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NEWS RELEASE

OLAM INTERNATIONAL ACHIEVES 63.5% GROWTH IN H1 FY2011 NET PROFITS (EXCLUDING EXCEPTIONAL GAIN*) TO S\$141.9M

- Olam's Net Profits (excluding exceptional gain*) in Q2 FY2011 grew 65.6% to S\$112.2 million.

H1 FY2011: Financial Highlights

- Sales Volume of 3.9 million tonnes, up 15.6%
- Sales Revenue of S\$6.48 billion, up 40.5%
- Net Contribution (NC) up 41.9% to S\$512.5 million, NC per tonne up 22.7% to S\$131
- Broad-based growth in NC and NC per tonne across all business segments
- Net Profit After Tax (excluding exceptional gain*) up 63.5% to S\$141.9 million
- Net Profit After Tax (including exceptional gain*) down 1.3% to S\$175.5 million
- EPS (excluding exceptional gain*) up 55.1% to 6.75 cents; EPS (including exceptional gain*) down 6.3% to 8.35 cents

Consolidated Financial Results Ended December 31	First Half			Quarter 2		
	FY2011	FY2010	Change (%)	FY2011	FY2010	Change (%)
Sales Volume (metric tonnes)	3,904,808	3,376,577	15.6	2,322,678	2,102,192	10.5
Sales Revenue (S\$m)	6,476.7	4,609.7	40.5	4,025.6	2,733.1	47.3
Net Contribution (NC) (S\$m)	512.5	361.1	41.9	309.6	216.7	42.9
Net Profit After Tax (S\$m) (excluding exceptional gain*)	141.9	86.8	63.5	112.2	67.8	65.6
Net Profit After Tax (S\$m) (including exceptional gain*)	175.5	177.9	(1.3)	145.8	158.9	(8.2)
EPS (cents) (excluding exceptional gain*)	6.75**	4.35**	55.1	5.26***	3.39***	55.3
EPS (cents) (including exceptional gain*)	8.35**	8.92**	(6.3)	6.84***	7.95***	(14.0)

* Negative goodwill on acquisitions (net of transaction costs).

** Based on weighted average number of shares of 2,097,704,214 shares for H1 FY2011 and 1,995,365,419 shares for H1 FY2010.

*** Based on weighted average number of shares of 2,124,871,583 for Q2 FY2011 (compared to weighted average number of shares of 1,999,485,205 for Q2 FY2010).



Singapore, February 14, 2011 – Olam International Limited (“Olam” or the “Company”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today reported a Net Profit After Tax (excluding exceptional gain) of S\$141.9 million for the first half ended December 31, 2010 (“H1 FY2011”), a growth of 63.5% compared to S\$86.8 million achieved in the previous corresponding period (“H1 FY2010”). Net Profit After Tax (including exceptional gain) for H1 FY2011 was S\$175.5 million, a 1.3% drop compared to S\$177.9 million achieved in H1 FY2010.

The H1 FY2011 results included exceptional gain amounting to S\$33.6 million arising from the negative goodwill (net of transaction costs) of NZ Farming Systems Uruguay (NZFSU) in December 2010. As against this, in H1 FY2010 the company recorded exceptional gain of S\$91.1 million for the acquisition of tomato processing assets in California in Q2 FY2010.

Net Profit After Tax (excluding exceptional gain) in Q2 FY2011 grew by 65.6% to S\$112.2 million from S\$67.8 million in Q2 FY2010. Net Profit after Tax (including exceptional gain) for the second quarter ended December 31, 2010 (“Q2 FY2011”) was S\$145.8 million compared to S\$158.9 million reported in the previous corresponding quarter (“Q2 FY2010”) due to lower exceptional gain recorded in Q2 FY2011.

Olam’s Group CFO, Krishnan Ravikumar explained the results: “The strong growth of 63.5% in operational net profits (excluding exceptional gain) in H1 FY2011 was driven by a 15.6% increase in Sales Volume and a 22.7% rise in Net Contribution per tonne. All five business segments, namely Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients, Food Staples & Packaged Foods, Industrial Raw Materials and Commodity Financial Services, contributed to the growth in NC.

“We continue to make disciplined and balanced capital allocation decisions to change the shape of our portfolio and enhance our margins. We are particularly pleased to have improved our cash-to-cash cycle materially during this period, which helped mitigate an increase in working capital requirements resulting from sharply rising commodity prices,” he added.

