus other direct costs, including packing costs etc.), shipping and logistics expenses, claims and commission, bank charges, measurement of derivative instruments, gain / loss on foreign exchange and share of profit/loss from jointly controlled entity. For the purposes of determining Net Contribution, we deduct the net interest expense from the GC. We consider interest expense to be a variable cost and is a function of our inventory holding periods. We mainly use short term, transactional, self liquidating, working capital funding to finance our short term inventories and debtors. For every transaction, we target a minimum net contribution per ton of product supplied based on the risks, complexities, and value added services that we provide to our customers to meet their specific requirements. We are focused on enhancing these margins through providing value added services including vendor managed inventory services (VMI), organic certification, fair trade produce certification (FTP), customized grades and quality, proprietary market intelligence and risk management solutions to our customers.

b. ***Volumes:*** The second key driver to our profitability is the volume of products supplied. Given our integration and end-to-end supply chain capabilities, we seek to match the supply of our products with demand from our customers. The volume of agricultural products that we supply is largely within our control and is a function of the strength of our supply chain infrastructure in the origins (producing countries) and the markets (consuming countries).

Q4: Segmentals

The following table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the fourth quarter ended 30th June 2006 and comparison with the fourth quarter ended 30th June 2005.

Quarter

	Sales Volume (in Metric Tons)		Sales Revenue (in S$'000)		Gross Contribution (GC) (in S$'000)		Net Contribution (NC) (in S$'000)	
Segment	**Jun 06**	**Jun 05**	**Jun 06**	**Jun 05**	**Jun 06**	**Jun 05**	**Jun 06**	**Jun 05**
Edible Nuts, Spices & Beans	143,480	112,829	198,792	139,312	22,452	18,267	20,670	16,407
Per ton (S$)					**156**	**162**	**144**	**145**
Confectionery & Beverage Ingredients	156,559	130,324	377,322	324,022	37,037	30,152	32,894	26,090
Per ton (S$)					**237**	**231**	**210**	**200**
Food Staples & Packaged Foods	233,026	209,875	194,043	173,216	12,886	8,851	6,266	2,328
Per ton (S$)					**55**	**42**	**27**	**11**
Fibre & Wood Products*	154,690	117,636	248,645	176,536	25,358	14,671	22,813	13,571
Per ton (S$)					**164**	**125**	**147**	**115**
Total	**687,755**	**570,664**	**1,018,802**	**813,086**	**97,733**	**71,941**	**82,643**	**58,396**
Per ton (S$)					**142**	**126**	**120**	**102**

* Measured in cubic metres.

The following table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the full year ended 30th June 2006 and comparison with the full year ended 30th June 2005.

Full Year: Segmentals

Cumulative

	Sales Volume (in Metric Tons)		Sales Revenue (in S$'000)		Gross Contribution (GC) (in S$'000)		Net Contribution (NC) (in S$'000)	
Segment	**Jun 06**	**Jun 05**	**Jun 06**	**Jun 05**	**Jun 06**	**Jun 05**	**Jun 06**	**Jun 05**
Edible Nuts, Spices & Beans	481,978	395,601	588,253	566,795	63,640	52,178	52,917	45,237
Per ton (S$)			**1,220**	**1,433**	**132**	**132**	**110**	**114**
Confectionery & Beverage Ingredients	734,226	588,280	1,711,255	1,345,915	129,329	92,932	95,683	72,906
Per ton (S$)			**2,331**	**2,288**	**176**	**158**	**130**	**124**
Food Staples & Packaged Foods	1,335,691	1,101,701	1,058,441	782,692	65,809	43,815	42,137	28,804
Per ton (S$)			**792**	**710**	**49**	**40**	**32**	**26**
Fibre & Wood Products*	620,289	467,743	1,003,153	673,835	84,286	53,391	68,704	46,024
Per ton (S$)			**1,617**	**1,441**	**136**	**114**	**111**	**98**
Total	**3,172,184**	**2,553,325**	**4,361,102**	**3,369,237**	**343,064**	**242,316**	**259,441**	**192,971**
Per ton (S$)					**108**	**95**	**82**	**76**

* Measured in cubic metres.

