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NEWS RELEASE

Olam International Posts 25% Growth in Net Profits for Full Year FY2007

FY2007 Financial Highlights

- Sales Revenue of **S\$5.46 billion, up 25.1%**
 - Sales Volumes of **3.77 million tonnes, up 18.9%** with growth across all four segments
 - Gross Contribution (GC) **up 42.7% to S\$489.7 million**, with GC/tonne **up 20% to S\$130**
 - Net Contribution (NC) **up 35.5% to S\$351.4 million**, with NC/tonne **up 13.9% to S\$93**
 - **50%** of NC growth on account of **volume growth**, and **50%** from **margin improvements**
 - All four business segments experienced growth **in excess of 30%** in GC and NC
 - **Net Profit After Tax up 25.0% to S\$109.0 million, EPS up 25.0%**
- Board recommends total Dividends of **3.5 cents per share** split as follows:
 - a First & Final Dividend of **1.75 cents per share** tax exempt (one-tier)
 - a Special Dividend of **1.75 cents per share** tax exempt (one-tier)

Financial Highlights	Quarter 4			Year Ended		
	FY2007	FY2006	Change (%)	FY2007	FY2006	Change (%)
Sales Volume (metric tonnes)	796,148	687,755	15.8	3,772,820	3,172,184	18.9
Sales Revenue (S\$ million)	1,508.1	1,018.8	48.0	5,455.5	4,361.1	25.1
GC (S\$ million)	146.0	97.7	49.4	489.7	343.1	42.7
NC (S\$ million)	119.8	82.6	45.0	351.4	259.4	35.5
NPAT (S\$ million)	30.5	25.3	20.5	109.0	87.2	25.0
EPS (cents per share)	1.96**	1.63	20.2	7.01*	5.61	25.0

* Based on weighted average number of shares of 1,554,626,983 for FY2007 (compared to weighted average number of shares of 1,554,584,400 for FY2006)

** Based on weighted average number of shares of 1,554,754,733 for Q4 FY2007 (compared to weighted average number of shares of 1,554,584,400 for Q4 FY2006)



Singapore, August 29, 2007 – Olam International Limited (“Olam” or the “Group”), a leading global, integrated supply chain manager of agricultural products and food ingredients, today reported a Net Profit After Tax of S\$109.0 million for the full year ended June 30, 2007 (“FY2007”), achieving a 25.0% increase over the previous corresponding year (“FY2006”).

The strong growth in earnings was the result of higher growth in both Sales Volume and Net Contribution across all four business segments. Sales Volumes grew 18.9% to 3.77 million tonnes, leading to a 25.1% growth in Sales Revenue for the year to S\$5.46 billion.

Olam’s Group Managing Director and CEO Sunny Verghese said: “Our strong growth in earnings this year demonstrates our ability to scale up volumes and increase net contribution margin per tonne. We have been successful in growing volumes by expanding into new products, new countries and new value chain adjacencies. We have improved our margins by providing more value-added services to our customers.

“One of the key highlights of this year’s results has been the progress we have made on seemingly competing objectives, namely, between growth and profitability and between short term and long term performance. In FY2007 we continued our track record of growing the top line, the bottom line and earning more than our cost of capital concurrently. We have achieved real revenue, volume and profitability growth in each of the last five years. On the short-term versus long-term objective, in addition to delivering strong results in FY2007, we have made significant organic and inorganic investments during the year that will underpin our growth in the future.”

Olam’s CFO, Krishnan Ravikumar said: “In order to execute on our governing objective of maximising shareholder value over time for our continuing shareholders, one of the key value drivers that we focus on is to open up the Equity Spread (ROE-Ke) or total capital spread (ROIC-WACC). In FY2007, we have generated an equity spread of 10.6% with ROE (on Beginning-of-Period Equity) of 20.6% compared to a ROE of 17.5% in FY2006.



“We have also delivered significant improvements in total capital productivity, which underpinned the improvement in our Return on Invested Capital (ROIC) from 8.69% in FY2006 to 10.51% in FY2007 generating a total capital spread (ROIC-WACC) of 3.57% in FY2007 compared to a capital spread of 2.78% in FY2006.”

Financial Review

For Q4 FY2007, Sales Revenue grew 48.0% to S\$1.51 billion, anchored by a 15.8% growth in Sales Volume to 796,148 metric tonnes with contribution from all four business segments.

GC for Q4 FY2007 grew by 49.4% to S\$146.0 million while NC improved by 45.0% to S\$119.8 million. Total interest costs increased by 73.7% to S\$26.2 million during the quarter under review. In spite of this, all four business segments registered growth in NC, 37% of which was accounted for by volume increases while the remaining 63% came from margin improvements.

