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NEWS RELEASE

OLAM INTERNATIONAL REPORTS 62% RISE IN Q1 FY2009 NET PROFITS

Q1 FY2009: Financial Highlights

- Sales Revenue of S\$1.71 billion, up 24.4%
- Sales Volumes of 1.1 million tonnes, up 20.1%
- Net Contribution (NC) up 32.2% to S\$117.1 million, with NC/tonne up 10.0% to S\$106
- All four business segments contributed to the growth in Sales Revenue, Volume, NC and NC per tonne
- 64% of NC growth on account of volume growth, and 36% from margin improvements
- Net Profit After Tax up 62.0% to S\$14.9 million, EPS up 47.5% to 0.87 cents

Financial Highlights	Q1 FY2009	Q1 FY2008	Change (%)
Sales Volume (metric tonnes)	1,101,039	916,430	20.1
Sales Revenue (S\$ million)	1,712.8	1,376.7	24.4
Gross Contribution (S\$ million)	171.3	130.5	31.3
Net Contribution (S\$ million)	117.1	88.6	32.2
Net Profit After Tax (NPAT) (S\$ million)	14.9	9.2	62.0
Earnings Per Share (cents) *	0.87	0.59	47.5

* Based on weighted average number of shares of 1,713,273,241 shares for Q1 FY2009 and 1,555,251,561 for Q1 FY2008.

Singapore, November 14, 2008 – Olam International Limited (“Olam” or the “Group”), a leading global, integrated supply chain manager of agricultural products and food ingredients, today reported a Net Profit After Tax of S\$14.9 million for the first quarter ended September 30, 2008 (“Q1 FY2009”), an increase of 62.0% when compared to Q1 FY2008.



The strong growth in earnings during the quarter was a combined result of growth in Sales Volume and Net Contribution (NC) across all four business segments. Volume grew by 20.1% to 1.1 million tonnes, leading to a 24.4% growth in Sales Revenue to S\$1.71 billion. NC rose 32.2% to S\$117.1 million in spite of higher interest costs and funding costs for acquisitions. 64% of the growth in NC was due to volume growth while the balance 36% came from margin improvements.

Olam's CFO, Krishnan Ravikumar said: "The first quarter is normally our weakest quarter, contributing 5% to 10% of our full years' earnings. Our business volumes and hence earnings are cyclical with a greater portion of the earnings flowing through in the January–June period, given that we are present largely in northern hemisphere countries, where the harvesting season is typically between October and March."

Olam's Group Managing Director and CEO Sunny Verghese said: "We continue to expand our reach both in existing and new origins as we increase our sourcing market share in existing products and also enter into new adjacent products such as Wheat, Canola, Barley, Palm Oil, Rubber and Wool. This allows us to offer an enlarged and diversified basket of products to our growing customer base. We are also positioning Olam to be selectively more integrated in the value chain with a view to earning higher returns and strengthening our competitive advantage to ensure sustained profitable growth."

Segmental Review

Edible Nuts, Spices & Beans	Q1 FY2009	Q1 FY2008	Change (%)
Sales Volume (metric tonnes)	277,944	208,268	33.5
Sales Revenue (S\$ million)	331.6	236.8	40.0
Net Contribution (S\$ million)	34.0	23.6	44.2
Net Contribution Per Tonne (S\$)	122	113	8.1

The **Edible Nuts, Spices & Beans segment** recorded a volume growth of 33.5% and a revenue growth of 40.0% in Q1 FY2009. Net Contribution also recorded a strong growth of 44.2% to S\$34.0 million in Q1 FY2009.



The strong volume growth in this segment was underpinned by sharp increases in the spices and pulses businesses. Key Foods Ingredients (KFI) was an important contributor to the growth in the spices business during this quarter. Olam has significantly increased its market share in the East African Sesame season from both Tanzania and Mozambique. The Cashew business performed strongly with operations in Vietnam and India continuing to grow processing volumes. During the quarter, a proposal to expand the capacity of the cashew grading and filling centre in Vietnam was approved. Olam has also completed the construction of its peanut storage and cleaning facility in Argentina during this period.

