



Olam International Limited

Acquisition of 100% of Universal Blanchers LLC

23rd April 2007

Singapore



The Brand Behind The Brands

Forward looking statements

This presentation may contain statements regarding the business of Olam International Limited ('Olam') and its subsidiaries ('Group') and Universal Blanchers LLC ('UB') that are of a forward looking nature and are therefore based on management's assumptions about future developments.

Such forward looking statements are intended to be identified by words such as 'believe', 'estimate', 'intend', 'may', 'will', 'expect', and 'project' and similar expressions as they relate to the Group and UB. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors.

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

Presenters

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Presentation Outline

- ❖ Transaction Overview
- ❖ Overview of Universal Blanchers (UB)
- ❖ Transaction Rationale for Olam
- ❖ Transaction Rationale for Universal Blanchers (UB)
- ❖ Financials & Summary
- ❖ Q&A



Presentation Outline

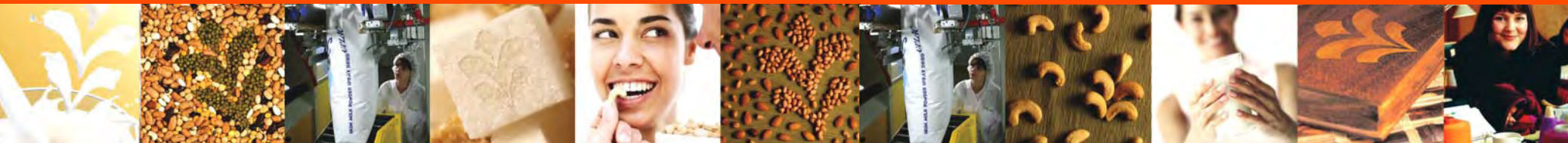
- ❖ **Transaction Overview**
- ❖ **Overview of Universal Blanchers (UB)**
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- ❖ **Financials & Summary**
- ❖ **Q&A**



Transaction Overview

Transaction	Acquisition of 100% of equity in Universal Blanchers LLC (UB)
Consideration	Enterprise value of US\$77m Estimated net equity value of US\$72.3m
Financing	All cash transaction funded through Internal accruals and borrowings
Closing	Expected to be completed by 31 st May 2007
Other terms and conditions	Hart-Scott-Rodino (HSR) approval Other customary closing conditions

✿ Acquisition is both earnings and value accretive from the first year



A transformational acquisition for our edible nuts business

World's largest independent peanut blancher and ingredients processor

- **World's largest independent peanut blancher** with a dominant market share in independent peanut roasting/butter/paste/ extract manufacturing in the US
- **Preferred peanut blancher** and ingredient manufacturer in US - the 'go-to-resource' for product development and processing needs of leading US confectionary and snack food companies
- **Blue chip customers** including Golden Peanut, Birdsong, and JB Sanfilippo, for Blanching; Hershey, Nestle, General Mills, Kellogg's, Kraft Foods and Mars for peanut ingredients
- **Significant scope to grow market share** in US through increased outsourcing by shellers, snack and confectionery manufacturers



A transformational acquisition for our edible nuts business

Consistent with our peanut and overall edible nuts strategy

- Allows us to build significant presence in one of largest and most important peanut markets (USA) in the world with opportunities to participate in the entire value chain
- Allows us to leverage Universal's technology platform and customer franchise across our global peanut operations
- Offers a robust platform for migrating into other edible nut adjacencies and ingredients manufacturing within the US market



A transformational acquisition for our edible nuts business

Consistent with our M&A policy

- Accelerates access to a new and important origin & market for peanuts (the US)
- Accelerated access into a new value chain adjacency (ingredient manufacturing)
- Consistent with our string-of-pearls approach - transaction size in our sweet spot
- Acquire controlling stake (acquiring 100% of UB's equity)
- Acquisition is both earnings and value accretive from the first year
- Significant potential for profitable growth



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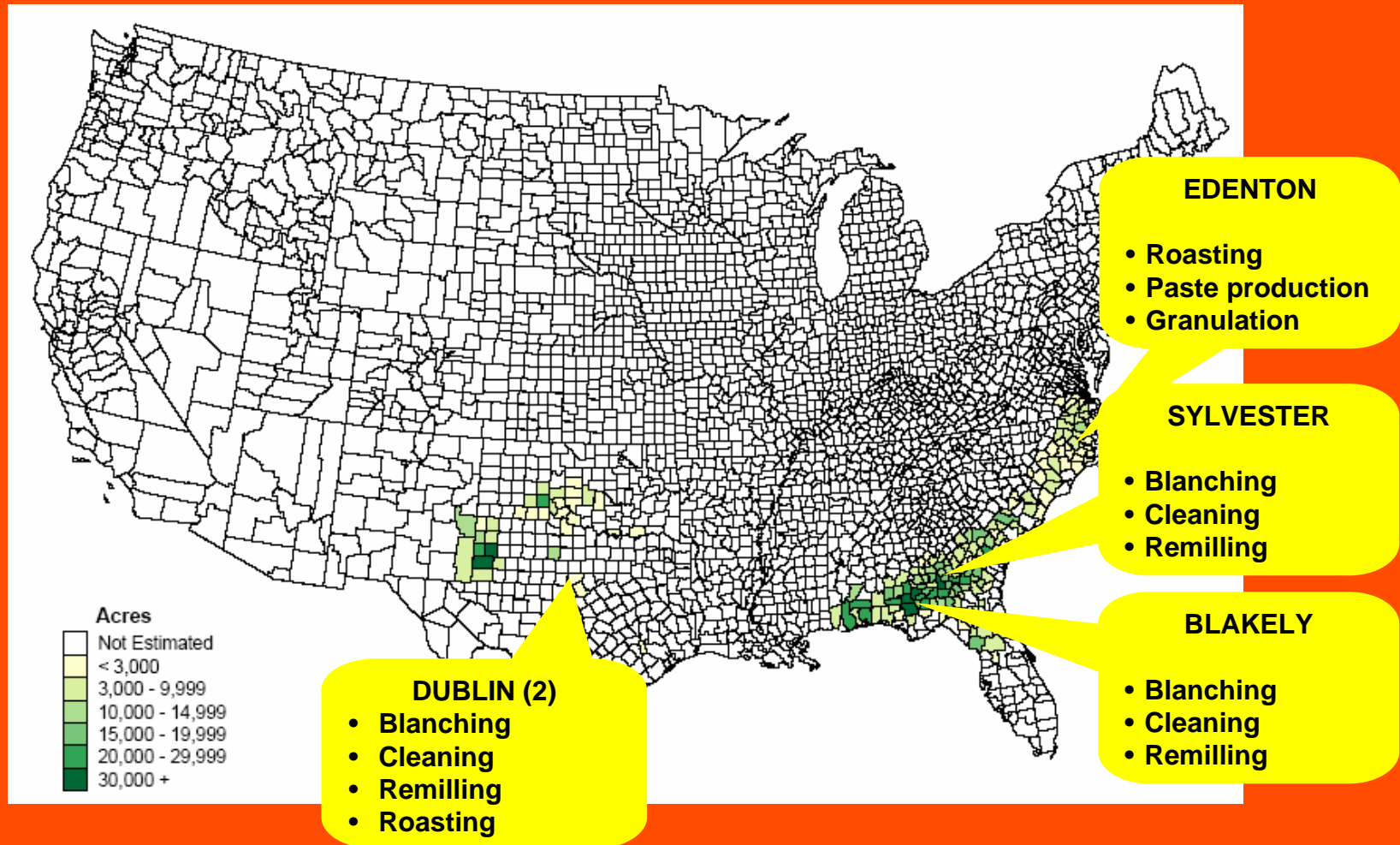


