

# OLAM INTERNATIONAL LIMITED

## Financial Statements for the Fourth Quarter and Full Year Ended 30 June 2012

### **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 – Fourth Quarter and Full Year FY2012: Group**

(in S\$'000)	Group			Group		
	Twelve Months Ended			Three Months Ended		
	30 Jun 12	30 Jun 11	% change	30 Jun 12	30 Jun 11	% change
<b>Revenue - Sale of goods &amp; services</b>	17,093,751	15,803,387	<b>8.2%</b>	5,146,026	4,564,463	<b>12.7%</b>
Other income	51,473	124,751		2,759	51,638	
	<b>17,145,224</b>	<b>15,928,138</b>	<b>7.6%</b>	<b>5,148,785</b>	<b>4,616,101</b>	<b>11.5%</b>
<b>Costs and expenses</b>						
Cost of goods sold	(13,866,578)	(13,126,857)		(3,998,678)	(3,691,931)	
Shipping and logistics	(1,439,984)	(1,230,110)		(598,371)	(452,783)	
Commission and claims	(127,287)	(135,361)		(36,137)	(52,461)	
Net gain from changes in fair value of biological assets	110,874	80,365		58,123	34,577	
Employee benefit expenses	(426,170)	(341,106)		(180,085)	(98,967)	
Depreciation	(128,691)	(91,471)		(39,324)	(32,293)	
Net measurement of derivative instruments	21,163	28,117		14,826	8,647	
Other operating expenses	(450,557)	(285,260)		(174,640)	(83,458)	
Finance costs	(437,550)	(344,358)		(110,934)	(99,717)	
	(16,744,780)	(15,446,041)		(5,065,220)	(4,468,386)	
Share of results from jointly controlled entities / associates	37,466	28,168		23,079	15,676	
	(16,707,314)	(15,417,873)	<b>8.4%</b>	(5,042,141)	(4,452,710)	<b>13.2%</b>
<b>Profit before taxation</b>	437,910	510,265	<b>-14.2%</b>	106,644	163,391	<b>-34.7%</b>
Taxation	(34,085)	(65,697)		8,158	(20,541)	
<b>Profit for the period</b>	<b>403,825</b>	<b>444,568</b>	<b>-9.2%</b>	<b>114,802</b>	<b>142,850</b>	<b>-19.6%</b>
<b>Attributable to:</b>						
Owners of the Company	370,908	429,841	<b>-13.7%</b>	109,501	127,399	<b>-14.0%</b>
Non-controlling interests	32,917	14,727		5,301	15,451	
	<b>403,825</b>	<b>444,568</b>		<b>114,802</b>	<b>142,850</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 – Fourth Quarter and Full Year FY2012: Group**

(in S\$'000)	Group		Group	
	Twelve Months Ended		Three Months Ended	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
<b>Profit for the period</b>	<b>403,825</b>	<b>444,568</b>	<b>114,802</b>	<b>142,850</b>
<b>Other Comprehensive Income:</b>				
Net gain / (loss) on fair value changes during the period	480,258	(444,726)	380,418	(100,346)
Recognised in the profit and loss account on occurrence of hedged transactions	(282,699)	370,392	(497,294)	55,358
Foreign currency translation adjustment	24,526	(204,793)	(34,192)	(55,818)
Share of other comprehensive income of jointly controlled entities and associates	2,838	(7,580)	2,838	(7,580)
<b>Other comprehensive income</b>	<b>224,923</b>	<b>(286,707)</b>	<b>(148,230)</b>	<b>(108,386)</b>
<b>Total Comprehensive Income</b>	<b>628,748</b>	<b>157,861</b>	<b>(33,428)</b>	<b>34,464</b>
<b>Attributable to:</b>				
Owners of the Company	593,018	143,134	(32,758)	19,013
Non-controlling interests	35,730	14,727	(670)	15,451
	<b>628,748</b>	<b>157,861</b>	<b>(33,428)</b>	<b>34,464</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	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
<b>Non-current assets</b>				
Property, plant and equipment	2,620,995	1,576,715	2,724	2,279
Intangible assets	660,157	485,938	24,411	24,050
Biological assets	631,339	453,168	-	-
Investment in subsidiary companies	-	-	1,567,661	810,805
Interests in jointly controlled entities and associates	482,864	411,819	378,566	353,847
Deferred tax assets	37,735	43,053	-	8,542
Other non-current assets	9,163	10,004	-	-
	<b>4,442,253</b>	<b>2,980,697</b>	<b>1,973,362</b>	<b>1,199,523</b>
<b>Current assets</b>				
Amounts due from subsidiary companies	-	-	2,092,954	1,945,035
Trade receivables	1,596,796	1,595,446	394,663	446,340
Margin accounts with brokers	-	457,133	-	444,978
Inventories	4,410,014	3,584,144	738,291	648,073
Advance payments to suppliers	320,556	222,207	98,153	65,060
Advance payments to subsidiary companies	-	-	1,750,052	1,215,058
Cash and short-term fixed deposits	1,110,856	872,247	703,960	502,050
Derivative financial instruments	1,302,200	2,310,144	867,718	1,499,233
Other current assets	645,307	558,118	105,607	65,610
	<b>9,385,729</b>	<b>9,599,439</b>	<b>6,751,398</b>	<b>6,831,437</b>
<b>Current liabilities</b>				
Trade payables and accruals	(1,133,893)	(1,095,603)	(494,101)	(378,328)
Margin accounts with brokers	(140,567)	-	(77,011)	-
Borrowings	(3,148,333)	(3,610,043)	(1,207,680)	(1,936,127)
Derivative financial instruments	(1,115,711)	(2,287,250)	(981,232)	(2,026,427)
Provision for taxation	(33,493)	(24,762)	(18,184)	(15,608)
Other current liabilities	(193,101)	(112,306)	(77,247)	(56,371)
	<b>(5,765,098)</b>	<b>(7,129,964)</b>	<b>(2,855,455)</b>	<b>(4,412,861)</b>
<b>Net current assets</b>	<b>3,620,631</b>	<b>2,469,475</b>	<b>3,895,943</b>	<b>2,418,576</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	(194,071)	(177,283)	(1,496)	-
Borrowings	(4,341,051)	(2,970,527)	(3,113,814)	(1,829,569)
	<b>(4,535,122)</b>	<b>(3,147,810)</b>	<b>(3,115,310)</b>	<b>(1,829,569)</b>
<b>Net assets</b>	<b>3,527,762</b>	<b>2,302,362</b>	<b>2,753,995</b>	<b>1,788,530</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	2,077,038	1,577,110	2,077,038	1,577,110
Treasury shares	(96,081)	-	(96,081)	-
Capital Securities	276,886	-	276,886	-
Reserves	1,147,767	668,232	496,152	211,420
	<b>3,405,610</b>	<b>2,245,342</b>	<b>2,753,995</b>	<b>1,788,530</b>
Non-controlling interests	122,152	57,020	-	-
<b>Total equity</b>	<b>3,527,762</b>	<b>2,302,362</b>	<b>2,753,995</b>	<b>1,788,530</b>

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

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

	30 Jun 12		30 Jun 11	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts	-	445,664	-	437,169
Loans	288,289	2,063,566	32,932	2,939,074
Medium Term Notes	-	349,492	-	199,443
Finance Lease	-	1,322	-	1,425
<b>Total</b>	<b>288,289</b>	<b>2,860,044</b>	<b>32,932</b>	<b>3,577,111</b>

