

# OLAM INTERNATIONAL LIMITED

## Financial Statements for the Third Quarter and Nine Months Ended 31 March 2013

### **PART I:** Information required for announcements of Quarterly (Q1, Q2, Q3 & Q4), Half-Year and Full Year Results.

- 1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### **Profit & Loss Statement – Nine Months FY2013: Group**

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 13	31 Mar 12	% change	31 Mar 13	31 Mar 12	% change
<b>Revenue - Sale of goods &amp; services</b>	14,306,783	11,947,725	19.7%	4,717,255	4,231,297	11.5%
Other income	68,333	48,714		19,885	29,596	
	<b>14,375,116</b>	<b>11,996,439</b>	<b>19.8%</b>	<b>4,737,140</b>	<b>4,260,893</b>	<b>11.2%</b>
<b>Costs and expenses</b>						
Cost of goods sold	(11,636,947)	(9,867,900)		(3,888,130)	(3,601,323)	
Shipping and logistics	(1,178,611)	(841,613)		(293,103)	(200,844)	
Commission and claims	(136,972)	(91,150)		(51,770)	(31,427)	
Net gain from changes in fair value of biological assets	49,969	52,751		17,731	18,720	
Employee benefit expenses	(330,101)	(246,085)		(100,199)	(74,605)	
Depreciation	(111,323)	(89,367)		(35,355)	(26,950)	
Net measurement of derivative instruments	(7,531)	6,337		(3,086)	2,921	
Other operating expenses	(252,543)	(275,917)		(93,443)	(99,720)	
Finance costs	(415,167)	(326,616)		(149,330)	(131,746)	
	(14,019,226)	(11,679,560)		(4,596,685)	(4,144,974)	
Share of results from jointly controlled entities and associates	7,023	14,387		1,662	11,388	
	(14,012,203)	(11,665,173)	20.1%	(4,595,023)	(4,133,586)	11.2%
<b>Profit before taxation</b>	362,913	331,266	9.6%	142,117	127,307	11.6%
Taxation	(54,512)	(42,243)		(26,846)	(25,048)	
<b>Profit for the period</b>	<b>308,401</b>	<b>289,023</b>	<b>6.7%</b>	<b>115,271</b>	<b>102,259</b>	<b>12.7%</b>
<b>Attributable to:</b>						
Owners of the Company	305,827	261,407	17.0%	108,506	98,682	10.0%
Non-controlling interests	2,574	27,616		6,765	3,577	
	<b>308,401</b>	<b>289,023</b>		<b>115,271</b>	<b>102,259</b>	

- 1(a)(ii) A statement of comprehensive income for the ("Group") - Olam International Limited ("Company") and its subsidiaries together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Comprehensive Income – Nine Months FY2013: Group**

(in S\$'000)	Group		Group	
	Nine Months Ended		Three Months Ended	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
<b>Profit for the period</b>	<b>308,401</b>	<b>289,023</b>	<b>115,271</b>	<b>102,259</b>
<b>Other Comprehensive Income:</b>				
Net gain on fair value changes during the period	139,722	99,840	29,616	27,218
Recognised in the profit and loss account on occurrence of hedged transactions	(62,995)	214,595	(27,060)	27,600
Foreign currency translation adjustment	(101,462)	58,718	21,929	(80,528)
<b>Other comprehensive income</b>	<b>(24,735)</b>	<b>373,153</b>	<b>24,485</b>	<b>(25,710)</b>
<b>Total Comprehensive Income</b>	<b>283,666</b>	<b>662,176</b>	<b>139,756</b>	<b>76,549</b>
<b>Attributable to:</b>				
Owners of the Company	282,668	625,776	135,365	74,470
Non-controlling interests	998	36,400	4,391	2,079
	<b>283,666</b>	<b>662,176</b>	<b>139,756</b>	<b>76,549</b>

1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

(in S\$'000)	Group		Company	
	31 Mar 13	30 Jun 12	31 Mar 13	30 Jun 12
<b>Non-current assets</b>				
Property, plant and equipment	3,117,374	2,620,995	2,687	2,724
Intangible assets	641,112	660,157	27,922	24,411
Biological assets	821,574	631,339	-	-
Investment in subsidiary companies	-	-	1,991,954	1,567,661
Interests in jointly controlled entities and associates	522,744	482,864	405,023	378,566
Deferred tax assets	35,746	37,735	-	-
Other non-current assets	8,655	9,163	-	-
	<b>5,147,205</b>	<b>4,442,253</b>	<b>2,427,586</b>	<b>1,973,362</b>
<b>Current assets</b>				
Amounts due from subsidiary companies	-	-	2,302,339	2,092,954
Trade receivables	1,617,252	1,596,796	613,474	394,663
Margin accounts with brokers	355,913	-	316,502	-
Inventories	4,729,872	4,410,014	953,526	738,291
Advance payments to suppliers	400,169	320,556	88,586	98,153
Advance payments to subsidiary companies	-	-	1,904,909	1,750,052
Cash and short-term fixed deposits	1,327,658	1,110,856	816,106	703,960
Derivative financial instruments	578,916	1,302,200	336,966	867,718
Other current assets	811,421	645,307	103,401	105,607
	<b>9,821,201</b>	<b>9,385,729</b>	<b>7,435,809</b>	<b>6,751,398</b>
<b>Current liabilities</b>				
Trade payables and accruals	(764,110)	(1,133,893)	(181,172)	(494,101)
Margin accounts with brokers	-	(140,567)	-	(77,011)
Borrowings	(3,414,056)	(3,148,333)	(1,076,876)	(1,207,680)
Derivative financial instruments	(709,438)	(1,115,711)	(634,754)	(981,232)
Provision for taxation	(57,152)	(33,493)	(11,456)	(18,184)
Other current liabilities	(207,615)	(193,101)	(63,785)	(77,247)
	<b>(5,152,371)</b>	<b>(5,765,098)</b>	<b>(1,968,043)</b>	<b>(2,855,455)</b>
<b>Net current assets</b>	<b>4,668,830</b>	<b>3,620,631</b>	<b>5,467,766</b>	<b>3,895,943</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	(210,661)	(194,071)	(5,608)	(1,496)
Borrowings	(5,913,333)	(4,341,051)	(5,049,559)	(3,113,814)
	<b>(6,123,994)</b>	<b>(4,535,122)</b>	<b>(5,055,167)</b>	<b>(3,115,310)</b>
<b>Net assets</b>	<b>3,692,041</b>	<b>3,527,762</b>	<b>2,840,185</b>	<b>2,753,995</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	2,077,038	2,077,038	2,077,038	2,077,038
Treasury shares	(96,081)	(96,081)	(96,081)	(96,081)
Capital Securities	272,139	276,886	272,139	276,886
Reserves	1,337,505	1,147,767	587,089	496,152
	<b>3,590,601</b>	<b>3,405,610</b>	<b>2,840,185</b>	<b>2,753,995</b>
Non-controlling interests	101,440	122,152	-	-
<b>Total equity</b>	<b>3,692,041</b>	<b>3,527,762</b>	<b>2,840,185</b>	<b>2,753,995</b>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

**Amounts repayable in one year or less or on demand**

	31 Mar 13		30 Jun 12	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts	-	260,445	-	445,664
Loans	133,094	2,737,066	288,289	2,063,566
Medium Term Notes	-	248,013	-	349,492
Finance Lease	-	2,432	-	1,322
Bonds	-	33,006	-	-
<b>Total</b>	<b>133,094</b>	<b>3,280,962</b>	<b>288,289</b>	<b>2,860,044</b>

