

OLAM INTERNATIONAL LIMITED

Financial Statements for the Second Quarter and Half Year Ended 31 December 2011

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 – First Half FY2012: Group

(in S\$'000)	Group			Group		
	Six Months Ended			Three Months Ended		
	31 Dec 11	31 Dec 10	% change	31 Dec 11	31 Dec 10	% change
Revenue - Sale of goods & services	7,716,428	6,495,958	18.8%	4,487,065	4,042,108	11.0%
Other income	19,119	61,274		9,285	54,311	
	7,735,547	6,557,232	18.0%	4,496,350	4,096,419	9.8%
Costs and expenses						
Cost of goods sold	(6,266,577)	(5,302,203)		(3,667,171)	(3,337,308)	
Shipping and logistics	(640,769)	(539,563)		(375,914)	(345,122)	
Commission and claims	(59,723)	(68,505)		(30,021)	(39,915)	
Net gain from changes in fair value of biological assets	34,030	27,187		34,030	27,187	
Employee benefit expenses	(171,480)	(163,144)		(86,139)	(97,501)	
Depreciation	(62,417)	(36,210)		(26,581)	(17,790)	
Net measurement of derivative instruments	3,416	13,360		2,870	12,324	
Other operating expenses	(176,197)	(134,908)		(91,293)	(60,278)	
Finance costs	(194,870)	(161,055)		(96,390)	(78,546)	
	(7,534,587)	(6,365,041)		(4,336,609)	(3,936,949)	
Share of results from jointly controlled entities / associates	2,999	4,396		4,749	1,492	
	(7,531,588)	(6,360,645)	18.4%	(4,331,860)	(3,935,457)	10.1%
Profit before taxation	203,959	196,587	3.7%	164,490	160,962	2.2%
Taxation	(17,195)	(21,087)		(11,020)	(15,151)	
Profit for the period	186,764	175,500	6.4%	153,470	145,811	5.3%
Attributable to:						
Equity holders of the Company	162,725	175,168	-7.1%	128,503	145,441	-11.6%
Non-controlling interests	24,039	332		24,967	370	
	186,764	175,500		153,470	145,811	

- 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 – First Half FY2012: Group

(in S\$'000)	Group		Group	
	Six Months Ended		Three Months Ended	
	31 Dec 11	31 Dec 10	31 Dec 11	31 Dec 10
Profit for the period	186,764	175,500	153,470	145,811
Other Comprehensive Income:				
Net gain / (loss) on fair value changes during the period	72,622	(244,267)	(75,896)	(92,342)
Recognised in the profit and loss account on occurrence of hedged transactions	186,995	196,366	101,243	(29,433)
Foreign currency translation adjustment	139,246	(92,511)	(41,003)	(40,532)
Other comprehensive income	398,863	(140,412)	(15,656)	(162,307)
Total Comprehensive Income	585,627	35,088	137,814	(16,496)
Attributable to:				
Equity holders of the Company	551,306	34,756	103,539	(16,866)
Non-controlling interests	34,321	332	34,275	370
	585,627	35,088	137,814	(16,496)

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

(in S\$'000)	Group		Company	
	31 Dec 11	30 Jun 11	31 Dec 11	30 Jun 11
Non-current assets				
Property, plant and equipment	1,825,645	1,576,715	2,720	2,279
Intangible assets	481,555	485,938	27,240	24,050
Biological assets	426,692	453,168	-	-
Investment in subsidiary companies	-	-	987,373	810,805
Interests in jointly controlled entities and associates	438,516	411,819	374,078	353,847
Deferred tax assets	32,084	43,053	-	8,542
Other non-current assets	1,527	10,004	-	-
	3,206,019	2,980,697	1,391,411	1,199,523
Current assets				
Amounts due from subsidiary companies	-	-	1,937,515	1,945,035
Trade receivables	1,450,545	1,595,446	476,169	446,340
Margin accounts with brokers	33,898	457,133	18,297	444,978
Inventories	4,569,519	3,584,144	1,118,320	648,073
Advance payments to suppliers	278,097	222,207	95,684	65,060
Advance payments to subsidiary companies	-	-	1,639,165	1,215,058
Cash and short-term fixed deposits	1,154,607	872,247	610,545	502,050
Derivative financial instruments	1,567,053	2,310,144	1,099,313	1,499,233
Other current assets	775,951	558,118	104,467	65,610
	9,829,670	9,599,439	7,099,475	6,831,437
Current liabilities				
Trade payables and accruals	(853,182)	(1,095,603)	(275,850)	(378,328)
Borrowings	(2,746,483)	(3,610,043)	(933,998)	(1,936,127)
Derivative financial instruments	(1,114,485)	(2,287,250)	(1,058,897)	(2,026,427)
Provision for taxation	(48,661)	(24,762)	(8,885)	(15,608)
Other current liabilities	(102,973)	(112,306)	(52,283)	(56,371)
	(4,865,784)	(7,129,964)	(2,329,913)	(4,412,861)
Net current assets	4,963,886	2,469,475	4,769,562	2,418,576
Non-current liabilities				
Deferred tax liabilities	(160,642)	(177,283)	(4,304)	-
Borrowings	(4,737,693)	(2,970,527)	(3,582,661)	(1,829,569)
	(4,898,335)	(3,147,810)	(3,586,965)	(1,829,569)
Net assets	3,271,570	2,302,362	2,574,008	1,788,530
Equity attributable to equity holders of the Company				
Share capital	2,077,038	1,577,110	2,077,038	1,577,110
Reserves	1,103,191	668,232	496,970	211,420
	3,180,229	2,245,342	2,574,008	1,788,530
Non-controlling interests	91,341	57,020	-	-
Total equity	3,271,570	2,302,362	2,574,008	1,788,530

