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NEWS RELEASE

OLAM REPORTS STRONG Q1 FY2006 PERFORMANCE WITH 75% RISE IN NET PROFITS TO S\$6.5 MILLION

- Strong earnings was driven by both volume & margin growth

(in S\$ million)	Q1 FY2006	Q1 FY2005	Change YoY
Revenue	713.7	497.2	44%
Profit From Operating Activities	26.4	12.0	119%
Profit Before Tax	7.3	4.2	72%
Net Profit After Tax	6.5	3.7	75%

Key Financial Highlights:

- Sales volume grew by 33.6% to 556,795 metric tons
- Sales revenue increased by 43.5% to S\$713.7 million
- Gross Contribution grew by 60.3% to S\$55.8 million
- Net Contribution increased by 37.7% to S\$37.6 million
- EPS rose 29.1% to 0.42 cents per share on a fully diluted basis

Singapore, November 14, 2005 – Olam International Limited (“Olam” or the “Group”), a leading global, integrated supply chain manager of agricultural products and food ingredients today announced a strong set of results for its first quarter ended September 30, 2005 (“Q1 FY2006”).



Said Mr. Sunny Verghese, Olam's Group Managing Director and CEO, "We continued to make good progress in executing our strategy across all our four business segments in Q1 FY2006. Our broad based performance reflects our excellent geographic and product balance, end-to-end supply chain capability and our proven capacity to reliably execute on our organic growth initiatives. We have consistently delivered good results since our listing in February this year, with our strategic focus of expanding through adjacencies. Barring unforeseen circumstances, we continue to be positive on the overall business outlook and our prospects as we head into the 2nd quarter of FY2006 and beyond."

Mr. K. Ravikumar, Olam's Chief Financial Officer said: "As explained in our earlier result briefings, there is a distinct seasonality to our business. This seasonality is described in the text of the Company's Q1 FY2006 Financial Statement under the section, 'Background to analysing our Financial Statements' lodged on SGXNET on November 14, 2005 (page 10). Historically, the first quarter is our weakest quarter, accounting for between 5% to 10% of our Full Year Net Profits. Therefore, even a small change in absolute Net Profit in the first quarter can result in a significant percentage change, given the low base of earnings in the first quarter".

Consolidated Results

Revenue for the Group grew by 43.5% to S\$713.7 million in Q1 FY2006 on the back of a 33.6% increase in total sales volume to 556,795 metric tons for the same period. Strong volume growth, coupled with rise in sales prices in various products across the Group's four business segments, contributed positively to the Group's revenue increase.

Correspondingly, Gross Contribution ("GC") rose 60.3% to S\$55.8 million in Q1 FY2006 compared to S\$34.8 million in Q1 FY2005. Net Contribution ("NC") grew by 37.7% to S\$37.6 million. All four product segments registered an increase in both GC and NC.

Review by Product Segment

Product Segment	Sales Revenue (S\$m)		Gross Contribution (S\$m)		Net Contribution (S\$m)	
	Q1FY06	Q1FY05	Q1FY06	Q1FY05	Q1FY06	Q1FY05
Edible Nuts, Spices & Beans	151.7	120.4	10.0	7.4	6.3	5.6
Confectionery & Beverage	231.3	144.4	20.5	12.5	13.8	10.1
Food Staples & Packaged Foods	196.6	144.5	14.0	8.2	9.3	6.1
Fibre & Wood Products	134.1	87.9	11.3	6.7	8.2	5.4
Total Sales of Goods	713.7	497.2	55.8	34.8	37.6	27.3

On a per ton basis, GC increased to S\$100 for the portfolio in Q1 FY2006 compared to S\$83 in Q1 FY2005. NC per ton rose from S\$65 in Q1 FY2005 to S\$67 in Q1 FY2006 for the portfolio.

Edible Nuts, Spices & Beans

This segment grew both underlying sales volume and NC by 16.3% and 11.2% respectively in Q1 FY2006 compared to Q1 FY2005.