UB: World's largest independent peanut blancher & ingredient processor

- ❖ World's largest independent peanut blancher & ingredient processor with dominant market share in independent blanching (79%), roasting (65%) and ingredient manufacturing (41%) within the US
- ❖ Operations comprise:
 - **Service tolling**: 264m lbs (120,000 MT) in blanching volume represents 23% of total revenue;
 - **Ingredient manufacturing** (roasted peanuts, peanut paste / butter, peanut granules, and peanut extract): 83 m lbs (38,000 MT) of various peanut products volume represents 77% of total revenue
- ❖ **Proprietary process know-how and software** for foreign material removal and peanut cleaning - a significant competitive advantage
- ❖ 250 employees with **deep industry experience**

Extensive presence in the major peanut growing regions

UB operates 5 plants servicing all major peanut growing regions in the US



State-of-the-Art Blanching & Ingredient Manufacturing Facilities

Blakeley (Georgia)



State-of-the-Art Blanching & Ingredient Manufacturing Facilities



Dublin (Texas)



Sylvester (Georgia)

Snapshot of US peanut farming and shelling

Shelling

90% of U.S. peanuts are shelled.

Two shellers represent 80% of U.S. volume.



Growing

25,000 farmers produce 4.5 billion pounds annually on 1.6 million acres



Snapshot of US peanut industry value chain



Significant participation in the more attractive parts of the peanut value chain



✿ Principal activities include:

- Incoming peanuts quality check, pre-cleaning, removal of foreign materials and damaged peanuts
- Blanching and roasting
- Production of peanut butter, paste, granules and extract
- Colour sorting, metal detection, final quality check before delivery

✿ 77% of revenues comes from higher value added ingredients manufacturing

Minimal exposure to commodity price risk

Universal's toll and contract model insulates the company from peanut price fluctuations

- ❖ All blanching is done on a toll basis, allowing UB to avoid taking title to peanuts
- ❖ While UB takes ownership of peanuts when producing value-added products, most of this business is conducted through contracts and peanuts generally are not purchased until orders are received
- ❖ In total, only approximately 3% of total volume processed is subject to commodity risk



The UB Advantage

UB has built a differentiated position and market share leadership by investing in quality

✿ Better foreign material removal

Advanced sorting/cleaning equipment removes more debris (stones, dirt, grass, etc.) prior to processing



✿ Higher yields

Advanced processing equipment leads to a finished product that better meets customer specifications - an important attribute customers/consumers

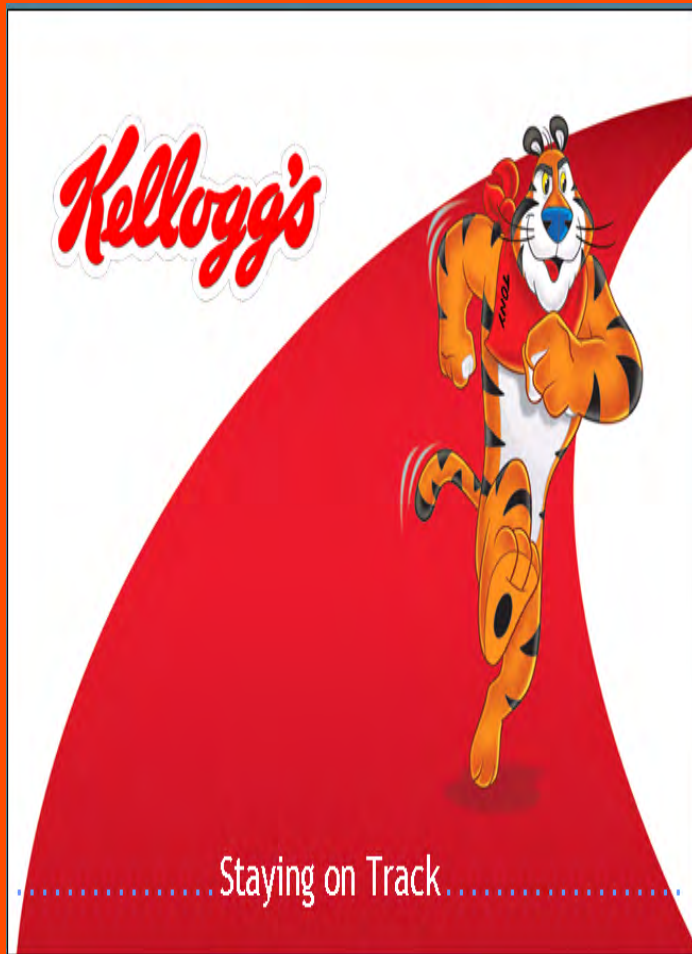


✿ Product development leadership

UB's strong R&D capabilities makes the company a go-to resource for food scientists at large CPG companies

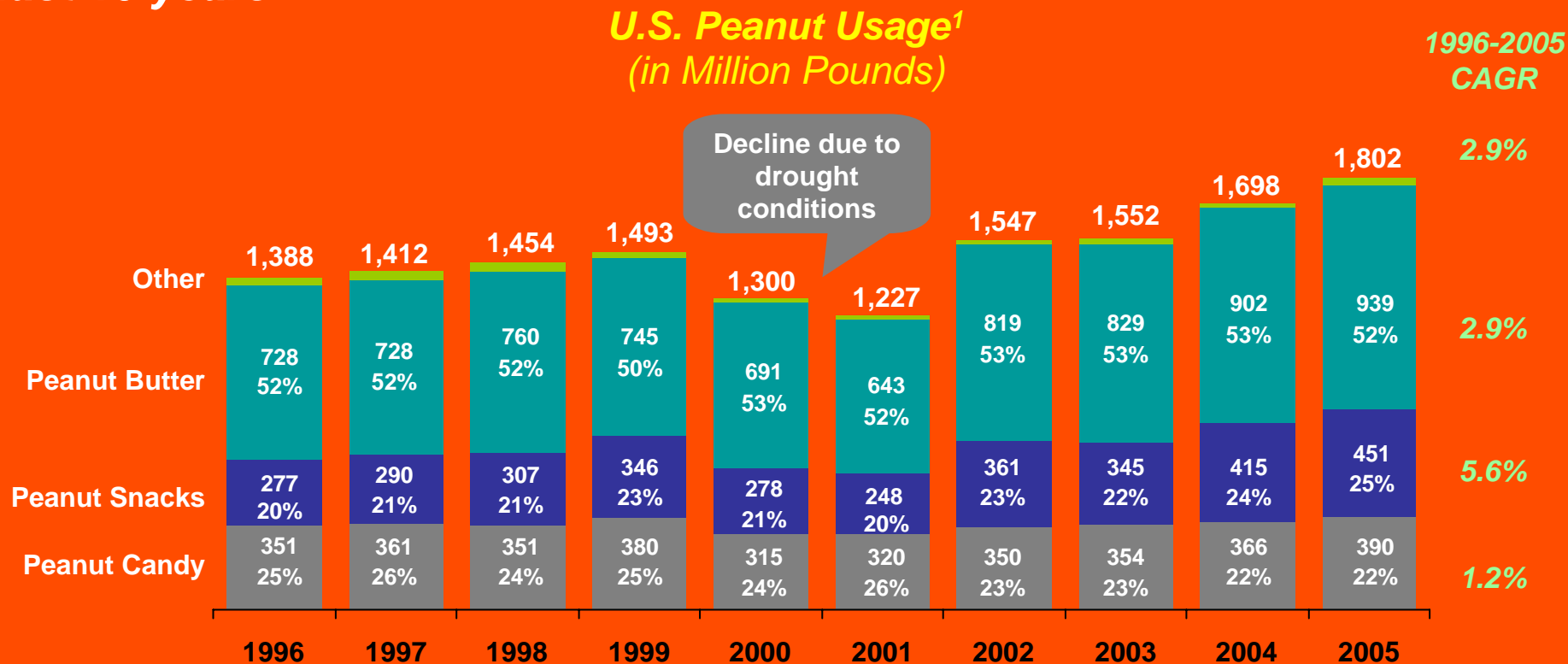


UB provides blanching and ingredients to many of the leading confectionary and snack food brands including



