



Olam International Limited

FY 2010 Full Year Results Briefing

26th August 2010 | Singapore



The Brand Behind The Brands

Notice

This presentation should be read in conjunction with Olam International Limited's Fourth Quarter, FY2010 (Q4 FY2010) and Full Year FY2010 Financial Results for the period ended 30th June 2010 statement lodged on SGXNET on 26th August 2010.






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 FY2010 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.

FY2010 Full Year Results Briefing: Agenda

-  **FY2010 Full Year Results:**
 -  **Consolidated P&L Analysis**
 -  **Segmental Analysis**
 -  **Balance Sheet Analysis**
-  **Delivering our Strategy**

FY2010 Full Year Results: **Consolidated P&L Analysis**



FY2010 Full Year Results: **Summary**

(in S\$ million)	FY2010	FY2009	% Increase
Sales Volume (MT)	7,006,478	5,720,640	22.5
Sales Value	10,455.0	8,587.9	21.7
Net Contribution (NC)	901.0	607.2	48.4
NC/ton	129	106	21.1
Profit Before Tax (PBT)	420.2	258.0	62.9
Profit After Tax (PAT)	359.7	252.0	42.7
Exceptional Gains	87.6	69.8	25.6
Profit After Tax (PAT) (excluding exceptional gains)	272.1	182.2	49.3
PAT margin (%) (excluding exceptional gains)	2.6%	2.1%	-
PAT margin (%)	3.4%	2.9%	-

FY2010 Full Year Results: **Sales Volume**

 **Sales Volume: 7.006 million metric tons**

 Volume grew by 1.286 million metric tons

 22.5% growth over FY2009

 Volume growth across all 4 segments

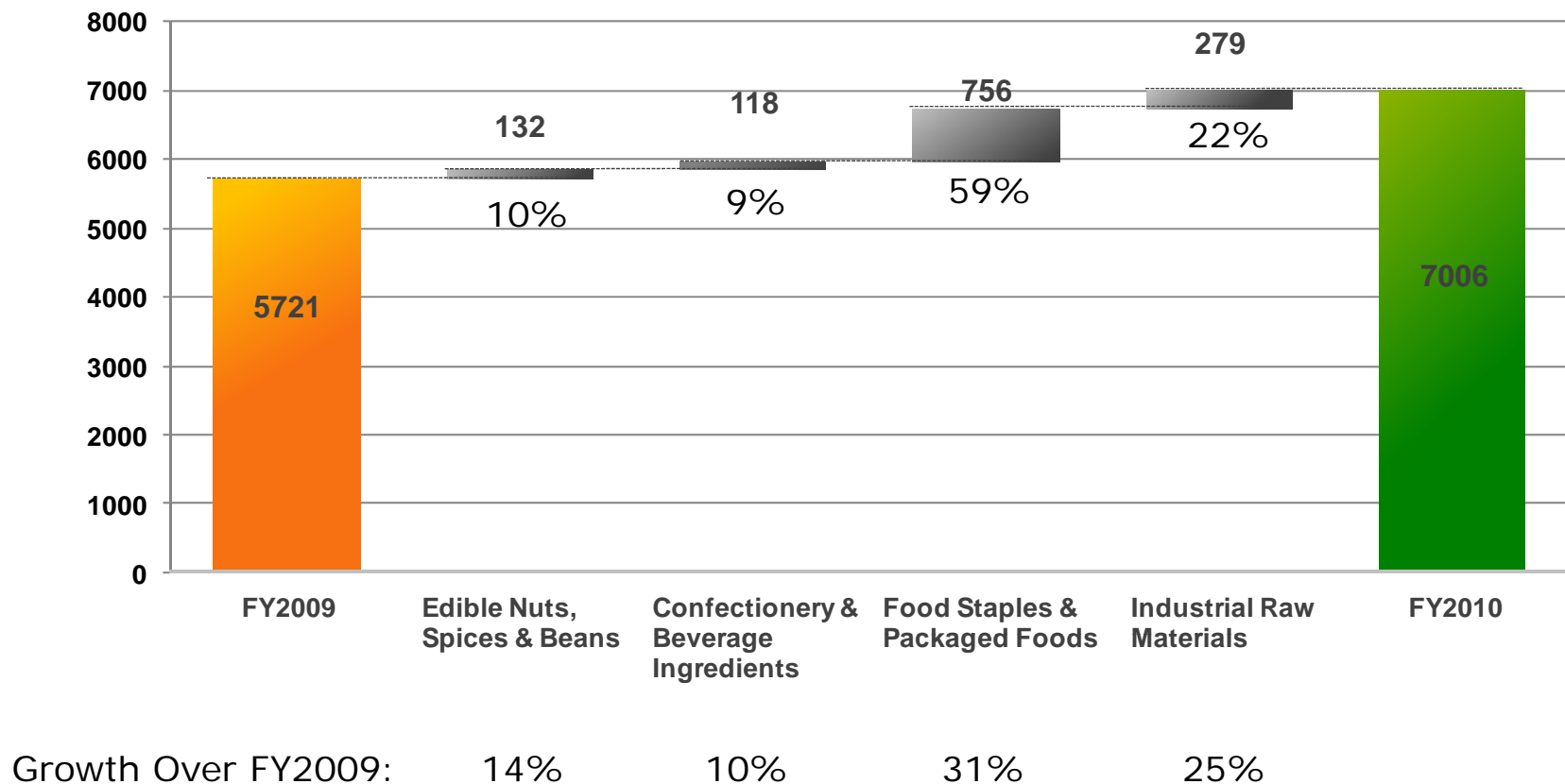
FY2010 Full Year Results: **Sales Volume**

	FY2010 (MT/'000)	FY2009 (MT/'000)	% Change
Edible Nuts, Spices & Beans	1,108	976	13.5
Confectionery & Beverages Ingredients	1,288	1,170	10.1
Food Staples & Packaged Foods	3,207	2,451	30.8
Total Food Category	5,603	4,597	21.9
Industrial Raw Materials	1,403	1,124	24.9
Consolidated Total	7,006	5,721	22.5

Sales Volume Growth: Segmental Contribution




Sales Volume
(1,000 Mts)

Sales Volume growth 22.5%, 7.006 mts



FY2010 Full Year Results: **Net Contribution**

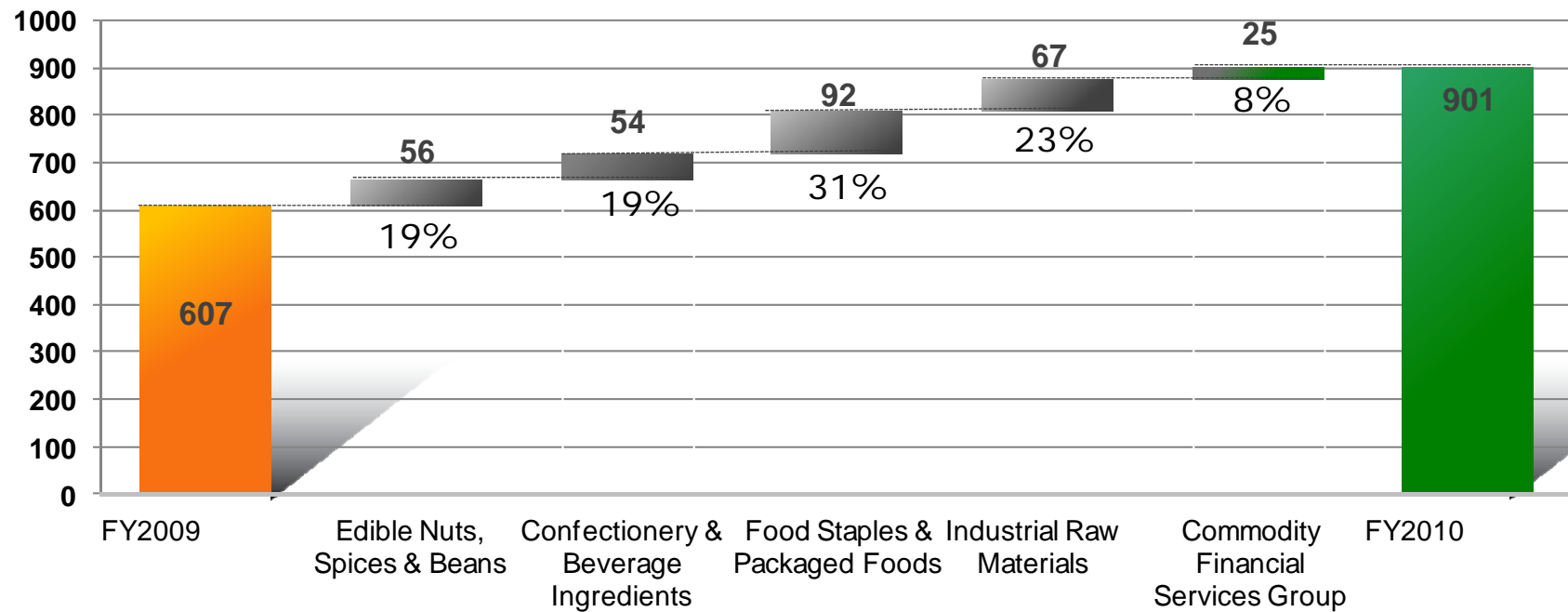
Net Contribution (NC): S\$901.0 million

-  48.4% growth over FY2009
-  NC growth across all segments
-  NC per ton increased from \$106/ton in FY2009 to S\$129/ton in FY2010

Net Contribution Growth: Segmental Share

Net Contribution
(S\$ M)

NC growth 48.4%, S\$901 million

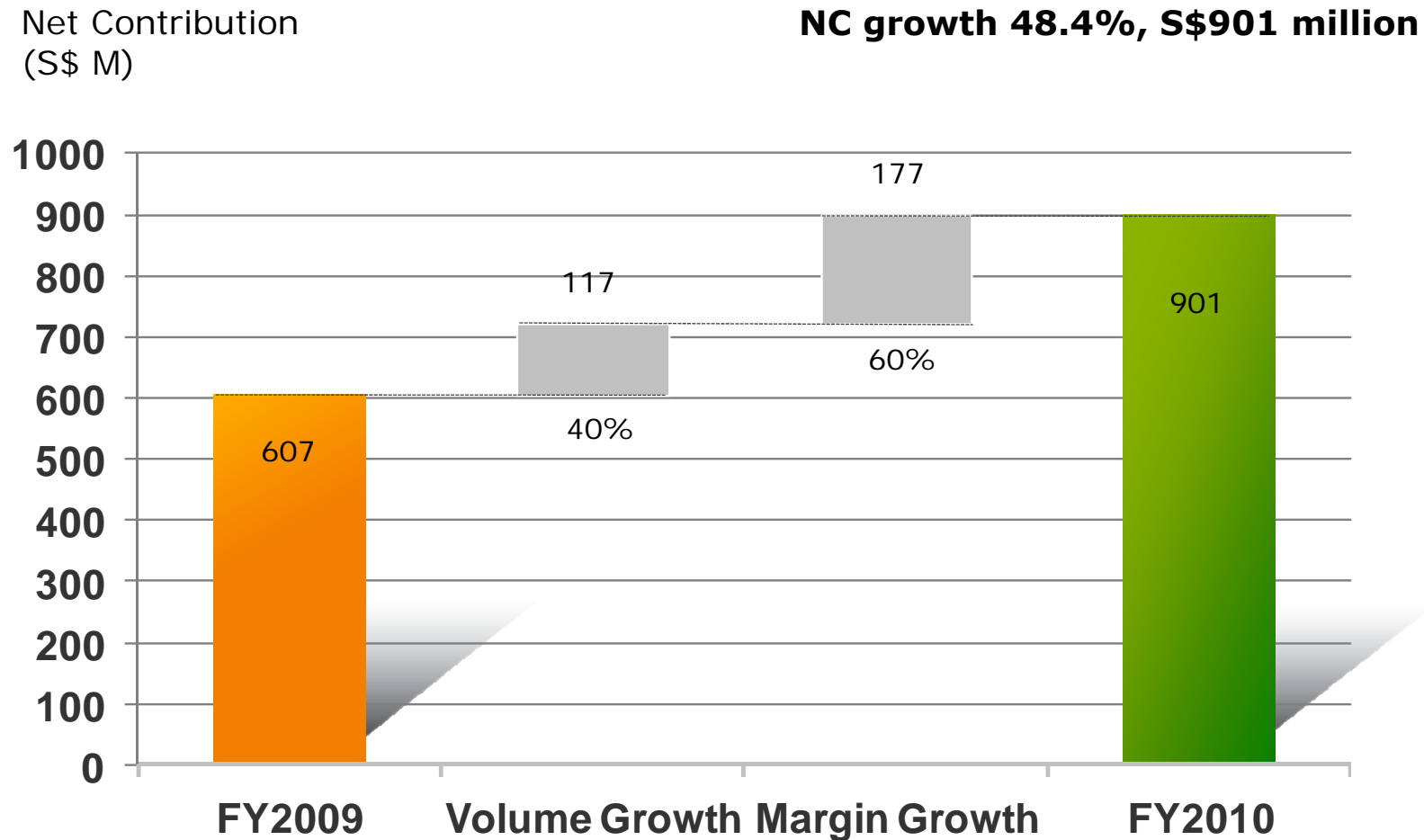


Growth Over FY2009: 36% 32% 65% 48% 4264%

Net Contribution Growth: Segmental Share

	Net Contribution			Net Contribution / MT		
	FY2010 S\$million	FY2009 S\$million	% change	FY2010 S\$	FY2009 S\$	% change
Edible Nuts, Spices & Beans	210.9	155.1	35.9	190	159	19.5
Confectionery & Beverages Ingredients	222.8	168.5	32.3	173	144	20.1
Food Staples & Packaged Foods	233.9	141.9	64.8	73	58	25.9
Food Category Total	667.6	465.5	43.4	119	101	17.6
Industrial Raw Materials	208.3	141.1	47.6	148	126	17.5
Commodity Financial Services Group	25.1	0.6	4264.0	-	-	-
Consolidated Total	901.0	607.2	48.4	129	106	21.7

Net Contribution **Growth: Sources**



Impact of **FRS 102**

✿ The following two employee Share Schemes come under the ambit of FRS 102:

- Employee Share Subscription Scheme (ESSS)
- Employee Share Options Scheme (ESOS)

✿ The impact of FRS 102 on the Financial Statements is as follows:

	Prior Period S\$ million	FY2010 S\$'000	Carried Forward S\$'000	Total S\$'000
ESSS	2.5	-	-	2.5
ESOS	14.0	12.4	47.1	73.5
Total	16.5	12.4	47.1	76.0

FY2010 Full Year Results: **Overhead Expenses**

 **Overheads Expenses** increased by 37.4% to S\$522.0 million in FY2010

	FY2010	FY2009	Change
Overheads Expenses(S\$m)	522.0	380.0	37.4%
Overheads/Sales Ratio	5.0	4.4	(0.6)

FY2010 Full Year Results: **Key Metrics**

- ✿ **Net Profit After Tax including exceptionals: S\$359.7 m**
 - **42.7% growth** over FY2009
- ✿ **Net Profit After Tax excluding exceptionals: S\$272.1 m**
 - **49.3% growth** over FY2009
- ✿ **Earnings per Share (EPS)**
 - **17.92 cents/share** FY2010 vs 14.71 cents/share FY2009 (based on weighted average no. of shares)
 - **21.8% growth** over FY2009
- ✿ **Net Asset Value (NAV before fair value adjustment)**
 - **99.92 cents/share** FY2010 vs 71.44 cents/share FY2009
 - **39.9% growth** over FY2009

FY2010 Full Year Results: **Key Return Metrics**

ROE (BOP_E)

- **29.3%** in FY2010 vs 26.1% in FY2009
- **Equity Spread** (ROE-K_E) **19.3%**

ROE (Average)

- **22.2%** in FY2010 vs 23.0% in FY2009

ROIC (Average)

- **14.0%** in FY2010 vs 14.7% in FY2009
- **Total Capital Spread** (ROIC-WACC) **6.8%**

FY2010 Full Year Results: **Segmental Analysis**



Segmental Analysis FY2010: **Summary**

Olam Consolidated

- Turnover **\$10,455 million**
- Volume **7.006 mmts**
- NC **\$901.0 m**
- NPAT **\$359.7 m**

Edible Nuts, Spices & Beans

- Turnover **\$1,489 m**
- Volume **1.108 mts**
- NC **\$210.9 m**
- NC Share **19.0%**



Confectionery & Beverage Ingredients

- Turnover **\$4,080 m**
- Volume **1.288 mmts**
- NC **\$222.8 m**
- NC Share **18.5%**



Food Staples & Packaged Foods

- Turnover **\$2,590 m**
- Volume **3.207 mmts**
- NC **\$233.9 m**
- NC Share **31.3%**



Industrial Raw Materials

- Turnover **\$2,296 m**
- Volume **1.403 mmts**
- NC **\$208.3 m**
- NC Share **22.9%**