**Amounts repayable after one year**

	30 Jun 12		30 Jun 11	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Medium / Long Term Loans	126,915	2,979,584	-	1,713,918
Medium Term Notes	-	248,850	-	349,717
Bonds	-	955,973	-	885,336
Finance Lease	-	29,729	-	21,556
<b>Total</b>	<b>126,915</b>	<b>4,214,136</b>	<b>-</b>	<b>2,970,527</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	
	Twelve Months Ended		Three Months Ended	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
<b>Cash flow from operating activities</b>				
<b>Profit before taxation</b>	<b>437,910</b>	<b>510,265</b>	<b>106,644</b>	<b>163,391</b>
Adjustments for:				
Allowance for doubtful debts	22,560	7,420	22,560	7,420
Amortisation of intangible assets and depreciation of property, plant and equipment	150,614	107,568	49,081	44,327
Cost of share-based payment	18,133	23,991	7,403	4,776
Fair value of biological assets	(110,874)	(80,365)	(58,123)	(34,577)
Loss / (gain) on disposal of property, plant and equipment	5,090	(1,038)	4,765	(4,778)
Impairment of investment in associate	-	35,596	-	35,596
Interest income	(20,037)	(12,375)	(8,612)	-
Interest expense	437,550	344,358	110,934	99,717
Inventories written down	15,041	23,746	15,041	23,746
Net measurement of derivative instruments	(21,163)	(28,117)	(14,826)	(8,647)
Negative goodwill arising from acquisition of subsidiaries / assets	(3,191)	(79,794)	(3,191)	(37,962)
Share of results from jointly controlled entities and associates	(37,466)	(28,168)	(23,079)	(15,676)
Gain on remeasurement of investment upon business combination	-	(11,994)	-	(11,994)
<b>Operating cash flow before reinvestment in working capital</b>	<b>894,167</b>	<b>811,093</b>	<b>208,597</b>	<b>265,339</b>
(Increase) / decrease in inventories	(609,890)	(1,152,830)	384,035	14,051
(Increase) / decrease in receivables and other current assets	(12,073)	(866,612)	396,502	261,291
(Increase) / decrease in advance payments to suppliers	(105,527)	(11,089)	51,827	244,811
Decrease / (increase) in margin account with brokers	602,099	(360,071)	151,579	(614,740)
(Decrease) / increase in payables and other current liabilities	(181,537)	295,736	247,574	79,565
<b>Cash flow generated from / (used in) operations</b>	<b>587,239</b>	<b>(1,283,773)</b>	<b>1,440,114</b>	<b>250,317</b>
Interest income received	20,037	12,375	8,612	-
Interest expense paid	(371,505)	(306,605)	(160,748)	(75,963)
Tax paid	(48,308)	(45,118)	(46,271)	(20,038)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>187,463</b>	<b>(1,623,121)</b>	<b>1,241,707</b>	<b>154,316</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of property, plant and equipment	10,277	11,092	7,199	-
Purchase of property, plant and equipment	(874,931)	(333,830)	(529,916)	(31,441)
Purchase of intangibles assets	(18,019)	(26,817)	(4,157)	(26,817)
Acquisition of subsidiaries / assets, net of cash acquired	(342,796)	(555,163)	(111,055)	(143,533)
Investment in jointly controlled entities and associates	(22,883)	-	-	-
Acquisition of non controlling interest	-	(13,635)	-	(13,635)
Equity contribution by non-controlling interest	-	17,810	-	17,810
<b>Net cash flow used in investing activities</b>	<b>(1,248,352)</b>	<b>(900,543)</b>	<b>(637,929)</b>	<b>(197,616)</b>
<b>Cash flow from financing activities</b>				
Dividends paid on ordinary shares by the Company	(125,181)	(53,139)	-	-
Proceeds from / (repayment of) borrowings, net	662,567	1,969,073	(841,749)	(369,925)
Proceeds from issuance of shares on exercise of share options	9,708	39,467	-	16,626
Proceeds from issuance of bonds	-	328,750	-	-
Proceeds from issue of capital securities, net of transaction costs	270,451	-	(188)	-
Proceeds from issuance of shares for cash	490,220	241,779	-	241,779
Purchase of treasury shares	(96,081)	-	(96,081)	-
<b>Net cash flow provided by / (used in) financing activities</b>	<b>1,211,684</b>	<b>2,525,930</b>	<b>(938,018)</b>	<b>(111,520)</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>15,889</b>	<b>(71,120)</b>	<b>6,049</b>	<b>4,559</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>166,684</b>	<b>(68,854)</b>	<b>(328,191)</b>	<b>(150,261)</b>
Cash and cash equivalents at the beginning of the period	435,078	503,932	929,953	585,339
<b>Cash and cash equivalents* at the end of the period</b>	<b>601,762</b>	<b>435,078</b>	<b>601,762</b>	<b>435,078</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.

12 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 30 June 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	-	-	-	-	-	-	-	370,908	370,908	370,908	32,917	403,825
<b><u>Other comprehensive income</u></b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	480,258	-	-	480,258	480,258	-	480,258
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(282,699)	-	-	(282,699)	(282,699)	-	(282,699)
Foreign currency translation adjustment	-	-	-	-	21,713	-	-	-	21,713	21,713	2,813	24,526
Share of other comprehensive income of jointly controlled entities and associates	-	-	-	(9,493)	12,331	-	-	-	2,838	2,838	-	2,838
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,493)</b>	<b>34,044</b>	<b>197,559</b>	<b>-</b>	<b>-</b>	<b>222,110</b>	<b>222,110</b>	<b>2,813</b>	<b>224,923</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,493)</b>	<b>34,044</b>	<b>197,559</b>	<b>-</b>	<b>370,908</b>	<b>593,018</b>	<b>593,018</b>	<b>35,730</b>	<b>628,748</b>
<b><u>Contributions by and distributions to owners</u></b>												
Issue of shares for cash	490,220	-	-	-	-	-	-	-	-	490,220	-	490,220
Issue of capital securities, net of transaction costs	-	-	270,451	-	-	-	-	-	-	270,451	-	270,451
Issue of shares on exercise of share option	9,708	-	-	-	-	-	-	-	-	9,708	-	9,708
Purchase of treasury shares	-	(96,081)	-	-	-	-	-	-	-	(96,081)	-	(96,081)
Share-based expense	-	-	-	-	-	-	18,133	-	18,133	18,133	-	18,133
Dividends on ordinary shares	-	-	-	-	-	-	-	(125,181)	(125,181)	(125,181)	-	(125,181)
Accrued capital securities distribution	-	-	6,435	-	-	-	-	(6,435)	(6,435)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>499,928</b>	<b>(96,081)</b>	<b>276,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,133</b>	<b>(131,616)</b>	<b>(113,483)</b>	<b>567,250</b>	<b>-</b>	<b>567,250</b>
<b><u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u></b>												
Acquisition of / equity contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	29,402	29,402
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,402</b>	<b>29,402</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>499,928</b>	<b>(96,081)</b>	<b>276,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,133</b>	<b>(131,616)</b>	<b>(113,483)</b>	<b>567,250</b>	<b>29,402</b>	<b>596,652</b>
<b>At 30 June 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>120,093</b>	<b>(344,781)</b>	<b>(125,190)</b>	<b>72,327</b>	<b>1,425,318</b>	<b>1,147,767</b>	<b>3,405,610</b>	<b>122,152</b>	<b>3,527,762</b>

