

OLAM INTERNATIONAL LIMITED

Financial Statements for the Third Quarter Ended 31 March 2008

PART I: Information required for announcements of Quarterly (Q1, Q2 & Q3), 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 – Third Quarter FY2008: Group

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 08	31 Mar 07	%	31 Mar 08	31 Mar 07	%
Revenue						
Sale of goods	5,729,670	3,947,425		2,404,697	1,579,937	
Other revenue	16,649	14,306		4,431	7,604	
	5,746,319	3,961,731	45.0%	2,409,128	1,587,541	51.8%
Costs and expenses						
Cost of goods sold	4,560,796	3,074,058		1,922,083	1,247,199	
Shipping and logistics	622,600	491,588		259,235	177,982	
Commission and claims	44,883	32,425		16,594	13,754	
Employee benefit expense	110,932	56,969		31,310	20,568	
Share based expense	3,959	4,360		1,519	1,406	
Depreciation	23,002	10,557		8,633	2,859	
Net measurement of derivative instruments	2,421	(200)		10,087	(2,696)	
(Gain)/Loss on foreign exchange	(3,886)	605		994	(1,443)	
Other operating expenses	107,048	85,378		42,483	34,552	
Finance costs	155,675	118,297		50,787	48,422	
Share of (Gain)/loss from jointly controlled entities	147	9		(395)	(144)	
	5,627,577	3,874,046	45.3%	2,343,330	1,542,459	51.9%
Profit before taxation	118,742	87,685	35.4%	65,798	45,082	46.0%
Taxation	(15,943)	(9,211)		(9,930)	(4,747)	
Profit for the financial period	102,799	78,474	31.0%	55,868	40,335	38.5%
Attributable to:						
Equity holders of the Company	102,820	78,511		55,748	40,342	
Minority interest	(21)	(37)		120	(7)	
	102,799	78,474		55,868	40,335	

Notes:

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 08	31 Mar 07	%	31 Mar 08	31 Mar 07	%
Other operating expenses include bank charges of	13,921	13,377		5,466	4,436	
Other revenue includes interest income of	5,082	6,255		432	2,181	
Gross Contribution	500,375	343,652	45.6%	194,512	146,278	33.0%
Net Contribution	349,782	231,610	51.0%	144,157	100,038	44.1%

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	
	31 Mar 2008	30 Jun 2007	31 Mar 2008	30 Jun 2007
Non-current assets				
Property, plant and equipment	410,001	129,348	1,664	1,299
Intangible assets	100,197	96,203	-	-
Subsidiary companies	-	-	271,055	223,123
Deferred tax assets	22,728	11,085	5,370	7,979
Interest in jointly controlled entities	360	1,942	3,052	2,227
Long term investments	27,248	81,091	25,091	27,431
Other receivables	4,177	9,466	4,177	1,006
Current assets				
Amounts due from subsidiary companies	-	-	446,028	301,192
Trade receivables	362,378	508,193	161,714	263,186
Margin accounts with brokers	265,137	86,162	161,027	79,595
Inventories	1,621,639	1,163,203	511,648	313,060
Advance payments to suppliers	418,808	255,706	209,269	91,154
Advance payments to subsidiary companies	-	-	1,092,044	951,985
Other receivables	472,229	199,416	206,940	52,026
Short term investment	-	13,461	-	13,461
Fixed deposits	39,924	43,372	38,398	42,992
Cash and bank balances	172,306	194,235	48,772	55,024
Fair value of derivative financial instruments	785,051	388,032	753,258	373,618
	4,137,472	2,851,780	3,629,098	2,537,293
Current liabilities				
Trade payables and accruals	452,446	255,522	322,248	180,632
Other payables	296,410	55,927	50,840	45,011
Amount due to bankers	1,412,225	545,555	1,178,395	346,693
Medium term notes	110,000	450,000	110,000	450,000
Provision for taxation	26,096	24,878	2,025	8,142
Fair value of derivative financial instruments	799,290	488,630	769,371	473,690
	3,096,467	1,820,512	2,432,879	1,504,168
Net current assets	1,041,005	1,031,268	1,196,219	1,033,125
Non-current liabilities				
Deferred tax liabilities	(363)	(3,323)	-	-
Term loans from banks	(771,440)	(703,663)	(689,465)	(690,413)
Medium term notes	(358,389)	(220,668)	(358,389)	(220,668)
Net assets	475,524	432,749	458,774	385,109
Equity attributable to equity holders of the Company				
Share capital	399,542	397,730	399,542	397,730
Reserves	75,976	34,992	59,232	(12,621)
	475,518	432,722	458,774	385,109
Minority interest	6	27	-	-
Total equity	475,524	432,749	458,774	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 31/03/2008		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts		113,215		49,970
Loans		1,299,010		495,585
Medium Term Notes		110,000		450,000
Total		1,522,225		995,555

