

Rebalancing Profitable Growth and Cash Flow

Full Year FY2013 Results Briefing 29 August 2013
Singapore

Notice

This presentation should be read in conjunction with Olam International Limited's Fourth Quarter and Full Year (FY2013) Financial Results statement for the period ended 30 June 2013 lodged on SGXNET on 29 August 2013.



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 FY2013 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.

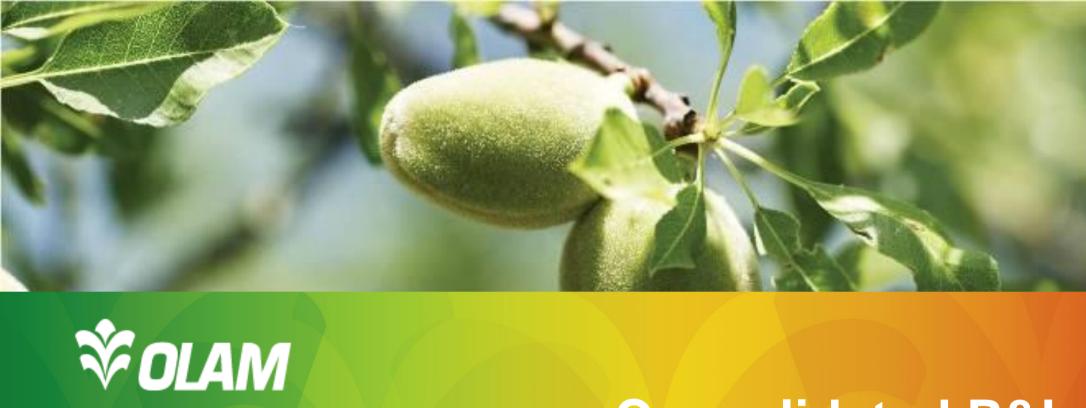


FY2013 Results Briefing: Agenda

Full Year FY2013 Results

- Consolidated P&L
- Segmental Analysis
- Balance Sheet Analysis







Consolidated P&L



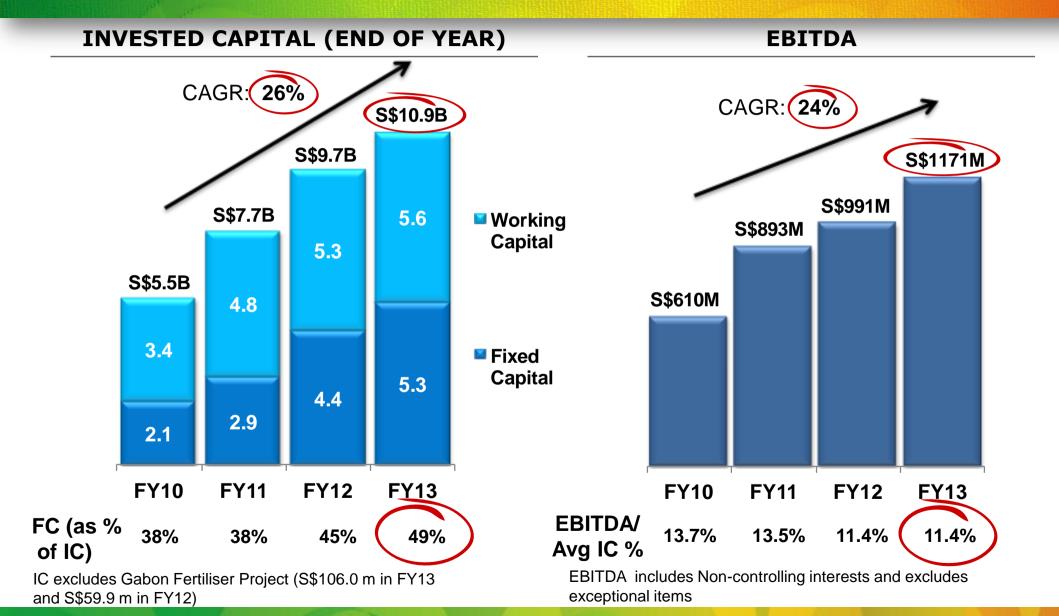
P&L Summary

(in S\$ million)	FY2013	FY2012	% Change
Sales Volume (MMT)	15.953	10.675	49.5
Sales Value	20,801.8	17,093.8	21.7
Net Contribution (NC)	1,615.8	1,381.8	16.9
EBITDA	1,170.8	990.7	18.2
Profit before Tax	496.7	437.9	13.4
(-) Tax	105.1	34.1	208.4
Profit for the Period	391.5	403.8	(3.0)
(-) Minority Interest	28.9	32.9	(12.2)
Profit After Tax and Minority Interest (PATMI)	362.6	370.9	(2.2)
(-) Net Exceptional Items	14.0	15.4	n.m.
Operational Profit for the Period	348.6	355.5	(2.0)





