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NEWS RELEASE

STRATEGIC PROGRESS LEADS TO RECORD RESULTS FOR OLAM IN FY2011

- **Net Profit** (including exceptional items) for the Full Year **FY2011** grew **23.6%** to **S\$444.6 million**. **Net Profit** (excluding exceptional items) grew **37.1%** to **S\$372.8 million** during this period.
- **Net Profit** (including exceptional items) for **Q4 FY2011** grew **54.3%** to **S\$142.9 million**. **Net Profit** (excluding exceptional items) grew **4.9%** to **S\$106.2 million** during this quarter.
- **Successful execution** of our **Corporate Strategy** through **selective** and **targeted integration upstream** into **plantations** and **midstream** into **processing** has **enhanced margins** and delivered **accelerated earnings** and **returns**.
- Both **organic** and **inorganic growth initiatives** have contributed to our overall success.
- The **investments** made over the **past two years** of the **strategic planning cycle** have **strengthened** our **business**, **enhanced** our **competitive position** and **improved** the **quality of our earnings**.

FY2011: Financial Highlights

- **Sales Volume** of **8.5 million ton**, up **20.6%**
- **Sales Revenue** of **S\$15.73 billion**, up **50.5%**
- **Net Contribution (NC)** up **35.8%** to **S\$1222.8 million**, **NC per ton** up **12.5%** to **S\$145**
- **Broad-based growth** in **NC** and **NC per ton** across all business segments
- **Net Profit After Tax** (excluding exceptional items*) up **37.1%** to **S\$372.8 million**
- **Reported Net Profit** (including exceptional items*) up **23.6%** to **S\$444.6 million**
- **21.3% ROE** (on beginning of period capital) and **14.3% ROIC** generating **11.3% Equity Spread** and **7.1% Total Capital Spread** respectively
- **EPS** (excluding exceptional items*) up **29.9%** to **17.58 cents**; **EPS** (including exceptional items*) up **13.3%** to **20.27 cents**
- A **strong** and **flexible balance sheet** reinforced by raising approximately **S\$740 million** of **equity** (of which S\$494 million was post balance sheet date) along with additional debt
- Board recommends **dividend** of **5.0 cents per share** tax exempt (one-tier) for the year



Consolidated Financial Results Ended June 30	Full Year			Quarter 4		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Sales Volume (metric tonnes)	8,451,585	7,006,479	20.6%	2,293,275	1,845,363	24.3%
Sales Revenue (S\$m)	15,734.9	10,455.0	50.5%	4,522.5	3,133.8	44.3%
Net Contribution (NC) (S\$m)	1222.8	900.7	35.8%	407.1	334.2	21.8%
Reported Net Profit (S\$m)	444.6	359.7	23.6%	142.9	92.6	54.3%
Net Profit After Tax (S\$m) (excluding exceptional items*)	372.8	271.8	37.1%	106.2	101.3	4.9%
EPS (cents) (including exceptional items*)	20.27**	17.89**	13.3%	5.91***	4.58***	29.2%
EPS (cents) (excluding exceptional items*)	17.58**	13.53**	29.9%	4.93***	5.02***	-1.8%

* Negative goodwill on acquisitions (net of transaction costs).

** Based on weighted average number of shares of 2,120,460,030 shares for FY2011 and 2,009,002,290 shares for FY2010.

*** Based on weighted average number of shares of 2,153,964,290 for Q4 FY2011 (compared to weighted average number of shares of 2,021,691,667 for Q4 FY2010).

Singapore, August 29, 2011 – Olam International Limited (“Olam” or the “Group”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today reported a Net Profit After Tax (including exceptional items) of S\$444.6 million for the twelve months ended 30 June 2011 (“FY2011”), a growth of 23.6% compared to S\$359.7 million achieved in FY2010. Net Profit After Tax (excluding exceptional items) grew 37.1% to S\$372.8 million compared to S\$271.8 million achieved in the previous corresponding period (“FY2010”).

The FY2011 results include gain from exceptional items amounting to S\$57.1 million compared to a gain of S\$87.6 million from exceptional items in the previous corresponding period (FY2010).

Net Profit After Tax (including exceptional items) in Q4 FY2011 grew by 54.3% to S\$142.9 million compared to S\$92.6 million reported in the previous corresponding quarter (Q4 FY2010). Net Profit After Tax (excluding exceptional items) in Q4 FY2011 grew by 4.9% to S\$106.2 million from S\$101.3 million in Q4 FY2010.