Amount repayable after one year

	As at 31/03/2008		As at 30/06/2007	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Long Term Loans	11,799	759,641	13,249	690,414
Long Term Medium Term Notes		358,389		220,668
Total	11,799	1,118,030	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\$ 11.8 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	
	Nine Months Ended		Three Months Ended	
	31 Mar 2008	31 Mar 2007	31 Mar 2008	31 Mar 2007
Cash flow from operating activities				
Operating profit before taxation	118,742	87,685	65,798	45,082
Adjustments for:				
Share of results in jointly controlled entities	147	9	(395)	(144)
Depreciation of property, plant and equipment	23,002	10,557	8,632	2,859
Loss on disposal of property, plant and equipment	222	6	196	6
Net measurement of derivative instruments	2,422	(200)	10,087	(2,696)
Amortisation of intangible asset	951	-	302	-
Cost of share-based payments	3,959	4,360	1,519	1,406
Interest income	(5,082)	(6,255)	(432)	(2,181)
Interest expense	155,675	118,297	50,788	48,422
Operating profit before reinvestment in working capital	300,038	214,459	136,496	92,752
(Increase)/ decrease in inventories	(279,236)	(166,217)	(384,598)	2,729
(Increase) in receivables	(147,738)	(336,091)	(215,792)	(193,633)
(Increase) in advance payments to suppliers	(150,348)	(69,472)	(51,176)	(15,529)
Increase in payables	281,443	93,154	264,761	76,121
Cash flow generated from/(used in) operations	4,159	(264,168)	(250,308)	(37,560)
Interest income received	5,082	6,255	432	2,181
Interest expenses paid	(156,126)	(125,366)	(43,138)	(62,048)
Tax paid	(45,141)	(7,204)	(24,849)	(1,249)
Net cash flow used in operating activities	(192,026)	(390,484)	(317,863)	(98,675)
Cash flow from investing activities				
Proceeds from disposal of property, plant and equipment	1,443	1,233	(1,733)	(61)
Purchase of property, plant and equipment	(37,476)	(30,162)	27,467	(10,229)
Acquisition of subsidiaries - net of cash acquired	(190,433)	-	(11,052)	-
Proceeds from sale of government securities	13,461	-	(0)	-
Investment in a jointly controlled entity	-	(1,076)	-	(944)
Repayment from/ (loan to) jointly controlled entities	83	(63)	2,316	46
Net cash flow (used in)/generated from investing activities	(212,922)	(30,067)	16,997	(11,186)
Cash flow from financing activities				
Proceeds from/ (repayment of) loans from banks	588,777	132,327	417,386	(70,361)
Proceeds from issuance of shares on exercise of share options	1,811	-	555	-
Dividends paid on ordinary shares by the Company	(54,411)	(46,638)	(1)	-
(Decrease)/ increase in medium term notes	(202,279)	310,571	(253,448)	168,040
Net cash flow provided by financing activities	333,898	396,260	164,492	97,679
Net effect of exchange rate changes on cash and cash equivalents	(17,572)	(14,044)	(8,255)	(1,349)
Net decrease in cash and cash equivalents	(88,623)	(38,334)	(144,630)	(13,532)
Cash and cash equivalents at the beginning of the period	187,637	267,401	243,644	242,599
Cash and cash equivalents at the end of the period	99,015	229,067	99,015	229,067

