



**Olam International Limited
Takeover Offer for Queensland Cotton Holdings Limited**

ASX/SGX-ST AND MEDIA RELEASE - 28 May 2007

- **OLAM INCREASES FIRST TIER OFFER PRICE TO A\$5.65 PER SHARE AND DECLARES OFFER UNCONDITIONAL**
- **OLAM INCREASES SECOND TIER OFFER PRICE TO A\$5.90 PER SHARE AND REDUCES MINIMUM ACCEPTANCE LEVEL FOR THIS PRICE TO 75.1% FROM 90%**
- **ACCEPTING SHAREHOLDERS TO BE PAID WITHIN 5 DAYS**
- **QUEENSLAND COTTON'S DIRECTORS UNANIMOUSLY RECOMMEND OLAM'S INCREASED OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL**
- **QUEENSLAND COTTON'S DIRECTORS WILL IMMEDIATELY ACCEPT THE INCREASED OFFER IN RESPECT OF ALL SHARES THEY PERSONALLY OWN OR CONTROL**
- **REJECT THE INFERIOR OFFER FROM LOUIS DREYFUS**

Singapore, 28 May, 2007 - Olam International Limited's wholly owned subsidiary Olam Australia Pty Limited (**Olam**) today increased its offer price for all the shares in Queensland Cotton Holdings Limited (**Queensland Cotton**) (**Offer**) and declared the Offer unconditional. This is possible because, as announced by Olam on 25 May 2007, Olam has received FIRB approval stating that FIRB has no objections to Olam's proposed takeover of Queensland Cotton.

THE REVISED OFFER BY OLAM

1. Increased Price

Olam announced today that it will increase its offer price for Queensland Cotton to **A\$5.65 cash per share (First Tier Price)**.

Olam will increase its offer price by a further 25 cents to total **A\$5.90 cash per share (Second Tier Price)** if Olam acquires a relevant interest in at least 75.1% of Queensland Cotton's shares pursuant to the Offer.

By setting the threshold for the Second Tier Price at 75.1% instead of 90%, shareholders will have the potential to enjoy this higher price regardless of Louis Dreyfus' intentions with regard to its existing 19.9% shareholding in Queensland Cotton.

The First Tier Price values Queensland Cotton's equity at A\$159.40 million and is A\$0.34 per share or 6.4% higher than the price of A\$5.31 per share offered by Louis Dreyfus.

All Queensland Cotton shareholders accepting the Offer (including shareholders who have already accepted, and have not withdrawn from, Olam's initial Offer) will receive this increased First Tier Price.

The Second Tier Price values Queensland Cotton's equity at A\$166.45 million and is A\$0.59 per share or 11.1%% higher than the price of A\$5.31 per share offered by Louis Dreyfus.

All Queensland Cotton shareholders accepting the Offer (including shareholders who have already accepted, and have not withdrawn, Olam's initial Offer) will receive an additional A\$0.25 or A\$5.90 per share in total if Olam acquires a relevant interest in at least 75.1% of Queensland Cotton's shares pursuant to the Offer.

2. Offer is unconditional and shareholders who accept the Offer will be paid within 5 days

Olam has today waived all remaining conditions to the Offer and declared its Offer for Queensland Cotton unconditional.

Accordingly, all shareholders who accept the Offer will be paid a minimum of A\$5.65 per share in cash in full within 5 days of receipt of acceptance.

If Olam subsequently acquires a relevant interest in at least 75.1% of Queensland Cotton's shares pursuant to the Offer, all shareholders who have accepted Olam's Offer will receive an additional A\$0.25 per share or A\$5.90 per share in total.

Any acceptance should be on the basis of the A\$5.65 price as there is no guarantee or assurance that Olam will acquire a relevant interest in at least 75.1% of Queensland Cotton shares pursuant to the Offer.

QUEENSLAND COTTON'S BOARD UNANIMOUSLY RECOMMENDS THE OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Offer is unanimously recommended by the directors of Queensland Cotton in the absence of a superior proposal, with each of the directors intending to immediately accept the Offer in respect of all shares they personally own or control.

"We have maintained a friendly approach in all our dealings with Queensland Cotton throughout this process and are pleased the company's board has unanimously recommended our revised Offer" said Mr Sunny Verghese, Group Managing Director and CEO of Olam.

OLAM IS COMMITTED TO FURTHER DEVELOPING QUEENSLAND COTTON AND BUILDING A LONG TERM PRESENCE IN AUSTRALIA

The Offer allows Queensland Cotton to enjoy the benefits of a partnership with a leading global player while retaining its Australian heritage and commitment to the Australian cotton industry.

It remains Olam's intention that if its Offer is successful, Queensland Cotton will retain its name, continue to have its head office based in Brisbane, build on its commitment to rural Australia, and continue to be led by its existing management team. Such a genuine commitment is reflected in Olam's friendly and transparent approach towards Queensland Cotton and through not being opportunistic by buying any Queensland Cotton shares at depressed prices of lower than A\$3.50 per share prior to the announcement of Olam's initial Offer.

