

OLAM INTERNATIONAL LIMITED

Financial Statements for the Fourth Quarter and Full Year Ended 30th June 2008

PART I: Information required for announcements of Quarterly (Q1, Q2 & Q4), Half-Year and Full Year Results.

- 1(a) An income statement 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.

Profit & Loss Statement – Fourth Quarter and Full Year FY2008: Group

(in S\$'000)	Group			Group		
	Twelve Months Ended			Three Months Ended		
	30-Jun-08	30-Jun-07	%	30-Jun-08	30-Jun-07	%
Revenue - Sale of goods	8,111,910	5,455,508	48.7%	2,382,240	1,508,083	58.0%
Other income	40,525	22,125		23,876	7,820	
	8,152,435	5,477,633	48.8%	2,406,116	1,515,903	58.7%
Costs and expenses						
Cost of goods sold	6,519,233	4,256,707		1,958,437	1,182,649	
Shipping and logistics	879,506	661,891		256,907	170,303	
Commission and claims	61,014	68,249		16,132	35,824	
Employee benefit expense	163,580	89,884		52,648	32,916	
Share based expense	5,583	5,594		1,624	1,233	
Depreciation	33,771	17,209		10,768	6,446	
Net measurement of derivative instruments	(11,023)	245		(13,445)	445	
Gain on foreign exchange	(21,470)	(24,486)		(17,585)	(25,091)	
Other operating expenses	155,714	128,696		48,666	43,526	
Finance costs	201,395	147,072		45,721	28,775	
Share of loss from jointly controlled entities	163	385		16	375	
	7,987,466	5,351,447	49.3%	2,359,889	1,477,401	59.7%
Profit before taxation	164,969	126,186	30.7%	46,227	38,502	20.1%
Tax credit / (expense)	2,708	(17,165)		18,651	(7,955)	
Profit for the financial period	167,677	109,021	53.8%	64,878	30,547	112.4%
Attributable to:						
Equity holders of the Company	167,703	109,047		64,883	30,536	
Minority interest	(26)	(26)		(5)	11	
	167,677	109,021		64,878	30,547	

Notes:

(in S\$'000)	Group			Group		
	Twelve Months Ended			Three Months Ended		
	30-Jun-08	30-Jun-07	%	30-Jun-08	30-Jun-07	%
Other operating expenses include bank charges of	19,915	16,153		5,994	2,776	
Other revenue includes interest income of	23,515	11,894		18,432	2,564	
Gross Contribution	681,891	489,695	39.2%	181,516	146,047	24.3%
Net Contribution	504,011	351,442	43.4%	154,228	119,836	28.7%

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

Balance Sheet: Group & Company

(in S\$'000)	Group		Company	
	30-Jun-08	30 Jun 2007	30-Jun-08	30 Jun 2007
Non-current assets				
Property, plant and equipment	403,391	129,348	1,928	1,299
Intangible assets	130,259	96,203	861	-
Investment in subsidiary companies	-	-	167,725	223,123
Deferred tax assets	36,709	11,085	14,972	7,979
Interest in jointly controlled entities	321	1,942	2,930	2,227
Long term investments	26,768	81,091	24,475	27,431
Other receivables	25,497	9,466	20,895	1,006
Current assets				
Amounts due from subsidiary companies	-	-	501,139	301,192
Trade receivables	724,352	508,193	339,885	263,186
Margin accounts with brokers	264,038	86,162	199,200	79,595
Inventories	1,790,236	1,163,203	500,397	313,060
Advance payments to suppliers	380,047	255,706	126,670	91,154
Advance payments to subsidiary companies	-	-	1,192,850	951,985
Other receivables	263,985	199,416	55,536	52,026
Short term investments	-	13,461	-	13,461
Fixed deposits	163,580	43,372	33,988	42,992
Cash and bank balances	175,544	194,235	52,134	55,024
Fair value of derivative financial instruments	1,832,755	388,032	1,724,697	373,618
	5,594,538	2,851,780	4,726,496	2,537,293
Current liabilities				
Trade payables and accruals	519,853	255,522	356,607	180,632
Other payables	34,904	55,927	17,607	45,011
Amount due to bankers	1,789,582	545,555	1,199,067	346,693
Medium term notes	70,000	450,000	70,000	450,000
Provision for taxation	24,578	24,878	10,565	8,142
Fair value of derivative financial instruments	2,010,994	488,630	1,883,574	473,690
	4,449,912	1,820,512	3,537,420	1,504,168
Net current assets	1,144,626	1,031,268	1,189,076	1,033,125
Non-current liabilities				
Deferred tax liabilities	(4,175)	(3,323)	-	-
Term loans from banks	(935,125)	(703,663)	(648,482)	(690,413)
Medium term notes	(189,857)	(220,668)	(189,857)	(220,668)
Net assets	638,414	432,749	584,523	385,109
Equity attributable to equity holders of the Company				
Share capital	704,870	397,730	704,870	397,730
Reserves	(66,456)	34,992	(120,347)	(12,621)
	638,414	432,722	584,523	385,109
Minority interest	(0)	27	-	-
Total equity	638,414	432,749	584,523	385,109