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 9 MONTHS - 31 MARCH 2008

At 31 March 2008 Group	Attributable to equity holders of the Company						Minority Interest \$'000	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	(39,929)	(150,827)	8,616	217,132	34,992	27	432,749
Net loss on fair value changes during the period			(207,357)			(207,357)		(207,357)
Recognised in the profit and loss account on occurrence of hedged transactions			227,740			227,740		227,740
Foreign currency translation adjustment		(31,303)				(31,303)		(31,303)
Net income and expense recognised directly in equity		(31,303)	20,383			(10,920)		(10,920)
Profit for the period					102,820	102,820	(21)	102,799
Total recognised expense and income for the period		(31,303)	20,383			91,900	(21)	91,879
Dividends on ordinary shares					(54,411)	(54,411)		(54,411)
Share-based expense				3,495		3,495		3,495
Issue of shares on exercise of share option	1,812							1,812
At 31 March 2008	399,542	(71,232)	(130,444)	12,111	265,541	75,976	6	475,524

GROUP 9 MONTHS - 31 MARCH 2007

At 31 March 2007 Group	Attributable to equity holders of the Company						Minority Interest \$'000	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	(25,091)	(41,978)	3,378	154,723	91,032	53	488,039
Net loss on fair value changes during the period			(28,752)			(28,752)		(28,752)
Recognised in the profit and loss account on occurrence of hedged transactions			(42,311)			(42,311)		(42,311)
Foreign currency translation adjustment		(14,219)				(14,219)		(14,219)
Net expense recognised directly in equity		(14,219)	(71,063)			(85,282)		(85,282)
Profit for the period					78,511	78,511	(37)	78,474
Total recognised income and expenses for the period		(14,219)	(71,063)			(6,771)	(37)	(6,808)
Dividends on ordinary shares					(46,638)	(46,638)		(46,638)
Share-based expense				4,034		4,034		4,034
Incorporation of a subsidiary								
At 31 March 2007	396,954	(39,310)	(113,041)	7,412	186,596	41,657	16	438,627

COMPANY 9 MONTHS - 31 MARCH 2008

At 31 March 2008 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	At 1 July 2007	397,730	(35,583)	(148,563)	8,616	162,909	
Net loss on fair value changes during the period			(181,234)			(181,234)	(181,234)
Recognised in the profit and loss account on occurrence of hedged transactions			223,201			223,201	223,201
Foreign currency translation adjustment		(39,844)				(39,844)	(39,844)
Net income and expense recognised directly in equity		(39,844)	41,967			2,123	2,123
Profit for the period					120,646	120,646	120,646
Total recognised expense and income for the period		(39,844)	41,967		120,646	122,769	122,769
Dividends on ordinary shares					(54,411)	(54,411)	(54,411)
Share-based expense				3,495		3,495	3,495
Issue of shares on exercise of share option	1,812						1,812
At 31 March 2008	399,542	(75,427)	(106,596)	12,111	229,144	59,232	458,774

COMPANY 9 MONTHS - 31 MARCH 2007

At 31 March 2007 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	At 1 July 2007	396,954	(19,545)	(41,046)	3,378	131,778	
Net loss on fair value changes during the period			(32,808)			(32,808)	(32,808)
Recognised in the profit and loss account on occurrence of hedged transactions			(35,425)			(35,425)	(35,425)
Foreign currency translation adjustment		(17,409)				(17,409)	(17,409)
Net expense recognised directly in equity		(17,409)	(68,233)			(85,642)	(85,642)
Profit for the period					83,873	83,873	83,873
Total recognised income and expenses for the period		(17,409)	(68,233)		83,873	(1,769)	(1,769)
Dividends on ordinary shares					(46,638)	(46,638)	(46,638)
Share-based expense				4,034		4,034	4,034
Incorporation of a subsidiary							
At 31 March 2007	396,954	(36,954)	(109,279)	7,412	169,013	30,192	427,146

