

Olam International Limited

FY2011 Full Year Results Briefing

29th August 2011 | Singapore

DELIVERING OUR STRATEGY

Notice

This presentation should be read in conjunction with Olam International Limited's Fourth Quarter (Q4 FY2011) and Full Year FY 2011 Financial Results for the period ended 30 June 2011 statement lodged on SGXNET on 29 August 2011.

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.

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect Olam's future financial results are detailed in our listing prospectus, listed in this presentation, or discussed in today's press release and in the management discussion and analysis section of the company's Fourth Quarter and Full Year FY2011 results report and filings with SGX. 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.

FY2011 Full Year Results Briefing: Agenda



FY2011 Full Year Results

- ✿ Consolidated P&L Analysis
- ✿ Segmental Analysis
- ✿ Balance Sheet Analysis
- ✿ Strategy Update
- ✿ Q&A

Consolidated P&L Analysis



Summary

(in S\$ million)	FY2011	FY2010	% Change
Sales Volume (MMT)	8.452	7.006	20.6
Sales Value	15,734.9	10,455.0	50.5
Net Contribution (NC)	1,222.8	900.7	35.8
NC/ton	145	129	12.5
Profit After Tax (Excluding exceptional items)	372.8	271.8	37.1
Exceptional Items	57.1	87.6	(34.8)
Non-controlling interests	14.7	0.3	-
Reported Net Profit	444.6	359.7	23.6
PAT margin (%) (Excluding exceptional items)	2.4%	2.6%	-
PAT margin (%)	2.8%	3.4%	-

Exceptional Items

(in S\$ million)	FY2011	FY2010
Other Income:		
- Negative goodwill & Gain on remeasurement of investments upon business combination	91.8	118.2
Gain/ (loss) on Biological Assets:		
- Non Operational Gain	9.5	-
Other Operating Expenses:		
- Acquisition expenses	(8.7)	(29.2)
- Impairment of Investments/ Assets	(35.6)	(1.4)
Net Exceptional Items	57.1	87.6

Sales Volume



Sales Volume: 8.452 million metric tons



Volume grew by 1.445 million metric tons



20.6% growth over FY2010



Volume growth across all 4 segments

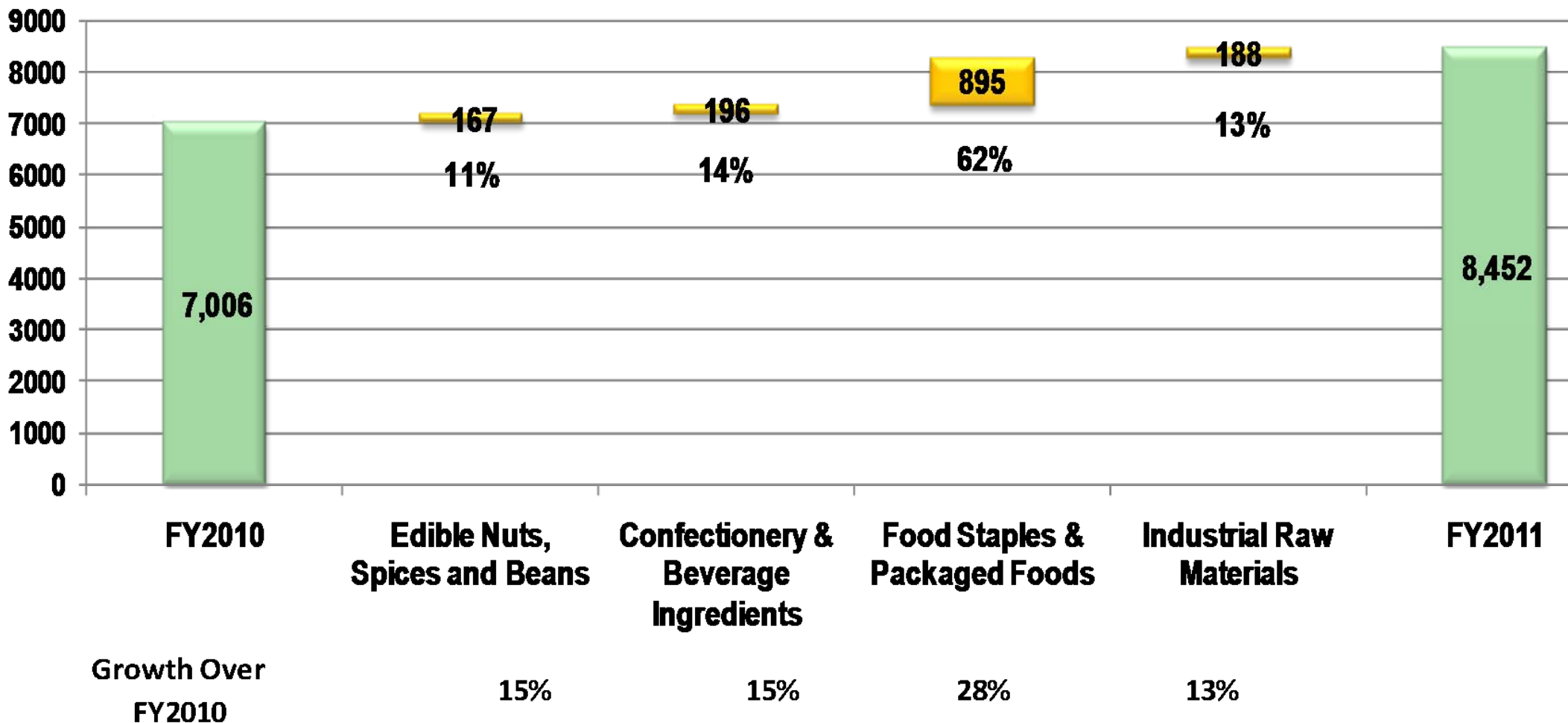
Sales Volume

Segments	FY2011 (MT/'000)	FY2010 (MT/'000)	% Change
Edible Nuts, Spices & Beans	1,275	1,108	15.0
Confectionery & Beverage Ingredients	1,484	1,288	15.2
Food Staples & Packaged Foods	4,102	3,207	27.9
Food Category Total	6,860	5,603	22.4
Industrial Raw Materials	1,591	1,403	13.4
Consolidated Total	8,452	7,006	20.6

Sales Volume Growth: Segmental Contribution

Sales Volume
(1,000 Mts)


Sales Volume growth 20.6%, 1.445 mmts



Net Contribution

 **Net Contribution (NC): S\$ 1222.8 million**

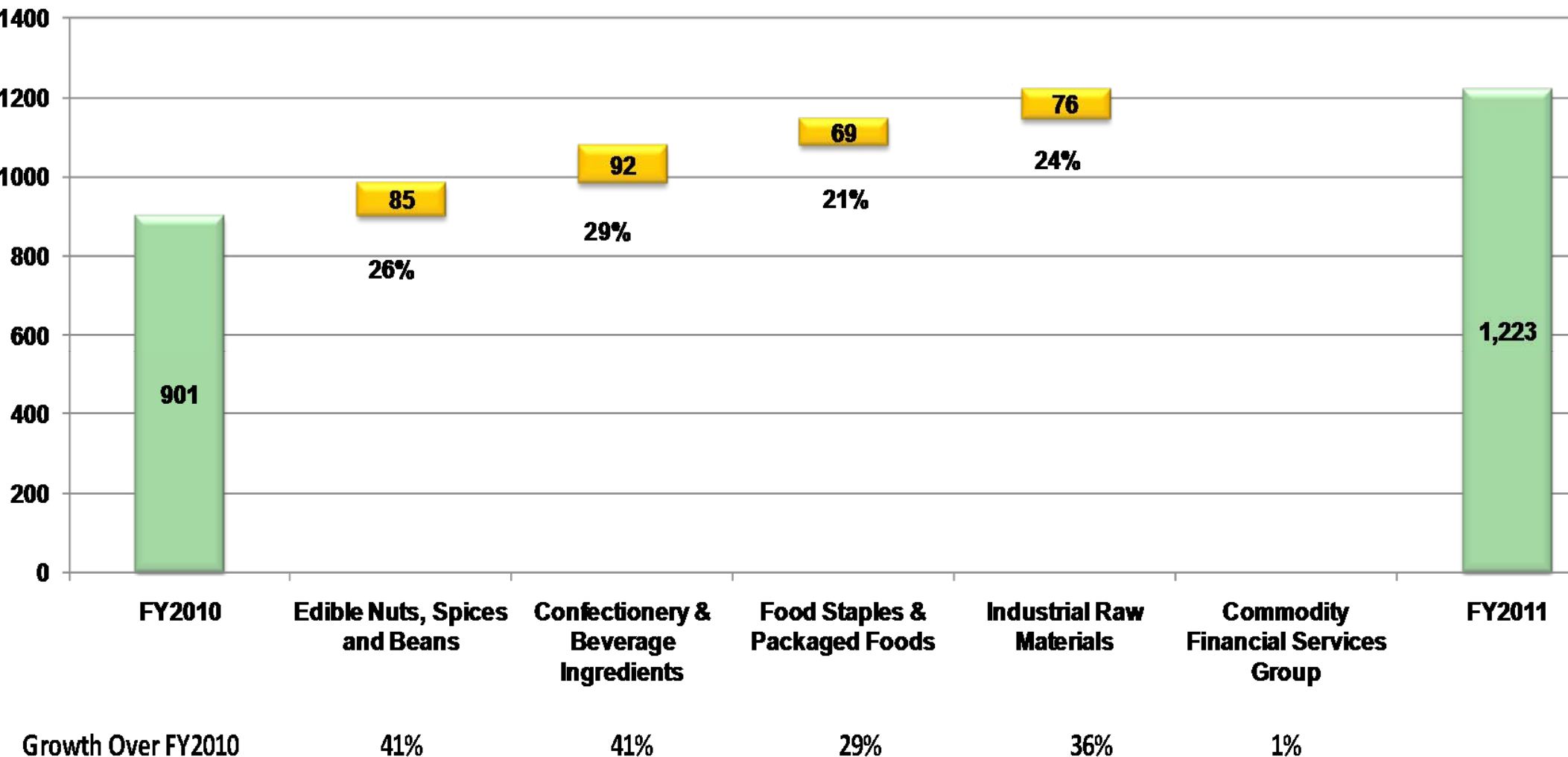
 35.8% growth over FY2010

 NC per ton increased from S\$128.5/ton in FY2010 to S\$144.6/ton in FY2011

Net Contribution Growth: Segmental Share

Net Contribution
(S\$ M)

NC Growth 35.8% , S\$322 million



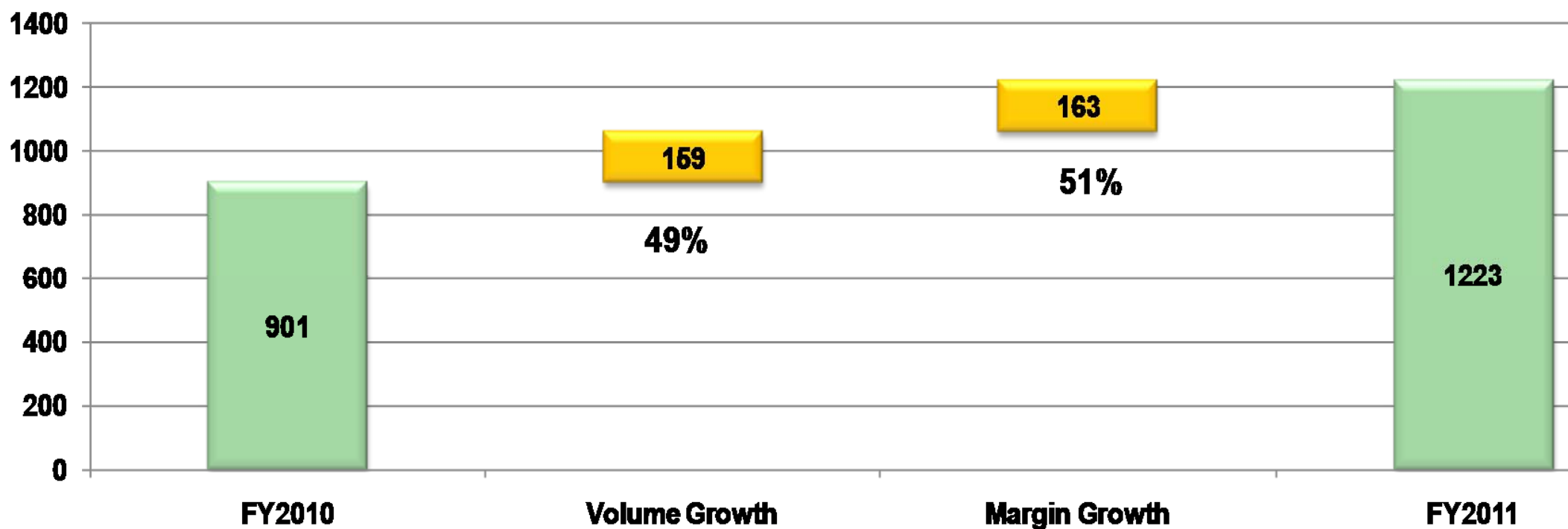
Net Contribution & NC/ MT Growth: Segmental Analysis

Segments	Net Contribution		
	FY2011	FY2010	% change
	S\$million	S\$million	
Edible Nuts, Spices & Beans	296.6	210.9	40.7
NC/MT (S\$ / ton)	232.7	190.3	22.3
Confectionery & Beverage Ingredients	314.4	222.8	41.1
NC/MT (S\$ / ton)	211.8	172.9	22.5
Food Staples & Packaged Foods	302.5	233.9	29.3
NC/MT (S\$ / ton)	73.7	72.9	1.1
Food Category Total	913.6	667.6	36.8
NC/MT (S\$ / ton)	133.1	119.1	11.8
Industrial Raw Materials	283.9	208.1	36.4
NC/MT (S\$ / ton)	178.3	148.2	20.3
Commodity Financial Services Group	25.4	25.1	1.4
Consolidated Total	1,222.8	900.7	35.8
NC/MT (S\$ / ton)	144.6	128.5	12.5

Net Contribution Growth: Sources

NC Growth 35.8% , S\$322 million

Net Contribution
(S\$ M)



Share Options Expensing (FRS 102)

- ✿ The impact of FRS 102 (Employee Share Options - ESOS expensing) on the Financial Statements is as follows:

	FY2011 S\$'000	FY2010 S\$'000	Change
ESOS	23,991*	12,438*	92.9%

*Non Cash Charge






Overhead Expenses

 **Overhead Expenses increased by 34.3% to S\$701.1 million in FY2011**

	FY2011	FY2010	Change
Overhead Expenses(S\$m)	701.1	521.9	34.3%
Overhead/ Sales Ratio	4.5%	5.0%	-

- Increase on account of acquisitions completed during the year is S\$ 91.2 m (50.9% of the net increase)
- Strengthening of local currencies vis-à-vis USD has also contributed to increase in Overhead Expenses

Key Earnings Metrics

-  **Reported Net Profit : S\$444.6 m**
 - 23.6% growth over FY2010
-  **Operational Net Profit After Tax (Excluding Exceptional Items): S\$372.8 m**
 - 37.1% growth over FY2010
-  **Reported Earnings per Share (EPS)**
 - 20.27 cents/share in FY2011 vs 17.89 cents/share in FY2010
 - 13.3% growth over FY2010
-  **Operational Earnings per Share (EPS)**
 - 17.58 cents/share in FY2011 vs 13.53 cents/share in FY2010
 - 29.9% growth over FY2010
-  **Net Asset Value (NAV before fair value adjustment)**
 - 114.88 cents/share in FY2011 vs 99.98 cents/share in FY2010

Key Return Metrics



ROE (BOP_E)

- **21.3% in FY2011** vs 29.3% in FY2010
- **Equity Spread ($ROE - K_E$) 11.3%**



ROE (Average)

- **18.7% in FY2011** vs 22.2% in FY2010



ROIC (Average)

- **14.3% in FY2011** vs 14.0% in FY2010
- **Total Capital Spread ($ROIC - WACC$) 7.1%**

Segmental Analysis



Segmental Analysis: Summary

Olam Consolidated

- Turnover **S\$15735 m**
- Volume **S\$8.452 mmts**
- NC **S\$1222.8 m**
- NPAT **S\$444.6 m**