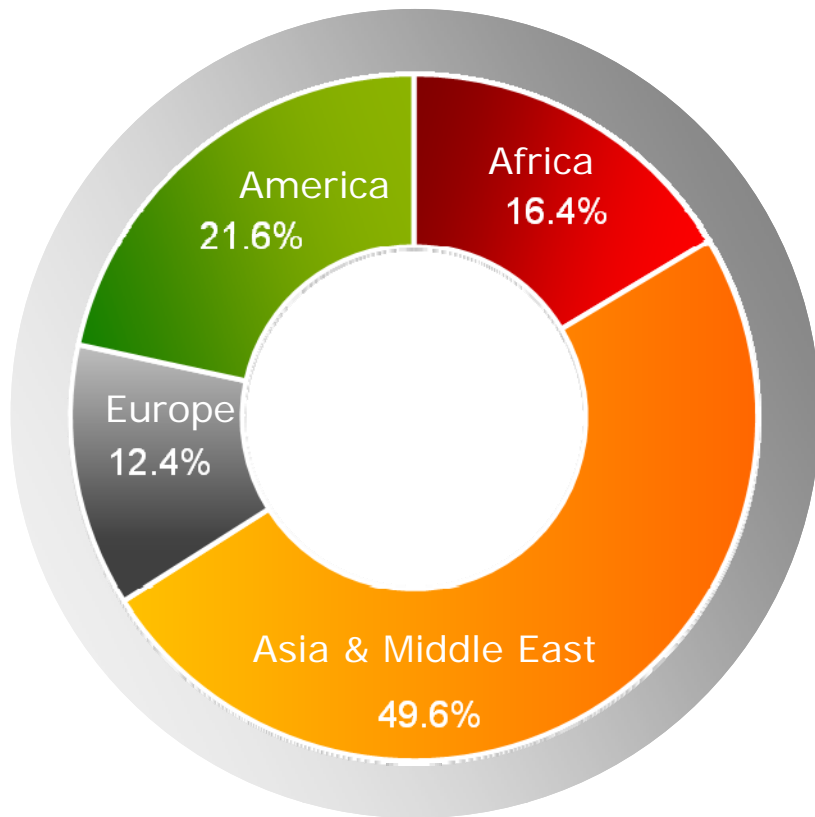


Commodity Financial Services Group

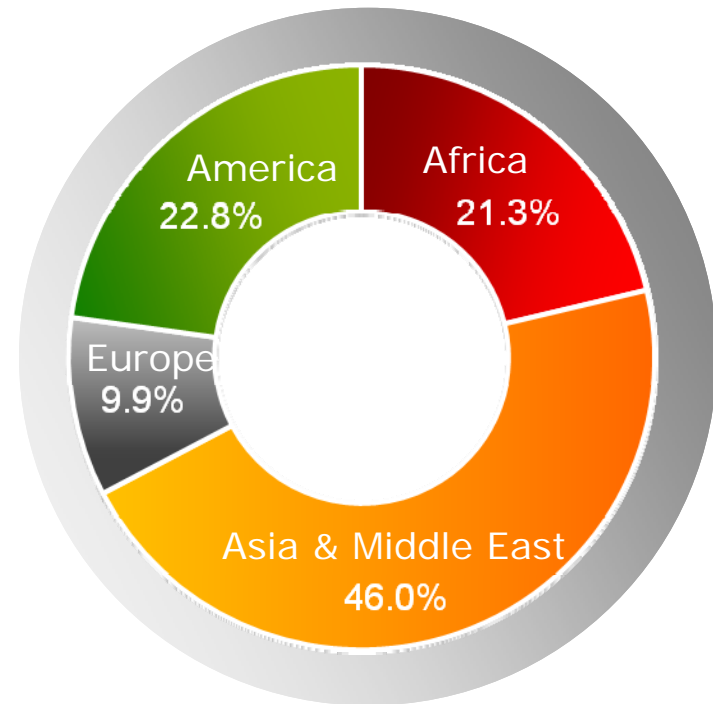
- NC **\$25.1 m**
- NC Share **8.3%**



Well Diversified Sourcing: **Origins**

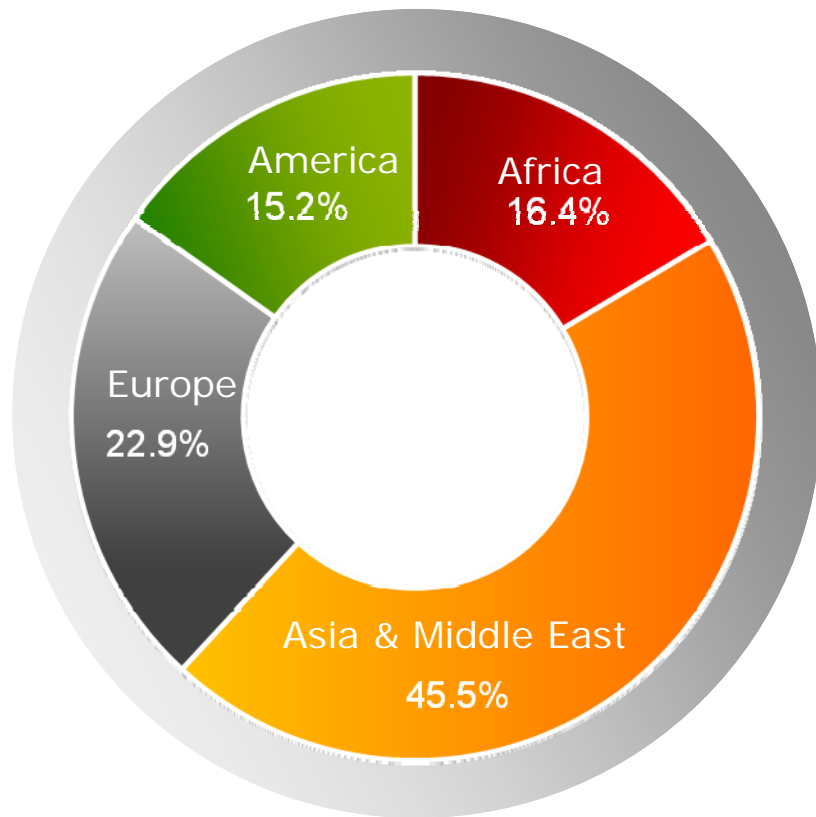


**Sourcing Volume
FY2010**

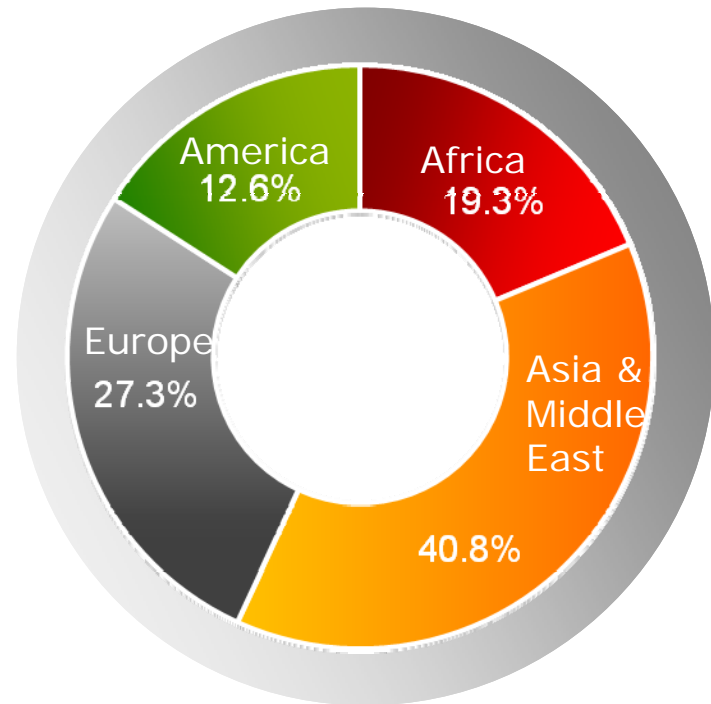


**Sourcing Volume
FY2009**

Well Diversified Sales: **Markets**



**Sales Turnover
FY2010**

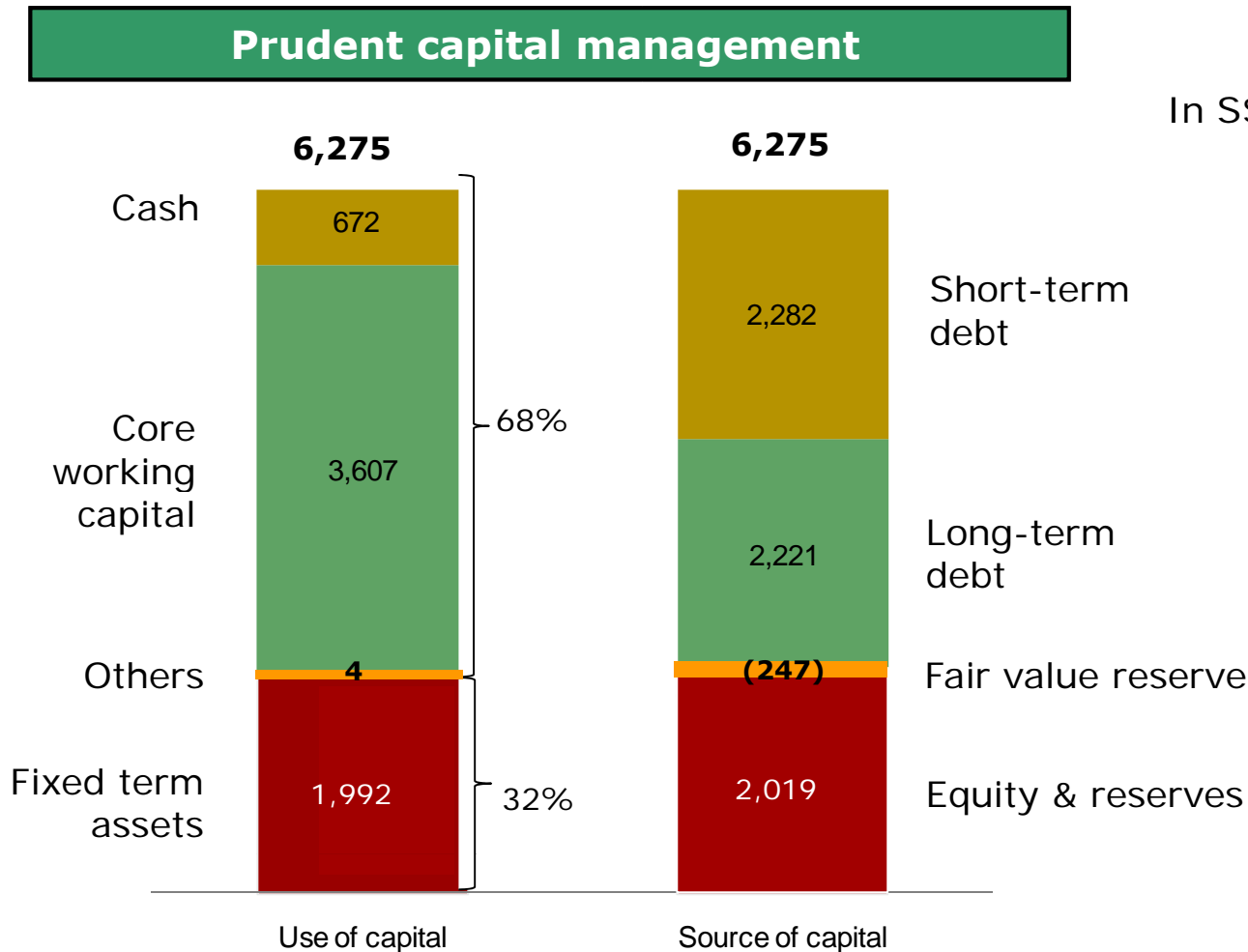


**Sales Turnover
FY2009**

FY2010 Full Year Results: **Balance Sheet Analysis**



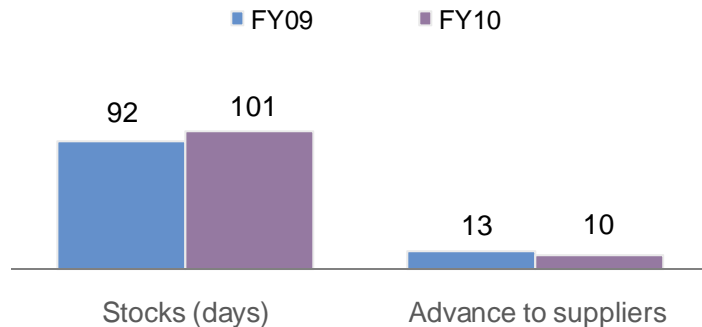
Balance Sheet Analysis: **Summary**



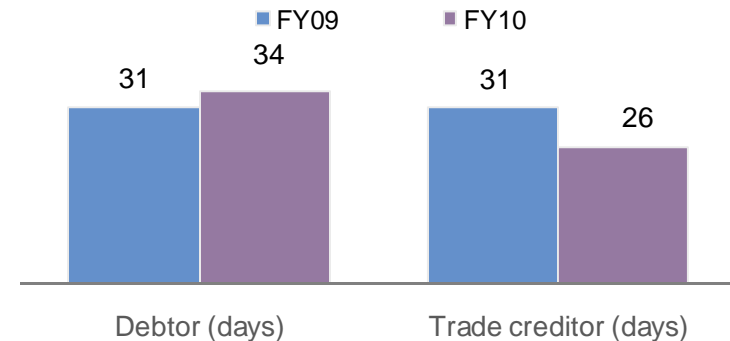
- Investment in fixed term assets funded through permanent capital
- Investment in working capital funded through a combination of long term and short-term debt

Sound working capital metrics

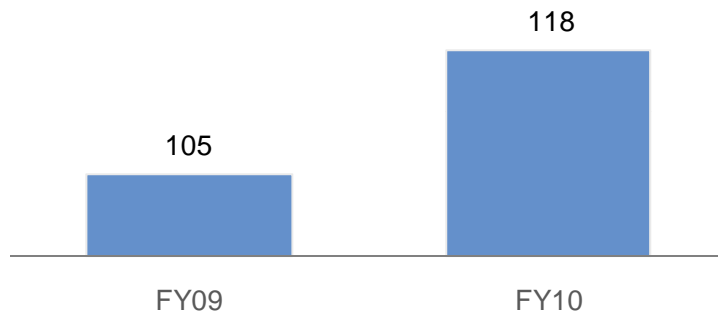
Stock (days) and advance to suppliers (days)



Debtor (days) and trade creditor (days)



Cash-to-cash cycle (days)



Successful working capital management

- **Stock days increase due to higher value of inventories** (on account of substantial increase in price of cocoa and cotton during the period)
- **Careful monitoring of debtors, as well as trade creditors and stock days** to manage our cash cycle time
- **Operated with large margin of safety on working capital** to keep utilization rate at around 60–65% of available credit lines through the course of FY09

Balance Sheet Analysis: **Inventories**

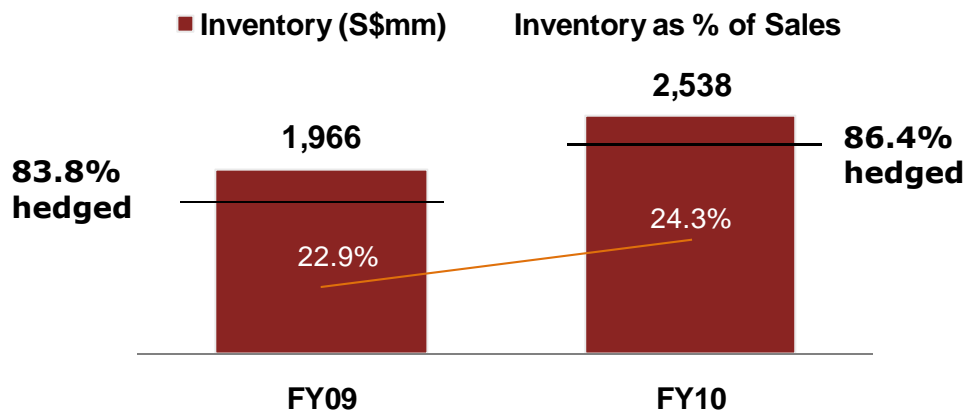
(in S\$ million)	FY2010	FY2009	Increase / Decrease
Edible Nuts, Spices & Beans	563.4	282.3	281.1
Confectionery & Beverage Ingredients	944.9	901.8	43.1
Food Staples & Packaged Foods	607.1	459.8	147.3
Industrial Raw Materials	452.5	322.5	130.0
Total	2,567.9	1,966.4	601.5

86.4% of inventories sold forward or hedged

Increase in working capital due to strong business growth and commodity price increases

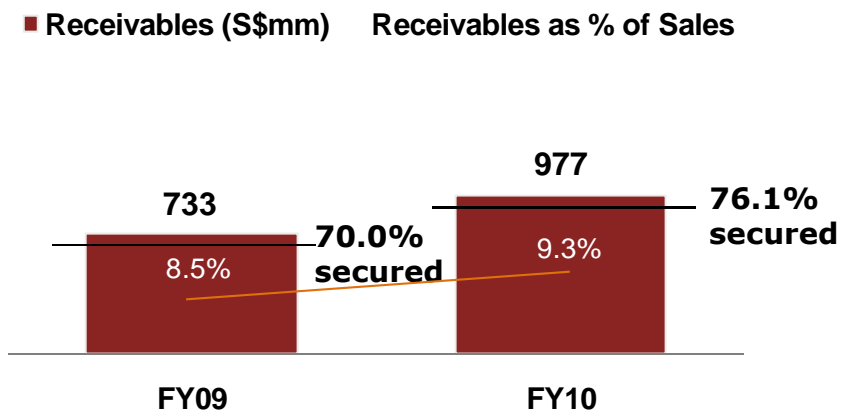
- **Primary driver** is **continued growth in volume** of business
- **Commodity price increases** drive **inventory levels** which in turn drives **receivables** and overall **working capital requirements**

Inventory



- **Most of Olam's inventories are liquid and readily marketable:**
 - Ability to hedge price risk
 - Physically deliverable to clients

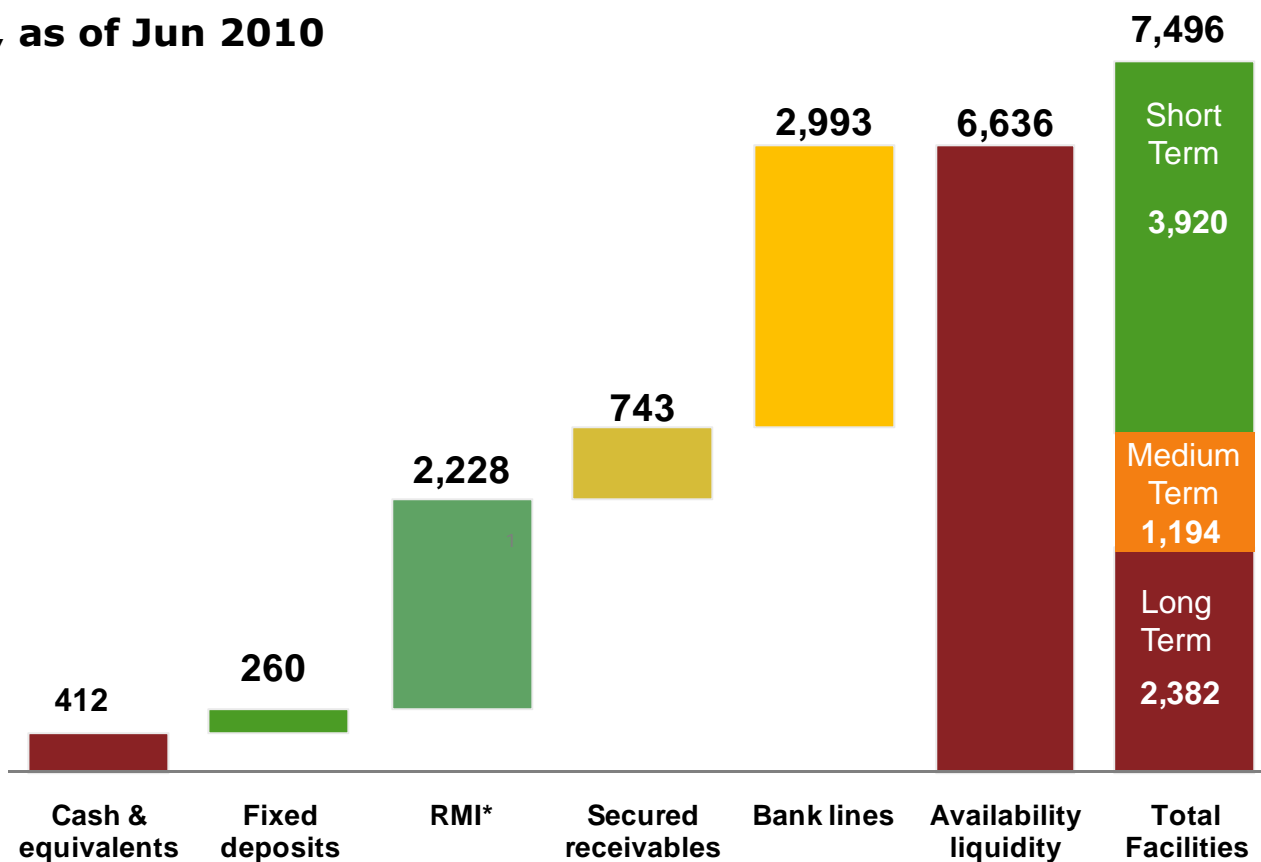
Receivables



- **Most of Olam's receivables are secured:**
 - Backed by lines of credit or document of title
 - Diversified list of customers

Conservative financial profile with **strong liquidity** and **credit availability**

In S\$M, as of Jun 2010



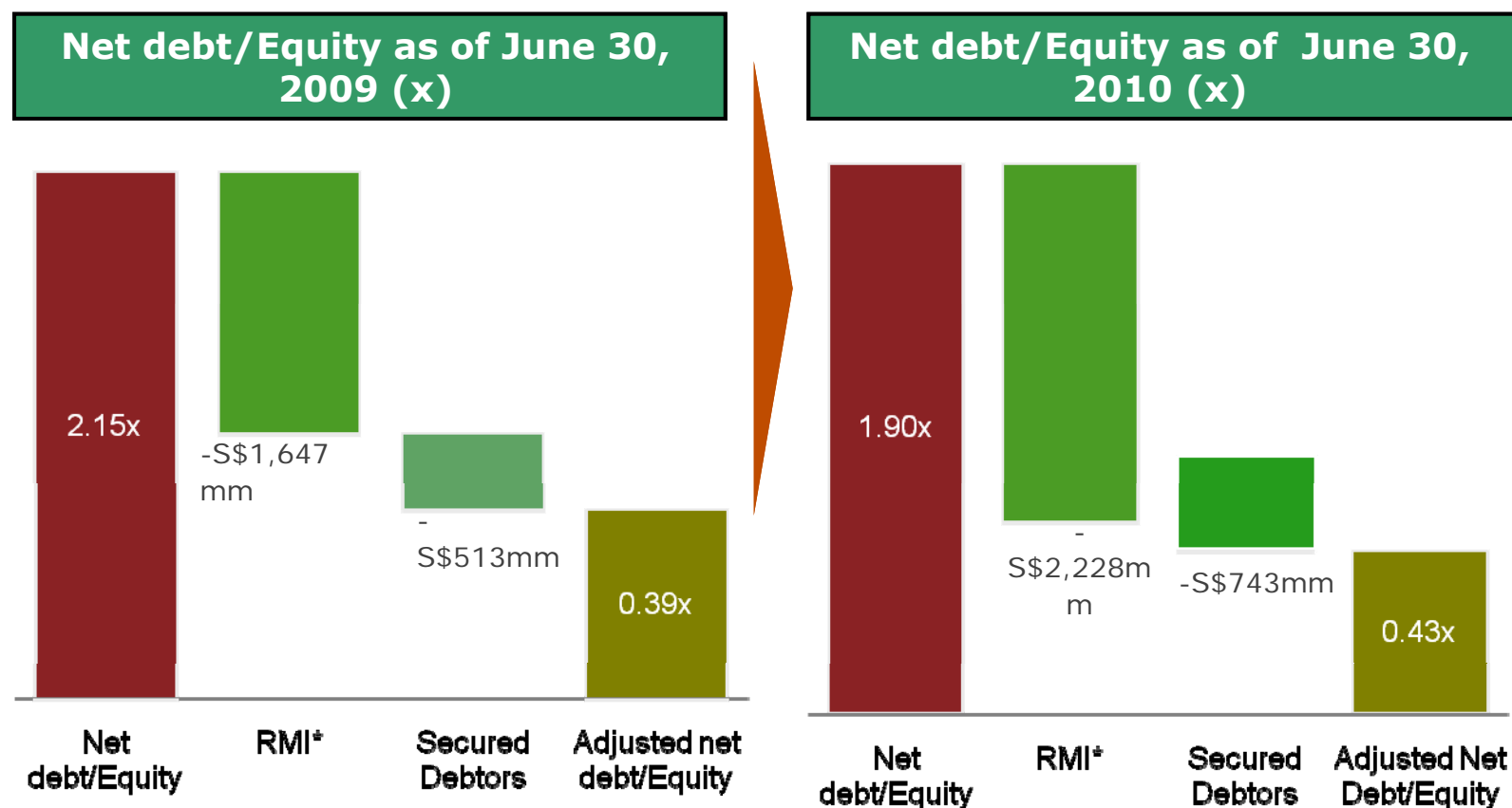
*RMI: inventories that are liquid, hedged, or sold forward