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

Amounts repayable in one year or less or on demand

	31 Dec 11		30 Jun 11	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts	-	264,169	-	437,169
Loans	-	2,331,031	32,932	2,939,074
Medium Term Notes	-	149,999	-	199,443
Finance Lease	-	1,284	-	1,425
Total	-	2,746,483	32,932	3,577,111

Amounts repayable after one year

	31 Dec 11		30 Jun 11	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Medium / Long Term Loans	-	3,138,543	-	1,713,918
Medium Term Notes	-	599,999	-	349,717
Bonds	-	976,900	-	885,336
Finance Lease	-	22,251	-	21,556
Total	-	4,737,693	-	2,970,527

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	
	Six Months Ended		Three Months Ended	
	31 Dec 11	31 Dec 10	31 Dec 11	31 Dec 10
Cash flow from operating activities				
Profit before taxation	203,959	196,587	164,490	160,962
Adjustments for:				
Amortisation of intangible assets and depreciation of property, plant and equipment	72,280	38,072	32,812	19,359
Cost of share-based payment	8,834	14,565	4,406	6,085
Fair value of biological assets	(34,030)	(27,186)	(34,030)	(27,186)
Loss on disposal of property, plant and equipment	4,113	2,440	3,847	2,246
Interest income	(7,568)	(11,928)	(1,090)	(8,243)
Interest expense	194,870	161,055	96,390	78,546
Net measurement of derivative instruments	(3,416)	(13,360)	(2,870)	(12,324)
Negative goodwill arising from acquisition of subsidiaries / assets	-	(36,450)	-	(36,450)
Share of results from jointly controlled entities and associates	(2,999)	(4,396)	(4,749)	(1,492)
Operating cash flow before reinvestment in working capital	436,043	319,399	259,206	181,503
Increase in inventories	(986,070)	(870,249)	(362,090)	(615,280)
(Increase) / decrease in receivables and other current assets	(151,584)	(189,882)	(319,652)	152,411
Increase in advance payments to suppliers	(68,131)	(188,621)	(48,023)	(105,685)
Decrease / (increase) in margin account with brokers	223,051	(455,982)	197,239	(460,114)
(Decrease) / increase in payables and other current liabilities	(85,366)	(3,219)	24,222	(41,424)
Cash flow used in operations	(632,057)	(1,388,554)	(249,098)	(888,589)
Interest income received	7,568	11,928	1,090	8,243
Interest expense paid	(135,339)	(133,949)	(42,410)	(40,200)
Tax paid	(6,703)	(25,414)	(704)	(21,283)
Net cash flow used in operating activities	(766,531)	(1,535,989)	(291,122)	(941,829)
Cash flow from investing activities				
Proceeds from disposal of property, plant and equipment	1,957	8,773	434	8,353
Purchase of property, plant and equipment	(242,423)	(259,708)	(141,814)	(82,986)
Purchase of intangibles assets	(4,945)	-	(1,876)	-
Acquisition of subsidiaries / assets, net of cash acquired	(9,585)	(113,996)	(9,585)	(113,996)
Long term investment	-	17,205	-	115,816
Net cash flow used in investing activities	(254,996)	(347,726)	(152,841)	(72,813)
Cash flow from financing activities				
Dividends paid on ordinary shares by the Company	(125,181)	(53,139)	(125,181)	(53,139)
Proceeds from borrowings, net	1,078,173	1,581,675	499,054	1,136,048
Proceeds from issuance of shares on exercise of share options	9,708	15,180	408	3,082
Proceeds from issuance of bonds	-	328,750	-	-
Proceeds from issuance of shares for cash	490,220	-	(1,215)	-
Net cash flow from financing activities	1,452,920	1,872,466	373,066	1,085,991
Net effect of exchange rate changes on cash and cash equivalents	23,967	42,344	(3,435)	10,469
Net increase / (decrease) in cash and cash equivalents	455,360	31,095	(74,332)	81,818
Cash and cash equivalents at the beginning of the period	435,078	503,932	964,770	453,209
Cash and cash equivalents* at the end of the period	890,438	535,027	890,438	535,027

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

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.

6 months Group	Attributable to owners of the Company								Non- Controlling Interests	Total Equity
	Share Capital	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
At 31 December 2011:										
At 1 July 2011	1,577,110	129,586	(378,825)	(322,749)	54,194	1,186,026	668,232	2,245,342	57,020	2,302,362
Profit for the period	-	-	-	-	-	162,725	162,725	162,725	24,039	186,764
Other comprehensive income										
Net gain on fair value changes during the financial period	-	-	-	72,622	-	-	72,622	72,622	-	72,622
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	186,995	-	-	186,995	186,995	-	186,995
Foreign currency translation adjustment	-	-	128,964	-	-	-	128,964	128,964	10,282	139,246
Other comprehensive income for the financial period, net of tax	-	-	128,964	259,617	-	-	388,581	388,581	10,282	398,863
Total comprehensive income for the period	-	-	128,964	259,617	-	162,725	551,306	551,306	34,321	585,627
Contributions by and distributions to owners										
Issue of shares for cash	490,220	-	-	-	-	-	-	490,220	-	490,220
Issue of shares on exercise of share option	9,708	-	-	-	-	-	-	9,708	-	9,708
Share-based expense	-	-	-	-	8,834	-	8,834	8,834	-	8,834
Dividends on ordinary shares	-	-	-	-	-	(125,181)	(125,181)	(125,181)	-	(125,181)
Total contributions by and distributions to owners	499,928	-	-	-	8,834	(125,181)	(116,347)	383,581	-	383,581
At 31 December 2011	2,077,038	129,586	(249,861)	(63,132)	63,028	1,223,570	1,103,191	3,180,229	91,341	3,271,570