Edible Nuts, Spices & Beans

- Turnover **S\$ 2184 m**
- Volume **1.275 mmts**
- NC **S\$296.6 m**

- NC Share **24.3%**



Confectionery & Beverage Ingredients

- Turnover **S\$6361 m**
- Volume **1.484 mmts**
- NC **S\$314.4 m**

- NC Share **25.7%**



Food Staples & Packaged Foods

- Turnover **S\$3460 m**
- Volume **4.102 mmts**
- NC **S\$302.5 m**

- NC Share **24.7%**



Industrial Raw Materials

- Turnover **S\$3730 m**
- Volume **1.591 mmts**
- NC **S\$283.9 m**

- NC Share **23.2%**



Commodity Financial Services Group

- NC **S\$25.4 m**

- NC Share **2.0%**

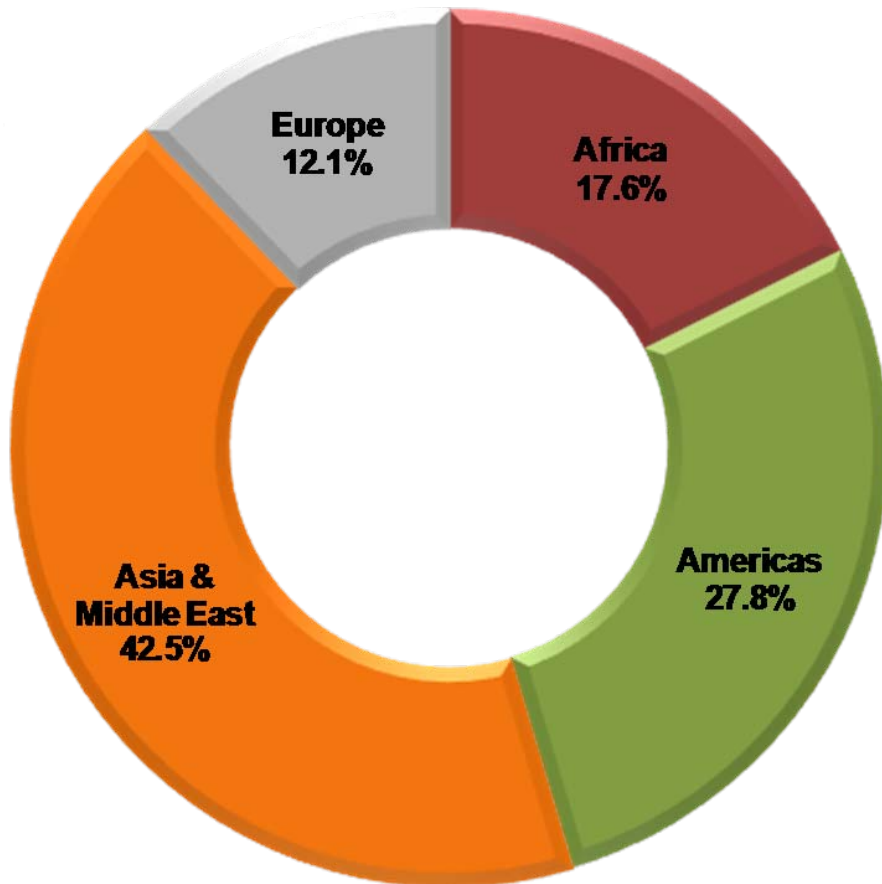


Value Chain Segmental Analysis

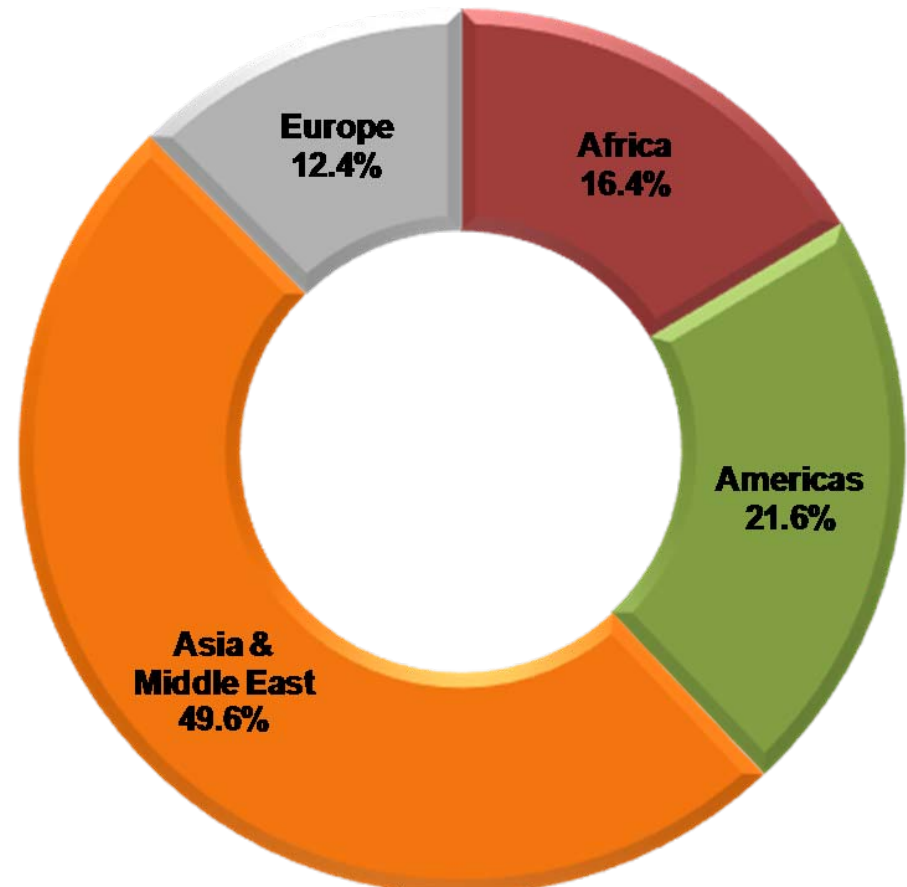
Value Chain Initiatives	Sales Revenue (in S\$ m)		Growth %	Net Contribution (in S\$ m)		Growth %	EBITDA (in S\$ m)		Growth %
	Jun-11	Jun-10		Jun-11	Jun-10		Jun-11	Jun-10	
Supply Chain & VAS	13,784	9,163	50.4%	864	635	36.1%	572	403	41.9%
Margin (%)				6.3%	6.9%		4.2%	4.4%	
Per Ton				121	109		80	70	
Upstream	306	219	39.5%	170	110	54.3%	154	99	56.1%
Margin (%)				55.7%	50.4%		50.5%	45.1%	
Per Ton				633	453		573	406	
Midstream & Downstream	1,645	1,073	53.3%	189	156	21.3%	136	106	29.3%
Margin (%)				11.5%	14.5%		8.3%	9.8%	
Per Ton				176	161		127	109	
Total	15,735	10,455	50.5%	1,223	901	35.8%	863	608	42.0%
Margin (%)				7.8%	8.6%		5.5%	5.8%	
Per Ton				145	129		102	87	

Well Diversified Sourcing: **Origins**

**Sourcing Volume
FY2011**

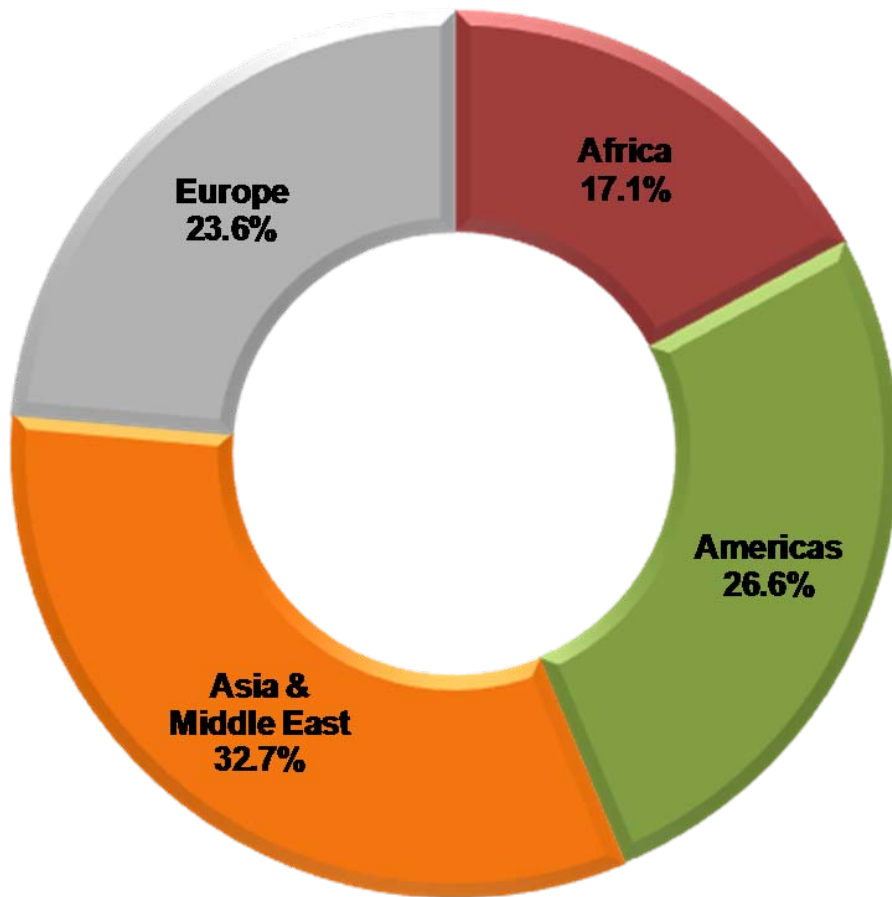


**Sourcing Volume
FY2010**

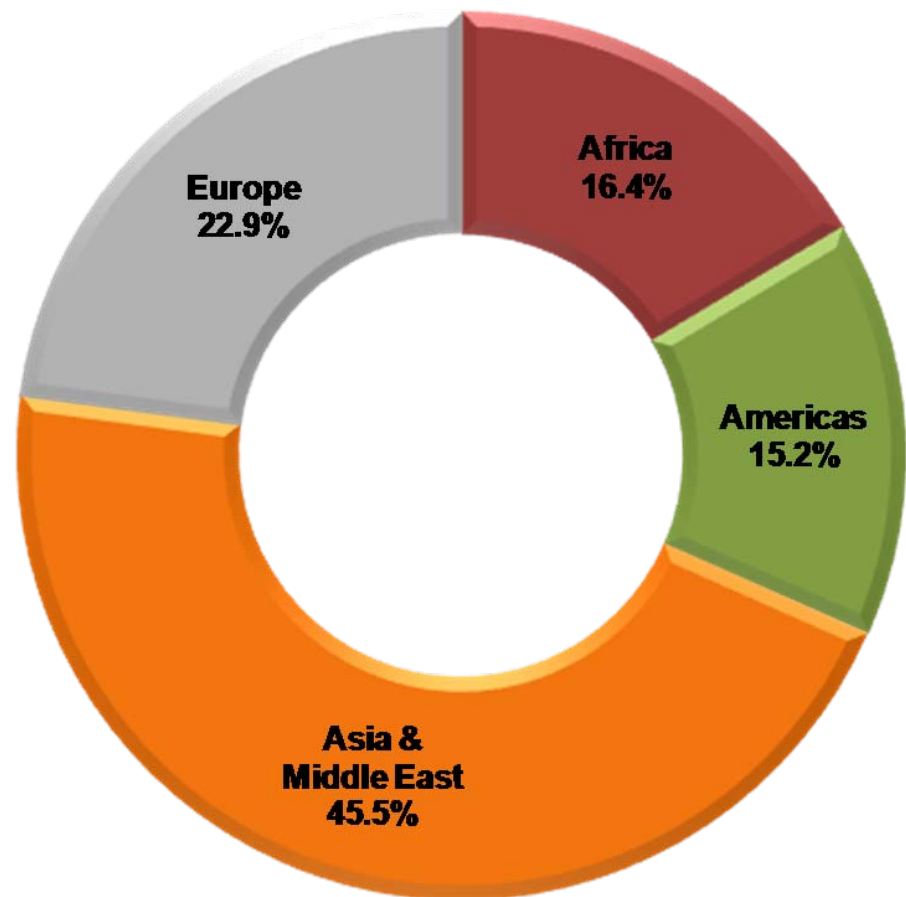


Well Diversified Sales: **Markets**

**Sales Turnover
FY2011**



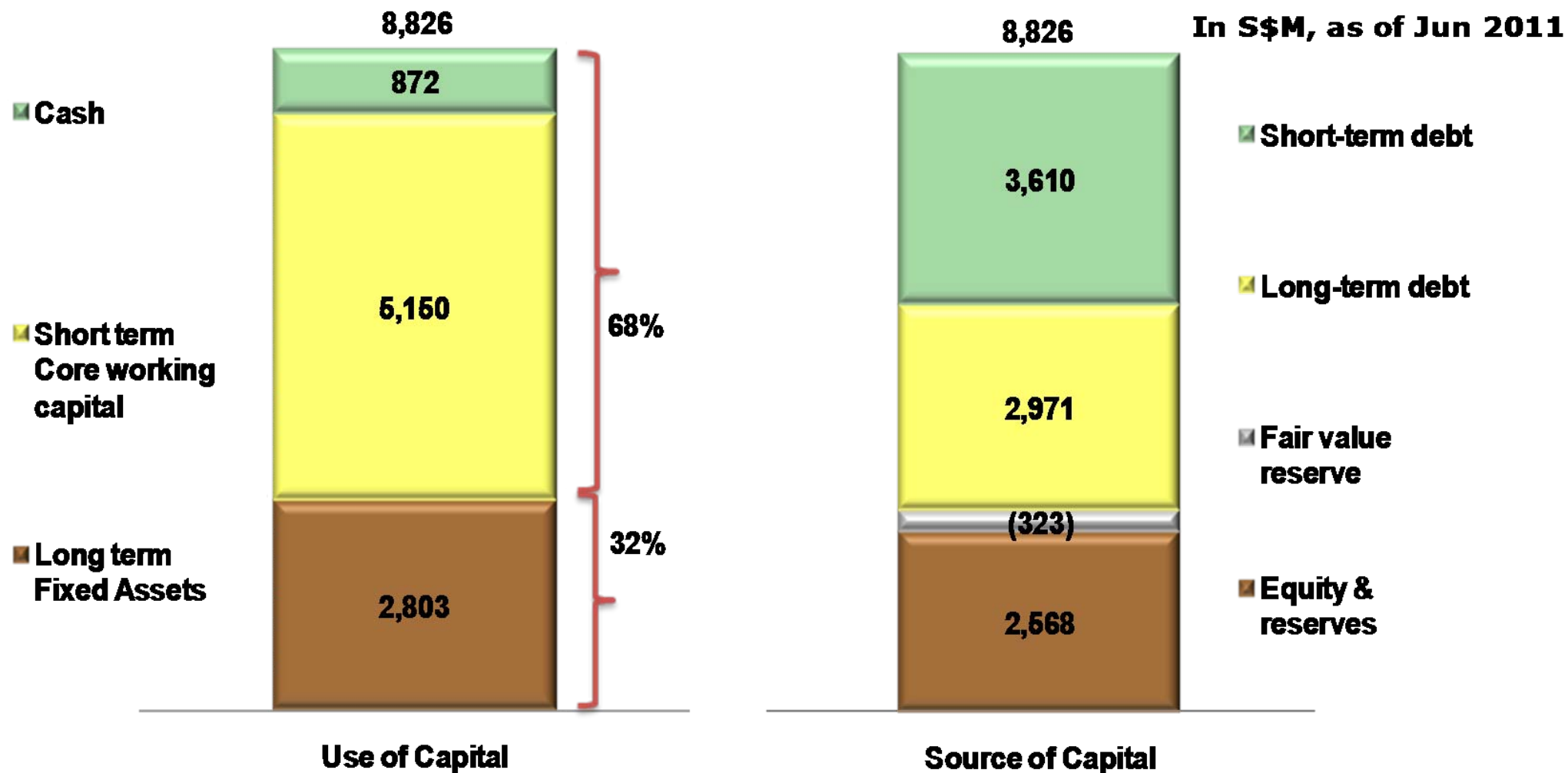
**Sales Turnover
FY2010**



Balance Sheet Analysis



Balance Sheet Summary: Strong and resilient Balance Sheet



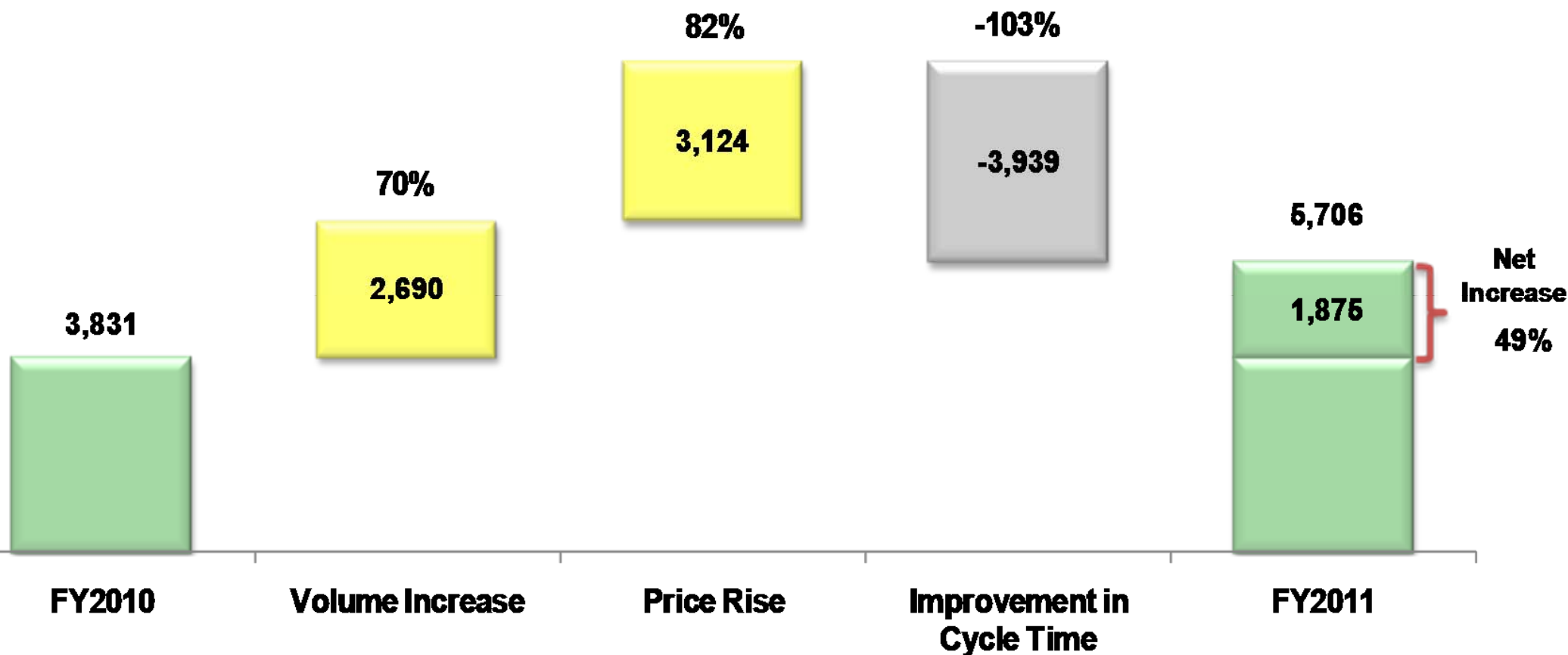
- Investment in fixed term assets funded through permanent capital
- Investment in working capital funded through a combination of long term and short-term debt