Olam has practiced prudent capital management to achieve sustainable growth

Balance sheet Analysis: **Gearing**

	FY2010	FY2009	Change
Leverage (x)			
Gross Debt to Equity (x)	2.23	2.59	(0.36)
Net Debt to Equity (x)	1.90	2.15	(0.25)
Liquidity			
Cash to Sales (%)	6.42	6.22	0.2
Cash & Cash Equivalents	671.5 m	533.8 m	137.7 m
Margin Deposit with Brokers	152.8 m	64.8 m	88.0 m

Conservative capital structure & financial policies



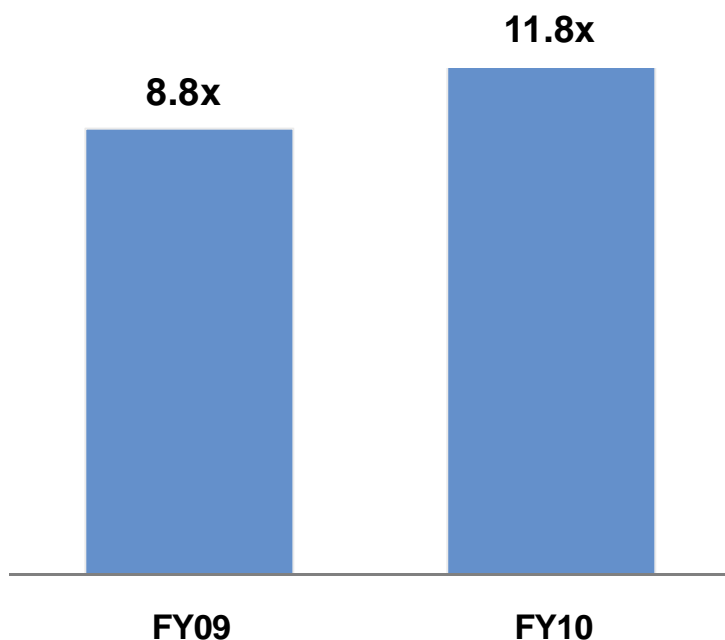
Note: Equity is before fair value adjustment reserves

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

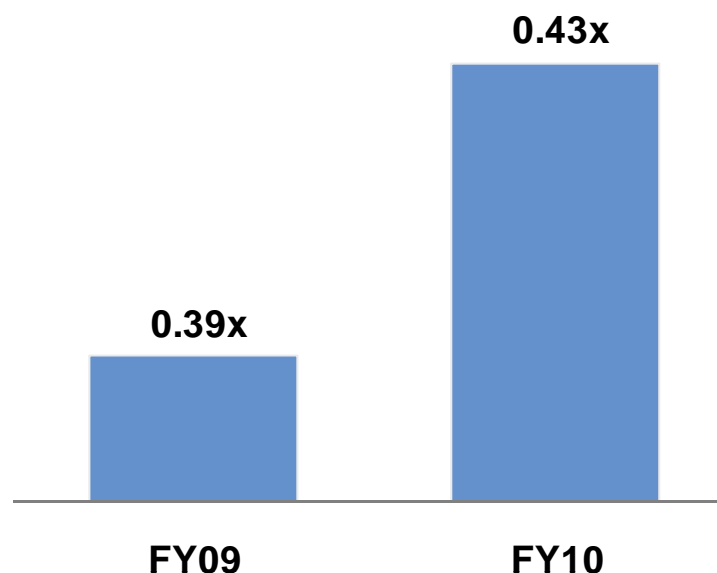
Olam's capital management objectives are to achieve sustainable growth and maximize return to shareholders

Conservative financial profile with **strong liquidity**

Interest coverage ratio¹ (x)



Net debt²/Equity³ (x)



1. Interest coverage ratio: $(\text{EBITDA} - \text{Interest expense passed on to customers}) / (\text{Total interest expense} - \text{interest expense passed on to customers})$
2. Adjusted net debt: Total debt – liquid assets
3. Before fair value adjustment reserves

Operating cash flows adjusted for liquid inventories and secured receivables

Cash flow summary (\$mm)

As reported	FY10	FY09
Operating cash flow before working capital changes	531	331
Changes in working capital		
(Increase)/decrease in inventories	(637)	(176)
Decrease/(increase) in receivables	(811)	237
Decrease/(increase) in advance payments to suppliers	19	94
Increase/(decrease) in payables	91	142
Operating cash flow after working capital changes	(807)	628

Cash flow summary (\$mm)

As adjusted	FY10	FY09
Operating cash flow after working capital changes	(807)	628
Adjustment for (decrease)/increase in RMI ¹	581	(104)
Adjustment for decrease in secured receivables ²	231	(25)
Adjusted Operating cash flow after working capital changes	5	500

1. RMI: inventories that are liquid, hedged, or sold forward

2. Secured receivables: receivables secured by letters of credit or documents of title



FY2010 Full Year Results Briefing

Delivering our Strategy

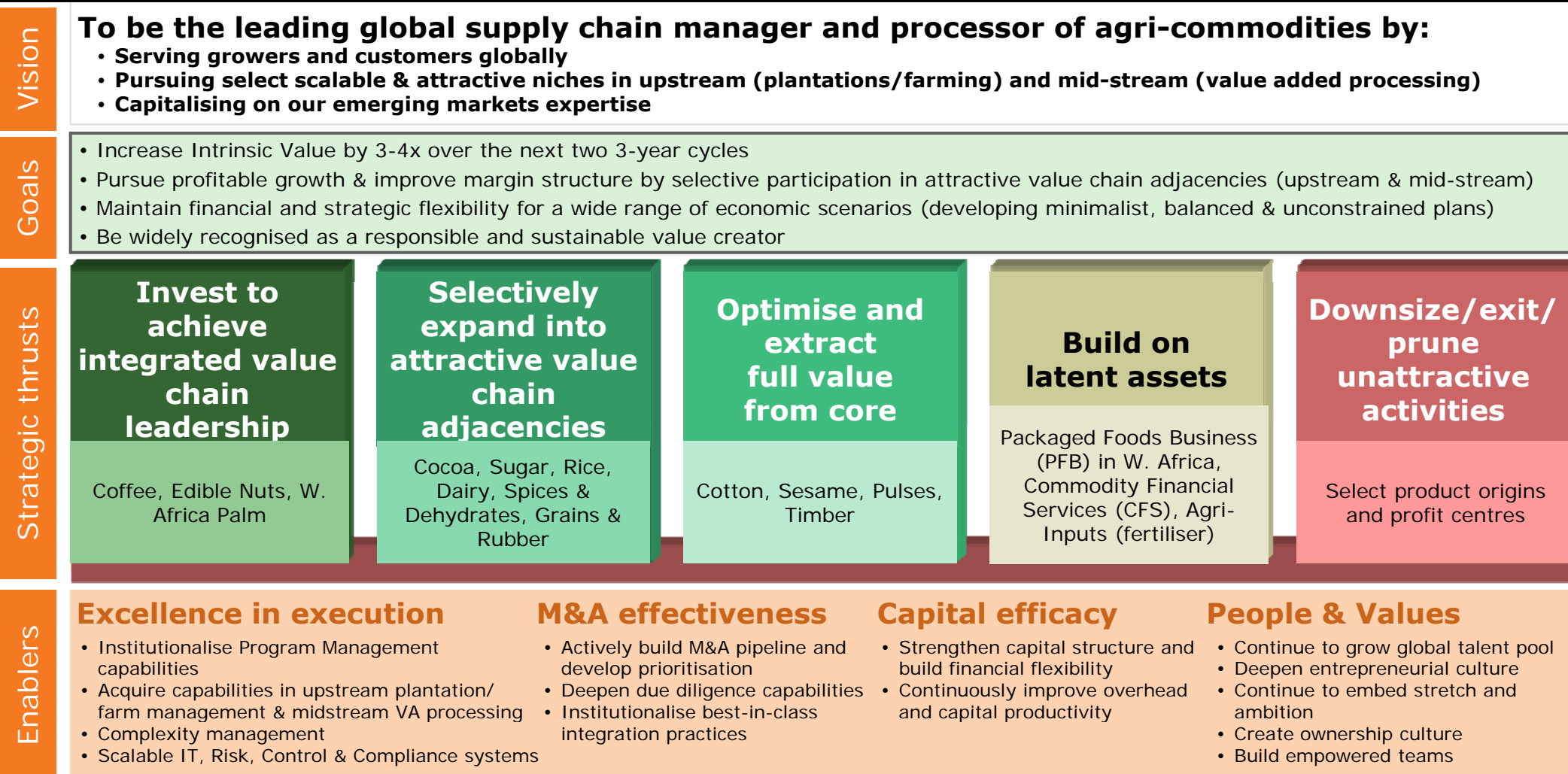


Agenda

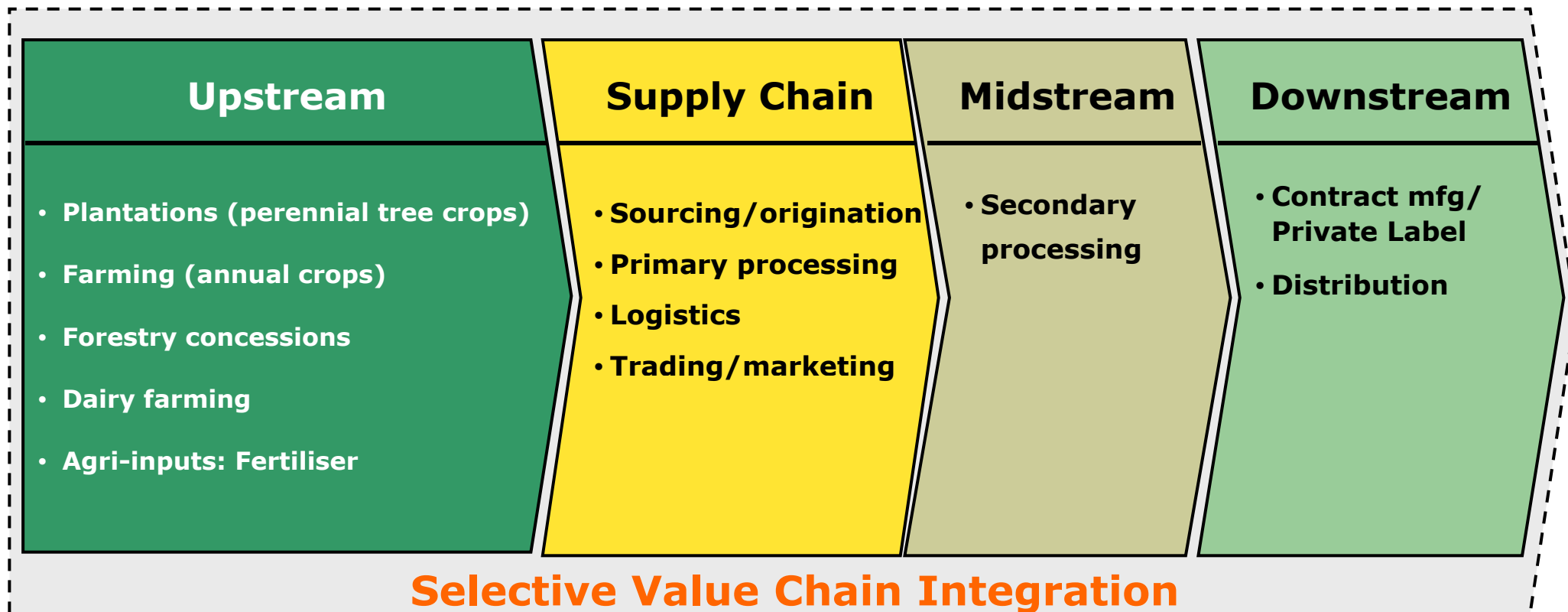
- Olam 2009 Corporate Strategy: Recap
- Executing our strategy: Status update
- Executing our strategy: Outcomes & Results - Yr 1
- M&A: Accelerating profitable growth

In 2009, we announced our **6-year corporate strategy** (FY2010-15) to **increase our margins & grow 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



We decided to **enhance** our **portfolio** by **selectively integrating** into **higher margin value chain segments**



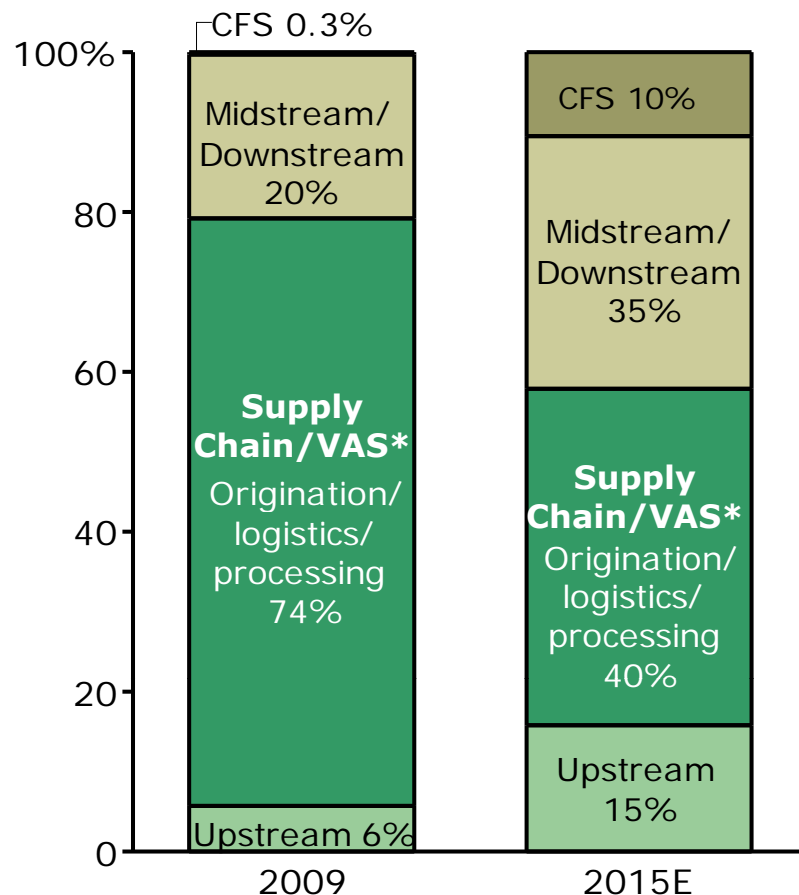
- ❖ What is the **distribution of the profit pool** within the various segments of the value chain? What is the **size of the prize**?
- ❖ What is our **winnability**? Can we **acquire or build competencies** required to **win** in the more **attractive parts of the value chain**?

We decided to **enhance** our **portfolio** by **selectively integrating** into **higher margin value chain segments**

Upstream + Mid/Downstream targeted to grow from 26% to 50% of EBT contribution ...

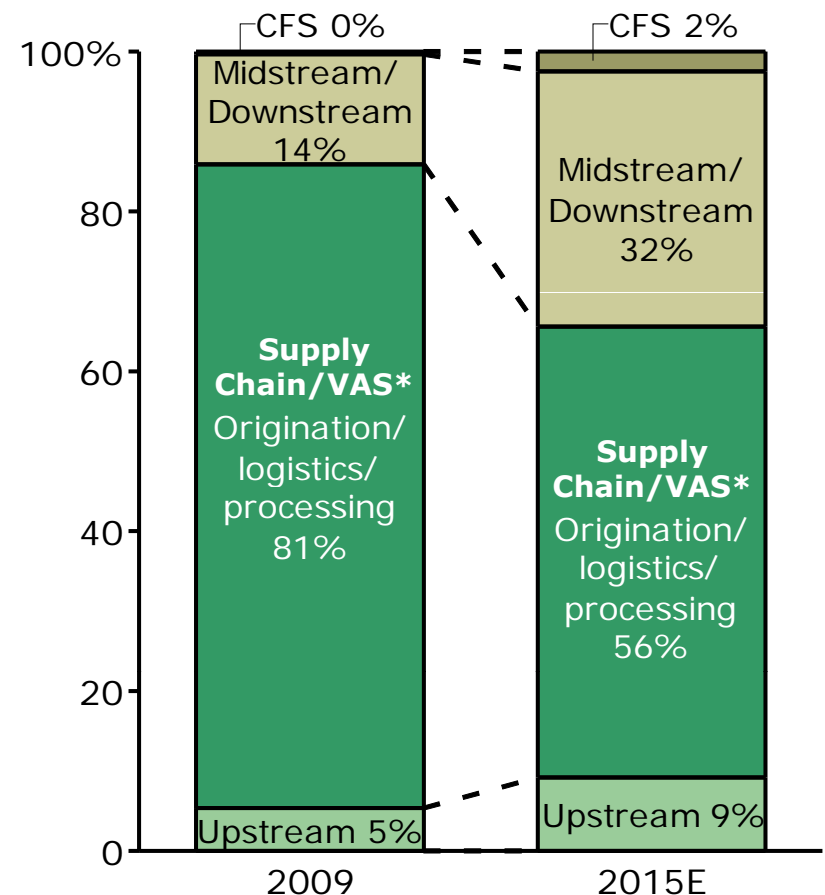
... with increased share of total capital employed from ~19% to 41%