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

Amount repayable in one year or less or on demand

	As at 30/06/2008		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts		126,198		49,970
Loans		1,663,384		495,585
Medium Term Notes		70,000		450,000
Total		1,859,582		995,555

Amount repayable after one year

	As at 30/06/2008		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Long Term Loans	11,488	923,637	13,249	690,414
Long Term / Medium Term Notes		189,857		220,668
Total	11,488	1,113,494	13,249	911,082

Details of any Collateral

The Group's subsidiary, Universal Blanchers LLC in the United States, has an outstanding loan equivalent to S\$11.5 m (S\$13.2 m as at 30 June 2007) which is secured on the assets of the subsidiary.

- 1(c) A Cash Flow Statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(in S\$'000)	Group		Group	
	Twelve Months Ended		Three Months Ended	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
Cash flow from operating activities				
Operating profit before taxation	164,969	126,186	46,227	38,502
Adjustments for:				
Share of results in jointly controlled entities	163	385	16	375
Depreciation of property, plant and equipment	33,771	17,209	10,768	6,653
Gain / (loss) on disposal of property, plant and equipment	(647)	20	(869)	14
Net measurement of derivative instruments	(11,024)	245	(13,446)	446
Amortisation of intangible assets	1,428	(189)	477	(189)
Cost of share-based payments	5,583	5,594	1,624	1,232
Interest income	(23,515)	(11,894)	(18,432)	(5,639)
Interest expense	201,395	147,072	45,721	28,775
Excess over the cost of a business combination	(5,254)	-	(5,254)	-
Operating profit before reinvestment in working capital	366,869	284,628	66,832	70,169
(Increase) / decrease in inventories	(456,041)	(143,486)	(176,806)	22,731
(Increase) / decrease in receivables	(372,582)	(192,773)	(224,844)	143,318
(Increase) / decrease in advance payments to suppliers	(124,341)	(95,037)	26,008	(25,564)
Increase / (decrease) in payables	114,548	121,132	(166,896)	27,978
Cash flow (used in) / generated from operations	(471,547)	(25,536)	(475,705)	238,632
Interest income received	23,515	11,894	18,433	5,639
Interest expense paid	(206,157)	(138,673)	(50,032)	(13,307)
Tax (paid) / received	(12,009)	(8,270)	33,133	(1,067)
Net cash flow (used in) / generated from operating activities	(666,198)	(160,585)	(474,171)	229,897
Cash flow from investing activities				
Proceeds from disposal of property, plant and equipment	4,915	2,539	3,471	1,305
Purchase of property, plant and equipment	(72,075)	(45,820)	(34,601)	(15,658)
Acquisition of subsidiaries - net of cash acquired	(217,537)	(114,494)	(27,103)	(113,418)
Proceeds from sale of government securities	13,461	-	-	-
Investment in government securities	-	(13,461)	-	(13,461)
Purchase of financial asset available for sale	-	(81,091)	-	(81,091)
Repayment from / (loan to) jointly controlled entities	123	(9,030)	40	(8,968)
Net cash flow used in investing activities	(271,113)	(261,357)	(58,193)	(231,291)
Cash flow from financing activities				
Proceeds from loans from banks	1,159,020	218,197	570,244	85,870
Proceeds from issuance of shares on exercise of share options	3,801	776	1,989	776
Proceeds from issuance of shares on preference share offer	303,339	-	303,339	-
Dividends paid on ordinary shares by the Company	(54,454)	(46,638)	(43)	-
(Decrease) / increase in medium term notes	(410,811)	190,479	(208,532)	(120,092)
Net cash flow provided by / (used in) financing activities	1,000,895	362,814	666,997	(33,446)
Net effect of exchange rate changes on cash and cash equivalents	(38,295)	(20,636)	(20,722)	(6,590)
Net increase / (decrease) in cash and cash equivalents	25,289	(79,764)	113,911	(41,430)
Cash and cash equivalents at the beginning of the period	187,637	267,401	99,015	229,067
Cash and cash equivalents at the end of the period	212,926	187,637	212,926	187,637

- 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.