Commodity Prices: Olam Basket

Published Indices	01-Jul-10	30-Jun-11	% increase
S & P GS Agriculture	509.0	755.2	48.4%
CRB CMDT Index	420.3	550.3	30.9%
CRY Index	250.6	338.1	34.9%
Olam Basket			32.3%
Olam Basket			
Rice	478.0	519.0	8.6%
Sugar	468.6	670.3	43.0%
Cocoa	2,408.0	1,983.0	-17.6%
Coffee	1,766.0	2,498.0	41.4%
Cotton	80.0	123.7	54.6%
Cashew Kernel	2.9	4.6	56.9%
Sesame	1,240.0	1,258.0	1.5%
Timber	725.0	780.0	7.6%
Pepper	3,750.0	6,100.0	62.7%
Wheat	499.8	614.3	22.9%
Milk Powder	3,400.0	3,950.0	16.2%
Peanuts	1,220.0	2,175.0	78.3%
Olam Basket wtd. Avg			32.3%

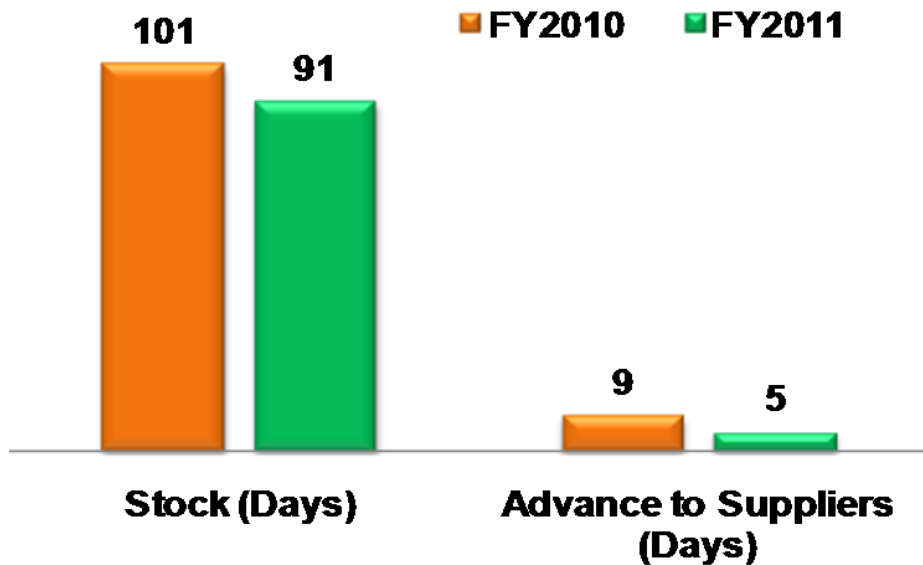
Working Capital Analysis

(S\$M)

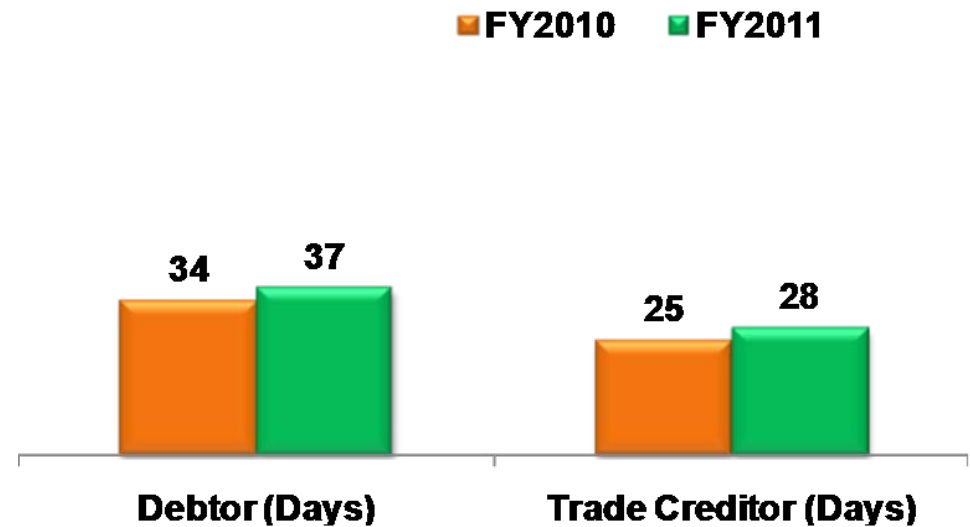


Improved working capital efficiency

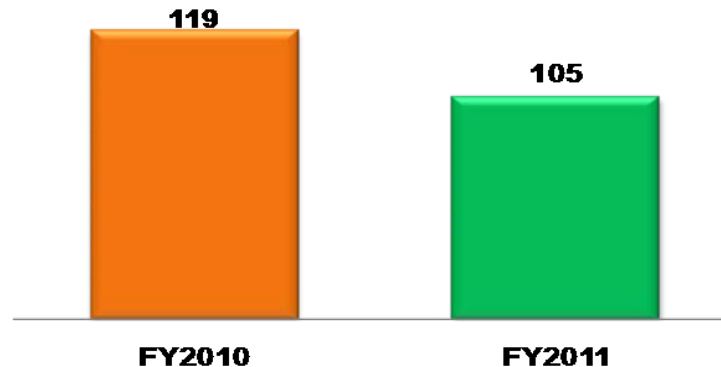
Stock (days) and Advance to Suppliers (days)



Debtor (days) and Trade Creditor (days)



Cash-to-cash cycle (days)



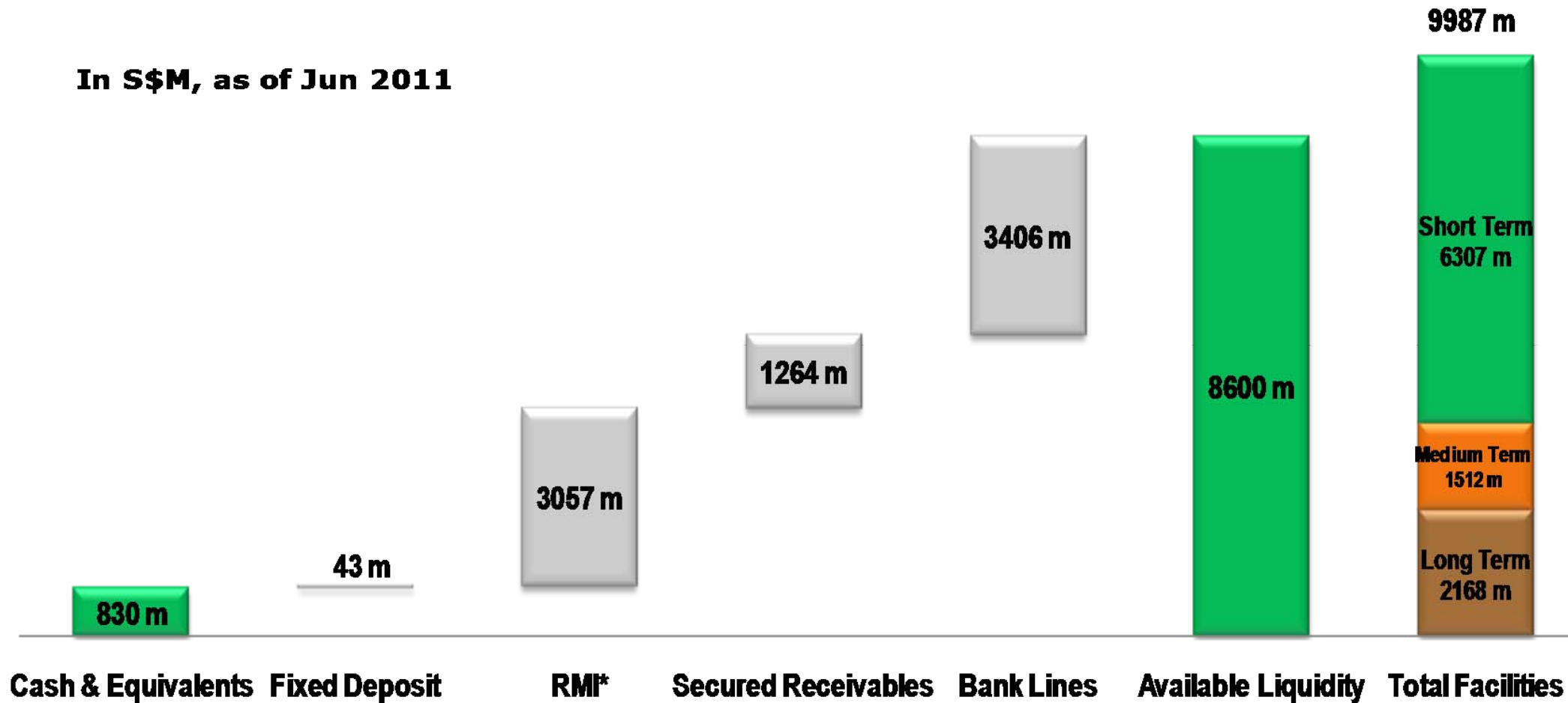
Inventory Analysis

(in S\$ million)	FY2011	FY2010	Increase / Decrease
Edible Nuts, Spices & Beans	950	559	391
Confectionery & Beverage Ingredients	1,119	977	142
Food Staples & Packaged Foods	792	634	158
Industrial Raw Materials	723	414	309
Total	3,584	2,584	1,000

85.3% of inventories sold forward or hedged

Strong liquidity profile

In S\$M, as of Jun 2011



*RMI: inventories that are liquid, hedged, or sold forward

Balance sheet Analysis: Gearing

	FY2011	FY2010	Change
Leverage (x)			
Gross Debt to Equity (x)	2.56	2.23	0.33x
Net Debt to Equity (x)	2.22	1.90	0.32x
Adjusted Net Debt to Equity (x)	0.54	0.43	0.11x
Liquidity			
Cash to Sales (%)	5.54%	6.42%	-
Cash & Cash Equivalents	872.2	671.5	200.7 m
Margin Deposit	457.1	152.8	304.3 m

Including equity raised post Balance Sheet date, the proforma Net Debt/ Equity will be 1.86x and the proforma Adjusted Net Debt/Equity will be 0.45x

Adjusted Net Gearing

Net debt/Equity as of
June 30, 2010 (x)

1.9x

S\$ -2228 mm

S\$ -743 mm

0.43x

Net debt/Equity

RMI*

Secured
Debtors

Adjusted net
debt/Equity

Net debt/Equity as of
June 30, 2011 (x)

2.22x

S\$ -3057 mm

S\$ -1264 mm

0.54x

Net debt/Equity

RMI*

Secured
Debtors

Adjusted net
debt/Equity

*RMI: inventories that are liquid, hedged, or sold forward

Financial Summary

- ✿ **Volume grew by 20.6%** to 8.452 million MT
- ✿ **Net Contribution grew by 35.8%** to S\$ 1,222.8 million with **NC per ton growing 12.5%** to S\$ 145
- ✿ **Profit after tax** (excluding exceptional items) **grew by 37.1%** to S\$ 372.8 million
- ✿ **Earnings per Share** (excluding exceptional items) **increased by 29.9%** to 17.58 cents per share
- ✿ **Strong Liquidity Position** – raised new equity of US\$ 603 m (US\$ 400 m post balance sheet date) and additional debt of different maturity profiles.

Despite volatile economic climate and commodity markets, given the strong track record of execution of our long-term strategic growth plans, the Group continues to be positive about its prospects for FY2012

FY2011 Full Year Results Briefing: Agenda



FY2011 Full Year Results

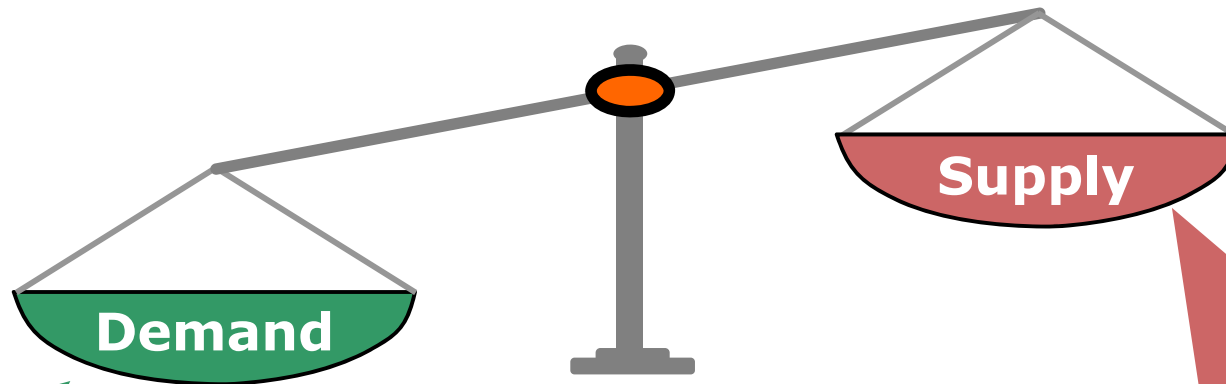
- ✿ Consolidated P&L Analysis
- ✿ Segmental Analysis
- ✿ Balance Sheet Analysis
- ✿ Strategy Update
- ✿ Q&A

Strategy Update

29th August 2011



We assessed key **industry trends** in 2009 to identify **profitable new growth ideas**



- Growing population
- Increasing food consumption per capita with rising income
- Dietary shift to protein and fat rich diets
- Rapid urbanisation resulting in higher per capita consumption
- Growing use of biofuel

- Decline in agricultural productivity
- Declining arable land
- Urbanisation impact
- Water constraints
- Carbon constraints
- Impact of climate change
- Environmental constraints
- Logistics and storage chokes



Agri-commodity demand-supply imbalances expected to widen going forward

The **Agri-complex** is an **attractive industry** with **strong growth prospects**

And announced a **6-yr corporate strategy** (FY10-15) to **increase margins & quadruple intrinsic value**

Our governing objective is to maximise long term intrinsic value for our continuing shareholders

Pursue 3 key drivers: 1) Open up Capital Spreads (ROE-KE, ROIC-WACC); 2) Increase the Rate of Profitable Growth; and 3) Sustain duration of growth

Vision

To be the leading global supply chain manager and processor of agri-commodities by:

- Serving growers and customers globally
- Pursuing select scalable & attractive niches in upstream (plantations/farming) and mid-stream (value added processing)
- Capitalising on our emerging markets expertise

Goals

- Increase **Intrinsic Value by 3-4x** over the next two 3-year cycles. **NPAT target US\$450 million by FY2015**
- Pursue profitable growth & improve margin structure (**NPAT margin $\geq 4\%$ by 2015**) by selective participation in attractive value chain adjacencies (upstream & mid-stream)
- Maintain financial and strategic flexibility for a wide range of economic scenarios (developing minimalist, balanced & unconstrained plans)
- Be widely recognised as a responsible and sustainable value creator

Strategic thrusts

Invest to achieve integrated value chain leadership

Cocoa, Coffee, Edible Nuts, Spices & Vegetable Ingredients, Natural Fibres

Selectively expand into attractive value chain adjacencies

Grains, Sugar, Rice, Dairy, Palm & Rubber

Optimise and extract full value from core

Sesame & Wood Products

Build on latent assets

Packaged Foods Business (PFB) in W. Africa, Commodity Financial Services (CFS), Agri-Inputs (fertiliser)

Downsize/exit/prune unattractive activities

Select product origins and profit centres, eg. Pulses

Enablers

Excellence in execution

- Institutionalise Program Management capabilities
- Acquire capabilities in upstream plantation/ farm management & midstream VA processing
- Complexity management
- Scalable IT, Risk, Control & Compliance systems

M&A effectiveness

- Actively build M&A pipeline and develop prioritisation
- Deepen due diligence capabilities
- Institutionalise best-in-class integration practices

