NEWS RELEASE

Q1 FY2014 RESULTS: PATMI UP 5.7%, EBITDA UP 11.7%, GOOD PROGRESS ON STRATEGY IMPLEMENTATION AND CASH FLOW GENERATION

A$200m sale and lease back of Australia almond plantation assets

- PATMI up 5.7% to S$45.6 million, on the back of 11.7% EBITDA growth driven by margin expansion in upstream and midstream activities and organic growth in core supply chain activities

- Maintained Sales Volume at 3.67 million metric tonnes in line with high-growth Q1 FY2013. Sales Revenue declined by 7.9% due to lower commodity prices

- Improvement in Free Cash Flow to Firm (FCFF) from negative S$706.8 million in Q1 FY2013 to positive S$46.0 million in Q1 FY2014

- A$220m cash to be released from sale and lease back of almond plantation assets and sale of cotton gin in Australia

Consolidated Financial Results ended 30 Sep 2013	Q1 FY2014	Q1 FY2013	% Change
Sales Volume ('000 MT)	3,668.7	3,680.6	(0.3)
Sales Revenue (S$ million)	4,321.0	4,689.1	(7.9)
EBITDA (S$ million)	248.9	222.7	11.7
PAT (S$ million)	43.2	41.8	3.4
PATMI (S$ million)	45.6	43.2	5.7

Singapore, November 14, 2013 – Olam International Limited ("Olam", "the Group" or "the Company"), a leading global integrated supply chain agri-commodity business, today reported its Q1 FY2014 results with Profit After Tax and Minority Interest (PATMI) up 5.7% to S$45.6 million compared to the same period last year.

Sales Volume in Q1 FY2014 was maintained at 3.67 million metric tonnes with all business segments recording volume growth compared to the previous corresponding period with the exception of Food Staples & Packaged Foods, which was affected by lower volumes from the Grains and Rice businesses. Lower commodity prices brought the Group's revenue down by 7.9% to S$4.3 billion compared to Q1 FY2013. Volume and profit results are compared to a particularly strong Q1 FY2013, when a year-on-year 97.7% volume growth and 26.2% PATMI growth were recorded.

The Company recently announced the sale and leaseback of its almond plantation assets in Australia for A$200.0 million and the sale of the Dirranbandi cotton gin in Australia for A$20.0 million. Together the two transactions are expected to generate approximately A$50.0 million of capital gains upon completion. Besides generating incremental cash flow, the sale and lease back transaction will help maintain profitability while enhancing the returns on invested capital from the Company's Australian almond operations.

Olam's Group Managing Director and CEO, Sunny Verghese said: "The first quarter results demonstrate a good start to our new financial year as we continue to make progress on our strategy. Our focus on margin enhancement and cost efficiency is reflected in these latest results. We are particularly pleased with the improvement in free cash flow generation in this quarter, which is a priority for us.

"The sale and lease back of our almond orchards and the sale of the Dirranbandi cotton gin in Australia are further steps in executing the strategy that we announced in April 2013. These two transactions and other similar initiatives that are being worked on will allow the Company to unlock value while pursuing profitable growth."

Despite the 7.9% revenue decline, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Olam's key metric for operating performance, grew 11.7% to $248.9 million. This reflects margin improvement from the Group's expansion into upstream and midstream activities, as well as organic growth from core supply chain activities.

There was a significant reduction in net gain from changes in fair value of biological assets from S$10.1 million in Q1 FY2013 to S$3.3 million this quarter. Based on the current maturity profile of the Group's biological assets, Olam expects an overall reduction in the net gains from fair value of biological assets for FY2014 compared to FY2013.

During the quarter, the Company also reduced the pace of fixed capital investments to S$159.5 million versus S$211.2 million in Q1 FY2013.

The completion of the sale of 25.5% of the Nigerian instant noodles business to Sanyo Foods resulted in a net cash inflow of S$25.1 million during the quarter. This cash inflow, along with higher operating cash flow, optimisation of working capital and reduced Capex, resulted in an improvement in FCFF from a negative FCFF of S$706.8 million in Q1 FY2013 to a positive FCFF of S$46.0 million in Q1 FY2014.

The Company is on track to generate positive FCFF for FY2014 based on its continued efforts to drive higher operating cash flow generation from its existing business, unlocking value from past investments, reduced pace of fixed capital investments and expected changes in working capital for the rest of the year on projected organic growth at current prices.

The net gearing at 1.93 times as of Q1 FY2014 remained below the 2.0 times gearing ceiling set by the Company.

This quarter's results included the consolidation of the results from Northern Coffee Corporation, Dehydro Foods, Acacia, Seda Solubles, PT Sumber and the joint venture with Sanyo Foods, as the acquisition or formation of these companies was completed after Q1 FY2013. Despite the consolidation of overheads from these newly acquired businesses, overhead expenses in Q1 FY2014 only grew by a modest 2.8% over Q1 FY2013 as Olam continued to extract operating leverage from investments already made and implemented its sustained cost management programme company-wide.