"The objective of the Offer is not to 'Olamise' Queensland Cotton, but rather to allow the company to realise its full potential through a partnership with a leading global player such as Olam, while maintaining its uniquely Australian heritage", said Mr Verghese. "We will seek to achieve this through working closely together with Queensland Cotton's existing management team who we have very high regard for", he said.

This revised Offer further reinforces the potential synergies and the strategic fit of the Olam and Queensland Cotton combination. The merged group will be one of the largest and most diversified global cotton companies thereby having an enhanced ability to meet customer requirements, and in turn creating ongoing benefits for Australian cotton growers.

The Offer represents the first step towards Olam building a long term commitment to the Australian agribusiness industry.

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 14 products with a direct presence in 52 countries and supplying them to over 3,800 customers in more than 55 destination markets.

Given Australia's significance to international trade flows for many agricultural commodities, the Australian agribusiness industry is of genuine importance to Olam. Accordingly, it is Olam's intention to build a substantial and long term commitment to the Australian agribusiness industry, with Queensland Cotton to have an important role in this regard. In turn Olam believes this will add substantial value to Queensland Cotton's employees, growers and customers.

WE APPEAL TO QUEENSLAND COTTON SHAREHOLDERS TO CONSIDER WHO WILL BE THE BEST OWNER OF YOUR COMPANY

While the terms of Olam's Offer are clearly superior to Louis Dreyfus' proposal, Olam also appeals to Queensland Cotton shareholders to consider the nature and track record of the acquiring party and who they believe will be the best owner of Queensland Cotton.

In this regard, Olam would like to highlight that all of its dealings with Queensland Cotton have been undertaken on a friendly basis, that Olam is proposing to pay full and fair value for every share it acquires; and that Olam is genuinely committed to the Queensland Cotton name, the company's Brisbane head office, existing management team and the company's commitment to rural Australia.

In contrast, Louis Dreyfus has been a shareholder of Queensland Cotton since 2001 and in that time has done little to assist the company in building its operations or expanding its capabilities. In fact, while the company was grappling with some of the worst conditions it has faced in many years, Louis Dreyfus opportunistically acquired a further 5% shareholding in Queensland Cotton at share prices of less than A\$3.36 per share in October 2006, thereby increasing its total shareholding to 19.9% and making it even more challenging for an interested party, such as Olam, to make a full and fair offer to all shareholders. Finally, rather than seeking to engage with the Queensland Cotton board and management team in a proactive manner when seeking to make a competing offer to Olam's proposal, Louis Dreyfus instead commenced proceedings against Queensland Cotton and its directors in the

Australian Takeovers Panel, thereby further diverting valuable financial resources and management time.

Olam believes it is important that shareholders consider carefully which party they believe will best protect and enhance Queensland Cotton's heritage and everything it stands for.

REJECT THE INFERIOR OFFER FROM LOUIS DREYFUS

Olam and Queensland Cotton urge all shareholders to ignore the inferior offer from Louis Dreyfus announced on 22 May 2007 in order to benefit from Olam's superior Offer.

Shareholders should carefully note that Louis Dreyfus, in the announcement of its offer on 22 May, said that within 5 business days of its FIRB approval condition being satisfied, it will waive all other conditions to the Offer or announce that it will be relying on one of the other conditions to lapse the Offer. Louis Dreyfus has now received their FIRB approval.

Any shareholder who accepts the inferior Louis Dreyfus offer will not be able to accept Olam's superior Offer.

THE OFFER IS SCHEDULED TO CLOSE ON 15 JUNE (UNLESS EXTENDED)

Olam's Offer is open and ready for acceptances now. Olam encourages all Queensland Cotton shareholders to accept the Offer without any further delay.

Shareholders who have withdrawn their acceptance of Olam's Offer are able to re-accept. 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. Another acceptance form will be sent to all Queensland Cotton shareholders shortly.

The Offer is scheduled to close at 7.00pm (Brisbane time) on 15 June 2007 (unless extended). Formal notices and letters to shareholders in respect of the extension will be dispatched to all shareholders.

IN SUMMARY

Olam encourages Queensland Cotton shareholders to accept its revised Offer as soon as possible because Olam's Offer:

- Is superior to Louis Dreyfus' inferior proposal
- Is unanimously recommended by the entire board of Queensland Cotton in the absence of a superior proposal
- Queensland Cotton's directors will immediately accept the Offer in respect of all shares they personally own or control
- Is open, unconditional and capable of acceptance immediately with payment to be made within 5 days of acceptance
- Is in line with Olam's desire to help Queensland Cotton realise its full potential while maintaining its uniquely Australian heritage through retaining its name, Brisbane head office and existing management team

FURTHER INFORMATION

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).

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