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NEWS RELEASE

OLAM REPORTS STRONG TOP LINE AND BOTTOM LINE GROWTH FOR FIRST-QUARTER FY2007 FINANCIAL RESULTS WITH 26.6% REVENUE GROWTH, 20.8% VOLUME GROWTH, 23.8% NET PROFIT GROWTH AND 23.8% EPS GROWTH RESPECTIVELY.

Financial Highlights

- Sales Revenue of S\$903.8 million, up 26.6% - entirely organic with double digit growth in all four business segments
 - Sales Volumes of 0.673 million metric tons, up 20.8% with double digit growth in all four business segments
 - Continue to make volume market share gains, growing at 5 to 7 times industry growth rates reflecting strong competitive position.
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- Gross Contribution (GC) of S\$76.0 million, up 36.3%, GC/ton up from S\$100/ton to S\$113/ton
 - Net Contribution (NC) of S\$50.0 million, up 33.1%. NC/ton up from S\$67/ton to S\$74/ton
 - 69% of NC growth on account of volume growth, and 31% on account of margin growth.
 - Gross and Net Contribution growth across all four business segments
 - **Net Profit After Tax of S\$8.1 million, up 23.8%, EPS of 0.52 cents/share, up 23.8%**

Consolidated Financial Highlights (Three Months Ended Sep 30)	Q1 FY2007	Q1 FY2006	Change (%)
Sales Volume (metric tonnes)	672,861	556,795	20.8
Sales Revenue (S\$ million)	903.8	713.7	26.6
Gross Contribution (GC) (S\$ million)	76.0	55.8	36.3
Net Contribution (NC) (S\$ million)	50.0	37.5	33.1
Net Profit After Tax (NPAT) (S\$ million)	8.1	6.5	23.8
Earnings Per Share (cents)	0.52	0.42	23.8



Singapore, November 14, 2006 – Olam International Limited (“Olam” or the “Group”), a leading global, integrated supply chain manager of agricultural products and food ingredients, today reported a Net Profit After Tax of S\$8.1 million for the quarter ended September 30, 2006 (“Q1 FY2007”), achieving a 23.8% increase over the previous corresponding period (“Q1 FY2006”). Sales volume grew by 20.8% from 0.557 million tons to 0.673 million tons while Sales Revenue was up 26.6% to S\$903.8 million from S\$713.7 in Q1 FY2006, with the growth in Revenue being entirely organic.

Olam's CFO, K. Ravikumar said “We have had a good start to the year. The first quarter is traditionally our weakest quarter, contributing typically between 5% and 10% of our full year's earnings. This reflects the seasonality of our business since we are present more in the northern hemisphere countries where the harvesting season typically falls between October and March.”

This strong improvement in earnings is the result of strong growth in both underlying Sales Volumes and Net Contribution (“NC”) across all the four business segments.

Olam's Group Managing Director and CEO Sunny Verghese said: “Our unique business model and strong competitive position has enabled us to deliver yet another quarter of strong earnings growth. Given an industry growth rate estimated between 3% and 4%, we have grown volumes during the quarter between 5 to 7 times the market growth rate. This reflects our strong competitive position in the industry and our ability to execute our strategic plans and growth initiatives well.

“We have successfully implemented several measures to provide more customised and integrated marketing solutions and services to our growing global customer base which has resulted in improved margins and higher NC per ton.”



Financial Review

For Q1 FY2007, Sales Revenue rose 26.6% to S\$903.8 million as Sales Volume grew 20.8% to 672,861 metric tonnes, with broad-based contribution from all four business segments. 83% of the increase in Sales Revenue was contributed by an increase in Sales Volume while 17% was due to price increases in the various products.

Gross Contribution ("GC") for Q1 FY2007 increased 36.3% to S\$76.0 million while NC improved by 33.1% to S\$50.0 million with GC and NC growth across all four business segments. Increased volumes accounted for 69% of the NC gain and the balance 31% was attributed to the Group's margin improvement initiatives, such as origin processing, investment in logistics and the provision of various value-added services. The growth in NC was achieved in spite of a 42.7% rise in interest costs in Q1 FY2007 on account of higher interest rates and increased working capital employed to support the growing sales volumes. However, most of this increase in interest costs were passed on to the customers/suppliers as evidenced by improved NC margins which grew from 5.26% in Q1 FY2006 to 5.53% in Q1 FY2007 and NC per tonne increasing from S\$67 to S\$74 during the same period.