Increasing demand for peanuts

The market for peanut products in the U.S. has grown steadily during the last 10 years



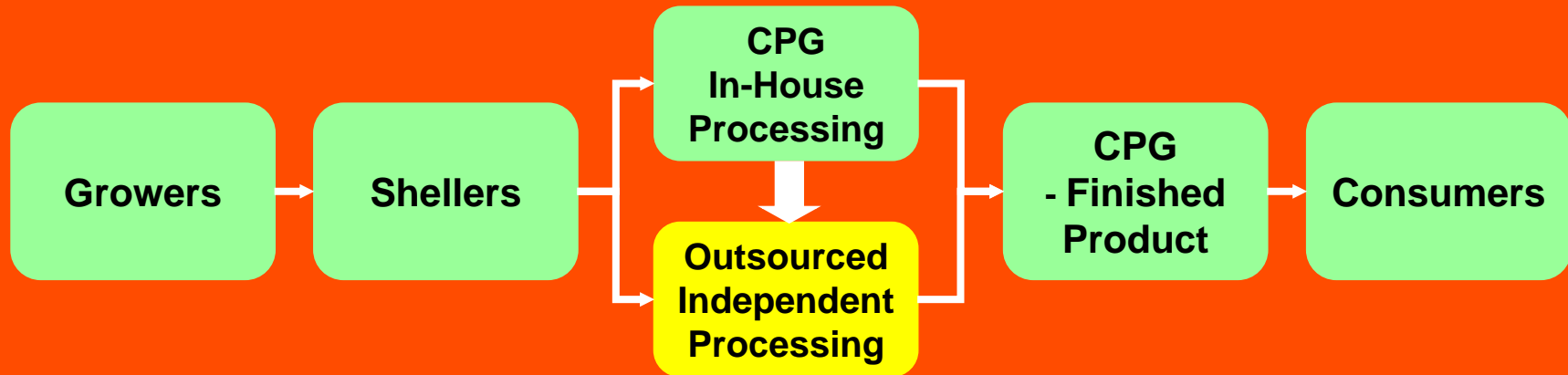
While Universal has benefited from continued growth of peanut consumption, the company has also been driving growth by converting manufacturers to outsourced processing

1. Shelled edible grades; years indicate end year for each growing season; Source: NASS

Increasing demand for outsourced processing

The last several years has seen a shift away from in-house peanut processing by consumer packaged goods (CPG) companies to outsourced processing

Peanut Industry Structure



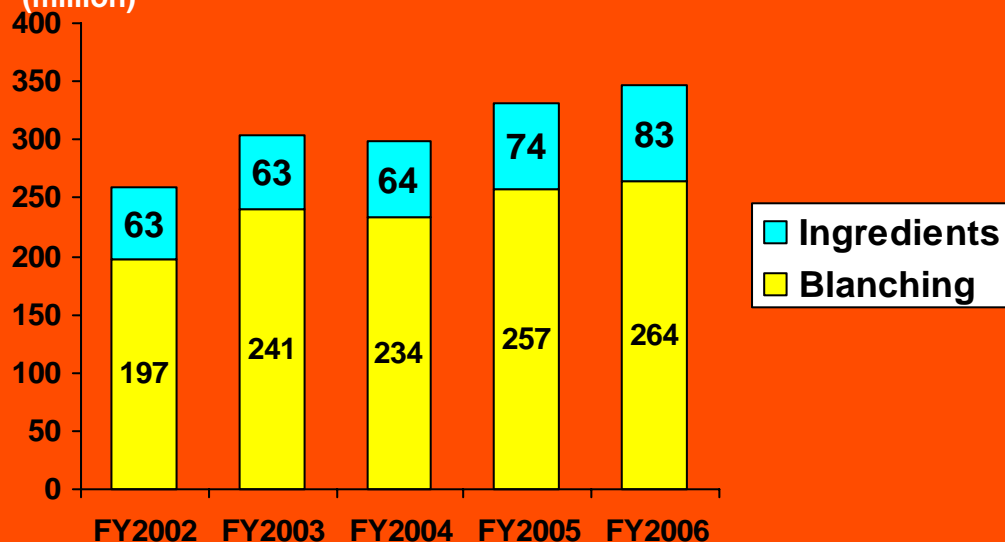
Trend Towards Outsourced Processing

- CPG companies are shifting focus to downstream activities - sales, marketing, and brand-building
- Customers are shedding processing/manufacturing assets
- Outsourcing can provide speed and supply chain benefits

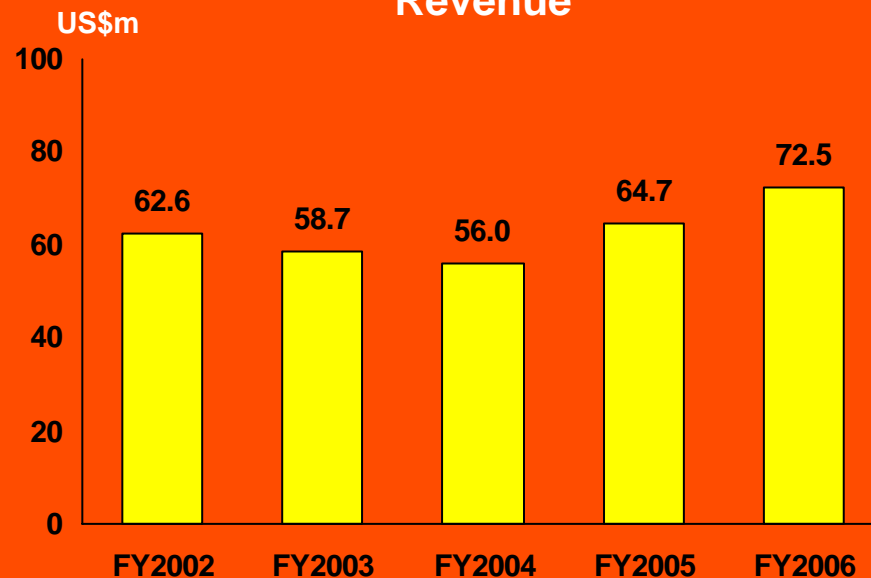
Key Performance Metrics

Pounds
(million)

