



**Olam International Limited**  
9 Temasek Boulevard  
#11-02 Suntec Tower Two  
Singapore 038989  
telephone 65 63394100  
facsimile 65 63399755  
Website [www.olamonline.com](http://www.olamonline.com)  
Regn no. 199504676-H

## NEWS RELEASE

### **OLAM INTERNATIONAL REPORTS 21.3% GROWTH IN PROFIT AFTER TAX AND MINORITY INTEREST TO S\$197.3 MILLION FOR H1 FY2013**

#### **H1 FY2013 : Financial Highlights**

- Sales Volume of 7.8 million tonnes, up 71.9%
- Sales Revenue of S\$9.6 billion, up 24.3%
- Net Contribution (NC) of S\$734.3 million, up 21.0%
- Profit After Tax and Minority Interest (PATMI) at S\$ 197.3 million, up 21.3%
- Excluding exceptional items, PATMI at S\$179.2 million, a growth of 10.1%
- Food category Sales Volume up 83.1%, NC up 20.0%
- Industrial Raw Materials Sales Volume up 16.1%, NC up 45.0%
- EPS of 7.8 cents/share, up 17.8%

#### **H1 FY2013: Other Highlights**

- Completed transaction for the sale & lease back of 4,795 acres of Almond Orchards in California releasing cash of S\$68.5 million and resulting in a net gain (after tax) of S\$18.1 million
- Announced acquisition of Northern Coffee Corporation for US\$6.2 million, 50% of Acacia investments for US\$35 million to expand edible oil refining and distribution in East Africa, Dehydro Foods Limited, a leading processor of dehydrated onions in Egypt for US\$30.8 million and Seda Solubles, a soluble coffee manufacturer in Spain for US\$52 million. All these acquisitions are "On-Plan" and "On-Strategy"
- Completed the acquisition of the remaining shares of New Zealand Farming Systems Uruguay Limited ("NZFSU") and delisted the company from the NZX Main Board
- Announced the termination of the proposed US\$240 million investment in Usina Acucareira Passos ("UAP"), an integrated sugar milling operation in Brazil



Consolidated Financial Results Ended Dec 31	First Half			Second Quarter		
	H1 FY2013	H1 FY2012	Change	Q2 FY2013	Q2 FY2012	Change
Sales Volume (MMT)	7.772	4.523	71.9%	4.092	2.660	53.8%
Sales Revenue (S\$ million)	9,589.5	7,716.4	24.3%	4,900.4	4,487.1	9.2%
NC (S\$ million)	734.3	607.1	21.0%	422.9	355.1	19.1%
PAT (S\$ million)	193.1	186.8	3.4%	151.3	153.5	-1.4%
Exceptional Items (S\$ million)	18.1	-	n.m.	18.1	-	n.m.
<b>PATMI (S\$ million)</b>	<b>197.3</b>	<b>162.7</b>	<b>21.3%</b>	<b>154.1</b>	<b>128.5</b>	<b>19.9%</b>
PATMI (Excluding Exceptional Items) (S\$ million)	179.2	162.7	10.1%	136.1	128.5	5.9%
EPS (cents/share)	7.8*	6.7*	17.8%	6.2**	5.3**	18.7%

\* Based on weighted average number of shares of 2,390,213,869 for H1 FY2013 (compared to weighted average number of shares of 2,442,280,702 for H1 FY2012)

\*\* Based on weighted average number of shares of 2,390,213,869 for Q2 FY2013 (compared to weighted average number of shares of 2,442,326,536 for Q2 FY2012)

Singapore, February 7, 2013 – Olam International Limited (“Olam” or “the Company”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today reported a 21.3% growth in Profit After Tax and Minority Interest (PATMI) of S\$197.3 million for H1 FY2013 compared to S\$162.7 million in H1 FY2012. Excluding exceptional items, PATMI increased by 10.1% to S\$179.2 million in H1 FY2013. Sales Revenue increased by 24.3% to S\$9.59 billion as Sales Volume grew 71.9% to 7.8 million metric tonnes. Overall NC grew 21.0% to S\$734.3 million.