Profit and Loss Statement

Volumes:

Quarter 4: The Group achieved 20.5% growth in volumes to 0.69 million tons for the 4th Quarter ended 30th June 2006 (Q4 FY2006) as compared to 0.57 million tons for the corresponding quarter ended 30th June 2005 (Q4 FY2005). Volumes grew across all 4 business segments during this quarter as compared to the corresponding period of the previous year.

Full Year: Sales Volume grew by 0.619 million tons or 24.2% to 3.172 million tons in FY2006 compared to FY2005 with strong volume growth being registered across all 4 product segments. Edible Nuts, Spices & Beans segment grew by 22%, Confectionery & Beverage Ingredients by 25%, Food Staples & Packaged Foods by 21%, and Fibre & Wood Products by 33% over FY2005. Given a market growth rate of 2% – 3% for our industry, our capacity to grow at between 8 – 10 times the market growth rate reflects our strong competitive position in the industry.

Sales revenues:

Quarter 4: Sales Revenues for Q4 FY2006 grew by 25.3% to S$1.02 billion from S$ 0.81 billion in Q4 FY2006. Sales revenue growth was again broad based across all business segments.

Full Year: Sales Revenues grew by 29.4% to S$4.361 billion in FY2006 compared to FY2005, anchored by a 24.2% growth in volumes. 85% of the growth in Sales Revenue was contributed by underlying volume growth, while 15% came from increase in prices for the various products.

Gross Contribution:

Quarter 4: Gross Contribution (GC) increased by 35.9% to S$97.7 million for Q4 FY2006. GC increased across all segments during the quarter.

Full Year: GC grew by 41.6% to S$343.1 million in FY2006 compared to FY2005. All four product segments registered an increase in GC with Confectionery & Beverage ingredients contributing 36% of the total increase, Fibre & Wood Products contributing 31%, Food Staples & Packaged Foods contributing 22% and Edible Nuts, Spices & Beans contributing 11% of the total GC increase over FY2005.

Interest and Net Contribution:

Quarter 4: Total net interest cost increased by 11.4% to S$15.1 million in Q4 FY2006. The interest cost per ton went down to S$ 22 per ton from S$24 during the corresponding period last year. As a result the Net Contribution (NC) increased by 41.5% to S$82.6 million in Q4 FY2006 as compared to S$58.4 million during the corresponding period last year.

Full Year: NC increased by 34.4% to S$259.4 million in FY2006 compared to FY2005. Here, again all four product segments grew NC in FY2006 compared to FY2005. 74% of the growth in NC came from volume increases while 26% came from margin improvements. NC increased in Fibre & Wood Products by 49%, Food Staple and Packaged Foods by 46%, Confectionery & Beverage Ingredients by 31% and Edible Nuts, Spices & Beans grew NC by 17%.

We continued to make good progress in executing our strategy in FY2006 across all our four business segments. The progress made during FY 2006 is highlighted below:

- **Edible Nuts, Spices & Beans**

  Edible Nuts, Spices & Beans recorded a volume growth of 21.8% in FY2006 compared to FY2005. NC for this segment grew by 17.0% compared to FY2005. While there was strong growth in underlying volumes in this segment, the trading conditions for Edible Nuts remained tough right through the year. However, by executing well on our plans to expand processing capacity in the origin countries (where the margins are higher), to 40,000 tons during the year for cashew, we were able to improve our margins in this segment. The strategy to secure better integration in the value chain for other edible nuts was also executed well as evidenced by the commencement of commercial production in our new Peanut Processing facility in China. We have further expanded our peanut processing operation in Argentina during the period by acquiring a facility on lease.

  Our Spices business has shown strong volume growth of 28% during the year. Broadening of the spices portfolio, combined with expansion of our procurement reach in Indonesia and Vietnam accounted for this strong showing. Starting sesame sourcing from Sudan, one of the top 3 exporting countries for sesame, was another highlight for this period. Installation of a steam sterilization facility for pepper in Vietnam and expanding the sesame hulling capacity in Nigeria also allowed us to enhance margins in this segment.

