



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 RECORD RESULTS

- **Net Profit for the Full Year FY2010 grew 42.7% to S\$359.7 million and Q4 FY2010 Net Profits grew 98.3% to S\$92.6 million**
- **Net Profit for the Full Year FY2010 grew 49.3% to S\$272.1 million and Q4 FY2010 Net Profits grew 76.8% to S\$101.5 million excluding exceptional items**
- **Successful execution of growth strategy and selective expansion in upstream and midstream parts of the value chain was achieved faster and yielded better results than planned**
- **Acquisitions have worked well with acquired businesses contributing 29.2% and 34.0% of Net Contribution (NC) and EBITDA respectively**

FY2010 Financial Highlights

- Sales Volume of 7.0 million tonnes, up 22.5%; Sales Revenue of S\$10.5 billion, up 21.7%.
- Gross Contribution (GC) of S\$1.1 billion, up 38%; GC per tonne up 12.6% from S\$134 to S\$151.
- Net Contribution (NC) of S\$901.0 million, up 48.4%; NC per tonne up 21.7% from S\$106 to S\$129.
- Net Profit After Tax (NPAT) up 42.7% to S\$359.7 million. Excluding exceptional items in FY2010 and FY2009, NPAT grew 49.3% to S\$272.1 million. Net Profit Margin excluding exceptional items, up by 50 basis points to 2.6%.
- EPS up 21.8% to 17.92 cents. EPS up 33% to 14.58 cents excluding exceptional items (in both years).
- Board recommends final dividend of 2.5 cents per share. Full year dividend, including the declared interim dividend, amounts to 4.5 cents per share compared to 3.5 cents in FY2009.



Financial Highlights	Year Ended			Quarter 4		
	FY2010	FY2009	Change (%)	FY2010	FY2009	Change (%)
Sales Volume (metric tonnes)	7,006,478	5,720,640	22.5	1,845,362	1,344,695	37.2
Sales Revenue (S\$ million)	10,455.0	8,587.9	21.7	3,133.8	2,438.9	28.5
NC (S\$ million)	901.0	607.3	48.3	334.5	168.6	98.0
NPAT (S\$ million)	359.7	252.0	42.7	92.5	46.7	98.3
EPS (cents per share)	17.92*	14.71	21.8	4.58**	2.72	67.6
ROE (BOP _E)	29.3%	26.1%	3.2	-	-	-
ROIC (average)	14.0%	14.7%	(0.7)	-	-	-

* Based on weighted average number of shares of 2,007,397,130 for FY2010 (compared to weighted average number of shares of 1,713,478,345 for FY2009).

** Based on weighted average number of shares of 2,020,076,368 for Q4 FY2010 (compared to weighted average number of shares of 1,714,019,491 for Q4 FY2009).

Singapore, August 26, 2010 - Olam International Limited ("Olam" or the "Group"), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today reported a 42.7% increase in NPAT to S\$359.7 million for the full year ended June 30, 2010 ("FY2010").

The results for FY2010 included net exceptional gains of S\$87.6 million as a result of negative goodwill arising from the completion of the Purchase Price Allocation for tomato processing assets in the US and almond orchards in Australia (net of transaction costs and one-off impairment charges of S\$1.4 million related to certain ginning assets in the US). For reference, FY2009 results also carried net exceptional gains of S\$69.8 million due to the buy-back and exchange of convertible bonds and asset impairment losses. Excluding these exceptional items, NPAT grew by 49.3% from S\$182.2 million in FY2009 to S\$272.1 million in FY2010.

Olam's Group Managing Director and CEO Sunny Verghese said: "We had exceptionally strong fourth quarter results, which led to our achieving full year results well ahead of our earlier expectations. The results achieved reflect substantial progress in achieving the objectives of our growth strategy. That strategy, which includes increasing our participation in attractive parts of the value chain and expanding both our upstream and midstream profile, is generating targeted returns faster than planned. Our net profit margin improved from 2.1% in FY2009 to



2.6% in FY2010, in line with our stated objectives of both diversifying our portfolio and achieving a step up in our margin profile. More importantly, the results are evidence of our execution ability and the inherent value of the strategic initiatives outlined in our long term growth plan. It also shows that our acquisitions pursued since 2007 are working well. Acquisitions are contributing a larger share of our total NC and EBITDA than ever before.”

Mr Verghese added: “We have now executed 15 of the top 20 initiatives identified in our growth plan, with several of these contributing immediately to the bottom line in FY2010. There are some activities which are still in their gestation phase, but we expect positive returns to accelerate from FY2011 in these areas. We are thus still in the early phases of our growth strategy in many areas, even though we are already generating solid returns from many of these investments.”

