



Olam International Limited
 9 Temasek Boulevard
 #11-02 Suntec Tower Two
 Singapore 038989
 telephone 65 63394100
 facsimile 65 63399755
 Website www.olamonline.com
 Regn no. 199504676-H

NEWS RELEASE

OLAM INTERNATIONAL REPORTS Q2 FY2009 NET PROFIT GROWTH OF 174.1% AND H1 FY2009 OF 152.1% AT S\$118.3M

- **Excluding gain from convertible bond repurchase of S\$55.9 million, Olam's after tax earnings grew 32.9% to reach S\$62.4 million in H1 FY2009**

H1 FY2009: Financial Highlights	
▪	Sales Revenue of S\$3.86 billion, up 16.1%
▪	Sales Volumes of 2.81 million tonnes, up 20.2%
▪	Net Contribution (NC) up 26.1% to S\$259.4 million, with NC/tonne up 4.5% to S\$92
▪	All four segments contributed to the growth in Sales Volumes and NC in both Q2 FY 2009 and H1 FY 2009
▪	Net Profit After Tax up 152.1% to S\$118.3 million, EPS up 126.6% to 6.91 cents
▪	Net profit grew 32.9% to S\$62.4 million excluding gain from convertible bond repurchase of S\$55.9 million

Consolidated Financial Results Ended December 31, 2008	Quarter 2			Six Months		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
<i>Sales Volume (metric tonnes)</i>	1,708,417	1,420,876	20.2	2,809,456	2,337,307	20.2
Sales Revenue (S\$m)	2,146.9	1,948.3	10.2	3,859.7	3,325.0	16.1
Gross Contribution (GC) (S\$m)	206.4	175.4	17.1	377.8	305.9	23.5
Net Contribution (NC) (S\$m)	142.3	117.1	21.6	259.4	205.6	26.1
Net Profit After Tax (S\$m)	103.4	37.7	174.1	118.3	46.9	152.1
Earnings Per Share (cents)	6.04*	2.43*	148.6	6.91**	3.03**	126.6



** Based on weighted average number of shares of 1,713,212,824 for Q2 FY2009 (compared to weighted average number of shares of 1,555,467,400 for Q2 FY2008).*

*** Based on weighted average number of shares of 1,713,291,782 for H1 FY2009 (compared to weighted average number of shares of 1,555,536,601 for H1 FY2008).*

Singapore, February 12, 2009 – Olam International Limited (“Olam” or the “Group”), a leading global, integrated supply chain manager of agricultural products and food ingredients, today announced a year-on-year 174.1% growth in Net Profit After Tax to S\$103.4 million for the second quarter ended December 31, 2008 (“Q2 FY2009”).

Net Profit after Tax for the first six months (“H1 FY2009”) amounted to S\$118.3 million, a 152.1% growth over the previous corresponding period.

Olam’s CFO, Krishnan Ravikumar said: “The first-half results included gain of S\$55.9 million from the partial repurchase in December 2008, of the convertible bonds issued in July 2008. Excluding this gain, our core after tax earnings grew 32.9% to S\$62.4 million. Our business continues to be seasonal in nature where our (core) first half results typically account for 30% to 40% of the full year’s profit.”

Olam’s Group Managing Director and CEO Sunny Verghese said: “In H1 FY2009 we further built on our track record of delivering profitable growth, concurrently growing our top line (volume growth) and bottom line, and earning more than our cost of capital. I am particularly pleased that we have been able to achieve these under very challenging market conditions, a performance which reflects both the strength of our portfolio and the robustness of our business model.”

Group Financial Review

In Q2 FY2009, Sales Revenue rose 10.2% to S\$2.15 billion mainly due to volume growth of 20.2% to 1.71 million metric tonnes despite sharply lower prices across most of Olam’s portfolio. NC rose by 21.6% to S\$142.3 million. 64% of the growth in NC came from volume growth while the balance 36% was due to margin enhancements. All four business segments showed improved performance in Sales Volume as well as NC. NC per tonne grew marginally from S\$82 to S\$83 as a result of lower margin growth from the Fibre & Wood Products segment.



In H1 FY2009, Sales Revenue grew 16.1% to S\$3.86 billion supported by a 20.2% growth in Sales Volume to 2.81 million tonnes. NC was up 26.1% of which 79% came from volume growth and the remaining 21% from margin growth. All four business segments contributed to the growth in Sales Volume and NC. Margin per tonne increased from S\$88 to S\$92.