Capital efficacy

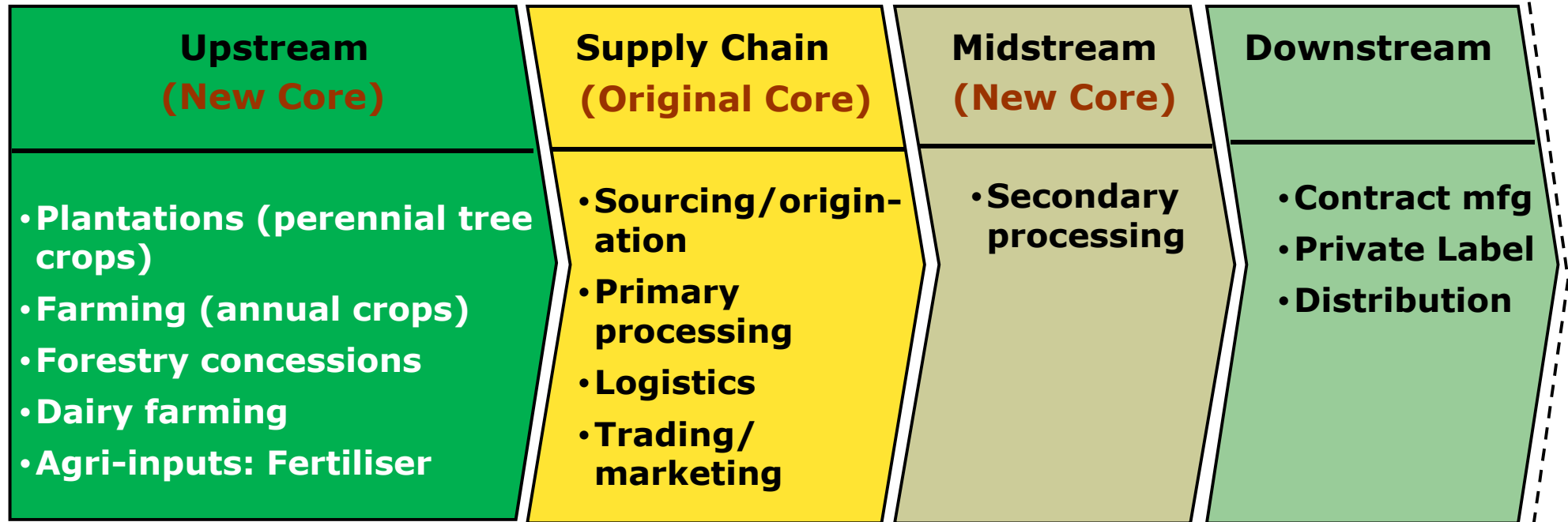
- Strengthen capital structure and build financial flexibility
- Continuously improve overhead and capital productivity

People & Values

- Continue to grow global talent pool
- Deepen entrepreneurial culture
- Continue to embed stretch and ambition
- Create ownership culture
- Build empowered teams

Key thrust was **selective integration** into excess return **upstream** & **midstream** value chain segments

Agri Business Value Chain



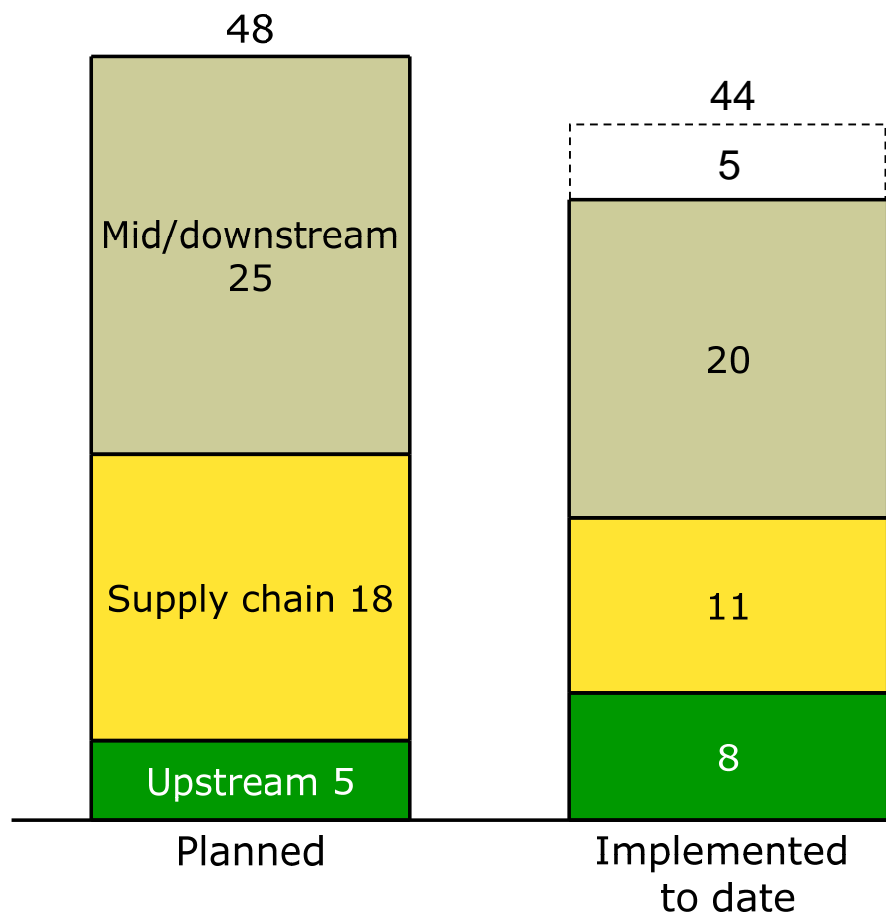
Selective Value Chain Integration

Strategy update: Taking stock

- ✿ How well has Olam **executed** the new **six year corporate strategic plan (FY10-15)**?
- ✿ Is the **new Strategy effective/working?** How well has **Olam performed vs. competitors** as it executes this new Strategy?

We have **executed well** against this **plan**

No. of initiatives based on 2009 plan

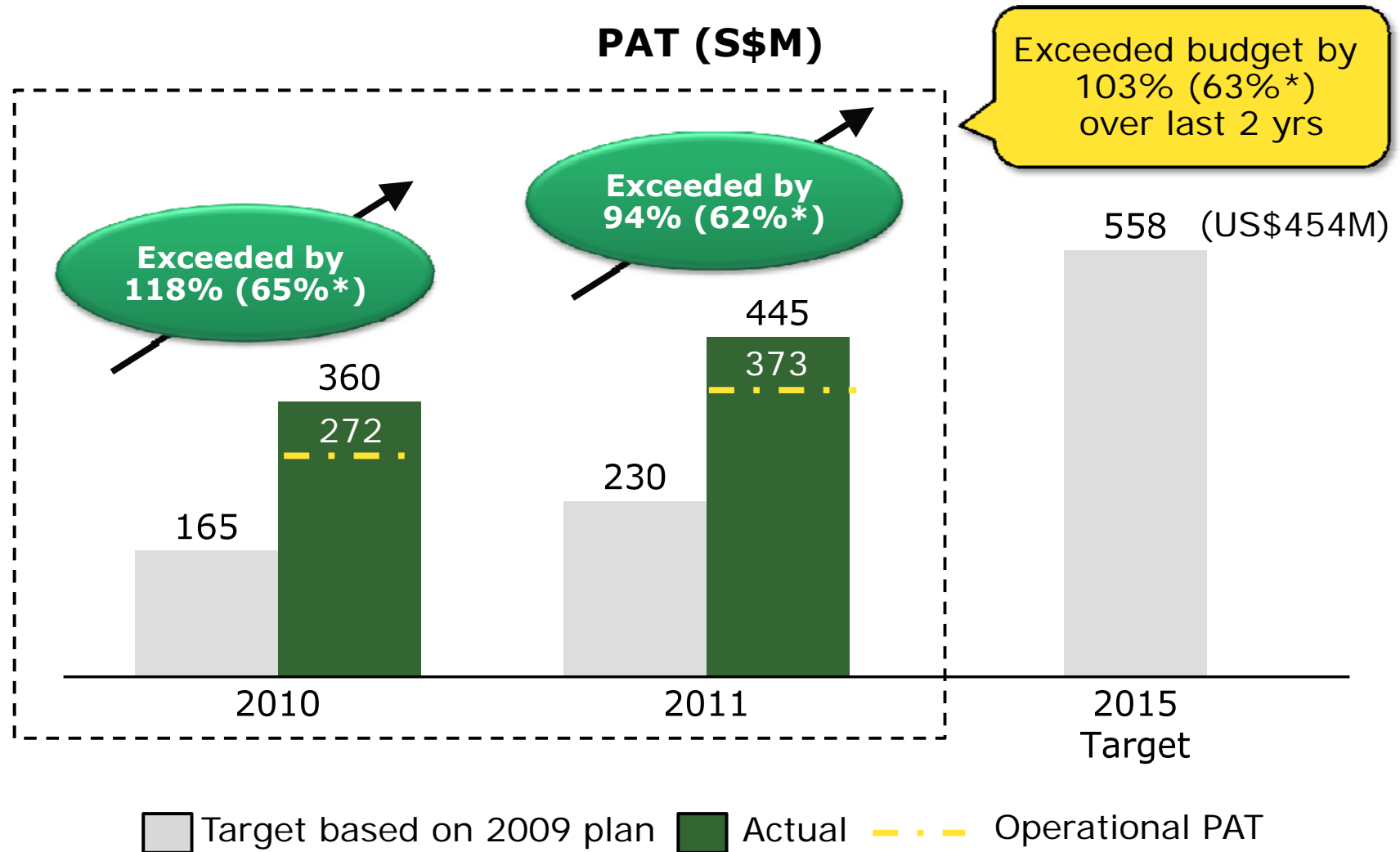


- Gilroy Foods (US)
- Britannia Foods (UK)
- Almonds processing (AUS)
- Soluble coffee manufacturing (Vietnam)
- Cocoa grinding (IVC)
- Wheat milling (Nigeria/Ghana)
- Sugar refining (Indonesia/Nigeria)
- Cashew mechanical processing (IVC/Nigeria)
- Queensland Cotton (Aus)
- Coffee sourcing (Mexico/Guatemala)
- Wood products sourcing (Panama/Costa Rica)
- Other new countries: Cambodia, Ecuador, M'sia
- Almonds orchards (AUS/US)
- Fertilizer manufacturing (Gabon)
- Coffee plantations (Laos/Tanzania/Ethiopia)
- Dairy farming (Uruguay)
- Palm/rubber plantations (W. Africa)
- Timber Forestry Concessions (Gabon/RoC/Moz.)

We committed to the strategy by investing US\$1.94 billion in the first 2 years of the plan

US\$M	2010		2011		Total	
	Cashflow	Committed	Cashflow	Committed	Cashflow	Committed
Cashew	18	41	24	24	41	65
Peanuts	-	-	-	-	-	-
Almonds	277	277	25	100	302	377
Spices & Vegetable Ingredients	100	100	11	11	111	111
Coffee	42	42	20	20	62	62
Cocoa & Speciality Fats	-	-	67	71	67	71
Dairy	10	10	122	122	132	132
Grains	58	58	22	22	80	80
Rice	-	-	-	-	-	-
Sugar & Sweetener	-	-	27	180	27	180
Palm	-	-	2	133	2	133
PFB	-	-	8	8	8	8
Natural Fibres	-	-	-	-	-	-
Wood Products	-	-	42	42	42	42
Rubber	-	-	-	-	-	-
Fertilisers	-	-	34	678	34	678
Total	505	528	404	1,411	908	1,939

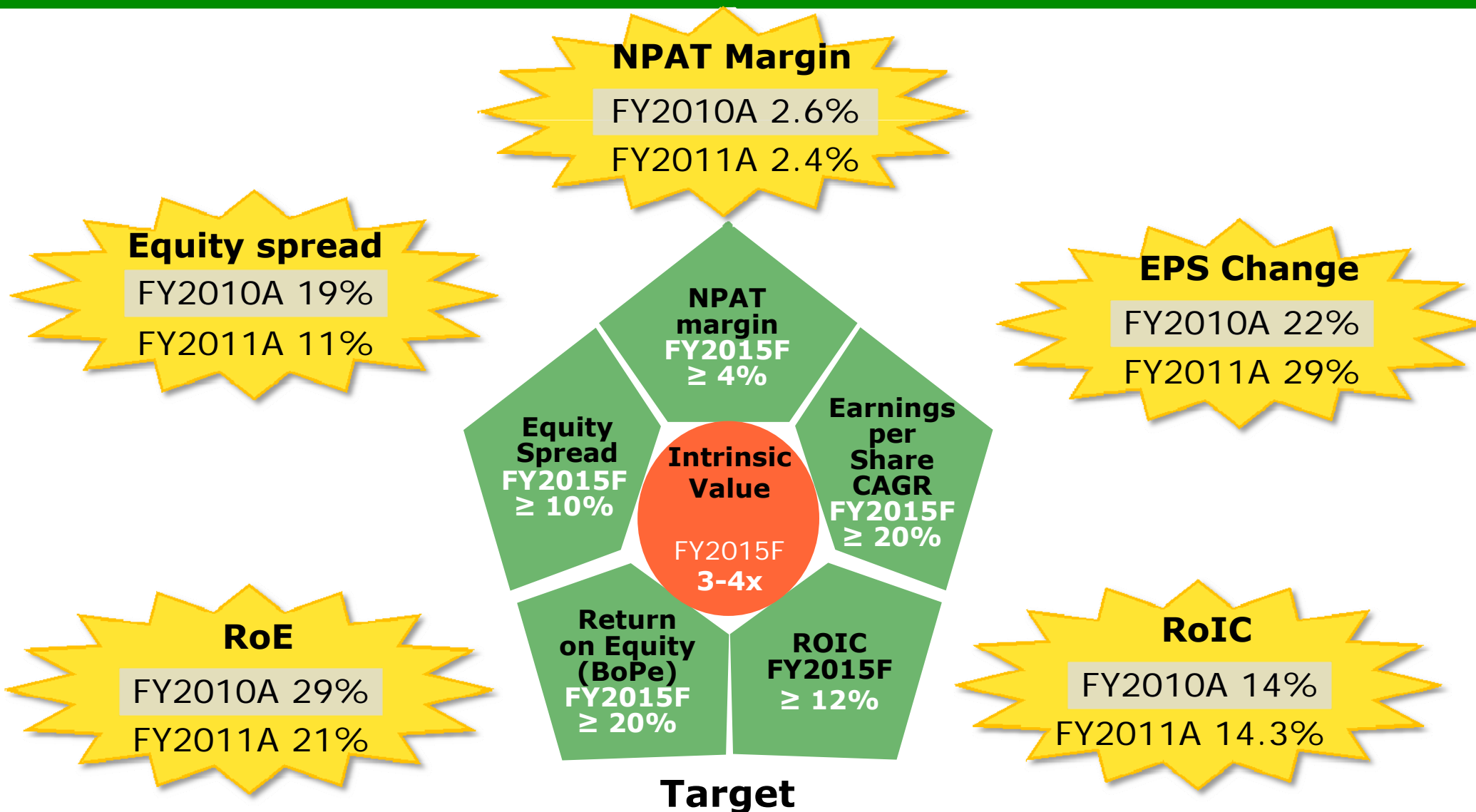
As a result, we are on a **strong trajectory** towards achieving our **FY2015 targets**



* Based on operational PAT

Our **margins** are **growing** & **returns** are **improving**

- 2 key objectives of the new strategy



Has Olam's **new strategy** been **effective**?

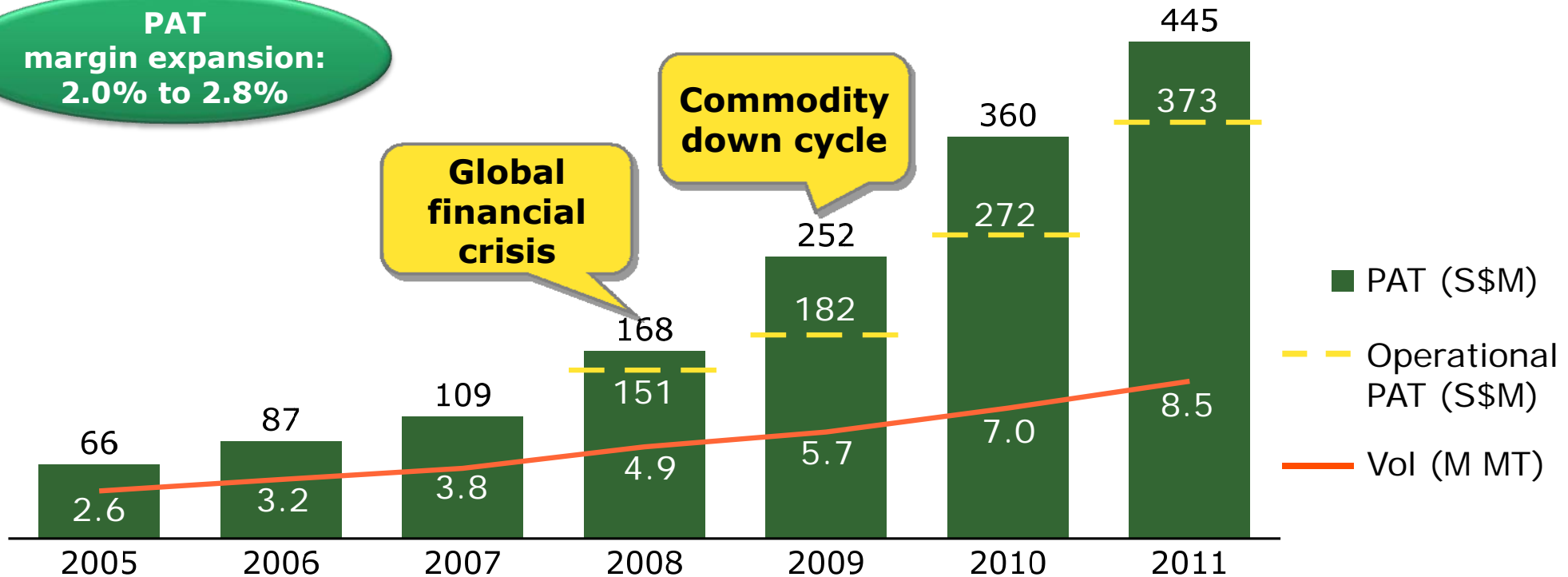
- 1** Does our strategy allow us to **perform consistently** across **economic & commodity cycles**?
- 2** Does our strategy allow us to **beat the market**?
- 3** Does our strategy **tap** into a **true source of competitive advantage**?
- 4** Does our strategy **rest on privileged / proprietary insights**?
- 5** Does our strategy **put us ahead of trends**?
- 6** Is our strategy **granular enough on where to compete**?
- 7** Does our strategy **embrace uncertainty**?
- 8** Does our strategy **balance commitment and flexibility**?