**Amounts repayable after one year**

	31 Mar 13		30 Jun 12	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Medium / Long Term Loans	120,422	2,329,493	126,915	2,979,584
Medium Term Notes	-	1,709,807	-	248,850
Bonds	-	1,734,157	-	955,973
Finance Lease	-	19,454	-	29,729
<b>Total</b>	<b>120,422</b>	<b>5,792,911</b>	<b>126,915</b>	<b>4,214,136</b>

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year is as follows:

(in S\$'000)	Group		Group	
	Nine Months Ended		Three Months Ended	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
<b>Cash flow from operating activities</b>				
<b>Profit before taxation</b>	<b>362,913</b>	<b>331,266</b>	<b>142,117</b>	<b>127,307</b>
Adjustments for:				
Amortisation of intangible assets and depreciation of property, plant and equipment	123,289	101,533	39,382	29,253
Cost of share-based payment	13,927	10,730	4,526	1,896
Fair value of biological assets	(49,969)	(52,751)	(17,731)	(18,721)
(Gain)/ loss on disposal of property, plant and equipment	(28,608)	325	70	(3,788)
Interest income	(10,535)	(11,425)	(3,559)	(3,857)
Interest expense	415,167	326,616	149,330	131,746
Net measurement of derivative instruments	7,531	(6,337)	3,086	(2,921)
Share of results from jointly controlled entities and associates	(7,023)	(14,387)	(1,662)	(11,388)
Gain on bond buy back	(5,986)	-	(5,986)	-
<b>Operating cash flow before reinvestment in working capital</b>	<b>820,706</b>	<b>685,570</b>	<b>309,573</b>	<b>249,527</b>
(Decrease) / increase in inventories	(139,916)	(993,925)	97,510	(7,855)
Decrease / (increase) in receivables and other current assets	296,107	(408,575)	17,843	(256,991)
(Decrease) / increase in advance payments to suppliers	(71,199)	(157,354)	3,108	(89,223)
(Increase) / decrease in margin account with brokers	(498,451)	450,520	(123,471)	227,469
Decrease in payables and other current liabilities	(586,165)	(429,111)	(178,399)	(343,745)
<b>Cash flow (used in) / from operations</b>	<b>(178,918)</b>	<b>(852,875)</b>	<b>126,164</b>	<b>(220,818)</b>
Interest income received	10,535	11,425	3,559	3,857
Interest expense paid	(394,020)	(210,757)	(176,113)	(75,418)
Tax paid / (refund)	(17,579)	(2,037)	(15,116)	4,666
<b>Net cash flow used in operating activities</b>	<b>(579,982)</b>	<b>(1,054,244)</b>	<b>(61,506)</b>	<b>(287,713)</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of property, plant and equipment	84,747	3,078	6,311	4,728
Purchase of property, plant and equipment	(564,791)	(345,015)	(190,203)	(106,199)
Purchase of intangible assets	(8,731)	(13,862)	(6,208)	(8,917)
Acquisition of subsidiaries	(132,370)	(268,927)	-	(259,342)
Investment in jointly controlled entities and associates	(44,024)	14,303	(5,507)	14,303
<b>Net cash flow used in investing activities</b>	<b>(665,169)</b>	<b>(610,423)</b>	<b>(195,607)</b>	<b>(355,427)</b>
<b>Cash flow from financing activities</b>				
Dividends paid on ordinary shares by the Company	(96,217)	(125,181)	-	-
Proceeds from / (repayment of) borrowings, net	998,222	1,504,316	(354,929)	426,143
Proceeds from issuance of shares on exercise of share options	-	9,708	-	-
Proceeds from rights issue of bonds and warrants	860,752	-	860,752	-
Payment of capital securities distribution	(19,250)	-	(9,546)	-
Proceeds from issue of capital securities, net of transaction costs	-	270,639	-	270,639
Proceeds from issuance of shares for cash	-	490,220	-	-
Payment for bond buy back	(34,030)	-	(34,030)	-
Acquisition of non controlling interest	(25,836)	-	-	-
<b>Net cash flow from financing activities</b>	<b>1,683,641</b>	<b>2,149,702</b>	<b>462,247</b>	<b>696,782</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(16,369)</b>	<b>9,840</b>	<b>9,347</b>	<b>(14,127)</b>
<b>Net increase in cash and cash equivalents</b>	<b>422,121</b>	<b>494,875</b>	<b>214,481</b>	<b>39,515</b>
Cash and cash equivalents at the beginning of the period	601,762	435,078	809,402	890,438
<b>Cash and cash equivalents* at the end of the period</b>	<b>1,023,883</b>	<b>929,953</b>	<b>1,023,883</b>	<b>929,953</b>

\*Cash and cash equivalents include cash and bank balances, fixed deposits less overdrafts and deposits committed

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

9 months Group	Attributable to owners of the Company										Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2013:</b>												
<b>At 1 July 2012</b>	2,077,038	(96,081)	276,886	120,093	(344,781)	(125,190)	72,327	1,425,318	1,147,767	3,405,610	122,152	3,527,762
Profit for the period	-	-	-	-	-	-	-	305,827	305,827	305,827	2,574	308,401
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	139,722	-	-	139,722	139,722	-	139,722
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(62,995)	-	-	(62,995)	(62,995)	-	(62,995)
Foreign currency translation adjustment	-	-	-	-	(99,945)	-	-	-	(99,945)	(99,945)	(1,576)	(101,521)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	-	(99,945)	76,727	-	-	(23,218)	(23,218)	(1,576)	(24,794)
<b>Total comprehensive income for the period</b>	-	-	-	-	(99,945)	76,727	-	305,827	282,609	282,609	998	283,607
<b>Contributions by and distributions to owners</b>												
Issuance of warrants	-	-	-	8,268	-	-	-	-	8,268	8,268	-	8,268
Share-based expense	-	-	-	-	-	-	13,927	-	13,927	13,927	-	13,927
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,436)	(96,436)	(96,436)	-	(96,436)
Accrued capital securities distribution	-	-	14,503	-	-	-	-	(14,503)	(14,503)	-	-	-
Payment of capital securities distribution	-	-	(19,250)	-	-	-	-	-	-	(19,250)	-	(19,250)
<b>Total contributions by and distributions to owners</b>	-	-	(4,747)	8,268	-	-	13,927	(110,939)	(88,744)	(93,491)	-	(93,491)
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>												
Acquisition of non-controlling interests	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(21,710)	(25,836)
<b>At 31 March 2013</b>	2,077,038	(96,081)	272,139	124,235	(444,726)	(48,463)	86,254	1,620,206	1,337,506	3,590,602	101,440	3,692,042

