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NEWS RELEASE

OLAM INTERNATIONAL REPORTS 15.1% GROWTH IN Q1 FY2012 NET PROFIT (AFTER MINORITY INTERESTS) TO S\$34.2M DESPITE TOUGH TRADING CONDITIONS

Q1 FY2012: Financial Highlights

- **Sales Volume** of 1.86 million tonnes, **up 17.7%**
- **Revenue** of S\$3.23 billion, **up 31.6%**
- **Net Contribution (NC)** **up 24.1%** to S\$251.9 million, **NC per tonne up 5.5%** to **S\$135**
- **Net Profit After Tax and Minority Interests** **up 15.1%** to S\$34.2 million
- **EPS** at 1.40 cents on enlarged share base

Financial Highlights	Q1 FY2012	Q1 FY2011	Change (%)
Sales Volume (metric tonnes)	1,862,076	1,582,129	17.7
Revenue (S\$ million)	3,229.4	2,453.8	31.6
Net Contribution (S\$ million)	251.9	202.9	24.1
Profit After Tax and Minority Interests (S\$ million)	34.2	29.7	15.1
Earnings Per Share (cents) *	1.40	1.43	(2.3)

* Based on weighted average number of shares of 2,442,234,869 shares for Q1 FY2012 compared to 2,072,192,493 shares for Q1 FY2011.

Singapore, November 14, 2011 – 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 15.1% growth in Profit After Tax and Minority Interests (PATMI) to S\$34.2 million for the first quarter ended September 30, 2011 (“Q1 FY2012”) over the previous corresponding quarter (“Q1 FY2011”).



Sales volume grew 17.7% year-on-year to 1.86 million metric tonnes and Net Contribution (NC) improved 24.1% to S\$251.9 million during the quarter. NC Margin per tonne rose from S\$128 to S\$135 due to increased value-added services to customers through selective integration across the value chain.

These results are particularly encouraging given the very difficult macroeconomic backdrop against which this was achieved including the growing and spreading sovereign debt crisis as well as a looming banking and financial crisis in Europe, political gridlock in the US and Europe, stalled growth in the G7 countries, increased volatility in the equity, bond and commodity markets, and volatile and unstable currency movements.

The food category accounted for 80.5% of revenue and 83.2% of volumes. This segment is relatively more recession resistant. Sales Volume for the food category increased by 19.7% and NC increased by 38.6% in Q1 FY2012. The Industrial Raw Materials category accounted for the remaining 19.5% of revenue and 16.8% of volumes. This segment is relatively more recession sensitive and was adversely impacted during this quarter. Sales Volume for this category grew by 8.7% and NC decreased by 17.4% in Q1 FY2012.

Olam's Group Managing Director and CEO Sunny Verghese commented: "Our Q1 FY2012 results reflect the ability of our business to deliver positive results through economic and commodity cycles. We are able to perform across these cycles due to the fact that our portfolio is focused mainly on food ingredients and raw materials which are inherently more recession-resistant. We also benefit from participation across multiple commodities, countries and value-chain segments creating a uniquely shaped and well balanced portfolio."

Olam's Group CFO, Krishnan Ravikumar explained the results: "Our Q1 FY2012 performance amidst significant economic turmoil provides further evidence as to the effectiveness of our strategy. We are backed by a strong and resilient balance sheet and have developed an attractive deal pipeline that will allow us to invest and grow our business going forward. We continue to manage the business with robust operating and financial discipline."



Segmental Review

Edible Nuts, Spices & Beans	Q1 FY2012	Q1 FY2011	Change (%)
Sales Volume (metric tonnes)	366,038	327,828	11.7
Revenue (S\$ million)	519.2	425.3	22.1
Net Contribution (S\$ million)	79.9	55.2	44.7
Net Contribution Per Tonne (S\$)	218	168	29.6

The **Edible Nuts, Spices & Beans segment** registered volume growth of 11.7%, revenue growth of 22.1%, GC growth of 36.5% and NC growth of 44.7% compared to Q1 FY2011. NC per ton in this segment grew 29.6% from S\$168 to S\$218. The Spices and Vegetable Ingredients business continues to perform well with the seasons in the US, China and Vietnam progressing well. In October 2011, we strengthened the business with the acquisition of the bulk spices and private label assets of Vallabhdas Kanji Limited, one of Asia's leading processor and exporter of multiple spices. The Edible Nuts business also performed well across Almonds, Peanuts and Cashew businesses during the quarter. In November 2011, the company announced that it is entering the hazelnut business with the acquisition of the Progida Group, a leading exporter of hazelnuts from Turkey which is the world's largest producer of hazelnuts.