Olam EBT

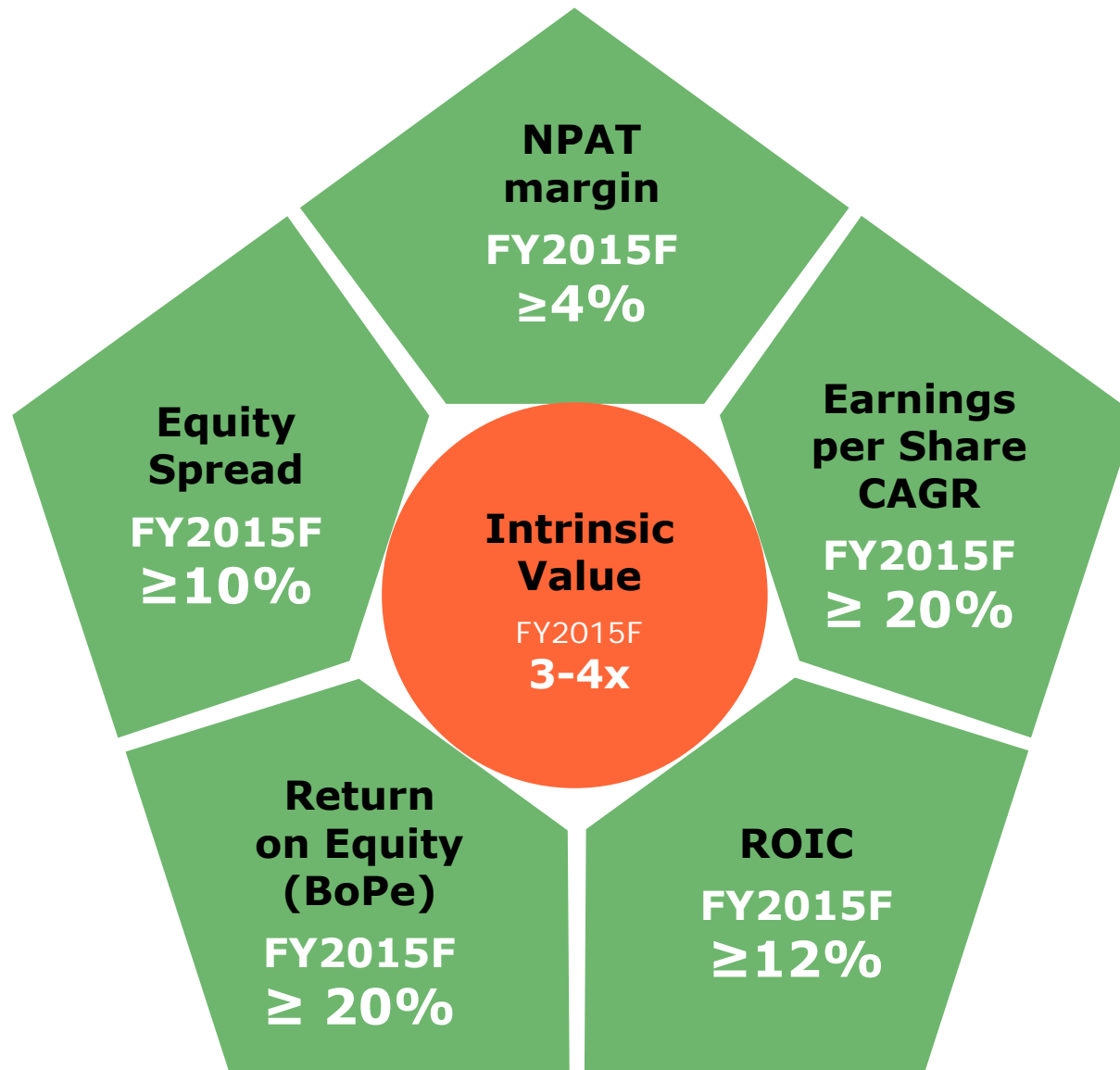


* VAS= Value Added Services

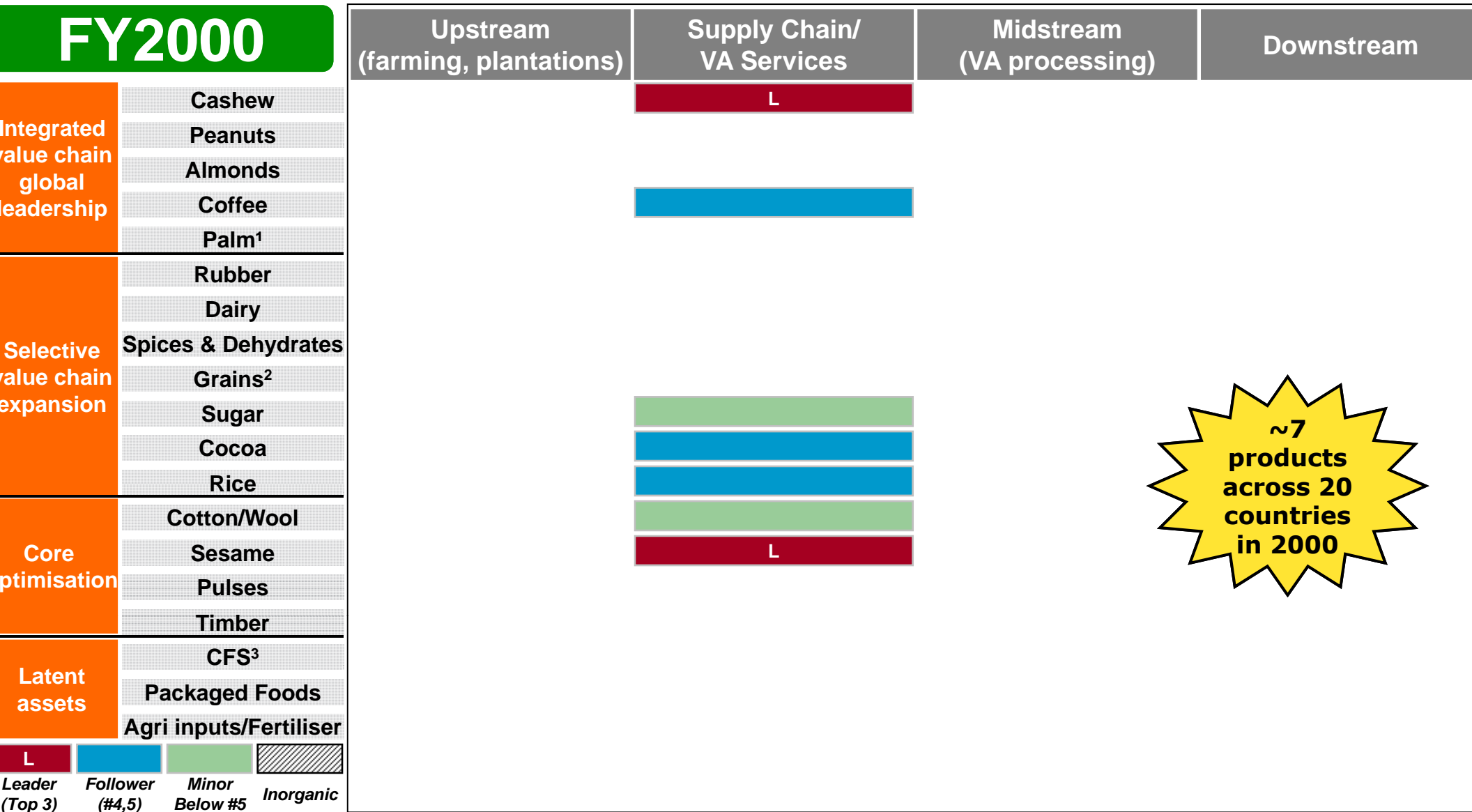
Olam Capital Employed



Our **goal** was to **double Net Profit Margins** & increase **intrinsic value by 3-4x** over the next two 3-year cycles



Olam is developing a **well diversified, uniquely shaped portfolio** **focused** on a single commodity asset class (**agri complex**)



Olam is developing a **well diversified, uniquely shaped portfolio focused** on a single commodity asset class (**agri complex**)

FY2005

Integrated value chain global leadership	Cashew
	Peanuts
	Almonds
	Coffee
	Palm ¹
Selective value chain expansion	Rubber
	Dairy
	Spices & Dehydrates
	Grains ²
	Sugar
	Cocoa
	Rice
Core optimisation	Cotton/Wool
	Sesame
	Pulses
	Timber
Latent assets	CFS ³
	Packaged Foods
	Agri inputs/Fertiliser

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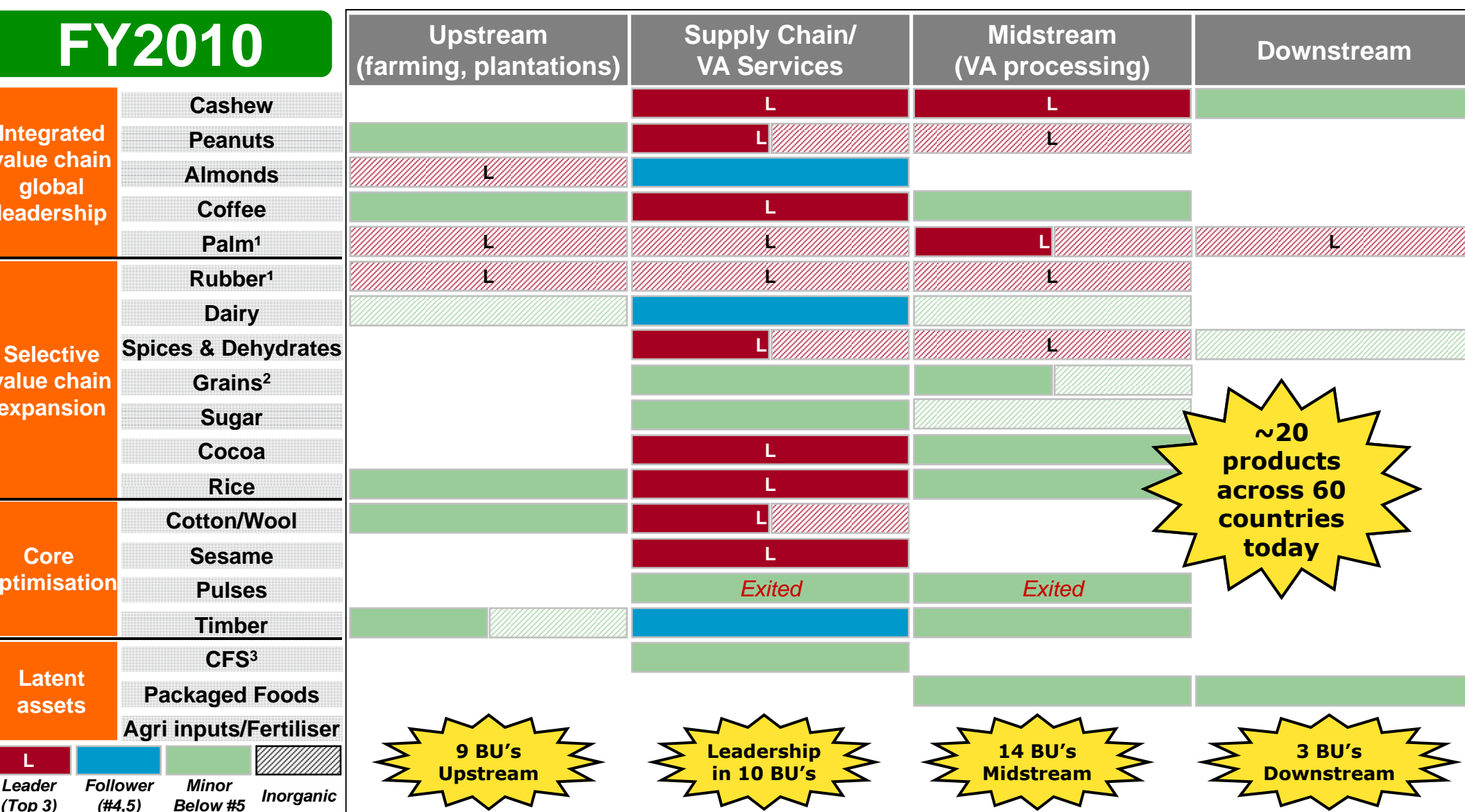
~13 products across 40 countries by 2005



- 1 In West Africa
- 2 Africa
- 3 Commodity Financial Services

VAS = Value Added Services

Olam is developing a **well diversified, uniquely shaped portfolio** **focused** on a single commodity asset class (**agri complex**)



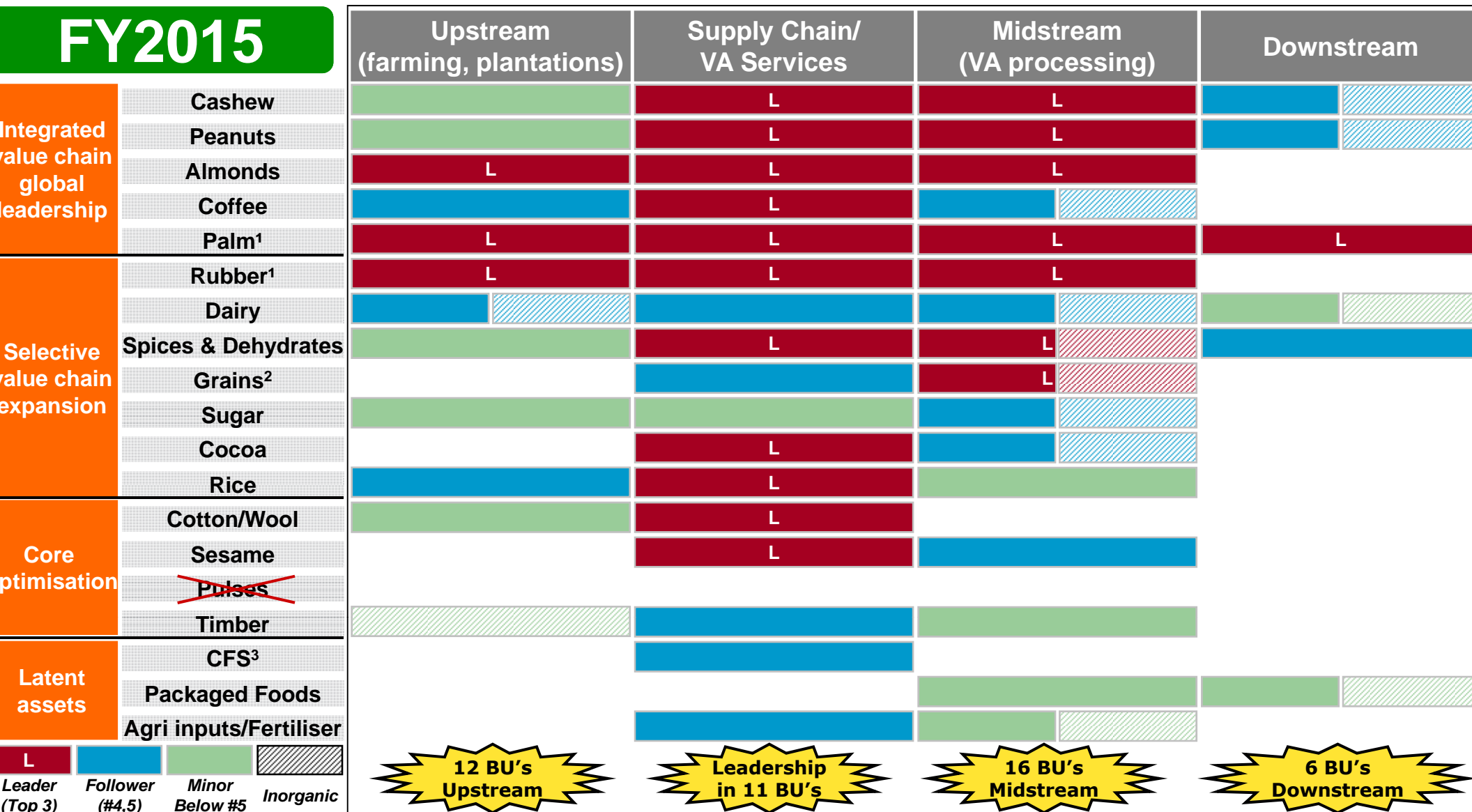
1 In West Africa
 2 Africa
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VAS = Value Added Services

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The Brand Behind The Brands

Olam is developing a **well diversified, uniquely shaped portfolio** **focused** on a single commodity asset class (**agri complex**)



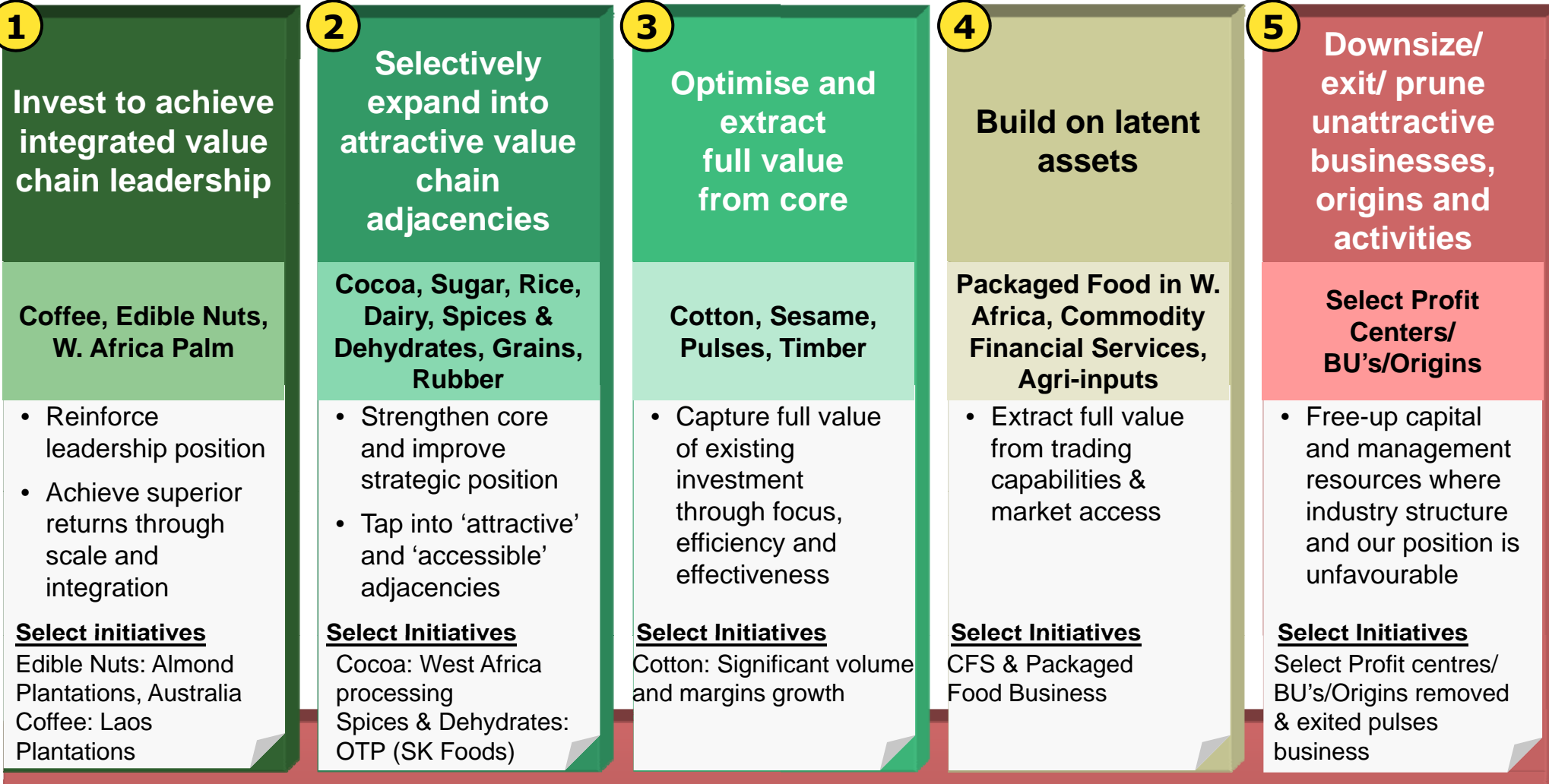
1 In West Africa
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VAS = Value Added Services

Agenda

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Five strategic thrusts identified to drive Olam's growth choices and portfolio shape going forward



1

Achieving **integrated value chain leadership**: Edible nuts

SELECT INITIATIVES



TimberCorp's Almond Orchards acquisition

- Platform to achieve **integrated value chain leadership** in almonds, **the largest edible nut** category
- Profit pool analysis revealed that **upstream is the most profitable** part in the value chain
- Identified **Australia** as entry into upstream (**Almond Orchards**)
 - Acquired **~30K Acres** from TimberCorp for **~S\$374M**; **~40K MT peak volume**
- **Embedding** almond **orchard management expertise**
- **Accelerate downstream entry** in key consumer markets for almonds
 - e.g. China, India, EU and Russia

1 Achieving **integrated value chain leadership:** **Coffee**

SELECT INITIATIVES



Laos plantations investments

- Identified **Laos** as the **lowest cost Arabica coffee producer** globally
- **Acquired** land on long lease and planted **970 Ha** in 2009
- **1.2K Ha** under planting this year to grow to **~3-5K Ha** in two years
- Installed **a 5 member management team** with a **70 man years experience** in coffee
- Potential to develop the estate as a value added certified specialty coffee supplier
- **Clearly excess return** opportunity