GROUP QUARTER - 31 MARCH 2008

At 31 March 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 January 2008	398,986	(61,422)	(156,114)	10,634	210,192	3,290	(114)	402,162
Net loss on fair value changes during the period			(150,881)			(150,881)		(150,881)
Recognised in the profit and loss account on occurrence of hedged transactions			176,551			176,551		176,551
Foreign currency translation adjustment		(9,810)				(9,810)		(9,810)
Net income and expense recognised directly in equity		(9,810)	25,670			15,860		15,860
Profit for the period					55,349	55,349	120	55,469
Total recognised expense and income for the period		(9,810)	25,670		55,349	71,209	120	71,329
Dividends on ordinary shares								
Share-based expense				1,477		1,477		1,477
Issue of shares on exercise of share option	556							556
At 31 March 2008	399,542	(71,232)	(130,444)	12,111	265,541	75,976	6	475,524

GROUP QUARTER - 31 MARCH 2007

At 31 March 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 January 2007	396,954	(37,945)	(38,392)	6,087	146,254	76,004	23	472,981
Net loss on fair value changes during the period			(88,221)			(88,221)		(88,221)
Recognised in the profit and loss account on occurrence of hedged transactions			13,572			13,572		13,572
Foreign currency translation adjustment		(1,365)				(1,365)		(1,365)
Net expense recognised directly in equity		(1,365)	(74,649)			(76,014)		(76,014)
Profit for the period					40,342	40,342	(7)	40,335
Total recognised income and expenses for the period		(1,365)	(74,649)		40,342	(35,672)	(7)	(35,679)
Transfer of share premium to share capital account								
Dividends on ordinary shares								
Share-based expense				1,325		1,325		1,325
Incorporation of a subsidiary								
At 31 March 2007	396,954	(39,310)	(113,041)	7,412	186,596	41,657	16	438,627

COMPANY QUARTER - 31 MARCH 2008

At 31 March 2008 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	At 1 January 2008	398,986	(59,596)	(155,816)	10,634	162,781	
Net loss on fair value changes during the period			(113,398)			(113,398)	(113,398)
Recognised in the profit and loss account on occurrence of hedged transactions			162,618			162,618	162,618
Foreign currency translation adjustment		(15,831)				(15,831)	(15,831)
Net income and expense recognised directly in equity		(15,831)	49,220			33,389	33,389
Profit for the period					66,363	66,363	66,363
Total recognised expense and income for the period		(15,831)	49,220		66,363	99,752	99,752
Dividends on ordinary shares							
Share-based expense				1,477		1,477	1,477
Issue of shares on exercise of share option	556						556
At 31 March 2008	399,542	(75,427)	(106,596)	12,111	229,144	59,232	458,774

COMPANY QUARTER - 31 MARCH 2007

At 31 March 2007 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	At 1 January 2007	396,954	(33,749)	(41,636)	6,087	122,500	
Net loss on fair value changes during the period			(83,658)			(83,658)	(83,658)
Recognised in the profit and loss account on occurrence of hedged transactions			16,015			16,015	16,015
Foreign currency translation adjustment		(3,205)				(3,205)	(3,205)
Net expense recognised directly in equity		(3,205)	(67,643)			(70,848)	(70,848)
Profit for the period					46,513	46,513	46,513
Total recognised income and expenses for the period		(3,205)	(67,643)		46,513	(24,335)	(24,335)
Transfer of share premium to share capital account							
Dividends on ordinary shares							
Share-based expense				1,325		1,325	1,325
Incorporation of a subsidiary							
At 31 March 2007	396,954	(36,954)	(109,279)	7,412	169,013	30,192	427,146

- 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.