9 months Group	Attributable to owners of the Company										Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Securities	Capital Reserve	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total		
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2012:</b>												
<b>At 1 July 2011</b>	<b>1,577,110</b>	-	-	<b>129,586</b>	<b>(378,825)</b>	<b>(322,749)</b>	<b>54,194</b>	<b>1,186,026</b>	<b>668,232</b>	<b>2,245,342</b>	<b>57,020</b>	<b>2,302,362</b>
Profit for the period	-	-	-	-	-	-	-	261,407	261,407	261,407	27,616	289,023
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	99,840	-	-	99,840	99,840	-	99,840
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	214,595	-	-	214,595	214,595	-	214,595
Foreign currency translation adjustment	-	-	-	-	49,934	-	-	-	49,934	49,934	8,784	58,718
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,934</b>	<b>314,435</b>	<b>-</b>	<b>-</b>	<b>364,369</b>	<b>364,369</b>	<b>8,784</b>	<b>373,153</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,934</b>	<b>314,435</b>	<b>-</b>	<b>261,407</b>	<b>625,776</b>	<b>625,776</b>	<b>36,400</b>	<b>662,176</b>
<b>Contributions by and distributions to owners</b>												
Issue of shares for cash	490,220	-	-	-	-	-	-	-	-	490,220	-	490,220
Issue of capital securities, net of transaction costs	-	-	270,639	-	-	-	-	-	-	270,639	-	270,639
Issue of shares on exercise of share option	9,708	-	-	-	-	-	-	-	-	9,708	-	9,708
Share-based expense	-	-	-	-	-	-	10,730	-	10,730	10,730	-	10,730
Dividends on ordinary shares	-	-	-	-	-	-	-	(125,181)	(125,181)	(125,181)	-	(125,181)
Accrued capital securities distribution	-	-	1,635	-	-	-	-	(1,635)	(1,635)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>499,928</b>	<b>-</b>	<b>272,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,730</b>	<b>(126,816)</b>	<b>(116,086)</b>	<b>656,116</b>	<b>-</b>	<b>656,116</b>
<b>At 31 March 2012</b>	<b>2,077,038</b>	<b>-</b>	<b>272,274</b>	<b>129,586</b>	<b>(328,891)</b>	<b>(8,314)</b>	<b>64,924</b>	<b>1,320,617</b>	<b>1,177,922</b>	<b>3,527,234</b>	<b>93,420</b>	<b>3,620,654</b>



9 months Company	Attributable to owners of the Company									
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2013:</b>										
<b>At 1 July 2012</b>	2,077,038	(96,081)	276,886	129,877	(210,221)	(128,785)	72,327	632,954	496,152	2,753,995
Profit for the period	-	-	-	-	-	-	-	171,740	171,740	171,740
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	151,809	-	-	151,809	151,809
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(77,971)	-	-	(77,971)	(77,971)
Foreign currency translation adjustment	-	-	-	-	(65,897)	-	-	-	(65,897)	(65,897)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	-	(65,897)	73,838	-	-	7,941	7,941
<b>Total comprehensive income for the period</b>	-	-	-	-	(65,897)	73,838	-	171,740	179,681	179,681
<b>Contributions by and distributions to owners</b>										
Issuance of warrants	-	-	-	8,268	-	-	-	-	8,268	8,268
Share-based expense	-	-	-	-	-	-	13,927	-	13,927	13,927
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,436)	(96,436)	(96,436)
Accrued capital securities distribution	-	-	14,503	-	-	-	-	(14,503)	(14,503)	-
Payment of capital securities distribution	-	-	(19,250)	-	-	-	-	-	-	(19,250)
<b>owners</b>	-	-	(4,747)	8,268	-	-	13,927	(110,939)	(88,744)	(93,491)
<b>Total transactions with owners in their capacity as owners</b>	-	-	(4,747)	8,268	-	-	13,927	(110,939)	(88,744)	(93,491)
<b>At 31 March 2013</b>	2,077,038	(96,081)	272,139	138,145	(276,118)	(54,947)	86,254	693,755	587,089	2,840,185



9 months Company	Attributable to owners of the Company									
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2012:</b>										
<b>At 1 July 2011</b>	<b>1,577,110</b>	-	-	<b>129,877</b>	<b>(290,938)</b>	<b>(323,267)</b>	<b>54,194</b>	<b>641,554</b>	<b>211,420</b>	<b>1,788,530</b>
Profit for the period	-	-	-	-	-	-	-	93,218	93,218	93,218
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	69,424	-	-	69,424	69,424
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	245,128	-	-	245,128	245,128
Foreign currency translation adjustment	-	-	-	-	58,395	-	-	-	58,395	58,395
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	-	<b>58,395</b>	<b>314,552</b>	-	-	<b>372,947</b>	<b>372,947</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>58,395</b>	<b>314,552</b>	-	<b>93,218</b>	<b>466,165</b>	<b>466,165</b>
<b>Contributions by and distributions to owners</b>										
Issue of shares for cash	490,220	-	-	-	-	-	-	-	-	490,220
Issue of capital securities, net of transaction costs	-	-	270,639	-	-	-	-	-	-	270,639
Issue of shares on exercise of share option	9,708	-	-	-	-	-	-	-	-	9,708
Share-based expense	-	-	-	-	-	-	10,730	-	10,730	10,730
Dividends on ordinary shares	-	-	-	-	-	-	-	(125,181)	(125,181)	(125,181)
Accrued capital securities distribution	-	-	1,635	-	-	-	-	(1,635)	(1,635)	-
<b>Total contributions by and distributions to owners</b>	<b>499,928</b>	-	<b>272,274</b>	-	-	-	<b>10,730</b>	<b>(126,816)</b>	<b>(116,086)</b>	<b>656,116</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>499,928</b>	-	<b>272,274</b>	-	-	-	<b>10,730</b>	<b>(126,816)</b>	<b>(116,086)</b>	<b>656,116</b>
<b>At 31 March 2012</b>	<b>2,077,038</b>	-	<b>272,274</b>	<b>129,877</b>	<b>(232,543)</b>	<b>(8,715)</b>	<b>64,924</b>	<b>607,956</b>	<b>561,499</b>	<b>2,910,811</b>

3 months Group	Attributable to owners of the Company										Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2013:</b>												
<b>At 1 January 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>115,967</b>	<b>(468,970)</b>	<b>(51,019)</b>	<b>81,728</b>	<b>1,516,718</b>	<b>1,194,424</b>	<b>3,452,267</b>	<b>97,049</b>	<b>3,549,316</b>
Profit for the period	-	-	-	-	-	-	-	108,506	108,506	108,506	6,765	115,271
<b><u>Other comprehensive income</u></b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	29,616	-	-	29,616	29,616	-	29,616
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(27,060)	-	-	(27,060)	(27,060)	-	(27,060)
Foreign currency translation adjustment	-	-	-	-	24,244	-	-	-	24,244	24,244	(2,374)	21,870
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,244</b>	<b>2,556</b>	<b>-</b>	<b>-</b>	<b>26,800</b>	<b>26,800</b>	<b>(2,374)</b>	<b>24,426</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,244</b>	<b>2,556</b>	<b>-</b>	<b>108,506</b>	<b>135,306</b>	<b>135,306</b>	<b>4,391</b>	<b>139,697</b>
<b><u>Contributions by and distributions to owners</u></b>												
Issuance of warrants	-	-	-	8,268	-	-	-	-	8,268	8,268	-	8,268
Share-based expense	-	-	-	-	-	-	4,526	-	4,526	4,526	-	4,526
Dividends on ordinary shares	-	-	-	-	-	-	-	(219)	(219)	(219)	-	(219)
Accrued capital securities distribution	-	-	4,799	-	-	-	-	(4,799)	(4,799)	-	-	-
Payment of capital securities distribution	-	-	(9,546)	-	-	-	-	-	-	(9,546)	-	(9,546)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(4,747)</b>	<b>8,268</b>	<b>-</b>	<b>-</b>	<b>4,526</b>	<b>(5,018)</b>	<b>7,776</b>	<b>3,029</b>	<b>-</b>	<b>3,029</b>
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(4,747)</b>	<b>8,268</b>	<b>-</b>	<b>-</b>	<b>4,526</b>	<b>(5,018)</b>	<b>7,776</b>	<b>3,029</b>	<b>-</b>	<b>3,029</b>
<b>At 31 March 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>272,139</b>	<b>124,235</b>	<b>(444,726)</b>	<b>(48,463)</b>	<b>86,254</b>	<b>1,620,206</b>	<b>1,337,506</b>	<b>3,590,602</b>	<b>101,440</b>	<b>3,692,042</b>

