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NEWS RELEASE

OLAM INTERNATIONAL REPORTS PBT OF S\$496.7 MILLION (13.4% INCREASE) AND PATMI OF S\$362.6 MILLION (2.2% DECREASE) FOR FY2013

FY2013: Financial Highlights

- PBT up 13.4% to S\$496.7 million.
- PATMI down 2.2% to S\$362.6 million on higher tax charges.
- Sales Volume up 49.5% to 16.0 million metric tonnes; Sales Revenue up 21.7% to S\$20.8 billion, with a 16.9% increase in Net Contribution (NC) to S\$1,615.8 million.
- EBITDA grew by 18.2% to S\$1,170.8 million.
- EPS of 14.36 cents/share, versus 14.96 cents/share in FY2012.
- Board recommends a final dividend of 4.0 cents per share.

Consolidated Financial Results Ended 30 Jun 2013	Full Year			Fourth Quarter		
	FY2013	FY2012	Change	Q4 FY2013	Q4 FY2012	Change
Sales Volume (MMT)	15.953	10.675	49.5%	4.298	3.456	24.4%
Sales Revenue (S\$ million)	20,801.8	17,093.8	21.7%	6,495.0	5,146.0	26.2%
NC (S\$ million)	1,615.8	1,381.8	16.9%	458.7	440.1	4.2%
PBT (S\$ million)	496.7	437.9	13.4%	133.7	106.6	25.4%
PATMI (S\$ million)	362.6	370.9	-2.2%	56.8	109.5	-48.1%
Exceptional Items (S\$ million) [^]	14.0	15.4	n.m.	9.0	15.4	n.m.
PATMI (Excluding Exceptional Items) (S\$ million)	348.6	355.5	-2.0%	47.8	94.1	-49.2%
EPS (cents/ share)	14.36*	14.96*	-4.0%	2.18**	4.30**	-49.4%

[^] Refer to details on page 1 of the Company's FY2013 Financial Statements.

* Based on weighted average number of shares of 2,390,213,869 for FY2013 (compared to weighted average number of shares of 2,436,958,798 for FY2012)

** Based on weighted average number of shares of 2,390,213,869 for Q4 FY2013 (compared to weighted average number of shares of 2,436,074,814 for Q4 FY2012)



Singapore, August 29, 2013 – Olam International Limited (“Olam”, “the Group” or “the Company”) today reported its full year results for FY2013 with Profit Before Tax (PBT) up 13.4% to S\$496.7 million. Profit After Tax and Minority Interest (PATMI) was S\$362.6 million compared to S\$370.9 million in FY2012. Excluding exceptional items, PATMI decreased by 2.0% to S\$348.6 million, compared to S\$355.5 million in FY2012.

For the three months ended June 30, 2013 (“Q4 FY2013”), PBT grew by 25.4% to S\$133.7 million following a 26.2% increase in Sales Revenue and a 24% increase in Sales Volume. PATMI declined by 48.1% year-on-year to S\$56.8 million, which included the impact of higher tax charges of S\$50.6 million recognised in Q4 FY2013 compared to a net tax credit of S\$8.2 million in Q4 FY2012.

For the full year FY2013 Sales Revenue increased 21.7% to S\$20.80 billion. Sales Volume was up 49.5% to 16.0 million metric tonnes. Overall, NC (defined as Gross Profit less working capital interest) rose 16.9% to S\$1,615.8 million.

Full year tax charges were up from S\$34.1 million in FY2012 to S\$105.1 million in FY2013, primarily due to (a) increased business and PBT contribution from higher tax jurisdictions; (b) one-off and non-recurring tax charges of S\$12.8 million resulting from the sale of the Basmati rice mill in India and the sale-and-leaseback of almond orchards in the US; and (c) tax credit received in the previous year.

The Group’s Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the year grew by 18.2% to S\$1,171 million versus S\$991 million in the previous year. EBITDA returns on average Invested Capital (“IC”) remained constant at 11.4%. As highlighted in the Group’s strategy review earlier this year, EBITDA and return on IC are being provided as underlying indicators of operating cash flow and returns respectively.