6 months Group	Attributable to owners of the Company								Non- Controlling Interests	Total Equity
	Share Capital	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
At 31 December 2010:										
At 1 July 2010	1,201,581	145,688	(166,452)	(248,415)	30,203	809,324	570,348	1,771,929	(1,144)	1,770,785
Profit for the period	-	-	-	-	-	175,168	175,168	175,168	332	175,500
Other comprehensive income										
Net gain on fair value changes during the financial period	-	-	-	(244,267)	-	-	(244,267)	(244,267)	-	(244,267)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	196,366	-	-	196,366	196,366	-	196,366
Foreign currency translation adjustment	-	-	(92,511)	-	-	-	(92,511)	(92,511)	-	(92,511)
Other comprehensive income for the financial period, net of tax	-	-	(92,511)	(47,901)	-	-	(140,412)	(140,412)	-	(140,412)
Total comprehensive income for the period	-	-	(92,511)	(47,901)	-	175,168	34,756	34,756	332	35,088
Contributions by and distributions to owners										
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	15,180	-	-	-	-	-	-	15,180	-	15,180
Share-based expense	-	-	-	-	14,565	-	14,565	14,565	-	14,565
Dividends on ordinary shares	-	-	-	-	-	(53,139)	(53,139)	(53,139)	-	(53,139)
Total contributions by and distributions to owners	109,463	(15,811)	-	-	14,565	(53,139)	(54,385)	55,078	-	55,078
Changes in ownership interests in subsidiaries										
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	42,033	42,033
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	42,033	42,033
Total transactions with owners in their capacity as owners	109,463	(15,811)	-	-	14,565	(53,139)	(54,385)	55,078	42,033	97,111
At 31 December 2010	1,311,044	129,877	(258,963)	(296,316)	44,768	931,353	550,719	1,861,763	41,221	1,902,984

6 months Company	Attributable to owners of the Company							
	Share Capital	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
At 31 December 2011:								
At 1 July 2011	1,577,110	129,877	(290,938)	(323,267)	54,194	641,554	211,420	1,788,530
Profit for the period	-	-	-	-	-	15,843	15,843	15,843
Other comprehensive income								
Net gain on fair value changes during the financial period	-	-	-	125,305	-	-	125,305	125,305
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	135,853	-	-	135,853	135,853
Foreign currency translation adjustment	-	-	124,896	-	-	-	124,896	124,896
Other comprehensive income for the financial period, net of tax	-	-	124,896	261,158	-	-	386,054	386,054
Total comprehensive income for the period	-	-	124,896	261,158	-	15,843	401,897	401,897
Contributions by and distributions to owners								
Issue of shares for cash	490,220	-	-	-	-	-	-	490,220
Issue of shares on exercise of share option	9,708	-	-	-	-	-	-	9,708
Share-based expense	-	-	-	-	8,834	-	8,834	8,834
Dividends on ordinary shares	-	-	-	-	-	(125,181)	(125,181)	(125,181)
Total contributions by and distributions to owners	499,928	-	-	-	8,834	(125,181)	(116,347)	383,581
Total transactions with owners in their capacity as owners	499,928	-	-	-	8,834	(125,181)	(116,347)	383,581
At 31 December 2011	2,077,038	129,877	(166,042)	(62,109)	63,028	532,216	496,970	2,574,008

6 months Company	Attributable to owners of the Company							
	Share Capital	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
At 31 December 2010:								
At 1 July 2010	1,201,581	145,688	(80,321)	(264,403)	30,203	523,623	354,790	1,556,371
Profit for the period	-	-	-	-	-	8,172	8,172	8,172
Other comprehensive income								
Net gain on fair value changes during the financial period	-	-	-	(430,019)	-	-	(430,019)	(430,019)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	391,467	-	-	391,467	391,467
Foreign currency translation adjustment	-	-	(136,176)	-	-	-	(136,176)	(136,176)
Other comprehensive income for the financial period, net of tax	-	-	(136,176)	(38,552)	-	-	(174,728)	(174,728)
Total comprehensive income for the period	-	-	(136,176)	(38,552)	-	8,172	(166,556)	(166,556)
Contributions by and distributions to owners								
Issue of shares upon conversion of bonds	94,283	(15,811)	-	-	-	-	(15,811)	78,472
Issue of shares on exercise of share option	15,180	-	-	-	-	-	-	15,180
Share-based expense	-	-	-	-	14,565	-	14,565	14,565
Dividends on ordinary shares	-	-	-	-	-	(53,139)	(53,139)	(53,139)
Total contributions by and distributions to owners	109,463	(15,811)	-	-	14,565	(53,139)	(54,385)	55,078
Total transactions with owners in their capacity as owners	109,463	(15,811)	-	-	14,565	(53,139)	(54,385)	55,078
At 31 December 2010	1,311,044	129,877	(216,497)	(302,955)	44,768	478,656	133,849	1,444,893