3 months Group	Attributable to owners of the Company										Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Securities	Capital Reserve	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2012:</b>												
<b>At 1 January 2012</b>	<b>2,077,038</b>	-	-	<b>129,586</b>	<b>(249,861)</b>	<b>(63,132)</b>	<b>63,028</b>	<b>1,223,570</b>	<b>1,103,191</b>	<b>3,180,229</b>	<b>91,341</b>	<b>3,271,570</b>
Profit for the period	-	-	-	-	-	-	-	98,682	98,682	98,682	3,577	102,259
<b><u>Other comprehensive income</u></b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	27,218	-	-	27,218	27,218	-	27,218
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	27,600	-	-	27,600	27,600	-	27,600
Foreign currency translation adjustment	-	-	-	-	(79,030)	-	-	-	(79,030)	(79,030)	(1,498)	(80,528)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,030)</b>	<b>54,818</b>	<b>-</b>	<b>-</b>	<b>(24,212)</b>	<b>(24,212)</b>	<b>(1,498)</b>	<b>(25,710)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,030)</b>	<b>54,818</b>	<b>-</b>	<b>98,682</b>	<b>74,470</b>	<b>74,470</b>	<b>2,079</b>	<b>76,549</b>
<b><u>Contributions by and distributions to owners</u></b>												
Issue of capital securities, net of transaction costs	-	270,639	-	-	-	-	-	-	-	270,639	-	270,639
Issue of shares on exercise of share option	-	-	-	-	-	-	-	-	-	-	-	-
Share-based expense	-	-	-	-	-	-	1,896	-	1,896	1,896	-	1,896
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Accrued capital securities distribution	-	1,635	-	-	-	-	-	(1,635)	(1,635)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>272,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,896</b>	<b>(1,635)</b>	<b>261</b>	<b>272,535</b>	<b>-</b>	<b>272,535</b>
<b>At 31 March 2012</b>	<b>2,077,038</b>	<b>272,274</b>	<b>-</b>	<b>129,586</b>	<b>(328,891)</b>	<b>(8,314)</b>	<b>64,924</b>	<b>1,320,617</b>	<b>1,177,922</b>	<b>3,527,234</b>	<b>93,420</b>	<b>3,620,654</b>

3 months Company	Attributable to owners of the Company									
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2013:</b>										
<b>At 1 January 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>129,877</b>	<b>(313,923)</b>	<b>(57,656)</b>	<b>81,728</b>	<b>539,648</b>	<b>379,674</b>	<b>2,637,517</b>
Profit for the period	-	-	-	-	-	-	-	159,125	159,125	159,125
<b><u>Other comprehensive income</u></b>										
Net loss on fair value changes during the financial period	-	-	-	-	-	37,872	-	-	37,872	37,872
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(35,163)	-	-	(35,163)	(35,163)
Foreign currency translation adjustment	-	-	-	-	37,805	-	-	-	37,805	37,805
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,805</b>	<b>2,709</b>	<b>-</b>	<b>-</b>	<b>40,514</b>	<b>40,514</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,805</b>	<b>2,709</b>	<b>-</b>	<b>159,125</b>	<b>199,639</b>	<b>199,639</b>
<b><u>Contributions by and distributions to owners</u></b>										
Issuance of warrants	-	-	-	8,268	-	-	-	-	8,268	8,268
Share-based expense	-	-	-	-	-	-	4,526	-	4,526	4,526
Dividends on ordinary shares	-	-	-	-	-	-	-	(219)	(219)	(219)
Accrued capital securities distribution	-	-	4,799	-	-	-	-	(4,799)	(4,799)	-
Payment of capital securities distribution	-	-	(9,546)	-	-	-	-	-	-	(9,546)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(4,747)</b>	<b>8,268</b>	<b>-</b>	<b>-</b>	<b>4,526</b>	<b>(5,018)</b>	<b>7,776</b>	<b>3,029</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(4,747)</b>	<b>8,268</b>	<b>-</b>	<b>-</b>	<b>4,526</b>	<b>(5,018)</b>	<b>7,776</b>	<b>3,029</b>
<b>At 31 March 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>272,139</b>	<b>138,145</b>	<b>(276,118)</b>	<b>(54,947)</b>	<b>86,254</b>	<b>693,755</b>	<b>587,089</b>	<b>2,840,185</b>

3 months Company	Attributable to owners of the Company									
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 March 2012:</b>										
<b>At 1 January 2012</b>	<b>2,077,038</b>	-	-	<b>129,877</b>	<b>(166,042)</b>	<b>(62,109)</b>	<b>63,028</b>	<b>532,216</b>	<b>496,970</b>	<b>2,574,008</b>
Profit for the period	-	-	-	-	-	-	-	77,375	77,375	77,375
<b><u>Other comprehensive income</u></b>										
Net loss on fair value changes during the financial period	-	-	-	-	-	(55,881)	-	-	(55,881)	(55,881)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	109,275	-	-	109,275	109,275
Foreign currency translation adjustment	-	-	-	-	(66,501)	-	-	-	(66,501)	(66,501)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,501)</b>	<b>53,394</b>	<b>-</b>	<b>-</b>	<b>(13,107)</b>	<b>(13,107)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,501)</b>	<b>53,394</b>	<b>-</b>	<b>77,375</b>	<b>64,268</b>	<b>64,268</b>
<b><u>Contributions by and distributions to owners</u></b>										
Issue of capital securities, net of transaction costs	-	-	270,639	-	-	-	-	-	-	270,639
Share-based expense	-	-	-	-	-	-	1,896	-	1,896	1,896
Accrued capital securities distribution	-	-	1,635	-	-	-	-	(1,635)	(1,635)	-
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>272,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,896</b>	<b>(1,635)</b>	<b>261</b>	<b>272,535</b>
<b>At 31 March 2012</b>	<b>2,077,038</b>	<b>-</b>	<b>272,274</b>	<b>129,877</b>	<b>(232,543)</b>	<b>(8,715)</b>	<b>64,924</b>	<b>607,956</b>	<b>561,499</b>	<b>2,910,811</b>

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<b>Issue of shares for cash</b>	<b>Jan - Mar 13</b>	<b>Jan - Mar 12</b>
Issue of shares on exercise of share options	-	-

	<b>Mar 13</b>	<b>Mar 12</b>
<b>Shares to be issued upon exercise of:</b>		
Conversion right of convertible bonds	247,442,146	242,563,783
Warrants	387,365,079	-
Share options	136,344,000	82,408,000
<b>Total no. of shares</b>	<b>771,151,225</b>	<b>324,971,783</b>

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<b>Mar 13</b>	<b>Jun 12</b>
<b>Issued, fully paid share capital :</b>		
Balance no. of shares as at the beginning of period	2,442,409,869	2,235,508,918
Issue of Shares for cash	-	191,700,951
Issue of Shares on exercise of share options	-	15,200,000
<b>Total no. of shares outstanding as at the end of period</b>	<b>2,442,409,869</b>	<b>2,442,409,869</b>
Total no. of shares held as treasury shares	(52,196,000)	(52,196,000)
<b>Total no. of shares outstanding as at the end of period net of treasury shares</b>	<b>2,390,213,869</b>	<b>2,390,213,869</b>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

N. A.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements presented above have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N. A.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The adoption of the new and revised accounting standards that became applicable from 1 July 2012 did not result in substantial changes to the Group accounting policies, which are consistent with those used in the audited financial statements as at 30 June 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the changes.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 30 June 2012 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 July 2012. The adoption of these FRS has no significant impact to the Group.