- **Confectionery and Beverage Ingredients**

  The volume and net contribution in the confectionery and beverage ingredients segment grew by 24.8% and 31.2% respectively in FY2006 compared to FY2005. As mentioned during our previous results announcements, Coffee witnessed above average volatility during the year. Despite this volatility, the business performed well in both volume and margin terms. Coffee volumes grew by 28% in FY2006 mainly on account of a very strong performance by the Arabica segment and equally robust performance from the African and Asian origins in the Robusta category. We are currently building new processing facilities in Brazil and work is progressing as planned and on budget. Expansion of the Arabica business with the incorporation of a subsidiary in Peru during this period, is expected to underpin the growth in the Arabica business going forward.

  Cocoa has had another good year. Volumes improved by 23% during the year and all origins reported strong growth. Additional investments were made in own processing facilities in Nigeria, which also played a part in improvement in margins in this segment. Other margin improvement initiatives like VMI (vendor managed inventory) arrangements with key customers, supply of sustainable cocoa from Indonesia & Cote d'Ivoire also received considerable attention and acceptance in the market. In line with the increase in demand for high quality cocoa for dark chocolate and filled & solid chocolate products, upgrading of our procurement and grading facilities in Cote d'Ivoire, Nigeria and Indonesia has been timely and instrumental in Olam achieving a preferred supplier status with many of our key customers.

- **Food Staples and Packaged Foods Business**

  Volume and net contribution in the Food Staples and Packaged Food Business grew by 21.2% and 46.3% respectively in FY2006 compared to FY2005. The key development in the rice business was the introduction and expansion in volume of the premium rice category in West Africa. Together with processing and rice milling initiatives in Nigeria and India, this segment was able to increase both volume and margin despite tough trading condition caused by excess stocks in Nigeria, a large market for rice. We further expanded into Liberia and Gabon in the 4th Quarter and this is expected to enhance our strong distribution network in the West African market.

  Sugar had a very good year with our sourcing operations in both Brazil and Poland getting better established and contributing to a large part of the growth in the business during this period. During the year we executed on our strategy of moving from second hand sourcing from intermediaries to direct sourcing from mills by establishing our own sourcing office in South-Central Brazil. New marketing operations in Russia was established during the year. We are also enjoying brisk growth in the Middle East, particularly in the industrial segment where we supply sugar to beverage manufacturers.

In the Dairy Products business, volumes have grown by 93% over FY2005. Three key initiatives underpinned this growth (a) our expansion into the Russian market with milk powder from Ukraine and Poland; (b) our new dairy products distribution operation in China; and (c) the sourcing of dairy products from the US. We have broadened the product portfolio during the year with the addition of whey powder and cheese to the portfolio. During the year we successfully launched our "Pearl" brand of consumer milk powder in Congo and Cote d'Ivoire. Good progress was also reported in other parts of West Africa in the supply of bulk milk powder into Senegal, Cameroon, Cote d'Ivoire and Togo.

The packaged foods business continued to expand during the year with new operations in South Africa and Nigeria coming on stream. We plan to scale up operations by expanding distribution into adjacent West African markets. We expanded the product portfolio with introduction of salted and roasted Edible Nuts line under the brand name of "Ponchos" in the Russian market and Tomato paste & powder under the brand name of "Tasty Tom" in Nigeria. Given encouraging results with 3-in-1 coffees and Ponchos, we commenced local production and packaging for both products in Russia, and expanded our distribution from 25 to nearly 60 cities. By moving production and packaging activities to Russia, we extracted additional logistics margins as a result of more efficient freight management through bulk shipping of ingredients.

