



Olam International Limited

100% Acquisition of Naarden Agro Products B.V.

12 September 2007

Singapore



The Brand Behind The Brands

Forward looking statements

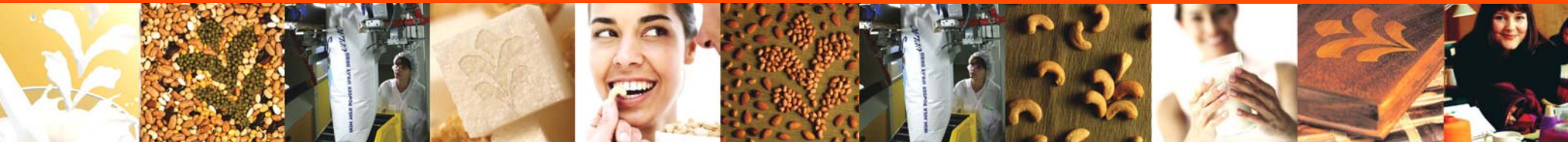
This presentation may contain statements regarding the business of Olam International Limited ('Olam') and its subsidiaries ('Group'), Naarden Agro Products B.V that are of a forward looking nature and are therefore based on management's assumptions about future developments.

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 Naarden Agro Products B.V. ('Naarden'). 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.

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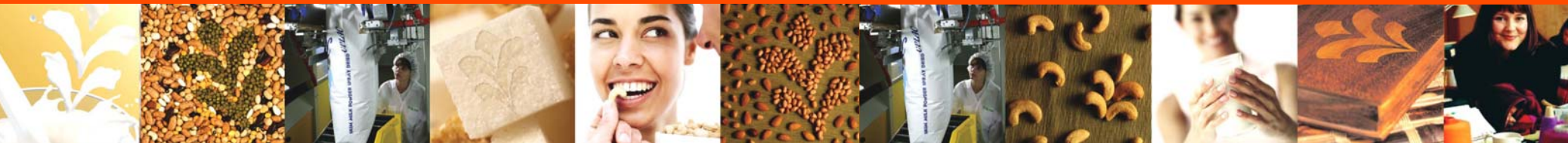
Presentation Outline

- ❖ Transaction Overview
- ❖ Target Overview
- ❖ Investment Rationale - Strategic Fit
- ❖ Synergy and Financial Impact
- ❖ Summary



Transaction Overview

Transaction	<ul style="list-style-type: none">▪ Acquisition of 100% of the equity capital of Naarden Agro Products B.V., an established marketer of Industrial caseins, caseinates and milk derivatives▪ Intrinsic Value/Investment Value far exceeds threshold of 1.35x
Consideration	<ul style="list-style-type: none">▪ Equity consideration of approximately EUR3.3 million▪ In addition, negotiations are underway to acquire their processing facility in Poland, Fleur Company Ltd
Financing	<ul style="list-style-type: none">▪ All cash transaction to be funded from internal accruals and borrowings
Closing	<ul style="list-style-type: none">▪ Transaction expected to close in 30 days



Overview of Naarden Agro Products B.V

- ❖ Set up in 1993 in Holland by 2 individuals, Mr. Guus Overmans and Mr. Zbigniew Kosmala
- ❖ Company is currently owned 50% each by Beheermaatschappij A.V.M. Overmans B.V. (promoted by Mr. Guus Overmans) and Apollo Group N.V
- ❖ Primarily engaged in the sourcing and marketing of Industrial grade Casein - established global player with over 10% global market share
- ❖ Sourcing carried out through trade houses from key origins like Ukraine, Belarus, India, Russia and China
- ❖ Sells directly (80%) and through agents (20%) to a diversified and long standing set of MNC customers in Europe, Asia and the Americas
- ❖ Generated Revenues of around US\$27 million in 2006



Global Casein Industry

- ❖ Casein is the “main” protein found in milk – contains 21 amino acids
- ❖ Two types of Casein: **Edible** and **Industrial**
- ❖ Naarden specialises in **Technical Casein** (Industrial Casein)
- ❖ Casein – key segment statistics

Global Production	364,000 MT valued at US\$4.48 billion
Edible Grade	319,000 MT valued at US\$3.99 billion
Technical Casein	45,000 MT (Naarden’s focus) valued at US\$0.5 billion
Key Origins of Industrial Casein	Ukraine, Belarus, India, Russia and China
Key Markets	USA, European Union
Applications	Glue, self-adhesive labeling, Leveling, Finishing, Emulsions, Coating etc in various industries including Paper, Wood and Paint



Consistent with our Dairy Strategy

- ❖ Key tenets of Olam's Dairy Strategy
 - ❖ Maintain a presence in all major origins and participate in key trade flows
 - ❖ Establish a leading position in sourcing from highly fragmented but low production cost origins like Ukraine, Belarus, Argentina, China and India
 - ❖ Backward integrate into processing in high growth, globally cost competitive origins like New Zealand, Australia, Argentina and Ukraine
 - ❖ Build a leadership position in niche segments / markets
 - ❖ **Entry into the Casein segment**
 - ❖ Consumer packs in Africa

Naarden offers a vantage entry point into this segment

- ❖ Organic entry poses some significant challenges
 - ❖ Extensive technical and product knowledge
 - ❖ Presence of established players and
 - ❖ Existence of long standing customer relationships
- ❖ **Naarden offers a secure and strong entry point** into this niche segment
 - ❖ **Leading market position** – over 10% global market share
 - ❖ **Top notch industry professionals** with extensive technical and product knowledge
 - ❖ **Long standing relationships** with a large number of multinational clients across the globe
 - ❖ Significant scalability can double volumes by unlocking working capital and raw material sourcing constraints

Acquisition is in line with our inorganic growth strategy

This
Transaction

Strategic Objectives

- Accelerated entry into identified new product adjacency ✓
- Accelerated access into a new geography
- Reduce timing to impact for a new value chain expansion initiative
- Overcome industry barriers ✓
- Maintain industry attractiveness
- Taking advantage of favourably priced targets with high overlap with Olam ✓

Policy Framework

- String of Pearls approach ✓
- Size of deals:
 - Sweet spot: 5-10% of market cap ✓
 - Maximum size: 10% of market cap
 - Aggregate deal size p.a: 15% of market cap
- Make acquisitions throughout the economic cycle - do not time ✓
- Do deals to either acquire a controlling stake or management control ✓
- Do not enter into opportunities purely based on P/E arbitrage ✓

Multiple areas of synergy have been identified

- ❖ Origination advantages
 - ❖ More cost effective sourcing, given Olam's established presence in all key casein producing countries
 - ❖ Elimination of agency commissions
- ❖ Scale expansion
 - ❖ Ready availability of working capital to enable Naarden to satisfy demand that it is unable to cater to currently
- ❖ Platform for a potential entry into the larger edible casein segment



Financial impact

(MTs)	FY2008	FY2009	FY2010
Volume	4,378	6,455	8,000

(US\$ mil)	FY2008	FY2009	FY2010
Revenues	31.7	47.1	58.4
EBITDA	3.1	5.2	6.5
EBITDA Margin (%)	9.8	11.0	11.1



Thank You

Q&A

