

Olam International Limited

Greenfield Cocoa Processing factory at Abidjan, Cote d' Ivoire

Greenfield primary processing and warehousing facility at San Pedro, Cote d' Ivoire

17th August 2010



Investing for Value



Cautionary note on forward-looking statements

This presentation may contain statements regarding the business of Olam International Limited and its subsidiaries ('Group') 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. 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

Gerry Manley – Managing Director & Global Head of Cocoa

Krishnan Ravikumar – Chief Financial Officer

🌿 Greenfield Investments

🌿 Strategic Rationale

🌿 Traceability and CRS

🌿 Q&A

Olam Cocoa

🌿 Olam is the world's leading Cocoa bean originator and exporter.

🌿 It is the number one originator in Nigeria and Indonesia, and is a top 3 participant in East Africa, Papua New Guinea, Cameroon and Ghana. It is in the top 5 in Cote d'Ivoire.

🌿 Olam is a supplier to many of the world's leading cocoa processing companies and is a leading supplier of beans to many chocolate manufacturers worldwide.



Olam Cocoa

✿Olam is one of the leading Cocoa processing companies in Nigeria (15,000 MT capacity) and has toll agreements with other processors in Africa and Asia.

✿It is a leading 3rd party supplier of Cocoa products from independent processing plants to chocolate industry.

✿Solimar (pictured) is a joint venture (49%) in Spain with a cake milling capacity of 12,500mt. Olam has its own recognised Cocoa powder brand – Esfira which is sold primarily in Eastern Europe.



Greenfield Investment

Greenfield Investment

- ✿ Investments by Outspan Ivoire SA
 - ✿ Modern Greenfield processing factory in Abidjan to process 60,000 MT of Cocoa Beans into Cocoa Liquor, Butter and Cake.
 - ✿ The plant size gives the economy of scale required with further expansion possible
 - ✿ Modern Greenfield primary processing and warehousing facility in San Pedro to support the origination and export of 40,000 MT from South West Cdl

Amount

- ✿ Investment amount of US\$ 43.5million

Financing

- ✿ Fully funded through internal accruals and borrowings

Timelines

- ✿ Completion of projects expected by the 1st Quarter 2012

Cote d' Ivoire

Olam in Cote d' Ivoire (Cdl)

- Olam has a presence in Cote D' Ivoire since 1994 and has leadership position in Cocoa, Coffee, Cashew, Cotton, Palm oil, Imports and distribution businesses
- Olam has invested more than 160M\$ in the last 5 years in these businesses
- Outspan Ivoire SA is a 100% subsidiary of Olam International Limited and is the leading Cocoa and Coffee business in Cote d' Ivoire

Importance of Cocoa in Cote'd Ivoire's economy

- It is the largest producer of Cocoa beans with 40% of the world market
- Over 1million farmers engaged in Cocoa farming activities spread over 3 million Ha
- More than \$ 1billion of fiscal revenue generated by the Cocoa industry in Cote d' Ivoire

Conducive economic environment

- Market orientated, Non- interventionist economic policies since last 50 years of independence
- Strong Infrastructure base – Ports / Roads / Electricity / Natural Gas
- Election scheduled for 31st Oct 2010

Investment- Strategic Rationale

Strategic Rationale

- ✿ “On strategy” for Olam Cocoa - Augment our position with cocoa processing factories in origin and developing an integrated cocoa supply chain.
- ✿ Participation in the additional value pool of processing in Cdl, supported by preferential policies
- ✿ Integral part of Cocoa global strategy to increase its supply of Cocoa beans and cocoa products to chocolate manufacturers and powder users
- ✿ Synergy with existing beans business and will add ability to compete actively during the light crop season
- ✿ Ability to offer traceable/ certified Cocoa products to our customers – a key development in the industry in which we are a leading participant

Key Processing Highlights

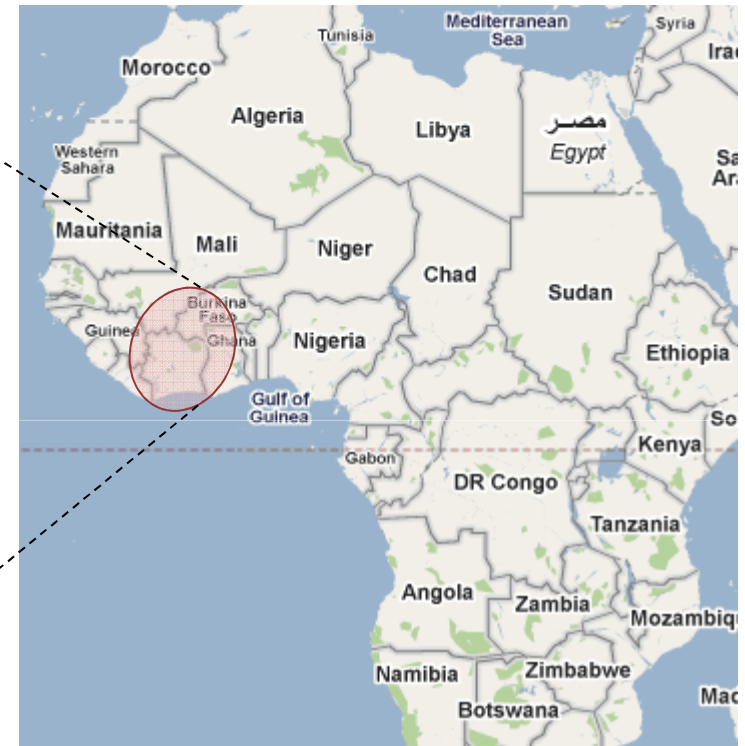
Cocoa products - Market

- ✿ Cocoa Liquor and Cocoa Butter will meet the demands and requirements of our chocolate industry customers and enable us to expand our customer base.
- ✿ Cocoa Cake can be converted into powder for distribution by Solimar, our Spanish joint venture milling plant.
- ✿ Key objective to fully integrate from cocoa bean to traceable and certifiable cocoa products enhancing margins.