Vietnam soluble coffee plant

- **Investment** of ~**S\$70M** with a total capacity of about **7,000 MT** (including Phase II)
- **Phase I** of plant **commissioned** in March 2010
- Plant capable of producing **spray dried coffee powder** and **agglomerated granules, freeze dried granules** and **frozen extracts**
- Initial shipments have **evoked positive feedback from customers**

2

Selectively **expand into value chain adjacencies:** **Cocoa**

SELECT INITIATIVES



Cote d'Ivoire processing

- Integral part of Cocoa Global Strategy to **supply quality Cocoa Products** to Chocolate Manufacturers
- Investment of **S\$60.9M** in a 60K MT **Cocoa Processing and Usinage Plant** to produce **Cocoa Liquor, Butter & Cake**
- **Attractive asset with significant synergy potential**
 - **Better quality** beans and future crop flows
 - **Synergy** with existing Beans business
 - **Traceability** of product
 - **Logistics** advantage
 - Corporate **tax and other fiscal incentives**
- **Strengthens Olam's competitive position** in West Africa

4 Build on latent assets: Commodity Financial Services (CFS) & Packaged Foods Business (PFB)

CFS



- The CFS business is being **organically developed**
- Currently participates in **Market Making** and **volatility arbitrage trading** in softs
- Now offering **risk management solutions** to our customer base
- launched its first **Relative Value** commodity fund (**Ektimo RV Fund**)
- **Leadership** in **LIFFE** and **growing** market share in **ICE/CBOT**
- Developing other **commodities fund** ideas for the future
- **Promising start** to the new business

Packaged Foods



- Started Packaged Foods Business through launch of **Coffee Mix** products in select markets in 2004
- **Expanded** by launching other packaged food categories (eg. tomato paste, edible oil) in **South Africa, Nigeria, Ghana, Congo and other W. Africa** leveraging on common distribution for the other products in Olam's portfolio
- Expanded the portfolio, which now includes **Noodles, Pastas, Mayonnaise, Beverages, Snack Nuts and Seeds, & Culinary products**
- Investing to build brand franchise in select markets

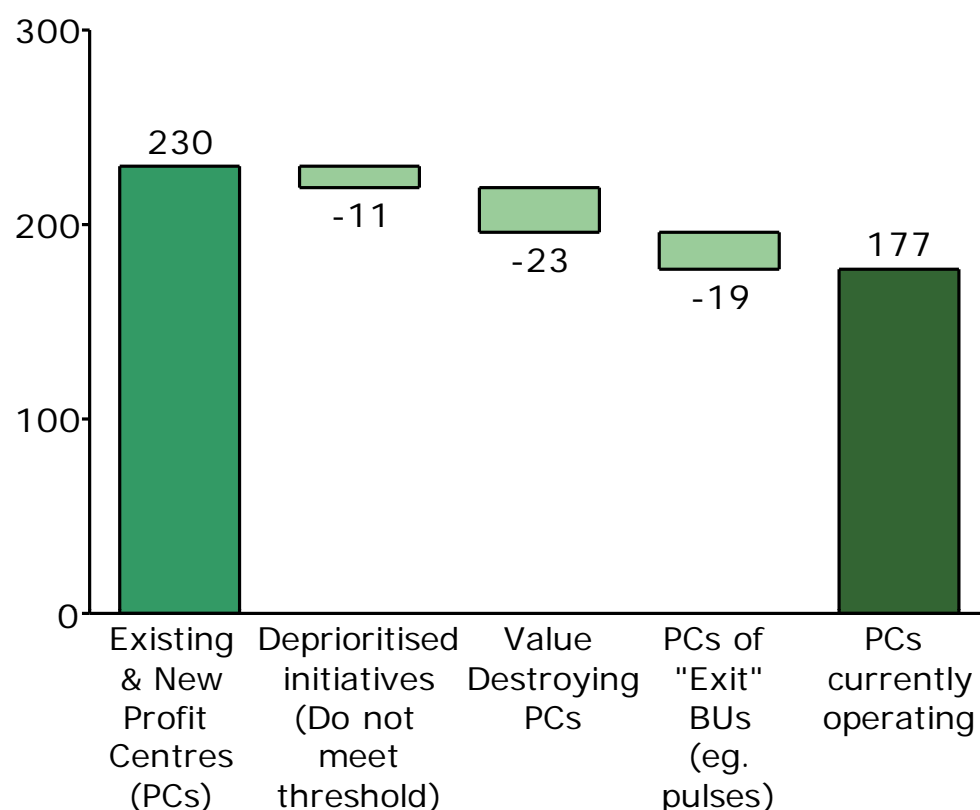
5 Downsize/Exit underperforming businesses, origins and profit centres

Exited unattractive businesses

- Exited **Pulses business**, improving overall segment profitability
 - 2% of overall PBT in 2009
 - Released capital and management bandwidth to grow more promising businesses
- Exited **Angola** and **Madagascar** as origins

Downsized/Pruned 23% of original profit centres

Number of Profit Centres (PCs)



We have also acquired and established **strong capabilities** to **execute** on our **strategic thrusts**

M&A Effectiveness

- Well defined **M&A discipline**, aligned with **corporate strategy** and **goals**
- **Dedicated core M&A team** with extensive industry experience
- Robust pipeline and rigorous **deal prioritisation** process
- Strengthened **due diligence** and **post merger integration** capabilities

Capital Efficacy

- Built Balance Sheet flexibility through **innovative sources** of funding including raising:
 - S\$ 420M equity investment from Temasek
 - S\$ 700M 7-year CB issuance
 - S\$ 1,190M syndicated term loan facility
 - S\$ 140M Islamic loan facility
 - S\$250M MTN issuance
 - S\$ 350M 10-year unrated bond issuance (1st in SG)
- Gearing **lowered** since FY08 (**2.4 to 1.7**)

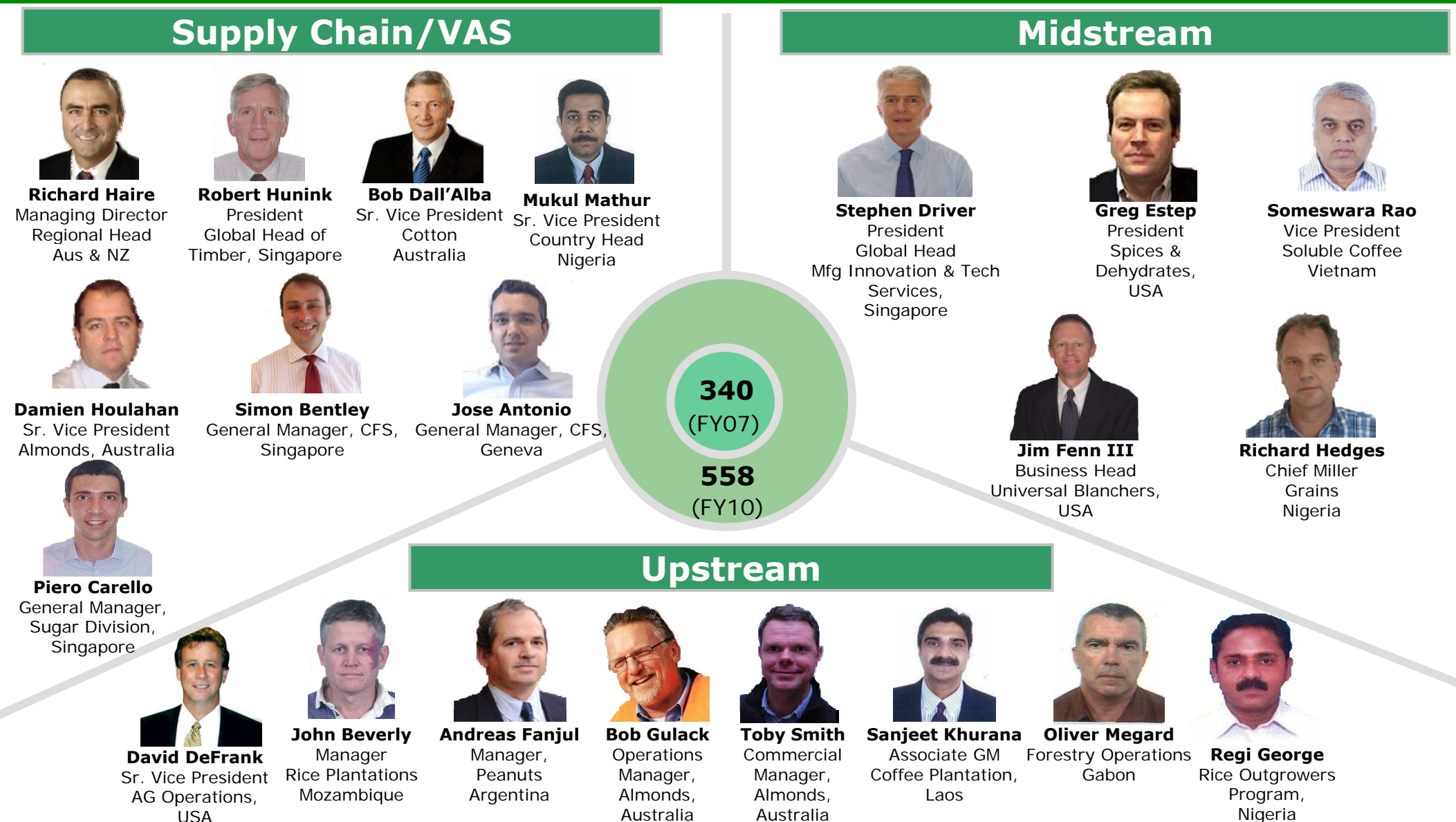
Excellence in Execution

- **Program office** established to oversee and monitor **execution** of strategic **initiatives**
- Strengthened **system capabilities**
 - Eg. SAP, MUREX (CFS), strengthened audit & compliance systems
- Good progress in building **upstream and midstream capabilities**
 - Product development, technical expertise and quality specifications
 - Management expertise: hired Upstream experts (14), Midstream technical experts (105)

People & Values

- **Fortune/Hewitt/RBL** named Olam as one of the **top 25** companies globally for **building leaders**
- **Expanded operational capabilities:** Grew Global Assignee Talent Pool, (GATP), **from 340 (FY07) to 558 (FY10)**
- **Low attrition rate** including **high retention** from all **acquisitions**
- Continued fostering of **entrepreneurial culture**
- Specialised milestone training programs

We have **expanded** our **operational capabilities** through **acquiring new talent**

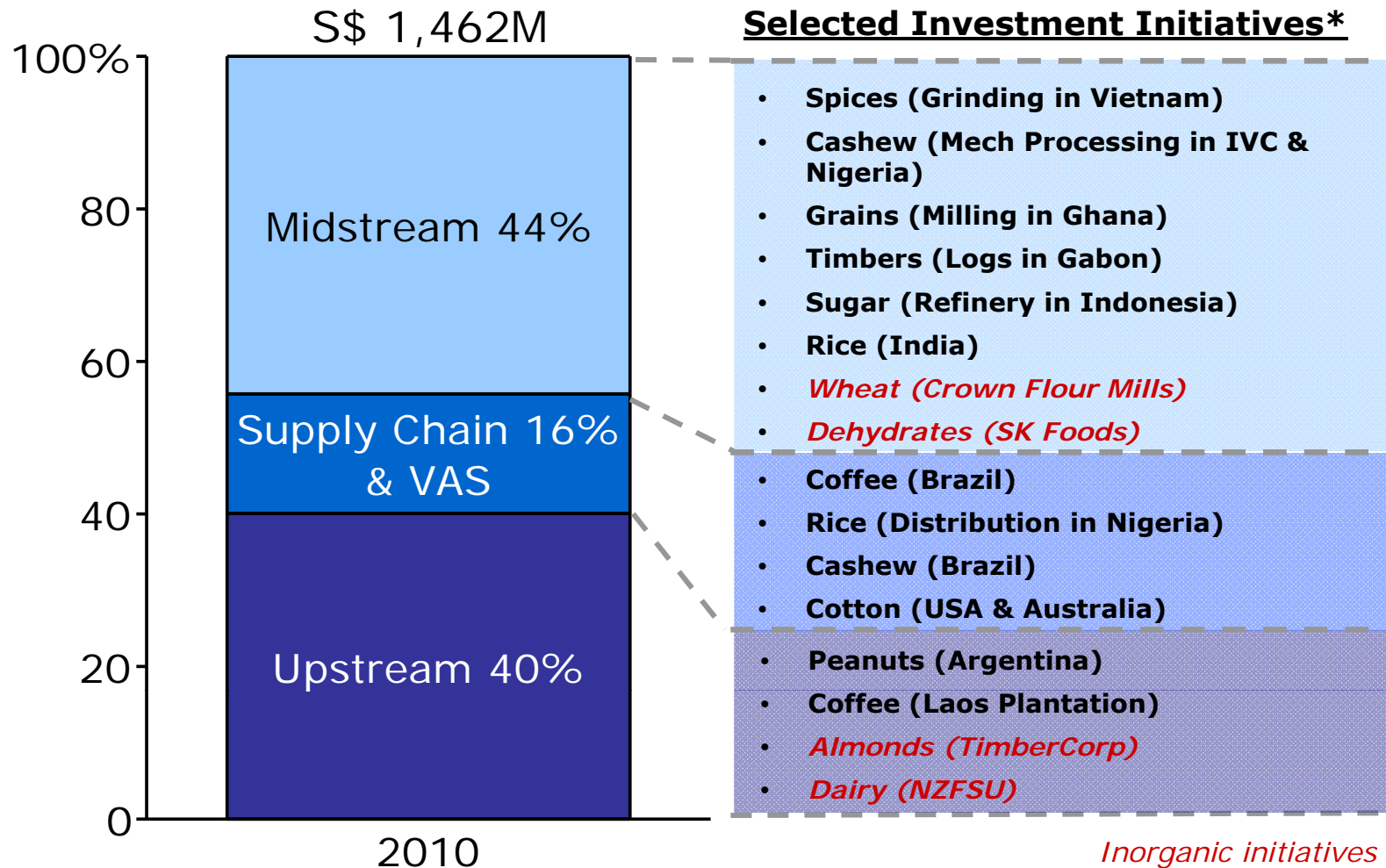


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We have **invested significantly** across **prioritised value chain segments in line** with our **Corporate Strategy**

FY10 Total Investments (organic and inorganic)*



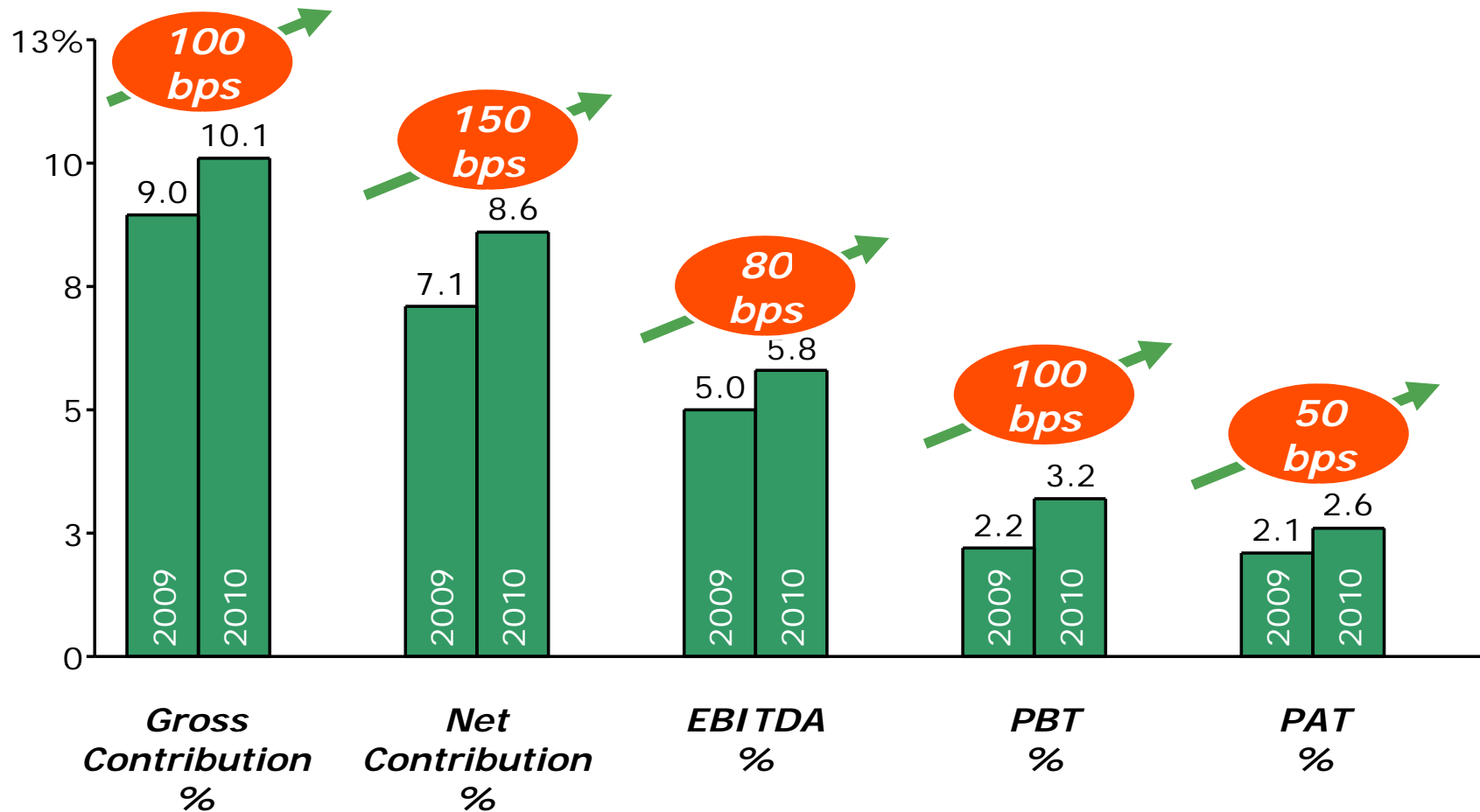
Note: *Excludes Gilroy Acquisition (S\$ 350M) which was completed in July 2010

All initiatives are on strategy; ~80% of initiatives identified in the 2009 Corporate Plan are either **executed or on track**

