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Olam enters into a joint venture with Macao Commodities Trading S. L. for processing of cocoa products in Spain

Olam International Limited ('Olam') has signed an agreement with Macao Commodities Trading S. L. ('Macao') to enter into a joint venture in Valencia, Spain. The joint venture company, Solimar Food Ingredients S. A. ('Solimar'), will primarily be engaged in the milling of cocoa cake to cocoa powder for the Spanish and International markets.

Olam is one of the world's largest originators of cocoa, being physically present in most of the major cocoa producing and exporting countries in Africa and Asia. Olam's cocoa business is headquartered in London and has a strong marketing and trading presence in all key markets through its regional hubs in Singapore and New York. In all countries, Olam has built upon its origination strengths to ultimately provide chocolate manufacturers and cocoa powder users with customised grades and qualities for their ingredient requirements. Olam's investment in this Joint Venture furthers its strategy of building a capability to provide high quality cocoa products to its customers and will complement its existing cocoa processing and origin product trading operations in Africa and Asia and provide a European powder for its customers.

Macao is a leading supplier of high quality cocoa powder primarily to the Spanish market. The Company was established in 1994 and is a supplier of cocoa products, cocoa beans, desiccated coconut, vegetable fats, dried fruit and nuts. The management has over 30 years of experience in the cocoa industry and other soft commodity markets. Macao established their first cocoa cake milling facility in 1998 and established a reputation as a reliable supplier of good quality cocoa powder. Their success in the market enabled them to invest in a new plant, which was commissioned in June 2004 and is one of the most modern cocoa powder processing plants in Europe.

Solimar will own the cocoa powder processing facility and will have a capacity to mill 12,000 mt of cocoa cake per annum into high quality cocoa powder with an ability to tailor it to customer's specifications and packaging requirements. Olam's initial investment will be Euro 635,000 (S\$1,350,000), representing a 49% equity stake in the new company, Solimar, with the balance 51% of the equity being held by Macao. In addition, Macao will lease to Solimar the processing premises on a long-term renewable agreement.

This investment is not expected to have a material impact on Olam's earnings (EPS) and NTA per share for the current financial year ending 30th June 2005. This investment will be funded from Olam's internal resources. None of the Directors and Substantial Shareholders of Olam International Limited has any interest, direct or indirect in this investment.

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients. Today, the Company sources 14 products directly from over 35 origin countries, supplying these to over 3,000 customers in more than 50 destination markets, with over 3,000 employees worldwide.

DBS Bank Ltd and CLSA Asia-Pacific Markets are the Joint Global Co-ordinators, Joint Lead Managers and Joint Bookrunners for Olam's IPO.