



Olam International Limited
 9 Temasek Boulevard
 #11-02 Suntec Tower Two
 Singapore 038989
 telephone 65 63394100
 facsimile 65 63399755
 Website www.olamonline.com
 Regn no. 199504676-H

NEWS RELEASE

OLAM INTERNATIONAL REPORTS 50.3% RISE IN FULL YEAR FY2009 NET PROFITS TO S\$252.0 MILLION

- Net profit grew 20.9% to S\$182.2 million excluding one-off items
- Acquisition-led growth strategy working well with acquisitions accounting for 16.3% of total Sales Volumes and 23.5% of total Net Contribution

FY2009 Financial Highlights

- Sales Volumes up 16.1% to 5.72 million tonnes, with growth from all four segments
- Net Contribution (NC) up 15.9% to S\$600.8 million, with growth from all four segments.
- Net Profit After Tax (NPAT) up 50.3% to S\$252.0 million. Excluding one-off, non-recurring items in FY2009 and FY2008, NPAT grew 20.9% to S\$182.2 million.
- EPS up 43.1% to 14.7 cents
- Board recommends First & Final dividend of 3.5 cents per share (FY2008: 2.5 cents).

Financial Highlights	Year Ended			Quarter 4		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	5,720,640	4,926,363	16.1	1,344,694	1,172,195	14.7
Sales Revenue (S\$ million)	8,587.9	8,111.9	5.9	2,438.9	2,382.2	2.4
NC (S\$ million)	600.8	518.3	15.9	162.2	154.4	5.0
NPAT (S\$ million)	252.0	167.7	50.3	46.7	64.9	(28.0)
EPS (cents per share)	14.7*	10.2	43.1	2.7**	3.5	(22.2)
ROE (BOP _E)***	29.9%	28.7%	-	-	-	-
ROIC (Average)	14.7%	13.2%	-	-	-	-



** Based on weighted average number of shares of 1,713,478,345 for FY2009 (compared to weighted average number of shares of 1,631,228,890 for FY2008).*

*** Based on weighted average number of shares of 1,713,921,991 for Q4 FY2009 (compared to weighted average number of shares of 1,590,921,777 for Q4 FY2008).*

**** Based on beginning of period equity (BOP_E)*

Singapore, August 27, 2009 - Olam International Limited ("Olam" or the "Group"), a leading global, integrated supply chain manager of agricultural products and food ingredients, today reported a Net Profit After Tax of S\$252.0 million for the full year ended June 30, 2009 ("FY2009"), a 50.3% increase over the previous year ("FY2008").

The results for FY2009 included a one-off net gain of S\$80.6 million arising from the buy-back of convertible bonds and an asset impairment loss of S\$10.8 million, while FY2008 had a one-off tax gain of S\$11.4 million and a S\$5.5 million impact from negative goodwill recognition. Excluding these one-off, non-recurring items, Net Profit After Tax grew by 20.9% from S\$150.8 million in FY2008 to S\$182.2 million in FY2009.

Olam's CFO, Krishnan Ravikumar stated: "We achieved an overall volume growth of 16.1% and NC growth of 15.9% with growth from all four segments including the Industrial Raw Materials segment, which had a difficult year due to the global economic slowdown." Another key reason for the strong earnings growth, he added, was that NC from acquisitions grew by 57.3% during the year.

Said Olam's Group Managing Director and CEO Sunny Verghese: "Our combination of organic and acquisition-led growth strategy has worked well for us; we have been successful in strengthening our core positions and acquiring value-accretive businesses during the year. More importantly, we were able to integrate these businesses well, extracting synergies and thereby adding value to the businesses we acquired.

"We have consistently focused on three key sources of intrinsic value namely improving capital spreads, increasing the rate of profitable growth and sustaining this growth over time. We met our targets in FY2009, achieving a ROE of 29.9% compared to 28.7% in FY2008. Our ROIC grew from 13.2% in FY2008 to 14.7% in FY2009. We will continue to remain focused on making investment choices and taking capital allocation decisions that maximise intrinsic value for our shareholders," he added.



