

**Olam International reports 26.6% growth in PATMI for Q1 2017**

- Q1 2017 PATMI up 26.6% to S\$143.9 million on improved operational performance
- Operational PATMI up 14.1% to S\$143.9 million
- EBITDA up 19.8% to S\$398.6 million, boosted by Edible Nuts, Spices & Vegetable Ingredients and Food Staples & Packaged Foods
- Positive Free Cash Flow to Firm (FCFF) of S\$134.9 million

Consolidated Financial Results for the period ended March 31 (S\$ million)	Q1 2017	Q1 2016	% Change
Volume ('000 MT)	4,461.7	2,965.5	50.5
Revenue	5,804.2	4,761.4	21.9
<b>EBITDA</b>	<b>398.6</b>	<b>332.8</b>	<b>19.8</b>
PAT	136.5	109.4	24.7
PATMI	143.9	113.6	26.6
<b>Operational PATMI</b>	<b>143.9</b>	<b>126.1</b>	<b>14.1</b>

**Singapore, May 15, 2017** – Olam International Limited (Olam, the Group or the Company) today reported improved year-on-year earnings for the quarter ended March 31, 2017 (Q1 2017).

**For Q1 2017**, Profit After Tax and Minority Interest (PATMI) increased 26.6% to S\$143.9 million, from S\$113.6 million in the previous corresponding period (Q1 2016). This was primarily due to improved operational performance, which offset higher depreciation and amortisation and finance costs resulting from strategic acquisitions and capital investments made in 2016. Operational PATMI, which excludes exceptional items, rose 14.1% to S\$143.9 million.

The Group reported higher Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at \$398.6 million, up 19.8% on healthy growth from Edible Nuts, Spices & Vegetable Ingredients and Food Staples & Packaged Foods, which offset lower contribution from the Confectionery & Beverage Ingredients as well as Industrial Raw Materials, Ag Logistics & Infrastructure<sup>1</sup> segments.

Sales revenues were up 21.9% while sales volumes were up 50.5% largely on opportunistic trading volumes in Grains during Q1 2017.

<sup>1</sup> Industrial Raw Materials segment has been renamed to Industrial Raw Materials, Ag Logistics & Infrastructure to reflect the principal activities of the Gabon Special Economic Zone within the segment.

The Group generated higher net operating cash flow of S\$327.1 million during the quarter on improved operational performance (Q1 2016: S\$309.9 million). Free Cash Flow to Firm (FCFF) was positive at S\$134.9 million as a result of higher net operating cash flow and lower capital expenditure.

Net gearing remained steady at 1.98 times as at March 31, 2017.

**Olam's Co-Founder & Group CEO Sunny Verghese** said: "We are pleased to have started the year with a strong set of results despite continued global uncertainty.

"Our results for this quarter reflect continued progress in pursuing growth in our priority clusters, while constantly rebalancing our portfolio to ensure a good mix of gestating and contributing assets. We remain focused on continuing to deliver long-term, sustainable value for our shareholders."

### Segmental Review

**Olam's Executive Director and Group COO, A. Shekhar** said: "Despite price volatility in some commodities in our portfolio, we achieved strong EBITDA growth in Q1 2017, reflecting the strength and diversity of our business, select investments and decisive actions to address any areas of underperformance."

Segment	Sales Volume		Revenue		EBITDA	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Edible Nuts, Spices & Vegetable Ingredients	370.2	300.4	911.3	766.8	138.0	80.2
Confectionery & Beverage Ingredients	506.2	533.1	2,089.3	2,250.7	75.0	105.2
Food Staples & Packaged Foods	3,146.6	1,792.4	1,975.7	1,201.4	118.3	85.7
<b>Food Category</b>	<b>4,023.0</b>	<b>2,625.9</b>	<b>4,976.3</b>	<b>4,218.9</b>	<b>331.3</b>	<b>271.1</b>
Industrial Raw Materials, Ag Logistics & Infrastructure	438.7	339.7	827.7	542.6	62.2	65.2
Commodity Financial Services	N.A.	N.A.	0.0	0.0	5.1	(3.5)
<b>Non-Food Category</b>	<b>438.7</b>	<b>339.7</b>	<b>827.7</b>	<b>542.6</b>	<b>67.3</b>	<b>61.7</b>
<b>Total</b>	<b>4,461.7</b>	<b>2,965.5</b>	<b>5,804.0</b>	<b>4,761.4</b>	<b>398.6</b>	<b>332.8</b>

*Volume in '000 metric tonnes; Revenue & EBITDA in S\$ million*



Revenue for the **Edible Nuts, Spices & Vegetable Ingredients** segment grew 18.8% on higher volumes during the quarter, as well as higher prices for cashews and almonds compared with Q1 2016. EBITDA grew 72.1% on improved contribution from the Edible Nuts platform, particularly peanuts, cashew and almonds.

The **Confectionery & Beverage Ingredients** segment recorded a 7.2% decrease in revenue on lower volumes and lower cocoa prices, partly offset by higher coffee prices. EBITDA declined 28.7% as improved contribution from Coffee was offset by lower contribution from Cocoa – a result of margin pressure on its supply chain and trading caused by sharp market movements in late 2016 and early 2017.

The **Food Staples & Packaged Foods** segment saw a 64.4% increase in revenue mainly on opportunistic trading volumes in Grains. EBITDA rose 38.0% as all platforms within the segment recorded improved performance over Q1 2016. Grains was a key growth driver as its origination and trading business, as well as its wheat milling operations in West Africa, continued to perform well.

Revenue for the **Industrial Raw Materials, Ag Logistics & Infrastructure** segment increased by 52.5% on higher volumes and higher cotton prices. However, EBITDA declined by 4.6% as underperformance from Wood Products offset growth from Cotton.

**Commodity Financial Services** recorded an EBITDA of S\$5.1 million in Q1 2017 compared to a loss of S\$3.5 million in Q1 2016.

### Outlook and Prospects

Despite macro-economic uncertainties likely to continue into 2017, Olam believes its diversified and well-balanced portfolio with leadership positions in many segments provides a resilient platform to navigate current challenges in the commodity markets. While Olam continues to execute on its 2016-2018 Strategic Plan and pursue growth in its priority clusters, it remains focused on turning around underperforming businesses, ensuring gestating businesses reach full potential and achieving positive free cash flow.

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**Notes to Editors**

1. This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 2017 Financial Statements and Management Discussion and Analysis lodged on SGX-NET on May 15, 2017.
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**About Olam International Limited**

Olam International is a leading agri-business operating across the value chain in 70 countries, supplying various products across 18 platforms to 23,000 customers worldwide. From a direct sourcing and processing presence in most major producing countries, Olam has built a global leadership position in many of its businesses. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 30 largest primary listed companies in Singapore in terms of market capitalisation. In 2016, Fortune magazine recognised Olam at #23 in its 'Change the World' list.

More information on Olam can be found at [www.olamgroup.com](http://www.olamgroup.com).

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