Review by Product Segment

Edible Nuts, Spices & Beans	Q1 FY2007	Q1 FY2006	Change (%)
Sales Volume (metric tonnes)	134,640	120,607	11.6
Sales Revenue (S\$ million)	184.4	151.7	21.6
Net Contribution (S\$ million)	9.7	6.3	55.5
Net Contribution Per Tonne (S\$)	72	52	39.3

Sales Volume and NC for the **Edible Nuts, Spices & Beans** segment grew 11.6% and 55.5% respectively in Q1 FY2007. Sales volume in pulses almost doubled with strong demand coming from the Indian sub-continent. The Group also broadened its Spices



portfolio to include dehydrates and enhanced marketing resources in Rotterdam to support this growth in volume.

Confectionery and Beverage Ingredients	Q1FY2007	Q1FY2006	Change (%)
Sales Volume (metric tonnes)	146,374	113,662	28.8
Sales Revenue (S\$ million)	334.8	231.3	44.8
Net Contribution (S\$ million)	16.9	13.8	22.9
Net Contribution Per Tonne (S\$)	115	121	(4.6)

The **Confectionery & Beverage Ingredients** segment experienced strong growth with Sales Volume and NC growing by 28.8% and 22.9% respectively as a result of strong contributions from both the Group's Coffee and Cocoa operations.

Coffee volumes grew 19% during the first quarter despite a significant drawdown in stock and near term supply concerns mainly out of Vietnam, in the Robusta segment. NC growth was achieved in spite of the tough trading conditions during the quarter.

Cocoa volumes improved by 38% during the quarter, led mainly by strong performance in Indonesia. NC also increased due to the growing Vendor Managed Inventory (VMI) contracts with key customers.

Food Staples and Packaged Foods	Q1 FY2007	Q1 FY2006	Change (%)
Sales Volume (metric tonnes)	292,869	242,609	20.7
Sales Revenue (S\$ million)	223.7	196.6	13.8
Net Contribution (S\$ million)	12.1	9.3	29.5
Net Contribution Per Tonne (S\$)	41	38	7.3



Sales Volume and NC for the **Food Staples & Packaged Foods** segment grew 20.7% and 29.5% respectively in Q1 FY2007 compared to Q1 FY2006.

Significant growth in the premium rice segment was seen across all destination markets during the first quarter, resulting in higher sales volume and NC. Margins improved with various initiatives on the logistics front bearing fruit and resulting in increased efficiencies.

Sugar operations performed well in both Brazil and Poland where the Group moved from second-hand sourcing from intermediaries to direct sourcing from the mills. New marketing operations in Russia as well as brisk growth in the Middle East also contributed to the good results.

In Dairy Products, Sales Volume grew 52% in Q1 FY2007 as compared to the same corresponding period. Three key initiatives drove the growth in volume, mainly, the Group's new procurement operations in Belarus, developing a larger customer base in Russia and expanded market share in Nigeria by entering into VMI arrangements with select customers.

The Packaged Foods business continued to grow with the commissioning of a facility in Russia to produce Coffee Mixes and the expansion of its distribution network to reach other CIS markets namely, Uzbekistan and Kazakhstan. The Group also commenced packaging operations in Nigeria and developed its distribution reach to extend to over 20 main cities in the country.

Fibre & Wood Products	Q1FY2007	Q1FY2006	Change (%)
Sales Volume (metric tonnes)	98,978	79,917	23.9
Sales Revenue (S\$ million)	160.8	134.1	19.9
Net Contribution (S\$ million)	11.3	8.2	37.4
Net Contribution Per Tonne (S\$)	114	102	10.9



The **Fibre & Wood Products** segment experienced 23.9% growth in Sales Volume and 37.4% in NC in Q1 FY2007. Cotton volumes rose 12% over Q1 FY2006 and significant market share gains were achieved in Turkey, Thailand and Bangladesh during the quarter while China continues to be the Group's largest and fastest growing market.

Timber volumes grew strongly by 52% in comparison with Q1 FY2006 with the bulk of the volume growth coming from processed wood products, such as lumber and flooring products. To capture this growing market, the Group opened a flooring product office in Indonesia in addition to those in China and Europe.

Prospects

The Group continues to execute well on its strategic plans and identified growth initiatives in different businesses. Barring any unforeseen circumstances, the Group is confident of its prospects going forward into the rest of FY2007.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2007 Financial Statements lodged on SGXNET on November 14, 2006.



About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients. Today, the Group manages an integrated supply chain for 14 agricultural products with a direct presence in 52 countries, supplying these to over 3,800 customers in more than 55 destination markets, and employing over 6,300 employees worldwide.

Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, it currently ranks among the 40 largest listed companies in Singapore in terms of market capitalisation. Olam has been included in the MSCI Singapore Index effective May 31, 2005. Additional information on Olam can be found on its website at www.olamonline.com.

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