12 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 30 June 2011:</b>												
<b>At 1 July 2010</b>	<b>1,201,581</b>	-	-	<b>145,688</b>	<b>(166,452)</b>	<b>(248,415)</b>	<b>30,203</b>	<b>809,324</b>	<b>570,348</b>	<b>1,771,929</b>	<b>(1,144)</b>	<b>1,770,785</b>
Profit for the period	-	-	-	-	-	-	-	429,841	429,841	429,841	14,727	444,568
<b><u>Other comprehensive income</u></b>												
Net loss on fair value changes during the financial period	-	-	-	-	-	(444,726)	-	-	(444,726)	(444,726)	-	(444,726)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	370,392	-	-	370,392	370,392	-	370,392
Foreign currency translation adjustment	-	-	-	-	(204,793)	-	-	-	(204,793)	(204,793)	-	(204,793)
Share of other comprehensive income of jointly controlled entities and associates	-	-	-	-	(7,580)	-	-	-	(7,580)	(7,580)	-	(7,580)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	-	<b>(212,373)</b>	<b>(74,334)</b>	-	-	<b>(286,707)</b>	<b>(286,707)</b>	-	<b>(286,707)</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>(212,373)</b>	<b>(74,334)</b>	-	<b>429,841</b>	<b>143,134</b>	<b>143,134</b>	<b>14,727</b>	<b>157,861</b>
<b><u>Contributions by and distributions to owners</u></b>												
Issue of shares for cash	241,779			-	-	-	-	-	-	241,779	-	241,779
Issue of shares upon conversion of bonds	94,283	-	-	(15,811)	-	-	-	-	(15,811)	78,472	-	78,472
Issue of shares on exercise of share option	39,467	-	-	-	-	-	-	-	-	39,467	-	39,467
Share-based expense	-	-	-	-	-	-	23,991	-	23,991	23,991	-	23,991
Dividends on ordinary shares	-	-	-	-	-	-	-	(53,139)	(53,139)	(53,139)	-	(53,139)
<b>Total contributions by and distributions to owners</b>	<b>375,529</b>	-	-	<b>(15,811)</b>	-	-	<b>23,991</b>	<b>(53,139)</b>	<b>(44,959)</b>	<b>330,570</b>	-	<b>330,570</b>
<b><u>Changes in ownership interests in subsidiaries</u></b>												
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	39,262	39,262
Acquisition of / equity contribution by non-controlling interests	-	-	-	(291)	-	-	-	-	(291)	(291)	4,175	3,884
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	<b>(291)</b>	-	-	-	-	<b>(291)</b>	<b>(291)</b>	<b>43,437</b>	<b>43,146</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>375,529</b>	-	-	<b>(16,102)</b>	-	-	<b>23,991</b>	<b>(53,139)</b>	<b>(45,250)</b>	<b>330,279</b>	<b>43,437</b>	<b>373,716</b>
<b>At 30 June 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>

12 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 30 June 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	-	-	-	-	-	-	-	123,016	123,016	123,016
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	470,719	-	-	470,719	470,719
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(276,237)	-	-	(276,237)	(276,237)
Foreign currency translation adjustment	-	-	-	-	80,717	-	-	-	80,717	80,717
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	-	<b>80,717</b>	<b>194,482</b>	-	-	<b>275,199</b>	<b>275,199</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>80,717</b>	<b>194,482</b>	-	<b>123,016</b>	<b>398,215</b>	<b>398,215</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	-	-	270,451	-	-	-	-	-	-	270,451
Issue of shares on exercise of share option	9,708	-	-	-	-	-	-	-	-	9,708
Purchase of treasury shares	-	(96,081)	-	-	-	-	-	-	-	(96,081)
Share-based expense	-	-	-	-	-	-	18,133	-	18,133	18,133
Dividends on ordinary shares	-	-	-	-	-	-	-	(125,181)	(125,181)	(125,181)
Accrued capital securities distribution	-	-	6,435	-	-	-	-	(6,435)	(6,435)	-
<b>Total contributions by and distributions to owners</b>	<b>499,928</b>	<b>(96,081)</b>	<b>276,886</b>	-	-	-	<b>18,133</b>	<b>(131,616)</b>	<b>(113,483)</b>	<b>567,250</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>499,928</b>	<b>(96,081)</b>	<b>276,886</b>	-	-	-	<b>18,133</b>	<b>(131,616)</b>	<b>(113,483)</b>	<b>567,250</b>
<b>At 30 June 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>129,877</b>	<b>(210,221)</b>	<b>(128,785)</b>	<b>72,327</b>	<b>632,954</b>	<b>496,152</b>	<b>2,753,995</b>

12 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 30 June 2011:</b>										
<b>At 1 July 2010</b>	<b>1,201,581</b>	-	-	<b>145,688</b>	<b>(80,321)</b>	<b>(264,403)</b>	<b>30,203</b>	<b>523,623</b>	<b>354,790</b>	<b>1,556,371</b>
Profit for the period	-	-	-	-	-	-	-	171,070	171,070	171,070
<b>Other comprehensive income</b>										
Net loss on fair value changes during the financial period	-	-	-	-	-	(476,461)	-	-	(476,461)	(476,461)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	417,597	-	-	417,597	417,597
Foreign currency translation adjustment	-	-	-	-	(210,617)	-	-	-	(210,617)	(210,617)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	-	-	<b>(210,617)</b>	<b>(58,864)</b>	-	-	<b>(269,481)</b>	<b>(269,481)</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>(210,617)</b>	<b>(58,864)</b>	-	<b>171,070</b>	<b>(98,411)</b>	<b>(98,411)</b>
<b>Contributions by and distributions to owners</b>										
Issue of shares for cash	241,779	-	-	-	-	-	-	-	-	241,779
Issue of shares upon conversion of bonds	94,283	-	-	(15,811)	-	-	-	-	(15,811)	78,472
Issue of shares on exercise of share option	39,467	-	-	-	-	-	-	-	-	39,467
Share-based expense	-	-	-	-	-	-	23,991	-	23,991	23,991
Dividends on ordinary shares	-	-	-	-	-	-	-	(53,139)	(53,139)	(53,139)
<b>Total contributions by and distributions to owners</b>	<b>375,529</b>	-	-	<b>(15,811)</b>	-	-	<b>23,991</b>	<b>(53,139)</b>	<b>(44,959)</b>	<b>330,570</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>375,529</b>	-	-	<b>(15,811)</b>	-	-	<b>23,991</b>	<b>(53,139)</b>	<b>(44,959)</b>	<b>330,570</b>
<b>At 30 June 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>