Group Financial Review

Olam delivered strong performance in three out of the four segments in FY2009. The three segments, namely the Edible Nuts, Spices & Beans segment, the Confectionery & Beverage Ingredients segment and the Food Staples & Packaged Food segment, are all food raw materials and ingredients. These three segments, which accounted for 82.9% of revenues in FY2009, reported double-digit growth in volume and NC and higher NC per tonne, confirming that demand for these products is relatively more recession resilient. Combined Sales Volume and NC for these three segments grew by 19.9% and 21.2% respectively in FY2009 compared to FY2008.

The Industrial Raw Materials segment (earlier called the Fibre & Wood Products segment), comprising Cotton, Wool, Rubber and Wood Products, accounted for 17.1% of revenues in FY2009. Demand for these products faced a sharp contraction in FY2009 given their relative sensitivity to the global economic slowdown. Despite such difficult conditions, volume grew by 2.7% and NC by 1.6% in this segment.

Consolidated NC per tonne remained unchanged at S\$105 from the previous financial year.

The new acquisitions, including joint ventures and associates, showed a strong performance during FY2009 with volume growing at 135.6% and NC at 57.3%, contributing significantly to the Group's overall performance. Their share of Group volumes doubled from 8.0% to 16.3% and share of NC increased from 17.3% to 23.5%.

Segmental Review

Edible Nuts, Spices & Beans	Full Year			Quarter 4		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	975,937	827,129	18.0	358,195	325,851	9.9
Sales Revenue (S\$ million)	1,200.1	1,168.9	2.7	397.5	409.5	(2.9)
NC (S\$ million)	155.1	128.0	21.2	53.6	56.2	(4.6)
NC Per Tonne (S\$)	159	155	2.6	150	173	(13.3)

The **Edible Nuts, Spices & Beans** segment recorded a volume growth of 18.0% and NC growth of 21.2% with NC per tonne increasing from S\$155 in FY2008 to S\$159 in FY2009. The improvement in volume and NC came mainly from Cashew and the Spices & Dehydrates businesses.



Cashew volumes grew even as market conditions were less favourable compared to FY2008. This above market performance was due to Olam's diversified markets exposure in Asia and the Middle East which grew strongly during this period, as well as Olam's ability to gain market share from fringe players who were not able to cope as effectively with the impact of the global financial crisis.

The Spices & Dehydrates business reported strong sales volume and NC improvement, as Olam successfully captured strong demand pull by retail buyers, including specialty and private label players, offsetting the lower off-take from the industrial and food service segments. NC margins increased on account of enhanced product offerings.

Confectionery & Beverage Ingredients	Full Year			Quarter 4		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	1,169,601	1,046,562	11.8	204,227	246,440	(17.1)
Sales Revenue (S\$ million)	3,783.1	3,188.9	18.6	1,198.3	723.5	65.6
NC (S\$ million)	168.5	148.4	13.5	44.9	41.9	7.2
NC Per Tonne (S\$)	144	142	1.4	220	170	29.4

The **Confectionery & Beverage Ingredients** segment reported 11.8% growth in volume and 13.5% increase in NC. NC per tonne rose from S\$142 in FY2008 to S\$144 in FY2009.

Despite sporadic supply disruptions during the year, Coffee volumes increased significantly compared to FY2008 with improved global market share as the company initiated sourcing and distribution of Coffee locally for the Brazilian market and deepened upcountry sourcing presence and processing volumes in Colombia, Peru and Honduras. Coffee also improved margins by expanding sourcing and production of sustainable coffees for markets in Europe.

Cocoa experienced extremely tough market conditions, particularly in the second half of the year, resulting in modest growth in FY2009. This was a result of an overall short crop and sharply lower than expected grinding and chocolate consumption during the year. In spite of these market conditions, Olam continued to consolidate its position as one of the leading originators of Cocoa by growing its market share in Asia and in most African origins.



Food Staples & Packaged Foods	Full Year			Quarter 4		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	2,451,161	1,958,791	25.1	493,944	315,830	56.4
Sales Revenue (S\$ million)	2,139.6	2,027.5	5.5	459.8	597.5	(23.0)
NC (S\$ million)	135.5	102.5	32.2	20.0	12.0	66.1
NC Per Tonne (S\$)	55	52	5.8	41	38	7.9

Sales volume and NC for the **Food Staples & Packaged Foods** segment grew by 25.1% and 32.2% respectively in FY2009. NC per tonne improved from S\$52 in FY2008 to S\$55 in FY2009.