GROUP 12 MONTHS - 30 JUNE 2008

At 30 June 2008 Group	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 July 2007	397,730	(39,929)	(150,827)	8,616	217,132	34,992	27	432,749
Net loss on fair value changes during the period			(321,060)			(321,060)		(321,060)
Recognised in the profit and loss account on occurrence of hedged transactions			146,009			146,009		146,009
Foreign currency translation adjustment		(44,504)				(44,504)		(44,504)
Net expense recognised directly in equity		(44,504)	(175,051)			(219,555)		(219,555)
Profit for the year					167,703	167,703	(27)	167,676
Total recognised expense and income for the year		(44,504)	(175,051)		167,703	(51,852)	(27)	(51,879)
Dividends on ordinary shares					(54,454)	(54,454)		(54,454)
Share-based expense				4,858		4,858		4,858
Issue of shares on exercise of share option	3,801					-		3,801
Issue of shares on preferential offering	303,339					-		303,339
At 30 June 2008	704,870	(84,433)	(325,878)	13,474	330,381	(66,456)	0	638,414

GROUP 12 MONTHS - 30 JUNE 2007

At 30 June 2007 Group	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 July 2007	396,954	(25,091)	(41,978)	3,378	154,723	91,032	53	488,039
Net loss on fair value changes during the period			(109,793)			(109,793)		(109,793)
Recognised in the profit and loss account on occurrence of hedged transactions			944			944		944
Foreign currency translation adjustment		(14,838)				(14,838)		(14,838)
Net expense recognised directly in equity		(14,838)	(108,849)			(123,687)		(123,687)
Profit for the year					109,047	109,047	(26)	109,021
Total recognised expense and income for the year		(14,838)	(108,849)		109,047	(14,640)	(26)	(14,666)
Dividends on ordinary shares					(46,638)	(46,638)		(46,638)
Share-based expense				5,238		5,238		5,238
Issue of shares on exercise of share option	776					-		776
At 30 June 2007	397,730	(39,929)	(150,827)	8,616	217,132	34,992	27	432,749

COMPANY 12 MONTHS - 30 JUNE 2008

At 30 June 2008 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 July 2007	397,730	(35,583)	(148,563)	8,616	162,909	(12,621)	385,109
Net loss on fair value changes during the period			(277,027)			(277,027)	(277,027)
Recognised in the profit and loss account on occurrence of hedged transactions			133,861			133,861	133,861
Foreign currency translation adjustment		(48,647)				(48,647)	(48,647)
Net expense recognised directly in equity		(48,647)	(143,166)			(191,813)	(191,813)
Profit for the year					133,683	133,683	133,683
Total recognised expense and income for the year		(48,647)	(143,166)		133,683	(58,130)	(58,130)
Dividends on ordinary shares					(54,454)	(54,454)	(54,454)
Share-based expense				4,858		4,858	4,858
Issue of shares on exercise of share option	3,801					-	3,801
Issue of shares on preferential offering	303,339					-	303,339
At 30 June 2008	704,870	(84,230)	(291,729)	13,474	242,138	(120,347)	584,523

COMPANY 12 MONTHS - 30 JUNE 2007

At 30 June 2007 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 July 2007	396,954	(19,545)	(41,046)	3,378	131,778	74,565	471,519
Net loss on fair value changes during the period			(125,268)			(125,268)	(125,268)
Recognised in the profit and loss account on occurrence of hedged transactions			17,751			17,751	17,751
Foreign currency translation adjustment		(16,038)				(16,038)	(16,038)
Net expense recognised directly in equity		(16,038)	(107,517)			(123,555)	(123,555)
Profit for the year					77,769	77,769	77,769
Total recognised expense and income for the year		(16,038)	(107,517)		77,769	(45,786)	(45,786)
Dividends on ordinary shares					(46,638)	(46,638)	(46,638)
Share-based expense				5,238		5,238	5,238
Issue of shares on exercise of share option	776						776
At 30 June 2007	397,730	(35,583)	(148,563)	8,616	162,909	(12,621)	385,109

GROUP QUARTER - 30 JUNE 2008

At 30 June 2008 Group	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2008	399,542	(71,232)	(130,444)	12,111	265,541	75,976	6	475,524
Net loss on fair value changes during the period			(113,703)			(113,703)		(113,703)
Recognised in the profit and loss account on occurrence of hedged transactions			(81,731)			(81,731)		(81,731)
Foreign currency translation adjustment		(13,201)				(13,201)		(13,201)
Net expense recognised directly in equity		(13,201)	(195,434)			(208,634)		(208,634)
Profit for the period					64,883	64,883	(6)	64,877
Total recognised expense and income for the year		(13,201)	(195,434)		64,883	(143,751)	(6)	(143,757)
Dividends on ordinary shares					(43)	(43)		(43)
Share-based expense				1,363		1,363		1,363
Issue of shares on exercise of share option	1,989					-		1,989
Issue of shares on preferential offering	303,339					-		303,339
At 30 June 2008	704,870	(84,433)	(325,878)	13,474	330,381	(66,456)	0	638,414