For FY2007, Sales Revenue grew 25.1% to S\$5.46 billion as Sales Volume rose by 18.9% to 3.77 million tonnes. GC and NC rose 42.7% and 35.5% respectively and their growth was contributed by all the four business segments. The growth in NC was contributed equally from volume and margin expansion. NC per tonne improved from S\$82 to S\$93 with NC Margin also improving from 5.95% in the prior year to 6.44%. This was achieved in spite of interest cost rising 65.3% due to both a higher level of sales volume and interest rate increases, demonstrating that the higher interest cost incurred by the company was largely passed through to the supply chain.



Review by Product Segment

Edible Nuts, Spices & Beans	Quarter 4			Full Year		
	FY2007	FY2006	Change (%)	FY2007	FY2006	Change (%)
Sales Volume (metric tonnes)	178,808	143,480	24.6	566,549	481,978	17.5
Sales Revenue (S\$ million)	254.9	198.8	28.2	783.2	588.3	33.1
Net Contribution (S\$ million)	29.9	20.7	44.9	68.8	52.9	29.9
Net Contribution Per Tonne (S\$)	167	144	16.2	121	110	10.5

The **Edible Nuts, Spices & Beans** segment generated a volume growth of 24.6% in Q4 FY2007 and 17.5% for the full year FY2007. Net Contribution also showed a robust 44.9% growth to S\$29.9 million in Q4 FY2007 and a 29.9% growth to S\$68.8 million for FY2007.

Although trading conditions for Cashews were difficult due to an over-supply situation, margins still grew as a result of increased processing activities in the more cost competitive African origins. Peanut processing volumes in China, Argentina and South Africa grew during the year and this business has been significantly strengthened through the Group's recent acquisition of Universal Blanchers. Spices volume improved as its product portfolio expanded with dehydrates from China. Sesame's volume increased with higher sourcing volume from Sudan and India. Increased market reach in India also helped grow the sales volume of Pulses and Beans. This business is expected to grow faster following the Group's successful acquisition of Queensland Cotton in Australia.

Confectionery & Beverage Ingredients	Quarter 4			Full Year		
	FY2007	FY2006	Change (%)	FY2007	FY2006	Change (%)
Sales Volume (metric tonnes)	172,328	156,559	10.1	853,097	734,226	16.2
Sales Revenue (S\$ million)	454.5	377.3	20.5	2,177.8	1,711.3	27.3
Net Contribution (S\$ million)	43.9	32.9	33.5	126.0	95.7	31.7
Net Contribution Per Tonne (S\$)	255	210	21.3	148	130	13.3



Despite large market volatility in the **Confectionery & Beverage Ingredients** segment, Sales Volume and NC grew 10.1% and 33.5% respectively in Q4 FY2007. For FY2007, Sales Volume and NC growth were 16.2% and 31.7% respectively.

The Group continued to expand its Arabica coffee sourcing presence in South America, increasing its origin presence from two to five producing countries. It also made investments in processing and warehousing facilities in Brazil and Colombia to build an integrated Arabica coffee supply chain.

The momentum of growth in cocoa volumes was sustained throughout the year by the Group's joint venture with ADM in Cameroon and the increase in vendor managed inventory contracts.

Food Staples & Packaged Foods	Quarter 4			Full Year		
	FY2007	FY2006	Change (%)	FY2007	FY2006	Change (%)
Sales Volume (metric tonnes)	257,873	233,026	10.7	1,622,525	1,335,691	21.5
Sales Revenue (S\$ million)	462.4	194.0	138.3	1,432.3	1,058.4	35.3
Net Contribution (S\$ million)	12.9	6.3	105.6	60.2	42.1	42.8
Net Contribution Per Tonne (S\$)	50	27	85.8	37	32	17.5

Sales Volume and NC for the **Food Staples & Packaged Foods** segment grew 10.7% and 105.6% respectively in Q4 FY2007 compared to Q4 FY2006. For FY2007, Sales Volume and NC growth were 21.5% and 42.8% respectively.

Rice volumes showed strong growth as a result of the Group's focus on the premium rice segment. Margins also improved with the Group's commencement of its own inward clearing operations, and achieving more cost-efficient logistics management in selected markets.



Sugar volumes has shown robust growth during the year as the Group's strategy of pre-financing selected sugar mills in Brazil secured a higher level of supply, which was met by growing demand in markets such as Russia and the CIS countries.

Even as global dairy supplies fell during most of the year owing to the drought in Australia and reduction of supply from Europe, the Group was able to grow its dairy products volume due to its diversified origin presence across Western and Eastern Europe, Argentina and the US.

The Packaged Foods business continued to expand with new operations in Cote d'Ivoire, Benin and Ghana. More products had been distributed through the network to extract higher channel synergies.