The Rice business embarked on several initiatives to increase its participation with deeper penetration in higher margin segments, origination and logistics, which helped secure increased volumes and margins during the year. Dairy Products experienced very difficult market conditions in China, Russia and Ukraine due to the global economic downturn. It generated marginally higher volume and NC growth in FY2009 as the company expanded in specialty products, increased its volume off-take from Open Country Dairy and introduced new products in new markets in Africa to offset lower sales into Russia and China. Increased Sugar volumes came from larger sourcing volumes in Brazil and sales into Russia and the CIS, where volumes doubled compared to the previous year. The new Grains business had a strong start during the year and contributed to the segment's growth in volume and NC, with wheat and barley exports from Australia into South and South-East Asian markets, wheat exports from Russia into the Mediterranean and from Argentina to Brazil. The Packaged Foods business had a good year as sales into West Africa improved and Olam became the second largest supplier of tomato paste into West Africa.



Industrial Raw Materials	Full Year			Quarter 4		
	FY2009	FY2008	Change (%)	FY2009	FY2008	Change (%)
Sales Volume (metric tonnes)	1,123,941	1,093,881	2.7	288,329	284,121	1.5
Sales Revenue (S\$ million)	1,465.1	1,726.6	(15.1)	383.4	651.7	(41.2)
NC (S\$ million)	141.7	139.5	1.6	43.7	44.3	(1.3)
NC Contribution Per Tonne (S\$)	126	127	(0.8)	152	156	(2.6)

The Industrial Raw Materials segment showed a creditable performance in spite of it being more recession sensitive relative to the other three are food ingredient segments. Volumes grew by 2.7% even as demand weakened significantly during the year. While revenues fell 15.1% due to lower prices, NC grew by 1.6% to S\$141.7 million.

The Cotton business ended the year on a positive note, registering an overall growth in volume after two consecutive quarters of lower demand and rapid destocking by textile mills. Queensland Cotton's profitability returned to positive territory in FY2009 as a result of its US and Brazil operations performing better than expectations.

The global economic downturn had a significant impact on the global housing market with construction activity and furniture manufacturing activities registering a steep decline in all countries, more specifically in China, India, Vietnam and Europe, which are the key markets for Wood Products. This, in turn, resulted in a slowdown of demand, which impacted sales volume and margin growth in this segment during the year.

Prospects

The Group will continue to execute a growth strategy over the next six years by pursuing integrated value-chain leadership in selected products, selectively expanding its value-chain participation across products and leveraging the assets and capabilities developed over the past few years. Olam will continue to grow its existing supply chain business to its full potential.

Even as the global economy is showing early signs of recovery, Olam expects end-markets, particularly those for Cocoa, Industrial Raw Materials, to experience a slow recovery in FY2010 after the sharp contraction of demand witnessed over the past two quarters. Earnings growth in FY2010 is expected to come from higher market share in the less recession sensitive food raw materials and ingredients businesses, given Olam's stronger competitive position and new earnings contribution from acquisitions completed in FY2009.



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Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's FY2009 Financial Statements lodged on SGXNET on August 27, 2009.

About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 60 countries and supplying them to over 6,500 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, peanuts, 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. More information on Olam can be found at 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 Vasanth Subramanian, Senior Vice President (Investor Relations) Ms Chow Hung Hoeng, Manager (Investor Relations)
DURING OFFICE HOURS	:	+65 6508-9632 / 6317-9471 (Office)
AFTER OFFICE HOURS	:	+65 9785-2593 / 9834-6335 (Mobile)
EMAIL	:	vasanth_s@olamnet.com / chow.hunghoeng@olamnet.com
For CDRI.MAGE		
CONTACT	:	Ms Dolores Phua / Ms Carol Wee
DURING OFFICE HOURS	:	+65 6534-5122 (Office)
AFTER OFFICE HOURS	:	+65 9750-8237 / 9730-5754 (Mobile)
EMAIL	:	dolores.phua@citigatedrimage.com / carol.wee@citigatedrimage.com