Volume Processed

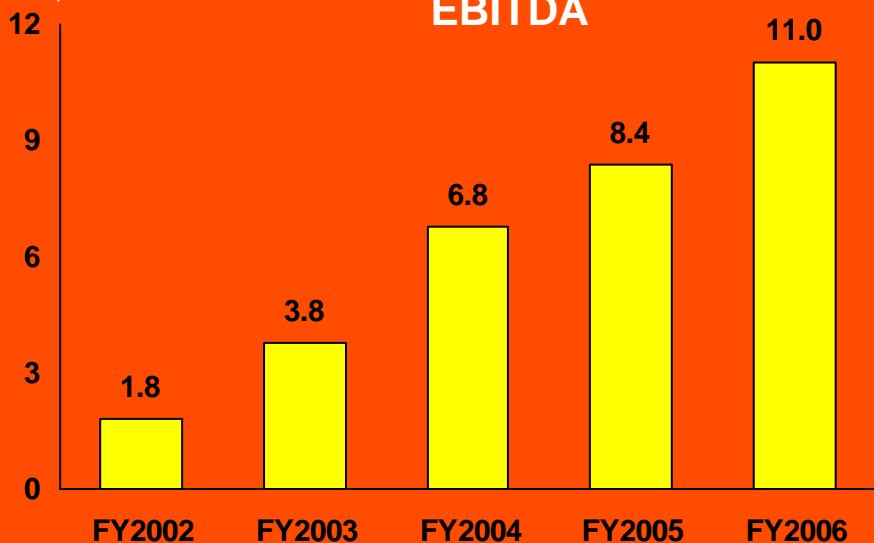


Revenue



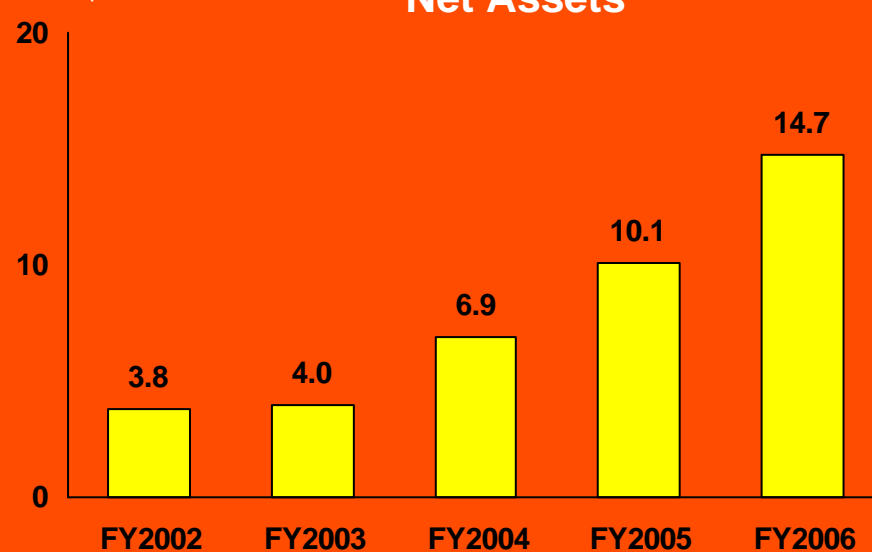
US\$m

EBITDA



US\$m

Net Assets



Source: company data

Continued revenue growth

Specific strategic initiatives will further Universal's position as an industry leader, and support the company's growth

Strategic Initiatives

Leverage on Customer Relationships

- Continue to build and nurture relationships with largest, strategic customers
- Continue to focus on building Universal's value added services, across other products

Enhance Product Development Capability

- Utilise product development resources within UB to support key customers and drive new, nut-based programs

Growth & Continuous Improvement

- Explore new growth opportunities with organic peanuts, other nuts, etc.



Continued profit growth

A variety of additional profit enhancement initiatives will allow Universal to continue margin expansion

Profit Enhancers

Operational Improvements

- Increasing roasting and paste capacity at Edenton – a 25% improvement in throughput
- Post-roast blanching at Dublin
- Upgrading Blakely to Sylvester levels of productivity (with improved cooling and elevators)

Continue Shift to Value-Added Processing

- Growth of value-added products is expected to continue to outpace blanching
- Focus is on customized product specifications

Secure Contracts & Pricing

- Value-added products secured with long-term contracts
- Newly specified product tends to start at a higher margin
- As a preferred supplier for major snacks and confections manufacturers



Dominant player in outsourced peanut processing market

Strong management team

- Longstanding and experienced management team and employees (250)

Strong growth potential

- Opportunities to provide higher value-added products according to customers' specifications
- Ability to ride the growing outsourcing trend by snacks and confectionery manufacturers

Leadership position

- World's largest independent peanut blancher
- Dominant market share in US' outsourced independent roasting and peanut butter/paste manufacturing



Well-entrenched customer relationships

- Blue-chip customer base who acknowledge UB's competitive strengths and are willing to do more business with UB

Efficient operations and Superior proprietary peanut processing technology

- Highly efficient & reliable producer leading to customers satisfaction and better profitability
- Superior processes and technology unmatched in the industry

Strategically located state-of-the-art facilities

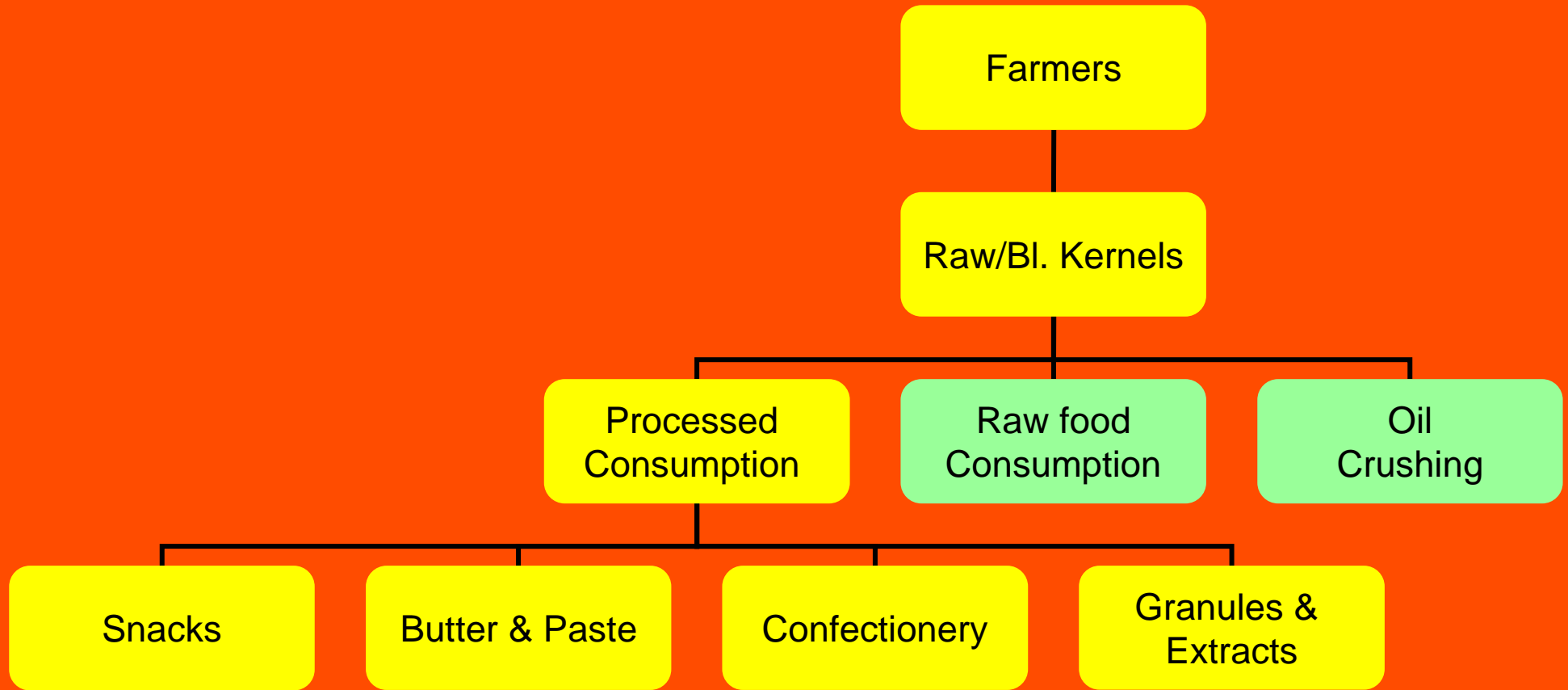
- 5 Modern, efficient plants in 3 major peanut growing regions in the US

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The global peanut supply chain



Major growing areas

World Production of Peanuts is estimated at 33m tonnes

China	14,100	Vietnam	450
India	6,700	Ghana	440
United States	2,000	Argentina	420
Nigeria	1,520	Sudan	370
Indonesia	1,200	Congo	370
Burma, Union of	720	Burkina	320
Senegal	700	Brazil	250
Chad	450	Others	3,358

✿ China, India, USA and Nigeria are the largest producers.



