

**OLAM INTERNATIONAL LIMITED**

**Financial Statements for the Third Quarter Ended 31<sup>st</sup> March 2009**

**PART I: Information required for announcements of Quarterly (Q1, Q2, Q3 & Q4), 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 FY2009: Group**

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 09	31 Mar 08	% change	31 Mar 09	31 Mar 08	% change
<b>Revenue - Sale of goods</b>	6,149,006	5,729,670	7.3%	2,289,352	2,404,697	-4.8%
Gain on buy-back of Convertible Bonds	80,536	-		24,597	-	
Other income	26,204	16,649		8,408	4,431	
	<b>6,255,746</b>	<b>5,746,319</b>	<b>8.9%</b>	<b>2,322,357</b>	<b>2,409,128</b>	<b>-3.6%</b>
<b>Costs and expenses</b>						
Cost of goods sold	4,931,805	4,560,796		1,845,268	1,922,083	
Shipping and logistics	592,274	622,600		229,138	259,235	
Commission and claims	70,074	44,883		24,284	16,594	
Employee benefit expense	124,203	114,891		41,142	32,829	
Depreciation	27,302	23,002		9,349	8,633	
Net measurement of derivative instruments	(26,764)	2,421		(18,081)	10,087	
Loss / (gain) on foreign exchange	5,607	(3,886)		6,444	994	
Other operating expenses	133,270	107,048		34,807	42,483	
Finance costs	191,615	155,675		67,358	50,787	
	6,049,386	5,627,430		2,239,709	2,343,725	
Share of (gain) / loss from jointly controlled entities / associates	(14,088)	147		(10,075)	(395)	
	<b>6,035,298</b>	<b>5,627,577</b>	<b>7.2%</b>	<b>2,229,634</b>	<b>2,343,330</b>	<b>-4.9%</b>
<b>Profit before taxation</b>	<b>220,448</b>	<b>118,742</b>	<b>85.7%</b>	<b>92,723</b>	<b>65,798</b>	<b>40.9%</b>
Tax expense	(15,098)	(15,943)		(5,697)	(9,930)	
<b>Profit for the financial period</b>	<b>205,350</b>	<b>102,799</b>	<b>99.8%</b>	<b>87,026</b>	<b>55,868</b>	<b>55.8%</b>
<b>Attributable to:</b>						
Equity holders of the Company	205,350	102,820		87,026	55,748	
Minority interest	-	(21)		-	120	
	<b>205,350</b>	<b>102,799</b>		<b>87,026</b>	<b>55,868</b>	

**Notes:**

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 09	31 Mar 08	% change	31 Mar 09	31 Mar 08	% change
Other income includes <b>interest income</b> of	10,895	5,082		5,035	432	
Other operating expenses include <b>bank charges</b> of	14,410	13,921		6,540	5,466	
<b>Gross Contribution</b>	573,115	502,797	14.0%	195,338	204,599	-4.5%
<b>Net Contribution</b>	392,394	352,204	11.4%	133,016	154,244	-13.8%

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 Sheets : Group & Company**

(in S\$'000)	Group		Company	
	31 Mar 09	30 Jun 08	31 Mar 09	30 Jun 08
<b>Non-current assets</b>				
Property, plant and equipment	451,652	403,391	3,176	1,928
Intangible assets	138,792	130,259	916	861
Investment in subsidiary companies	-	-	330,042	249,977
Deferred tax assets	60,089	36,709	15,574	14,972
Interests in jointly controlled entities	279,864	1,593	266,419	2,101
Investment in associates	107,193	-	108,311	-
Long term investments	-	24,475	-	24,475
Other non current assets	4,123	24,408	2,447	19,806
	<b>1,041,713</b>	<b>620,835</b>	<b>726,885</b>	<b>314,120</b>
<b>Current assets</b>				
Amounts due from subsidiary companies	-	-	403,778	502,608
Trade receivables	515,769	724,352	220,050	339,886
Margin accounts with brokers	49,878	254,273	17,615	189,435
Inventories	1,713,227	1,790,236	390,646	500,397
Advance payments to suppliers	462,851	380,047	195,669	126,670
Advance payments to subsidiary companies	-	-	975,188	1,109,128
Other receivables	489,692	292,819	216,610	84,178
Fixed deposits	80,703	163,580	73,905	33,988
Cash and bank balances	309,774	175,544	65,196	52,134
Fair value of derivative financial instruments	404,393	837,557	281,359	729,499
	<b>4,026,287</b>	<b>4,618,408</b>	<b>2,840,016</b>	<b>3,667,923</b>
<b>Current liabilities</b>				
Trade payables and accruals	288,092	519,853	118,589	356,607
Other current liabilities	68,048	51,863	31,897	34,567
Amount due to bankers	1,826,579	1,789,582	1,074,666	1,199,066
Medium term notes	35,000	70,000	35,000	70,000
Provision for taxation	21,254	24,578	15,708	10,565
Fair value of derivative financial instruments	374,029	1,015,796	307,732	888,376
	<b>2,613,002</b>	<b>3,471,672</b>	<b>1,583,592</b>	<b>2,559,181</b>
<b>Net current assets</b>	<b>1,413,285</b>	<b>1,146,736</b>	<b>1,256,424</b>	<b>1,108,742</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	(52,905)	(4,175)	-	-
Term loans from banks	(1,031,242)	(935,125)	(801,250)	(648,482)
Medium term notes	(93,000)	(189,857)	(93,000)	(189,857)
Convertible Bonds	(168,746)	-	(168,746)	-
Fair value of derivative financial instruments	(19,324)	-	(19,324)	-
<b>Net assets</b>	<b>1,089,781</b>	<b>638,414</b>	<b>900,989</b>	<b>584,523</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	705,018	704,870	705,018	704,870
Reserves	384,763	(66,456)	195,971	(120,347)
<b>Total equity</b>	<b>1,089,781</b>	<b>638,414</b>	<b>900,989</b>	<b>584,523</b>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