3 months Group	Attributable to owners of the Company								Non- Controlling Interests	Total Equity
	Share Capital	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
At 31 December 2011:										
At 1 October 2011	2,077,845	129,586	(199,550)	(88,479)	58,622	1,220,248	1,120,427	3,198,272	57,066	3,255,338
Profit for the period						128,503	128,503	128,503	24,967	153,470
Other comprehensive income										
Net gain on fair value changes during the financial period	-	-	-	(75,896)	-	-	(75,896)	(75,896)	-	(75,896)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	101,243	-	-	101,243	101,243	-	101,243
Foreign currency translation adjustment	-	-	(50,311)	-	-	-	(50,311)	(50,311)	9,308	(41,003)
Share of other comprehensive income of jointly controlled entities and associates	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax	-	-	(50,311)	25,347	-	-	(24,964)	(24,964)	9,308	(15,656)
Total comprehensive income for the period	-	-	(50,311)	25,347	-	128,503	103,539	103,539	34,275	137,814
Contributions by and distributions to owners										
Expenses on issue of shares for cash	(1,215)	-	-	-	-	-	-	(1,215)	-	(1,215)
Issue of shares on exercise of share option	408	-	-	-	-	-	-	408	-	408
Share-based expense	-	-	-	-	4,406	-	4,406	4,406	-	4,406
Dividends on ordinary shares	-	-	-	-	-	(125,181)	(125,181)	(125,181)	-	(125,181)
Total contributions by and distributions to owners	(807)	-	-	-	4,406	(125,181)	(120,775)	(121,582)	-	(121,582)
Total transactions with owners in their capacity as owners	(807)	-	-	-	4,406	(125,181)	(120,775)	(121,582)	-	(121,582)
At 31 December 2011	2,077,038	129,586	(249,861)	(63,132)	63,028	1,223,570	1,103,191	3,180,229	91,341	3,271,570

3 months Group	Attributable to owners of the Company								Non- Controlling Interests	Total Equity
	Share Capital	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
At 31 December 2010:										
At 1 October 2010	1,307,280	129,877	(218,431)	(174,541)	38,683	839,051	614,639	1,921,919	(1,108)	1,920,811
Profit for the period						145,441	145,441	145,441	370	145,811
Other comprehensive income										
Net gain on fair value changes during the financial period	-	-	-	(92,342)	-	-	(92,342)	(92,342)	-	(92,342)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	(29,433)	-	-	(29,433)	(29,433)	-	(29,433)
Foreign currency translation adjustment	-	-	(40,532)	-	-	-	(40,532)	(40,532)	-	(40,532)
Other comprehensive income for the financial period, net of tax	-	-	(40,532)	(121,775)	-	-	(162,307)	(162,307)	-	(162,307)
Total comprehensive income for the period	-	-	(40,532)	(121,775)	-	145,441	(16,866)	(16,866)	370	(16,496)
Contributions by and distributions to owners										
Issue of shares upon conversion of bonds	682	-	-	-	-	-	-	682	-	682
Issue of shares on exercise of share option	3,082	-	-	-	-	-	-	3,082	-	3,082
Share-based expense	-	-	-	-	6,085	-	6,085	6,085	-	6,085
Dividends on ordinary shares	-	-	-	-	-	(53,139)	(53,139)	(53,139)	-	(53,139)
Total contributions by and distributions to owners	3,764	-	-	-	6,085	(53,139)	(47,054)	(43,290)	-	(43,290)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	41,959	41,959
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	41,959	41,959
Total transactions with owners in their capacity as owners	3,764	-	-	-	6,085	(53,139)	(47,054)	(43,290)	41,959	(1,331)
At 31 December 2010	1,311,044	129,877	(258,963)	(296,316)	44,768	931,353	550,719	1,861,763	41,221	1,902,984

3 months Company	Attributable to owners of the Company							
	Share Capital	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
At 31 December 2011:								
At 1 October 2011	2,077,845	129,877	(144,795)	(89,109)	58,622	644,646	599,241	2,677,086
Profit for the period						12,751	12,751	12,751
Other comprehensive income								
Net gain on fair value changes during the financial period	-	-	-	(35,506)	-	-	(35,506)	(35,506)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	62,506	-	-	62,506	62,506
Foreign currency translation adjustment	-	-	(21,247)	-	-	-	(21,247)	(21,247)
Other comprehensive income for the financial period, net of tax	-	-	(21,247)	27,000	-	-	5,753	5,753
Total comprehensive income for the period	-	-	(21,247)	27,000	-	12,751	18,504	18,504
Contributions by and distributions to owners								
Issue of shares for cash	(1,215)	-	-	-	-	-	-	(1,215)
Issue of shares on exercise of share option	408	-	-	-	-	-	-	408
Share-based expense	-	-	-	-	4,406	-	4,406	4,406
Dividends on ordinary shares	-	-	-	-	-	(125,181)	(125,181)	(125,181)
Total contributions by and distributions to owners	(807)	-	-	-	4,406	(125,181)	(120,775)	(121,582)
Total transactions with owners in their capacity as owners	(807)	-	-	-	4,406	(125,181)	(120,775)	(121,582)
At 31 December 2011	2,077,038	129,877	(166,042)	(62,109)	63,028	532,216	496,970	2,574,008