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 30 June 2012:</b>												
<b>At 1 April 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>
Profit for the period	-	-	-	-	-	-	-	109,501	109,501	109,501	5,301	114,802
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	380,418	-	-	380,418	380,418	-	380,418
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(497,294)	-	-	(497,294)	(497,294)	-	(497,294)
Foreign currency translation adjustment	-	-	-	-	(28,221)	-	-	-	(28,221)	(28,221)	(5,971)	(34,192)
Share of other comprehensive income of jointly controlled entities and associates	-	-	-	(9,493)	12,331	-	-	-	2,838	2,838	-	2,838
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,493)</b>	<b>(15,890)</b>	<b>(116,876)</b>	<b>-</b>	<b>-</b>	<b>(142,259)</b>	<b>(142,259)</b>	<b>(5,971)</b>	<b>(148,230)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,493)</b>	<b>(15,890)</b>	<b>(116,876)</b>	<b>-</b>	<b>109,501</b>	<b>(32,758)</b>	<b>(32,758)</b>	<b>(670)</b>	<b>(33,428)</b>
<b>Contributions by and distributions to owners</b>												
Expenses on issue of shares for cash	-	-	-	-	-	-	-	-	-	-	-	-
Issue of capital securities, net of transaction costs	-	-	(188)	-	-	-	-	-	-	(188)	-	(188)
Purchase of treasury shares	-	(96,081)	-	-	-	-	-	-	-	(96,081)	-	(96,081)
Share-based expense	-	-	-	-	-	-	7,403	-	7,403	7,403	-	7,403
Accrued capital securities distribution	-	-	4,800	-	-	-	-	(4,800)	(4,800)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(96,081)</b>	<b>4,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,403</b>	<b>(4,800)</b>	<b>2,603</b>	<b>(88,866)</b>	<b>-</b>	<b>(88,866)</b>
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>												
Acquisition of / contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	29,402	29,402
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,402</b>	<b>29,402</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(96,081)</b>	<b>4,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,403</b>	<b>(4,800)</b>	<b>2,603</b>	<b>(88,866)</b>	<b>29,402</b>	<b>(59,464)</b>
<b>At 30 June 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>120,093</b>	<b>(344,781)</b>	<b>(125,190)</b>	<b>72,327</b>	<b>1,425,318</b>	<b>1,147,767</b>	<b>3,405,610</b>	<b>122,152</b>	<b>3,527,762</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 30 June 2011:</b>												
<b>At 1 April 2011</b>	<b>1,318,705</b>	-	-	<b>129,877</b>	<b>(315,427)</b>	<b>(277,761)</b>	<b>49,418</b>	<b>1,058,627</b>	<b>644,734</b>	<b>1,963,439</b>	<b>54,443</b>	<b>2,017,882</b>
Profit for the period	-	-	-	-	-	-	-	127,399	127,399	127,399	15,451	142,850
<b><u>Other comprehensive income</u></b>												
Net loss on fair value changes during the financial period	-	-	-	-	-	(100,346)	-	-	(100,346)	(100,346)	-	(100,346)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	55,358	-	-	55,358	55,358	-	55,358
Foreign currency translation adjustment	-	-	-	-	(55,818)	-	-	-	(55,818)	(55,818)	-	(55,818)
Share of other comprehensive income of jointly controlled entities and associates	-	-	-	-	(7,580)	-	-	-	(7,580)	(7,580)	-	(7,580)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,398)</b>	<b>(44,988)</b>	<b>-</b>	<b>-</b>	<b>(108,386)</b>	<b>(108,386)</b>	<b>-</b>	<b>(108,386)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,398)</b>	<b>(44,988)</b>	<b>-</b>	<b>127,399</b>	<b>19,013</b>	<b>19,013</b>	<b>15,451</b>	<b>34,464</b>
<b><u>Contributions by and distributions to owners</u></b>												
Issue of shares for cash	241,779	-	-	-	-	-	-	-	-	241,779	-	241,779
Issue of shares on exercise of share option	16,626	-	-	-	-	-	-	-	-	16,626	-	16,626
Share-based expense	-	-	-	-	-	-	4,776	-	4,776	4,776	-	4,776
<b>Total contributions by and distributions to owners</b>	<b>258,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,776</b>	<b>-</b>	<b>4,776</b>	<b>263,181</b>	<b>-</b>	<b>263,181</b>
<b><u>Changes in ownership interests in subsidiaries</u></b>												
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	(17,049)	(17,049)
Acquisition of / contribution by non-controlling interests	-	-	-	(291)	-	-	-	-	(291)	(291)	4,175	3,884
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(291)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(291)</b>	<b>(291)</b>	<b>(12,874)</b>	<b>(13,165)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>258,405</b>	<b>-</b>	<b>-</b>	<b>(291)</b>	<b>-</b>	<b>-</b>	<b>4,776</b>	<b>-</b>	<b>4,485</b>	<b>262,890</b>	<b>(12,874)</b>	<b>250,016</b>
<b>At 30 June 2011</b>	<b>1,577,110</b>	<b>-</b>	<b>-</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>

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 30 June 2012:</b>										
<b>At 1 April 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>
Profit for the period	-	-	-	-	-	-	-	29,798	29,798	29,798
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	401,295	-	-	401,295	401,295
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(521,365)	-	-	(521,365)	(521,365)
Foreign currency translation adjustment	-	-	-	-	22,322	-	-	-	22,322	22,322
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,322</b>	<b>(120,070)</b>	<b>-</b>	<b>-</b>	<b>(97,748)</b>	<b>(97,748)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,322</b>	<b>(120,070)</b>	<b>-</b>	<b>29,798</b>	<b>(67,950)</b>	<b>(67,950)</b>
<b>Contributions by and distributions to owners</b>										
Issue of capital securities, net of transaction costs	-	-	(188)	-	-	-	-	-	-	(188)
Purchase of treasury shares	-	(96,081)	-	-	-	-	-	-	-	(96,081)
Share-based expense	-	-	-	-	-	-	7,403	-	7,403	7,403
Accrued capital securities distribution	-	-	4,800	-	-	-	-	(4,800)	(4,800)	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(96,081)</b>	<b>4,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,403</b>	<b>(4,800)</b>	<b>2,603</b>	<b>(88,866)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(96,081)</b>	<b>4,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,403</b>	<b>(4,800)</b>	<b>2,603</b>	<b>(88,866)</b>
<b>At 30 June 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>129,877</b>	<b>(210,221)</b>	<b>(128,785)</b>	<b>72,327</b>	<b>632,954</b>	<b>496,152</b>	<b>2,753,995</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 30 June 2011:</b>										
<b>At 1 April 2011</b>	<b>1,318,705</b>	<b>-</b>	<b>-</b>	<b>129,877</b>	<b>(249,720)</b>	<b>(293,620)</b>	<b>49,418</b>	<b>640,793</b>	<b>276,748</b>	<b>1,595,453</b>
Profit for the period	-	-	-	-	-	-	-	761	761	761
<b>Other comprehensive income</b>										
Net loss on fair value changes during the financial period	-	-	-	-	-	(136,661)	-	-	(136,661)	(136,661)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	107,014	-	-	107,014	107,014
Foreign currency translation adjustment	-	-	-	-	(41,218)	-	-	-	(41,218)	(41,218)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,218)</b>	<b>(29,647)</b>	<b>-</b>	<b>-</b>	<b>(70,865)</b>	<b>(70,865)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,218)</b>	<b>(29,647)</b>	<b>-</b>	<b>761</b>	<b>(70,104)</b>	<b>(70,104)</b>
<b>Contributions by and distributions to owners</b>										
Issue of shares for cash	241,779	-	-	-	-	-	-	-	-	241,779
Issue of shares on exercise of share option	16,626	-	-	-	-	-	-	-	-	16,626
Share-based expense	-	-	-	-	-	-	4,776	-	4,776	4,776
<b>Total contributions by and distributions to owners</b>	<b>258,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,776</b>	<b>-</b>	<b>4,776</b>	<b>263,181</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>258,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,776</b>	<b>-</b>	<b>4,776</b>	<b>263,181</b>
<b>At 30 June 2011</b>	<b>1,577,110</b>	<b>-</b>	<b>-</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>

- 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>Apr - Jun 12</b>	<b>Apr - Jun 11</b>
Issue of Shares for cash (subscription)	-	94,408,000
Issue of shares on exercise of share options	-	10,746,660

	<b>Jun 12</b>	<b>Jun 11</b>
<b>Shares to be issued upon exercise of:</b>		
Conversion right of convertible bonds	242,563,783	240,123,414
Share options	145,737,000	93,313,000
<b>Total no. of shares</b>	<b>388,300,783</b>	<b>333,436,414</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>Jun 12</b>	<b>Jun 11</b>
<b>Issued, fully paid share capital :</b>		
Balance no. of shares as at the beginning of period	2,235,508,918	2,020,759,705
Issue of Shares for cash	191,700,951	94,408,000
Issue of Shares on conversion of Bonds	-	94,959,097
Issue of Shares on exercise of share options	15,200,000	25,382,116
<b>Total no. of shares outstanding as at the end of period</b>	<b>2,442,409,869</b>	<b>2,235,508,918</b>
Total no. of shares held as treasury shares	(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>2,235,508,918</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 2011 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 2011.

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 2011 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 July 2011. 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

	Group			
	Twelve Months Ended		Three Months Ended	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
(a) Based on weighted average no. of shares (cents/share)	14.96	20.27	4.30	5.91
(b) Based on fully diluted basis (cents/share)	14.95	18.66	4.30	5.66
Weighted average no. of shares applicable to basic earnings per share	2,436,958,798	2,120,460,030	2,436,074,814	2,153,964,290
Weighted average no. of shares based on fully diluted basis	2,437,326,953	2,419,565,520	2,436,074,814	2,438,103,656

#### Operational earnings\* per ordinary share

Operational EPS	Group			
	Twelve Months Ended		Three Months Ended	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
(a) Based on weighted average no. of shares (cents/share)	14.33	17.58	3.67	4.93
(b) Based on fully diluted basis (cents/share)	14.32	16.30	3.67	4.79

\*Reported Earnings net of exceptional items (negative goodwill net of transaction costs and non-operational fair value gains on biological assets)

For EPS calculations for period ended 30 June 2012, profit attributable to owners of the Company has been reduced by capital securities distribution accrued during the period.