Segmental Review

Edible Nuts, Spices & Beans	Quarter 2			Six Months		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	116,175	97,777	18.8	394,119	306,045	28.8
Sales Revenue (S\$m)	193.4	189.7	2.0	525.0	426.5	23.1
NC (S\$m)	12.8	10.0	27.9	46.8	33.6	39.4
NC Per Tonne (S\$)	110	102	7.8	119	110	8.2

The **Edible Nuts, Spices & Beans** segment recorded a Sales Volume and NC growth of 18.8% and 27.9% in Q2 FY2009 and 28.8% and 39.4% in H1 FY2009 respectively. Products within the segment including Sesame, Cashew, Peanuts, Spices and Pulses contributed to both volume and margin growth. Peanuts from Argentina, efficient utilisation of increased capacities of Cashew and Pepper processing factories in Vietnam as well as improved performance by Universal Blanchers and Key Food Ingredients underpinned growth in this segment.

Confectionery & Beverage Ingredients	Quarter 2			Six Months		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	353,027	275,600	28.1	555,547	448,110	24.0
Sales Revenue (S\$m)	852.8	666.6	27.9	1,445.0	1,147.6	25.9
NC (S\$m)	51.6	39.6	30.2	81.5	62.6	30.1
NC Per Tonne (S\$)	146	144	1.4	147	140	5.0



The **Confectionery & Beverage Ingredients** segment reported a strong performance in Q2 FY2009 and H1 FY2009. Sales Volume rose 28.1% and 24.0% while NC grew 30.2% and 30.1% in both periods respectively. Despite a significantly short cocoa crop across West Africa, particularly in Cote d'Ivoire, which accounts for over 40% of global production, Olam sourced and delivered higher volumes during this period due to its strong farm gate sourcing, and destination market presence. Coffee, in particular Arabicas, contributed to the growth in volumes, leading to a balanced coffee portfolio of Arabicas and Robustas. Olam gained significantly higher market share in South America, particularly in origins like Brazil and Colombia.

Food Staples & Packaged Foods	Quarter 2			Six Months		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	882,047	730,941	20.7	1,294,889	1,077,918	20.1
Sales Revenue (S\$m)	690.2	670.6	2.9	1,109.6	1,012.0	9.7
NC (S\$m)	45.7	36.1	26.6	77.8	60.2	29.2
NC Per Tonne (S\$)	52	49	6.1	60	56	7.1

Sales Volume and NC for the **Food Staples & Packaged Foods** segment grew 20.7% and 26.6% respectively in Q2 FY2009. For H1 FY2009, Sales Volume and NC growth were 20.1 and 29.2% respectively. Expansion into new product adjacencies such as Wheat, Barley and new lines in packaged foods contributed to the growth in volumes in this segment. The “melamine” scare in the dairy industry in China and the slump in imports of dairy products into Russia adversely impacted dairy business volumes in this quarter.



Fibre & Wood Products	Quarter 2			Six Months		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	357,168	316,558	12.8	564,901	505,234	11.8
Sales Revenue (S\$m)	410.4	421.3	(2.6)	780.0	738.9	5.6
NC (S\$m)	32.2	31.3	2.8	53.3	49.2	8.3
NC Per Tonne (S\$)	90	99	(9.1)	94	97	(3.1)

The **Fibre & Wood Products** segment recorded a 12.8% and 2.8% increase in Sales Volume and NC in Q2 FY2009. In H1 FY2009, Sales Volume and NC increased 11.8% and 8.3% respectively. Growth in Sales Volume was on account of good cotton crop in East Africa and Queensland Cotton's recent entry into the Wool business. Growth from Fibre was however offset by weakness in Wood Products due to a sharp decline in demand from markets in China, India, Vietnam and Europe

Outlook and Prospects

Trading conditions are expected to remain difficult over the course of FY2009 with a concurrent recession or slow down across both OECD and emerging economies. Even as difficult market conditions are expected to persist through the year, Olam's diversified product portfolio of 20 products of which 17 are primary food raw materials and are relatively less recession sensitive in nature, and its diversified presence across both developed and emerging markets make the Group relatively more resilient during these recessionary times.

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Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's Q2 FY2009 and H1 FY2009 Financial Statements lodged on SGXNET on February 12, 2009.



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, peanuts, 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.

ISSUED ON BEHALF OF	:	Olam International Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 1 Raffles Place #26-02 OUB Centre SINGAPORE 048616
For Olam		
CONTACT	:	Mr Vasanth Subramanian, Senior Vice President (Investor Relations) Ms Chow Hung Hoeng, Manager (Investor Relations)
DURING OFFICE HOURS	:	+65 6508-9632 / 6317-9471 (Office)
AFTER OFFICE HOURS	:	+65 9785-2593 / 9834-6335 (Mobile)
EMAIL	:	vasanth_s@olamnet.com / chow.hunghoeng@olamnet.com
For CDRi.MAGE		
CONTACT	:	Ms Dolores Phua / Ms Carol Wee
DURING OFFICE HOURS	:	+65 6534-5122 (Office)
AFTER OFFICE HOURS	:	+65 9750-8237 / 9730-5754 (Mobile)
EMAIL	:	dolores.phua@citigatedrimage.com / carol.wee@citigatedrimage.com