3 months Company	Attributable to owners of the Company							
	Share Capital	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
At 31 December 2010:								
At 1 October 2010	1,307,280	129,877	(180,880)	(183,598)	38,683	517,031	321,113	1,628,393
Profit for the period						14,764	14,764	14,764
Other comprehensive income								
Net gain on fair value changes during the financial period	-	-	-	(510,824)	-	-	(510,824)	(510,824)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	391,467	-	-	391,467	391,467
Foreign currency translation adjustment	-	-	(35,617)	-	-	-	(35,617)	(35,617)
Other comprehensive income for the financial period, net of tax	-	-	(35,617)	(119,357)	-	-	(154,974)	(154,974)
Total comprehensive income for the period	-	-	(35,617)	(119,357)	-	14,764	(140,210)	(140,210)
Contributions by and distributions to owners								
Issue of shares upon conversion of bonds	682	-	-	-	-	-	-	682
Issue of shares on exercise of share option	3,082	-	-	-	-	-	-	3,082
Share-based expense	-	-	-	-	6,085	-	6,085	6,085
Dividends on ordinary shares	-	-	-	-	-	(53,139)	(53,139)	(53,139)
Total contributions by and distributions to owners	3,764	-	-	-	6,085	(53,139)	(47,054)	(43,290)
Total transactions with owners in their capacity as owners	3,764	-	-	-	6,085	(53,139)	(47,054)	(43,290)
At 31 December 2010	1,311,044	129,877	(216,497)	(302,955)	44,768	478,656	133,849	1,444,893

- 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.

	Oct - Dec 11	Oct - Dec 10
Issue of Shares upon conversion of Bonds	-	180,715
Issue of shares on exercise of share options	125,000	1,846,000

	Dec 11	Dec 10
Shares to be issued upon exercise of:		
Conversion right of convertible bonds	239,002,980	240,123,414
Share options	78,113,000	107,537,930
Total no. of shares	317,115,980	347,661,344

- 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.

	Dec 11	Jun 11
Issued, fully paid share capital :		
Balance no. of shares as at the beginning of period / year	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
Total no. of shares outstanding as at the end of period / year	2,442,409,869	2,235,508,918

- 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			
	Six Months Ended		Three Months Ended	
	31 Dec 11	31 Dec 10	31 Dec 11	31 Dec 10
(a) Based on weighted average no. of shares (cents/share)	6.66	8.34	5.26	6.84
(b) Based on fully diluted basis (cents/share)	6.49	7.68	5.01	6.24
Weighted average no. of shares applicable to basic earnings per share	2,442,280,702	2,099,381,586	2,442,326,536	2,126,570,678
Weighted average no. of shares based on fully diluted basis	2,684,164,196	2,411,167,126	2,682,446,973	2,420,457,363

Operational earnings* per ordinary share[#]

Operational EPS	Group			
	Six Months Ended		Three Months Ended	
	31 Dec 11	31 Dec 10	31 Dec 11	31 Dec 10
(a) Based on weighted average no. of shares (cents/share)	6.66	6.74	5.26	5.26
(b) Based on fully diluted basis (cents/share)	6.49	6.29	5.01	4.86

*Reported Earnings net of exceptional items (negative goodwill net of transaction costs)

[#]For EPS calculations as per FRS 33, outstanding shares have been multiplied using an "Adjustment Factor" calculated by taking the difference in the price at which Preferential Offering was made (S\$ 2.61) and the price on the last day of exercise of entitlements (S\$ 2.56) and as a result, prior year earnings per share figures have been adjusted.

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

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

(In cents per share)	Group		Company	
	As at 31 Dec 11	As at 30 Jun 11	As at 31 Dec 11	As at 30 Jun 11
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	110.50	78.70	104.28	78.93

The NAV for the Group before fair value adjustment reserve, goodwill and other intangibles increased from 114.88 cents/share in June 2011 to 132.80 cents/share in December 2011.

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

Today, 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 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 both the upstream (plantation and farming) and midstream (manufacturing/ processing) parts of the value chain.

Building on existing and new capabilities has included careful expansion 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 the more interesting opportunities in the upstream segment has led us to complete transactions in palm and rubber plantations in Africa, almond plantations in Australia, coffee plantation in Laos, peanut, soybean and corn farming in Argentina, rice farming in Nigeria and Mozambique, cotton farming in Mozambique, dairy farming in Uruguay and the development of tropical 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. We have invested in wheat milling in Nigeria and Ghana, sugar milling and refining in India and Indonesia, cocoa processing in Ivory Coast and Nigeria, tomato paste manufacturing in California, dehydrates manufacturing in USA and China, peanut ingredient manufacturing in USA, palm oil refining in the Ivory Coast, mechanical processing of cashews in Ivory Coast and Nigeria, cashew ingredients manufacturing in Vietnam and the USA, spice grinding in Vietnam and sawmilling in ROC and Gabon amongst others.

Another area covers the proposed manufacturing and distribution of fertiliser in Gabon, which will capitalize further on our extensive grower and supplier base in various producing countries.

In addition, Olam has diversified into two new businesses which build on latent assets and capabilities developed over the last 22 years:

- i) 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; and
- ii) Packaged Foods distribution in West Africa, building our own consumer brands in the food category, which capitalises on our intimate knowledge of African markets and 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.

