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## NEWS RELEASE

### OLAM INTERNATIONAL REPORTS 27.5% RISE IN Q1 FY2010 NET PROFIT

#### Q1 FY2010: Financial Highlights

- Sales **Volume** of 1.3 million tonnes, **up 18.7%**
- Sales **Revenue** of S\$1.88 billion, **up 9.6%**
- **Net Contribution** (NC) **up 16.9%** to S\$144.5 million
- Broad-based growth with **all four business segments registering growth** in Sales Revenue, Sales Volume and NC
- **Net Profit After Tax up 27.5%** to S\$19.0 million, EPS **up 10.3%** to 0.96 cents

Financial Highlights	Q1 FY2010	Q1 FY2009	Change (%)
Sales Volume (metric tonnes)	1,306,394	1,101,039	18.7
Sales Revenue (S\$ million)	1,876.7	1,712.8	9.6
Gross Contribution (S\$ million)	188.8	171.3	10.2
Net Contribution (S\$ million)	144.5	123.6	16.9
Net Profit After Tax (NPAT) (S\$ million)	19.0	14.9	27.5
Earnings Per Share (cents) *	0.96	0.87	10.3

\* Based on weighted average number of shares of 1,991,245,633 shares for Q1 FY2010 and 1,713,273,241 for Q1 FY2009.

Singapore, November 12, 2009 – Olam International Limited (“Olam” or the “Company”), a leading global, integrated supply chain manager of agricultural products and food ingredients, today reported a Net Profit After Tax of S\$19.0 million for the first quarter ended September 30, 2009 (“Q1 FY2010”), an increase of 27.5% over the previous corresponding quarter (“Q1 FY2009”).



The growth in earnings during this quarter was a result of an 18.7% increase in Sales Volume and a 16.9% increase in Net Contribution (NC). All four business segments, namely Edible Nuts, Spices & Beans, Confectionery & Beverage Ingredients, Food Staples & Packaged Foods and Industrial Raw Materials, contributed to the growth in Sales Volume, Sales Revenue and NC.

Olam's CFO, Krishnan Ravikumar said: "We are pleased to report that all four business segments have contributed both to the top and bottom line performance of the Company. The Industrial Raw Materials segment has seen a marked turnaround in performance after facing a difficult prior year as a result of the global economic slowdown. During the quarter, the Company also undertook a series of capital raising initiatives that has built significant financial flexibility for the Company, positioning it to take advantage of the emerging opportunities as the global economy begins to recover. During the quarter the Company completed US\$300 million equity capital raising from Temasek Holdings, issued US\$500 million of 7-year convertible bonds at a 25% conversion premium and launched a US\$850 million term loan syndicated bank loan facility."

Olam's Group Managing Director and CEO Sunny Verghese said: "The continued expansion in volumes and NC from all four business segments in Q1 FY2010 reflects the strength of our competitive position and the franchise value of our global supply chain network. Overall, we gained market share, both at the origins as well as in the markets for most of our products including the Industrial Raw Materials segment, allowing us to consolidate our market position further. We have begun to execute our new six-year corporate strategic plan. Our selective upstream and midstream investments will help us reinforce the supply chain in our various businesses and enable us to enhance margins going forward."

### Segmental Review

Edible Nuts, Spices & Beans	Q1 FY2010	Q1 FY2009	Change (%)
Sales Volume (metric tonnes)	320,132	277,944	15.2
Sales Revenue (S\$ million)	355.4	331.6	7.2
Net Contribution (S\$ million)	42.6	36.3	17.3
Net Contribution Per Tonne (S\$)	133	131	1.5



The **Edible Nuts, Spices & Beans segment** recorded a volume growth of 15.2%. Net Contribution rose 17.3% to S\$42.6 million, leading to NC per tonne increasing from S\$131 to S\$133 during this period.

Cashews, Sesame, Pulses & Beans, and Spices & Dehydrates contributed to the increase in Sales Volume and NC for this segment. Market conditions for these products as well as Peanuts improved in Q1 FY2010 compared to Q4 FY2009.

On September 18, 2009, the Company announced that it will acquire 8,096 hectares of planted Almond orchards in Australia along with permanent water rights from Timbercorp Limited and its associated entities for a total investment consideration of A\$128 million in cash. This acquisition is in line with the Company's recently announced corporate strategy, which outlined a thrust towards selective upstream investments in plantations and farming. This acquisition will make the Company Australia's largest almond grower and also place it amongst the top three almond growers globally. The transaction is expected to be earnings and value accretive from FY2010.