GROUP QUARTER - 30 JUNE 2007

At 30 June 2007 Group	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2007	396,954	(39,310)	(113,041)	7,412	186,596	41,657	16	438,627
Net loss on fair value changes during the period			(81,042)			(81,042)		(81,042)
Recognised in the profit and loss account on occurrence of hedged transactions			43,256			43,256		43,256
Foreign currency translation adjustment		(619)				(619)		(619)
Net expense recognised directly in equity		(619)	(37,786)			(38,405)		(38,405)
Profit for the period					30,536	30,536	11	30,547
Total recognised income and expenses for the period		(619)	(37,786)		30,536	(7,869)	11	(7,858)
Share-based expense				1,204		1,204		1,204
Issue of shares on exercise of share option	776							776
At 30 June 2007	397,730	(39,929)	(150,827)	8,616	217,132	34,992	27	432,749

COMPANY QUARTER - 30 JUNE 2008

At 30 June 2008 Company	Attributable to equity holders of the Company						Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2008	399,542	(75,427)	(106,596)	12,111	229,145	59,232	458,774
Net loss on fair value changes during the period			(95,793)			(95,793)	(95,793)
Recognised in the profit and loss account on occurrence of hedged transactions			(89,340)			(89,340)	(89,340)
Foreign currency translation adjustment		(8,802)				(8,802)	(8,802)
Net expense recognised directly in equity		(8,802)	(185,133)			(193,935)	(193,935)
Profit for the period					13,036	13,036	13,036
Total recognised expense and income for the year		(8,802)	(185,133)		13,036	(180,899)	(180,899)
Dividends on ordinary shares					(43)	(43)	(43)
Share-based expense				1,363		1,363	1,363
Issue of shares on exercise of share option	1,989					-	1,989
Issue of shares on preferential offering	303,339					-	303,339
At 30 June 2008	704,870	(84,230)	(291,729)	13,474	242,138	(120,347)	584,523

COMPANY QUARTER - 30 JUNE 2007

At 30 June 2007 Company	Attributable to equity holders of the Company						Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2007	396,954	(36,954)	(109,279)	7,412	169,013	30,192	427,146
Net loss on fair value changes during the period			(92,460)			(92,460)	(92,460)
Recognised in the profit and loss account on occurrence of hedged transactions			53,176			53,176	53,176
Foreign currency translation adjustment		1,371				1,371	1,371
Net income and expense recognised directly in equity		1,371	(39,284)			(37,913)	(37,913)
Loss for the period					(6,104)	(6,104)	(6,104)
Total recognised income and expenses for the period		1,371	(39,284)		(6,104)	(44,017)	(44,017)
Share-based expense				1,204		1,204	1,204
Issue of shares on exercise of share option	776						776
At 30 June 2007	397,730	(35,583)	(148,563)	8,616	162,909	(12,621)	385,109

- 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.

	Apr - Jun 08	Apr - Jun 07
Issue of shares on exercise of share options	1,297,244	511,000

- 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.

	Jun-08	Jun-07
Issued, fully paid share capital :		
Balance no. of shares as at the beginning of period	1,555,095,400	1,554,584,400
Addition on Preferential Offering	155,628,689	
Addition on exercise of share options	2,488,735	511,000
Total no. of shares outstanding as the end of period	1,713,212,824	1,555,095,400

- 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 2007 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 2007.

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 in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 30 June 2007.

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.

	Group			
	Period Ended		Three Months Ended	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
(a) Based on weighted average no. of shares (cents/share)*	10.28	6.85	3.71	1.92
(b) Based on fully diluted basis (cents/share)*	10.08	6.74	3.65	1.88
Weighted average no. of shares applicable to basic earnings per share*	1,631,228,890	1,590,921,777	1,747,456,515	1,591,052,509
Weighted average no. of shares based on fully diluted basis*	1,663,755,527	1,617,098,853	1,775,468,502	1,627,897,144

The core earnings per share before considering non-cash share-based expense and amortization of intangible asset is as follows:

Core Earnings	Group			
	Period Ended		Three Months Ended	
	30 Jun 2008	30 Jun 2007	30 Jun 2008	30 Jun 2007
(a) Based on weighted average no. of shares (cents/share)*	10.70	7.21	3.81	2.00
(b) Based on fully diluted basis (cents/share)*	10.49	7.09	3.75	1.95

* 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\$ 1.97) and the price on the last day of exercise of entitlements (S\$ 2.63).

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	As at	As at	As at
	30 Jun 08	30 Jun 07	30 Jun 08	30 Jun 07
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	29.66	21.64	34.07	24.76

The NAV for the Group before fair value adjustment reserve, goodwill and other intangibles went up from 37.52 cents/share in June 2007 to 56.29 cents/share in June 2008.