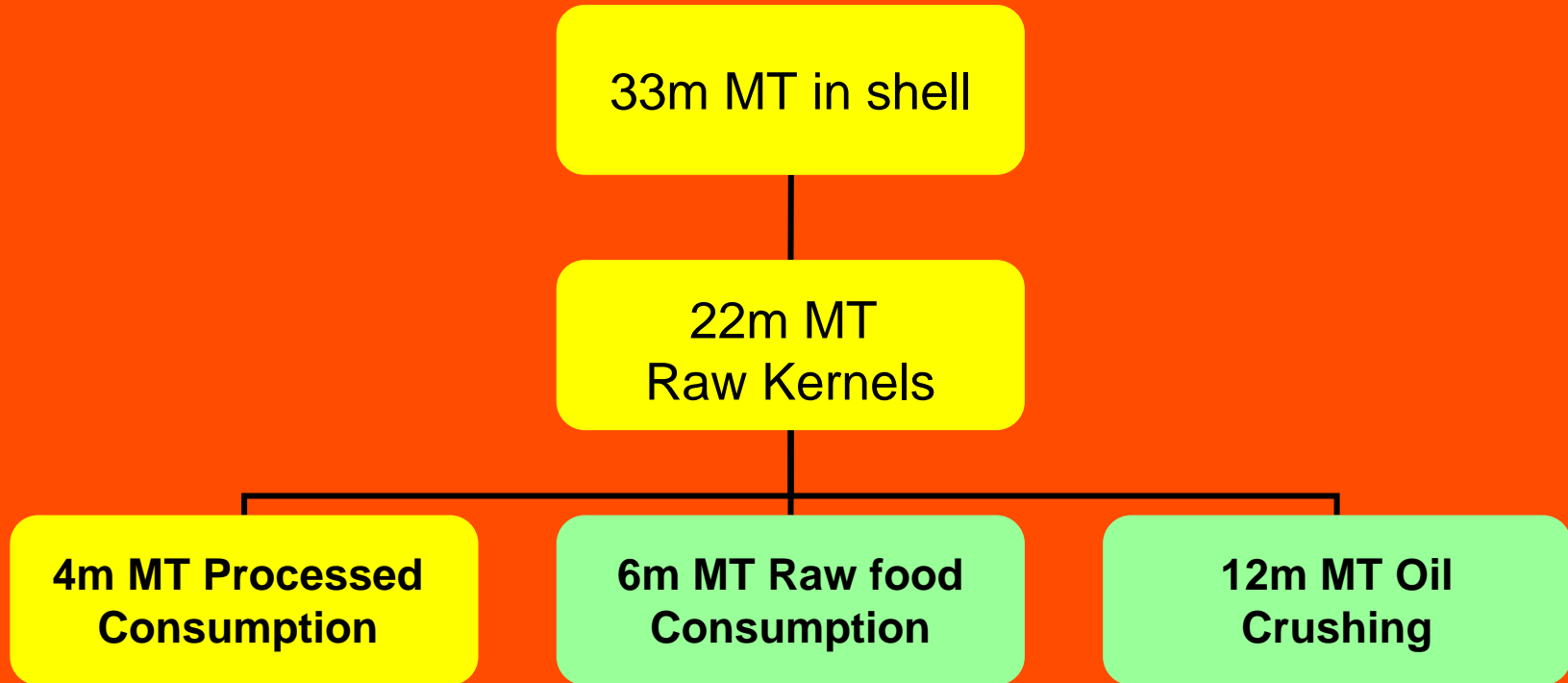
Peanuts world trade

Main exporters		Main importers	
China	550,000	W & E. Europe	525,000
Argentina	400,000	S.E. Asia	200,000
U.S.A	225,000	Canada / Mexico	150,000
India	60,000	Russia	100,000
Brazil	40,000	Algeria	35,000
South Africa	10,000	South Africa	10,000
Total world trade			1.4 – 1.5m Mts

- ❖ World trade is a small proportion of world production (mainly for higher end human consumption & bird feed).
- ❖ 84% of exports contributed by China, Argentina and USA.
- ❖ 45% of imports is into Western / Eastern Europe.



World peanut consumption



World Trade - 1.5m MT

Domestic consumption - 20.5m MT



Strategic choices for Olam

- ❖ Participate in processed food consumption segments with an estimated market size of ~ 4.0m Mts
- ❖ Build an unique & differentiated position in world trade (~1.5m Mts) with direct delivery capability from all key origins to all importing markets
- ❖ Build capability to cater to domestic processed food consumption in major origins (~ 2.5m Mts)
- ❖ Integrated value chain capability to meet customer requirements across all markets



Strategic thrusts of our peanut business

- ✓ Major Origins
 - China, Argentina, **USA**
- ✓ Other Origins
 - Brazil, South Africa, India, Africa
- ✓ Value Chain
 - Grower > Sheller > **Blancher** > **Ingredient Mfg**
- ✓ Major Import Markets
 - Western Europe
 - Eastern Europe / Russia
 - North & South Africa
 - South East Asia / Oceania
 - North America (Canada and Mexico)
- ✓ Domestic Markets
 - **USA**
 - India & China (for processed usage only)
 - Brazil
 - South Africa



USA and our overall edible nuts strategy

- ❖ Currently the largest market for Olam's Cashew business.
- ❖ Single Largest market for most Nut categories, both in terms of volume, as well as scope for value added participation.
- ❖ Probably the most advanced and well developed market for Nuts in terms of variety of usage in direct consumption, roasted snacks and as an ingredient in other snacks and confectionery.
- ❖ Apart from being a major consumer, US is also a significant producer / exporter for multiple Nuts namely, Peanuts, Almonds, Pecans, Walnuts, Pistachios, Macadamias etc.



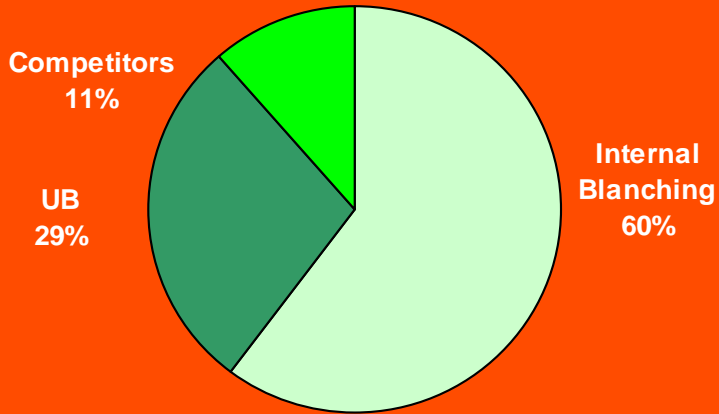
Transaction rationale for Olam

- ❖ Accelerated entry into the largest “processed peanut” market in the world with tremendous scope of Value added participation within supply chain
- ❖ Achieve significant market share in all participating segments without impacting industry viability
- ❖ Established customer franchise
- ❖ Strong management team - Strategic and Cultural fit with Olam
- ❖ Provides a deep pool of product and process know-how which can be transferred from/to other nut origins and markets
- ❖ Provides an excellent beach-head for entry into other Edible Nuts and Nuts ingredients within the US