**Amount repayable in one year or less or on demand**

	31 Mar 09		30 Jun 08	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts	-	5,138	-	174,863
Loans	-	1,821,441	-	1,614,719
Medium Term Notes	-	35,000	-	70,000
<b>Total</b>	-	<b>1,861,579</b>	-	<b>1,859,582</b>

**Amount repayable after one year**

	31 Mar 09		30 Jun 08	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Long Term Loans	12,561	1,018,680	11,488	923,637
Long Term / Medium Term Notes	-	93,000	-	189,857
Convertible Bonds	-	168,746	-	-
<b>Total</b>	<b>12,561</b>	<b>1,280,426</b>	<b>11,488</b>	<b>1,113,494</b>

**Details of any Collateral**

The Group's subsidiary, Universal Blanchers LLC in the United States, has an outstanding loan equivalent to S\$12.6 m (S\$11.5 m as at 30 June 2008) 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 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
<b>Cash flow from operating activities</b>				
<b>Profit before taxation</b>	<b>220,448</b>	<b>118,742</b>	<b>92,723</b>	<b>65,798</b>
Adjustments for:				
Share of results from jointly controlled entities	(14,088)	147	(10,075)	(395)
Depreciation of property, plant and equipment	27,302	23,002	9,349	8,633
(Gain) / loss on disposal of property, plant and equipment	(841)	222	(782)	197
Gain on convertible bonds buy back	(80,536)	-	(24,597)	-
Net measurement of derivative instruments	(26,764)	2,421	(18,081)	10,087
Amortisation of intangible assets	1,187	951	459	302
Cost of share-based payments	3,351	3,959	1,029	1,519
Interest income	(10,895)	(5,082)	(5,035)	(432)
Interest expense	191,615	155,675	67,358	50,787
<b>Operating cash flow before reinvestment in working capital</b>	<b>310,779</b>	<b>300,037</b>	<b>112,348</b>	<b>136,496</b>
Decrease / (increase) in inventories	77,009	(279,236)	(50,810)	(384,598)
Decrease / (increase) in receivables	254,236	(147,738)	(68,636)	(215,791)
Increase in advance payments to suppliers	(82,805)	(150,348)	(172,473)	(51,176)
(Decrease) / increase in payables	(264,522)	281,444	(277,564)	264,761
<b>Cash flow generated from operations</b>	<b>294,697</b>	<b>4,159</b>	<b>(457,135)</b>	<b>(250,308)</b>
Interest income received	10,895	5,082	5,035	432
Interest expense paid	(188,544)	(156,126)	(67,358)	(43,138)
Tax (paid) / received	(8,963)	(45,141)	401	(24,849)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>108,085</b>	<b>(192,026)</b>	<b>(519,057)</b>	<b>(317,863)</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of property, plant and equipment	11,582	1,443	2,951	297
Purchase of property, plant and equipment	(86,303)	(37,476)	(43,750)	(3,606)
Acquisition of subsidiaries - net of cash acquired	-	(190,433)	-	(11,053)
Investment in jointly controlled entities	(224,879)	-	(13,070)	-
Investment in associates	(100,212)	-	-	-
Proceeds from sale of government securities	-	13,461	-	-
(Loan to) / repayment from jointly controlled entities	(137)	83	(224)	2,316
<b>Net cash flow (used in) / generated from investing activities</b>	<b>(399,949)</b>	<b>(212,922)</b>	<b>(54,093)</b>	<b>(12,046)</b>
<b>Cash flow from financing activities</b>				
Increase in loans from banks, net	362,283	588,777	643,115	417,386
Proceeds from issuance of shares on exercise of share options	148	1,811	-	554
Proceeds from issuance of convertible bonds	417,375	-	-	-
Payment on convertible bonds buy back	(110,570)	-	-	-
Dividends paid on ordinary shares by the Company	(42,833)	(54,411)	-	-
Increase / (decrease) in medium term notes	(131,857)	(202,279)	(7,731)	(253,448)
<b>Net cash flow provided by financing activities</b>	<b>494,546</b>	<b>333,898</b>	<b>635,384</b>	<b>164,492</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>18,396</b>	<b>(17,572)</b>	<b>26,173</b>	<b>20,788</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>221,078</b>	<b>(88,622)</b>	<b>88,407</b>	<b>(144,629)</b>
Cash and cash equivalents at the beginning of the period	164,261	187,637	296,932	243,644
<b>Cash and cash equivalents at the end of the period</b>	<b>385,339</b>	<b>99,015</b>	<b>385,339</b>	<b>99,015</b>