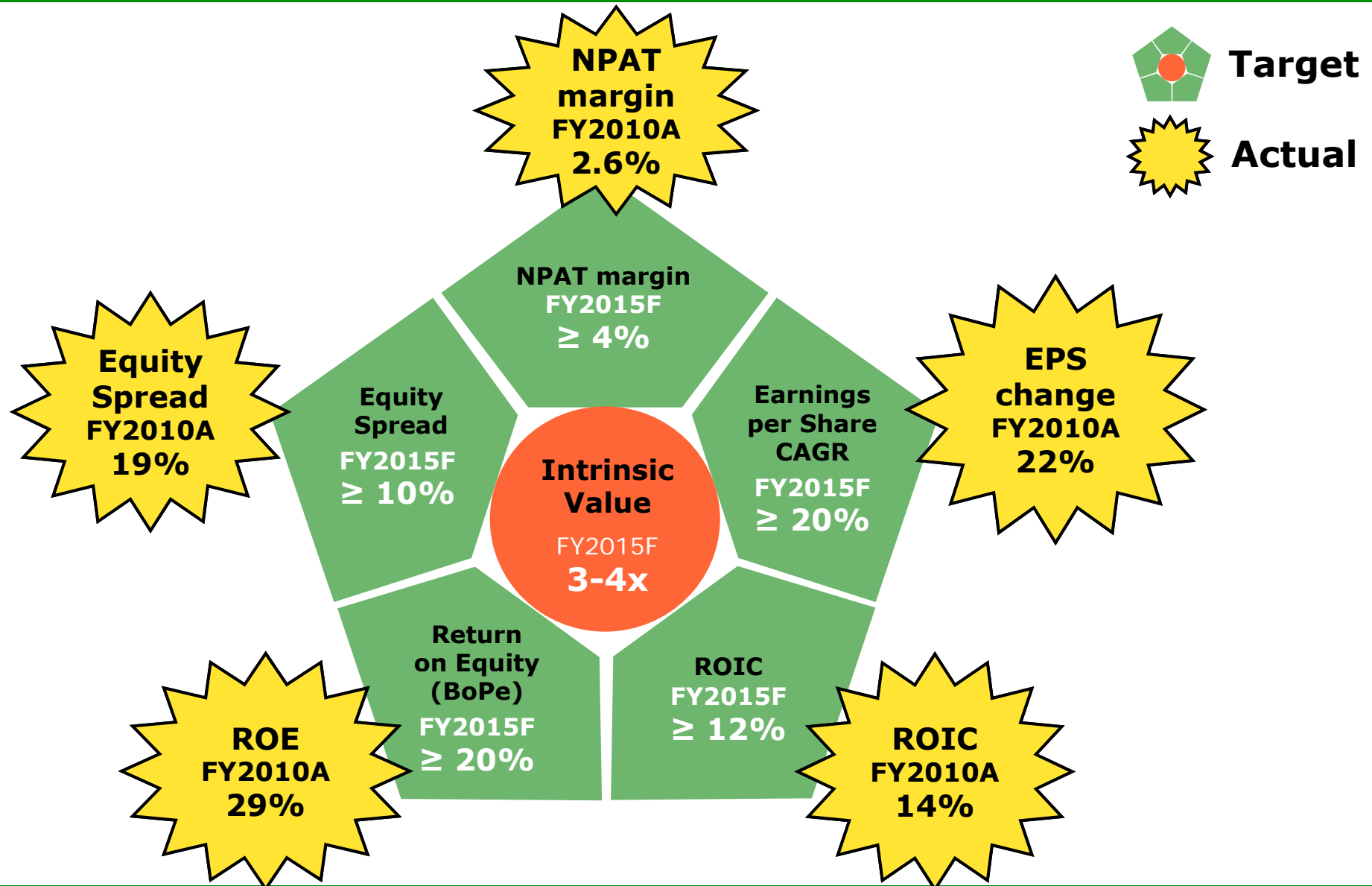
On plan” <i>“New initiatives”</i>		Invest to achieve integrated value chain leadership	Selectively expand into attractive value chain adjacencies	Optimise and extract full value from core	Build on latent assets
“On strategy”	Executed & Contributing	<ul style="list-style-type: none">Almonds: Orchards & processing, AustraliaIngredients Mfg (roast ready and ingredients quality) in Vietnam and US	<ul style="list-style-type: none">Spices & Dehydrates:<ul style="list-style-type: none">Tomato Paste Mfg, USGrains: Wheat milling (CFM), NigeriaSugar: Refining, IndonesiaRice:<ul style="list-style-type: none">Rice Logistics, ThailandRice Bulk Shipment	<ul style="list-style-type: none">CottonSesameTimber <div>Exited Pulses and select profit centers</div>	<ul style="list-style-type: none">CFS: Relative Value Fund launchedScaling up market making and volatility arbitrage trading
	Executed & Gestating	<ul style="list-style-type: none">Cashew: Mechanical Processing, IVC & NigeriaCoffee:<ul style="list-style-type: none">Plantations, LaosSoluble Coffee Mfg, Vietnam	<ul style="list-style-type: none">Dairy: SCM/Mfg, IVCGrains: Greenfield wheat milling, GhanaSpices & Dehydrates: Gilroy Foods, USDairy: Farming, UruguayCocoa: Processing, IVC & Nigeria		<ul style="list-style-type: none">PFB: Tomato Paste sachet mfg, Nigeria
	Under Evaluation	<ul style="list-style-type: none">Adjacent edible nuts growth opportunities (Pecans, Walnuts, Hazels & Pistachios)Almonds orchards& processing, USAPalm: Plantations, crushing, refining, West Africa	<ul style="list-style-type: none">Sugar:<ul style="list-style-type: none">Milling, India & BrazilRefining, AfricaMilling, IndonesiaWheat Milling, AfricaRubber Plantations	<ul style="list-style-type: none">Cotton: Warehouse, USTimber:<ul style="list-style-type: none">Timber Logs, AfricaTimber concession, AfricaTeak Plantation concessions, South/ Central America	<ul style="list-style-type: none">PFB growth opportunitiesCFS: Fund Management OptionsFertiliser Manufacturing Africa
“Off strategy”	No “Off Strategy” initiatives				

This year, we have registered a **strong increase in operating and after tax margins**

Olam Margin Performance (FY10)



Early results have exceeded expectations with strong trajectory towards achieving 2015 targets



Value Chain Integration: **Outcome/Results**

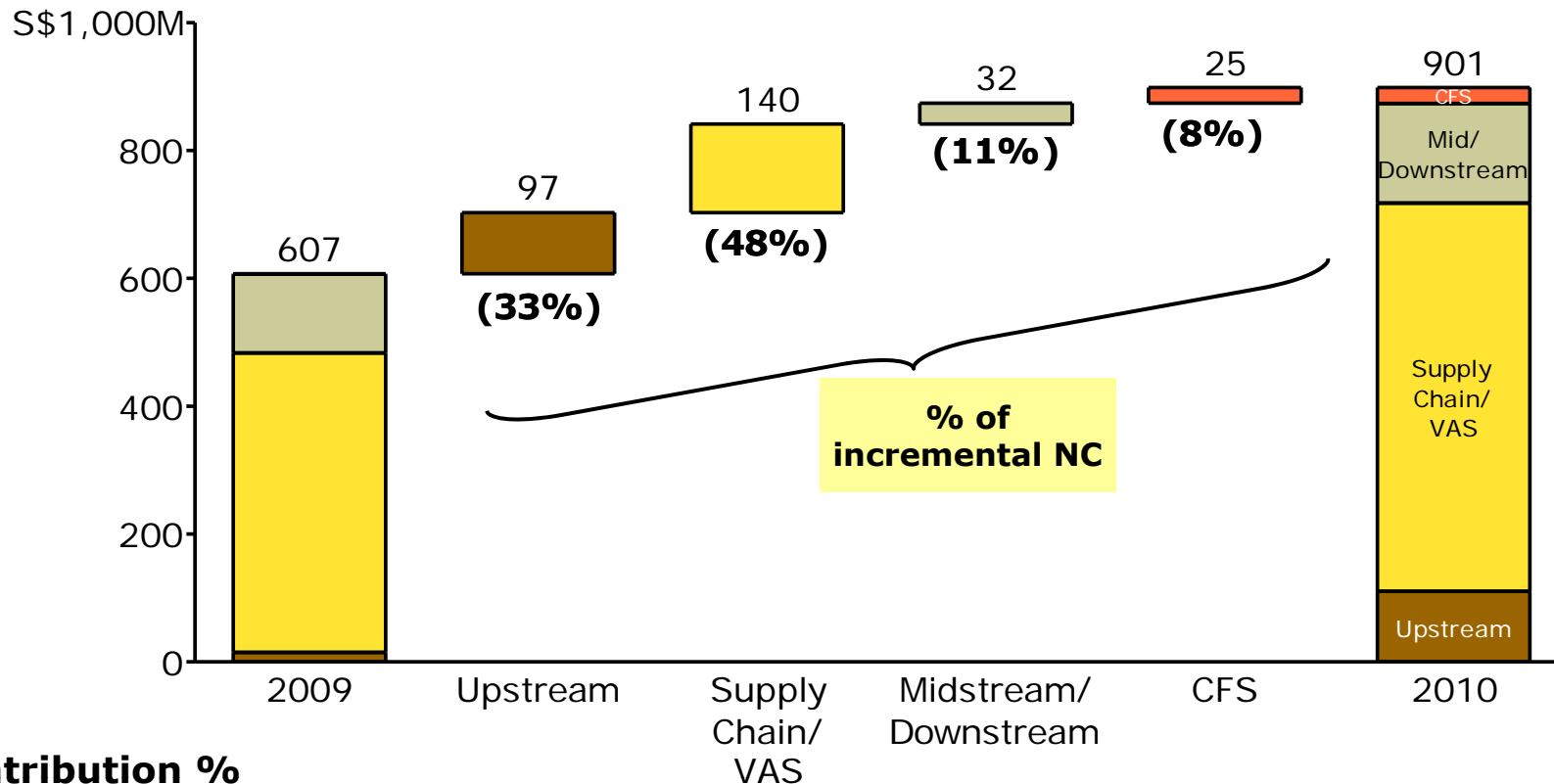
Value Chain Initiatives	Sales Revenue (in S\$'000)		Net Contribution (NC) (in S\$'000)		EBITDA (in S\$'000)	
	Jun 10	Jun 09	Jun 10	Jun 09	Jun 10	Jun 09
Supply Chain & VAS	9,162,602	7,809,296	635.114	469,226	403,768	351,932
Margin (%)			6.9%	6.0%	4.4%	4.5%
Upstream	219,084	19,758	110,354	14,747	98,824	13,138
Margin (%)			50.4%	74.6%	45.1%	66.5%
Midstream & Downstream	1,073,346	758,878	155,617	123,278	105,541	65,234
Margin (%)			14.5%	16.2%	9.8%	8.6%
Total	10,455,032	8,587,932	901,085	607,251	608,133	430,304



NC uplift this year driven by improvements across all value chain segments

Olam Net Contribution (\$ M)

CAGR
(09-10)
48%



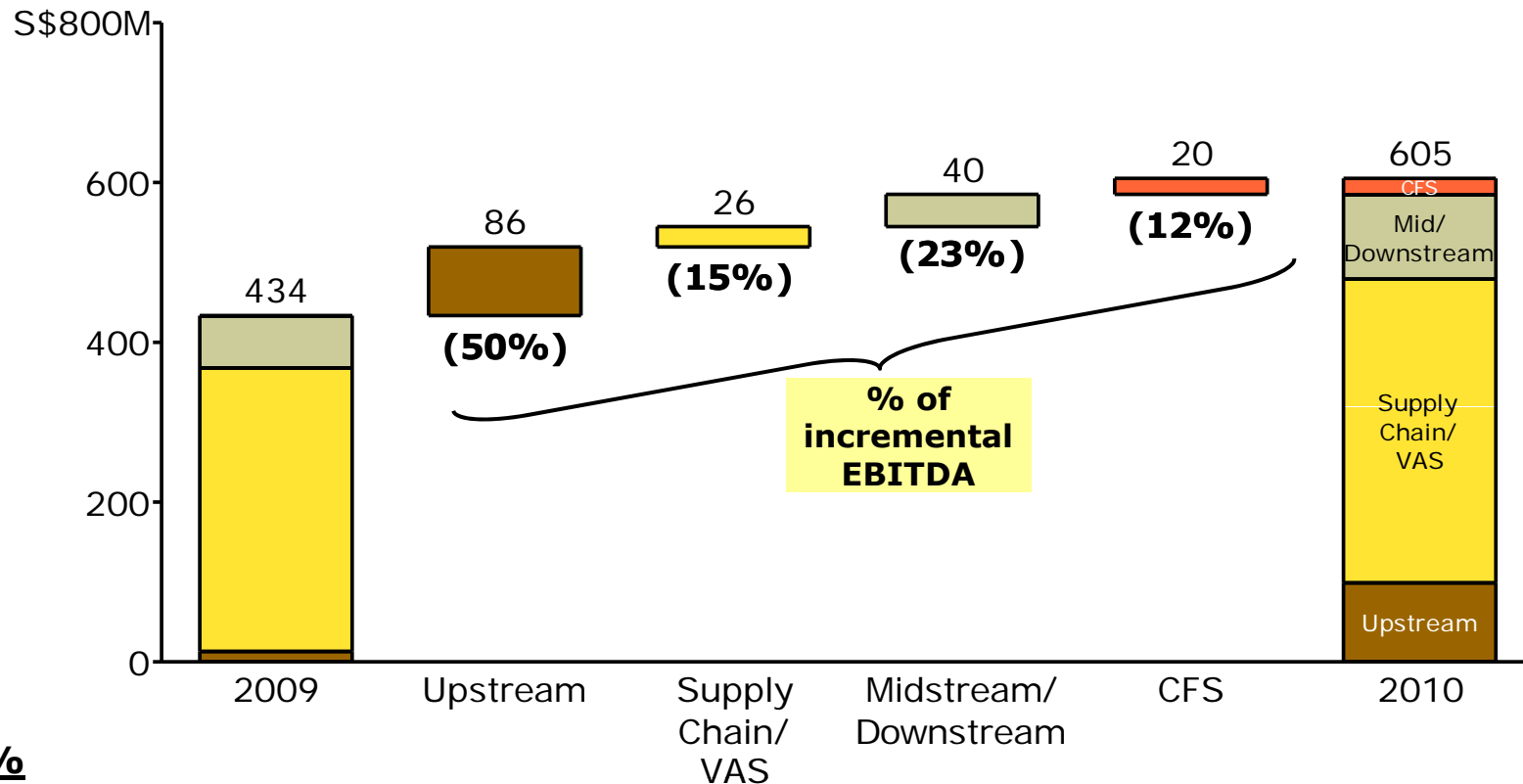
Net Contribution %

Up/Mid/Downstream	17.7%	20.6%
Supply chain/VAS	6.0%	6.6%
Total	7.1%	8.6%

EBITDA uplift this year driven by improvements across all value chain segments

Olam EBITDA (S\$ M)

CAGR
(09-10)



40%

EBITDA %

Up/Mid/Downstream 10.1%

15.8%

Supply chain/VAS 4.5%

4.2%

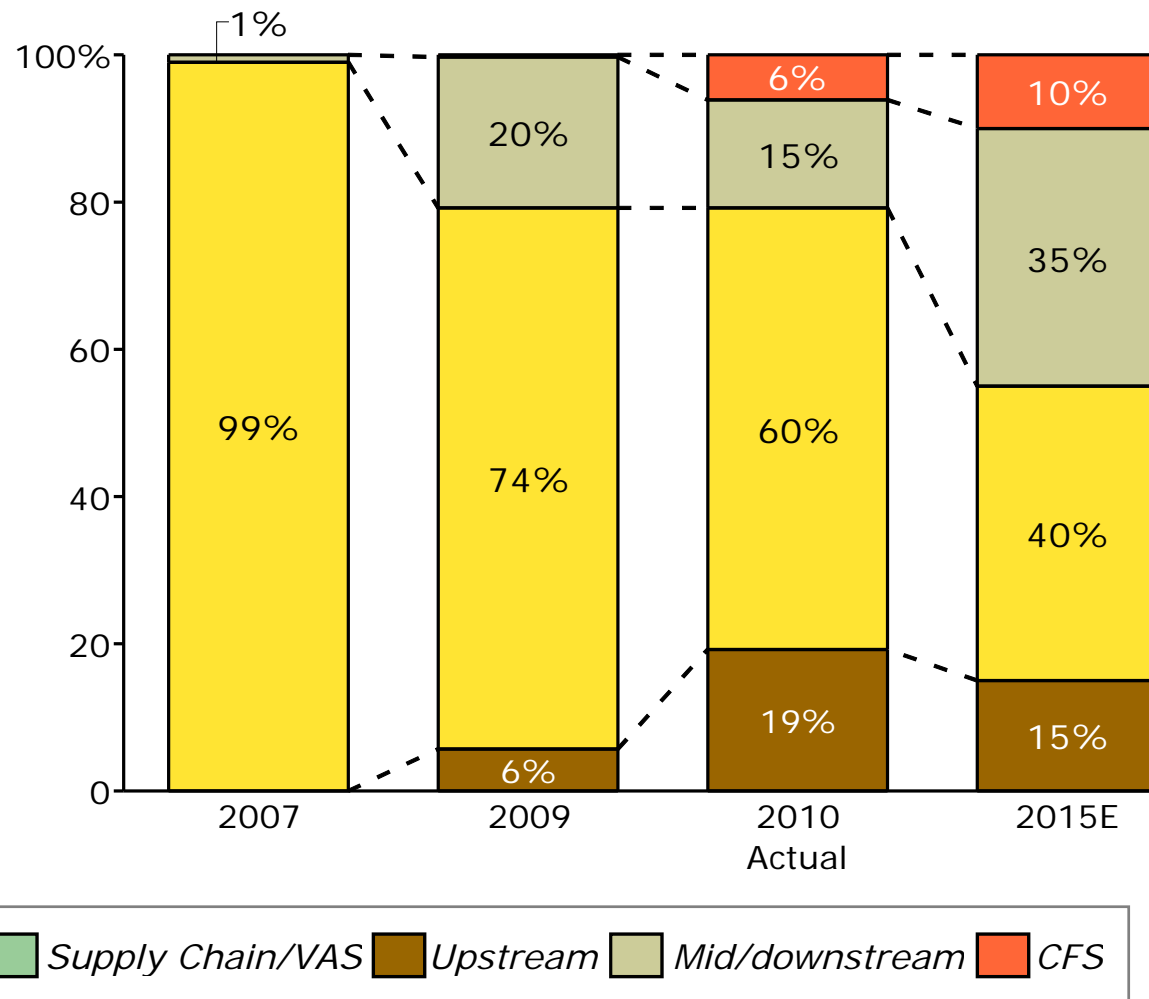
Total

5.0%

5.8%

Significant inroads made in entering more profitable parts of the value chain

Olam PBT breakdown by value chain



Midstream/Downstream

- **Robust FY2010 growth:** NC by 26.3% to S\$156M and EBITDA by 61.8% to S\$106M
- **19 mid/downstream initiatives** executed in FY2010, of which 14 are contributing and 5 are still in gestation
- **Strong contributors include** Tomato Paste Mfg in USA (**SK Foods**), Peanuts Ingredients Mfg in USA (**Universal Blanchers**) and Sugar refining in Indonesia (**PT DUS**)

Supply Chain/VAS

- **Revenues grew** by 17.3%, NC by 29.6% and NC per ton by 19.1% in FY2010
- **Cotton, cocoa, coffee, edible nuts, spices & dehydrates, rice, sugar, grains and sesame** have all contributed to strong supply chain performance

Upstream

- **Very strong FY2010 growth:** NC & EBITDA increased to S\$110M (648%) and S\$99M (652%) respectively
- **9 upstream initiatives executed in FY2010**, of which **7 are contributing** and 2 are still in gestation
- Key contributors include Almonds Orchards in Australia (**TimberCorp**) and **Nauvu**

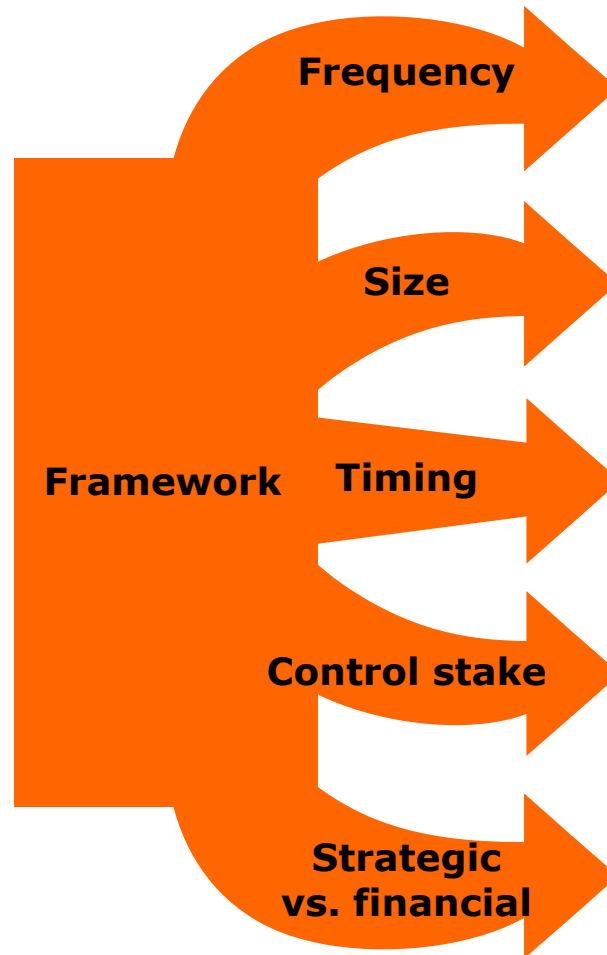
Agenda

- Olam 2009 Corporate Strategy: Recap
- Executing our strategy: Status update
- Executing our strategy: Outcomes & Results - Yr 1
- M&A: Accelerating profitable growth

In 2007 we embarked on our **M&A growth plan** with **clear objectives & guidelines**

Objectives

- Build **leadership position** in an existing business
- Expand into **related new product adjacency**
- Expand into **value chain adjacency**
- Overcoming **entry barriers** in a **new geography**
- Acquire **new capabilities** and **competencies**
- Take advantage of **"favorably priced"** targets with high **business overlap** with Olam



