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## **NEWS RELEASE**

### **OLAM INTERNATIONAL TO ACQUIRE 100% EQUITY INTEREST IN NAARDEN AGRO PRODUCTS**

*Singapore, September 12, 2007* – Olam International Limited (“Olam”), a leading global integrated supply chain manager of agricultural products and food ingredients, today announced that it will acquire 100 per cent equity interest in Naarden Agro Products B.V. (“Naarden”), an international supply chain manager of industrial caseins, for a total consideration of approximately EUR3.3 million. In addition, Olam is currently in negotiations with Naarden’s shareholders to buy their casein processing facility in Lodz, Poland, Fleur Company Ltd.

Based in the Netherlands, Naarden is primarily involved in the sourcing, processing and marketing of casein, a protein extract from milk, to specialised end-users in the high-speed self-adhesive labeling, paper coating, emulsions and wood industries. Naarden today is a leading player in the industrial casein (also known as technical casein) business commanding over 10 per cent of global market share. Its leadership position has been achieved on the back of a strong customer franchise, technology platform and product expertise developed over the past 15 years.

World casein production is estimated at 364,000 tonnes valued at US\$4.48 billion. Of this, industrial grade casein is estimated to be 45,000 tonnes valued at US\$0.5 billion.

Olam’s Group Managing Director and CEO Sunny Verghese said: “Our investment case for Naarden is driven by acquiring a new competency in caseins, a one-step adjacency for our dairy business, which is one of the fastest growing businesses in our portfolio. Naarden’s strong product and technical knowledge and customer relationships are key enablers for Olam to expand into casein, a new and attractive product adjacency.”

Olam's Managing Director for Dairy Products, Vivek Verma, explained the rationale for the acquisition: "Our dairy products growth strategy has been focused on building dominant positions in niche trade flows. Today, Olam is one of the leading suppliers of bulk milk powder from Ukraine, Poland, Russia, Belarus, India, Argentina into Asia, Middle East and Africa.

"Entry into the casein business is a one-step product adjacency for us as sourcing the raw casein for Naarden shares the same sourcing channels as Olam's existing dairy business in these countries, providing significant synergies in cross-sourcing with only marginal additional investment. The industrial caseins business also offers us the opportunity to migrate to the next-step adjacency into edible casein (caseinates) segment where we will share the same food ingredients customers whom we currently serve."

Principal owner of Naarden, Guus Overmans, remarked: "We see a clear strategic fit between Naarden and Olam. Olam's financial strength, extensive procurement infrastructure in Eastern Europe and Asia, which are the primary sources of casein, and its diversified customer base provide the impetus for Naarden to scale up volumes quickly in response to customers' growing demand."

Naarden sold approximately 4,500 tonnes of casein for the financial year ended 31 December 2006, posting a turnover of EUR20.1 million.

The acquisition of Naarden is an all-cash transaction, funded by a combination of borrowings and internal accruals. The transaction is expected to be both earnings and value accretive from the first full year of consolidation.

**Note:**

*This press release should be read and understood only in conjunction with the full text of Olam International Limited's announcement on this same transaction lodged on the SGXNET on September 12, 2007.*

## **About Olam International**

*Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 14 products with a direct presence in over 53 countries and supplying them to over 4,000 customers in more than 60 destination markets. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, rice, cotton and teak wood.*

*Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalization and is now a component stock in the benchmark Straits Times Index (STI). Olam received three prestigious honours at the Singapore Corporate Awards 2007 - the Best Managed Boards (Silver) Award, Best Annual Report (Gold) Award for Newly-listed Firms and Best Investor Relations (Bronze) Award. It was also recently named as one of Singapore's top 10 globalised companies by International Enterprise ("IE") Singapore in its third annual Singapore International 100 Ranking 2007. More information on Olam can be found at [www.olamonline.com](http://www.olamonline.com).*

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