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 2009**

At 31 March 2009 Group	Attributable to equity holders of the Company							Total Equity \$'000
	Share Capital \$'000	Capital Reserve \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	<b>At 01 July 2008</b>	704,870	-	(84,434)	(325,878)	13,474	330,382	
Net gain on fair value changes during the period				169,541			169,541	169,541
Recognised in the profit and loss account on occurrence of hedged transactions				7,024			7,024	7,024
Foreign currency translation adjustment			61,575				61,575	61,575
<b>Net income recognised directly in equity</b>			61,575	176,565			238,140	238,140
Profit for the period						205,350	205,350	205,350
Gain on buy-back of convertible bonds		(21,479)				21,479	-	-
<b>Total income recognised for the period</b>		(21,479)	61,575	176,565		226,829	443,490	443,490
Dividends on ordinary shares						(42,833)	(42,833)	(42,833)
Share-based expense					3,397		3,397	3,397
Issue of shares on exercise of share option	148							148
Equity portion of convertible bonds		47,165					47,165	47,165
<b>At 31 March 2009</b>	<b>705,018</b>	<b>25,686</b>	<b>(22,859)</b>	<b>(149,313)</b>	<b>16,871</b>	<b>514,378</b>	<b>384,763</b>	<b>1,089,781</b>

**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 \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000		
	<b>At 1 July 2007</b>	397,730	(39,929)	(150,827)	8,616	217,132		
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)
<b>Net income and expense recognised directly in equity</b>		(31,303)	20,383			(10,920)		(10,920)
Profit / (loss) for the period					102,820	102,820	(21)	102,799
<b>Total recognised (expense) / income for the period</b>		(31,303)	20,383		102,820	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
<b>At 31 March 2008</b>	<b>399,542</b>	<b>(71,232)</b>	<b>(130,444)</b>	<b>12,111</b>	<b>265,541</b>	<b>75,976</b>	<b>6</b>	<b>475,524</b>

**COMPANY 9 MONTHS - 31 MARCH 2009**

At 31 March 2009 Company	Attributable to equity holders of the Company							Total Equity \$'000
	Share Capital \$'000	Capital Reserve \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	<b>At 01 July 2008</b>	704,870	-	(84,230)	(291,729)	13,474	242,138	
Net loss on fair value changes during the period Recognised in the profit and loss account on occurrence of hedged transactions				(53,907)			(53,907)	(53,907)
Foreign currency translation adjustment			84,093	69,054			69,054	69,054
<b>Net income recognised directly in equity</b>			84,093	15,147			99,240	99,240
Profit for the period						209,348	209,348	209,348
Gain on buy-back of convertible bonds		(21,479)				21,479	-	-
<b>Total income recognised for the period</b>		(21,479)	84,093	15,147		230,828	308,588	308,588
Dividends on ordinary shares						(42,833)	(42,833)	(42,833)
Share-based expense					3,397		3,397	3,397
Issue of shares on exercise of share option	148							148
Equity portion of convertible bonds		47,165					47,165	47,165
<b>At 31 March 2009</b>	705,018	25,686	(137)	(276,582)	16,871	430,133	195,971	900,989

**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	
	<b>At 1 July 2007</b>	397,730	(35,583)	(148,563)	8,616	162,909	
Net loss on fair value changes during the period Recognised in the profit and loss account on occurrence of hedged transactions			(181,234)			(181,234)	(181,234)
Foreign currency translation adjustment		(39,844)	223,201			223,201	223,201
<b>Net (expense) / income recognised directly in equity</b>		(39,844)	41,967			2,123	2,123
Profit for the period					120,646	120,646	120,646
<b>Total recognised (expense) / income for the period</b>		(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
<b>At 31 March 2008</b>	399,542	(75,427)	(106,596)	12,111	229,144	59,232	458,774