Segmental Review

Olam's Executive Director of Finance and Business Development, A. Shekhar said: "Our segments performed well, with most registering increased volumes despite the challenging industry environment.

"Our strategy to expand selectively into the upstream and midstream segments has given us improved margins, which contributed substantially to our EBITDA growth. The trajectory of the EBITDA and PATMI growth in Q1 FY2014, especially when seen in comparison to the very strong Q1 FY2013, gives us further confidence that we will meet our plan targets for FY2014."

	Sales Volume		Revenue		EBITDA	
	Q1 FY2014	Q1 FY2013	Q1 FY2014	Q1 FY2013	Q1 FY2014	Q1 FY2013
Edible Nuts, Spices and Vegetable Ingredients	456.3	419.9	760.5	585.4	99.4	79.4
Confectionery and Beverage Ingredients	314.9	309.8	921.5	1,262.0	53.4	46.4
Food Staples and Packaged Foods	2,527.0	2,597.3	1,710.7	1,914.7	87.6	82.3
Total Food Category	**3,298.2**	**3,327.0**	**3,392.7**	**3,762.1**	**240.4**	**208.1**
Industrial Raw Materials (IRM)	370.5	353.6	927.9	926.6	16.8	12.7
Commodity Financial Services (CFS)	N.A.	N.A.	0.4	0.4	(8.3)	1.9
Total Non-Food Category	**370.5**	**353.6**	**928.3**	**927.0**	**8.5**	**14.6**
Consolidated Total	**3,668.7**	**3,680.6**	**4,321.0**	**4,689.1**	**248.9**	**222.7**

Volume in '000 metric tonnes; Revenue & EBITDA in S$ million

The **Edible Nuts, Spices & Vegetable Ingredients** segment registered a year-on-year volume growth of 8.7%, revenue growth of 29.9% and EBITDA growth of 25.2% in Q1 FY2014. The almond business was a strong contributor to the growth in segment volumes, revenues and EBITDA as the business benefited from higher upstream volumes and an increase in market prices. The tomato processing business turned around as inventory levels normalised and selling prices recovered with the market moving out of the global oversupply situation.

The **Confectionery & Beverage Ingredients** segment recorded marginal growth in volume of 1.6%. However, revenue declined by 27.0% in great part due to a steep decline in coffee prices. Despite flat volumes and lower turnover, EBITDA grew 15.1% with higher contribution from upstream and midstream investments.

The **Food Staples & Packaged Foods** segment volumes declined by 2.7% as higher volumes from Palm trading and Packaged Foods in West Africa were offset by lower Grains and Rice volumes. EBITDA grew by 6.4% largely due to better performance from the flour mills, the Nigerian Packaged Foods business and the Indonesian Sugar refinery. Although dairy prices improved, the upstream Dairy business continued to face operational challenges, leading to lower milk production than expected in both Rusmolco and NZFSU.

The **Industrial Raw Materials** segment saw volume growth of 4.8% while turnover remained flat. The Cotton business registered good growth in volume while Wood Products and Fertiliser volumes were lower. EBITDA grew by 32.3% driven mainly by the Cotton business. There was also a successful reduction of overheads, particularly in Wood Products due to a restructuring of the business.

The **Commodity Financial Services** business registered an EBITDA loss of S$8.3 million as the Market-making & Volatility Trading Division incurred an operating loss. Both the Fund Management as well as the Market-making & Volatility Trading parts of the business have been restructured after the strategy review.

Outlook and Prospects

Mr Verghese said: “The Company’s diversified portfolio with established leadership positions in many of our segments means we are well-placed to navigate the uncertainties and volatility in global commodities markets. Given the progress made against the strategic plan targets in Q1 FY2014, we are on track to deliver both earnings growth and free cash flow for the full year FY2014.”

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***Note*:**

This release should be read and understood only in conjunction with the full text of Olam International Limited’s Q1 FY2014 Financial Statements and Management Discussion and Analysis lodged on SGXNET on November 14, 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. 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. Olam is located at 9 Temasek Boulevard #11-02 Suntec Tower Two Singapore 038989, Telephone: +65 63394100, Facsimile: +65 63399755.

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Issued on behalf of Olam International Limited by:
WATATAWA Consulting, 28 Maxwell Road #03-03 Red Dot Traffic Building Singapore 069120

Contacts For Olam Investor Relations
Aditya Renjen – General Manager, +65 66031104, 96570339, aditya.renjen@olamnet.com
Chow Hung Hoeng – Associate GM, +65 63179471, 98346335, chow.hunghoeng@olamnet.com

Contacts For WATATAWA Consulting
Simon Pangrazio – Managing Partner, +65 90603513, simon.pangrazio@watatawa.asia
Josephine Chew – Associate Partner, +65 90610353, josephine.chew@watatawa.asia