Guidelines

- We will seek to build our M&A expertise over a multi-year period through a series of small deals ("string of pearls" approach)
- Sweet spot deals: 5%-10% of market cap
- Max deal size: 10% of market cap
- Max deal value per annum.: 15% of our market cap
- We will make acquisitions throughout economic cycles and not try to time the market
- We will seek to do deals where it is possible to acquire a controlling stake or management control
- We will not enter into deals purely based on "P/E arbitrage" opportunities as the prime driver of the transaction

M&A was envisaged as a tool to aid strategy & not a strategy in itself

Rigorous M&A approach to ensure strategic alignment and value accretion

Corporate Strategy

M&A Strategy

Target screening process

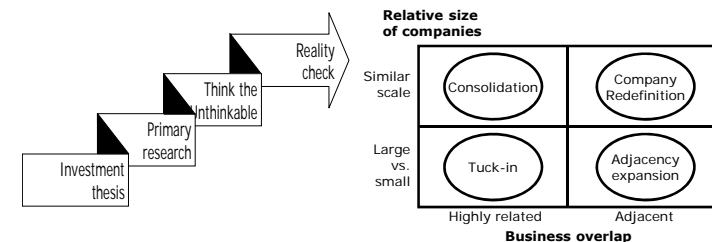
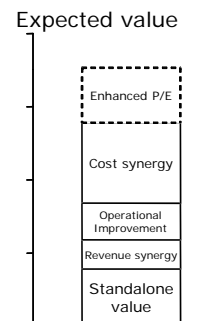
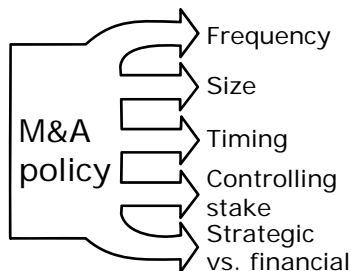
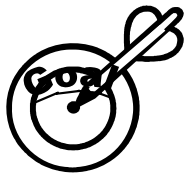
Investment thesis

Commercial due diligence

Post merger integration

Olam core M&A deal team in place with 'end-to-end' responsibility

- Growth vision:
 - 2X share- holder value every 3 years
 - To be top 2 player in major products by 2011
- 4 strategy pillars:
 - Scale up core biz
 - Reduce cost in existing supply chain
 - Expand into value chain adjacencies
 - Enter attractive related adjacent products
- 5 M&A guidelines:
 - At least 1 deal per year
 - Spend <15% of market cap per acq.
 - Make deals regardless of economic cycle
 - Pursue deals with controlling stake whenever possible
 - Consider deals w/ a strong strategic rationale
- Deal generation from list of ideas, including
 - Competition
 - Advisors
 - Board
 - Etc.
- Long list of targets to be screened for:
 - High level financials
 - Initial strategic fit
 - Etc.
- A detailed investment that clearly articulates
 - Business fit
 - Strategic importance
 - Valuation (standalone & synergies)
 - Deal complexity
 - Key risks & potential integration issues
- Synergy valuation must be realistic and probability adjusted
- Analysis to drive investment decision
 - Industry
 - Competition
 - Strength & stability
 - Business plan
- 4 imperatives to follow
 - Independent thesis
 - Primary research
 - Consider down side
 - Reality check
- Integration guidelines:
 - Plan early
 - Integrate quickly where matters
 - Prioritise culture
 - Maintain firepower in core biz
- 4 major deal types:
 - Consolidation
 - Tuck-in
 - Company redefinition
 - Adjacency expansion



Significant acquisitions and investments made across the value chain

		FY2007	FY2008	FY2009	FY2010
Foods	Edible Nuts, Spices & Beans	Universal Blanchers, LLC.	Kfi	De Francesco IMC	OTP (Formerly SK Foods) Timbercorp Gilroy Foods *
	Confectionery & Beverage Ingredients		Naarden Agro Products BV	OpenCountry	
	Food Staples & Packaged Foods		PT DUS SIFCA	PureCircle GSIL Sugar Mill	Crown Flour Mills NZ Farming Systems URUGUAY
Industrials	Industrial Raw Materials		Queensland Cotton SECO		

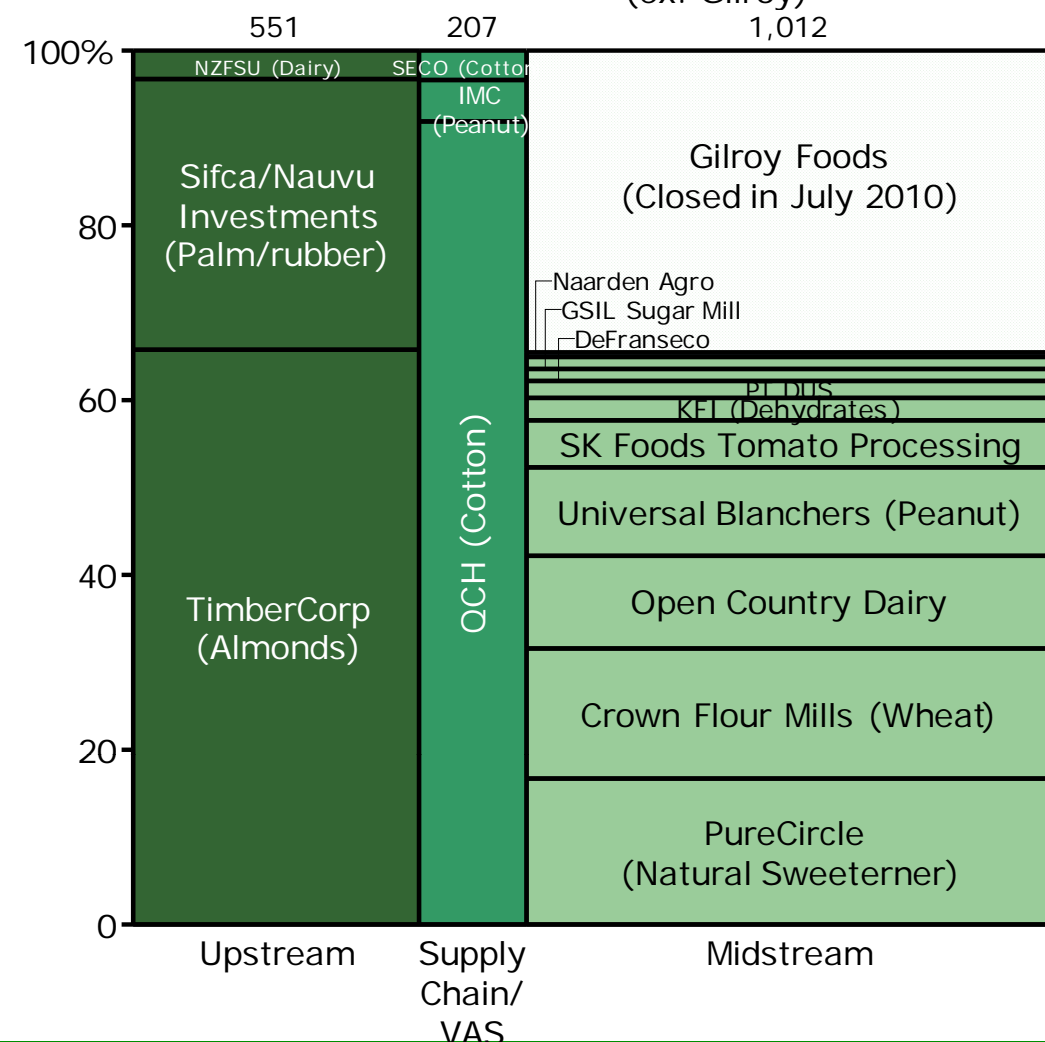
3 Supply Chain/VAS
 3 Upstream
 11 Midstream
 4 Equity stake investments

Strong acquisitions & investments track record: on strategy and delivering healthy returns

Olam acquisitions and investments
2007-2010 (S\$ M)

Total = S\$ 1,771M

Total
(ex. Gilroy) = S\$ 1,422M
1,012



- **17 deals** completed
- **~S\$1.4B*** in total **investments**
- **~S\$280M* Net Contribution accretion** achieved in FY2010
- **25% ROE** on acquisitions
- **14% ROIC** on acquisitions

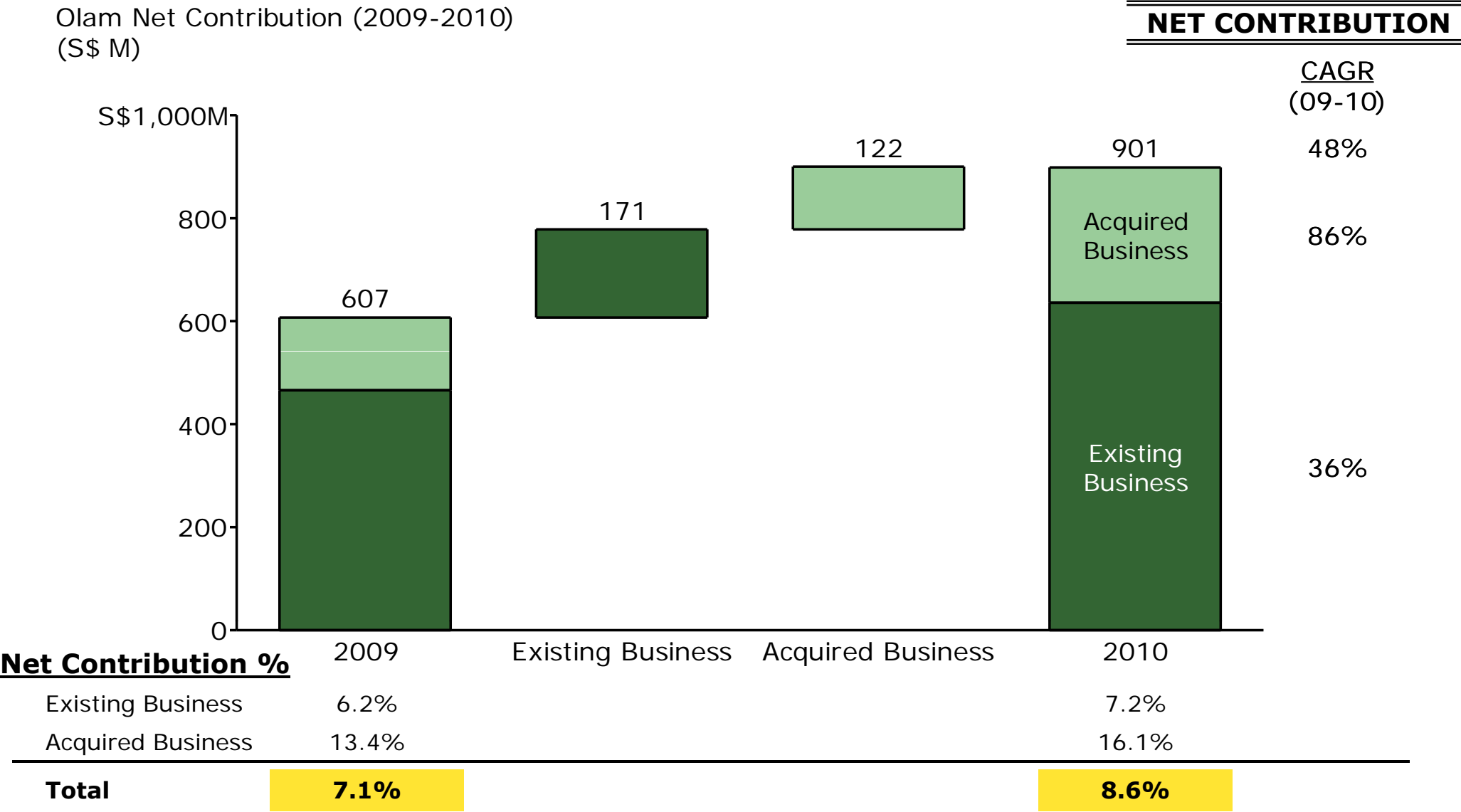
Note: *Excludes Gilroy Foods
(Acquisition completed in July 2010)

Contribution from Acquisitions

(in S\$ million)	FY2010	FY2009
Volume (Metric Tons)	7,006,478	5,720,640
Sales	10,455.0	8,587.9
NC	901.0	607.2
NC Margin %	8.6%	7.1%
EBITDA	607.3	430.3
EBITDA Margin %	5.8%	5.0%

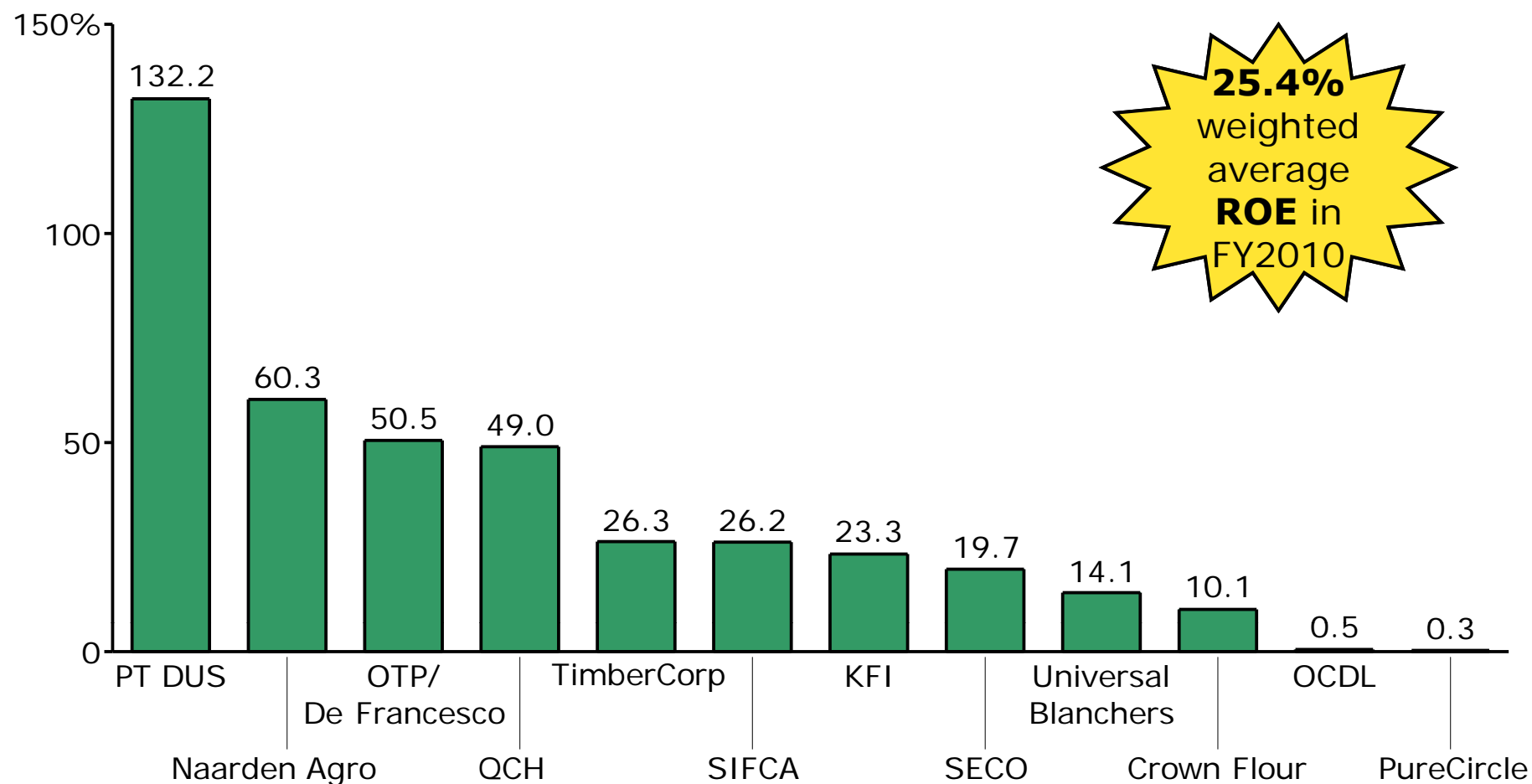
	FY2010		FY2009		% Increase	
(in S\$ million)	Existing Businesses	Acquired Businesses	Existing Businesses	Acquired Businesses	Existing Businesses	Acquired Businesses
Volume (Metric Tons)	5,676.9	1,329.6	4,784.4	936.2	18.7%	42.0%
Sales	8,820.7	1,634.3	7,529.4	1,058.5	17.2%	54.4%
NC	638.3	262.7	465.8	141.4	37.0%	85.7%
NC Share %	70.8%	29.2%	76.7%	23.3%		
NC Margin %	7.2%	16.1%	6.2%	13.4%		
EBITDA	400.8	206.5	376.6	53.7	6.4%	284.8%
EBITDA Share %	66.0%	34.0%	87.5%	12.5%		
EBITDA Margin %	4.5%	12.6%	5.0%	5.1%		

M&A has augmented organic growth and improved our overall profitability



14 out of 17 deals are tracking above investment theses; steady state returns expected to be higher

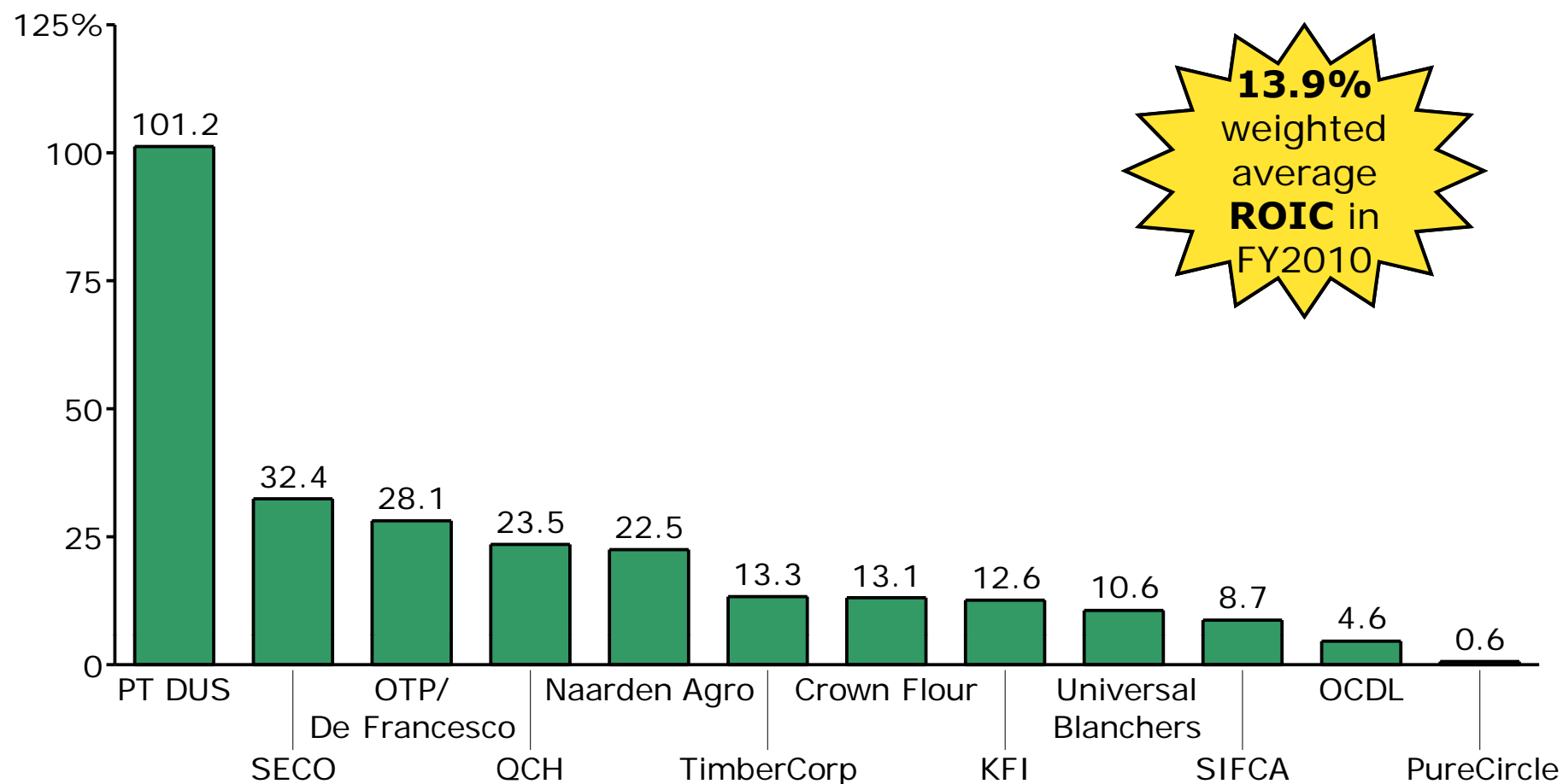
Olam Acquisitions Performance (FY10)
Return on Equity (ROE)