Fibre and Wood Products

Volume and net contribution in the Fibre and Wood Products Business grew by 32.6% and 49.3% respectively in FY2006 compared to FY2005. Bulk of the volume growth in this segment was contributed by Cotton which achieved a growth of 55% in volumes over the last year. This year also saw a major expansion in our processing capacity with owned / leased gins in Uganda, Tanzania and Zimbabwe in East Africa, Nigeria and India. On the marketing side our investment in an extensive China distribution network yielded good results, with cotton volumes in this key market tripling from the previous year. We were also successful in marketing Indian cotton into China. During this period, we also established a direct marketing presence in Turkey, an important market for cotton sourced from the US.

In the Wood Products category, we grew the log business volumes from existing origins, in particular Gabon and Cote d'Ivoire. We also initiated sourcing from Equatorial Guinea. In addition, we benefited from economies of scale in West Africa by chartering vessels, which resulted in substantial freight savings and higher operating margins. Our sawn lumber volumes also increased with significantly higher volumes coming from Brazil and Nigeria. Our sawn milling investments in Gabon are progressing on budget and as per plan. On the marketing side, we invested substantially in our sales and distribution capabilities in Vietnam, a fast emerging centre for furniture processing, and moved away from an indent model in this key country. Besides Vietnam, we also grew our sales team in China, where demand for wood products continues to be very strong, as well as in Europe and India and Zimbabwe.

Costs and Expenses

Quarter 4: Our Selling, General and Administrative Expenses (SG&A) increased by 44.3% to S$55.8 million for Q4 FY2006 from S$38.7 million for Q4 FY2005. Other operating expenses net of bank charges increased by 88.3% to S$24.6 million in Q4 FY2006 from S$13.1 million in Q4 FY2005 due to higher activity level during this period.

Full Year: SG&A increased by 36.5% to S$162.7 million in FY2006 over the corresponding period in FY2005. Increase in SG&A at 36.5% was higher than our growth in underlying Sales Revenue of 29.4% resulting in a deterioration of our operating leverage, with SG&A/Sales ratio increasing from 3.54% in FY2005 to 3.73% in FY2006. We have accelerated some of our expansion plans, particularly in South America, China and Russia. Further, we also increased staff strength of the group from 5090 in FY2005 to 6373 in FY2006. Through this growth, we have created some unused capacity in the current year and we expect these investments to pay off during the next 2 to 3 years.

Profit before tax

Quarter 4: Profit before tax increased by 36.0% to S$26.8 million for Q4 FY2006 from S$19.7 million for Q4 FY2005.

Full Year: For the full year ended 30th June 2006, Profit before tax increased by 31.1% to S$96.8 million compared to S$73.8 million for FY2005.

Taxation

Quarter 4: Taxes increased to S$1.5 million for Q4 FY2006 as compared to S$1.3 million for Q4 FY2005.

Full Year: For the full year FY2006 the tax was S$9.5 million compared to S$7.9 million for full year FY2005.

Profit after tax

Quarter 4: Net Profit after Tax increased by 37.7% to S$25.3 million for Q4 FY2006 from S$18.4 million in Q4 FY2005.

Full Year: Net Profit after Tax for the full year FY2006 registered a 32.3% increase to S$87.2 million compared to S$65.9 million for the full year FY 2005.

Balance Sheet & Cash Flow

Equity and Reserves

Total equity and reserves decreased by 2.0% from S$498.3 million as of 30th June 2005 to S$488.0 million as of 30th June 2006. The decrease can be attributed to the adjustment made in connection with adopting FRS39 during the current financial year. The impact of adopting the above standard is a net reduction to the equity of S$42 million.

Fixed Assets

Investments in fixed assets amounted to S$48.4 million for the year ended 30th June FY2006 as compared to S$25.9 million for the year ended 30th June FY2005. The major investments included setting up warehouse facilities in Nigeria and Brazil, timber processing facility in Gabon, peanut processing facility in China, and ginning operations in Uganda and Tanzania.

Current Assets

Debtors Analysis

Debtor days in FY2006 decreased by 34 days compared to FY2005. The ageing analysis of debtors for the 2 periods is given below.