Olam's Group Managing Director and CEO, Sunny Verghese said: "Olam's record results in FY2011 reflect the resilience of the Olam model to perform across economic and commodity cycles. Our ability to achieve this consistency in performance despite the volatility that has now become a way of life in our markets is a function of our well balanced and diversified portfolio (across 20 products, focused primarily on the agri-complex and 65 countries) and our unique business model. In that model we aim to out-originate competition through effective farmgate sourcing, selectively and differentially integrate across the value chain, providing differentiated and customised marketing solutions and services. This model is supported by our strong control systems and risk management capabilities.

"We are now two years into the execution of the 6 year Corporate Strategic plan for the period FY2010-2015. I am pleased to announce that we have exceeded the milestones that we had set for this period. We have extended our competitive advantage and built a unique portfolio by investing selectively in attractive-return upstream (plantations) and midstream (value-added processing) growth initiatives, which have helped us enhance margins and strengthen returns.

Most importantly, we have fortified our leadership and corporate culture which serves as one of our distinctive advantages and which will serve us well going forward".

Olam's Group CFO, Krishnan Ravikumar explained the results: "Our FY2011 Full Year results provide further evidence of the effectiveness and potential of our growth strategy. The success of this 'Olam model' is reflected in the strong growth in Net Contribution per ton for the portfolio of 12.5% which is one of the strongest margin enhancements that we have realised for any period. All five business segments, namely Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients, Food Staples & Packaged Foods, Industrial Raw Materials and Commodity Financial Services, contributed to the growth in NC.

"We are also very pleased to have improved our capital productivity by improving materially our cash-to-cash cycle during this period, which helped mitigate the increase in working capital requirements that resulted from sharply rising commodity prices. In addition, we have taken timely steps to build a strong and resilient balance sheet by raising S\$740 million of equity and nearly S\$1.5 billion of medium term and long term debt. These additions to our balance sheet place us in a very strong position to navigate through the current dislocation in the capital markets and take advantage of opportunities as they emerge in the markets that are consistent with our long term strategies. We will continue our balanced and disciplined approach to capital allocation consistent with our strategy." he added.



Group Financial Review

The Group has had a strong FY2011 with record growth (up 37.1%) in Net Profit (excluding exceptional gain). The period was characterised by sharply rising commodity prices, with several agricultural commodities reaching historical highs. In addition to rising prices, there was a substantial increase in volatility across the global agricultural sector.

Olam's diversified product portfolio, extensive origination and distribution reach, and selective integration across the agri-business value chain, combined with strong risk management capabilities, has allowed the Group to grow profitably under these market conditions. Continued execution of the Group's strategy by expanding upstream selectively to include plantations (perennial plantation crop investments in palm, rubber, almonds and coffee), farming (annual crop investments in peanuts, soybean, cotton and rice), hardwood forest concessions and dairy farming, as well as selective integration into midstream value-added processing activities (including cocoa processing, soluble coffee manufacturing, tomato paste manufacturing, peanut paste manufacturing, spice grinding, dehydrates manufacturing) have all contributed to generating solid returns and enhancing the Group's margins in FY2011.

During FY2011, Sales Volume rose 20.6% to 8.5 million metric tons. Sales Revenue grew 50.5% to S\$15.73 billion as commodity prices increased substantially during the period. NC surged 35.8% to S\$1222.8 million as a result of both higher Sales Volume and enhanced margin per ton, with NC margins increasing 12.5% from S\$129 to S\$145 per ton. Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients, Food Staples & Packaged Foods and Industrial Raw Materials segments all contributed strongly to the growth in Sales Volume and NC during this period.

Q4 FY2011 registered a 24.3% increase in Sales Volume; higher commodity prices supported the rise in Sales Revenue by 44.3%. NC grew 21.8% during the quarter.

Segmental Review

Edible Nuts, Spices & Beans	Full Year			Quarter 4		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Sales Volume (metric tonnes)	1,274,241	1,107,875	15.0%	369,803	340,021	8.8%
Sales Revenue (S\$m)	2,183.16	1,489.43	46.6%	496.47	478.73	3.7%
NC (S\$m)	296.6	210.9	40.7%	103.8	80.5	28.9%
NC Per Tonne (S\$)	232.7	190.3	22.3%	280.7	236.8	18.5%

The **Edible Nuts, Spices & Beans** segment registered volume growth of 15.0%, revenue growth of 46.6%, GC growth of 41.4% and NC growth of 40.7% compared to FY2010. NC per ton in this segment grew 22.3% from S\$ 190.3 to S\$ 232.7. The growth in NC per ton was mainly driven by selective initiatives to integrate the business upstream (plantations and farming) and in midstream processing activities. The integration of the acquired companies in the SVI business (namely Gilroy, SK Foods and KFI) has been completed successfully and these businesses have been combined into one operating unit and co-located in Fresno California to better extract synergies. This integration will also enable us to serve the customers better by enhancing the product offering and providing higher value added customised products and ingredients to a combined customer base. In addition, we have been able to extract synergies in the farm management services, procurement and logistics operations of these entities.