Source: Questions 2 to 8 were part of a recent McKinsey online survey aimed at putting companies strategies to the test

Consistent track record of sustained growth across economic & commodity cycles

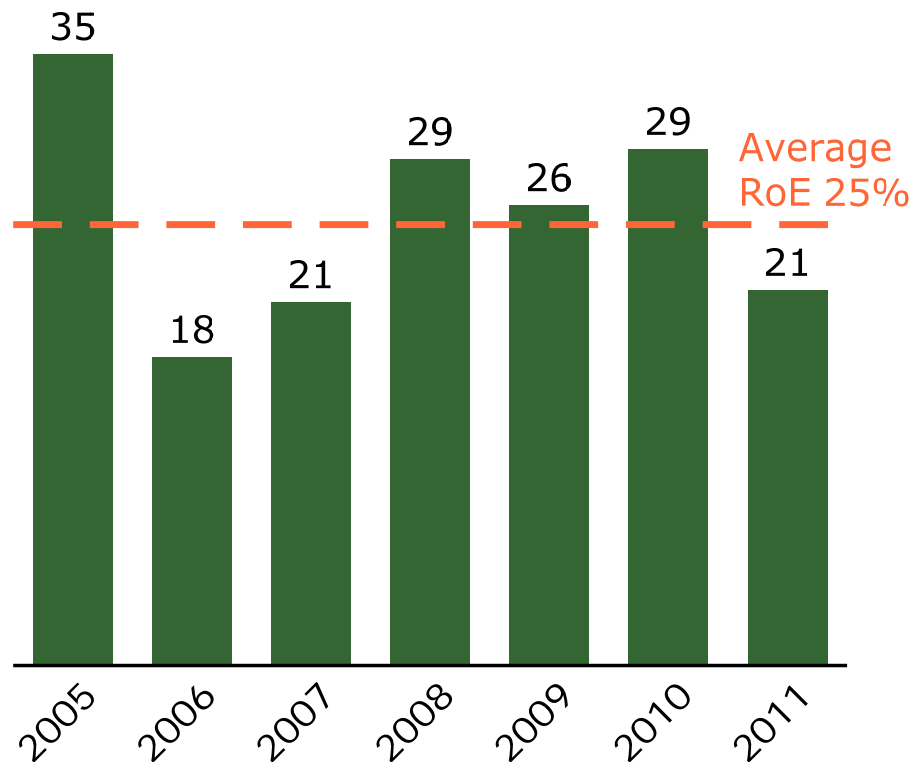
Vol: 22% CAGR
PAT: 37% CAGR

PAT
margin expansion:
2.0% to 2.8%

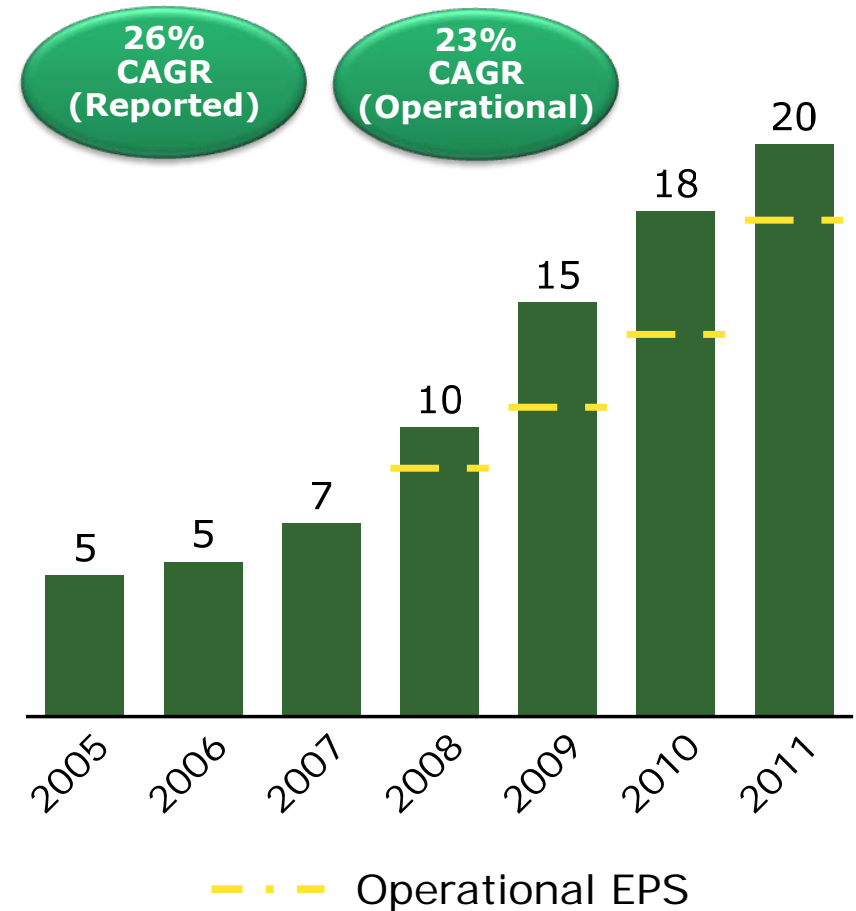


And **created** significant additional **intrinsic value**

**Return on Equity
(%)**



**Earnings per share
(S\$, cents)**



Our **business model** is **resilient** and helps **insulate** us from **economic & commodity cycles**



- **80%** of portfolio is **food based**; hence **largely recession resistant** against **economic down cycles**



- **71%** of **net contribution** is from **supply chain services** and therefore **minimally impacted** by **price volatility**



- Our **selective integration across value chain** (upstream, supply chain, midstream & downstream) **reduces earnings volatility**



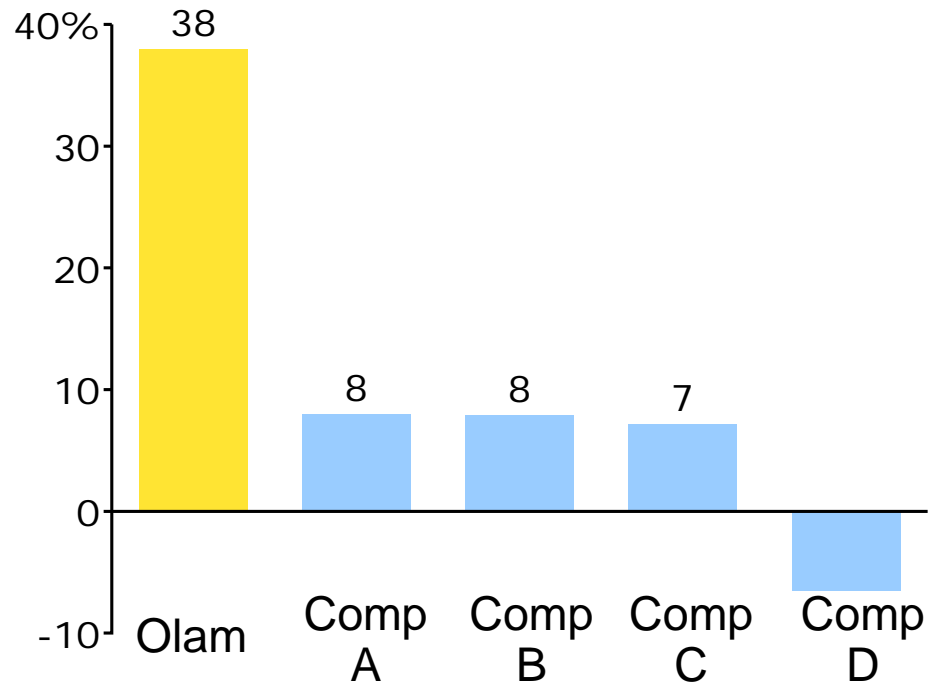
- Our **diversified presence** across 14 Platforms & 30 agricultural commodities and **65 countries** **mitigates** individual **product & country risk**

Built **true sources of competitive advantage:** a **uniquely shaped** portfolio

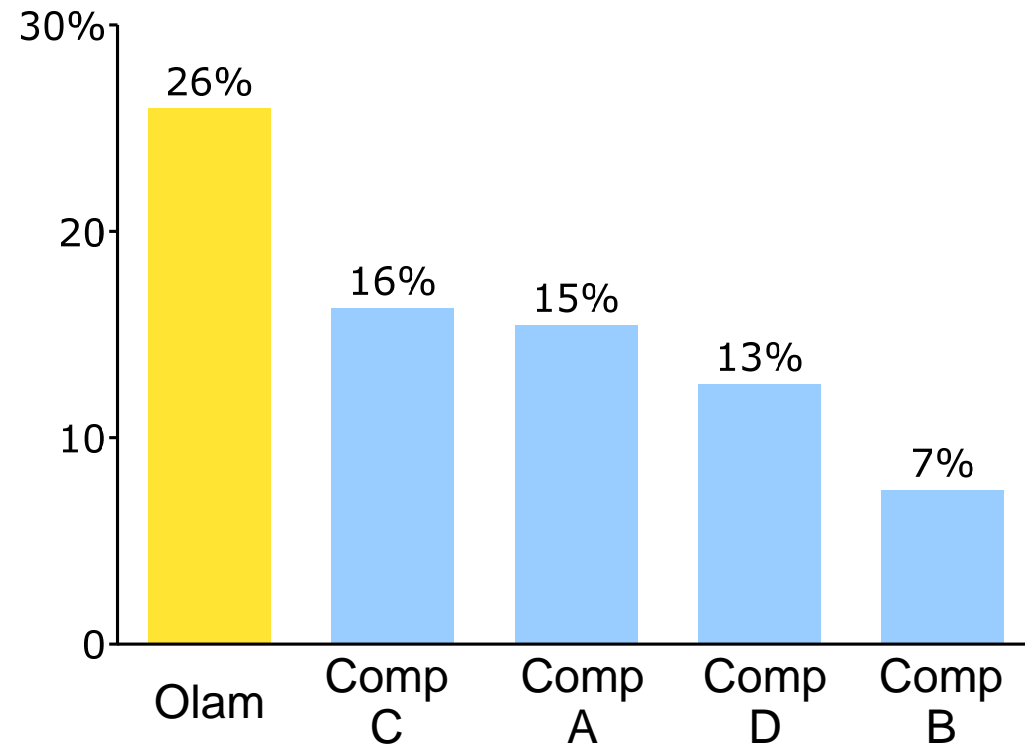


We have **outperformed** our **peers**

**PBT growth
(2007-10 CAGR)**

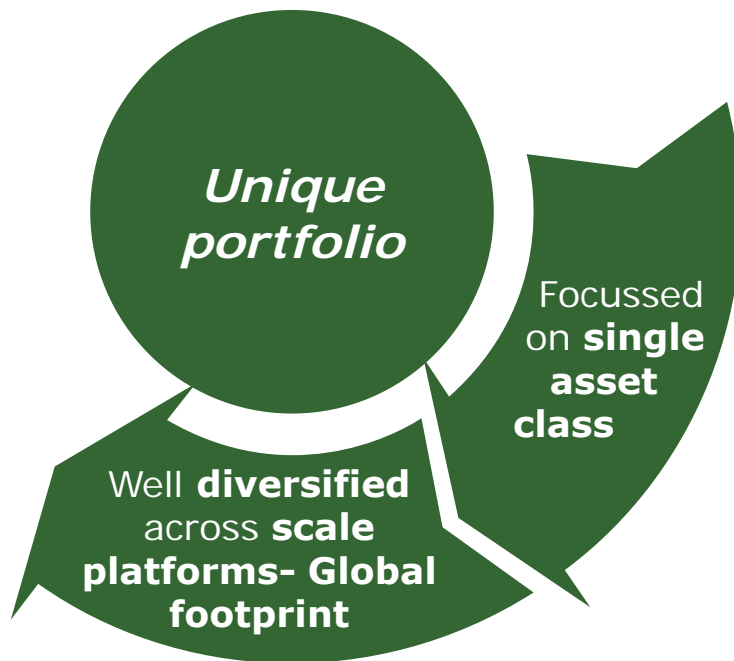


**ROE
(2007-10 Avg)**

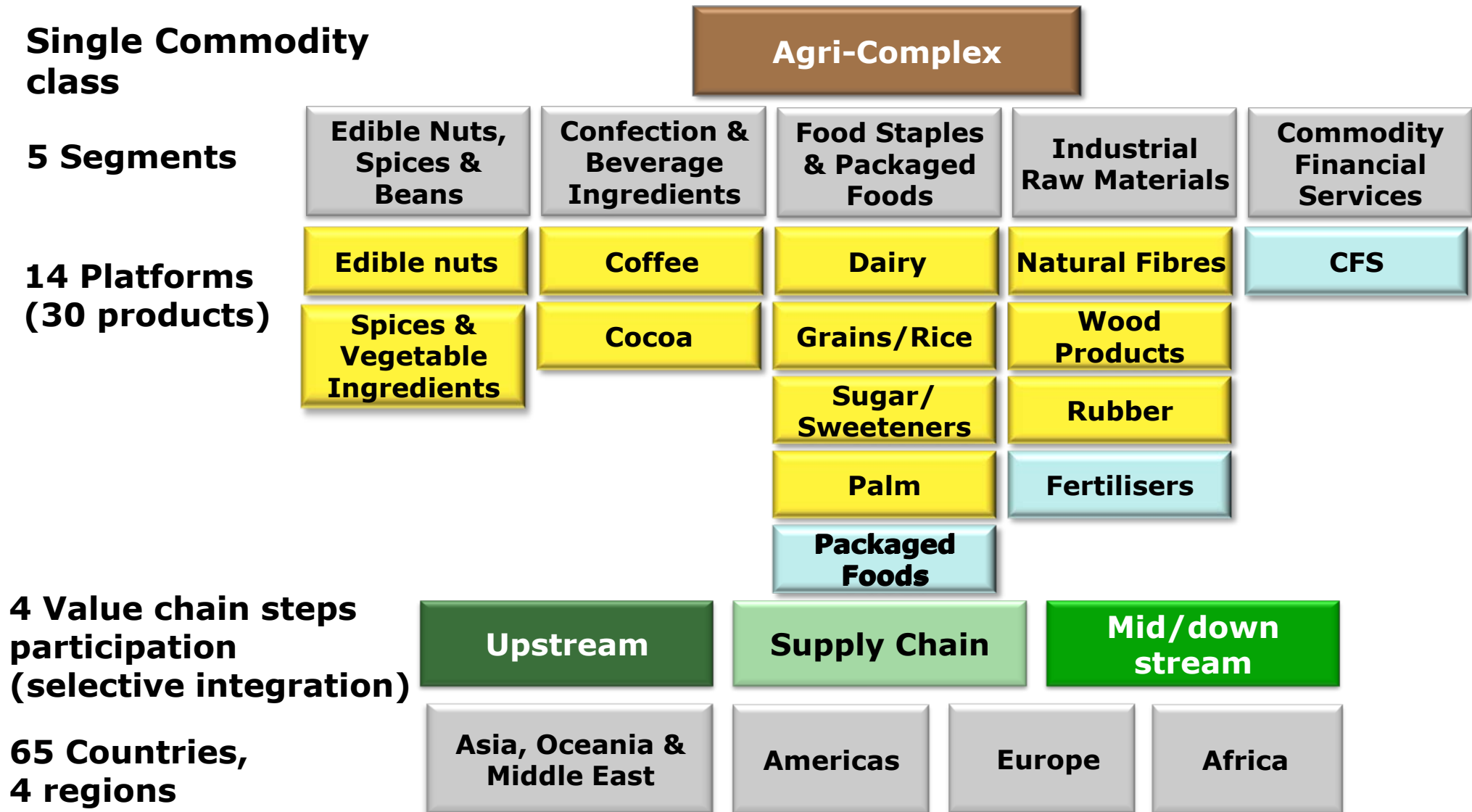


Source: Bloomberg

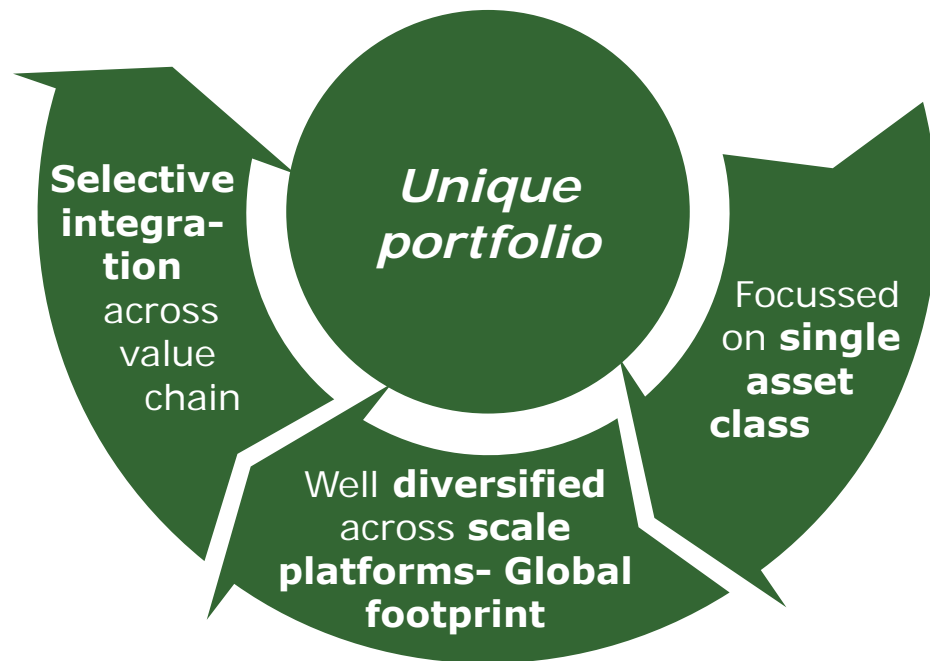
We have built **true sources of competitive advantage**