The Food category accounted for 87.8% of total Sales Volumes, 77.9% of total Sales Revenue and 85.3% of total NC for the year. Compared to FY2012, Sales Volume increased by 55.2% with NC up 14.6%. Sales Volume for the Non-Food category improved by 17.9% and NC increased by 32.3%, with strong NC growth in the Industrial Raw Materials segment of 47.3%, partially offset by a decline in NC from the Commodity Financial Services segment.

During the year, the Group generated Operating Cash Flow (before changes in working capital) of S\$1,074 million versus S\$894 million in the previous year. Net gearing was 1.93 times, as compared to 2.20 times at the end of Q3 FY2013 and marginally higher than the 1.81 times in FY2012.



Olam’s Group MD & CEO, Sunny Verghese said: “Our headline results were dampened somewhat by the impact of increased tax charges versus last year and challenging market conditions which emerged in Q4 and affected some parts of our business. Despite this, underlying performance in most segments was robust overall, reflecting the strength of our business model and diversification in the sources of earnings across our platforms and geographies.

“We see this as a transition year and we are three months into our strategic plan implementation. We remain focused on the twin goals of pursuing profitable growth and sustained cash flow generation,” he said.

Segmental Review

Olam’s Executive Director of Finance and Business Development, A. Shekhar said: “We are pleased with the earnings performance across our segments, especially considering the overall macroeconomic uncertainty as well as increased volatility in the agri-commodity sector.

“We continue to see robust EBITDA growth from the investments that we have already made and are focused on achieving our targeted returns (EBITDA/Average IC) and free cash flow.”

Edible Nuts, Spices & Beans	Full Year			Fourth Quarter		
	FY2013	FY2012	Change	Q4 FY2013	Q4 FY2012	Change
Sales Volume (metric tonnes)	1,641,135	1,570,197	4.5%	556,901	535,813	3.9%
Sales Revenue (S\$m)	3,205.1	2,562.8	25.1%	1,154.5	847.9	36.2%
NC (S\$m)	418.7	390.9	7.1%	148.7	126.8	17.3%
NC Per Tonne (S\$)	255	249	2.5%	267	237	12.8%

The **Edible Nuts, Spices & Beans** segment grew Sales Volume by 4.5% and NC by 7.1% during FY2013. Edible Nuts contributed to volume and NC growth with the consolidation of the full year results of Progida Group in Hazelnuts and larger outputs and improved market conditions in the upstream Almonds business. These improvements were partially offset however by lower margins from the upstream Peanut business in Argentina due to a steep decrease in prices. During the year, Edible Nuts completed a sale and leaseback of almond orchard land in the US and commissioned its A\$60 million Almond hulling and processing plant in Australia. Spices & Vegetable Ingredients’ onion, spices and garlic dehydrates business performed well but the tomato processing business performed below par for the year as margins were under pressure from higher unit costs due to lower capacity utilisation.



Confectionery & Beverage Ingredients	Full Year			Fourth Quarter		
	FY2013	FY2012	Change	Q4 FY2013	Q4 FY2012	Change
Sales Volume (metric tonnes)	1,612,418	1,608,561	0.2%	421,655	342,029	23.3%
Sales Revenue (S\$m)	5,273.2	5,902.2	-10.7%	1,589.5	1,305.1	21.8%
NC (S\$m)	370.7	420.8	-11.9%	105.3	148.3	-29.0%
NC Per Tonne (S\$)	230	262	-12.1%	250	434	-42.4%

The **Confectionery & Beverage Ingredients** segment recorded marginal volume growth of 0.2% in FY2013. NC declined 11.9% mainly due to La Roya (coffee rust disease), which impacted margins across the Central and South American Coffee operations. Cocoa margins were also lower against a very strong performance in FY2012. During FY2013, the Coffee business acquired Spain's leading producer of soluble coffee, Seda Solubles, and completed the capacity expansion of its soluble coffee facility in Vietnam. It also acquired Northern Coffee Corporation, Zambia's largest coffee estate and commenced long-term contract farming of coffee in Brazil. The Cocoa business acquired the remaining 50.0% equity in USICAM and made a first move into cocoa upstream by purchasing a 95.0% interest in PT Sumber Daya Wahana in Indonesia.