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

Olam is a leading, global, integrated supply chain manager of agricultural products and food ingredients with operations in over 56 countries. Since the establishment of our business in 1989, we have evolved from a single country, single product trader to a multi-country, multi-product supply chain manager. Today, we manage an integrated supply chain for over 14 agricultural products. As supply chain managers, we are engaged in the sourcing, processing, warehousing, transportation, shipping, distribution and marketing of these products from the farm gate in the producing countries to the factory gate of our customers in the destination markets while managing the risks at each stage of the supply chain. We organize the 14 products that we supply into 4 business segments as given below:

Business Segment	Products
Edible Nuts, Spices & Beans	Cashews and Other Edible Nuts (Peanuts, Almonds) Spices (Pepper, Cloves, Nutmeg, Cassia, Ginger, Dehydrated Garlic, Desiccated Coconut and other spices) Sesame Beans (Pulses, Lentils & Peas)
Confectionery & Beverage Ingredients	Cocoa Coffee Sheanuts
Food Staples & Packaged Foods	Rice Sugar Dairy Products Packaged Foods
Fibre & Wood Products	Cotton Timber

Background to analysing our Financial Statements

Profitability

- Consolidation of results of companies acquired by the Group :** For FY2008, the results of the Group includes the results of Queensland Cotton Holdings ("QCH") and Universal Blanchers ("UB") for 12 months, Naarden Agro Products B.V ("NAP") and Key Food Ingredients ("KFI") for 10 months, PT Dharmapala Usaha Sukses ("DUS") for 9 months. All these companies were acquired during the calendar year 2007. The consolidated results for FY2008 are therefore not strictly comparable to results of FY2007. The impact of these results has been highlighted in the segmental commentary.
- 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. GC is calculated as total revenue less cost of goods sold (raw material costs plus other direct costs, including packing costs etc.), shipping and logistics expenses, claims and commission, bank charges, net measurement of derivative instruments, gain / loss on foreign exchange and share of profit/loss from jointly controlled entity. For the purposes of determining Net Contribution, we deduct the net interest expense from the GC. We consider interest expense to be a variable cost and a function of our inventory holding period. For every transaction, we target a minimum net contribution per ton of product supplied based on the 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 (VMI), organic certification, fair trade produce certification (FTP), customised grades and quality, proprietary market intelligence and risk management solutions.
- Volumes:** The second key driver to our profitability is the volume of products supplied. 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).

- d. **Seasonality:** Production of agricultural products is seasonal in nature. The seasonality of the products in our 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 starts to the harvesting seasons in these countries based on actual 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, which are mainly a function of his view on prices and his 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 expect the phasing of our earnings to be as follows:

Q1 July - Sept	Q2 Oct - Dec	1 st Half July – Dec	Q4 Jan - March	Q4 Apr – June	2 nd Half Jan - June
5 – 10%	25 – 30%	30 – 40%	35 – 40%	25 – 30%	60 – 70%

- e. **Balance Sheet :** During the current year, the industry witnessed an increased level of volatility and high prices of various products. While this has had minimal impact on the financial results of the Group, there has been a significant change to equity and current assets and liabilities (fair value of derivative financial instruments) due to the adoption of Hedge Accounting provisions under FRS39.

Profit and Loss Statement

The company has delivered milestone results in FY2008, with sales volume, sales turnover and net profit after tax growing by 30.6%, 48.7% and 53.8% respectively.

Description	FY2008			FY2007	% Increase Total	% Increase Existing Business
	Existing Business	New Business *	Total	Total		
Volume (metric tons)	4,530,106	396,209	4,926,315	3,772,820	30.6%	20.1%
Revenue (S\$'000)	7,249,216	862,694	8,111,910	5,455,508	48.7%	32.9%
PAT (S\$'000)	149,022	18,681	167,703	109,047	53.79%	36.7%

The results were driven by continued strong performance in the existing (organic) businesses, where NPAT grew by 36.7% to S\$149.0 million. The new businesses through acquisitions (inorganic) achieved an operating NPAT of S\$1.72 million. In addition there were two one-off adjustments amounting to an NPAT of S\$16.9 million. The combined impact of these resulted in NPAT from acquisitions of S\$18.7 million (11.2% of the Group's profits) in FY2008 from nil earnings in FY2007.

The performance of Universal Blanchers ('UB'), Key Food Ingredients ('KFI') and Naarden Agro Products ('NAP') exceeded expectations as set out in the deal thesis. In addition, in the case of QCH and PT DUS there were two significant adjustments which led to their NPAT moving into positive territory in FY2008. These adjustments were as follows:

- Post the acquisition of QCH, Olam opted to consolidate the tax groups of QC Group and Olam Group in Australia. This required a reset of carrying value of assets held by QCH Group for tax purposes as per the Australian tax laws, resulting in a tax credit of S\$11.4 million (AUD8.9 million).

- Upon completion of the PPA exercise of PT DUS, the carrying value of assets exceeded the investment value by S\$5.5 million (US\$3.8 million). This amount was recognised as a credit in the profit and loss statement.

The following table provides the segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the fourth quarter and for the full year FY2008.