<b>Confectionery and Beverage Ingredients</b>	<b>Q1 FY2010</b>	<b>Q1 FY2009</b>	<b>Change (%)</b>
Sales Volume (metric tonnes)	223,265	202,520	10.2
Sales Revenue (S\$ million)	660.9	592.2	11.6
Net Contribution (S\$ million)	33.5	29.9	12.3
Net Contribution Per Tonne (S\$)	150	148	1.3

The **Confectionery & Beverage Ingredients** segment registered a 10.2% and 12.3% growth in Sales Volume and NC respectively in Q1 FY2010. NC per tonne increased from S\$148 to S\$150.

The significant short crop in Cocoa from the main producing country, Cote d'Ivoire, has resulted in four years of consecutive supply demand deficit. Olam's origination strength in sourcing and securing volumes at the farm gate further consolidated its position as the global, leading originator of Cocoa, particularly from Asia and Africa, in this current situation. Origins which contributed to the results include Cote d'Ivoire, Ghana, Nigeria, Cameroon, Tanzania, Uganda, Indonesia and Papua New Guinea.



The Coffee business delivered a strong performance in Q1 FY2010, particularly the Company's operations in Brazil, Peru, Indonesia, Vietnam, India, Cameroon, Cote d'Ivoire and Uganda. The growing strength of the Company's supplier and customer franchise in Coffee continued to improve its global market share during this period.

Food Staples and Packaged Foods	Q1 FY2010	Q1 FY2009	Change (%)
Sales Volume (metric tonnes)	539,411	412,842	30.7
Sales Revenue (S\$ million)	483.6	419.4	15.3
Net Contribution (S\$ million)	45.2	36.3	24.7
Net Contribution Per Tonne (S\$)	84	88	(4.5)

The **Food Staples & Packaged Foods segment** grew its Sales Volume by 30.7% and NC by 24.7% during Q1 FY2010. Grains, which is one of the products within this segment, typically comes at a lower margin per tonne relative to the rest of the products. This resulted in NC per tonne coming down from S\$88 to S\$84 as Grains' contribution to the growth in Sales Volume increased.

All products within the segment – Rice, Sugar, Dairy, Grains, Palm and Packaged Foods – contributed positively to this segment's performance in Q1 FY2010. The Company's sourcing operations in Thailand, Vietnam, China and Brazil and distribution operations in Africa underpinned the strong performance from the Rice business during this period. The revival in demand in Dairy markets led by China has provided support to the Dairy business. The Grains business expanded its sourcing volumes from origins including Australia and Russia, as well as grew its market reach in Asia and Africa. Packaged Foods achieved higher market share in Africa and Russia during the quarter.

On September 1, 2009, the Company acquired a 14.35% stake in New Zealand Farming Systems Uruguay ("NZFSU"), an operator of large scale Kiwi-style dairy farming operations in Uruguay, for a total cash consideration of NZ\$14.37 million. NZFSU currently owns 36,300 hectares of dairy farm land in Uruguay of which 10,500 hectares have already been developed with 26 farms producing 44.6 million litres of milk for the year ended June 30, 2009. This acquisition is in line with Olam's Dairy Products strategy, which envisages participation in dairy farming in low cost producing origins.



<b>Industrial Raw Materials</b>	<b>Q1 FY2010</b>	<b>Q1 FY2009</b>	<b>Change (%)</b>
Sales Volume (metric tonnes)	223,586	207,733	7.6
Sales Revenue (S\$ million)	376.8	369.6	1.9
Net Contribution (S\$ million)	23.1	21.1	9.4
Net Contribution Per Tonne (S\$)	103	102	0.9

The **Industrial Raw Materials** segment recorded a 7.6% growth in Sales Volume and 9.4% growth in NC in Q1 FY2010. NC per tonne improved from S\$102 to S\$103.

In Cotton, the ginning and marketing operations in Australia, USA, China, CIS and India recorded strong performance during the quarter. Demand from textile mills in key Asian markets showed an upturn as mills returned to the market to replenish a depleted inventory pipeline.

Demand for Wood Products improved significantly in China and India and to a lesser extent in Vietnam. The Company's origin operations in Gabon, Cote d'Ivoire, Tanzania and Southeast Asia along with marketing operations in China and India supported the growth in the Wood Products business during Q1 FY2010. Prospects for Wood Products are expected to continue to improve during the rest of the year.

### **Prospects**

There was a turnaround in demand for all four products within the Industrial Raw Materials segment, namely Cotton, Wool, Wood Products and Rubber, during Q1 FY2010 given the apparent signs of a global recovery. If this turnaround is sustained over the subsequent quarters, it will augur well for this segment, which was most impacted by the global economic crisis. The 16 products in the food category which have been less impacted by the recession continue to perform well. The Company is executing its next six-year corporate strategy. This will strengthen the Company's competitive position and improve its margin prospects going forward.



**Note:**

*This release should be read and understood only in conjunction with the full text of Olam International Limited's Q1 FY2010 Financial Statements lodged on SGXNET on November 12, 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 10,600 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. More information on Olam can be found at [www.olamonline.com](http://www.olamonline.com).*

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