Confectionery & Beverage Ingredients	Full Year			Quarter 4		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Sales Volume (metric tonnes)	1,483,994	1,287,958	15.2%	328,474	274,324	19.7%
Sales Revenue (S\$m)	6,361.46	4,080.31	55.9%	1,632.31	1,123.38	45.3%
NC (S\$m)	314.4	222.8	41.1%	103.9	86.2	20.5%
NC Per Tonne (S\$)	211.8	172.9	22.5%	316.2	314.3	0.6%

The **Confectionery & Beverage** Ingredients segment registered volume growth of 15.2%, 42.8% growth in GC and 41.1% growth in NC compared to FY2010. More importantly, this segment grew its NC per ton by 22.5% from S\$ 172.9 in FY2010 to S\$ 211.8 in FY2011. The cocoa business has rebounded strongly on the back of normalcy returning to Cote d'Ivoire after a long period of political stalemate. The coffee business continues to perform well across its key origins in West and East Africa and Asia. Our new operations in Mexico have got off to a good start. Trading conditions for coffee in our South and Central American operations has been mixed in FY2011.

Food Staples & Packaged Foods	Full Year			Quarter 4		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Sales Volume (metric tonnes)	4,101,979	3,207,225	27.9%	1,121,742	794,471	41.2%
Sales Revenue (S\$m)	3,460.28	2,589.55	33.6%	1,110.55	536.22	107.1%
NC (S\$m)	302.5	233.9	29.3%	63.3	41.7	51.7%
NC Per Tonne (S\$)	73.7	72.9	1.1%	56.3	52.4	7.4%

The **Food Staples & Packaged Foods** segment achieved volume growth of 27.9%, GC growth of 33.0%, and NC growth of 29.3% respectively compared to FY2010. This strong volume growth was led by the grains business, with strong market share growth in the African markets. Based on the actions that the Management has taken, the performance of NZFSU continues to improve on a month on month basis and is tracking ahead of our investment thesis. As a result of the second takeover offer that was launched in May 2011, we now own 86% (previously 77%) of this company. The two acquisitions that are underperforming our investment thesis out of the 27 acquisitions done so far are our dairy processing investment in New Zealand (OCDL) and our high intensity natural sweetener investment in Malaysia (Pure Circle). In view of the uncertain milk price outlook in New Zealand as driven by Fonterra, we have decided to take a one-off impairment of S\$35.6 million on our original investment in OCDL in FY2011.

Industrial Raw Materials	Full Year			Quarter 4		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Sales Volume (metric tonnes)	1,591,371	1,403,422	13.4%	473,256	436,546	8.4%
Sales Revenue (S\$m)	3,730.05	2,295.75	62.5%	1,283.20	995.46	28.9%
NC (S\$m)	283.9	208.1	36.4%	131.8	123.1	7.1%
NC Per Tonne (S\$)	178.3	148.2	20.3%	278.4	281.8	-1.2%

The **Industrial Raw Materials** segment saw volume growth of 13.4%, GC growth of 41.5%, and NC growth of 36.4% compared to FY2010. This segment constituted 18.8% of the Company's volumes, 23.7% of its revenues, 24.6% of its GC and 23.2% of its NC. NC per ton in this segment grew by 20.3% from S\$ 148.2 in FY2010 to S\$ 178.3 in FY2011. The cotton business had an outstanding year despite volatile market conditions. However, due to the lower global growth expectations, cotton demand has contracted sharply during the last quarter and this is expected to create some headwinds in the business for the first half of FY2012. The wool business has turned in a strong performance in FY2011. The integration of tt Timber assets acquired earlier this year has progressed smoothly delivering positive results in line with our



investment thesis. The Group's expansion into South America (Costa Rica, Panama and El Salvador) during this period to source plantation teak has also been successful.

The **Commodity Financial Services (CFS)** business continued to invest in building capacity and increasing the scale of its operations. This segment registered a growth in NC of 1.4% for FY2011 and contributed 2.1% of the Company's Net Contribution. The key activities of the CFS business, namely market making in commodity options and providing risk management solutions, continue to develop well in line with our business plans.

Outlook and Prospects

Given the strong performance recorded by the Group in FY2011 and the continued execution of its long term strategic growth plans, the Group continues to be positive about its prospects for FY2012.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's FY2011 and Q4 FY2011 Financial Statements lodged on SGXNET on August 29, 2011.



About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,100 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. Olam is the only Singapore firm to be named in the 2009 and 2010 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region by Hewitt Associates, the RBL Group and Fortune. More information on Olam can be found at www.olamonline.com.

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