6. Earnings per ordinary share of the Group for the current financial period reported and for the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

**Reported earnings per ordinary share**

Reported EPS	Group			
	Nine Months Ended		Three Months Ended	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
(a) Based on weighted average no. of shares (cents/share)	12.19	10.64	4.34	3.97
(b) Based on fully diluted basis (cents/share)	12.14	10.30	4.32	3.82
Weighted average no. of shares applicable to basic earnings per share	2,390,213,869	2,442,323,758	2,390,213,869	2,442,409,869
Weighted average no. of shares based on fully diluted basis	2,400,068,155	2,688,308,462	2,400,472,638	2,688,268,598

**Operational earnings\* per ordinary share**

Operational EPS	Group			
	Nine Months Ended		Three Months Ended	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
(a) Based on weighted average no. of shares (cents/share)	11.98	10.64	4.88	3.97
(b) Based on fully diluted basis (cents/share)	11.93	10.30	4.86	3.82

\*Reported Earnings net of exceptional items

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares of the issuer at the end of the:

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

(In cents per share)	Group		Company	
	As at 31 Mar 13	As at 30 Jun 12	As at 31 Mar 13	As at 30 Jun 12
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	147.01	139.44	116.29	112.76

The NAV for the Group before fair value adjustment reserve increased from 144.56 cents/share in June 2012 to 148.99 cents/share in March 2013.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.



## **Introduction**

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, with operations in 65 countries. As supply chain managers, we are engaged in the sourcing of a wide range of agricultural commodities from the producing countries and the processing, warehousing, transporting, shipping, distributing and marketing of these products right up to the factory gate of our customers in the destination markets. We also manage risk at each stage of the supply chain. From our founding in 1989, the Company has evolved from a single country, single product trader to a multi-country, multi-product supply chain manager.

In that process of evolution and development, the Olam business model has grown both in depth as well as breadth, pursuing selected value chain adjacencies which both complement and enhance our core supply chain model.

The evolution of our business model over recent years has led us to develop new competencies as we have pursued our strategic goals, including the capabilities to identify, execute and integrate attractive acquisition opportunities in selected countries and within or adjacent to our core value chain activities. Successfully completed transactions have addressed opportunities in the upstream (plantation/ farming), midstream (manufacturing/ processing) and downstream (packaged foods/ distribution) parts of the value chain.

Building on existing and new capabilities, the Group has expanded selectively in upstream into plantation ownership and management (perennial crops), farming (annual crops), dairy farming and forest concessions management. These opportunities, both organic and inorganic, have been pursued in countries that have a comparative advantage to produce these commodities relatively better and at relatively lower costs on a sustainable basis. Pursuit of this strategy has led us to invest selectively in palm and rubber plantations in Africa; almond orchards in Australia and California; coffee plantation in Laos, Brazil, Ethiopia, Tanzania and Zambia; peanut, soybean and corn farming in Argentina; peanut farming in South Africa; rice farming in Nigeria and Mozambique; cotton farming in Mozambique, Brazil, Ghana and Ivory Coast; cocoa plantations in Indonesia; dairy farming in Uruguay and Russia and the development of tropical hard wood forest concessions in The Republic of Congo (ROC), Gabon and Mozambique.

Similarly, in the midstream part of the value chain, we have pursued initiatives in value added processing and manufacturing activities such as wheat milling in Nigeria and Ghana; sugar milling and refining in India and Indonesia; cocoa processing in Ivory Coast and Nigeria; tomato paste manufacturing in California; dehydrates manufacturing in Egypt, the USA and China; peanut ingredient manufacturing in the USA; palm oil refining in Ivory Coast and Mozambique; mechanical processing of cashews in Ivory Coast and Nigeria; cashew ingredients manufacturing in Vietnam and the USA; almond processing in Australia; spice grinding in Vietnam; dairy processing in Ivory Coast and Malaysia; specialty fats manufacturing in the UK; hazelnut processing in Turkey; soluble coffee manufacturing in Spain and Vietnam; and sawmilling in ROC and Gabon amongst others.

Another growth initiative covers the proposed manufacturing of Fertiliser in Gabon, which will capitalise further on our extensive grower and supplier base in various producing countries.

Downstream progress has been reflected in the initiatives completed in Packaged Foods distribution in West Africa and building our own consumer brands in the food category, which capitalises on our intimate knowledge of African markets, operations, brands and consumers. This downstream activity also builds on our capabilities in the management of food supply chains and on the common distribution network that we have built for related commodity products (including rice, sugar, wheat flour and dairy products) in West Africa. Initiatives in this segment include biscuit and candy manufacturing and distribution in Nigeria and Ghana; juice and dairy beverages in Nigeria; instant noodles, seasonings and tomato paste distribution in Nigeria and selected West African markets.

In addition, Olam has diversified into a set of new businesses which build on latent assets and capabilities developed over the last 24 years, including the Commodity Financial Services business segment (CFS), which benefits from our deep understanding of both commodity and financial markets, as well as from our capabilities in and knowledge of leading-edge risk management practices.

## **Recent events**

The Board initiated strategy review of the business including a review of business priorities, capital expenditure plans and free cash flow generation targets was completed during the quarter and the updated strategy was announced on April 25, 2013.

The strategy review reaffirmed Olam's strategy of building a well-diversified and selectively integrated agri sector portfolio with a core global supply chain business and selective integration into high-value upstream and mid/downstream segments. The strategy review also highlighted the need to re-balance growth objectives with an increased focus on accelerating the generation of positive free cash flow.

The four additional priority areas identified in the review are:

- Accelerate free cash flow generation
- Reduce gearing
- Reduce complexity
- Promote better understanding of Olam's business

In line with the decision to re-balance growth with positive cash flow generation, the Company will disclose two additional financial metrics (EBITDA and Invested Capital) both by business segments and value chain segments on an annual basis starting from FY2013 onwards.

We have retained disclosure format for this quarter in line with past quarters to ensure comparability with prior periods. The Board is undertaking a detailed review of the Company's disclosure in the financial statements and will incorporate appropriate changes to aid the analysis and interpretation of the Company's performance. Such changes to take effect from financial year commencing 1 July 2013.

## **Business Segmentation and Reporting**

We organise the businesses (BUs) into 5 reporting segments. The segmental reporting is described below:

<b>Business Segment</b>	<b>Businesses (BUs)</b>
<b>Edible Nuts, Spices &amp; Beans</b>	Cashews Peanuts Almonds Hazelnuts Spices & Vegetable Ingredients Sesame Beans (Pulses, Lentils & Peas)
<b>Confectionery &amp; Beverage Ingredients</b>	Cocoa Coffee Sheanuts
<b>Food Staples &amp; Packaged Foods</b>	Rice Sugar and Natural Sweeteners Grains (Wheat, Barley, Maize, Soybean) Palm Products Dairy Products Packaged Foods (PFB)
<b>Industrial Raw Materials (IRM)</b>	Cotton Wool Wood Products Rubber Agri Inputs (Fertiliser) Special Economic Zone Project (SEZ)
<b>Commodity Financial Services (CFS)</b>	Market Making Risk Management Solutions Commodity Funds Management

## Background to analysing our Financial Statements

### Profitability

- a. **Inclusion of results of companies acquired by the Group:** The 9M FY2013 results include the fully consolidated results of Hemarus Industries Limited ("HIL"), Vallabhdas Kanji Limited ("VKL"), Trusty Foods Limited ("TFL"), United Biscuits Limited ("UBL"), Progida Group ("PROGIDA"), OK Foods Nigeria Limited ("OK"), Russian Dairy Company LCC ("RUSMOLCO"), Olam Macao Spain (formerly Macao Commodities Trading SL), Kayass Enterprises S.A. ("Kayass"), Dehydro Foods S.A.E and Seda Solubles ("Seda"). As the 9M FY2012 results did not contain the full impact of these acquisitions, the consolidated results for 9M FY2013 are not strictly comparable to the results of 9M FY2012.
- b. **Gross and Net Contribution:** We measure and track our profitability for most business units in terms of Gross Contribution (GC) and Net Contribution (NC) per tonne of product supplied. For every transaction, we target a minimum dollar net contribution per tonne of product supplied based on the investment, risks, complexities and value added services that we provide to our customers. We are focused on enhancing these margins by providing value added services such as vendor managed inventory solutions (VMI), organic certifications, traceability guarantees, fair trade produce (FTP) certifications, customised grades and quality, processed ingredients supply, proprietary market intelligence and risk management solutions.