Business Segmentation and Reporting

We organize the products into 4 reporting segments. In addition to the products, a 5th segment is reported for activities related to CFS. The segmental reporting is described below:

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

Background to analysing our Financial Statements

Profitability

- a. ***Inclusion of results of companies acquired by the Group:*** The H1 FY2012 results include the consolidated results of tt Timber International (tt Timber), Britannia Food Ingredients Holdings Limited (BFIHL), Hemarus Industries Limited (HIL), Vallabhdas Kanji Limited (VKL), Trusty Foods Limited (TFL) and United Biscuits Limited (UBL), the acquisitions of which were completed after H1 FY2011. As a result of the financial impact of these acquisitions, the consolidated results for H1 FY2012 are not strictly comparable to the results of H1 FY2011.
- b. ***Gross and Net Contribution:*** We measure and track our profitability 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 to meet their specific requirements. 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 under:

(in S\$'000)	Group			Group		
	Six Months Ended			Three Months Ended		
	31 Dec 11	31 Dec 10	%change	31 Dec 11	31 Dec 10	%change
Total Revenue	7,735,547	6,557,232		4,496,350	4,096,419	
Add:						
- Share of results from jointly controlled entities / associates	2,999	4,396		4,749	1,492	
Less:						
- Interest income	(7,568)	(11,928)		(1,090)	(8,243)	
- Cost of goods sold, shipping and logistics, commissions and claims net gain / (loss) from changes in fair value of biological assets	(6,933,039)	(5,883,084)		(4,039,076)	(3,695,158)	
- Net measurement of derivative instruments, gain / (loss) on foreign exchange, bank charges	(25,732)	(6,867)		(1,897)	3,667	
- Negative goodwill on acquisitions, net of transaction costs	-	(33,603)		-	(33,603)	
- Non-controlling Interests	(24,039)	(332)		(24,967)	(370)	
Gross Contribution (GC)	748,168	625,814	19.6%	434,069	364,204	19.2%
GC per Ton	165	160	3.2%	163	157	4.1%
Less:						
- Net interest on working capital	(141,090)	(113,601)		(78,921)	(54,961)	
Net Contribution (NC)	607,078	512,213	18.5%	355,148	309,243	14.8%
NC per Ton	134	131	2.3%	133	133	0.3%

- 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 businesses like SEZ and CFSG.
- 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 start to the harvesting seasons in these countries based on weather patterns in a particular year. 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 farmer's selling decisions; these are mainly a function of the farmer's 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 st Half July – Dec	Q3 Jan - March	Q4 Apr – June	2 nd 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 (around 85%) 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

The Company is pleased to report a Net Profit After Tax of S\$186.8 million for the six months ended 31 December 2011 ("H1 FY2012"), a growth of 6.4% compared to S\$175.5 million achieved in H1 FY2011. Operational Profit for the period excluding exceptional items (negative goodwill, net of transaction costs) attributable to equity holders grew by 14.9% to S\$162.7 million compared to S\$141.6 million achieved in the previous corresponding period.

As mentioned during the Q1 FY2012 performance review, the difficult macroeconomic factors stemming from a growing and spreading sovereign debt crisis in Europe and the USA, a looming European banking and financial crisis, political gridlock, stalled growth in G7 countries with worrying prospects of a prolonged period of subpar growth, increased volatility across equity, bond and commodity markets and volatile and unstable currencies continue to have major impact on our industry. Our ability to deliver volume, revenue and earnings growth despite these tough conditions is a testament to the resilience of the Olam Model, including the benefits of being diversified across multiple agricultural commodities and countries and being selectively integrated in the value chain. The Company grew its sales volume by 15.8% in H1 FY2012 compared to H1 FY2011. In H1 FY2012, revenue grew by 18.8% to S\$ 7.72 billion and NC grew by 18.5% to S\$607.1 million. However, some of our businesses, particularly the Industrial Raw Material segment, have faced tough market conditions with heightened counterparty default risk, basis and currency volatility during H1 FY2012.

NC per ton has grown from S\$131 per ton in H1 FY2011 to S\$134 in H1 FY2012 (2.4% improvement in NC margin per ton). Margin growth, driven by both increased provision of value added services as well as selective integration across the value chain, accounted for 22% growth in overall NC, Volume growth accounted for the remaining 78% growth in NC.

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 segments accounted for 77.6% of our revenue and 83.2% of our volumes in H1 FY2012. This category is relatively more recession resistant. Sales Volume for the Food category increased by 17.7% in H1 FY2012 compared to H1 FY2011. Net contribution (NC) for this segment increased by 32.1% in H1 FY2012 compared to H1 FY2011. NC per ton also increased by 12.2% to S\$144 per ton in H1 FY2012 from S\$128 per ton in H1 FY2011.

The Industrial Raw Materials segment includes four agri-commodities, namely Cotton and Wool (together, our Natural Fibres business), Rubber, Wood Products, fertiliser and the Special Economic Zone project in Gabon. This segment accounted for the remaining 22.4% of revenue and 16.8% of our volumes in H1 FY2012. This segment is relatively more recession sensitive and was adversely impacted during this quarter. While Wool, Rubber and the SEZ BUs performed well in this segment, Cotton and Wood Products BUs underperformed during this period due to weakening demand, falling prices, eroding basis and heightened counterparty risk during the quarter. Sales Volume for this segment grew by 7.4% in H1 FY2012 compared

to H1 FY2011. Net Contribution for this segment decreased by 24.0% in H1 FY2012 compared to H1 FY2011; NC per ton declined by 29.3% to S\$86 per ton from S\$122 per ton in H1 FY2011.

Commodity Financial Services Business despite having positive NC of S\$3.2 million for the quarter, underperformed compared to corresponding period in the previous year. There were very few quality arbitrage trade opportunities during H1 FY2012 and the CFS team decided to stay on the sidelines and remain on a risk-off mode throughout much of this period.