Quarter

	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Jun 08	Jun 07	Jun 08	Jun 07	Jun 08	Jun 07	Jun 08	Jun 07
Edible Nuts, Spices & Beans	325,851	178,808	409,490	254,908	58,837	32,070	55,364	29,944
Per ton (S\$)			1,257	1,426	181	179	170	167
Confectionery & Beverage Ingredients	246,393	172,328	723,520	454,521	48,329	57,380	39,733	43,909
Per ton (S\$)			2,936	2,638	196	333	161	255
Food Staples & Packaged Foods	315,831	257,873	597,494	462,415	30,021	20,547	16,136	12,884
Per ton (S\$)			1,892	1,793	95	80	51	50
Fibre & Wood Products*	284,120	187,139	651,736	336,239	44,329	36,050	42,995	33,099
Per ton (S\$)			2,294	1,797	156	193	151	177
Total	1,172,195	796,148	2,382,240	1,508,083	181,516	146,047	154,228	119,836
Per ton (S\$)					155	183	132	151

Cumulative

	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Jun 08	Jun 07	Jun 08	Jun 07	Jun 08	Jun 07	Jun 08	Jun 07
Edible Nuts, Spices & Beans	827,129	566,549	1,168,940	783,202	151,467	86,084	125,033	68,755
Per ton (S\$)			1,413	1,382	183	152	151	121
Confectionery & Beverage Ingredients	1,046,515	853,097	3,188,875	2,177,812	207,065	185,603	141,041	125,992
Per ton (S\$)			3,047	2,553	198	218	135	148
Food Staples & Packaged Foods	1,958,790	1,622,525	2,027,475	1,432,327	147,248	93,211	103,083	60,152
Per ton (S\$)			1,035	883	75	57	53	37
Fibre & Wood Products*	1,093,881	730,649	1,726,620	1,062,167	176,111	124,797	134,854	96,543
Per ton (S\$)			1,578	1,454	161	171	123	132
Total	4,926,315	3,772,820	8,111,910	5,455,508	681,891	489,695	504,011	351,442
Per ton (S\$)					138	130	102	93

* Sales volume for Wood Products is measured in cubic metres.

A brief segmental review for FY2008 is given below:

➤ **Edible Nuts, Spices & Beans**

The Edible Nuts, Spices & Beans segment recorded a volume growth of 46.0% and a revenue growth of 49.3% in FY2008. Net Contribution also recorded a strong growth of 81.9% to S\$125.0 million in FY2008.

There was broad based contribution from all the major products in this segment, Sesame had a record year in both volumes and net contribution. Volume in the Spices business increased by 52.9% mainly on account of volume of de-hydrates from KFI. UB contributed very strongly to the Peanuts segment and exceeded expectations. In addition, our farming initiative in Argentina resulted in significant enhancement in margins for the Peanut business. Cashew ended the year on a very strong note with significant increase in volume of Raw Cashew Nuts shipped from all West African origins. The processing operations in Vietnam, India and Tanzania performed strongly during the year. We received organic certification for cashews shipped from our facilities in Vietnam and Ivory Coast.

➤ **Confectionery and Beverage Ingredients**

Sales Volume and Revenue in the Confectionery & Beverage Ingredients segment grew 22.7% and 46.4% respectively in FY2008. Net Contribution grew by 11.9% to S\$141.0 million in FY2008.

The Cocoa and Coffee businesses experienced very high volatilities during the year. In June'08, the markets once again surged significantly and reached levels seen during the Jan-Mar08 period. Margin calls went up significantly leading to increased deployment of working capital in the businesses. Prices have since retraced to the pre-December07 levels. For most of this year both the coffee and cocoa markets continued to be in backwardation. While the coffee and cocoa business expanded volumes at 22.9% over the previous year, sustained backwardation put some pressure on the margins and NC per ton came down from S\$148 per ton to S\$136 per ton.

➤ **Food Staples and Packaged Foods Business**

Sales Volume and Revenue for the Food Staples & Packaged Foods segment grew 20.7% and 41.6% respectively in FY2008 compared to FY2007. Net Contribution also recorded a strong 71.4% growth to reach S\$103.1 million in FY2008.

The Rice business performed strongly with volumes crossing the 1.2 million ton mark, an increase of 31.1% over the previous year. The strengthening of our origination operations during the year enabled us to secure volumes in a period of tight availability and continuously service our distribution network in the destination markets. In July 2008, we took a scheduled shut down of the PT DUS operations for the installation of additional equipment to take the capacity to 800 tons per day. The trial production is expected to start in the beginning of October 2008. The Dairy business continued to perform strongly with volumes growing by 44.7% in FY2008. In July, we announced the taking up of a 24.99% stake in Dairy Trust Ltd ('DTL'), New Zealand and swapping our shares in Open country Cheese ('OCC') as a part of the transaction. We also announced the taking up of a 20% stake jointly with Wilmar in Pure Circle – a company involved in production of natural sweeteners from the Stevia plant.