The Food category, which accounted for 88.6% of total volumes, 76.9% of total revenue and 88.4% of total NC, saw Sales Volume increase by 83.1% and NC by 20.0% compared to H1 FY2012. Sales Volume for the Non-food category improved by 16.1% and NC increased by 29.2% as the Industrial Raw Materials segment reported a 45.0% growth in NC which was partially offset by the decline in NC from the Commodity Financial Services segment.

Olam’s Group MD & CEO, Sunny Verghese said: “We are pleased with the overall results of the Company for H1 FY2013 where we continue to see healthy growth rates in the Food Category and a recovery in the Cotton business within the Industrial Raw Materials segment. We have also successfully stabilised the situation that surrounded the Company in the recent past and the endorsement that we received for our recent Renounceable Rights Issue of Bonds with Warrants has further strengthened the Company’s financial position. We are grateful for the strong support that we have received from our shareholders, bondholders, lenders, customers, suppliers and employees during this period.”



Olam's Executive Director of Finance and Business Development, Shekhar Anantharaman said: "The Company's H1 FY2013 results show substantial increase in volumes and sales revenues which underpinned the growth in overall NC. It is encouraging to note that growth in earnings in H1 FY2013 was driven by both the core business as well as the investments made in the recent past."

Shekhar Anantharaman also added: "We have successfully completed a transaction for the sale and lease back of 4,795 acres of Almond Orchards in California which releases cash and will enhance returns. It also provides a model for replicating this structure in other platforms and geographies. We completed the planned investments in edible oil (East Africa), dehydrates (Egypt), soluble coffee (Spain), coffee plantation (Zambia) and dairy farming (Uruguay) while we chose to terminate the previously announced acquisition of sugar milling assets in Brazil where we could not reach a satisfactory agreement with the vendors on commercial terms."

### Segmental Review

Edible Nuts, Spices & Beans	First Half			Second Quarter		
	H1 FY2013	H1 FY2012	Change	Q2 FY2013	Q2 FY2012	Change
Sales Volume (metric tonnes)	720,816	640,690	12.5%	300,901	274,652	9.6%
Sales Revenue (\$m)	1,345.62	1,143.57	17.7%	760.20	624.34	21.8%
NC (\$m)	180.5	152.4	18.5%	82.9	72.5	14.3%
NC Per Tonne (\$)	250	238	5.3%	275	264	4.3%

The **Edible Nuts, Spices & Beans** segment grew Sales Volume by 12.5% and NC by 18.5% during H1 FY2013. The growth in volume came from both existing businesses as well as the acquired Hazelnuts business in Turkey. The Peanut business continued to perform well, boosted by a large crop in the US which aided full capacity utilisation at the blanching facilities. The business performed above plan despite falling markets. The dehydrates business within the Spices & Vegetable Ingredients platform and the Sesame business also turned in a strong performance during this period.



Confectionery & Beverage Ingredients	First Half			Second Quarter		
	H1 FY2013	H1 FY2012	Change	Q2 FY2013	Q2 FY2012	Change
Sales Volume (metric tonnes)	701,339	729,816	-3.9%	391,563	443,662	-11.7%
Sales Revenue (S\$m)	2,341.73	2,880.71	-18.7%	1,079.70	1,786.96	-39.6%
NC (S\$m)	170.5	163.3	4.4%	100.6	100.1	0.5%
NC Per Tonne (S\$)	243	224	8.6%	257	226	13.9%

The **Confectionery & Beverage Ingredients** segment registered an NC growth of 4.4% despite a volume decline of 3.9% in H1 FY2013 due to extended sales and shipment schedules from some major cocoa and coffee origins. Robusta coffee origination out of Indonesia performed ahead of plan. NC growth was achieved on account of both improving supply chain margins, as well as enhanced margins resulting from investments in upstream coffee plantations and midstream cocoa processing in Spain and UK.