Olam’s Group Managing Director and CEO, Sunny Verghese said: “The Olam business model continues to deliver as we execute our strategy with discipline and rigour. Our H1 FY2011 interim results provide further evidence of the full effectiveness and future potential of our growth strategy. We have begun to reshape our portfolio by investing selectively in attractive-return upstream (plantations) and midstream (value-added processing) growth initiatives, which has helped us to enhance margins. We have also built a diversified portfolio focused on the agri-complex (comprising 20 agricultural commodities with a direct Olam presence in 65 countries) that improves the stability of our earnings profile.”



Group Financial Review

The company has had a strong H1 FY2011 with record growth (up 63.5%) in earnings (excluding exceptional gain). The period was characterised by sharply rising commodity prices with several agricultural commodities reaching historical or lifetime highs. In addition to rising prices, there was a substantial increase in volatility across the global agricultural sector.

Olam's diversified product portfolio, origination and distribution reach, and selective integration across the agri-business value chain, combined with strong risk management capabilities, has allowed the Company to grow profitably under these market conditions. Strong execution of the Company's strategy by expanding upstream selectively to include plantations (perennial tree crop plantation investments including palm, rubber, almonds and coffee), farming (annual crop farming investments including peanuts, soyabean and rice farming), hardwood forest concessions and dairy farming, as well as selective integration into midstream value-added processing activities (including cocoa processing, soluble coffee manufacturing, tomato paste manufacturing, peanut paste manufacturing, spice grinding, dehydrates manufacturing), have all contributed to generating solid returns and enhancing the Company's margins in H1 FY2011.

During H1 FY2011, Sales Volume rose 15.6% to 3.9 million metric tonnes. Sales Revenue grew 40.5% to S\$6.48 billion as commodity prices increased substantially during the period. NC surged 41.9% to S\$512.5 million as a result of both higher Sales Volume and enhanced margin per tonne, with margins increasing 22.7% from S\$107 to S\$131. Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients, Food Staples & Packaged Foods and Industrial Raw Materials segments all contributed strongly to the growth in Sales Volume and NC during this period.

Q2 FY2011 registered a 10.5% increase in Sales Volume; higher commodity prices supported the rise in Sales Revenue by 47.3%. NC grew 42.9% as per tonne margin improved 29.4% from S\$103 to S\$133.

Segmental Review

Edible Nuts, Spices & Beans	First Half			Quarter 2		
	FY2011	FY2010	Change (%)	FY2011	FY2010	Change (%)
<i>Sales Volume (metric tonnes)</i>	560,695	511,009	9.7	232,867	190,877	22.0
Sales Revenue (S\$m)	1,014.8	699.7	45.0	589.5	344.3	71.2
NC (S\$m)	111.8	73.6	52.0	56.7	31.0	82.9
NC Per Tonne (S\$)	199	144	38.6	243	162	50.0

The **Edible Nuts, Spices & Beans** segment recorded Sales Volume and NC growth of 9.7% and 52.0% in H1 FY2011 and 22.0% and 82.9% in Q2 FY2011 respectively. The overall lower volume growth in H1 FY2011 was due to the Company's exit from the Pulses business, beginning in Q1 FY2011. However, the segment showed strong NC growth as a result of the consolidation of the results of Gilroy Foods & Flavors from Q1 FY2011, combined with a substantially better performance by the Sesame and Edible Nuts businesses. Olam had also scaled up its peanut farming operations in Argentina during this period.

Confectionery & Beverage Ingredients	First Half			Quarter 2		
	FY2011	FY2010	Change (%)	FY2011	FY2010	Change (%)
<i>Sales Volume (metric tonnes)</i>	645,698	586,822	10.0	413,965	363,567	13.9
Sales Revenue (S\$m)	2,420.4	1,651.2	46.6	1,687.3	990.3	70.4
NC (S\$m)	123.2	86.6	42.2	79.1	52.1	51.7
NC Per Tonne (S\$)	191	148	29.3	191	143	33.2

The **Confectionery & Beverage Ingredients** segment grew its Sales Volume by 10.0% and 13.9% in H1 FY2011 and Q2 FY2011 respectively. NC grew by 42.2% and 51.7% in H1 FY2011 and Q2 FY2011 respectively. The Cocoa business remained relatively unaffected by the political uncertainty in Cote d'Ivoire as Olam managed to procure and ship a large part of its planned Cocoa volumes before the crisis intensified. The impact of a call for a ban on exports from Cote d'Ivoire requested by the European Union remains uncertain, with both the chocolate



industry and exporter groups seeking clarifications. The uncertainties of cocoa supply from Cote d'Ivoire have led to an increase in cocoa prices and selling differentials, resulting in better margins for the business.