Business Landscape

- ✿ Chocolate industry continues to outsource cocoa bean requirements
- ✿ Government has a stated objective to increase grinding capacity to 50% of the crop by 2015 and promotes processing with preferential export policies
- ✿ Logistical advantage of cocoa products vs the shipment and distribution of cocoa beans
- ✿ Global Cocoa processors are increasing their origin processing involvement with good processing returns and stable bean supply
- ✿ Demand from industry for traceable and certifiable products continues to grow

Plant Locations



Abidjan and San Pedro are the major Cocoa exporting ports of Cote d'Ivoire

Traceability & Certification– Cote' d Ivoire



Traceability & Certification– Cote' d Ivoire

CR+S activities

- Enhancing rural employment through local value addition
- Farmer capacity building with a view to promote sustainable production
- Sourcing premium quality fully traceable certified beans and products
- Providing end customer stickiness and satisfaction

CIFOB

- ✦ Joint quality improvement initiative with a chocolate multinational ensuring full traceability
- ✦ 5,500 farmers trained in best pre + post harvest practice
- ✦ 40 managers trained in best management practice
- ✦ Construction of 84 solar dryers to promote homogenous efficient drying
- ✦ \$1M of premiums distributed to farmers and cooperatives

Rainforest Alliance

- ✦ 2 former CIFOB Cooperatives Rainforest Alliance certified since Jan 2010
- ✦ 625 farmers produced 2, 500 mt of RA certified cocoa for 09/10 season
- ✦ Another 7 former CIFOB cooperatives currently under Rainforest Alliance training

The Cocoa Plan

- ✦ Sustainability and quality improvement program with a chocolate multinational
- ✦ 1,700 farmers trained in pre and post harvest practice
- ✦ Hybrid seed nurseries to promote replanting
- ✦ Social programs to improve community infrastructure
- ✦ Premiums and bonuses to ensure full farmer engagement

Traceability & Certification– Cote' d Ivoire

Sassandra Program

- ✿ Traceability and quality improvement program with major US wholesale company
- ✿ Social programs to improve community infrastructure
- ✿ 1,100 farmers trained in pre and post harvest practice and HIV awareness
- ✿ Cooperative capacity building and gender promotion

CLP

- ✿ Cocoa Livelihoods Program. Founding Partner.
- ✿ Gates Foundation / Industry Partnership for West African Cocoa Farmers
- ✿ \$40 M Budget partnership (Gates Foundation \$23M / Industry \$17M)
- ✿ Improving production efficiency and quality at the farm level
- ✿ Improving marketing efficiency and farmer competitiveness on diversified farms

ECHOES

- ✿ Empowering Cocoa Households with Opportunities and Education
- ✿ World Cocoa Foundation sponsored program providing vocational agricultural training and functional literacy classes specifically targeting out of school youth and young adults
- ✿ Direct sponsor of 9 communities in Daloa region reaching 1,300 adults

Cote d'Ivoire- National Support for Processing

President Laurent Gbagbo *August 2010 (source: Reuters)*

«Si je suis élu Président, il sera nécessaire de transformer la production au cours des dix prochaines années. Dans cinq ans, nous pourrions arriver à deux million de tonnes ». If I am elected president, it will be necessary for us to transform production over the next ten years. In five years, we could do 2 million MT.

« Nous avons commence les discussions avec les pays importateurs de cacao. Ils ont compris notre logique d'exporter des grains semi-transformes .» We have started discussions with the countries that import our cocoa. They agree with the logic of our selling semi-finished products rather than raw beans.

Letter of encouragement from President CGFCC to Outspan Ivoire SA

«Aussi, le CGFCC tient-il à vous marquer toute sa reconnaissance et à vous apporter son total soutien dans la réalisation de ces deux projets qui rentrent dans la droite ligne de la politique de transformation locale de nos produits d'exportation telle que voulue par le Président de la République». CGFCC expresses its gratitude and give assurance of its full support for the implementation of these two projects, which are in line with the policy of local processing of our export products as expressed by the President of the Republic.

- ANOH N'GUESSAN Gilbert, President CGFCC (**Comité de Gestion de la Filière Café Cacao**)

Financial Highlights

- ✿ Total investment is US\$ 43.5 million
- ✿ Value and earnings accretive from year 2
- ✿ Forecasted annual revenue of about US\$ 175 million
- ✿ EBITDA margin of about 10% to 12%
- ✿ Transaction in line with Olam strategy to enhance portfolio margins

Summary

- ✿ Integral part of Cocoa strategy to supply Cocoa products to Chocolate manufacturers and cocoa powder users from cost competitive origins
- ✿ Enables Olam to be an integrated supply chain manager of traceable Cocoa beans and Cocoa products
- ✿ Synergy with existing bean business, providing a platform for growth and sustainability in bean sourcing
- ✿ Be a dynamic partner to National Governments to promote the supply of cocoa by adding value through processing

Q & A

Thank You