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.

	Group		Company	
	As at 30 Jun 12	As at 30 Jun 11	As at 30 Jun 12	As at 30 Jun 11
<b>(In cents per share)</b>				
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	139.44	100.44	112.76	80.01

The NAV for the Group before fair value adjustment reserve increased from 114.88 cents/share in June 2011 to 144.56 cents/share in June 2012.

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 and farming), midstream (manufacturing/ processing) and downstream parts of the value chain.

Building on existing and new capabilities, the Group has selectively expanded 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, Ethiopia and Tanzania, peanut, soybean and corn farming in Argentina, rice farming in Nigeria and Mozambique, cotton farming in Mozambique, Brazil, Ghana and Ivory Coast, 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, Indonesia and Brazil, cocoa processing in Ivory Coast and Nigeria, tomato paste manufacturing in California, dehydrates manufacturing in USA and China, peanut ingredient manufacturing in USA, palm oil refining in the Ivory Coast and Mozambique. Mechanical processing of cashews in Ivory Coast and Nigeria, cashew ingredients manufacturing in Vietnam and the USA, 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 Vietnam and sawmilling in ROC and Gabon amongst others.

Another growth initiative covers the proposed manufacturing and distribution 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 capabilities in the management of food supply chains and on the common distribution pipeline that we have built for related commodity products (including rice, sugar, wheat flour and dairy products) in West Africa. Initiatives in this segment include biscuits and candy manufacturing and downstream distribution in Nigeria and Ghana, juice and dairy beverages in Nigeria, instant noodles, seasonings, tomato paste distribution in Nigeria and selective 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 23 years including the Commodity Financial Services business (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.

## **Business Segmentation and Reporting**

We organise the businesses (BUs) into 4 reporting segments. In addition to the products, a 5<sup>th</sup> segment is reported for activities related to the CFS business. 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, Corn) 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

We also provide, on an annual basis, additional information on the progress we are making on our various value chain initiatives across the three parts of the value chain as follows:

<b>Value Chain Segment</b>	<b>Value Chain Activity</b>
<b>Supply Chain &amp; Value Added Services (VAS)</b>	This segment will include all activities connected with Origination, Sourcing, Primary Processing, Logistics and Trading Marketing (including VAS) and risk management of agricultural products and the CFS business
<b>Upstream</b>	This segment will include all activities relating to Farming (annual row crops), Plantations (perennial tree crops), Dairy Farming and Forest Concessions.
<b>Midstream &amp; Downstream</b>	This segment will include all activities relating to secondary processing, contract manufacturing, branded distribution and private label activities

## Background to analysing our Financial Statements

### Profitability

- a. **Inclusion of results of companies acquired by the Group:** The FY2012 results include the 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") and Macao Commodities Trading SL, the acquisitions of which were completed during the year. As a result of the financial impact of these acquisitions, the consolidated results for FY2012 are not strictly comparable to the results of FY2011.
- 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 ton of product supplied. For every transaction, we target a minimum dollar net contribution per ton 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 certification, traceability guarantees, fair trade produce certification (FTP), customised grades and quality, processed ingredients supply, proprietary market intelligence and risk management solutions.

GC is calculated as the revenue from the sale of goods plus other income, 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 and share of gain/loss from jointly controlled entities/associates. 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/ ton.

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		
	Twelve Months Ended			Three Months Ended		
	30 Jun 12	30 Jun 11	% change	30 Jun 12	30 Jun 11	% change
<b>Total Revenue</b>	<b>17,145,224</b>	<b>15,928,138</b>		<b>5,148,785</b>	<b>4,616,101</b>	
<b>Add:</b>						
- Share of results from jointly controlled entities / associates	37,466	28,168		23,079	15,676	
<b>Less:</b>						
- Interest income	(20,037)	(12,375)		(8,612)	-	
- Cost of goods sold, shipping and logistics, commissions and claims net gain / (loss) from changes in fair value of biological assets	(15,322,975)	(14,411,963)		(4,575,063)	(4,162,598)	
- Net measurement of derivative instruments, gain / (loss) on foreign exchange, bank charges	(124,624)	55,663		(60,478)	88,227	
- Negative goodwill on acquisitions, FV of biological assets non-core	(16,022)	(101,330)		(16,022)	(59,498)	
- Non-controlling Interests	(32,917)	(14,727)		(5,301)	(15,451)	
<b>Gross Contribution (GC)</b>	<b>1,666,115</b>	<b>1,471,574</b>	<b>13.2%</b>	<b>506,388</b>	<b>482,457</b>	<b>5.0%</b>
<b>GC per Ton</b>	<b>156</b>	<b>174</b>	<b>-10.4%</b>	<b>147</b>	<b>210</b>	<b>-30.3%</b>
<b>Less:</b>						
- Net interest on working capital	(284,305)	(248,735)		(66,245)	(75,392)	
<b>Net Contribution (NC)</b>	<b>1,381,810</b>	<b>1,222,839</b>	<b>13.0%</b>	<b>440,143</b>	<b>407,065</b>	<b>8.1%</b>
<b>NC per Ton</b>	<b>129</b>	<b>145</b>	<b>-10.5%</b>	<b>127</b>	<b>178</b>	<b>-28.2%</b>



- 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.
- 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 minimum 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. 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**

Our business continued to face macro-economic headwinds stemming from the global economic uncertainties that prevailed during the period, effects of the global context led to increased volatility in commodity prices, currencies, equity and debt markets as well as a notable decline in consumer sentiment and demand. As highlighted during our Q3 FY2012 performance review, trading conditions, particularly in our Industrial Raw Materials segment, continued to remain with a negative impact on our overall performance for Q4 and the full year ended 30 June 2012.

The Group reported a Net Profit After Tax of S\$403.8 million for the full year ended 30 June 2012 ("FY2012"), a decline of 9.2% compared to S\$444.6 million achieved in FY2011. Operational Net Profit for the period, excluding exceptional items (negative goodwill, net of transaction costs and non-operational fair value gains on biological assets) attributable to equity holders, declined by 4.6% to S\$355.5 million compared with the S\$372.8 million achieved in the previous corresponding period.

The Group grew its sales volume by 26.3% in FY2012 compared to FY2011. In FY2012, revenue grew by 8.2% to S\$ 17.09 billion and NC grew by 13.0% to S\$1,381.8 million. NC per ton has decreased from S\$145 in FY2011 to S\$129 in FY2012.

Olam's resilient business model helped mitigate the impact of these adverse market conditions and the business delivered an overall strong volume growth of 26.3% for the year. Our food-related business segments continued their solid trajectory of growth from the last two years and delivered strong volume and margin growth in FY2012. The food category accounted for 84.5% of the overall volumes (81.2% in FY2011), 76.4% of the revenues (76.0% in FY2011) and 87.0% of the net contribution (74.7% in FY2011) of the Group.

The Food category is made up of three segments including Edible Nuts, Spices and Beans, Confectionery and Beverage Ingredients, and Food Staples and Packaged Foods. These three segments accounted for 84.5% of our volumes and 76.4% of our revenue in FY2012 and have proven to be relatively recession resistant. Sales Volume for the Food category increased by 31.5% in FY2012 compared to FY2011. Net contribution (NC) for this category increased by 31.6% in FY2012 compared to FY2011. Despite a significant increase in volumes in the Grains business within the Food Staples and Packaged Foods segment, overall NC per ton was maintained at S\$133 in FY2012 due to a change in product mix which has lower NC per ton vis-à-vis the rest of our product platforms within that segment.