➤ **Fibre and Wood Products**

The Fibre & Wood Products segment registered a growth of 49.7% in Sales Volume and 62.6% in sales revenue respectively in FY2008. Net Contribution also recorded a strong 39.7% growth to S\$134.9 million in FY2008.

In June, Cotton once again witnessed increased volatility in prices. However this move was not as high as was witnessed in February and March of this year. Physical demand for cotton picked up during Q4 FY2008. Our existing cotton business, combined with the additional volumes of QCH, has contributed to a significant volume growth over the corresponding period last year. We are pleased to report that QCH will report a full year profit for FY2008 due to a one off tax gain. During this quarter, we announced taking over of the ginning assets in Ouangolo region in Ivory Coast.

The Wood Products business recorded a volume increase of 37.2% for FY2008. Trial production of sawn timber at our facility in Gabon commenced in June08 and the initial results have been as per expectations. We expanded our participation in the plantation business to new geographies, set up direct distribution in key markets in Asia and Europe and grew the value added manufacturing business including top layer and flooring products..

Costs and Expenses

Q4 FY2008: SG&A increased by 32.8% to S\$108.0 million in Q4 FY2008 over the corresponding quarter in FY2007. A significant portion of this increase is due to the consolidation of overhead expenses of the various companies acquired in 2007 including QCH, UB, NAP, DUS and KFI. SG&A/Sales ratio decreased from 5.4% in Q4 FY2007 to 4.5% in Q4 FY2008.

FULL YEAR: SG&A increased by 50.5% to S\$339.0 million in FY2008 over the corresponding period in FY2007. Increase in SG&A at 50.5% was higher than our growth in underlying Sales Revenue of 48.7%. SG&A/Sales ratio increased from 4.1% in FY2007 to 4.2% in FY2008. 80.8% of the increase in the SG&A costs is attributable to the consolidation of the acquired businesses.

Profit before tax

Q4 FY2008: For the quarter ended 30 June 2008, Profit before tax increased by 20.1% to S\$46.2 million as compared to S\$38.5 million in FY2007.

FULL YEAR: For full year ended 30 June 2008, Profit before tax increased by 30.7% to S\$165.0 million as compared to S\$126.2 million in FY2007.

Taxation

Q4 FY2008: Taxes decreased to (S\$18.6) million for Q4 FY2008 as compared to S\$7.9 million for Q4 FY2007. This was mainly on account of a one-off tax credit of S\$11.44 million due to the consolidation of tax groups of QC Group and Olam Group in Australia.

FULL YEAR: As a result of the above, there was a tax credit of S\$2.7 million for FY2008 as compared to a tax expense of S\$17.2 million in FY2007.

Net profit after tax

Q4 FY2008: Net profit after tax increased by 112.4% to S\$64.9 million for Q4 FY2008 from S\$30.5 million in Q4 FY2007.

FULL YEAR: Net profit after tax increased by 53.8% to S\$167.7 million for full year ended 30 June 2008 from S\$109.0 million in FY2007.

Balance Sheet & Cash Flow

Equity and Reserves

Total equity and reserves (before fair value adjustment reserve) increased by 65.2% from S\$583.5 million as of 30 June 2007 to S\$964.3 million as of 30 June 2008.

On 28 March 2008, the Company announced an equity fund raising exercise by way of a non-renounceable, non-transferable preferential offering of 155,628,689 New Shares at a price of S\$1.97 per share to raise S\$307 million of new equity. The Preferential Offering was made on the basis of 1 New Share for every 10 Shares held by eligible shareholders of the Company whose names were on the shareholder register of Olam as at the Books Closure Date of April 8 2008. The Company was pleased to see such a strong support for this transaction and valid acceptances and excess applications for a total of 184,786,073 New Shares were received (approximately 1.2 times of the total number of New Shares that were available under the Preferential Offering). The offer was successfully closed and proceeds received on 24 April 2008.

There has been a net decrease of S\$325.8 million to equity on account of the revaluation of financial derivatives used for hedging purposes as per the provision of FRS 39, with a corresponding impact on both Current Assets and Current Liabilities categorised under "Fair value of derivative financial instruments." This is the result of unrealised losses on derivatives used for hedging the underlying physicals and where the futures prices of the underlying commodities (Cocoa, Coffee, Sugar and Cotton) have increased post hedging. Under the requirements of FRS 39, these unrealised losses will flow through the profit & loss statement as and when the sale of physical stocks (being the hedged items) is recognized. These unrealised losses are related to effective hedging instruments and are expected to be offset by equivalent gains from the underlying physical transactions. Therefore, these adjustments are not expected to have any material impact on the profitability of the Group.

Intangible assets

The PPA exercise for all the companies acquired in FY2008 was completed during Q4FY2008. As a result of this, the total goodwill and intangibles increased to S\$130.3 million from S\$96.2 million in FY2007. As mentioned above, in case of PT DUS, the carrying value of assets acquired exceeded the investment value by S\$5.52 million (US\$ 3.8 million). This amount was recognized as a credit in the profit and loss statement

Fixed Assets

Investments in fixed assets increased by S\$274.0 million to S\$403.4 million for the full year ended 30 June 2008. The increase has been mainly on account of consolidation of the acquired businesses.