Note: Excluded deals – GSIL (insignificant), IMC (tbd), NZFS (held for trade) and Gilroy Foods (completed post June 2010)

14 out of 17 deals are tracking above investment theses; steady state returns expected to be higher

Olam Acquisitions Performance (FY10)
Return on Invested Capital (ROIC)



Note: Excluded deals – GSIL (insignificant), IMC (tbd), NZFS (held for trade) and Gilroy Foods (completed post June 2010)

Most of our **acquisitions/investments** are **in line with expectations** (1/2)

SELECTED DEALS

● Strong ○ Weak

Investment	Investment amount (S\$ M)	Stake %	Value chain	Earnings accretion	Management retention	Platform for growth	Value unlocked
TimberCorp	363	100	Upstream	●	● (Continuing mgmt agreement w/ Select Harvest)	● (accelerated US almonds)	●
SIFCA (Nauvu Investment)	171	50	Upstream	◐	N/A	◐	◐
NZFSU	18	18.45	Upstream	○	N/A	◐	N/A
QCH	191	100	Supply Chain/VAS	●	◐	●	●
SECO	7	100	Supply Chain/VAS	◐	N/A	●	◐
Gilroy Foods	350	100	Midstream	Transaction completed post June 2010			
PureCircle	169	20	Midstream	◐	N/A	◐	N/A

Most of our **acquisitions/investments** are **in line with expectations** (2/2)

SELECTED DEALS

● Strong ● Weak

Investment	Investment amount (S\$ M)	Stake %	Value chain	Earnings accretion	Management retention	Platform for growth	Value unlocked
Crown Flour Mills	151	99.5	Midstream	●	●	●	●
Open Country Dairy	108	24.99	Midstream	● (40% of volume goes through Olam)	N/A	●	●
Universal Blanchers	102	100	Midstream	●	●	●	●
SK Foods	55	100	Midstream	●	●	●	●
KFI	26	100	Midstream	●	●	●	●
PT DUS	20	100	Midstream	●	●	●	●
De Francesco	14	100	Midstream	●	●	●	●

M&A has and will continue to play an **important role** as we pursue **profitable growth**

M&A an aid to execute strategy

- M&A has helped **overcome industry barriers** to enable entry in attractive markets
- It has also enabled us leapfrog competition to **secure leadership position** and attain **superior profitability**
- **Selective M&A** will **continue** to be pursued by BUs, as **an aid to execute** their growth strategy

Right 'parent' capabilities

- Our track-record & experience since 2007 has helped us **benefit** from **asset price dislocations** from the recent market uncertainties
- At the same time, we have achieved **significant success** at **unlocking value** from our acquisitions
- **Revived growth** ambitions and successful expansion into '**white space**' opportunities

Strong execution capabilities

- Experience and enhanced ability in **due-diligence and integration**
- Strong expertise and rigor in **identifying** and **mitigating execution risks**

Assessment of two M&A transactions



QCH example: A sound investment thesis underpinned the QCH acquisition



QCH Profile

- Australia's largest cotton company with volume of **250K tons** per annum
- **Key activities** include:
 - Sourcing and origination
 - Ginning of seed cotton
 - Marketing and warehousing of cotton
 - Farmer input services
- **Strong origin presence** in new to Olam origins: **Australia, US** and **Brazil**
- **Strong market presence** in Japan, Korea, China and Indonesia

Investment facts

Investment details:

Date

June 2007

Final price

S\$216M

Ownership

100% ownership

Investment Rationale:

- Access to key origin countries (**Australia, US, Brazil**)
- QCH's presence in **premium** cotton segment **complements** Olam's portfolio
- **Industry consolidation likely**; significant **benefits from scale**

QCH example: Value from **QCH** and **Olam** created **significant synergies** for the **combined entity**

QCH to Olam

- **Access** to key cotton origins USA, Brazil and Australia
- **Access** to long staple, premium, high grade cottons
- Strong **ginning and farmer mgt capability**
- Access to **adjacent businesses**
 - De Francesco, OTP, Gilroy Foods in US & Almonds, Grains and Wool in Australia
- Experienced **management team**

Olam to QCH

- Embed '**stretch growth ambitions**' and **strong performance management systems**
- Access to **capital to fund aggressive growth** in US and Brazil and **tap adjacent opportunities**
- Focus on **cost management**
- Enhanced **risk management** systems and practices
- **Stronger distribution network** in key markets e.g. China, Bangladesh

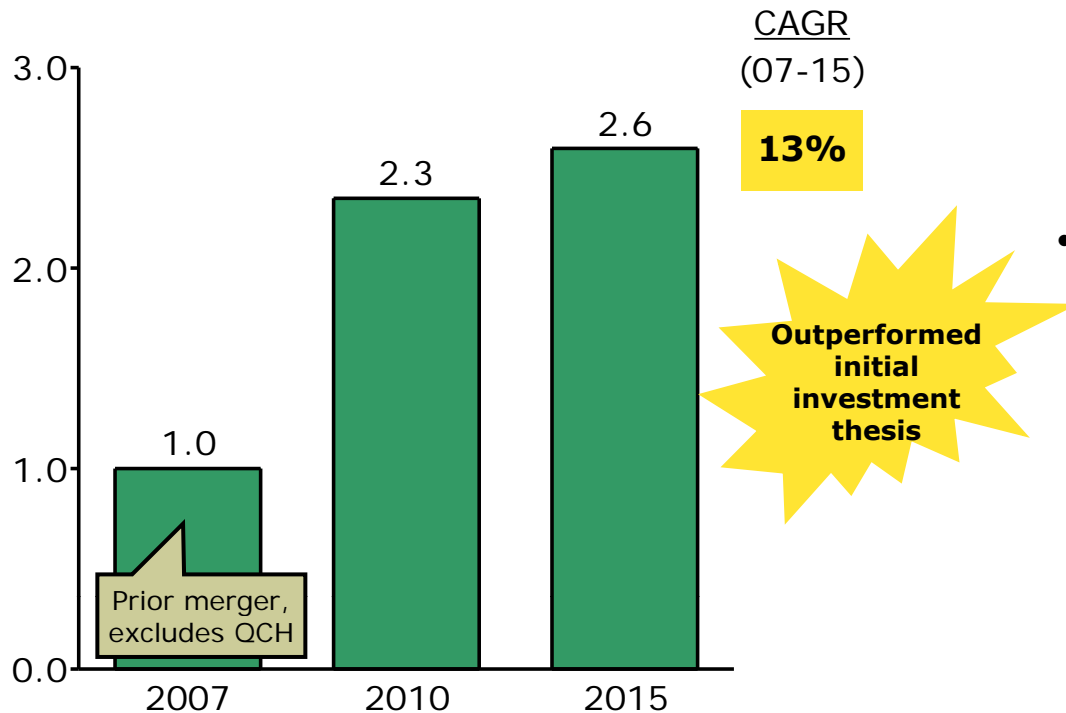
Power of combined entity

- Olam (ranked 5) & QCH (ranked 10) combined to **become No.2 cotton player**
- **Cost benefits** from increased scale
- **Diversified & resilient** cotton portfolio, **profitable** even during the worst drought in Australia history
- Improved access to **proprietary market intelligence** in cotton market due to presence in **all key Origins & Destinations**
- **Ability to capture** adjacent agri-business opportunities

With **successful integration**, Olam Cotton volume has achieved **growth significantly above market**

Significant growth for Cotton unit after acquisition...

Olam Cotton production
Volume (indexed, 2007=1)



... as a result of the successful integration

- **Key functions fully centralised** in Singapore
 - Marketing
 - Risk Management
 - O&D analyses
- QCH **well integrated** with rest of Olam business
 - **High** employee engagement scores
 - **95% of top 20** QCH managers retained
 - **QCH CEO** part of **Olam ExCo** and has regional responsibility for ANZ
 - **QCH manager** is now head of **Olam's almond business**

KFI example: Attractive target for Olam to enter the **Dehydrates** business



KFI overview

- One of the **largest processors** of dehydrated garlic in China with **superior** processing technology
- Pioneer in **enabling acceptance** of Chinese dehydrated garlic ingredients in the US
- **Strong origin presence** in **China**, the largest garlic producing country
- **Strong destination presence** in **US, Europe** and **Australia**

Investment breakdown

Investment details:

Date

October 2007

Final price

S\$25.2M

Ownership

100% ownership

Investment Rationale:

- **Accelerated entry** into a new product **adjacency: Dehydrates**
- Provide Olam with **accelerated** access into new value chain adjacency – **dehydrates ingredient manufacturing**
- Enlarged portfolio for new untapped **food service market** segment
- **Cross sell opportunities** for Olam to **sell** KFI's products to its markets and vice versa

KFI example: Strong strategic and business fit with Olam's Spices & Dehydrates business

KFI to Olam

- **Redefinition** of BU scope **with entry into de-hydrates/ingredients** (Olam previously a whole spices supplier)
- **Access to key customers & significant market share gain** in the US, the largest spices and dehydrate market
- **Processing** expertise in **garlic dehydrates** that can be applied to other dehydrates
 - (e.g. onion and capsicum dehydrates)
- **Valuable industry experience** and deep **industry relationships**
- Introduced **De Francesco** opportunity

Olam to KFI

- **Capital** to fuel domestic and international **expansion**
- **Cross sell** KFI products to markets and customers in Olam's existing portfolio
 - (e.g. significant customer sharing for garlic, onions and tomatoes dehydrates)
- **Supply chain management** capabilities in Olam's existing origins and destinations
- **Resources sharing** in port logistics & overheads
- Took over **KFI management** in **Qingdao** and combined with **existing Peanut structure**

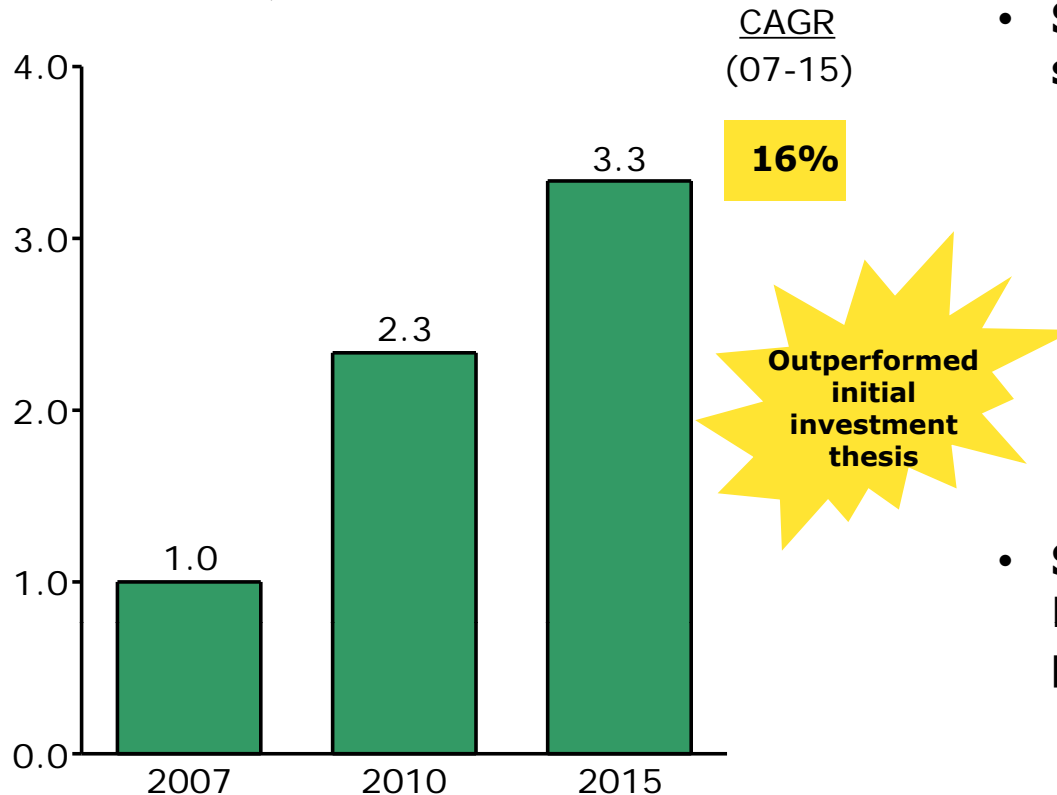
Power of combined entity

- **Expansion** into a variety of new product categories
 - (e.g. **dehydrated onions** and **capsicum**)
- **Strengthened product offering** to better meet customer demand
- **Increased cross-selling opportunity**, further gain in share of wallet
- **Strong platform** for organic and inorganic expansion
 - (e.g. De Francesco, Gilroy Foods & PFB)

KFI example: Significant **profit growth** expected through **successful integration** with Olam

Strong growth in profitability after acquisition...

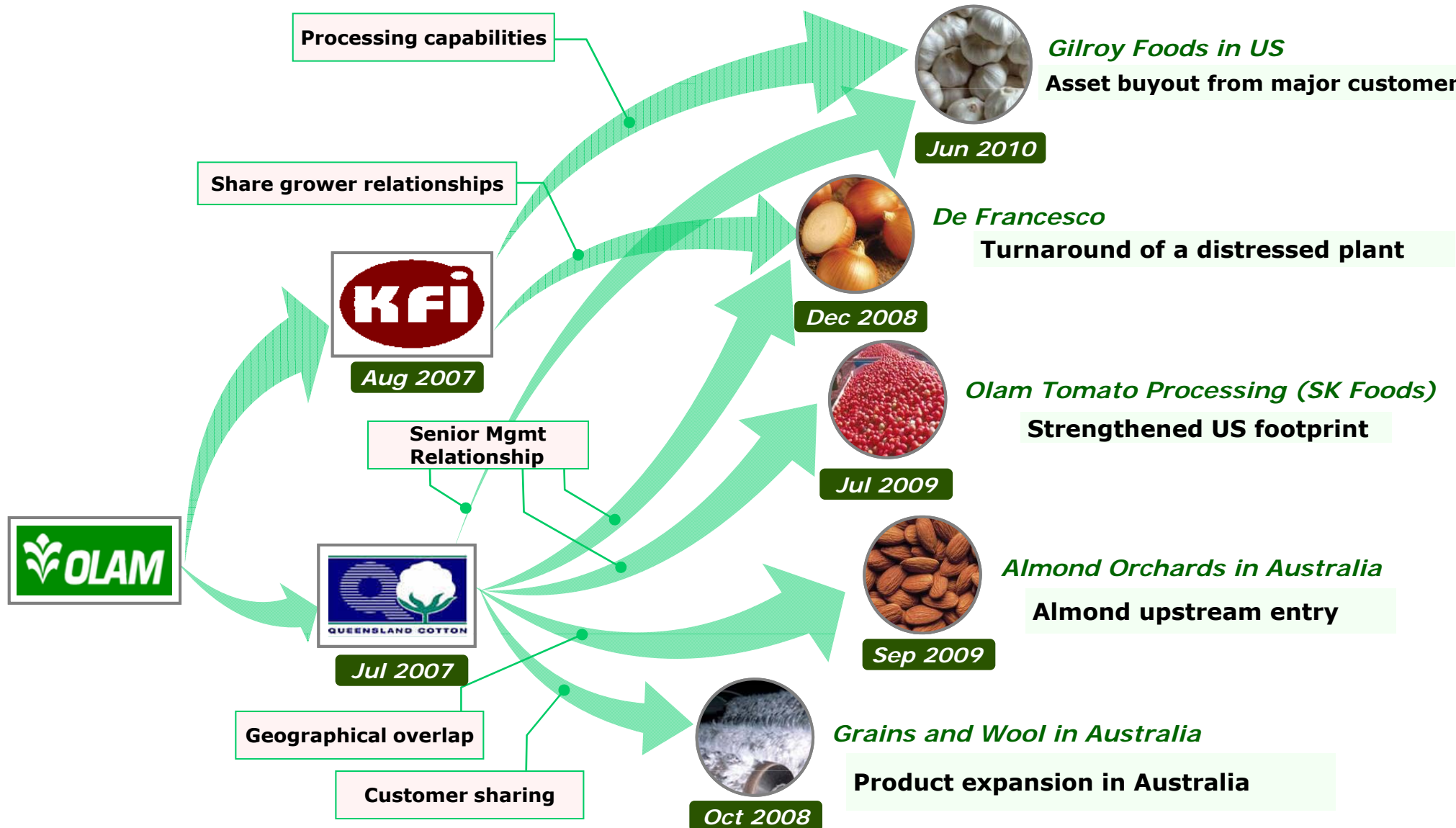
EBT Garlic Dehydrates
(Indexed, 2007=1)



... as asset is being successfully integrated

- **Key marketing capabilities** fully integrated into Olam
- **Smooth and systematic** integration of **senior management** from both sides
 - *Dave Watkins*, (KFI) President with strong industry expertise now leading US onions Spices & Dehydrates
 - *Anthony Cummins* (KFI) focused on client relationships and future strategies/M&A
 - *Vinayak* (Olam) grew customer relationships from KFI
 - *Nitin Bansal* (Olam) took over China plant operation
- **Successful acquisition & integration** of De Francesco to further expand Olam's portfolio
 - Anthony Cummins' deep industry knowledge and networks extremely valuable in successful integration of the asset
- **KFI President** part of **Olam ManCom**

Pivotal acquisitions of QCH and KFI have helped create a substantial earnings platform



Executive summary (1 of 2)

Olam 2009 Corporate Strategy: Recap

- In **2009**, we announced our **6-year Corporate Strategy** (FY2010-15) with a goal to **double our net profit margins** and increase **Intrinsic Value** by **3-4X**
- We decided to **enhance our portfolio** by **selectively** integrating into **higher margin value chain segments** upstream (farming/plantations) and midstream/downstream (value added processing)
- **Focused** on a **single commodity asset class** (agri complex), we are developing a **well-diversified, uniquely shaped portfolio**

Executing our strategy: Status update

- **Strong progress** has been made along the **five strategic thrusts** identified to drive our **growth choices** and **portfolio shape**, e.g.
 - ① Plantations and value added processing investments in **Edible Nuts & Coffee**
 - ② **Cocoa** processing in West Africa; acquisitions in **Spices & Dehydrates**
 - ③ Leadership in key **Cotton** origins (AU/US/Brazil) following QCH integration
 - ④ Established **Commodity Financial Services** business and expanding **Packaged Foods** portfolio
 - ⑤ Exited **Pulses** business, **Angola** and **Madagascar** origins, and underperforming **profit centres**
- We have also **established** and **acquired** strong **capabilities** to execute on our strategic thrusts in **M&A Effectiveness**, **Execution Excellence**, **Capital Efficacy** and in **People and Values**

Executive summary (2 of 2)

Executing our strategy: Outcomes & Results – Yr 1

M&A: Accelerating profitable growth

- **All initiatives are on strategy**; ~80% of initiatives identified in the 2009 Corporate Plan are either **executed** or on track
- Early **results** have **exceeded expectations** with a **strong trajectory** towards achieving 2015 targets
 - **29% ROE** achieved and **22% EPS growth** in 2010
 - Strong **increase** in **operating** and **after tax margins** (~50 bps)
- **EBITDA uplift** this year to 5.8% from 5.0% in 2009 driven by **improvements across all value chain segments**
- In 2007, we embarked on our **M&A growth plan** with **clear objectives** and **guidelines**, and a **rigorous M&A approach** to ensure **strategic alignment** and **value accretion**
- We have maintained a strong **acquisitions and investments track record** with significant activity **across the value chain**:
 - Deals have been **on strategy** and contributed to **organic growth enhancement** and **improved profitability**
 - Delivered **healthy returns**: **14** out of **17** deals tracking above **investment theses**; steady state returns expected to be higher
 - Acquisitions have **contributed 29% of NC** and **34% of EBITDA** in 2010
- **M&A** has and will continue to play an **important role** in our pursuit for long term **profitable growth**

Thank You