**GROUP QUARTER - 31 MARCH 2009**

At 31 March 2009 Group	Attributable to equity holders of the Company							Total Equity \$'000
	Share Capital \$'000	Capital Reserve \$'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 2009	705,018	5,260	(86,981)	(90,611)	15,853	405,873	
Net gain on fair value changes during the period Recognised in the profit and loss account on occurrence of hedged transactions				28,076			28,076	28,076
Foreign currency translation adjustment			64,122	(86,778)			(86,778)	(86,778)
<b>Net (expense) / income recognised directly in equity</b>			64,122	(58,702)			5,420	5,420
Profit for the period						87,026	87,026	87,026
Gain on buy-back of convertible bonds		(21,479)				21,479	-	-
<b>Total (expense) / income recognised for the period</b>		(21,479)	64,122	(58,702)		108,505	92,446	92,446
Share-based expense					1,018		1,018	1,018
Equity portion of convertible bonds		41,905					41,905	41,905
<b>At 31 March 2009</b>	<b>705,018</b>	<b>25,686</b>	<b>(22,859)</b>	<b>(149,313)</b>	<b>16,871</b>	<b>514,378</b>	<b>384,763</b>	<b>1,089,781</b>

**GROUP QUARTER - 31 MARCH 2008**

At 31 March 2008 Group	Attributable to equity holders of the Company						Minority Interest \$'000	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	(61,422)	(156,114)	10,634	210,192		
Net loss on fair value changes during the period Recognised in the profit and loss account on occurrence of hedged transactions			(150,881)			(150,881)		(150,881)
Foreign currency translation adjustment		(9,810)	176,551			176,551		176,551
<b>Net (expense) / income recognised directly in equity</b>		(9,810)	25,670			15,860		15,860
Profit for the period					55,349	55,349	120	55,469
<b>Total recognised (expense) / income for the period</b>		(9,810)	25,670		55,349	71,209	120	71,329
Share-based expense				1,477		1,477		1,477
Issue of shares on exercise of share option	556							556
<b>At 31 March 2008</b>	<b>399,542</b>	<b>(71,232)</b>	<b>(130,444)</b>	<b>12,111</b>	<b>265,541</b>	<b>75,976</b>	<b>6</b>	<b>475,524</b>

COMPANY QUARTER - 31 MARCH 2009

At 31 March 2009 Company	Attributable to equity holders of the Company							Total Equity \$'000
	Share Capital \$'000	Capital Reserve \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
	<b>At 1 January 2009</b>	705,018	5,260	(46,145)	(193,894)	15,853	257,639	
Net loss on fair value changes during the period Recognised in the profit and loss account on occurrence of hedged transactions				(11,699)			(11,699)	(11,699)
Foreign currency translation adjustment			46,008	(70,989)			(70,989)	(70,989)
<b>Net income / (expense) recognised directly in equity</b>	-	-	46,008	(82,688)	-	-	(36,680)	(36,680)
Profit for the period						151,015	151,015	151,015
Gain on buy-back of convertible bonds		(21,479)				21,479	-	-
<b>Total income / (expense) recognised for the period</b>	-	(21,479)	46,008	(82,688)	-	172,494	114,335	114,335
Share-based expense					1,018		1,018	1,018
Equity portion of convertible bonds		41,905					41,905	41,905
<b>At 31 March 2009</b>	705,018	25,686	(137)	(276,582)	16,871	430,133	195,971	900,989

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	
	<b>At 1 January 2008</b>	398,986	(59,596)	(155,816)	10,634	162,781	
Net loss on fair value changes during the period Recognised in the profit and loss account on occurrence of hedged transactions			(113,398)			(113,398)	(113,398)
Foreign currency translation adjustment		(15,831)	162,618			162,618	162,618
<b>Net (expense) / income recognised directly in equity</b>		(15,831)	49,220			33,389	33,389
Profit for the period					66,363	66,363	66,363
<b>Total recognised (expense) / income for the period</b>		(15,831)	49,220		66,363	99,752	99,752
Share-based expense				1,477		1,477	1,477
Issue of shares on exercise of share option	556						556
<b>At 31 March 2008</b>	399,542	(75,427)	(106,596)	12,111	229,144	59,232	458,774



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

	Mar 09	Mar 08
<b>Shares to be issued upon exercise of:</b>		
Conversion right of convertible bonds	118,371,958	-
Share options	60,617,825	61,307,669
<b>Total no. of shares to be issued as at the end of period</b>	<b>178,989,783</b>	<b>61,307,669</b>

- 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 09	Mar 08
<b>Issued, fully paid share capital :</b>		
Balance no. of shares as at the beginning of period	1,713,212,824	1,555,095,400
Addition on Preferential Offering	-	155,628,689
Addition on exercise of share options	97,500	2,488,735
<b>Total no. of shares outstanding as the end of period</b>	<b>1,713,310,324</b>	<b>1,713,212,824</b>

- 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 2008 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 2008.

