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## NEWS RELEASE

### OLAM INTERNATIONAL DELIVERS 56.0% GROWTH IN Q1 FY2011 NET PROFIT TO S\$29.7M

#### Q1 FY2011: Financial Highlights

- Sales **Volume** of 1.6 million tonnes, **up 21.1%**
- Sales **Revenue** of S\$2.45 billion, **up 30.6%**
- **Net Contribution** (NC) **up 40.5%** to S\$202.9 million, **NC per tonne up 16.0%** to **S\$128**
- **Broad-based growth** in NC across **all business segments**
- **Net Profit After Tax up 56.0%** to S\$29.7 million
- **EPS up 50.2%** to 1.44 cents

Financial Highlights	Q1 FY2011	Q1 FY2010	Change (%)
Sales Volume (metric tonnes)	1,582,129	1,306,393	21.1
Sales Revenue (S\$ million)	2,451.1	1,876.7	30.6
Net Contribution (S\$ million)	202.9	144.5	40.5
Net Profit After Tax (NPAT) (S\$ million)	29.7	19.0	56.0
Earnings Per Share (cents) *	1.44	0.96	50.2

\* Based on weighted average number of shares of 2,070,536,846 shares for Q1 FY2011 and 1,991,245,633 shares for Q1 FY2010.

Singapore, November 11, 2010 – Olam International Limited (“Olam” or the “Company”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today reported a Net Profit After Tax of S\$29.7 million for the first quarter ended September 30, 2010 (“Q1 FY2011”), an increase of 56.0% over the previous corresponding quarter (“Q1 FY2010”).



The higher profits reported during this quarter was driven by a 21.1% increase in Sales Volume and a 40.5% rise in Net Contribution (NC). The four business segments, namely Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients, Food Staples & Packaged Foods and Industrial Raw Materials, contributed to the growth in Sales Volume, Sales Revenue and NC. The fifth segment, Commodity Financial Services, also registered a significant increase in NC.

Olam’s CFO, Krishnan Ravikumar said: “We are encouraged to see that all five business segments have contributed to the strong performance in Q1 FY2011. During the quarter, we continued to strengthen our balance sheet to support our future growth plans by successfully launching a debut unrated 10-year bond issue for US\$250 million as well as a 3-year syndicated bank loan facility for US\$350 million in the US.”

Olam’s Group Managing Director and CEO Sunny Verghese said: “Our first quarter results provide continuing evidence to both the effectiveness and successful implementation of our corporate strategy as announced in 2009. We are executing well against our key strategic initiatives and the results of these initiatives have met or exceeded our initial expectations. Given the growing supply-demand imbalance in the agri and industrial business segments in which we participate, we believe that this industry will continue to offer attractive growth opportunities and positive returns. To take advantage of these opportunities, we believe we have now assembled the core capabilities required to advance sustainable leadership in our industry.”

### Segmental Review

Edible Nuts, Spices & Beans	Q1 FY2011	Q1 FY2010	Change (%)
Sales Volume (metric tonnes)	327,828	320,132	2.4
Sales Revenue (S\$ million)	425.3	355.4	19.7
Net Contribution (S\$ million)	55.2	42.6	29.6
Net Contribution Per Tonne (S\$)	168	133	26.5

The **Edible Nuts, Spices & Beans segment** recorded a volume growth of 2.4% and NC growth of 29.6%, leading to NC per tonne increasing from S\$133 to S\$168 during this quarter. The lower volume growth was due to the exit from the Pulses business from Q1 FY2011. The stronger NC reported was partly contributed by the consolidation of the results of Gilroy Foods



& Flavours, the dehydrated and vegetable products business which the Company acquired with effect from July 2010.

<b>Confectionery and Beverage Ingredients</b>	<b>Q1 FY2011</b>	<b>Q1 FY2010</b>	<b>Change (%)</b>
Sales Volume (metric tonnes)	231,733	223,265	3.8
Sales Revenue (S\$ million)	733.0	660.9	10.9
Net Contribution (S\$ million)	44.2	34.5	27.9
Net Contribution Per Tonne (S\$)	191	155	23.2

The **Confectionery & Beverage Ingredients** segment registered a 3.8% growth in Sales Volume and a 27.9% growth in NC in Q1 FY2011. NC per tonne increased from S\$155 to S\$191. The lower than expected volume growth was largely due to the delayed start of the West African cocoa season.

<b>Food Staples and Packaged Foods</b>	<b>Q1 FY2011</b>	<b>Q1 FY2010</b>	<b>Change (%)</b>
Sales Volume (metric tonnes)	734,862	539,411	36.2
Sales Revenue (S\$ million)	720.9	483.6	49.1
Net Contribution (S\$ million)	62.5	45.2	38.5
Net Contribution Per Tonne (S\$)	85	84	1.4

The **Food Staples & Packaged Foods** segment recorded strong results this quarter by growing its Sales Volume by 36.2% and NC by 38.5% during Q1 FY2011. The strong volume growth in this segment was broad-based. During this period, Olam was able to significantly increase its market share for Wheat in the East African and Southern African markets. The higher NC in this segment was also supported by the Wheat milling business in Nigeria.



<b>Industrial Raw Materials</b>	<b>Q1 FY2011</b>	<b>Q1 FY2010</b>	<b>Change (%)</b>
Sales Volume (metric tonnes)	287,706	223,585	28.7
Sales Revenue (S\$ million)	571.8	376.8	51.8
Net Contribution (S\$ million)	36.7	25.0	46.9
Net Contribution Per Tonne (S\$)	128	112	14.2

The **Industrial Raw Materials** segment registered a 28.7% growth in Sales Volume and 46.9% growth in NC in Q1 FY2011. NC per tonne improved from S\$112 to S\$128. These results were achieved on the back of the Company's continued growth in the Cotton business with increased market share in Australia and the US and better off-take of Wood Products across Asia.

The **Commodity Financial Services** segment experienced a good quarter in Q1 FY2011 reversing its NC loss from a year ago to a positive S\$4.4 million.

## **Prospects**

Olam continues to execute its strategic growth plan by pursuing integrated value-chain leadership in three products, selectively expanding our value-chain participation in seven products, and entering into new adjacent businesses that build on its latent assets and capabilities. In addition, Olam will continue to grow, optimise and extract full value from its Supply Chain & Value-added services business.

With a significantly enhanced competitive position, the creation of strong business platforms, and the opportunity to realise synergies between existing and newly acquired businesses, Olam is currently positive about its growth prospects and the achievement of the strategic and financial targets set out in its corporate strategic plan announced in August 2009.

## **Note:**

*This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2011 Financial Statements lodged on SGXNET on November 11, 2010.*



### **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](http://www.olamonline.com).*

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