GC is calculated as the total revenue from the sale of goods and services plus other income and share of gain/loss from jointly controlled entities/associates, less the cost of goods sold (raw material costs plus other direct costs, including packing costs etc.), shipping and logistics expenses, claims and commissions, net gain/ (loss) from changes in fair value of biological assets, net measurement of derivative instruments, non-controlling interests and non-recurring exceptional items which are recorded for the period. For the purpose of determining Net Contribution, finance costs excluding interest on debt for fixed capital investments, net of interest income are deducted from the GC. For analysing the performance of the Group, the share of jointly controlled entities/associates has been included in the GC and NC. The proportionate share of volumes has also been included for calculation of GC and NC per tonne.

The computation for GC and NC, together with a comparative statement for the corresponding period of the immediately preceding financial year, is as follows:

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 13	31 Mar 12	% change	31 Mar 13	31 Mar 12	% change
<b>Total Revenue</b>	<b>14,375,116</b>	<b>11,996,439</b>		<b>4,737,140</b>	<b>4,260,893</b>	
<b>Add:</b>						
- Share of results from jointly controlled entities and associates	7,023	14,387		1,662	11,388	
<b>Less:</b>						
- Interest income	(10,535)	(11,425)		(3,559)	(3,857)	
- Cost of goods sold, shipping and logistics, commissions and claims net gain / (loss) from changes in fair value of biological assets	(12,902,561)	(10,747,912)		(4,215,272)	(3,814,874)	
- Net measurement of derivative instruments, gain / (loss) on foreign exchange, bank charges	(34,675)	(64,146)		3,216	(38,414)	
- Exceptional items (as included in Other Income*)	(33,873)	-		(6,050)	-	
- Non-controlling Interests	(2,574)	(27,616)		(6,765)	(3,577)	
<b>Gross Contribution (GC)</b>	<b>1,397,921</b>	<b>1,159,727</b>	<b>20.5%</b>	<b>510,372</b>	<b>411,559</b>	<b>24.0%</b>
<b>Less:</b>						
- Net interest on working capital	(240,822)	(218,060)		(87,596)	(76,970)	
<b>Net Contribution (NC)</b>	<b>1,157,099</b>	<b>941,667</b>	<b>22.9%</b>	<b>422,776</b>	<b>334,589</b>	<b>26.4%</b>

\*Exceptional Items include Other Income of S\$27.9 million on sale of Almond orchard land and S\$6.0 million on the buyback of bonds issued by NZFSU. The buyback of bonds was completed in Q3.

- c. **Volumes:** Volume is one of the key drivers of our profitability. Given our integration and end-to-end supply chain capabilities, we seek to match the supply of our products with demand from our customers. The volume of agricultural products that we supply is largely within our control, and is a function of the strength of our supply chain infrastructure in the origins (producing countries) and the markets (consuming countries). There are no associated volumes for non supply chain businesses like SEZ and CFS.

Sales Volume (in Metric Tonnes)			
9M FY2013	9M FY2012	Q3 FY2013	Q3 FY2012
11,654,998	7,218,918	3,882,615	2,696,404

- d. **Seasonality:** The production of agricultural products is seasonal in nature. The seasonality of the products in our global portfolio depends on the location of the producing country. The harvesting season for most of the agricultural products for countries situated in the northern hemisphere generally falls between October and March. Countries in the southern hemisphere have harvesting seasons between April and September. It is also not unusual to experience both delays as well as early starts to the harvesting seasons in these countries in a particular year, based on weather patterns. In addition to an early or delayed harvesting season, the precise timing and size of arrivals of these products can also vary based on the farmers' selling decisions; these are mainly a function of the farmers' view on prices and inventory holding capacity. The majority of our origins are located in the northern hemisphere. Consequently, our earnings tend to be relatively higher in the Second half of the Financial Year (January to June) compared to the First Half of the Financial Year (July to December).

Based on this seasonality, we have observed the phasing and range of our earnings to be as follows:

Q1 July - Sept	Q2 Oct - Dec	1 <sup>st</sup> Half July – Dec	Q3 Jan - March	Q4 Apr – June	2 <sup>nd</sup> Half Jan – June
5 – 10%	25 – 30%	30 – 40%	35 – 40%	25 – 30%	60 – 70%

### **Statement of financial position and Cash Flow Statement**

Working capital is deployed to fund inventories, trade and other receivables, margin accounts with brokers, advance payments to suppliers, trade payables and accruals. Working capital needs fluctuate constantly due to changes in the volume and prices of agricultural products. This may cause either an increase or decrease in funds allocated to operations. A large part of working capital is used to fund the liquid hedged inventories that meet four qualifying conditions:

- 1) *non-perishability* (all commodities in Olam's portfolio are non-perishable with a shelf life of a minimum of 2 years or above);
- 2) *limited obsolescence risk* (not easily substitutable or not likely to go out of style or fashion),
- 3) *hedged or sold forward* (no inventory value erosion risk as the inventory is hedged), and
- 4) *liquid* (can be converted into cash at short notice).

These inventories and secured receivables are therefore liquid assets and are regarded as near cash items. Changes in working capital are therefore not permanent deployment of funds as this capital gets converted into cash when goods are delivered to customers or tendered on the Exchange and monies are collected.

### **Profit and Loss Statement**

The Group reported Net Profit for the period attributable to equity holders ("PATMI") of S\$305.8 million for the Nine months ended 31 March 2013 ("9M FY2013"), a growth of 17.0% compared to S\$261.4 million achieved in 9M FY2012. PATMI excluding exceptional items<sup>1</sup> grew by 15.0% to S\$300.7 million, compared

<sup>1</sup> Exceptional items pertain to any material gains or losses that are non-recurring or one-off in nature such as negative goodwill arising out of acquisitions, gains or losses on disposal of assets or businesses, costs relating to any business closure/ restructuring etc.

to S\$261.4 million achieved for the same period last year. Exceptional items for this period comprised gains of S\$27.9 million on the sale of US almond orchard land and S\$6.0 million on buyback of bonds issued by NZFSU (included in Other Income) net of expenses of S\$19.0 million incurred on the termination of the announced sugar refinery projects in Nigeria and Brazil and tax of S\$9.8 million pertaining to the sale of Almond orchard land. The gain of S\$2.6 million attributable to non-controlling interest mainly pertains to share of profits from SEZ net off losses in NZFSU, Invenio Holdings and Rusmolco as compared to a profit of S\$27.6 million in the corresponding period last year.

The Group grew its sales volume by 61.5% in 9M FY2013 compared to 9M FY2012. In 9M FY2013, revenue grew by 19.7% to S\$14.31 billion and NC grew by 22.9% to S\$1,157.1 million.

The Food category, which is made up of three business segments including Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients and Food Staples & Packaged Foods, accounted for 89.0% of the overall volumes (84.2% in 9M FY2012), 77.7% of the overall revenues (78.4% in 9M FY2012) and 88.8% of the overall NC (89.4% in 9M FY2012). Sales Volume for the Food category increased by 70.6% in 9M FY2013, compared to 9M FY2012. NC for this category increased by 22.0% in 9M FY2013 compared to 9M FY2012.