UB: Segmental Market Share Analysis

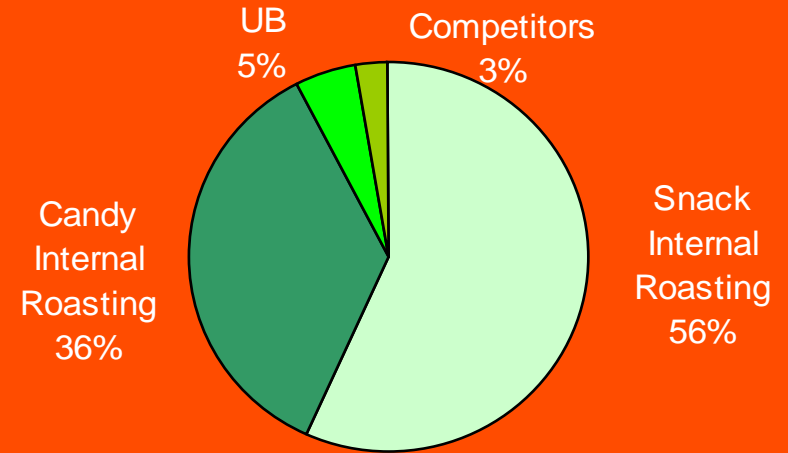
Blanching



Blanching:

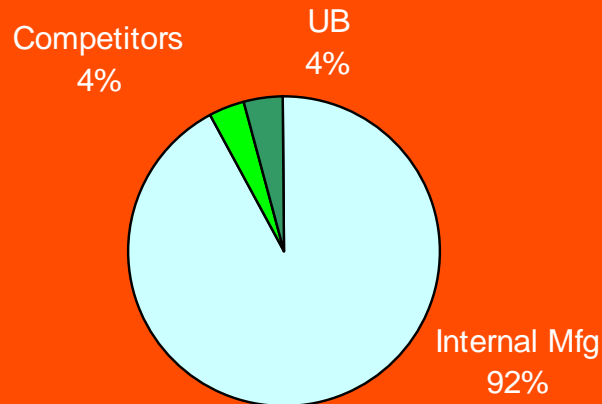
Opportunity to increase market share via outsourcing by candy and snack manufacturers who do not see blanching as core competency

Roasting



Roasting: Opportunity to grow market via outsourcing by candy manufacturers who do not see roasting as core competency

Peanut Butter/Paste



Peanut butter/paste: Opportunity to increase its share of products used as ingredient rather than retail

Value and earnings accretive with strong growth prospects

- ❖ Strong current cash flows ~ \$ 11m EBITDA for FY 06
- ❖ Base case estimates: EBITDA likely to grow by 5% p.a. over the next three years.
- ❖ Potential outsourcing opportunities which can provide substantial growth beyond base case forecasts with additional investments.
- ❖ A UB-Olam combination offers significant synergy value
 - UB's current facilities and processing capabilities can be used to expand into other edible nuts / ingredients in the US
 - Leveraging and sharing US marketing infrastructure
 - Expanding the combined franchise to new markets



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From start-up to leading peanut processor

1979

Founded by Thomas Beaty in Blakely, Georgia

1990

Expanded peanut operations in Southwest along with growing production

1999

Horizon Partners, together with management, acquired UB

2000

Acquired Seabrook Enterprises, peanut processing assets of ED & F Man

2001

Opened roasting facility in Dublin, Texas

2002

Put in place new management team led by Michael Fisher to further develop the business

2003 to date

Business has grown with improved operational efficiency, profitable product mix, experienced management team and excellent customer franchise

A very experienced management team

Michael Fisher <i>President & CEO</i>	2002	<ul style="list-style-type: none">• Extensive experience in consumer packaged foods from mid-size to multi-billion dollar food companies• Previously president of Fischer Food Company
Charles Davis <i>CFO</i>	2000	<ul style="list-style-type: none">• UB's independent accountant for 18 years before UB was acquired by current owners• 19 years in public accounting with emphasis on acquisition and financing of manufacturing entities and auditing
John Bowen <i>VP, Sales & Marketing</i>	2002	<ul style="list-style-type: none">• Began career as UB's sales manager in 1983 and promoted to president in 1990 and served till 1997 before moving to Golden Peanut to be its vice-president for sales and blanched products from 1997 to 2002• 10 years of banking experience
Marie Pyle <i>VP, Logistics & Peanut Procurement</i>	1987	<ul style="list-style-type: none">• Responsible for all purchasing and logistics functions• Served UB in series of administrative positions
James Lee Fenn <i>VP, Production, Georgia</i>	1998	<ul style="list-style-type: none">• Began career as manager of Blakely plant and promoted to VP, Georgia operations in 2000
Kevin Gaines <i>VP, Southwest Operations</i>	1987	<ul style="list-style-type: none">• Joined UB as traffic coordinator in Blakely plant, rose to VP of Blakely and Dublin operations, and then appointed to current position in 2000

UB is well positioned for sustained long term growth & profitability

- ❖ **A solid strategic foundation, with fundamentally appealing attributes**
 - **Long-term customer base of global food companies**
 - **Unrivalled position in the peanut industry with unparalleled customer service**
 - **Technologically advanced processing resulting in superior yields and quality**
- ❖ **Universal's business model is secure - industry verticalization is not a risk**
- ❖ **The company has demonstrated a history of impressive growth**
- ❖ **The long-term financial outlook of the company is strong, with significant opportunities for profitable growth**
- ❖ **There is a culture and history of investment in innovation and operational improvement**
- ❖ **Universal's experienced management team is highly committed**

Universal is very well aligned with Olam's position as an integrated global supply chain manager for agricultural products and food ingredients

UB's fit for Olam

Universal Blanchers is the ideal entry vehicle for supporting Olam's growth in North America and expansion of its edible nuts division

Acquisition Rationale

Production Centre	Olam Presence	Universal as the Strategic Entry Vehicle
Africa	South Africa	<ul style="list-style-type: none">• Industry leadership• Value-added services• Leading, global customers• State-of-the-art facilities• Committed management• All major U.S. growing regions• Long-term sustainability• Profitable growth
Asia	China, India	
North America	None	
South America	Argentina, Brazil	



Olam's fit and attractiveness for UB

- ❖ We are a customer driven organization and we believe that this partnership will help us provide greater services to more customers in multiple markets.
- ❖ Olam can provide the geographical platform, financial resources and a global mindset - to expand UB's current US peanut expertise and franchise.
- ❖ Olam offers the trading and origination expertise to help leverage UB's peanut expertise to other Edible Nuts – within and outside the US.
- ❖ Strong professional respect and cultural fit between the UB and Olam management teams will maximize the synergies.
- ❖ Transparency, compatibility and commitment established from both sides to make the partnership work.
- ❖ An Olam-UB combination can truly create a new paradigm within the global Peanut Industry, with significant opportunities for expansion across other Nuts.