For the third quarter ended 31 March 2009, net gains or losses of unexpired derivatives for each terminal month and broker are shown as fair value of derivative financial instruments under current assets and current liabilities respectively, as against showing gross gains and losses as assets and liabilities in earlier period. Since the accounts of brokers are settled monthly on a net basis, management is of the opinion that the change in the computation is more appropriate. Year ended 30 June 2008 numbers have been reclassified.

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 2008.

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 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
(a) Based on weighted average no. of shares (cents/share)	11.99	6.46	5.08	3.50
(b) Based on fully diluted basis (cents/share)	7.00	6.33	3.60	3.44
Weighted average no. of shares applicable to basic earnings per share	1,713,297,963	1,592,079,912	1,713,212,824	1,591,688,945
Weighted average no. of shares based on fully diluted basis	1,816,696,990	1,624,975,319	1,799,017,589	1,620,354,908

The earnings per share before considering non-cash share-based expense, amortization of intangible asset and gain on buy-back of Convertible Bonds is as follows:

	Group			
	Period Ended		Three Months Ended	
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
(a) Based on weighted average no. of shares (cents/share)	7.67	6.77	3.88	3.62
(b) Based on fully diluted basis (cents/share)	7.23	6.63	3.69	3.55

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 31 Mar 09	As at 30 Jun 08	As at 31 Mar 09	As at 30 Jun 08
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	55.51	29.66	52.53	34.07

The NAV for the Group before fair value adjustment reserve, goodwill and other intangibles went up from 56.29 cents/share in June 2008 to 72.32 cents/share in March 2009.

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 60 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 20 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 20 products into 4 business segments as given below:

<b>Business Segment</b>	<b>Products</b>
<b>Edible Nuts, Spices &amp; Beans</b>	Cashews Peanuts Almonds Spices & Dehydrates Sesame Beans - Pulses, Lentils & Peas
<b>Confectionery &amp; Beverage Ingredients</b>	Cocoa Coffee Sheanuts
<b>Food Staples &amp; Packaged Foods</b>	Rice Sugar Wheat Barley Palm Dairy Products Packaged Foods
<b>Fibre &amp; Wood Products</b>	Cotton Wool Wood Products Rubber

### **Background to analysing our Financial Statements**

#### **Profitability**

- a. ***Inclusion of results of companies acquired by the Group:*** The results include proportionate share of profits of joint ventures, Nauvu Investments Pte. Ltd. and Olam Wilmar Investment Holdings Pte. Ltd. and an associate, Open Country Dairy Limited (formerly known as Dairy Trust Limited). The results of the investment made in the joint venture, Olam Wilmar Investment Holdings Pte. Ltd. have been included for the first time in Q3 FY2009 and therefore the results for Q3 FY2009 are not strictly comparable to results of Q3 FY2008. The share of results from jointly controlled entities / associates is based on their management accounts and the compliance with International Financial Reporting Standards shall be tested in Q4 FY2009.

- 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 sale of goods, other income 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 (other than relating to Convertible Bonds), gain / loss on foreign exchange. 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 period. 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 by providing value added services such as vendor managed inventory (VMI), organic certification, fair trade produce certification (FTP), customised grades and quality, proprietary market intelligence and risk management solutions.
- 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 and March. Countries in the southern hemisphere have harvesting seasons between April and 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 are 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 March).

Based on this seasonality, we expect the phasing of our earnings to be as follows:

Q1 July - Sept	Q2 Oct - Dec	1 <sup>st</sup> Half July – Dec	Q3 Jan - March	Q4 Apr – June	2 <sup>nd</sup> Half Jan - June
5 – 10%	25 – 30%	30 – 40%	35 – 40%	25 – 30%	60 – 70%

- e. **Balance Sheet :** During the current quarter, the industry witnessed an increased level of volatility in prices of various products. Since we participate in this industry as supply chain managers and not positional / directional traders, this has had limited impact on the profitability of the Group. However, there has been a material impact on equity and current assets and liabilities (fair value of derivative financial instruments) due to the application of Hedge Accounting provisions under FRS39.

### **Profit and Loss Statement**

The company has grown sales volume, sales turnover and net profit after tax by 14.8%, 7.3% and 99.8% respectively in 9M FY2009 compared to 9M FY2008. Excluding gain of S\$80.5 million from buy back convertible bonds, Net Profit After Tax grew by 21.4% to S\$124.8 million.