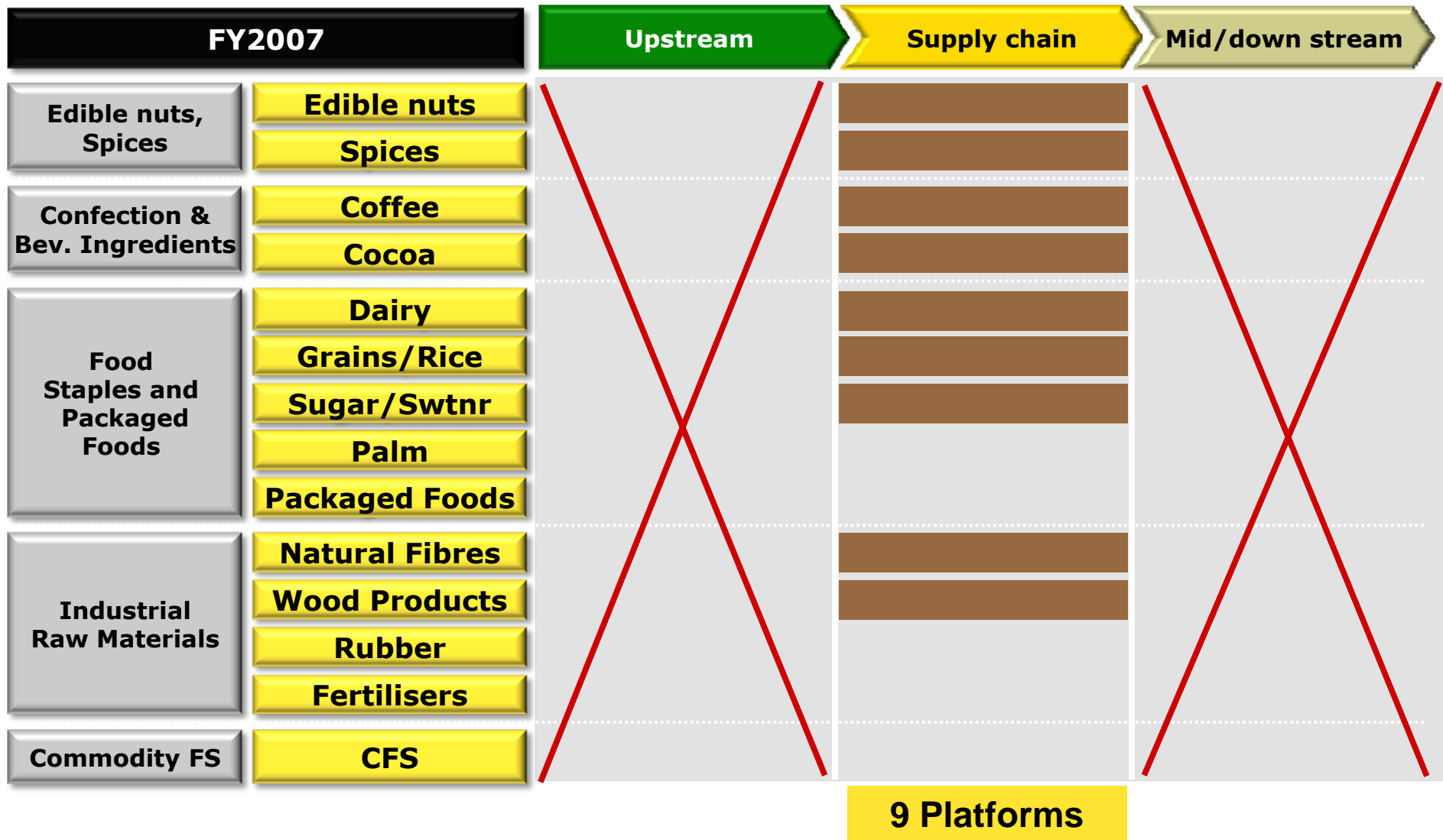
Portfolio focused on a single commodity asset class: agri-complex but broadly diversified



We have built **true sources of competitive advantage**



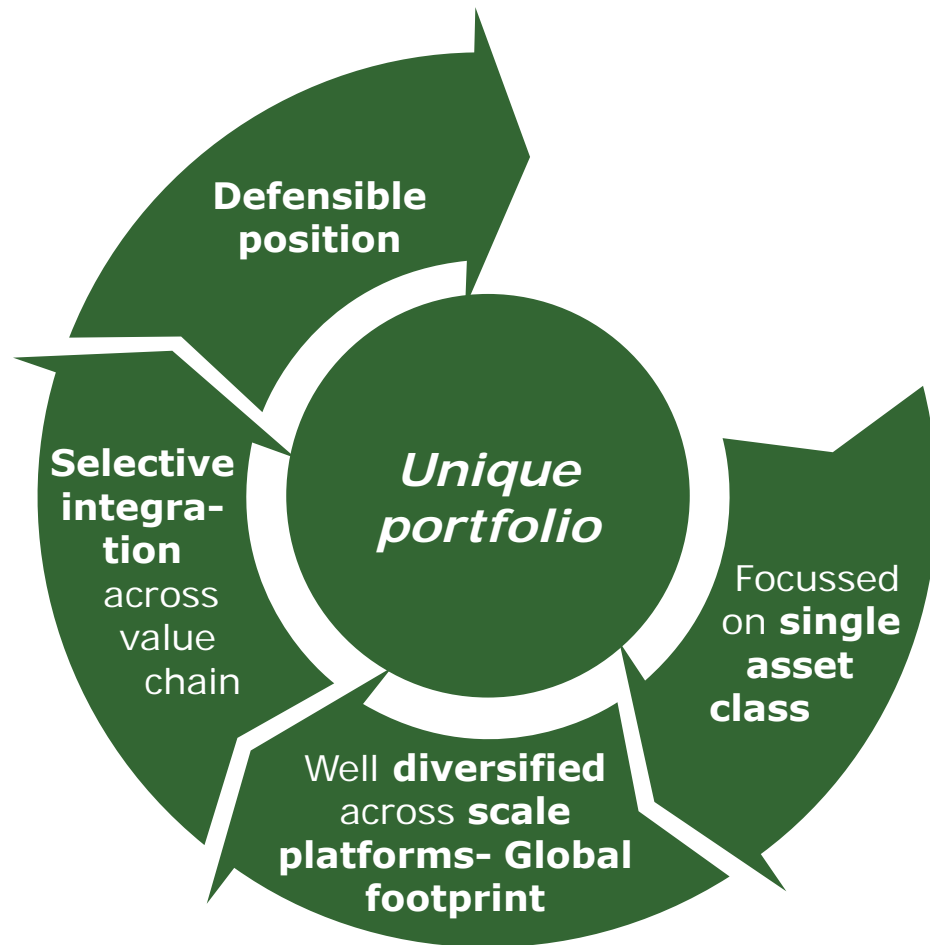
Until 2007, portfolio focused on the **asset light supply chain core**



Now **well diversified, across** scale **platforms** & **value chain** - **Uniquely shaped** portfolio

FY2011		Upstream	Supply chain	Mid/down stream
Edible nuts, Spices	Edible nuts			
	Spices			
Confection & Bev. Ingredients	Coffee			
	Cocoa			
Food Staples and Packaged Foods	Dairy			
	Grains/Rice			
	Sugar/Swtnr			
	Palm			
	Packaged Foods			
Industrial Raw Materials	Natural Fibres			
	Wood Products			
	Rubber			
	Fertilisers			
Commodity FS	CFS			

We have built **true sources of competitive advantage**



Built a **unique** and **highly defensible** portfolio

	Olam	ADM	Bunge	Cargill	Dreyfus	Glencore	Noble	Wilmar
Edible nuts	✓	✗	✗	✗	✗	✗	✗	✗
Spices & Vegetable Ingredients	✓	✗	✗	✗	✗	✗	✗	✗
Sesame	✓	✗	✗	✗	✗	✗	✗	✓
Coffee	✓	✗	✗	✗	✓	✗	✓	✗
Cocoa	✓	✓	✗	✓	✗	✗	✓	✗
Dairy	✓	✗	✗	✗	✗	✗	✗	✗
Grains	✓	✓	✓	✓	✓	✓	✓	✓
Rice	✓	✓	✗	✗	✓	✗	✓	✓
Sugar	✓	✗	✓	✓	✓	✓	✓	✓
Sweeteners	✓	✗	✗	✗	✗	✗	✗	✗
Palm	✓	✗	✗	✓	✓	✗	✓	✓
PFB	✓	✗	✗	✗	✗	✗	✗	✓
Cotton	✓	✗	✗	✓	✓	✓	✓	✗
Wool	✓	✗	✗	✗	✗	✗	✗	✗
Wood Products	✓	✗	✗	✗	✗	✗	✗	✗
Rubber	✓	✗	✗	✗	✗	✗	✗	✓
Fertilisers	✓	✗	✗	✗	✗	✗	✗	✗
CFS	✓	✓	✗	✓	✓	✗	✗	✗
Presence in products(#)	18	4	2	6	7	3	7	7