Universal's Key Objective

- ❖ *Build the largest processor of peanuts and other nut products to serve the snack and confectionery customers on both a domestic and international basis.*



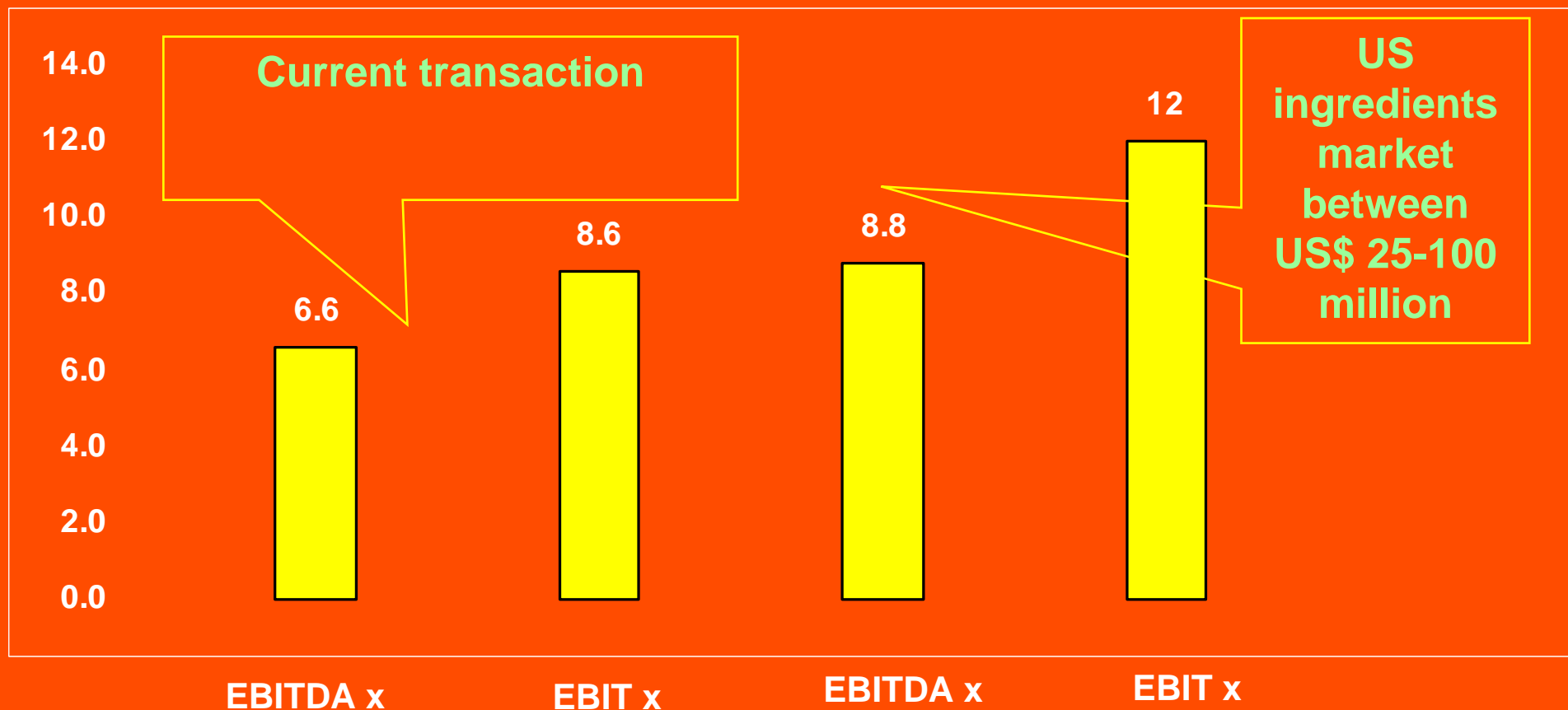
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Pricing parameters compare favorably with precedent transactions

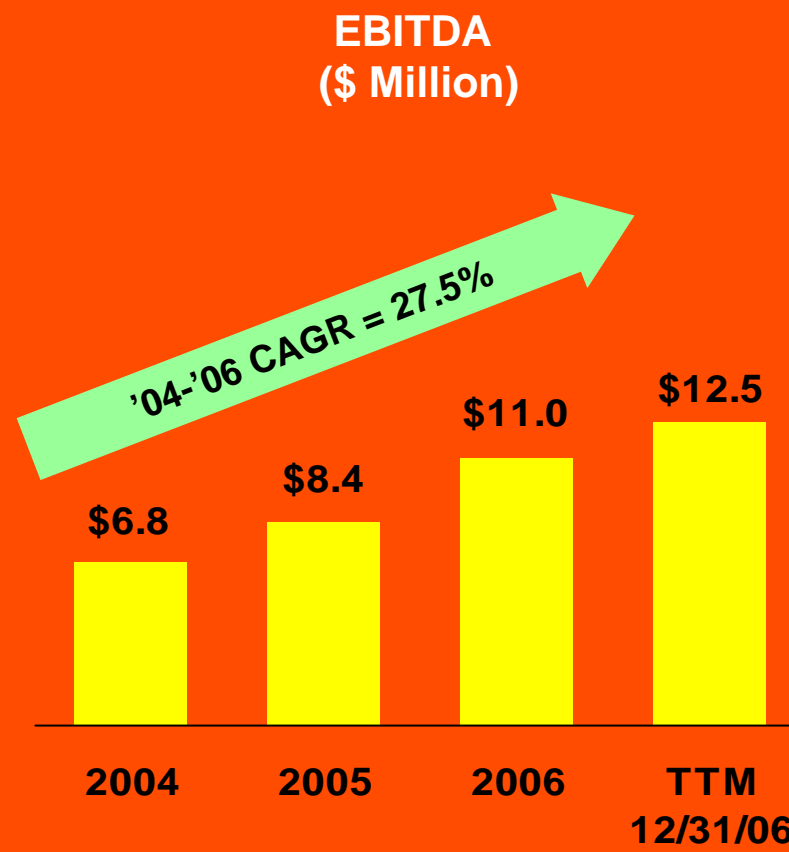
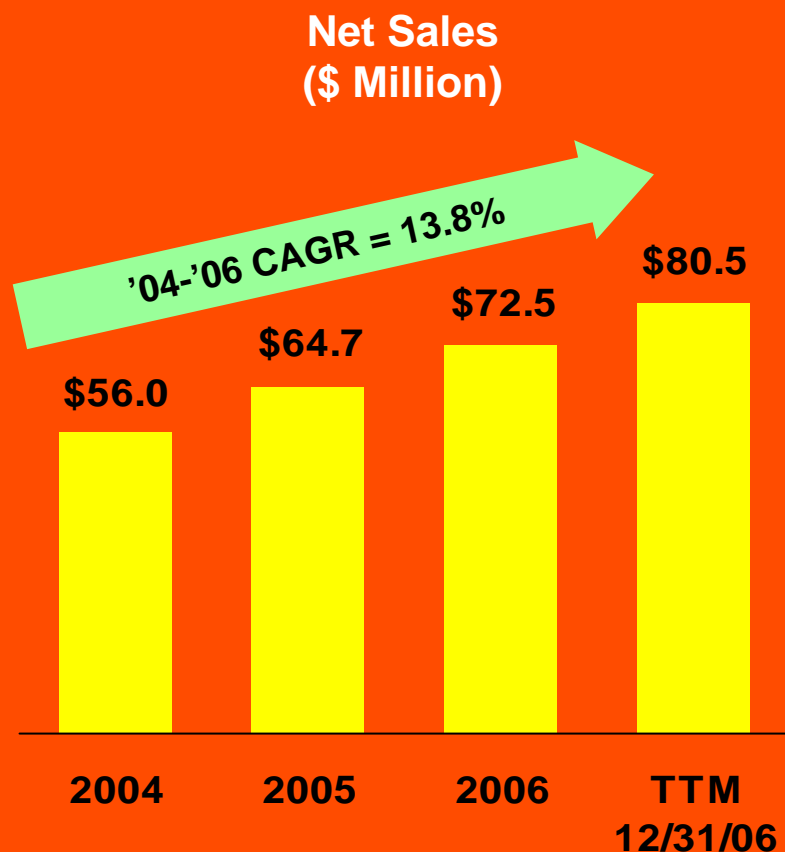
- ✿ The purchase price of US\$ 77m on an enterprise value basis translates into an implied multiple of approximately 6.6x trailing EBITDA for 2006 and 8.6x trailing EBIT for 2006