	Jan - Mar 08	Jan - Mar 07
Issue of shares on exercise of share options	365,250	

- 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.

	Mar-08	Jun-07
Issued, fully paid share capital :		
Balance no. of shares as at the beginning of period	1,555,095,400	
Addition on exercise of share options	1,191,491	
Total no. of shares outstanding as the end of period	1,556,286,891	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	
	31 Mar 2008	31 Mar 2007	31 Mar 2008	31 Mar 2007
(a) Based on weighted average no. of shares (cents/share)*	6.46	4.94	3.50	2.54
(b) Based on fully diluted basis (cents/share)*	6.33	4.87	3.44	2.49
Weighted average no. of shares applicable to basic earnings per share*	1,592,079,912	1,590,878,199	1,591,688,945	1,590,878,199
Weighted average no. of shares based on fully diluted basis*	1,624,975,319	1,611,250,033	1,620,354,908	1,618,788,852

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	
	31 Mar 2008	31 Mar 2007	31 Mar 2008	31 Mar 2007
(a) Based on weighted average no. of shares (cents/share)*	6.77	5.21	3.62	2.62
(b) Based on fully diluted basis (cents/share)*	6.63	5.14	3.55	2.58

* 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 (SGD 1.97) and the price on the last day of exercise of entitlements (SGD 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 30 Mar 08	As at 30 Jun 07	As at 30 Mar 08	As at 30 Jun 07
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	24.12	21.64	29.48	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 38.94 cents/share in March 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, 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

- a. **Consolidation of results of companies acquired by the Group** : For Q3FY2008, the results of the Group includes the results of Queensland Cotton Holdings ("QCH"), Universal Blanchers("UB"), Naarden Agro Products B.V ("NAP"), PT Dharmapala Usaha Sukses ("DUS") and Key Food Ingredients ("KFI"). All these companies were acquired during the calendar year 2007. The consolidated results for Q3FY2008 are therefore not strictly comparable to results of Q3FY2007. The impact of these results has been highlighted in the segmental commentary.
- b. **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 periods. 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 through value added services such as vendor managed inventory services (VMI), organic certification, fair trade produce certification (FTP), customized grades and quality, proprietary market intelligence and risk management solutions to our customers.
- c. **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 to March. Countries in the southern hemisphere have harvesting seasons between April to 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 is 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	Q3 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 in the prices of various products. While the volatility 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

Q3 FY2008 includes the consolidation of the results of QCH (9M), UB (9M), NAP (7M), DUS (6M) and KFI (7M). The consolidated P&L for Q3 FY2008 is therefore not strictly comparable to results of Q3 FY2007. The impact of these results has been more fully highlighted in the segmental commentary. A snapshot of the results of the existing and new businesses through acquisition is given below:

Description	9M FY2008			9M FY2007	% Increase Total	% Increase Existing Business
	Existing Business	New Business *	Total	Total		
Volume (metric tons)	3,465,337	288,783	3,754,121	2,976,672	26.1%	16.4%
Revenue (S\$'000)	5,126,510	603,160	5,729,670	3,947,425	45.1%	29.9%
Net Contribution (S\$'000)	297,792	51,990	349,782	231,610	51.0%	28.6%
PAT (S\$'000)	105,800	(2,980)	102,820	78,512	30.96%	34.76%

* New Business through acquisitions.

The growth in our existing business continues to remain strong and posted volume growth of 16.4%; revenue growth of 29.9%; NC growth of 28.6% and PAT growth of 34.8% over 9M FY2007.

All the acquired businesses turned in positive net contribution in Q3 FY2008. With the exception of QCH and DUS, the performance of the acquired companies exceeded expectations and were earnings accretive on an NPAT basis in this period. The acquired businesses accounted for 37.1% of the growth in Group's sales volume and contributed to S\$ 52.0 million in net contribution.

