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## NEWS RELEASE

### OLAM INTERNATIONAL REPORTS S\$43.2M IN PROFIT AFTER TAX AND MINORITY INTEREST FOR Q1 FY2013

#### Q1 FY2013 : Financial Highlights

- Sales Volume of 3.7 million tonnes, up 97.7%
- Sales Revenue of S\$4.69 billion, up 45.2%
- Net Contribution (NC) of S\$311.5 million, up 23.6%, with NC/tonne at S\$85
- Profit After Tax and Minority Interest (PATMI) at S\$ 43.2 million, a growth of 26.2%
- Food category Sales Volume up 114.7%, NC up 24.2%

Consolidated Financial Results Ended Sep 30	First Quarter		
	Q1 FY2013	Q1 FY2012	Change
Sales Volume (metric tonnes)	3,680,567	1,862,075	97.7%
Sales Revenue (S\$ billion)	4.7	3.2	45.2%
NC (S\$ million)	311.5	251.9	23.6%
<b>PAT (S\$ million)</b>	41.8	33.3	25.5%
<b>PATMI (S\$ million)</b>	43.2	34.2	26.2%
EPS (cents/share)	1.6*	1.4*	14.4%

\* Based on weighted average number of shares of 2,390,213,869 for Q1 FY2013 (compared to weighted average number of shares of 2,442,234,869 for Q1 FY2012)

Singapore, November 14, 2012 – Olam International Limited (“Olam” or “the Group”), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today reported Profit After Tax and Minority Interest (PATMI) of S\$43.2 million for Q1 FY2013 compared to S\$34.2 million in Q1 FY2012.

Sales Volume grew 97.7% to 3.7 million metric tons while Sales Revenue increased 45.2% to S\$4.69 billion. Overall NC grew 23.6% to S\$311.5 million. While Sales Volume rose, NC per tonne was lower at S\$85 compared to S\$135 in Q1 FY2012, impacted primarily by the significant growth in the Grains business which has inherently lower NC margins within the Food Staples & Packaged Foods segment.

The Food category accounted for 90.4% of total volumes, 80.2% of total revenue and 89.4% of total NC. Sales Volume increased by 114.7% and NC increased by 24.2% compared to Q1



FY2012. Sales Volume for the Non-food category improved by 13.1% and NC increased by 19.4% led by a turnaround in the Commodity Financial Services segment.

Olam’s Executive Director of Finance and Business Development, A Shekhar explained the results: “Olam continues to deliver overall earnings growth amidst a still sluggish recovery in market conditions especially within the Industrial Raw Materials segment. This has been a result of our uniquely shaped portfolio that is well-balanced and diversified across 16 product platforms and 65 countries with no platform or country dominating our revenues, earnings or investments.”

Olam’s Group CEO, Sunny Verghese concurred: “Our long term strategy of building a well-balanced and diversified portfolio with a larger emphasis on food raw materials has served us well. Food raw materials, being relatively more recession-resistant, have shown their continued strong trajectory of growth and are expected to underpin our future growth. The Non-food category, in particular the Industrial Raw Materials segment, is expected to show a recovery in margins in the second half of FY2013, when market demand improves.”

### Segmental Review

Edible Nuts, Spices & Beans	First Quarter		
	Q1 FY2013	Q1 FY2012	Change
Sales Volume (metric tonnes)	419,915	366,038	14.7%
Sales Revenue (S\$m)	585.42	519.22	12.7%
NC (S\$m)	97.7	79.9	22.3%
NC Per Tonne (S\$)	233	218	6.6%

The **Edible Nuts, Spices & Beans** segment grew Sales Volume by 14.7% and NC by 22.3% during Q1 FY2013. The growth in volume was largely driven by the hazelnuts business in Turkey, spices from our facilities in Vietnam, China and India and the Vegetable Ingredients business in California (garlic, onion and tomatoes).



Confectionery & Beverage Ingredients	First Quarter		
	Q1 FY2013	Q1 FY2012	Change
Sales Volume (metric tonnes)	309,776	286,153	8.3%
Sales Revenue (S\$m)	1,262.03	1,093.75	15.4%
NC (S\$m)	69.8	63.2	10.5%
NC Per Tonne (S\$)	225	221	2.0%

The **Confectionery & Beverage Ingredients** segment registered volume and NC growth of 8.3% and 10.5% respectively in Q1 FY2013. With the successful integration of Olam Macao Spain (formerly Macao Commodities Trading SL) the Cocoa business continued to pursue growth by providing higher value-added processing and services to customers. Coffee continued to achieve market share growth in origination across Asia, Africa and the Andean region, contributing to stronger results in Q1 FY2013.

Food Staples & Packaged Foods	First Quarter		
	Q1 FY2013	Q1 FY2012	Change
Sales Volume (metric tonnes)	2,597,317	897,237	189.5%
Sales Revenue (S\$m)	1,914.76	948.92	101.8%
NC (S\$m)	111.0	81.2	36.7%
NC Per Tonne (S\$)	43	90	-52.8%

The **Food Staples & Packaged Foods** segment's Sales Volume and NC rose 189.5% and 36.7% respectively in Q1 FY2013. Due to the significant increase in Sales Volume, NC per tonne fell to S\$43 from S\$90 a year ago. This is mainly due to the changing product mix within the segment which saw a large increase in Grains origination volumes which inherently has a lower NC per tonne compared to the other product platforms in the segment. Rice also contributed to the strong volume growth. The Dairy and Sugar businesses continued to face difficult market and unfavourable trading conditions. The Packaged Foods business contributed to the growth in volumes and NC with the acquisition of OK Foods and Kayass Enterprises.



Industrial Raw Materials	First Quarter		
	Q1 FY2013	Q1 FY2012	Change
Sales Volume (metric tonnes)	353,559	312,646	13.1%
Sales Revenue (S\$m)	926.58	667.09	38.9%
NC (S\$m)	29.1	30.4	-4.2%
NC Per Tonne (S\$)	82	97	-15.3%

The **Industrial Raw Materials** (IRM) segment recorded a Sales Volume growth of 13.1% and a decline of 4.2% and 15.3% in NC and NC per tonne respectively in Q1 FY2013. The Cotton business has seen volume recovery during the quarter and is expected to start delivering normalised NC margins from H2 FY2013. The Wool and Rubber businesses have had a good start during the quarter while Wood products business remained lacklustre.

The **Commodity Financial Services** (CFS) segment contributed NC of S\$3.9 million in Q1 FY2013 compared to a loss in Q1 FY2013, when the business adopted a risk-off mode due to exceptional volatility in commodity prices.

### Outlook and Prospects

The cyclical events experienced over the past year combined with the continuing volatility and uncertainty in the global markets could have some residual impact on the results in FY2013. Olam remains positive about the long-term fundamentals of the industry, as well as our overall business model and will continue to execute on the strategy to grow long term intrinsic value across all existing business segments.

### Note:

*This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2013 Financial Statements lodged on SGXNET on November 14, 2012.*



### **About Olam International Limited**

*Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, supplying various products across 16 platforms to over 12,300 customers worldwide. From a direct presence in more than 65 countries with sourcing and processing in most major producing countries, Olam has built a global leadership position in many of its businesses, including Cashew, Spices & Vegetable Ingredients, Cocoa, Coffee, 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, 2010 and 2012 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](http://www.olamonline.com).*

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