Food Staples & Packaged Foods	Full Year			Fourth Quarter		
	FY2013	FY2012	Change	Q4 FY2013	Q4 FY2012	Change
Sales Volume (metric tonnes)	10,753,605	5,844,984	84.0%	2,659,043	2,069,120	28.5%
Sales Revenue (S\$m)	7,720.9	4,586.4	68.3%	2,346.0	1,533.0	53.0%
NC (S\$m)	589.3	390.9	50.8%	96.9	85.2	13.7%
NC Per Tonne (S\$)	55	67	-18.0%	36	41	-11.4%

The **Food Staples & Packaged Foods** segment's Sales Volume and NC rose 84.0% and 50.8% respectively in FY2013. The positive contribution to NC per tonne by the Rice and Packaged Foods businesses was offset by the continued underperformance of the upstream Dairy business. While Grains and Palm contributed to much higher volumes, the NC per tonne declined due to lower origination margins for grains in Australia and Ukraine, particularly in Q4 FY2013, as well as lower margins in palm in the upstream investments in SIFCA and in the core supply chain trading business. Major initiatives in this segment included the proposed sale of a 25.5% stake in Packaged Foods' noodle business to Sanyo Foods and the disposal of the non-core Basmati rice mill in India to Ebro Foods.



Industrial Raw Materials	Full Year			Fourth Quarter		
	FY2013	FY2012	Change	Q4 FY2013	Q4 FY2012	Change
Sales Volume (metric tonnes)	1,946,307	1,650,839	17.9%	660,868	508,699	29.9%
Sales Revenue (S\$m)	4,601.1	4,040.8	13.9%	1,404.7	1,459.6	-3.8%
NC (S\$m)	246.3	167.2	47.3%	106.3	68.5	55.1%
NC Per Tonne (S\$)	127	101	25.0%	161	135	19.3%

The **Industrial Raw Materials** (IRM) segment recorded a Sales Volume growth of 17.9% and a growth of 47.3% and 25.0% in NC and NC per tonne respectively in FY2013. The Cotton business registered volume growth vis-à-vis FY2012, but faced significant margin pressure in the fourth quarter. Wood Products continued to be impacted by lower demand and is being restructured to reduce overheads. Trading operations in Rubber and Fertiliser were initiated during the year, which contributed to volume growth in the segment. The Special Economic Zone Project had a very good fourth quarter and maintained its performance as compared to the previous year.

The **Commodity Financial Services** (CFS) segment reported a loss at NC level of S\$9.2 million in FY2013 compared to a gain of S\$12.1 million in FY2012 due to overall unfavourable trading conditions.

Dividend

The Board of Directors recommends a dividend of 4.0 cents per share for the year.

Outlook and Prospects

While the long term trends in the agri-sector remain attractive, the nearer term macroeconomic uncertainty and increased volatility could impact the sector. The Company's diversified portfolio with leadership position in many of its segments provides a resilient platform to navigate the uncertainties in the global markets. The Company's strategy for the plan period from FY2014 to FY2016 has already been announced and the focus remains on execution and extracting full value from investments already made and generating positive cash flow.

Mr Shekhar said: "The task ahead is to ensure reliable execution against our plans, deliver the full cash flow potential from these investments, while slowing down the pace of new investments as announced in our strategy review."

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Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's FY2013 Financial Statements lodged on SGXNET on August 29, 2013.

About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, supplying various products across 16 platforms to over 13,600 customers worldwide. From a direct presence in more than 65 countries with sourcing and processing in most major producing countries, Olam has built a global leadership position in many of its businesses, including Cashew, Spices & Vegetable Ingredients, Cocoa, Coffee, Rice, Cotton and Wood Products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 50 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, 2010 and 2012 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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