Food Staples & Packaged Foods	First Half			Second Quarter		
	H1 FY2013	H1 FY2012	Change	Q2 FY2013	Q2 FY2012	Change
Sales Volume (metric tonnes)	5,465,823	2,390,470	128.7%	2,868,507	1,493,233	92.1%
Sales Revenue (S\$m)	3,687.84	1,962.50	87.9%	1,773.07	1,013.58	74.9%
NC (S\$m)	298.2	225.5	32.2%	187.2	144.3	29.7%
NC Per Tonne (S\$)	55	94	-42.2%	65	97	-32.5%

The **Food Staples & Packaged Foods** segment's Sales Volume and NC rose 128.7% and 32.2% respectively in H1 FY2013. The Grains business continued to lead volume growth as it generated higher origination and milling volumes. Rice, Palm and the larger Packaged Food businesses also contributed to volume growth. NC per tonne fell to S\$55 from S\$94 a year ago mainly due to the changing product mix within the segment. The period saw a larger increase in Grains origination volumes which has a structurally lower NC per tonne compared to the other product platforms in the segment. Rice, Palm and Packaged Food businesses continued to perform well while Dairy business was behind plan.



Industrial Raw Materials	First Half			Second Quarter		
	H1 FY2013	H1 FY2012	Change	Q2 FY2013	Q2 FY2012	Change
Sales Volume (metric tonnes)	884,403	761,535	16.1%	530,844	448,889	18.3%
Sales Revenue (S\$m)	2,213.63	1,728.88	28.0%	1,287.05	1,061.79	21.2%
NC (S\$m)	94.9	65.5	45.0%	65.8	35.1	87.6%
NC Per Tonne (S\$)	107	86	24.8%	124	78	58.6%

The **Industrial Raw Materials** (IRM) segment recorded a Sales Volume growth of 16.1% and a growth of 45.0% and 24.8% in NC and NC per tonne respectively in H1 FY2013. The Cotton business saw both volume and margin recovery during the period and is expected to stabilise at these levels from H2 FY2013. The Wool and Rubber businesses were on track while Wood products remained flat. The SEZ business had a lower contribution in H1 FY 2013 compared to the prior corresponding period.

The **Commodity Financial Services** (CFS) segment reported a loss at NC level of S\$9.8 million in H1 FY2013 compared to a gain of S\$0.4 million in H1 FY2012 due to difficult trading conditions. While some recovery is anticipated in H2 FY2013, overall performance for CFS is expected to be below plan for FY2013.

## Outlook and Prospects

The Company operates in an attractive sector with strong growth prospects. Major secular trends favour the continuing growth and attractive characteristics of the industry.

The Company is currently in the process of recalibrating its strategy and is expected to complete the exercise within the next three months after which a suitable announcement will be made.

. . . . .

## Note:

*This release should be read and understood only in conjunction with the full text of Olam International Limited's H1 FY2013 Financial Statements lodged on SGXNET on February 7, 2013.*



### **About Olam International Limited**

*Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, supplying various products across 16 platforms to over 12,300 customers worldwide. From a direct presence in more than 65 countries with sourcing and processing in most major producing countries, Olam has built a global leadership position in many of its businesses, including Cashew, Spices & Vegetable Ingredients, Cocoa, Coffee, Rice, Cotton and Wood Products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. Olam is the only Singapore firm to be named in the 2009, 2010 and 2012 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region by Hewitt Associates, the RBL Group and Fortune. More information on Olam can be found at [www.olamonline.com](http://www.olamonline.com).*

---

ISSUED ON BEHALF OF	:	Olam International Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 1 Raffles Place #26-02 OUB Centre Singapore 048616

#### **For Olam**

CONTACT	:	Mr Aditya Renjen - General Manager, Investor Relations Ms Chow Hung Hoeng - Associate GM, Investor Relations
DURING OFFICE HOURS	:	+ 65 66031104 / 63179471 (Office)
AFTER OFFICE HOURS	:	+ 65 96570339 / 98346335 (Mobile)
EMAIL	:	Aditya.Renjen@olamnet.com chow.hunghoeng@olamnet.com

#### **For CDRI.MAGE**

CONTACT	:	Ms Dolores Phua / Ms Pearl Lam
DURING OFFICE HOURS	:	+65 65345122 (Office)
AFTER OFFICE HOURS	:	+65 97508237 / 9781 3518 (Mobile)
EMAIL	:	dolores.phua@citigatedrimage.com / pearl.lam@citigatedrimage.com

---