The Industrial Raw Materials segment includes four agri-commodities, namely Cotton and Wool (together, our Natural Fibres business), Rubber and Wood Products, along with fertiliser and the Special Economic Zone project in Gabon. This segment accounted for the remaining 23.6% of revenue and 15.5% of our volumes in FY2012. Sales Volume for this category grew by 3.7% in FY2012 compared to FY2011. Net Contribution for this category decreased by 41.1% in FY2012 compared to FY2011; NC per ton declined by 43.2% to S\$101 per ton from S\$178 per ton in FY2011 largely on account of the under performance in the more recession sensitive Cotton and Wood Products businesses.

The performance of Group was adversely affected by the non-food category, which consists of Industrial Raw Materials (IRM) and the Commodity Financial Services (CFS) segments; both registered a decline in net contribution due to unfavourable and in some cases exceptional market events encountered during FY2012. The sequence of events that impacted the performance of the Cotton business over the last 12 months was quite exceptional and we believe, one-off in nature. The business team has navigated well through these exceptionally volatile market conditions, which adversely impacted most other Industry participants as well. While there continues to be some residual uncertainty in the cotton markets, we believe that the prospects for the Cotton platform should be more positive in the second half of FY2013. We are well positioned to consolidate our market position within this industry, and remain confident about the prospects for this segment over the long term.

The CFS segment made a relatively smaller contribution at the NC level (S\$12.1 million for FY2012), as compared to S\$25.4 million for FY2011 with much of the FY2012 contribution coming in Q4.

## Business Segmental Analysis

The following table provides the segmental<sup>#</sup> breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for FY2012:

### Cumulative

	Sales Volume (in Metric Tons)		Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Jun 12	Jun 11	Jun 12	Jun 11	Jun 12	Jun 11	Jun 12	Jun 11
Edible Nuts, Spices & Beans	1,570,197	1,274,240	2,562,755	2,183,158	427,265	323,349	390,915	296,641
Per ton (S\$)					272	254	249	233
Confectionery & Beverage Ingredients	1,608,560	1,483,994	5,902,203	6,361,459	527,600	414,690	420,754	314,374
Per ton (S\$)					328	279	262	212
Food Staples & Packaged Foods	5,844,984	4,101,979	4,586,435	3,466,623	452,119	345,992	390,883	302,538
Per ton (S\$)					77	84	67	74
Industrial Raw Materials*	1,650,838	1,591,371	4,040,810	3,790,018	246,883	361,529	167,175	283,853
Per ton (S\$)**					150	227	101	178
Commodity Financial Services**	-	-	1,548	2,129	12,248	26,014	12,083	25,433
Total	10,674,579	8,451,584	17,093,751	15,803,387	1,666,115	1,471,574	1,381,810	1,222,839
Per ton (S\$)**					156	174	129	145

### Quarter

	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Jun 12	Jun 11	Jun 12	Jun 11	Jun 12	Jun 11	Jun 12	Jun 11
Edible Nuts, Spices & Beans	535,813	369,803	847,933	496,469	135,679	112,045	126,836	103,818
Per ton (S\$)					253	303	237	281
Confectionery & Beverage Ingredients	342,028	328,474	1,305,072	1,632,312	165,602	128,976	148,305	103,870
Per ton (S\$)					484	393	434	316
Food Staples & Packaged Foods	2,069,120	1,121,742	1,533,040	1,113,160	99,616	78,931	85,231	63,257
Per ton (S\$)					48	70	41	56
Industrial Raw Materials*	508,699	473,255	1,459,602	1,322,267	93,999	159,033	68,529	131,782
Per ton (S\$)**					185	336	135	278
Commodity Financial Services**	-	-	379	255	11,492	3,472	11,242	4,338
Total	3,455,660	2,293,274	5,146,026	4,564,463	506,388	482,457	440,143	407,065
Per ton (S\$)**					147	210	127	178

<sup>#</sup> excluding non-controlling interests

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

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

The **Edible Nuts, Spices & Beans segment** registered volume growth of 23.2%, revenue growth of 17.4%, GC growth of 32.1% and NC growth of 31.8% compared to FY2011. NC per ton in this segment grew 7.0% from S\$233 to S\$249. As a result of the actions taken by our farming team in the last few years, as well as favourable weather conditions in Australia, we have had a strong growth in almond production from our orchards in Australia. The newer Almond orchards in the US are also yielding well. The US and Argentinean Peanut operations performed well above plan, due to favourable market conditions as well as tangible improvements in agronomy and other operating efficiencies. The integration of the Hazelnut acquisition in Turkey (Progida) was completed during the year which adds a new nut product platform and further diversifies the ingredient offering in our Edible Nuts product portfolio. The Spices and Vegetable Ingredients (SVI) business within this segment continued to perform well, with the Onions, Garlic and Spices portfolio seeing continued growth in volumes and margins. The tomato processing business in California however continued to face unfavourable trading conditions, and had a poor Q4, to end FY2012 well below plan. Due to a global industry wide supply glut, there had been an excess inventory build up in the industrial Paste

business, leading to softer market prices. Most of our industrial paste inventory has been liquidated or marked down to market in Q4 FY2012. More importantly, multiple initiatives have been taken to increase own farming volumes, the enhancement of product mix, expand value added retail lines, enter into long term outsourcing contracts with customers and re-size industrial paste capacity, which should enable this business to deliver in-line with our strategic plans from FY 2013 onwards.

The **Confectionery & Beverage Ingredients segment** registered volume growth of 8.4%, 27.2% growth in GC and 33.8% growth in NC compared to FY2011. More importantly, this segment grew its NC per ton by 23.5% from S\$212 in FY2011 to S\$262 in FY2012. The Cocoa business had a very good year, despite very lacklustre market conditions. We managed to navigate through the uncertainty created due to changes in the regulatory framework in Cote d'Ivoire. Work on the greenfield cocoa processing facility in Ivory Coast was resumed during the year post the resolution of the political crisis in the country and the facility is slated for commissioning by end-FY2013. The integration of Macao Commodities (Spain), and Britannia Foods (UK) within Olam's larger Cocoa business has provided additional sources of value and increased Olam's presence and reach in value added Cocoa Fats and ingredients business. The Coffee business also continued to perform positively with both the Arabica and Robusta origins doing well during the year. We gained market share in most of our Robusta and Arabica origins during the year, including our new Arabica operations in Mexico and Guatemala. Our investments in building a niche speciality Coffee business in the US improved our overall market position and service offering in this market. The expansion of our soluble coffee processing facility in Vietnam is on schedule and budget, with strong support being seen from both existing and new soluble coffee customers. The expanded facility is expected to come on-stream by the end of Q2 FY2013. As part of our upstream investments in coffee plantations, we harvested the first Coffee crop in our Laos plantations during the year and are making good progress on our new East African upstream initiatives.

The **Food Staples & Packaged Foods segment** achieved volume growth of 42.5%, GC growth of 30.7% and NC growth of 29.2% compared to FY2011. This strong volume growth was primarily led by the Grains business, which saw a large growth in milling volumes in Africa, as well as origination volumes in Australia, Russia, Ukraine and North America. Our South African destination trading desk also performed well during the year. NC per ton came down marginally from S\$74 in FY2011 to S\$67 in FY2012. This is due to a rapidly changing volume mix in this segment, in favour of the inherently lower margin bulk products like wheat and rice. Going forward, we would expect lower NC per ton in this segment, which will be compensated by higher volume growth, continuing the robust growth in the overall NC pool for the segment. We continue to execute on our initiatives in this segment with the commissioning of the wheat mill in Ghana in February 2012, which has already reached capacity utilisation levels of 50% in the first three months of operation and was profitable. The capacity expansion at our Nigerian wheat mill (Crown Flour mills) is underway and tracking as per plan and budget. We are expanding our origination infrastructure through investments in elevation capacity in Australia and Russia, as well as our new origination JV in Canada with Lansing. The Rice business grew more modestly in volumes, while the farming initiatives in Africa are tracking according to plan.