Business Segmental Analysis

The following table provides the segmental[#] breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for H1 FY2012:

Cumulative

	Sales Volume (in Metric Tons)		Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Dec 11	Dec 10	Dec 11	Dec 10	Dec 11	Dec 10	Dec 11	Dec 10
Edible Nuts, Spices & Beans	640,690	560,695	1,143,568	1,014,836	174,255	126,785	152,402	111,847
Per ton (S\$)					272	226	238	199
Confectionery & Beverage Ingredients	729,816	645,698	2,880,713	2,420,386	227,992	171,830	163,327	123,216
Per ton (S\$)					312	266	224	191
Food Staples & Packaged Foods	2,390,470	1,989,513	1,962,496	1,624,676	250,477	192,216	225,490	174,768
Per ton (S\$)					105	97	94	88
Industrial Raw Materials*	761,535	708,902	1,728,881	1,434,219	95,673	117,271	65,461	86,160
Per ton (S\$)**					126	165	86	122
Commodity Financial Services**	-	-	770	1,841	(229)	17,712	398	16,222
Total	4,522,511	3,904,808	7,716,428	6,495,958	748,168	625,814	607,078	512,213
Per ton (S\$)**					165	160	134	131

Quarter

	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Dec 11	Dec 10	Dec 11	Dec 10	Dec 11	Dec 10	Dec 11	Dec 10
Edible Nuts, Spices & Beans	274,652	232,867	624,344	589,517	85,352	61,631	72,524	56,661
Per ton (S\$)					311	265	264	243
Confectionery & Beverage Ingredients	443,662	413,965	1,786,963	1,687,340	140,456	105,977	100,094	79,056
Per ton (S\$)					317	256	226	191
Food Staples & Packaged Foods	1,493,233	1,254,650	1,013,577	903,368	159,158	119,955	144,312	112,301
Per ton (S\$)					107	96	97	90
Industrial Raw Materials*	448,889	421,196	1,061,789	860,577	46,265	63,752	35,066	49,379
Per ton (S\$)**					103	151	78	117
Commodity Financial Services**	-	-	392	1,306	2,838	12,889	3,152	11,846
Total	2,660,436	2,322,678	4,487,065	4,042,108	434,069	364,204	355,148	309,243
Per ton (S\$)**					163	157	133	133

[#] 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 14.3%, revenue growth of 12.7%, GC growth of 37.4% and NC growth of 36.3% compared to H1 FY2011. NC per ton in this segment grew 19.3% from S\$199 to S\$238. The Edible Nuts and Spices business continued to perform very well in H1 FY2012. In the Edible Nuts segment, the results from the commercial trials of the mechanical cashew processing initiatives in West Africa have been very encouraging. Both the factories in Ivory Coast and Nigeria are performing very well both in terms of productivity improvements and significant cost savings while maintaining the quality of output. The Almond crop development in Australia is progressing well with a record crop expected this season. Our project to build the Almond processing facility in Australia is tracking as per plan. The Hazelnut acquisition in Turkey (Progida) has been successfully completed and the integration of the company is underway. Our Peanut operations in the US, Argentina and South Africa are all doing better than our plans. The VKL spices acquisition was completed during this period and the integration of these operations into our Spices and Vegetable Ingredients (SVI) is progressing according to plan. As mentioned earlier, the Spices business and the tomato processing operations have been reorganized under one leadership structure and the integration is tracking well against our plans. Sesame has had a strong first half with broad based performance across all origins and markets on the back of a bigger crop and strong demand.

The **Confectionery & Beverage Ingredients segment** registered volume growth of 13.0%, 32.7% growth in GC and 32.6% growth in NC compared to H1 FY2011. More importantly, this segment grew its NC per ton by 17.2% from S\$191 in H1 FY2011 to S\$224 in H1 FY2012. The Cocoa business continues to do well. The procurement operations in West Africa has been on budget while we expect a short crop this year. Cocoa prices have also rallied on the expectation of a short crop this season. For the Coffee business, the Central Andean region has turned around and is expected to generate profits this year as compared to losses in the previous year. The procurement in the West African countries of Ivory Coast and Cameroon are progressing well. The Soluble Coffee factory in Vietnam has performed very well and is expected to be profitable this year. The project for expanding the capacity of the soluble coffee facility is on plan and on budget.

The **Food Staples & Packaged Foods segment** achieved volume growth of 20.2%, GC growth of 30.3% and NC growth of 29.0% compared to H1 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 ton grew by 7.4% from S\$88 in H1 FY2011 to S\$94 in H1 FY2012. The two key businesses that drove NC growth were Rice and Grains. We have successfully commissioned the wheat mill in Ghana and the same is undergoing trial production. The business continues to perform strongly across all parts of the value chain. As mentioned in the last quarter, the Dairy and Sugar businesses continue to face headwinds and their performance is expected to be below plan this year. The integration of the acquisitions in Ghana; namely, of Trusty Foods Ltd (TFL - a tomato paste canning facility) and United Biscuits Ltd (UBL - a PFB business) is progressing well. While UBL is expected to contribute to this year's earnings, TFL will be undergoing complete refurbishment and is expected to commence production only in Q1 of next financial year.