The following table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for Q3FY2008 and comparison with Q3FY2007.

Quarter

Segment	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
	Mar 08	Mar 07	Mar 08	Mar 07	Mar 08	Mar 07	Mar 08	Mar 07
Edible Nuts, Spices & Beans	195,233	161,968	332,901	193,183	42,686	25,651	36,079	19,376
Per ton (S\$)			1,705	1,193	219	158	185	120
Confectionery & Beverage Ingredients	352,012	296,326	1,317,747	830,779	62,274	56,688	38,707	34,372
Per ton (S\$)			3,743	2,804	177	191	110	116
Food Staples & Packaged Foods	565,042	440,937	418,021	260,870	34,724	20,058	26,750	13,676
Per ton (S\$)			740	592	61	45	47	31
Fibre & Wood Products*	304,527	261,023	336,028	295,105	54,828	43,881	42,621	32,614
Per ton (S\$)			1,103	1,131	180	168	140	125
Total	1,416,814	1,160,254	2,404,697	1,579,937	194,512	146,278	144,157	100,038
Per ton (S\$)					137	126	102	86

Cumulative

Segment	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
	Mar 08	Mar 07	Mar 08	Mar 07	Mar 08	Mar 07	Mar 08	Mar 07
Edible Nuts, Spices & Beans	501,278	387,741	759,450	528,294	92,630	54,014	69,668	38,812
Per ton (S\$)			1,515	1,362	185	139	139	100
Confectionery & Beverage Ingredients	800,122	680,769	2,465,355	1,723,291	158,736	128,224	101,309	82,082
Per ton (S\$)			3,081	2,531	198	188	127	121
Food Staples & Packaged Foods	1,642,960	1,364,653	1,429,980	969,912	117,227	72,665	86,947	47,270
Per ton (S\$)			870	711	71	53	53	35
Fibre & Wood Products*	809,761	543,509	1,074,885	725,928	131,782	88,749	91,858	63,446
Per ton (S\$)			1,327	1,336	163	163	113	117
Total	3,754,121	2,976,672	5,729,670	3,947,425	500,375	343,652	349,782	231,610
Per ton (S\$)					133	115	93	78

* Wood Products measured in cubic metres.

The progress made during FY2008 is highlighted below:

➤ **Edible Nuts, Spices & Beans**

The Edible Nuts, Spices & Beans segment recorded a volume growth of 29.3% and a revenue growth of 43.8% in 9M FY2008. Net Contribution also recorded a strong 79.5% growth to S\$69.7 million in 9M FY2008.

There was broad based contribution from all the major products in this segment, which underpinned the strong top line and bottom line growth for this period. Both our acquisitions in this segment, UB and KFI, continued to perform strongly contributing significantly to the growth in the peanut and spices businesses respectively. The sesame business turned in a strong performance where volumes grew by over 50% supported by strong demand growth in China and our ability to expand our sourcing operations in India, East and West Africa including Ethiopia. Trading conditions in cashew have improved during the quarter but the viability of our cashew processing operations in Brazil continue to be under pressure due to the appreciation of the Brazilian Real.

➤ **Confectionery and Beverage Ingredients**

Sales Volume and Revenue in the Confectionery & Beverage Ingredients segment grew 17.5% and 43.1% respectively in 9M FY2008. Net Contribution also recorded a strong 23.4% growth to S\$101.3 million in 9M FY2008.

The Coffee and Cocoa businesses continued to experience unprecedented market volatility during this period. During February and March, the market witnessed significant price increases in both these markets leading to increased working capital being deployed in margin calls. However the prices have since come back to the pre-December levels. For all of this quarter, both coffee and cocoa market continued to be in backwardation. While the coffee and cocoa business expanded volumes by 24% and 11% respectively, sustained backwardation put some pressure on the margins. The NC per ton grew at a slower pace at S\$127 per ton in Q3 FY 2008. Work on our new soluble coffee processing plant in Vietnam is making good progress.