The Industrial Raw Materials segment includes four agri-commodities, namely Cotton, Wool (together making up our Natural Fibres business), Rubber and Wood Products; along with Fertiliser and SEZ in Gabon. This segment accounted for the remaining 22.3% of revenue, 11.0% of our volumes and 12.1% of NC in 9M FY2013. Sales Volume for this category grew by 12.5% in 9M FY2013 compared to 9M FY2012, while NC for this category increased by 42.0% in 9M FY2013 compared to 9M FY2012. This needs to be seen in light of the last year's performance in the same period, which was impacted by the severe volatility in the cotton markets. The traded volumes and NC margins in the Cotton business have now stabilised. However, the Wood Products business continued to experience volume and margin pressures and is unlikely to see any immediate recovery in the near term.

The CFS segment registered a loss at NC level of S\$10.7 million for 9M FY2013, as compared to a gain of S\$0.8 million for 9M FY2012 due to difficult trading conditions.

The results include a gain on account of fair valuation of Almond and Dairy biological assets of S\$50.0 million for 9M FY2013 as compared to S\$52.8 million for 9M FY2012. The gain in Q3 FY2013 was S\$17.7 million as compared to S\$18.7 million in Q3 FY2012.

### **Business Segmental Analysis**

The following table provides the segmental<sup>#</sup> breakdown on Sales Volume, Sales Revenue, GC and NC for 9M FY2013:

#### **Cumulative**

	Sales Volume (in Metric Tonnes)		Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Mar 13	Mar 12	Mar 13	Mar 12	Mar 13	Mar 12	Mar 13	Mar 12
Edible Nuts, Spices & Beans	1,084,234	1,034,384	2,050,622	1,714,822	301,761	291,586	269,994	264,078
Per tonne (S\$)					278	282	249	255
Confectionery & Beverage Ingredients	1,190,763	1,266,532	3,683,754	4,597,131	355,358	361,998	265,406	272,448
Per tonne (S\$)					298	286	223	215
Food Staples & Packaged Foods	8,094,562	3,775,863	5,374,923	3,053,395	558,648	352,502	492,370	305,651
Per tonne (S\$)					69	93	61	81
Industrial Raw Materials*	1,285,439	1,142,139	3,196,429	2,581,209	192,629	152,886	140,066	98,648
Per tonne (S\$)**					150	134	109	86
Commodity Financial Services	-	-	1,055	1,168	(10,475)	755	(10,737)	842
<b>Total</b>	<b>11,654,998</b>	<b>7,218,918</b>	<b>14,306,783</b>	<b>11,947,725</b>	<b>1,397,921</b>	<b>1,159,727</b>	<b>1,157,099</b>	<b>941,667</b>



## Quarter

	Sales Volume (in Metric Tonnes)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Mar 13	Mar 12	Mar 13	Mar 12	Mar 13	Mar 12	Mar 13	Mar 12
<b>Edible Nuts, Spices &amp; Beans</b>	363,418	393,694	704,999	571,254	98,073	117,331	89,456	111,675
Per tonne (S\$)					270	298	246	284
<b>Confectionery &amp; Beverage Ingredients</b>	489,423	536,715	1,342,031	1,716,419	120,294	134,005	94,935	109,120
Per tonne (S\$)					246	250	194	203
<b>Food Staples &amp; Packaged Foods</b>	2,628,738	1,385,392	1,687,085	1,090,899	227,883	102,025	194,175	80,161
Per tonne (S\$)					87	74	74	58
<b>Industrial Raw Materials*</b>	401,036	380,603	982,795	852,328	64,445	57,214	45,172	33,189
Per tonne (S\$)**					161	150	113	87
<b>Commodity Financial Services</b>	-	-	345	397	(323)	984	(962)	444
<b>Total</b>	<b>3,882,615</b>	<b>2,696,404</b>	<b>4,717,255</b>	<b>4,231,297</b>	<b>510,372</b>	<b>411,559</b>	<b>422,776</b>	<b>334,589</b>

# excluding non-controlling interests

\*Sales volume for Wood Products is measured in cubic meters.

\*\*Calculated on results including service activities like SEZ, which do not have associated volumes.

The **Edible Nuts, Spices & Beans segment** registered a volume growth of 4.8%, revenue growth of 19.6%, GC growth of 3.5% and NC growth of 2.2% compared to 9M FY2012. NC per tonne in this segment declined 2.5% from S\$255 in 9M FY2012 to S\$249 in 9M FY2013. Higher revenue growth rate during the period was driven mainly by increases in prices for Spices, Almonds and Sesame, as well as consolidation of the Hazelnut business, the integration of which was completed in Q4 FY2012. The Company commissioned its A\$60 million almond hulling and processing plant in Australia during the quarter.

The onion, spices and garlic dehydrates business has performed well. The tomato business is showing improvements in operational efficiency, changes to product mix, market conditions and pricing of new crop. The margins are expected to stay depressed for FY2013 due to reduced capacity utilisation as a result of large carry over inventory from the previous year.

The **Confectionery & Beverage Ingredients segment** registered a volume decline of 6.0%, GC decline of 1.8% and 2.6% decline in NC compared to 9M FY2012. The segment grew its NC per tonne by 3.6% from S\$215 in 9M FY2012 to S\$223 in 9M FY2013. Coffee origination and sales volumes were impacted by La Roya (coffee rust disease) which impacted Olam's Latin American coffee volumes and margins. The continuation of export tax on cocoa beans in Indonesia also adversely impacted cocoa volumes and margins during the quarter.

The **Food Staples & Packaged Foods segment** achieved volume growth of 114.4%, GC growth of 58.5% and NC growth of 61.1% compared to 9M FY2012. The strong volume growth was driven by the Grains business, which saw an increase in both milling and origination volumes. The Rice business continued to deliver strong volume growth in Africa and improved margins on account of a change in the tax structure in Nigeria.

The packaged foods business also contributed to the growth in NC/tonne with the addition of OK foods brands to the portfolio in FY 2013. The dairy business was behind plan.

The **Industrial Raw Materials segment** saw volume growth of 12.5%, GC growth of 26.0% and NC growth of 42.0% compared to 9M FY2012. This segment constituted 11.0% of the Group's volumes, 22.3% of its revenues, 13.8% of its GC and 12.1% of its NC. NC per tonne in this segment grew by 26.2% from S\$86 in 9M FY2012 to S\$109 in 9M FY2013. The Cotton business continues to register volume growth at stabilised NC/tonne margins. The Wool and Rubber businesses performed well while the Wood Products business continued to be lacklustre. The SEZ business recorded lower income in 9M FY2013 compared to the corresponding prior period.

The **Commodity Financial Services** segment registered a loss at NC level of S\$10.7 million in 9M FY2013, compared to a gain of S\$0.8 million for 9M FY2012. The underperformance was driven by a combination of historically low volatilities across the sector as well as unanticipated price movements in some commodities, e.g. Grains. The fall in implied volatility across the portfolio, has led to a reduction in market making volumes and also contributed to some losses on our “long” volatility positions. The relative value fund performance picked up during Q3, which made up for some of the market making and volatility trading underperformance.