Current Assets

Debtors Analysis

Debtor days in FY2008 reduced marginally to 33 days as compared to 34 days as at 30 June 2007. 67.4% of debtors were secured either against Letters of Credit or against documents with the bank for collection.

Stocks

Stock turnover days increased to 88 days as compared to 85 days as at 30 June 2007. There was an increase in stock value by S\$627.0 million to S\$1,790.9 million from S\$1163.2 million as on 30 June 2007. 86.2% of the stocks were sold forward to customers or hedged using financial derivatives. The price exposure on the balance inventories are being actively managed through volume and period limits as laid

out in our risk management policies

Advance to Suppliers

Advance to Suppliers days was 19 days in FY2008, same as of 30 June 2007. The advances increased from S\$255.7 million in FY2007 to S\$380.0 million in FY2008. This was mainly on account of an increase in the general level of operations during the period.

Borrowings

Borrowings increased to S\$2,984.5 million as of end of June 2008 from S\$1,919.9 million as of 30 June 2007 on account of funding additional working capital due to higher commodity prices and increased volumes, acquisition funding as well as consolidation of debt of QCH, UB and NAP operations. On 5 June 2008, the Company launched a US\$300 million 1% Convertible Bond due in 2013. The conversion price was set at an initial premium of 30% over the volume weighted average price of Olam shares (effective conversion price of S\$3.84). The issue was successfully closed on 3 July 2008. The net proceeds of the offering will be used to finance investments, joint ventures, mergers and acquisition in relation to the expansion of the Group's business and for general corporate purposes.

Cash and Fixed Deposits

Cash and Fixed Deposits increased by 42.7% to S\$339.1 million as on 30 June 2008 from S\$237.6 million as on 30 June 2007.

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.

Over the past 18 months, the Company had announced a number of acquisitions and joint ventures. The completion of these transactions is subject to certain closing conditions and approvals from relevant authorities as such the outcome of these transactions is uncertain until these conditions and approval are met or have been granted. We are also continuously exploring various acquisition and investment opportunities which may assist in the Group's growth over the medium to long term. Some of these acquisition and investment opportunities may materialise over the next 12 months. We will announce such acquisition and investment opportunities as and when they materialise.

11. Dividend

- (a) Current Financial Period Reported On 30 June 2008

Name of Dividend	First & Final Dividend
Dividend Type	Cash
Dividend rate (in cents)	2.50
Tax rate	One-tier tax exempt

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

Name of Dividend	First & Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend rate (in cents)	1.75	1.75
Tax rate	One-tier tax exempt	One-tier tax exempt

- (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)

The dividend paid is tax exempt in the hands of shareholders.

- (d) Date payable

Subject to shareholders' approval at the Annual General Meeting to be held on 29 October 2008, the first & final dividend will be paid on 17 November 2008.

- (e) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of OLAM INTERNATIONAL LIMITED (the "Company") will be closed at 5.00 pm on 6th November 2008 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services (Pte) Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00 p.m. on 6 November 2008 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 6 November 2008 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 29 October 2008, will be made on 17 November 2008.

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

N.A.

PART II: Additional information required for Full Year announcement
(This part is not applicable to Q1, Q2, Q4 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(in S\$000's)	Edible Nuts, Spices & Beans		Confectionary & Beverage Ingredients		Food Staples & Packaged Foods		Fibre & Wood Products		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Segmental Revenue	1,168,940	783,202	3,188,875	2,177,812	2,027,475	1,432,327	1,726,620	1,062,167	8,111,910	5,455,508
Unallocated revenue									40,525	22,125
Total Revenue									8,152,435	5,477,633
Segmental Results	81,400	33,496	117,899	111,565	72,894	53,823	94,334	74,759	366,527	273,643
Finance Cost									(201,395)	(147,072)
Share of (Gain)/loss from jointly controlled entities									(163)	(385)
Profit before tax									164,969	126,186
Tax credit / (expense)									2,708	(17,165)
Minority interest, net of taxes									26	26
Profit after tax									167,703	109,047

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.
15. A breakdown of sales.

	FY 2008	FY2007	% Increase / (Decrease)
Sales for 1st Half	3,324,973	2,367,488	40.4%
Net Profit 1st Half	47,073	38,169	23.3%
Sales for 2nd Half	4,786,937	3,088,020	55.0%
Net Profit 2nd Half	120,630	70,878	70.2%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Full year 30 June 2008 (in S\$'000)	Full Year 30 June 2007 (in S\$'000)
Ordinary	42,830	54,428
Preference	0	0
Total	42,830	54,428

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

28 AUGUST 2008