Confectionery & Beverage Ingredients	Q1 FY2012	Q1 FY2011	Change (%)
Sales Volume (metric tonnes)	286,154	231,733	23.5
Revenue (S\$ million)	1,093.8	733.0	49.2
Net Contribution (S\$ million)	63.2	44.2	43.2
Net Contribution Per Tonne (S\$)	221	191	16.0

The **Confectionery & Beverage Ingredients segment** registered volume growth of 23.5%, 32.9% growth in GC and 43.2% growth in NC compared to Q1 FY2011. More importantly, this segment grew its NC per tonne by 16.0% from S\$191 in Q1 FY2011 to S\$221 in Q1 FY2012. The West Africa cocoa season is progressing well. The Cocoa business has had a good start to the season. It continued to integrate the operations of Britannia during the quarter. Coffee had had a good start in Asia and Africa with the Andean & Central American region also picking up



during the quarter. Coffee plantation initiatives in Laos, Ethiopia and Tanzania had progressed as planned during this quarter.

Food Staples & Packaged Foods	Q1 FY2012	Q1 FY2011	Change (%)
Sales Volume (metric tonnes)	897,238	734,862	22.1
Revenue (S\$ million)	948.9	721.3	31.6
Net Contribution (S\$ million)	81.2	62.5	29.9
Net Contribution Per Tonne (S\$)	90	85	6.4

The **Food Staples & Packaged Foods segment** achieved volume growth of 22.1%, GC growth of 26.4% and NC growth of 29.9% respectively compared to Q1 FY2011. This strong volume growth was led by the Rice and the Grains businesses, with strong market share growth in the African markets. NC per tonne grew by 6.4% from S\$85 in Q1 FY2011 to S\$90 in Q1 FY2012. The Rice and Grains businesses performed better than expectations during the quarter. In August 2011, the Company announced the acquisition of a 3500 tons crush per day (TCD) sugar milling with co-generation facilities of Hemarus Industries Limited in India, further expanding our sugar milling footprint in India. The dairy business in New Zealand continued to face difficult trading conditions, given the uncertain milk price outlook as discussed in Q4 2011 Results Announcement.

Industrial Raw Materials	Q1 FY2012	Q1 FY2011	Change (%)
Sales Volume (metric tonnes)	312,646	287,706	8.7
Revenue (S\$ million)	667.1	573.6	8.5
Net Contribution (S\$ million)	30.4	36.7	(17.4)
Net Contribution Per Tonne (S\$)	97	128	(24.2)

The **Industrial Raw Materials segment** saw volume growth of 8.7%, GC decline of 7.7% and NC decline of 17.4% compared to Q1 FY2011. This segment constituted 16.8% of the Company's volumes, 19.5% of its revenues, 15.7% of its GC and 12.1% of its NC. NC per ton in this segment declined by 23.9% from S\$128 in Q1 FY2011 to S\$97 in Q1 FY2012. As mentioned before, the products in this segment are sensitive to the economic cycle and the business in the segment experienced tough trading conditions during the quarter. Very high



volatility in cotton prices and weakening demand due to macro-economic uncertainty led to fall in differentials / basis for Cotton. This had an impact of reducing our NC in Cotton. However, this impact was partially mitigated by fee income generated by our ginning operations particularly in Australia, which had a much larger crop to gin this season. We believe that the unprecedented volatility seen in the Cotton markets in the last cropping season seem to have now stabilized as we enter the new cropping season.

The Wood Products business performed below expectations. While the prices for the products in the segment have stabilized at lower levels, demand continues to remain soft. The Wool, Rubber and the SEZ businesses in this segment have done well during Q1 FY2012 and their prospects for the rest of FY2012 continue to be favourable.

The **Commodity Financial Services (CFS) business** registered a quarterly loss of S\$2.8 million as compared to profit of S\$4.4 million during Q1 of the previous year due to exceptional volatility in commodity prices. As a result of these conditions, CFS went into a risk-off mode at times during the quarter where it decided to reduce activity level and capital invested and preferred to stay on the sidelines. It continues to develop its key activities, namely market making in commodity options and risk management solutions in line with business plans.

Prospects

The Group constantly reviews corporate development opportunities which are in line with its corporate growth strategy. Some of these are in the nature of acquisitions and joint ventures. The Group is currently in discussions with various parties on such opportunities. If any of these opportunities were to materialise these may have an effect on the financials of the Group. The Group continues to remain positive about its prospects for the remaining part of FY2012.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2012 Financial Statements lodged on SGXNET on November 14, 2011.



About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,600 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, rice, cotton and wood products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. Olam is the only Singapore firm to be named in the 2009 and 2010 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region by Hewitt Associates, the RBL Group and Fortune. More information on Olam can be found at www.olamonline.com.

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