During the year, Olam strengthened its balance sheet significantly to fund the growth initiatives that will be undertaken over the two three-year planning periods (FY2010-15).

Olam’s CFO, Krishnan Ravikumar stated: “In FY2010, we put in place new equity as well as committed medium to long-term debt to strengthen our balance sheet and support our growth needs. From July 2009 until today, we have raised and are deploying close to US\$2 billion of capital.”

Group Financial Review

Olam delivered a robust Sales Volume growth of 37.2%, with revenues rising by 28.5% for the fourth quarter ended June 30, 2010 (“Q4 FY2010”). NC almost doubled to S\$334.6 million as margins improved substantially during the period.

For FY2010, Sales Volume rose 22.5% to 7.0 million metric tonnes, while Sales Revenue increased 21.7% to S\$10.5 billion. NC grew by 48.4% to S\$901.0 million on a broader mix of revenues, higher volumes and improved margin per tonne.

The existing businesses and the businesses acquired between FY2007 and FY2010 both contributed to the strong performance during the year. Sales Volume and NC of existing businesses increased 18.7% and 36.9% respectively. NC margin of existing businesses rose from 6.2% in FY2009 to 7.2% in FY2010. Sales Volume and NC from acquired businesses grew by 42.0% and 85.7% respectively, as Olam continued to execute its growth strategy through both organic growth initiatives and selective investments in acquisitions, joint ventures



and alliances. The EBITDA margin of acquired businesses increased from 5.1% to 12.6% during this period. All acquisitions contributed positively to Olam's performance in FY2010.

Segmental Review

In addition to the four business segments namely, 1) Edible Nuts, Spices & Beans, 2) Confectionery & Beverage Ingredients, 3) Food Staples & Packaged Foods, and 4) Industrial Raw Materials, Olam will now also be reporting its results for the Commodity Financial Services (CFS) business separately. CFS has been formed as a separate and independent business unit to house activities associated with options market-making, risk management solutions and commodity fund management.

To monitor the results against its strategic growth initiatives, from FY2010 onwards, Olam will be tracking its results across the three parts of the value chain, including 1) Supply Chain & Value-added Services, 2) Upstream and 3) Midstream & Downstream, in addition to the five product segments described in the previous paragraph.

All five product segments performed well in the past year, with significantly enhanced margins and broad-based growth in volumes across all four segments.

On a value chain basis, Revenues and NC from the Supply Chain & Value-added Services segment increased 17.3% and 35.3% respectively in FY2010 compared to the year before.

Revenues from Upstream investments rose by more than 10-fold to S\$219.1 million from the prior year as results from investments were consolidated in FY2010. EBITDA increased from S\$13.1 million to S\$98.8 million. Contributing to this growth in EBITDA were almond orchards in Australia, peanut farming in Argentina, palm and rubber plantations in West Africa, rice farming in Nigeria and tropical forestry concessions in Gabon and Mozambique.

Revenues from the Midstream & Downstream segment also increased by a significant 41.4% to S\$1.1 billion. Its EBITDA rose by 61.8% to S\$105.5 million. The key business units which contributed to the growth in EBITDA were Olam Tomato Processors, Universal Blanchers, PT DUS, Crown Flour Mills, Cocoa Processing in Nigeria, Spices Grinding in Vietnam, Key Food Ingredients, Naarden, Rice Milling in India and Packaged Foods distribution in West Africa.

The CFS business contributed S\$25.1 million in NC in FY2010, compared to S\$0.6 million in FY2009. This is largely coming from increased market-making in options and providing risk management solutions to its customers.



Prospects

The Group will continue to execute its strategic growth plan over the next five years by pursuing integrated value-chain leadership in three products, selectively expanding its value-chain participation in seven products, and entering into new adjacent businesses that build on Olam's latent assets and capabilities. Concurrently, Olam will continue to grow, optimise and extract full value from its Supply Chain & Value-added services business.

With a significantly enhanced competitive position, strong platforms in place for continued future growth, and the opportunity to realise synergies between existing and newly acquired businesses, the Group is cautiously optimistic with regard to its growth prospects and the achievement of the strategic and financial targets set out in its forward plans.

.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's FY2010 Financial Statements lodged on SGXNET on August 26, 2010.

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 66 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 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.



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 : Ms Chow Hung Hoeng
Associate General Manager, Investor Relations
DURING OFFICE HOURS : + 65 6317-9471 (Office)
AFTER OFFICE HOURS : + 65 9834-6335 (Mobile)
EMAIL : chow.hunghoeng@olamnet.com

For CDRi.MAGE

CONTACT : Ms Dolores Phua / Ms Andrea Low
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9667-5837 (Mobile)
EMAIL : dolores.phua@citigatedrimage.com /
andrea.low@citigatedrimage.com