Commented Mr. Verghese: “Our planned expansion in cashew processing in Brazil, Vietnam and Africa; peanut processing in China and Argentina; sesame hulling in Nigeria are progressing on schedule. We are beginning to see some slowdown in demand and a fall in prices of the edible nut category including cashew, peanuts and almonds, resulting in tougher trading conditions for this segment. Strong demand from China and Japan for sesame is underpinning the sesame market.”



Confectionery and Beverage Ingredients

This segment had a particularly strong quarter with sales volume and NC growing by 35.8% and 36.7% respectively in Q1 FY2006 compared to Q1 FY2005, buoyed by the smooth execution of our Vendor Managed Inventory (“VMI”) contracts with key chocolate manufacturers, cocoa grinders and coffee roasters.

“Our cocoa business continued to make strong headway in the key markets of Europe, US and Asia. We have experienced continued growth in this segment based on expanded sourcing in Asia and Africa as well as our integration into cocoa processing in Nigeria,” added Mr. Ravikumar.

Food Staples and Packaged Foods

This segment registered a volume increase of 40.1% and an NC increase of 52.2% in Q1 FY2006 compared to Q1 FY2005. The key contributor to this strong growth in this segment was the rice business, particularly the Group’s milling and distribution investments in Nigeria which yielded excellent results.

“The quality of the locally milled rice has been well accepted by our customers. Our distribution reach in both South Africa and Nigeria for parboiled rice and in Ghana, Cameroon, Cote d’Ivoire, Algeria and Gabon for white rice has been significantly enhanced during this period.

More significantly, marketing inroads have been made in one of the largest sugar markets - Russia, during this period,” said Mr. Verghese.

For Sugar, the Group has established direct tie-ups with some key mills in Brazil and achieved sourcing breakthroughs in Eastern Europe (Poland) and Western Europe.

As for the Dairy Products segment, lower subsidies in Europe during the quarter opened up new markets and opportunities for relatively cheaper origins like Ukraine,



South America (mainly Argentina) and India. The Group is preparing to launch Pearl Milk Powder in three more African markets in the second and third quarters.

“We are now one of the largest buyers of milk powder from Ukraine. During the quarter, apart from the traditional markets in Africa and Asia, we also made significant progress in the Middle East with the addition of several new clients. We also initiated plans to get into the dairy business in China and are confident of our prospects in this important market,” added Mr. Verghese.

The Packaged Food business has got off to a good start in the first quarter particularly with regard to sales of 3-in-1 coffee in Russia, South Africa and Nigeria.

Fibre and Wood Products

Sales volume increased by 42.3% and NC by 50.6% in Q1 FY2006 compared to Q1 FY2005.

For our Timber segment, the Group has strengthened its marketing operations in Europe through the induction of an additional trader specialising in sawn timber sales. This will augment the Group’s capacity to place sawn timber from its processing initiatives in various origins and will help to create a platform in Europe to move further down the value chain into areas like offering VMI services and factory redistribution services to its customers.

As for Cotton, the Group is experiencing positive trading conditions due to strong demand from China. “In the first quarter, we have witnessed strong exports from both East Africa as well as India, both of whom have seen record cotton crops this season. Our main focus in the first quarter has been in East Africa and CIS, where we focused on maximising volumes and value addition through ginning.” Commented Mr. Verghese.



The Group has also expanded its long staple cotton sourcing from both the US and Middle East, to cater to the increasing demand for ELS Cotton from the Indian Sub-Continent. The Group's cotton import and distribution operations in China have exceeded its expectations and initial projections.

Prospects for FY2006

The various initiatives that the Group undertakes to broaden and deepen its business franchise should continue to yield results in the form of both increased volumes and enhanced margins.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2006 Financial Statement lodged on SGXNET on November 14, 2005.

About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 14 products directly from more than 40 origin countries and supplying them to over 3,300 customers in more than 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.

Olam was ranked 9th in the Singapore International 100, a ranking of Singapore's top 100 exporters. It is ranked among the top five companies with regard to overseas revenues for the markets of India, Europe and America region. It was also noted for its good Corporate Governance as a recipient of the Most Transparent Company Award 2005 by the Securities Investors Association of Singapore (SIAS) and for Best Investor Relations (for an IPO) by IR Magazine.



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 capitalization.

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

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