During Q2 FY2009, the company bought back convertible bonds of aggregate principal amount of US\$123.6 million for US\$80.5 million. During Q3 FY2009, the Company bought back the convertible bonds issued in July 2008 of aggregate principal amount of US\$157.2 million for US\$122.6 million and exchanged them for new convertible bonds. The aggregate gain on the buyback of the bonds after considering transactional expenses is S\$80.5 million.

The Company reports its results across four business segments. The Company has delivered strong performance in three out of the four segments in 9M FY2009. These segments namely, the Edible Nuts, Spices & Beans segment (comprising 6 agri commodities), the Confectionery & Beverage Ingredients segment (comprising 3 agri commodities) and the Food Staples & Packaged Food segments (comprising 7 agri commodities) are all food raw materials and ingredients. The demand for these three segments, which accounted for 82.4% of our revenue in 9M FY2009, held up well confirming the view that demand for these 16 products is relatively more recession resilient. Sales Volume for these three segments grew by 18.5% (or 20.2% with Olam's share of volume in associate companies) in 9M FY2009 compared to 9M FY2008. The combined Net contribution for the segments grew by 21.9% compared to the same period in FY2008. The strong showing by the segments, despite the global recession and tough trading conditions, played a major role in the Company's strong performance in 9M FY2009.

On the other hand, the four agri commodities namely, Cotton, Wool, Rubber and Wood Products, in the fourth segment, Fibre & Wood Products are industrial raw materials and accounted for 17.6% of our revenue in 9M FY2009. The demand for these commodities faced sharp demand contraction in 9M FY2009 on account of the global economic slowdown. This segment is therefore more recession sensitive. In addition, the margins in this segment came under pressure due to lack of pricing power (in a low demand situation), distress sales by some exiting players at lower margins, and the Company's cautious approach to forego some business from some of the riskier counter-parties. As a result, volume for this segment in 9M FY2009 only grew by 1.2% while the NC per ton contracted from S\$113 to S\$95 resulting in a contraction in the overall NC by 15.2% compared to 9M FY2008. We believe however this to be a cyclical event and have used this opportunity to gain market share and further consolidate our competitive position in the segment.

The following table provides the segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for 9M FY2009

#### 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 09	Mar 08	Mar 09	Mar 08	Mar 09	Mar 08	Mar 09	Mar 08
Edible Nuts, Spices & Beans	617,742	501,278	802,559	759,450	114,576	92,630	86,984	69,668
Per ton (S\$)			1,299	1,515	185	185	141	139
Confectionery & Beverage Ingredients	965,375	800,122	2,584,856	2,465,355	194,341	158,736	123,517	101,309
Per ton (S\$)			2,678	3,081	201	198	128	127
Food Staples & Packaged Foods	1,907,354	1,642,960	1,679,848	1,429,980	141,724	117,227	103,977	86,948
Per ton (S\$)			881	870	74	71	55	53
Fibre & Wood Products*	819,392	809,761	1,081,743	1,074,885	122,474	131,782	77,916	91,858
Per ton (S\$)			1,320	1,327	149	163	95	113
<b>Total</b>	<b>4,309,863</b>	<b>3,754,121</b>	<b>6,149,006</b>	<b>5,729,670</b>	<b>573,115</b>	<b>500,375</b>	<b>392,394</b>	<b>349,783</b>
Per ton (S\$)			1,427	1,526	133	133	91	93

\*Sales volume for Wood Products is measured in cubic meters.

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 09	Mar 08	Mar 09	Mar 08	Mar 09	Mar 08	Mar 09	Mar 08
<b>Edible Nuts, Spices &amp; Beans</b>	223,623	195,233	277,558	332,901	46,780	42,686	40,167	36,079
<b>Per ton (S\$)</b>			<b>1,241</b>	<b>1,705</b>	<b>209</b>	<b>219</b>	<b>180</b>	<b>185</b>
<b>Confectionery &amp; Beverage Ingredients</b>	409,828	352,012	1,139,872	1,317,747	68,515	62,274	42,041	38,707
<b>Per ton (S\$)</b>			<b>2,781</b>	<b>3,743</b>	<b>167</b>	<b>177</b>	<b>103</b>	<b>110</b>
<b>Food Staples &amp; Packaged Foods</b>	612,465	565,042	570,209	418,021	38,847	34,724	26,219	26,750
<b>Per ton (S\$)</b>			<b>931</b>	<b>740</b>	<b>63</b>	<b>61</b>	<b>43</b>	<b>47</b>
<b>Fibre &amp; Wood Products*</b>	254,491	304,527	301,713	336,028	41,196	54,828	24,589	42,621
<b>Per ton (S\$)</b>			<b>1,186</b>	<b>1,103</b>	<b>162</b>	<b>180</b>	<b>97</b>	<b>140</b>
<b>Total</b>	<b>1,500,407</b>	<b>1,416,814</b>	<b>2,289,352</b>	<b>2,404,697</b>	<b>195,338</b>	<b>194,512</b>	<b>133,016</b>	<b>144,157</b>
<b>Per ton (S\$)</b>			<b>1,526</b>	<b>1,697</b>	<b>130</b>	<b>137</b>	<b>89</b>	<b>102</b>

\*Sales volume for Wood Products is measured in cubic meters.