We have built **true sources of competitive advantage**



Achieving **relevant scale & leadership** positions

Global Leader

- Spices
- Edible nuts
- Natural fibres
- Cocoa
- Coffee
- Dairy
- Wood Products

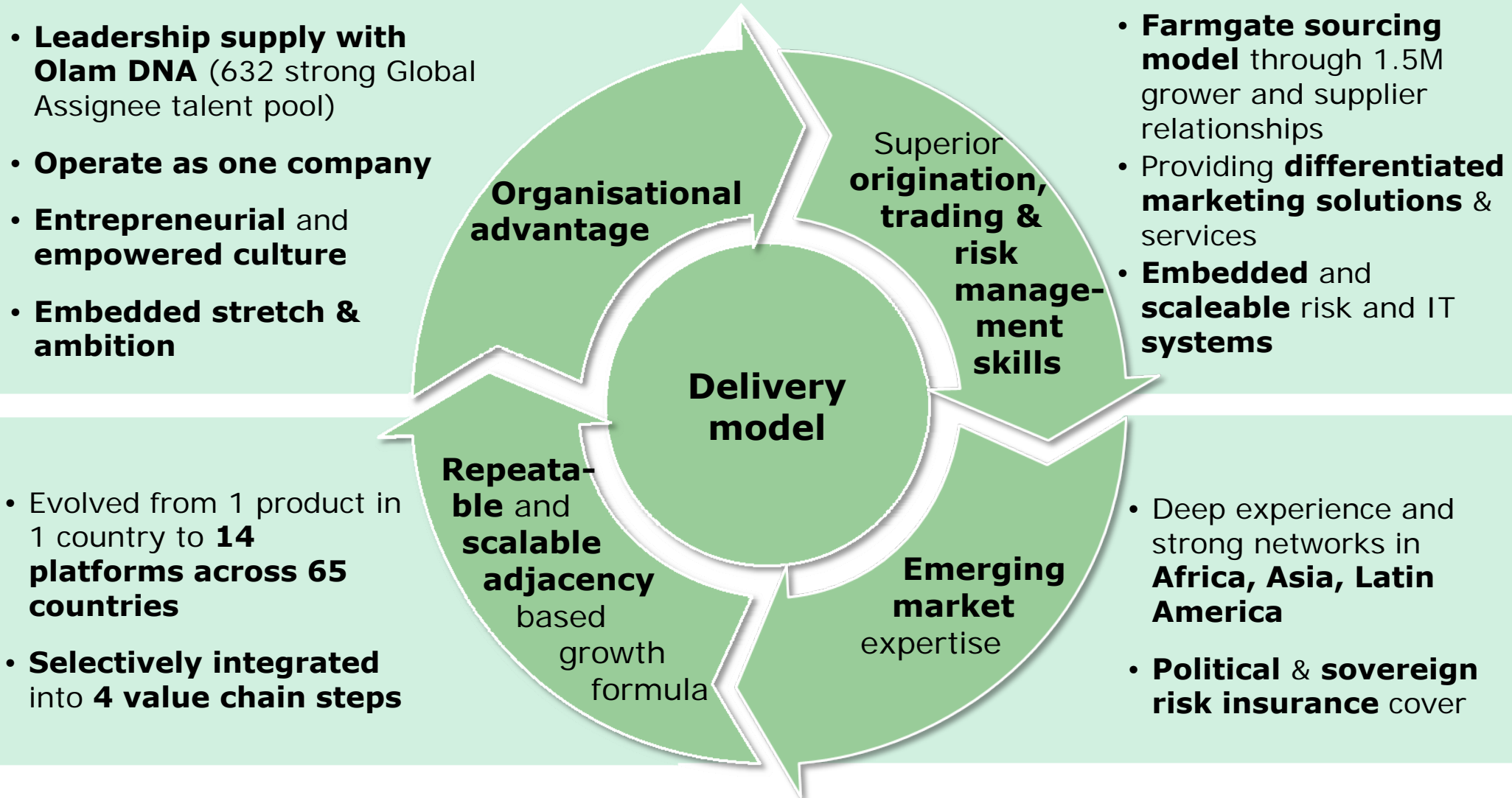
Regional/global leader

- Rice/grains
- Sugar/sweeteners

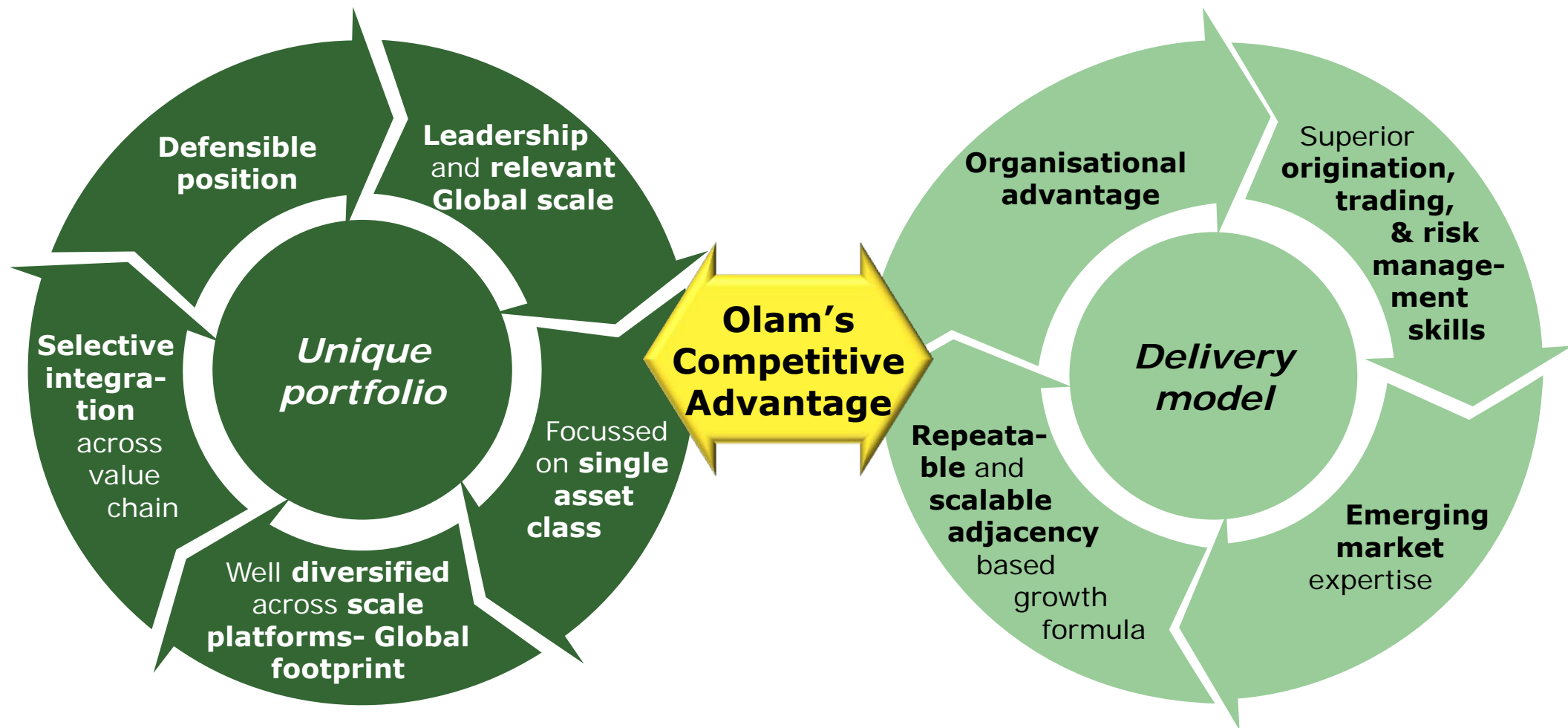
Regional Leader

- Fertiliser
- Packaged foods
- Palm
- Rubber

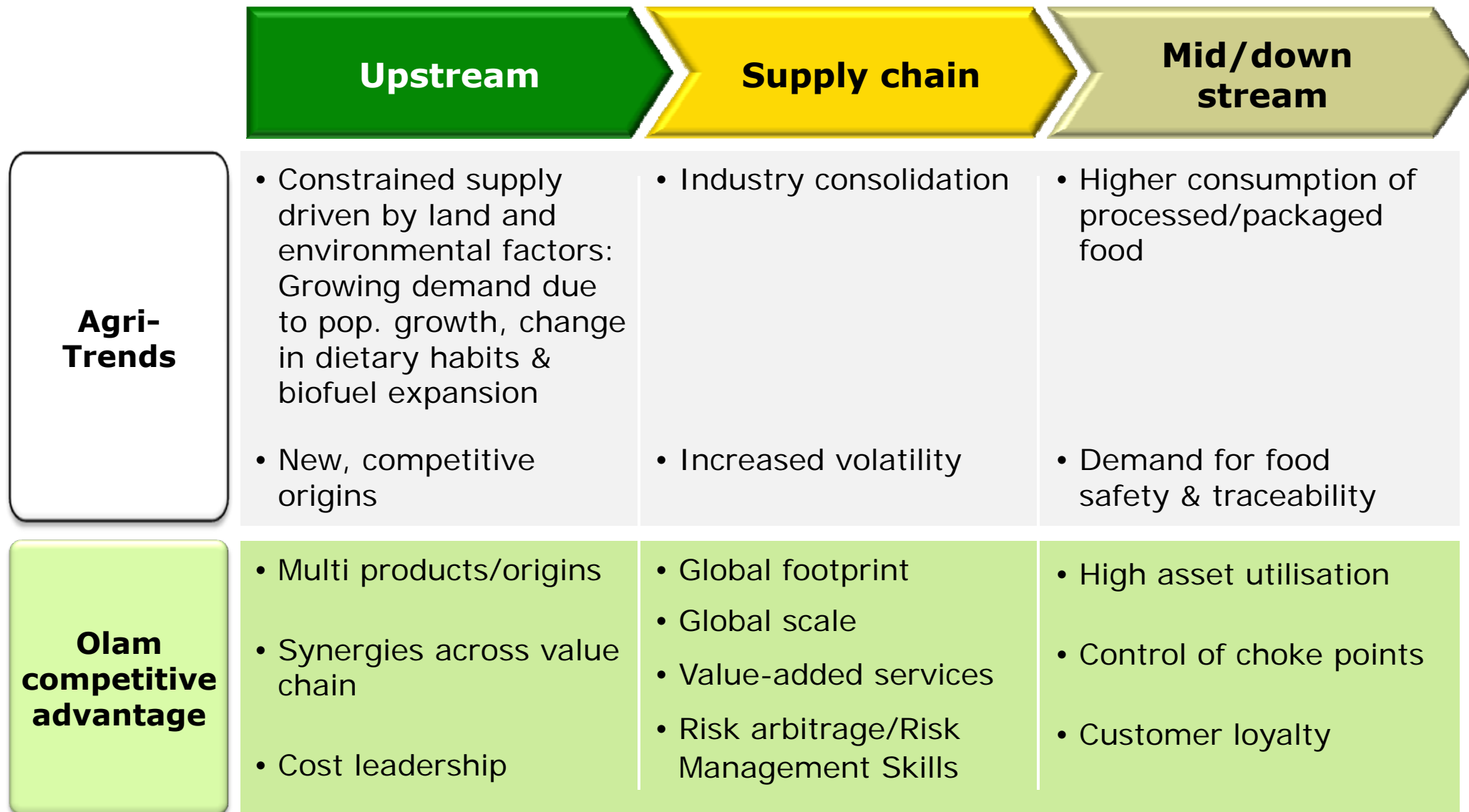
A **differentiated** delivery model



We have built **true sources of competitive advantage**: A unique portfolio & delivery model



Olam's **differentiated** strategy – **deployment across value chain**



Deployment of Strategy: **Upstream**

Olam's competitive advantage

Multiple products/origins

- Mitigating agri-risk
- Transferable best practices

Synergies across value chain

- Integrating into existing origination activities
- Creating optionality
- Traceability/certification

Cost leadership

- Low cash and capital costs, below marginal cost producer
- Higher margins & excess returns (PBT > 15%)

Results

Contributing

2.2M ha

- Almonds: US, Australia
- Dairy: Uruguay
- Palm: W. Africa SIFCA
- Peanuts: Argentina
- Rice: Nigeria, Mozambique
- Rubber: W. Africa SIFCA
- Timber: Gabon, RoC, Moz., LatAm

Gestating

82k ha

- Coffee: Laos/Ethiopia
- Palm: W. Africa
- Rubber: W. Africa

Deployment of Strategy: **Supply chain**

Olam's competitive advantage

Global footprint

- Present in 85% of producing regions
- Farmgate procurement model, out-originating competition
- Proprietary insight into global supply chain arbitrages in the agri supply chain

Global scale

- High operating leverage
- Pricing power
- Logistics advantage
- Risk management

Value added services

- Creates customer loyalty
- Margin expansion opportunities

Results

- Global leadership in 8 out of 14 platforms and a path to leadership across all platforms by FY2016
- Significant network benefits from broad footprint across 65 countries.
- Privileged grower/farmer relationships (> 2 million farmer network)
- Close customer relationships (>11K customers) in over 70 end markets
- Strong control systems



Deployment of Strategy: **Mid/Downstream**

Olam's competitive advantage

High asset utilisation

- Long term offtake contracts

Control of choke points

- Favourable location (e.g. port based)
- End to end participation

Customer loyalty

- Certified facilities
- Product customisation
- Reliability

Results

Contributing

- Cocoa: Nigeria, UK
- Coffee (soluble): Vietnam
- Dairy: NZ
- Grains: Nigeria
- Spices: US, Vietnam, China
- Sugar: Indonesia, India

Gestating

- Cocoa: IVC
- Dairy: IVC
- Grains: Ghana
- Sugar: Nigeria

Our strategy rests on **privileged/proprietary insights**



Privileged **farmer relationships** & **extensive local networks** in **65 countries** built over the last 22 years



Participation choices driven by **privileged insights** (e.g. invest in upstream assets with cost advantage)



Privileged access/ Control of **key choke points** (e.g. long term gas supply contract for fertilizer plant, port based wheat milling)



Leadership position in **multiple agri products** provides **proprietary knowledge and insight** (eg. Mechanical cashew processing, strategies to manage backwardated markets)



Substantial customer base of >11k with high levels of loyalty

Our strategy **puts us ahead of trends**

Agri-Complex Megatrends

Key opportunities



Structural demand-supply imbalances in key commodities

**Upstream plantations/
farming**



**Higher consumption of
processed/packaged food**

Mid/down stream



Industry consolidation

**M&A in supply chain as well
as upstream & midstream**



Concerns about food safety

**Traceability & control over
the entire value chain**

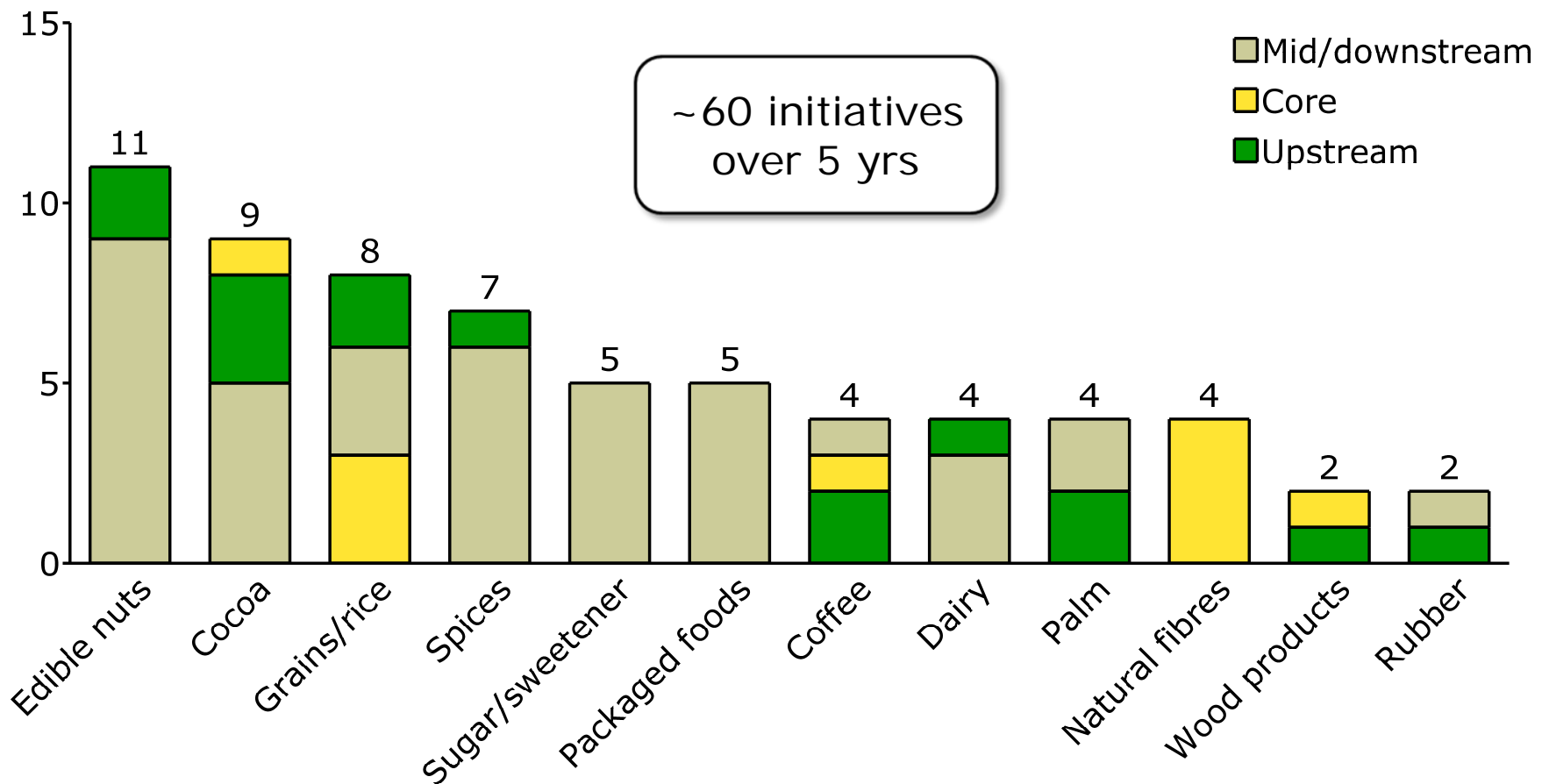


Sustainability

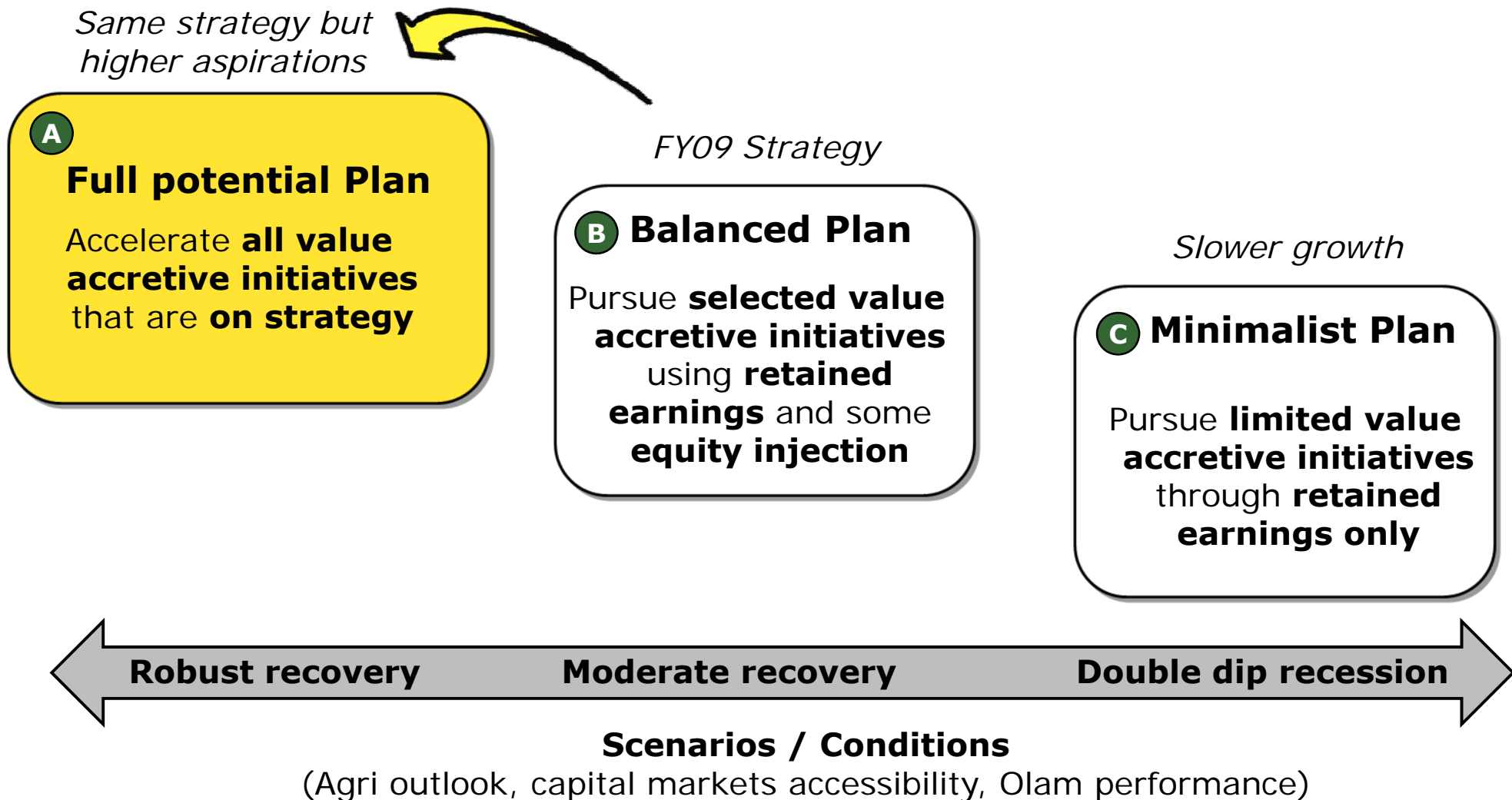
**Upstream, Supply Chain &
Mid/down stream**

Our strategy is **granular** on **where to compete**

Number of initiatives over next 5 years



Our strategy gives us **flexibility** to **respond** to **changes in the economic environment**



Our strategy **balances commitment & flexibility**

Select examples

Step up
execution
focus for
supply chain
business



Cotton

- **Leadership**: #10 player to #2; 12% share
- Expanded **footprint** beyond Africa & Asia to **Australia, US & Brazil**
- Increased **value added services** - **Ginning** and **warehousing**

Expand
upstream,
mid/
downstream
to grow
margins



Almonds

- M&A led **orchard entry** with **lowest cost position** in **US/Australia**
- Enhanced **trading optionality** and **margins** with **integration**
- **Global origination** and **end market access**

Unlock value
in **attractive**
new areas



Fertiliser

- One of the **lowest cost producers** globally
- **Partnerships** to **reduce contract & execution risk** - **Tata Chemicals** and **Gabon Government**
- **Execution on track**

Rolling forward strategic plan to **FY2016** & revising our aspirations

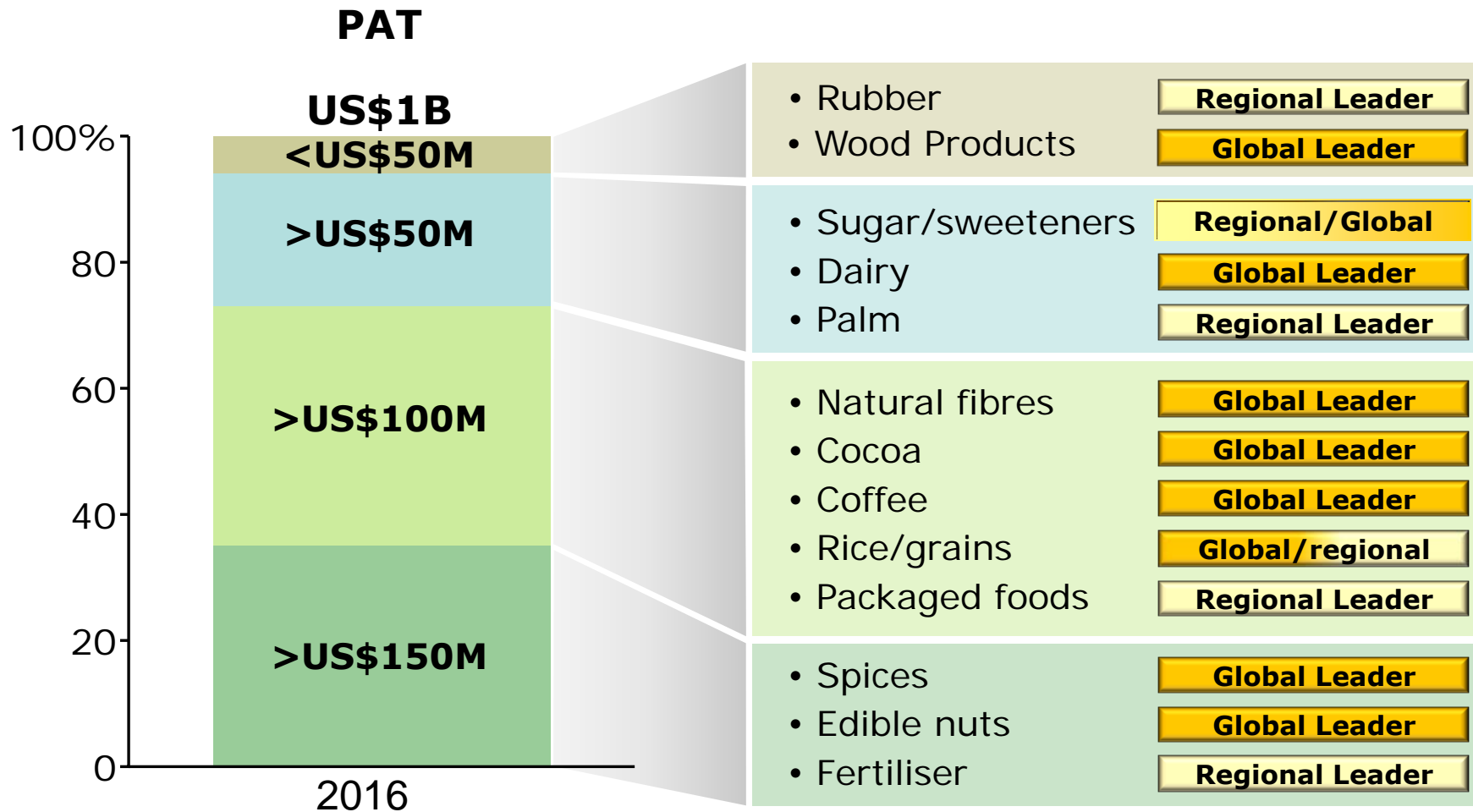
- ✿ At the end of the first 2 years of executing the new 6 year plan, we are **well ahead** of our **original strategic plan target** and are **poised to achieve** our prior **FY15 PAT goal** of **US\$454M** at least **two years ahead** of plan, **driven by strong execution**.
- ✿ We have now decided to **roll forward** our **strategic plan** by **1 year** to **FY2016** (instead of FY2015).
- ✿ Given the strong results, momentum and the pre-emptive capital raised, we have now **reset our FY16 PAT target** to **US\$1B**. At this level, we believe we would have achieved **relevant scale** vis-à-vis the major players in our industry. If we achieve this, we would be **amongst the fastest** to accomplish this (in 27 years). We would also **end up** with a **uniquely shaped portfolio** with a **superior margin and return profile**.
- ✿ In order to achieve the **revised targets**, we will **invest in leadership & emerging/growth BUs** along with the **3 latent asset businesses**, all of which have significant head-room for growth.