Fibre & Wood Products	Quarter 4			Full year		
	FY2007	FY2006	Change (%)	FY2007	FY2006	Change (%)
Sales Volume (metric tonnes)	187,139	154,690	21.0	730,649	620,289	17.8
Sales Revenue (S\$ million)	336.2	248.6	35.2	1,062.2	1,003.2	5.9
Net Contribution (S\$ million)	33.1	22.8	45.1	96.5	68.7	40.5
Net Contribution Per Tonne (S\$)	177	147	19.9	132	111	19.3

The **Fibre & Wood Products** segment experienced 21.0% growth in Sales Volume and 45.1% growth in NC in Q4 FY2007. For FY2007, the segment saw 17.8% growth in Sales Volume and 40.5% in NC.

Most of the Cotton sales volume came from market share gains in Turkey, Thailand and Bangladesh as well as domestic cotton distribution in India and Brazil.

In Wood Products, sales volume increased in FY2007 as a result of greater sourcing volumes and market reach. As a margin improvement initiative, the Group made significant investments during the year to move into processing and distribution of higher value-added wood products in origins like Gabon and Ghana and in markets, such as China.



M&A Update

A key highlight for the company in FY2007 was the successful execution of its clearly articulated M&A strategy. Five transactions (described below) which are all expected to be value accretive, and with clear strategic and business fit with our existing core businesses were announced during the year. All these five transactions would be paid for in cash from internal accruals and debt and with no additional equity raised for this purpose.

In February 2007, Olam announced plans to form two joint ventures in the Oilseeds and Cotton businesses with Chinatex Corporation (Chinatex), a state-owned enterprise in China. In the Oilseeds joint venture, Olam intends to take an initial 35% stake in Chinatex's Grains & Oil subsidiary for a consideration of US\$13.5 million with an option to increase its stake to 45% within two years at a pre-agreed valuation. China is the world's largest importer of soybeans and Chinatex has a leading market position in this industry in China. The second joint venture with Chinatex is a 50:50 cotton joint venture for developing the domestic cotton business in China, which is the world's largest producer, consumer and importer of cotton. The transaction is expected to be completed by November 2007.

In March 2007, Olam made an off-market takeover offer to acquire 100% shares in Queensland Cotton Holdings (QCH) to create the third largest global cotton company. Our revised offer of A\$5.90 per share valuing QCH at A\$166 million has been accepted by QCH shareholders and we have now secured full control of the company. QCH was successfully de-listed in August 2007 and is now a subsidiary of Olam. A post merger integration team consisting of senior executives from Olam and QCH has made significant progress in developing a clear pathway to crystallise and capture all the synergies identified in the deal thesis and to explore new adjacent growth opportunities in Australia.

In April 2007, the Group announced it would acquire 100% of the world's largest independent peanut blancher and ingredient processor, Universal Blanchers, for a total cash consideration of US\$77 million as enterprise value (net equity value of US\$72.6 million). This acquisition will enable Olam to expand into peanut blanching and ingredient manufacturing in the US. The transaction was completed in early June 2007.



In June 2007, Olam made a strategic 19.9% investment in Open Country Cheese (OCC), a fast growing dairy processing company in New Zealand for approximately S\$25.0 million. The company is currently engaged in discussions with OCC's Board and Shareholders in identifying the areas that Olam could add value in terms of providing specific product off-take arrangements and/or make other targeted investments to grow the OCC business.

On 27 August 2007, Olam announced that it would acquire 100% equity interest in Key Foods Ingredients and its subsidiaries (KFI), a processor and global supplier of dehydrates, for a total consideration of US\$16 million. The acquisition provides Olam an accelerated entry into the large and growing dehydrated ingredient market that is growing at 7-8% CAGR. The transaction is expected to close by end-September 2007.

Prospects

The Group continues to execute well on its strategic plans and has made substantial organic and inorganic investments in FY2007 that would support its growth over the next few years.

Note:

This release should be read and understood only in conjunction with the full text of Olam International Limited's FY2007 Financial Statements lodged on SGXNET on August 29, 2007.

About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 14 products with a direct presence in over 52 countries and supplying them to over 4,000 customers in more than 60 destination markets. 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 teak wood.



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 capitalization and is now a component stock in the benchmark Straits Times Index (STI). Olam received three prestigious honours at the Singapore Corporate Awards 2007 - the Best Managed Boards (Silver) Award, Best Annual Report (Gold) Award for Newly-listed Firms and Best Investor Relations (Bronze) Award in the more than S\$500 million market cap category. It was also recently named as one of Singapore's top 10 globalised companies by International Enterprise ("IE") Singapore in its third annual Singapore International 100 Ranking 2007. More information on Olam can be found at www.olamonline.com.

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