A brief segmental review for Q3 FY2009 is given below:

➤ **Edible Nuts, Spices & Beans**

The Edible Nuts, Spices & Beans segment recorded a volume growth of 23.2% and a revenue growth of 5.7% for 9M FY2009. Net Contribution grew by 24.9% to S\$87.0 million with Net Contribution per ton increasing to S\$141 from S\$139 in 9M FY2008.

Increased participation in the value chain for spices, cashews, peanuts and sesame helped us maintain per ton margins despite lower prices. Net Contribution margin increased from 9.2% in 9M FY 2008 to 10.8% in 9M FY 2009.

During the quarter, we completed the acquisition of a leading peanut shelling and blanching company in Argentina, Industria Margin Cubero (IMC) which operates an integrated facility for cleaning, drying, storage, shelling and blanching of peanuts. This acquisition will help us leverage our peanut farming base in Argentina to consolidate our global leadership position in the peanut business.

➤ **Confectionery and Beverage Ingredients**

Sales Volume and Revenue in the Confectionery & Beverage Ingredients segment grew 20.7% and 4.8% respectively for 9M FY2009. The segment recorded Net Contribution growth of 21.9% to S\$123.5 million in 9M FY2009 with Net Contribution per ton increasing to S\$128 per ton.

A short crop in Ivory Coast affected cocoa arrivals. There has also been a recent trend of significant de-stocking of cocoa beans by the chocolate industry and the grinders. This has resulted in lower sales volume during this quarter. Given the short crop, we expect the industry to return to the market to replenish their depleted inventory levels once the economy begins to pick up.

Coffee continued to perform strongly in 9M FY2009 with significant market share gains in Indonesia, India, Brazil and Colombia during this period. The construction at our soluble coffee plant in Vietnam is progressing as scheduled.

➤ **Food Staples and Packaged Foods Business**

Sales Volume for the Food Staples & Packaged Foods segment grew 16.1% in 9M FY2009 with a revenue growth of 17.5%. Net Contribution for the segment grew to S\$104.0m in 9M FY2009 registering an improvement of 19.6% compared to 9M FY2008. Net Contribution per ton during the period grew to S\$55 per ton as against S\$53 during 9M FY2008.

In Rice, our expansion into rice milling in Nigeria and India supported NC margins. Dairy trading volumes remained under pressure with demand contraction in our major markets including China and Russia. This impact was compounded by the Melamine scare in China. Sugar assets acquired during last quarter in India performed well during the just completed milling season.

During 9M FY2009, we have made good progress in growing volume and market share in the recently entered products namely, Wheat, Barley, Palm Oil and Canola.

➤ **Fibre and Wood Products**

The Fibre & Wood Products segment registered a growth of 1.2% in Sales Volume and 0.6% in sales revenue respectively in Q3 FY2009. Net Contribution decreased by 15.2% to S\$77.9 million in Q3 FY2009.

The Global textile sector to which we supply cotton and wool fibre witnessed a period of rapid destocking in Q2 and Q3 FY2009. We are just beginning to see this trend abating in the last two months. This impacted both our cotton volume and margins during 9M FY2009. Similarly, the construction and furniture industry which are the end markets for our wood products business remains depressed, which impacted both volumes and margins in this business.

Given the significant slow down experienced by the auto industry, rubber demand was also impacted. However, since our associates had sold a large part of their rubber production forward to the tyre industry, we have been relatively less impacted in this segment. We remain cautious about the near term prospects of these industrial raw materials and plan to limit our exposure while improving our competitive position and preparing for positioning ourselves to take advantage of the eventual recovery in this segment.

**Costs and Expenses**

Q3 FY2009: SG&A of S\$78.7 million for Q3 FY2009 was at the same level as in the corresponding quarter of FY2008.

9M FY2009: SG&A increased by 17.0% to S\$270.3 million in 9M FY2009 over the corresponding period in FY2008. SG&A/Sales ratio increased from 4.03% in 9M FY2008 to 4.40% in 9M FY2009.

**Taxation**

Q3 FY2009: Taxes decreased to S\$5.7 million for Q3 FY2009 as compared to S\$9.9 million for Q3 FY2008.

9M FY2009: Taxes decreased to S\$15.1 million for 9M FY2009 as compared to S\$15.9 million for 9M FY2008. The gain on buy-back of bonds is not taxable.