Confectionery and Beverage Ingredients	Q1 FY2009	Q1 FY2008	Change (%)
Sales Volume (metric tonnes)	202,520	172,510	17.4
Sales Revenue (S\$ million)	592.2	481.0	23.1
Net Contribution (S\$ million)	29.9	23.0	30.1
Net Contribution Per Tonne (S\$)	148	133	10.8

Sales Volume and NC in the **Confectionery & Beverage Ingredients** segment registered 17.4% and 23.1% growth respectively in Q1 FY2009. Coffee continued to perform well during Q1 FY2009 as Arabica coffee volumes grew significantly across all South American operations including Brazil, Peru, Honduras and Colombia. In addition, Olam commenced sourcing and distributing coffee locally within Brazil.

Margin per tonne improved by 10.8% during this quarter as Olam deepened its coffee upcountry sourcing presence and expanded processing volumes in Colombia. Margins also improved on account of its efforts in expanding sourcing and production of sustainable coffees for markets in Europe as well as from expanding its organic cocoa operations in Tanzania and Uganda. Olam is able to supply organic cocoa to its customers in EU, USA and Japan as its origin and marketing offices are now fully certified.

During the quarter, both Cocoa and Coffee markets have moved from backwardation to carry which has also been supportive to margins.



Food Staples and Packaged Foods	Q1 FY2009	Q1 FY2008	Change (%)
Sales Volume (metric tonnes)	412,842	346,976	19.0
Sales Revenue (S\$ million)	419.4	341.3	22.9
Net Contribution (S\$ million)	32.1	24.1	33.0
Net Contribution Per Tonne (S\$)	78	69	11.8

The **Food Staples & Packaged Foods segment** grew its Sales Volume by 19.0% and NC by 33.0% during Q1 FY2009. This strong showing was driven mainly by Rice, Sugar and Dairy businesses. During the quarter, Olam also expanded into four new product adjacencies, namely, Wheat, Barley, Palm Oil and Canola. Rice volumes increased as market demand rose in Cote d'Ivoire, Gabon, Mozambique, Nigeria and Cameroon and as Olam entered into new markets in Angola, Senegal and Gambia. Sugar volumes experienced a sharp increase as a result of higher sugar imports into Russia and participation in the domestic trading of locally produced sugar, as well as increased volumes from Brazil into West and South Africa. NC per tonne rose from S\$69 to S\$78 as the scale of margin enhancement initiatives such as Olam's niche premium rice business and sugar refining by PT DUS in Indonesia increased during the first quarter.

Fibre & Wood Products	Q1 FY2008	Q1 FY2007	Change (%)
Sales Volume (metric tonnes)	207,733	188,676	10.1
Sales Revenue (S\$ million)	369.6	317.6	16.4
Net Contribution (S\$ million)	21.1	17.9	17.9
Net Contribution Per Tonne (S\$)	102	95	7.1

The **Fibre & Wood Products segment** recorded a 10.1% growth in Sales Volume and 17.9% growth in NC respectively in Q1 FY2009. Olam achieved a healthy growth in its Cotton business due to its broad base of customers and origins even as global demand for cotton declined during the quarter. Sales volume in Wood Products declined by 7.7% during Q1 FY2009 as a result of a fall in demand in the major markets of China, India and Europe. Margin per tonne increased as Cotton investments into ginning capacities in Zimbabwe and Tanzania began to yield higher margins.



Prospects

The Group continues to execute on its growth strategies by concurrently increasing its sourcing volumes in existing and new origins for existing and new products while continuing to broaden its customer base and undertake margin enhancement initiatives in selected products and geographies. These strategic growth initiatives will result in a further strengthening of Olam's market position across its product portfolio and contribute to sustained profitable growth over the medium term.

Olam expects trading conditions to remain difficult over the course of FY2009 with a concurrent recession or slow down across both OECD and emerging economies. Of the 20 products in its portfolio, 17 are primary food raw materials and demand for these products is reasonably resilient to recessionary conditions. The remaining three industrial raw material products are expected to face more headwinds and are expected to suffer decline in consumption as economic conditions worsen. Given the nature of Olam's participation as a supply chain manager, its diversification across 20 agricultural products, 60 countries, 200,000 suppliers, 6,500 customers and its selective integration across the supply chain, Olam is better positioned to weather this storm.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2009 Financial Statements lodged on SGXNET on November 14, 2008.

About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 60 countries and supplying them to over 6,500 customers. 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 wood products. 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 capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. More information on Olam can be found at www.olamonline.com.



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