The Dairy and Sugar businesses continue to face unfavourable trading conditions as well as some weather related disruptions resulting in performance below plan during the year. Both businesses have been changing their focus through targeted upstream and midstream investments. The company announced the acquisition of a sugar mill in Brazil (Passos) for US\$240 million to expand its agricultural and milling capacity and efficiency. In addition to taking a higher stake in NZFSU, the Company also announced a partnership with RUSMOLCO for the large scale development of dairy and grains farming in the Penza region of Russia, which is expected to bring 106,000 hectares under grain production (Phase 1), and an expanded dairy farming operation which is expected to reach a milking cow population of 20,000 heads over the next 4 to 5 years. The Packaged Foods Business gained further momentum and traction in West Africa with several acquisitions during the year, notably the acquisition of a 100% equity interest in a leading Nigerian biscuits and candy maker Titanium Holding Company SA and its subsidiaries for US\$167 million and the acquisition of 100% equity interest in Kayass Enterprises S.A., a dairy products and beverage business in Nigeria, for US\$66.5 million in Q4 FY2012. While these acquisitions had limited impact in FY2012, these are expected to be strong contributors to our growth in the Packaged Food Business from FY2013 onwards.

The **Industrial Raw Materials segment** saw volume growth of 3.7%, GC decline of 31.7% and NC decline of 41.1% compared to FY2011. This segment constituted 15.5% of the Group's volumes, 23.6% of its revenues, 14.8% of its GC and 12.1% of its NC. NC per ton in this segment declined by 43.2% from S\$178 in FY2011 to S\$101 in FY2012. As mentioned earlier in our Q3 review of performance, this segment is particularly sensitive to economic cycles, and both Cotton and Wood Products faced strong unfavourable trading conditions in FY2012. The Cotton business, particularly our Australian, Brazilian and the US

origination and marketing operations, faced significant margin pressures due to extreme market volatility (both on price and basis), and consequent demand and supply illiquidity across many of its origins and markets. Volumes from both growers and customers were lower. We also encountered counterparty risk in some Asian markets. As a result, the Cotton business underperformed during the year compared to the prior year. While full recovery in this segment will be eventually led by recovery in market demand, we expect the business to start delivering normalized NC margins from H2 FY2013 as both growers and customers adjust and adapt to the new market levels. The Wood Products business has seen a continued decline in overall demand, as well as margin pressures in India due to rapid devaluation in the Indian Rupee; and in China due to the government policies related to real estate prices and new construction. We are well positioned in both these markets to participate fully as and when the recovery occurs. Our tropical Timber business did well, on the back of demand recovery for the higher end, certified timber demand in Europe and the USA. The Wool, Rubber and the SEZ businesses in this segment also did well during FY2012.

The **Commodity Financial Services** business made a relatively smaller contribution at the NC level of S\$12.1 million for FY2012 as compared to S\$25.4 million for FY2011 with much of the contribution coming in Q4 of FY2012.

### **Value Chain Segmental Analysis**

As outlined in page 15, we provide on an annual basis, a segmental analysis based on the value chain investments. The relative share and contribution from the three value chain segments is given below:

Value Chain initiatives	Sales Revenue (in S\$'000)		Growth %	Net Contribution (NC) (in S\$'000)		Growth %	EBITDA (in S\$'000)		Growth %
	FY2012	FY2011		FY2012	FY2011		FY2012	FY2011	
<b>Supply Chain &amp; VAS*</b>	14,825,258	13,852,764	7.0%	956,426	863,943	10.7%	613,502	572,378	7.2%
Per Ton				105	121		67	80	
Margin (%)				6.5%	6.2%		4.1%	4.1%	
Share (%)	86.7%	87.7%		69.2%	70.7%		64.1%	66.3%	
<b>Upstream</b>	376,047	305,697	23.0%	191,880	170,266	12.7%	173,956	154,251	12.8%
Per Ton				662	633		600	573	
Margin (%)				51.0%	55.7%		46.3%	50.5%	
Share (%)	2.2%	1.9%		13.9%	13.9%		18.2%	17.9%	
<b>Midstream &amp; Downstream</b>	1,892,446	1,644,926	15.0%	233,504	188,630	23.8%	170,298	136,417	24.8%
Per Ton				187	176		137	127	
Margin (%)		15.0%		12.3%	11.5%		9.0%	8.3%	
Share (%)	11.1%	10.4%		16.9%	15.4%		17.8%	15.8%	
<b>Total</b>	<b>17,093,751</b>	<b>15,803,387</b>	<b>8.2%</b>	<b>1,381,810</b>	<b>1,222,839</b>	<b>13.0%</b>	<b>957,756</b>	<b>863,046</b>	<b>11.0%</b>
Per Ton				129	145		90	102	
Margin (%)				8.1%	7.7%		5.6%	5.5%	

\* Supply Chain & VAS includes earnings from CFS business

Since FY2010, the Group has been pursuing a strategy of expansion into adjacent segments of the value chain including; 1) selective integration upstream into plantations and farming, and 2) investing in midstream processing, in addition to its original core business of supply chain management of agricultural commodities. This selective integration along the agri-business supply chain has been successful as evidenced by the increasing NC and EBITDA contribution from these segments.

The **Supply Chain & Value Added Services (VAS)** part of the value chain contributed 85.6% of the Group's volumes, 86.7% of its Sales, 69.2% of its NC and 64.1% of its EBITDA in FY2012. Revenues in FY2012 grew by 7.0% compared to FY2011, while NC grew by 10.7% and EBITDA grew by 7.2%. NC per ton declined from S\$121 to S\$105, while EBITDA per ton declined from S\$80 to S\$67. The margins were adversely impacted by the underperformance of Cotton which has a predominant supply chain business.

The **Upstream** part of our business continued its strong performance trajectory in FY2012, with NC growing by 12.7% to S\$191.9 million and EBITDA by 12.8% to S\$174.0 million. NC per ton improved to S\$662 from S\$633. EBITDA per ton also increased from S\$573 to S\$600. NC margins were a healthy 51.0% even though there was a marginal reduction from the FY2011 level of 55.7%. EBITDA margins were at 46.3% in FY2012 as against 50.5% in the previous year.

Our strategy of selectively investing upstream in opportunities where we can secure an advantageous position in cost of production continues to help us generate attractive returns from this segment. Strong contributors included Almonds in Australia and the USA, Coffee in Laos, Palm and Rubber in West Africa and Peanuts in Argentina.

The **Midstream & Downstream** operations had an NC of S\$233.5 million, an increase of 23.8% over the previous year, and EBITDA of S\$170.3 million, an increase of 24.8% over the previous year. Midstream contributed 16.9% of NC and 17.8% of Group EBITDA. NC per ton improved from S\$176 in FY2011 to S\$187 in FY2012 and EBITDA per ton improved from S\$127 in FY2011 to S\$137 in FY2012.

Strong contributors to the FY2012 performance in the midstream and downstream segment include the Spices and Dehydrates facilities in US, China and Vietnam, Peanuts Ingredients Manufacturing in USA, Wheat Milling and Cocoa Processing in Nigeria and Soluble Coffee manufacturing in Vietnam. The businesses that performed below par were the tomato processing business in California, Open Country Dairy Limited (OCDL), our dairy processing operations in New Zealand and Pure Circle.

Significant investments were made in the downstream segment during the year with the acquisition of Titanium Holding Company SA, Kayass Enterprises, Trusty Foods Limited and United Biscuits Limited in addition to organic investments in a new tomato paste sachet manufacturing facility.

### **Costs and Expenses**

**Q4 FY2012:** Overhead expenses at S\$318.1 million for Q4 FY2012 were 27.7% higher than the corresponding quarter in FY2011, mainly due to increased overheads related to recently acquired businesses in Q4 FY2012 compared to Q4 FY2011.