### **Net profit after tax**

Q3 FY2009: Net profit after tax increased by 55.8% to S\$87.0 million for Q3 FY2009 from S\$55.9 million in Q3 FY2008. Excluding the gain on buy-back of bonds, Profit after tax increased by 11.7% to S\$62.4 million.

9M FY2009: Net profit after tax increased by 99.8% to S\$205.3 million for 9M FY2009 from S\$102.8 million in 9M FY2008. Excluding the gain on buy-back of bonds, Profit after tax increased by 21.4% to S\$124.8 million.

### **Balance Sheet & Cash Flow**

#### **Non-current liabilities - Convertible Bonds**

The Company had issued Convertible Bonds of principal amount of US\$300.0 million in July 2008 of which Bonds of principal amount of US\$123.6 million and US\$157.2 million were bought back in Q2 FY2009 and Q3 FY2009 respectively. During Q3 FY2009, the Company issued new Convertible Bonds of principal amount of US\$122.6 million.

Convertible Bonds aggregating to US\$141.8 million have been apportioned to the fair values of debt, equity and embedded derivative instruments. S\$168.7 million in the balance sheet represents the aggregate debt value of the New Convertible Bonds' principal value of US\$122.6 million and the old Convertible Bonds' residual principal amount of US\$19.2 million.

#### **Non-current liabilities – Fair value of derivative instruments**

S\$19.3 million represents the fair value of the embedded derivative instruments in the Convertible Bonds as at the 31 March 2009. The embedded derivative instruments in Convertible Bonds are required to be fair valued at each reporting date.

#### **Equity and Reserves**

Total equity and reserves (before fair value adjustment reserve) increased from S\$964.3 million as of 30 June 2008 to S\$ 1,239.1 million as of 31 March 2009.

S\$47.2 million under capital reserve represents the fair value of equity portion of outstanding convertible bonds, of which, gain of S\$21.5 million on account of buy back of convertible bonds has been transferred to revenue reserve.

#### **Fixed Assets**

During the period, fixed assets of S\$146.1 million were added. Reduction on account of depreciation and currency translation amounting to S\$97.8 million resulted in net increase of S\$48.3 million from S\$403.4m to S\$451.7 million during 9M FY2009.

#### **Interests in jointly controlled entities**

Increase of S\$278.3 million in the interests in jointly controlled entities represents investments in Nauvu Investments Pte. Ltd. and in Olam Wilmar Investment Holdings Pte. Ltd., which are 50:50 joint ventures between the Company and Wilmar International Limited.

#### **Investment in associates**

Investment in associates amounting to S\$107.1 million represents the Company's 24.99% equity investment in Open Country Dairy Limited (formerly known as Dairy Trust Limited).



## **Current Assets**

### ***Debtors Analysis***

Debtor days in Q3 FY2009 decreased to 23 days as compared to 33 days as at 30 June 2008.

### ***Stocks***

Stock turnover days decreased to 84 days as compared to 88 days as at 30 June 2008. There was a decrease in stock value by S\$77.0 million to S\$1,713.2 million from S\$1,790.2 million as on 30 June 2008.

### ***Advance to Suppliers***

Advance to Suppliers days increased to 23 days in Q3 FY2009 from 19 days as at 30 June 2008. The advances increased from S\$380.0 million in FY2008 to S\$462.9 million in Q3 FY2009.

### ***Borrowings***

Borrowings increased to S\$3,154.1 million as of end of March 2009 from S\$2,984.5 million as of 30 June 2008 in line with the growth in the business.

### ***Cash and Fixed Deposits***

Cash and Fixed Deposits increased by 15.1% to S\$390.5 million as on 31 March 2009 from S\$339.1 million as on 30 June 2008.

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.

During the period, the Company 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 approvals are met or have been granted.

We continue to expect trading conditions to remain difficult over the course of FY2009 with a concurrent recession or slow down across both OECD and emerging economies. Of the 20 products in our portfolio, 16 are primary food raw materials and demand for these products is reasonably resilient to recessionary conditions. The remaining 4 industrial raw material products i.e. Wood Products, Cotton, Wool and Rubber are more recession sensitive and this segment is expected to underperform. However, in the very recent past, we saw the rate of decline in demand in this segment abate and we are monitoring this situation closely.

The Company remains focused on managing both the opportunities and the risks in the current economic environment as it executes its long term strategy.

11. Dividend

(a) Current Financial Period Reported On 31 March 2009

During the Q2 FY2009, the Company paid out a first and final ordinary tax exempt dividend \$0.025 per ordinary share amounting to S\$42.8 million.

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

During Q2 FY2008, the Company paid out a tax exempt dividend of S\$54.4 million comprising ordinary dividend of S\$0.0175 per share and a special dividend of S\$0.0175 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.

**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 2009 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

14 MAY 2009