Debtors Ageing Schedule of our company:

Period	Percentage of Debtors		
	< 30 days	30 to 90 days	> 90 days
FY 2006	83.44%	7.42%	9.14%
FY 2005	89.72%	6.04%	4.24%

67% of debtors were either against Letters of Credit or against documents with the bank for collection.

Stocks

Stock turnover days decreased by 27 days compared to FY2005 (92 Vs 119). Net decrease in stock value is S$5.1 million. 81.8% of the stocks were sold forward or hedged.

Borrowings

Borrowings increased by 1.8% to S$1,477 million as of end of June 2006 from S$1,451 million as of end June 2005. Our net debt to equity ratio went down to 2.23 (before fair value adjustment reserve) in June 2006 from 2.58 in June 2005.

Cash and Fixed Deposits

Cash and Fixed Deposits went up 79.1% to S$296.2 million as on June 2006 from S$165.4 million as on June 2005.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

   The group results in FY 2006 are in line with the commentary made in Paragraph 10 of the 3Q FY 2006 announcement made on 15 May 2006.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

    We are continuing to execute well on our strategic plans and identified growth initiatives in the different businesses. Barring any unforeseen circumstances, we are confident of our prospects going forward into FY2007.

11. Dividend
    In light of our strong financial performance in FY2006, our Board has recommended a total dividend payout of 53.46% of Net Profit After Tax (NPAT) of the Group to be comprised of :

    (a) Ordinary dividend (First & Final Dividend) : 26.7% of NPAT

    (b) Special dividend : 26.7% of NPAT

    Please note that our normal dividend policy as outlined in our prospectus is to target to payout a dividend of 25% of our Net Profit After Tax, barring any unforeseen circumstances.

    (a) Current Financial Period Reported on

Name of Dividend	First & Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend rate (in cents)	1.50	1.50
Tax rate	One-tier tax exempt	One-tier tax exempt

    (b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	First & Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend rate (in cents)	1.08	1.08
Tax rate	One-tier tax exempt	One-tier tax exempt

    (c) Date Payable

    Subject to shareholders' approval at the Annual General Meeting to be held on 30 October 2006, the first & final dividend and special dividend will be paid on 16 November 2006.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members Of OLAM INTERNATIONAL LIMITED (the "Company") will be closed at 5.00 p.m. on 8 November 2006 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 up to 5.00 p.m. on 7 November 2006 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 November 2006 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 30 October 2006, will be made on 16 November 2006.

12. If no dividend has been declared/recommended, a statement to that effect.

N.A.

<u>PART II</u>: Additional information required for Full Year announcement (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business segments

	Edible Nuts, Spices & Beans		**Confectionery & Beverage Ingredients**		**Food Staples & Packaged Foods**		**Fibre & Wood Products**		**Consolidated**	
(in S$'000)	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
Segmental Revenue	588,253	566,795	1,711,255	1,345,915	1,058,441	782,692	1,003,153	673,835	4,361,102	3,369,237
Unallocated Revenue									16,675	5,718
Total Revenue									**4,377,777**	**3,374,955**
Segmental Results	25,027	22,091	75,461	47,358	38,919	27,178	51,805	28,649	191,212	125,276
Finance Cost									(94,704)	(51,485)
Share of Profit/Loss of associate									230	(3)
Profit before Tax									96,738	73,788
Tax									(9,531)	(7,878)
Minority interest, net of taxes									25	
Profit after Tax									**87,232**	**65,910**

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As per note 8 above.

15. A breakdown of sales.

	FY 2006	FY 2005	% Increase/ (Decrease)
Sales for 1st Half	1,916,985	1,456,594	31.6%
Net Profit 1st Half	30,648	22,603	35.6%
Sales for 2nd Half	2,444,117	1,912,643	27.8%
Net Profit 2nd Half	56,584	43,307	30.7%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Full year 30 June 2006 (in S$'000)	Full Year (30 June 2005) (in S$'000)
Ordinary	46,638	33,579
Preference	0	0
Total	46,638	33,579

BY ORDER OF THE BOARD

Sunny George Verghese
Group Managing Director & Chief Executive Officer
28 August 2006