FY2016 revised aspirations: **US\$1B PAT**



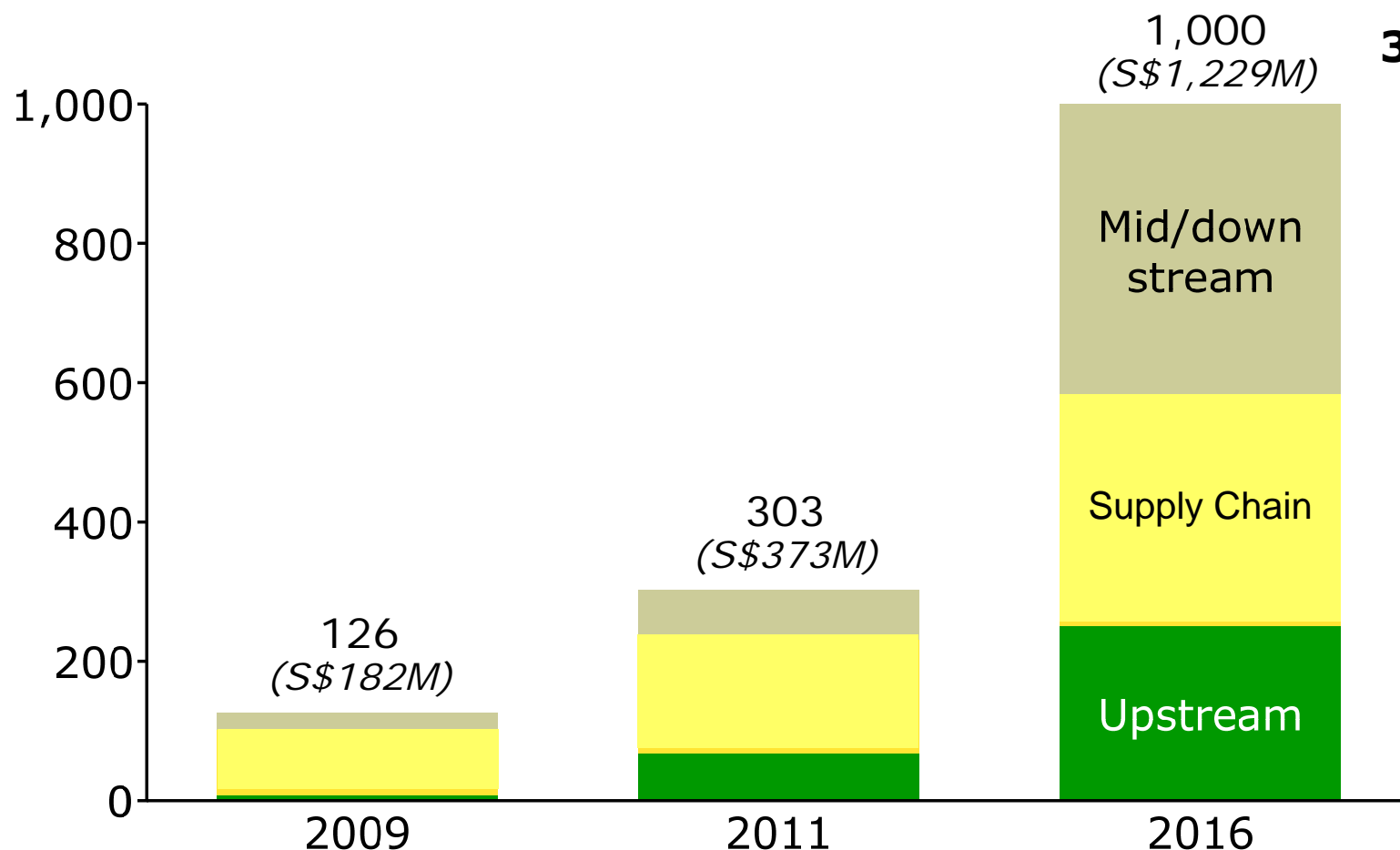
- **US\$1B in PAT by 2016**
- **Relevant scale amongst peers**
- **ROE > 25%**
- **PAT margin >4%**
- **EPS Growth >20% CAGR**
- **No further equity dilution planned for target earnings**

Achieving **relevant scale & leadership** positions



Uniquely shaped & well diversified portfolio

PAT by value chain (US\$M)



CAGR
09-16

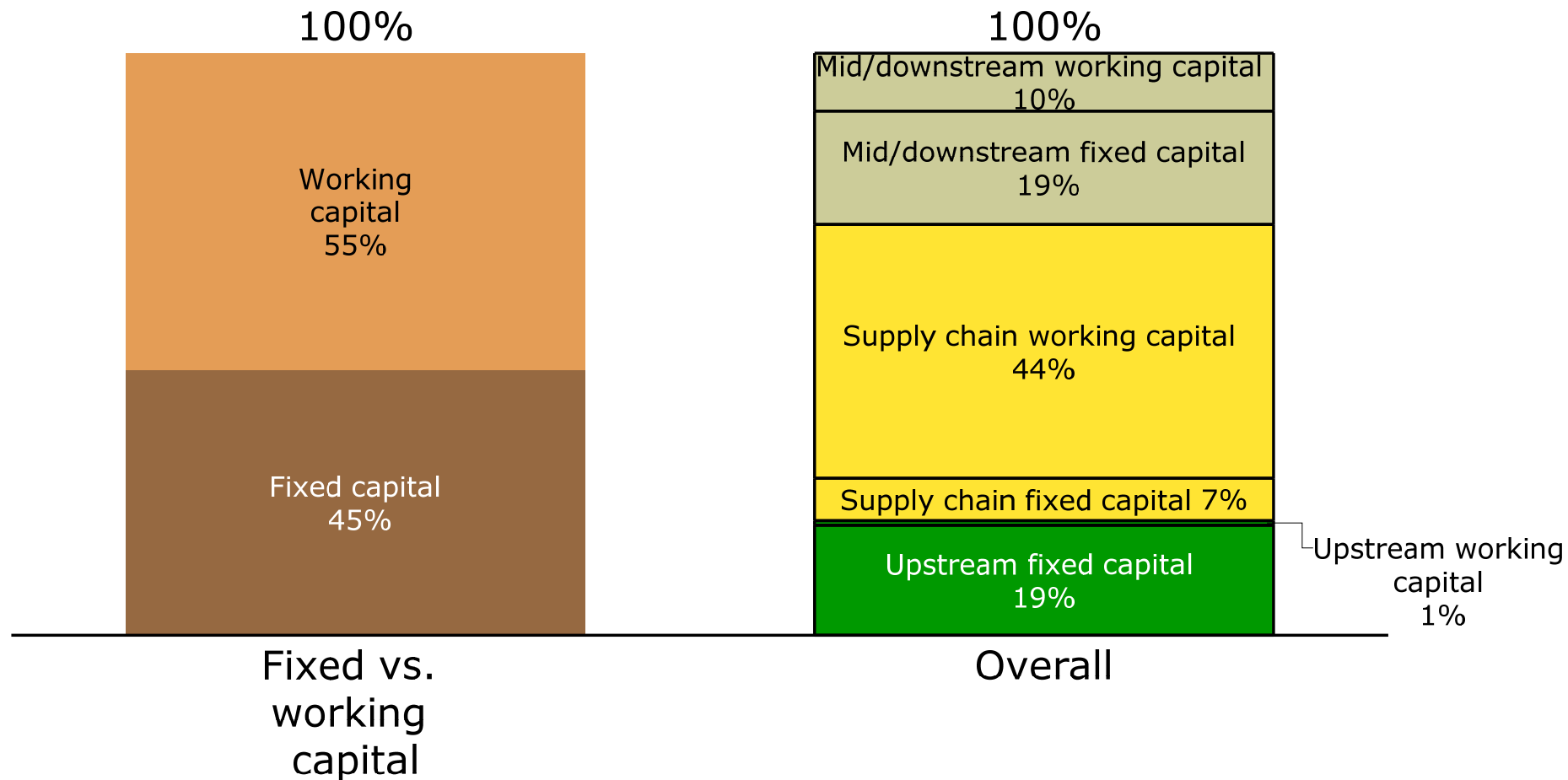
30-34%

CAGR
11-16

25-27%

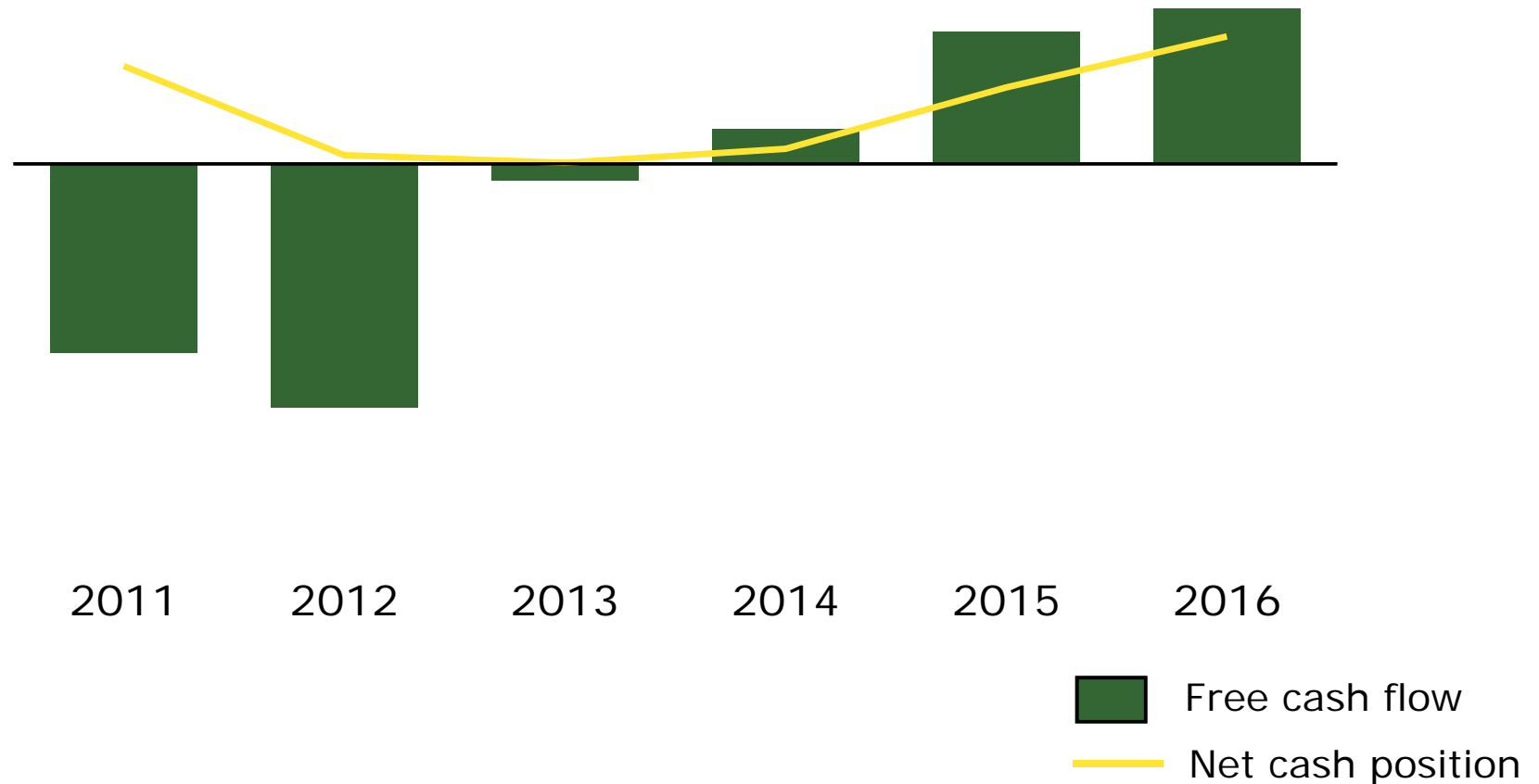
Capital allocated in line with strategy

2016 Total Capital Employed



Strong operating cashflow outlook

Free cash flow profile



CR&S: A core part of our beliefs & embedded in our business model



Improve rural livelihood of farmers/growers
(launched the Olam Livelihood Charter)
6 programs under the livelihood charter involved crop financing of \$21m, \$2.4m in training to 58,000 farmers with a buy back of \$102m

Full compliance with Sustainable Forest Management standards, **RSPO** & other relevant industry standards

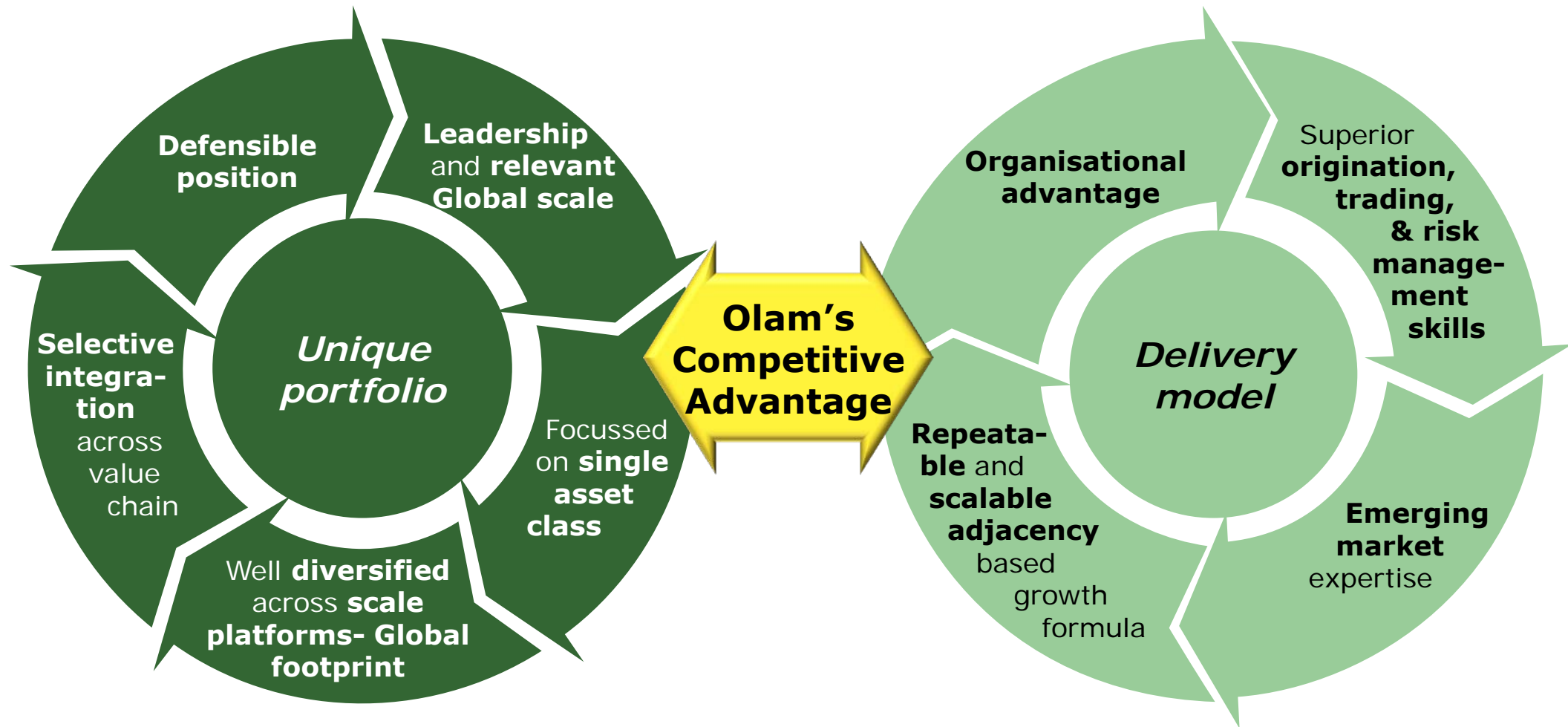
Provide Environmental stewardship - working with academic institutions, industry experts & NGOs to bring international standards into emerging economies to take leadership in sustainable supply chains

100+
Initiatives

27
Countries

>1.5M
Farmers

Summary



Thank You