The Coffee business also performed well due to a good Robusta crop in Vietnam and improved market shares in Africa, Asia and South and Central America. The soluble coffee business in Vietnam had stabilised and operated near full capacity during this period. The upstream initiative in setting up coffee plantations in Laos was progressing as planned. During the quarter, the Company also set up the sourcing/origination operation in Mexico through the acquisition of coffee operations of the Mercon Group.

Food Staples & Packaged Foods	First Half			Quarter 2		
	FY2011	FY2010	Change (%)	FY2011	FY2010	Change (%)
<i>Sales Volume (metric tonnes)</i>	1,989,513	1,645,338	20.9	1,254,650	1,133,926	10.6
Sales Revenue (\$m)	1,622.9	1,363.4	19.0	902.0	879.8	2.5
NC (\$m)	175.1	128.6	36.1	112.6	83.4	35.0
NC Per Tonne (\$)	88	78	12.5	90	74	22.0

The **Food Staples & Packaged Foods** segment posted Sales Volume growth of 20.9% and 10.6% in H1 FY2011 and Q2 FY2011 respectively. It also experienced robust NC growth of 36.1% and 35.0% in both periods respectively. The Wheat business led the growth in Sales Volume as market share in Africa increased during this period. While the Rice, Sugar and Packaged Foods businesses performed in line with expectations, the Dairy business had to contend with difficult trading conditions and lower industry margins, with sales prices lagging behind buying prices and the consolidation of operating losses from NZFSU. Upon assuming control of NZFSU, Olam had taken significant steps to reshape strategy and revamp the management of the company. Olam expects these efforts to start producing more positive results over the next few years.

Industrial Raw Materials	First Half			Quarter 2		
	FY2011	FY2010	Change (%)	FY2011	FY2010	Change (%)
<i>Sales Volume (metric tonnes)</i>	708,902	633,408	11.9	421,196	413,822	1.8
Sales Revenue (S\$m)	1,418.5	895.4	58.4	846.8	518.7	63.3
NC (S\$m)	86.2	58.7	46.8	49.5	33.7	46.7
NC Per Tonne (S\$)	122	93	31.1	117	81	44.2

The **Industrial Raw Materials** segment reported Sales Volume growth of 11.9% and 1.8% in H1 FY2011 and Q2 FY2011 respectively. It generated strong NC growth of 46.8% and 46.7% during these respective periods, largely driven by the Cotton business. Supply shortages due to adverse weather conditions and export restrictions resulted in higher and more volatile cotton prices during this period, which in turn led to the industry switching to more reliable counterparties like Olam for the supply of cotton. Unprecedented floods in Queensland are likely to have some impact on the ginning volume and ginning revenue for FY2011. The Company has factored this in while accessing the prospects for this segment for the rest of FY2011. However, the exact impact cannot be reliably estimated till the harvest is completed in Q3 FY2011. As a global player, Olam was able to simultaneously increase market share and command counterparty premiums in supply constrained conditions.

The **Commodity Financial Services (CFS)** segment had a good quarter and contributed to 3.2% of the Group's NC with S\$16.2 million as against a NC of S\$13.6 million in H1 FY2010. The performance of the Relative Value Fund (Ektimo) was positive during this period and in line with the Company's initial projections. The other activities of the group, namely market-making of commodity options and risk management solutions, continue to develop in line with business plans.



Outlook and Prospects

Given the strong performance recorded by the Company in H1 FY2011 and the continued execution of long term strategic growth plans, the Company continues to be positive about its prospects for the remainder of FY2011.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's H1 FY2011 and Q2 FY2011 Financial Statements lodged on SGXNET on February 14, 2011.



About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,100 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, rice, cotton and wood products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. Olam is the only Singapore firm to be named in the 2009 and 2010 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region by Hewitt Associates, the RBL Group and Fortune. More information on Olam can be found at www.olamonline.com.

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