



OLAM & TECHNOSERVE FORM PARTNERSHIP TO DEVELOP A SUSTAINABLE CASHEW INDUSTRY IN AFRICA

Olam International Limited ("Olam" or the "Company") is pleased to announce that Olam and TechnoServe have formed a unique partnership to support the development of sustainable and value-added agro-processing initiatives across Africa, starting with cashew processing, which has the potential to create significant economic and social impact in these producing countries.

Olam International Limited, which is headquartered in Singapore and recently listed on the Singapore Stock Exchange, is a leading global supply chain manager of agricultural products and food ingredients. It is probably the largest supplier of cashews globally with a direct presence in all the key producing countries in Africa, Asia and S. America. It is also the only Industry player at the forefront of cashew processing in the three main processing centers, India, Vietnam, and Brazil (these 3 countries currently process over 95% of the world's cashew nuts). In addition to processing cashew in these 3 traditional processing centres, Olam has in the last 2 years, launched a multi origin cashew processing initiative in the key producing countries across Africa, including Tanzania, Mozambique, Nigeria and Cote d'Ivoire. Origin cashew processing in Africa is a logical and integral step for Olam as a part of its overall Cashew strategy. It helps the company enhance it's margins through freight savings and further strengthens it's competitive position in the industry. Olam believes that it has the requisite experience, skill and technology to make cashew-processing work in Africa. With its strong end user relationships, it is also well positioned to build a brand image for African processed blanched cashew kernels in the consumption markets.

TechnoServe is a U.S. based non-profit development organization that assists entrepreneurs and other stakeholders to build competitive businesses and industries that directly benefit poor rural communities in Africa and Latin America. TechnoServe's pioneering work to revive Mozambique's cashew industry and provide assistance to other African producer countries has been recognized widely and was featured in the "World Report" news segment on CNN during 2004. They now wish to expand their efforts into other major producing countries in Africa.

Based on a recently signed Memorandum of Understanding (MOU), which formalizes the partnership, Olam and TechnoServe will work together to "unlock" the value of the African cashew industry. The MOU covers activities in East and West Africa including:

- Supporting the current Government and Industry led initiatives and advocating reforms to these policies, where appropriate, to create an enabling environment in all major African producer-countries in the best interests of developing the overall cashew industry.
- Creating joint programs focused on innovation, research and development, cost reduction, and the environmental sustainability of cashew processing in Africa.
- Creating awareness on raw cashew nut quality and production techniques for improving the yields and realizations for the local producers and processors, and assist in the development of producer and processor associations, that benefits both parties and leads to the overall development and sustainability of the local cashew industry in these countries.

- Disseminating information and sharing of best practices for the benefit of all industry participants.

“Olam’s partnership with TechnoServe is a natural extension of our approach to Sustainability. As supply chain managers of agricultural products, we operate closely with various local communities in the producing countries. We constantly identify opportunities to concurrently create value for these communities, the company and other stakeholders in our industry, wherein we can use our expertise and resources for making a meaningful social and economic impact.” said A. Shekhar, Senior Managing Director of Olam International Limited. “Working together with TechnoServe we hope to support the current Government and industry led initiatives and develop local solutions that will enable African producer countries to maximize the potential of their cashew industry for the benefit of all stakeholders, including the smallholder farmers and local processors.”

“TechnoServe and Olam share the same vision - of creating profitable businesses in developing countries that can become reliable suppliers to the global marketplace and engines of growth in poor rural communities,” said Bruce McNamer, TechnoServe’s President and CEO. “The community development impact that successful businesses will have in these remote cashew-growing communities is at the very heart of TechnoServe’s mission and is important to Olam as a socially responsible global business.”

Processed cashew nuts are a high-value food ingredient with strong demand in the key consumer markets of the U.S. and Europe. Africa currently produces one-third of the world’s raw cashew nuts, which provide an important source of cash income for millions of small-scale farm families, most of whom live in very rural areas that have limited natural resources, low agricultural potential, and high poverty levels. Today, however, over 80% of Africa’s production is exported in raw nut form to India or Vietnam, for further processing, leaving these small-scale African producers with only a restricted export market, and very limited scope for any increased realization for their produce. By processing the raw nuts in Africa, there is significant scope for local value addition, which can bring in additional employment and foreign exchange earnings to these countries. However, the creation of a local processing industry has significant challenges including investments in processing infrastructure, transfer of technology and learning on best practices in cashew processing, capability building through training and skill development of workers, all of which needs significant resources and policy support from the local governments.

Through this MOU, both companies hope to combine their resources and efforts and try to become a catalyst for creating a viable and thriving cashew processing industry in Africa.

The above transaction is not expected to have any significant impact on the financial position of the Group for the current financial year. None of the Directors and Substantial Shareholders of Olam has any interest, direct or indirect in this transaction.

About TechnoServe: TechnoServe is a non-profit development organization operating in Africa and Latin America. TechnoServe’s mission is to help entrepreneurial men and women to build businesses that create jobs, income, and economic opportunity in poor rural areas. TechnoServe uses an integrated approach that focuses on identifying high-potential industries and high-value business opportunities. TechnoServe then works to create a successful and replicable business model, and then to create a “critical mass” of successful business within a strategic industry. Example: Starting in 2001, TechnoServe has played a key role in the revival of Mozambique’s cashew nut industry, by assisting 11 entrepreneurs to establish 12 new cashew-processing businesses that have created significant rural

employment and a reliable domestic market for tens of thousands of small-scale growers. TechnoServe's work in cashew is funded by many donors, including in Tanzania the United States Agency for International Development (USAID), the International Fund for Agricultural Development (IFAD), and the Ministry of Trade and Industry of the Republic of South Africa via the Mtwara Development Corridor.

About Olam: Olam is a leading global supply chain manager of agricultural products and food ingredients. It operates an integrated supply chain for 14 products sourcing from over 35 origin countries and delivering them to over 3,000 customers in 50 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, Sheanuts, Sesame, Rice and Teak Wood.

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