The **Industrial Raw Materials segment** saw volume growth of 7.4%, GC decline of 18.4% and NC decline of 24.0% compared to H1 FY2011. This segment constituted 16.8% of the Company's volumes, 22.4% of its revenues, 12.8% of its GC and 10.8% of its NC. NC per ton in this segment declined by 29.3% from S\$122 in H1 FY2011 to S\$86 in H1 FY2012. As mentioned earlier, this segment is sensitive to economic cycles and Cotton and Wood Products businesses continue to face strong headwinds in H1 FY2012. The Cotton businesses particularly our Australian and the US origination and marketing operations continue to underperform with the basis weakening considerably during this period. This has put further pressure on the margins leading to a decline in the NC per ton. The Wool, Rubber and the SEZ businesses in this segment have done well during H1 FY2012 and their prospects for the rest of FY2012 continue to be favourable. The SEZ business in particular has significantly outperformed during this period.

The **Commodity Financial Services (CFS) business** registered a NC of S\$0.4 million in H1 FY2012 as compared to a NC of S\$ 16.2 million during the first half in the previous year. Given the tough trading conditions in these markets, the CFSG team decided to adopt a "risk-off" stance and preferred to stay on the sidelines by reducing investment and risk capital for much of the period. While the business was profitable in the second quarter, the business team is cautiously scaling up the business as the markets stabilise. We continue to invest in long-term strategic initiatives in this business, including market making, risk management solutions and fund management.

Costs and Expenses

Q2 FY2012: Overhead expenses at S\$199.2 million for Q2 FY2012 were 19.4% higher than the corresponding quarter in FY2011, mainly on account of increased overheads for recently acquired businesses in Q2 FY2012 compared to Q2 FY2011.

H1 FY2012: Overhead expenses at S\$380.9 million for H1 FY2012 were 21.3% higher than H1 FY2011 for the same reasons as above.

Taxation

Q2 FY2012: Income Tax provisions have decreased to S\$11.0 million for Q2 FY2012 as compared to S\$15.2 million for Q2 FY2011.

H1 FY2012: Income Tax provisions have decreased to S\$17.2 million for H1 FY2012 as compared to S\$21.1 million for H1 FY2011 due to reduction of tax incidence in high tax jurisdictions.

Net profit after tax

Q2 FY2012: Net profit after tax increased by 5.3% to S\$153.5 million for Q2 FY2012 from S\$145.8 million in Q2 FY2011. Operational Profit for the period attributable to equity holders grew by 14.9% to S\$128.5 million compared to S\$111.8 million achieved in the previous corresponding period.

H1 FY2012: Net profit after tax increased by 6.4% to S\$186.8 million for H1 FY2012 from S\$175.5 million in H1 FY2011. Operational Profit for the period attributable to equity holders grew by 14.9% to S\$162.7 million compared to S\$141.6 million achieved in the previous corresponding period.

Statement of financial position & Cash Flow

During H1 FY2012, the industry continued to experience significant volatility in the prices of various commodities. The application of provisions under FRS39 affects equity and fair value of derivative financial instruments in the statement of financial position. Since we participate in this industry as supply chain managers and not as positional / directional traders, market volatility, as in past periods, has had limited impact on the profitability of the Group during the period.

Property, plant and equipment

During H1 FY2012, property, plant and equipment increased from S\$1,576.7 million to S\$1,825.6 million. The increase of S\$248.9 million was mainly on account of capex investments in farming in the USA, wheat mill in Ghana, Palm plantation in Gabon.

Current Assets

Debtors Analysis

Debtor days as at 31 December 2011 increased to 34 days as compared to 27 days as at 31 December 2010.

Stocks

Stock turnover days increased to 119 days as at 31 December 2011, as compared to 101 days as at 31 December 2010. Stock value increased by S\$985.4 million to S\$4,569.5 million, from S\$3,584.1 million as on 30 June 2011 due to increased procurement as the agricultural seasons got under way in origins.

Advance to Suppliers

Advance to suppliers days decreased to 7 days as at 31 December 2011 from 12 days as at 31 December 2010. The advances increased from S\$222.2 million as at 30 June 2011 to S\$278.1 million as at 31 December 2011.

Cash and Fixed Deposits

Cash and Fixed Deposits increased by 32.4% to S\$1,154.6 million as of 31 December 2011 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\$7,484.2 million as of 31 December 2011 from S\$6,580.6 million as of 30 June 2011. This increase was mainly on account of drawdown of the long-term facilities pending deployment in working capital / M&A / capex projects. The borrowings, net of cash and cash equivalents, increased by S\$621.3 to S\$6,329.6 million as compared to S\$5,708.3 million as at 30 June 2011.

Equity

Total share capital and reserves (before Fair Value Adjustment Reserves and Non-controlling interest) increased by 26.3% from S\$2,568.1 million as of 30 June 2011 to S\$3,243.4 million as of 31 December 2011 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\$63.1) million as of 31 December 2011.

Net Debt to Equity decreased from 2.22x as of 30 June 2011 to 1.95x as of 31 December 2011.

During H1 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 materialize 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.

11. Dividend

- (a) Current Financial Period Reported on 31 December 2011.

Any dividend recommended for the current financial period reported on?

NIL

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

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

NIL

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

N.A

(d) Date payable

N.A

(e) Books closure date

N.A

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

N.A.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii).

N. A.

Confirmation of the Board

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

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for period ended 31 December 2011 to be false or misleading in any material aspects.

On behalf of the Board of Directors

R. Jayachandran
Chairman

Sunny George Verghese
Group Managing Director & CEO

BY ORDER OF THE BOARD

Sunny George Verghese
Group Managing Director & CEO

14 February 2012