**FY2012:** Overhead expenses at S\$859.0 million for FY2012 were 22.5% higher than the S\$701.1 incurred in FY2011 for the reason cited above.

### **Taxation**

**Q4 FY2012:** Income Tax credit of S\$8.2 million for Q4 FY2012 as compared to a provision of S\$20.5 million for Q4 FY2011 is on account of a reversal of prior year provisions and a reduction of tax incidence in high tax OECD jurisdictions.

**FY2012:** Income Tax provisions have decreased to S\$34.1 million for FY2012 as compared to S\$65.7 million for FY2011 for the reasons cited above.

### **Net profit after tax**

**Q4 FY2012:** Net profit after tax decreased by 19.6% to S\$114.8 million for Q4 FY2012 from S\$142.9 million in Q4 FY2011. Operational Net Profit for the period attributable to equity holders declined by 11.4% to S\$94.1 million compared to the S\$106.2 million achieved in the previous corresponding period.

**FY2012:** Net profit after tax decreased by 9.2% to S\$403.8 million for FY2012 from S\$444.6 million in FY2011. Operational Net Profit for the period attributable to equity holders declined by 4.6% to S\$355.5 million compared to S\$372.8 million achieved in the previous corresponding period.

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

During FY2012, the industry continued to experience significant volatility in the prices of various commodities. The application of provisions under FRS 39 affects equity and fair value of derivative financial instruments in the statement of financial position.

The Company also maintained its focus on building a strong and resilient balance sheet to back the strategic plan. As the Company continued to implement growth initiatives during FY2012, the Net Asset Value per

share (before fair value adjustment reserves) increased to S\$1.45 from S\$1.15 in FY2011. At the same time, the liquidity position improved significantly, with adjusted net gearing levels of 0.37x in FY2012 compared to 0.54x in FY2011. The cash to sales ratio of the Group improved from 5.54% in FY2011 to 6.13% in FY2012.

As of 30 June 2012, the Company maintained un-drawn bank lines aggregating S\$4,282 million to provide for any near term commodity price inflation that would increase the working capital requirement.

### **Property, plant and equipment**

During FY2012, property, plant and equipment increased from S\$1,576.7 million to S\$2,621.0 million. The increase of S\$1,044.3 million was mainly due to capex investments in Dairy farming in Russia & Uruguay, Palm in Gabon, sugar mill in India, PFB in Nigeria, Almonds orchards processing facilities in Australia, SEZ in Gabon, soluble Coffee plant in Vietnam, Wheat mill in Ghana, farming in the USA and expansion of a Wheat mill in Nigeria.

### **Current Assets**

#### ***Debtors Analysis***

Debtor days as at 30 June 2012 decreased to 34 days as compared to 37 days as at 30 June 2011.

#### ***Stocks***

Stock turnover days increased to 104 days as at 30 June 2012, as compared to 91 days as at 30 June 2011. Stock value increased by S\$825.9 million to S\$4,410.0 million, from S\$3,584.1 million as of 30 June 2011 due to increased stock holding, especially in the IRM segment.

#### ***Advance to Suppliers***

Advance to suppliers increased to 7 days as at 30 June 2012 from 5 days as at 30 June 2011. The advances increased from S\$222.2 million as at 30 June 2011 to S\$320.6 million as at 30 June 2012.

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

Cash and Fixed Deposits increased by 27.4% to S\$1,110.9 million as of 30 June 2012 from S\$872.2 million as of 30 June 2011 as we drew down on the syndicated loan facilities pending deployment in fixed capital and working capital investments.

### **Borrowings**

Borrowings increased to S\$7,489.4 million as of 30 June 2012 from S\$6,580.6 million as of 30 June 2011. This increase was mainly on account of a drawdown of the long-term facilities pending deployment in working capital / M&A / capex projects. Group borrowings, net of cash and fixed deposits, increased by S\$670.2 million to S\$6,378.5 million as compared to S\$5,708.3 million as at 30 June 2011. Secured loans, which increased from S\$33 million as of 30 Jun 2011 to S\$415 million as of 30 Jun 2012, relate to loans taken by subsidiaries and are secured by specific assets of these subsidiaries.

### **Equity**

Total share capital and reserves (before Fair Value Adjustment Reserves and Non-controlling interest) increased by 37.5% from S\$2,568.1 million as of 30 June 2011 to S\$3,530.8 million as of 30 June 2012 due to funds received for tranches two and three of the equity raising exercise launched in June 2011. Fair Value Adjustment Reserves decreased from (S\$322.7) million as of 30 June 2011 to (S\$125.2) million as of 30 June 2012. On 20 February 2012, the Company issued Singapore dollar denominated Perpetual Capital Securities (the "Capital Securities") of S\$275 million. This issue enabled us to diversify our sources of funding whilst extending the debt maturity profile. On 8 June 2012, the Company announced the commencement of a share buyback programme pursuant to its share buyback mandate renewed at the Annual General Meeting of the Company on 28 October 2011. As at 30 June 2012, the Company bought back 52,196,000 equity shares at a value of S\$96.08 million and the same are held as "Treasury Shares".

Net Debt to Equity decreased from 2.22x as of 30 June 2011 to 1.81x as of 30 June 2012.

During FY2012, the Company issued 206,900,951 shares for cash and the exercise of share options.

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 constantly reviews corporate development opportunities which are in line with our 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 cyclical events experienced over the past year in the IRM and CFS segments could have some continuing impact in FY2013. However, we remain positive about the long-term fundamentals of our industry, as well as the overall Olam business model and will continue to execute on our strategy to grow our long term intrinsic value across all existing business segments.

11. Dividend

- (a) Current Financial Period Reported on 30 June 2012.

Any dividend recommended for the current financial period reported on?

Name of Dividend	First & Final Dividend
Dividend Type	Cash
Dividend rate (in cents)	4.00
Tax rate	One-tier tax exempt

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

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

Name of Dividend	First & Final Dividend
Dividend Type	Cash
Dividend rate (in cents)	5.00
Tax rate	One-tier tax exempt

- (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

20 November 2012

- (e) Books closure date

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of OLAM INTERNATIONAL LIMITED (the "Company") will be closed at **5.00 pm on 8th November 2012** for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services (Pte) Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 8th November 2012 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with



The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8th November 2012 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 31 October 2012, will be made on **20th November 2012**.

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

N.A.

**PART II: Additional information required for Full Year announcement**  
**(This part is not applicable to Q1, Q2, Q4 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(in S\$000's)	Edible Nuts, Spices & Beans		Confectionery & Beverage Ingredients		Food Staples & Packaged Foods		Industrial Raw Materials		Commodity Financial Services		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Segmental Revenue	2,562,755	2,183,158	5,902,203	6,361,459	4,586,435	3,466,623	4,040,810	3,790,018	1,548	2,129	17,093,751	15,803,387
Segmental Results	217,626	163,314	269,421	204,409	217,973	157,656	97,521	210,734	53	20,906	802,594	757,019
Finance Cost - Net of Interest Income											(417,513)	(331,983)
Other income											15,363	57,061
Share of result from jointly controlled entities											37,466	28,168
Profit before tax											437,910	510,265
Taxation											(34,085)	(65,697)
Profit after tax											403,825	444,568

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

N.A

15. A breakdown of sales.

(in S\$000's)	FY 2012	FY 2011	% Increase
Sales for 1st Half	7,716,428	6,495,958	18.8%
Net Profit 1st Half	186,764	175,500	6.4%
Sales for 2nd Half	9,377,323	9,307,429	0.8%
Net Profit 2nd Half	217,061	269,068	-19.3%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

(in S\$000's)	FY 2012	FY 2011
Ordinary	95,609	111,775
Preference	-	-
Total	95,609	111,775

17. 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.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

There are no persons occupying managerial positions in the Company and any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

R. Jayachandran  
Chairman

Sunny George Verghese  
Group Managing Director & CEO

28 August 2012