➤ **Food Staples and Packaged Foods Business**

Sales Volume and Revenue for the Food Staples & Packaged Foods segment grew 20.4% and 47.4% respectively in 9M FY2008 compared to 9M FY2007. Net Contribution also recorded a strong 83.9% growth to S\$86.9 million in 9M FY2008.

Market prices for rice registered a significant increase during this quarter mainly on account of major exporting countries like India, Vietnam, China and Pakistan imposing various export restrictions with some of them banning the exports of rice. Our Rice Business continued to perform very well during this quarter. Demand for rice was strong during the quarter and given our extensive distribution reach, volumes grew by 53% for Q3 FY2008 as compared to the similar period in the previous quarter. Many of the importing countries have temporarily reduced import duties on rice with a view to mitigating the impact of increasing rice prices globally.

In Sugar, we completed the refurbishment of DUS and the facility has started production in this quarter. The current capacity has already reached 250 tons per day. The Dairy business continued to perform strongly with volumes growing by 34.5% in Q3 FY2008 despite prices coming down sharply. The successful integration of NAP and its strong profit performance has also contributed to the robust performance of the Dairy segment in this Quarter. Our Packaged Foods distribution business made good progress during this period particularly in West Africa.

➤ **Fibre and Wood Products**

The Fibre & Wood Products segment had a growth of 49.0% in Sales Volume and 48.1% in sales revenue in 9M FY2008. Net Contribution also recorded a strong 44.8% growth to S\$91.9 million in 9M FY2008.

Like other futures traded products, Cotton also witnessed unprecedented volatility in prices during this quarter. Cotton prices rose to 104 cents per lb at the peak of this move, a 14 year high for cotton. High volatility lead to a significant increase in working capital deployment due to increased margin calls. Demand for physical cotton also dipped as the textile mills were waiting on the sidelines, anticipating a correction in prices from these high levels. The prices have since come back to pre-December levels and there is once again a strong demand from the textile mills. Our existing cotton business, combined with the additional volumes of QCH, has contributed to the volume growth of 68% recorded over the corresponding period last year. We are pleased to now revise this to a full year loss expectation of S\$13 to S\$14m (down from S\$16 to S\$19 million) due to improved trading performance of QCH.

The Wood Products business continued to perform well during this period, making good progress its strategy of expanding its participation in plantation products, enhancing its primary and secondary processing activities, successfully growing its value added manufacturing business including top layer and flooring products manufacturing and developing direct distribution in the key markets of China, Vietnam, India and Europe. China and Vietnam have had a particularly good quarter due to increased demand and the successful expansion of our operations in these two key markets.

Costs and Expenses

Q3 FY2008: SG&A increased by 42.8% to S\$78.5 million in Q3 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 3.48% in Q3 FY2007 to 3.26% in Q3 FY2008.

9M FY2008: SG&A increased by 60.6% to S\$231.0 million in 9M FY2008 over the corresponding period in FY2007. Increase in SG&A at 60.6% was higher than our growth in underlying Sales Revenue of 45.0%. SG&A/Sales ratio increased from 3.65% in 9M FY2007 to 4.03% in 9M FY2008. 61% of the increase in the SG&A costs is attributable to the consolidation of the acquired businesses.

Profit before tax

Q3 FY2008: For the quarter ended 31 March 2008, Profit before tax increased by 45.7% to S\$65.7 million as compared to S\$45.1 million in FY2007.

9M FY2008: For the nine months ended 31 March 2008, Profit before tax increased by 35.4% to S\$118.7 million as compared to S\$87.7 million in FY2007.

Taxation

Q3 FY2008: Taxes increased to S\$9.9 million for Q3 FY2008 as compared to S\$4.7 million for Q3 FY2007.