Source: mergermarket

Strong Financial Track Record

Universal has been steadily growing both the top and bottom lines



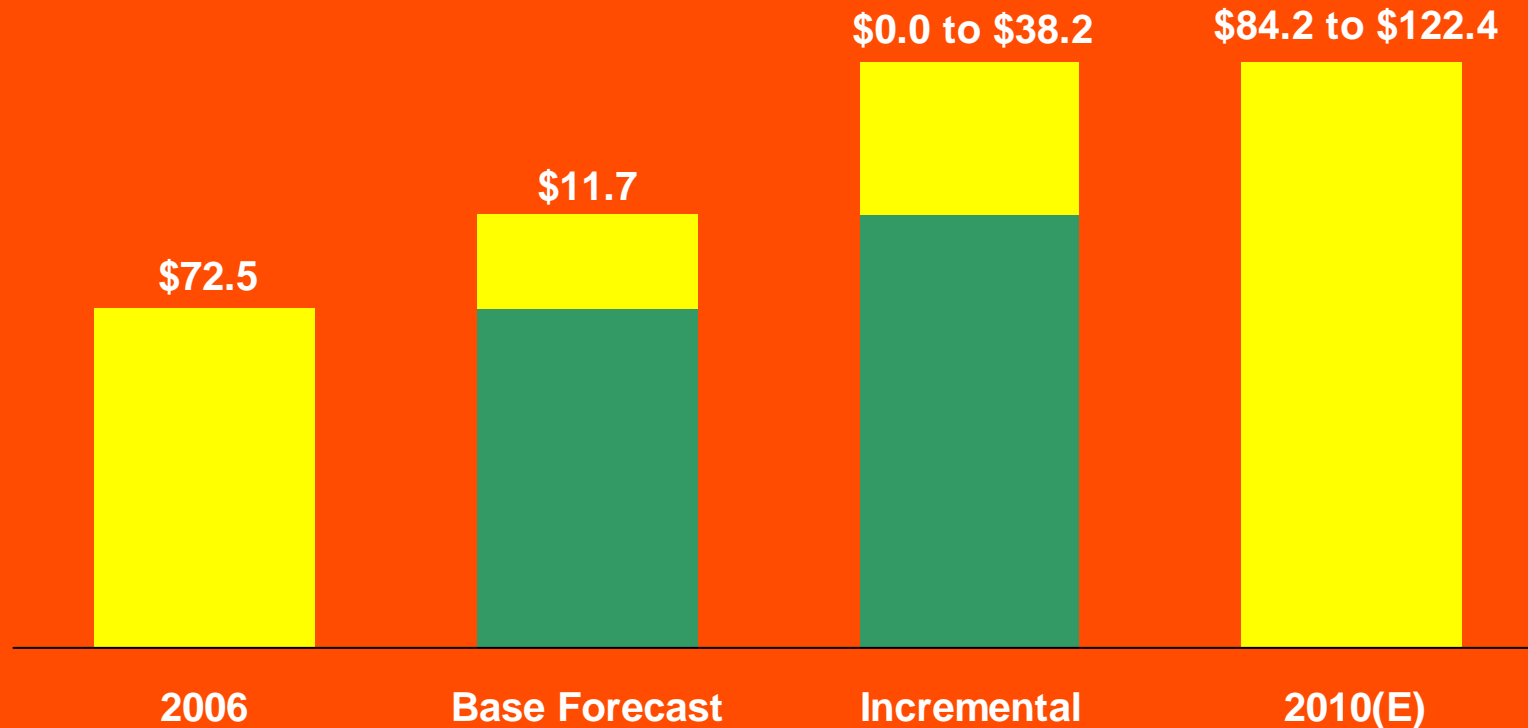
Margin	12.1%	12.9%	15.2%	15.5%
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Note: Fiscal year end June 30

Sales potential

Universal has identified annual sales opportunities in excess of \$120 m by 2010 . .

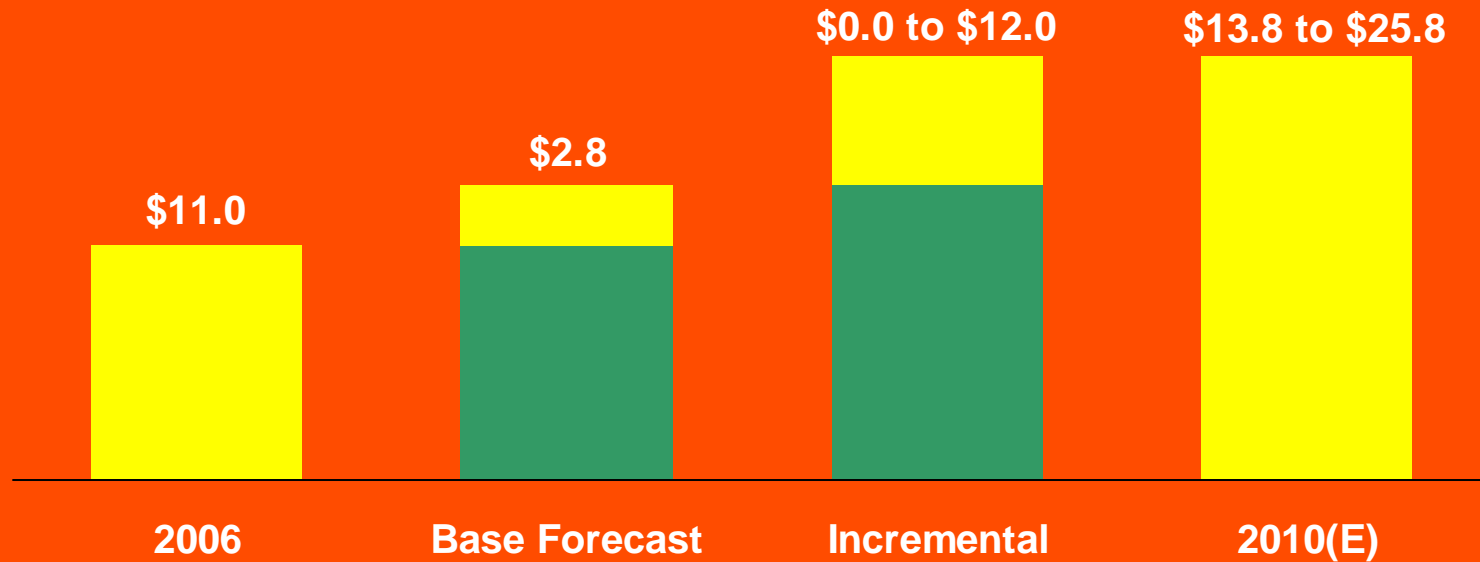
Sales Growth Opportunity (US\$ million)



EBITDA potential

... and more than \$25 million in EBITDA

EBITDA Opportunity (in US\$ million)



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Summary

- ✿ Olam to acquire 100% stake in UB for US\$77 million on a cash and debt free basis
- ✿ UB is the world's largest independent peanut blancher with dominant market share in independent peanut roasting and various peanut ingredients within the US
- ✿ The transaction fits well with Olam's Peanuts and edible nuts strategy as well as its stated M&A policy
- ✿ The transaction will:
 - Be earnings and value accretive with good growth prospects
 - Provide us an accelerated entry into the US – with a significant market position in the value added Peanut segments
 - Provide strong synergies to support our growth plans for peanuts and other edible nuts globally
 - Help strengthen key customer relationships and expand our customer base further within the US.

Thank You

Q&A