### **Costs and Expenses**

**9M FY2013:** Overhead expenses at S\$666.8 million for 9M FY2013 were 23.3% higher than the S\$540.9 million incurred in 9M FY2012. Overhead expenses include employee benefit expenses which increased from S\$246.1 million in 9M FY2012 to S\$330.1 million in 9M FY2013, largely due to the overheads from the consolidation of acquisitions completed during FY2012, primarily, HIL, VKL, TFL, UBL, PROGIDA, OK, RUSMOLCO and Olam Macao Spain. Overhead expenses also include depreciation expenses which increased from S\$89.4 million in 9M FY2012 to S\$111.3 million in 9M FY2013, and other operating expenses which increased from S\$205.4 million in 9M FY2012 to S\$225.4 million in 9M FY2013. The other operating expenses include a charge of S\$19.0 million, which comprises of the expenses incurred on the discontinuance of the Nigeria Sugar refinery project and the termination of the announced acquisition of Usina Acucareira Passos S.A. (an integrated sugar milling operation in Brazil). Overhead expenses excluding the exceptional item of S\$19.0 million amounts to S\$647.8 million for 9M FY2013, which is 19.8% higher than the overhead expenses incurred in the prior corresponding period.

**Q3 FY2013:** Overhead expenses at S\$235.3 million for Q3 FY2013 were 47.1% higher than the corresponding quarter in FY2012. Overhead expenses include employee benefit expenses which increased from S\$74.6 million in Q3 FY2012 to S\$100.2 million in Q3 FY2013 for the reasons cited above. Overhead expenses also include depreciation expenses which increased from S\$27.0 million in Q3 FY2012 to S\$35.4 million in Q3 FY2013 and other operating expenses, which increased from S\$58.4 million in Q3 FY2012 to S\$99.7 million in Q3 FY2013. Overhead expenses excluding the exceptional item of S\$19.0 million amounts to S\$216.3 million for 9M FY2013, which is 35.2% higher than the overhead expenses incurred in the prior corresponding period.

### **Taxation**

**9M FY2013:** Income tax expenses have increased to S\$54.5 million for 9M FY2013 as compared to S\$42.2 million for 9M FY2012. This includes a tax provision of S\$9.7 million from the gains linked to the sale of US almond orchard land.

**Q3 FY2013:** Income tax expenses have increased to S\$26.8 million for Q3 FY2013 as compared to S\$25.0 million for Q3 FY2012.

### **Net profit after tax**

**9M FY2013:** Net profit after tax increased by 6.7% to S\$308.4 million for 9M FY2013 from S\$289.0 million in 9M FY2012. Operational Net Profit for the period attributable to equity holders grew by 15.0% to S\$300.7 million compared to S\$261.4 million achieved in the previous corresponding period.

**Q3 FY2013:** Net profit after tax increased by 12.7% to S\$115.3 million for Q3 FY2013 from S\$102.3 million in Q3 FY2012. Operational Net Profit for the period attributable to equity holders grew by 23.1% to S\$121.5 million, compared to S\$98.7 million achieved for the same period last year.

### **Statement of Financial Position & Cash Flow**

During Q3 FY2013, the Company made a rights issue of US\$750 million 6.75% Bonds due 2018 with 387,365,079 free detachable warrants.



## **Current Assets**

### ***Debtors Analysis***

Debtor days as at 31 March 2013 decreased to 30 days as compared to 35 days as at 31 March 2012.

### ***Stocks***

Stock turnover days also decreased to 100 days as at 31 March 2013, as compared to 115 days as at 31 March 2012. While the absolute value of inventory increased, the higher turnover during the period led to the decrease in overall stock turnover days.

### ***Advances to Suppliers***

Advance to suppliers remained constant at 8 days as at 31 March 2013 from the level as at 31 March 2012. The advances increased from S\$320.6 million as at 30 June 2012 to S\$400.2 million as at 31 March 2013.

### ***Cash and Fixed Deposits***

Cash and Fixed Deposits increased by 19.5% to S\$1,327.7 million as of 31 March 2013 from S\$1,110.9 million as of 30 June 2012 which was drawn down to fund the peak season procurement.

### **Other Current Assets**

Other Current Assets include an amount of S\$80.3 million paid for the acquisitions of Kayass, Dehydro Foods Limited, Seda Soluble and Northern Coffee Corporation Limited, pending completion of Purchase Price Allocation (PPA) exercise. After completion of PPA exercise by Q4 FY2013, the corresponding assets and liabilities including the resultant goodwill (positive or negative) will be recognised accordingly.

### **Borrowings**

Borrowings increased to S\$9,327.4 million as of 31 March 2013 from S\$7,489.4 million as of 30 June 2012. This increase was mainly on account of a drawdown of the long-term facilities for deployment in working capital / M&A projects / capital expenditures. Group borrowings, net of cash and fixed deposits, increased by S\$1,621.2 million to S\$7,999.7 million as compared to S\$6,378.5 million as at 30 June 2012. Secured loans, which decreased from S\$415 million as of 30 June 2012 to S\$254 million as of 31 March 2013, relate to loans taken by subsidiaries and are secured by specific assets of these subsidiaries. During Q3 FY2013, the Company made a rights issue of US\$750 million 6.75% Bonds due 2018 with 387,365,079 free detachable warrants.

### **Cash flow**

**9M FY2013:** During the period, S\$665.2 million has been invested in capex and acquisitions. The Group invested S\$132.4 million for the acquisitions of Kayass, Dehydro Foods Limited, Seda Soluble and Northern Coffee Corporation Limited. Investment in jointly controlled entities, Acacia and Lansing, amounted to S\$44.0 million. Investment in software and other intangibles amounted to S\$8.7 million. The Group also made a net investment of S\$480.0 million during the period on various capex investments mainly in Gabon, Nigeria, Australia, Russia, Ivory Coast, Vietnam, the USA, Uruguay and India.

**Q3 FY2013:** During the period, S\$195.6 million has been invested in capex and acquisitions. Investment in jointly controlled entity Acacia amounted to S\$5.5 million. Investment in software and other intangibles amounted to S\$6.2 million. The Group also made a net investment of S\$183.9 million during the period on various capex investments mainly in Gabon, Nigeria, Australia, Ivory Coast, the USA, Ghana and Uruguay.

These investments along with increased working capital deployment in operations because of peak procurement season, have resulted in Net Debt to Equity to increase from 1.81x as of 30 June 2012 to 2.2x as of 31 March 2013.

## Equity

Total share capital and reserves (before Fair Value Adjustment Reserves and Non-controlling interest) increased by 3.1% from S\$3,530.8 million as of 30 June 2012 to S\$3,639.1 million as of 31 March 2013 mainly due to change in currency translation reserves. Fair Value Adjustment Reserves decreased from (S\$125.2) million as of 30 June 2012 to (S\$48.5) million as of 31 March 2013.

During Q3 FY2013, the Company issued 387,365,079 warrants convertible at an exercise price of US\$1.291 under the rights issue of 6.75% bonds due 2018 for principle amount of US\$750 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast made by the Company.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Group operates in an attractive sector with strong growth prospects. Major secular trends favour the continuing growth and attractive characteristics of the industry.

The Group had engaged in a strategy review exercise, which was completed during the quarter. The updated strategy was announced on 25 April 2013.

11. Dividend

- (a) Current Financial Period Reported on 31 March 2013.

Any dividend recommended for the current financial period reported on?

NIL

- (b) Corresponding Period of the Immediately Preceding Financial Year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

NIL

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

N.A.

- (d) Date payable

N.A.

- (e) Books closure date

N.A.

12. If no dividend has been declared/recommended, a statement to that effect.

N.A.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

**Confirmation of the Board**

We refer to the requirement under Rule 705(5) of the Listing Manual.

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for period ended 31 March 2013 to be false or misleading in any material aspects.

On behalf of the Board of Directors

R. Jayachandran  
Chairman

Sunny George Verghese  
Group Managing Director & CEO

BY ORDER OF THE BOARD

Sunny George Verghese  
Group Managing Director & CEO

15 May 2013