9M FY2008: Taxes increased to S\$15.9 million for 9M FY2008 as compared to S\$9.2 million for 9M FY2007.

Net profit after tax

Q3 FY2008: Net profit after tax increased by 38.2% to S\$55.7 million for Q3 FY2008 from S\$40.3 million in Q3 FY2007.

9M FY2008: Net profit after tax increased by 31.0% to S\$102.8 million for 9M FY2008 from S\$78.5 million in 9M FY2007.

Balance Sheet & Cash Flow

Equity and Reserves

Total equity and reserves increased by 9.9% from S\$432.7 million as of 30 June 2007 to S\$475.5 million as of 31 March 2008. As announced during the quarter, a dividend of S\$54.4 million was paid out.

On 28 March 2008, 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 are on the shareholder register of Olam as at the Books Closure Date on April 8 2008. The company is pleased to announce that there was strong support for this transaction and valid acceptances and excess applications for a total of 184,786,073 New Shares were received (or 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 24th April 2008.

There has been a net decrease of S\$130.4 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 categorized under "Fair value of derivative financial instruments." This is the result of unrealized 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 unrealized losses will flow through the profit & loss statement as and when the sale of physical stocks (being the hedged items) is recognized. These unrealized 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 amount mainly represents the goodwill and value of intangibles of UB for which the "Purchase Price Allocation" (PPA) exercise was completed as on 30 June 2007 as per the provisions of FRS 103. We are in the process of carrying out the PPA exercise for all other acquired businesses. The value of intangible assets reflected in the balance sheet is expected to increase when this exercise is completed.

Fixed Assets

Investments in fixed assets amounted to S\$298.0 million for the nine months ended 31 March 2008. The increase has been mainly on account of consolidation of the acquired businesses.

Current Assets

Debtors Analysis

Debtor days in Q3 FY2008 reduced significantly to 17 days as compared to 34 days as at 30 June 2007. 76.9% of debtors were secured either against Letters of Credit or against documents with the bank for collection.

Stocks

Stock turnover days for the period was at 85 days, same as at 30 June 2007. There was an increase in stock value by S\$458.4 million to S\$1621.6 million from S\$1163.2 million as on 30 June 2007. 86.3% of the stocks were sold forward to customers or hedged using financial derivatives. The price exposure on the balance inventories are actively managed through both volume and period limits as per our risk management policies

Advance to Suppliers

Advance to Suppliers days went up marginally to 22 days in Q3 FY2008 as compared to 19 days as of 30 June 2007. The advances increased from S\$255.7 million in FY2007 to S\$418.8 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\$2,652.1 million as of end of March 2008 from S\$1,919.9 million as of 30 June 2007 on account of funding additional working capital, acquisition funding as well as consolidation of debt of QCH, UB and NAP operations

Cash and Fixed Deposits

Cash and Fixed Deposits decreased by 10.7% to S\$212.2 million as on 31 March 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 materialize over the next 12 months. We will announce such acquisition and investment opportunities accordingly as and when they materialize.

11. Dividend

- (a) Current Financial Period Reported On 31st March 2008

During Q2 FY2008, the Company paid out a tax exempt dividend of S\$54.411 million comprising ordinary dividend of S\$0.0175 per share and a special dividend of S\$0.0175 per share.

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

During FY2007, the Company paid out tax exempt dividend of S\$ 46.638 million comprising ordinary dividend of S\$0.015 per share and special dividend of S\$0.015 per share.

- (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

N/A

(e) Books closure date

N/A

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

During the current period there is no dividend declared or recommended.

PART II: Additional information required for Full Year announcement
(This part is not applicable to Q1, Q2, Q3 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.

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.

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

17. Interested Persons Transactions.

Confirmation of the Board

We refer to the requirement under Rule 705(4) of the Listing Manual.

We hereby confirm to the best of our knowledge, that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for period ended 31 March 2008 to be false or misleading in any material aspects.

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
15 MAY 2008