FY 2013: Strong EBITDA growth with moderate growth in IC





Segmental EBITDA & IC

Edible Nuts, Spices & Beans



1.3

FY11

0.9

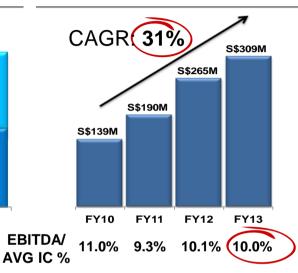
FY10

1.6

FY12

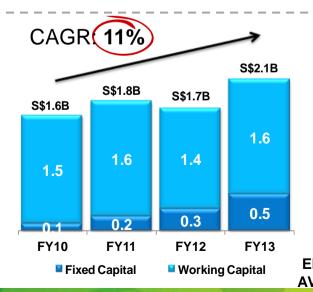
INVESTED CAPITAL

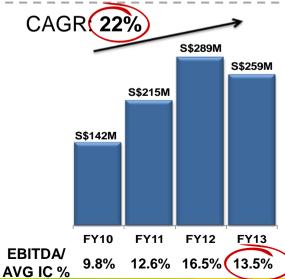




- Strong earnings growth as investments in Almonds, Hazelnuts and Dehydrated Veg deliver
- Some drag from
 Tomato processing
 and upstream
 Peanuts in FY 2013

Confectionery & Beverage Ingredients





- Investments in upstream coffee plantations and midstream soluble coffee & cocoa processing yet to vield
- EBITDA margins normalize in FY13
- Continuing low prices

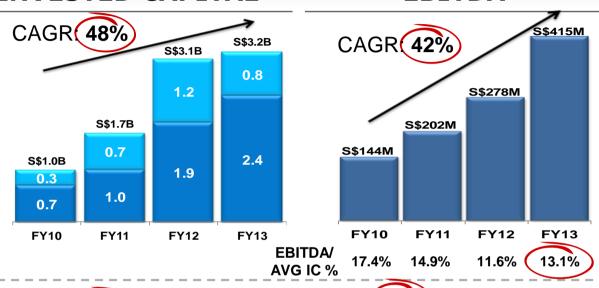
1.7

FY13

Segmental EBITDA & IC

INVESTED CAPITAL

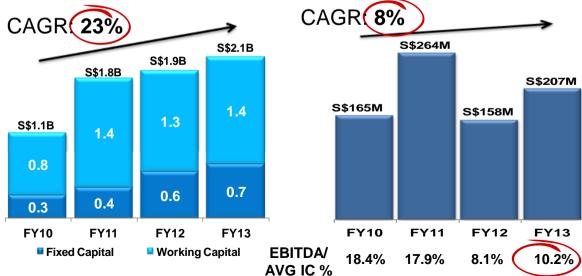
Food Staples & Packaged Foods



EBITDA

- Strong performance from Sugar refining, Rice, Wheat Milling
- Sizable investments in Dairy, Palm and Packaged Food not yet contributing fully
- Some recovery in cotton volumes, but margins under pressure
- SEZ continues to deliver
- Good start to Rubber and Fertilizer trading
- Wood products BU restructured





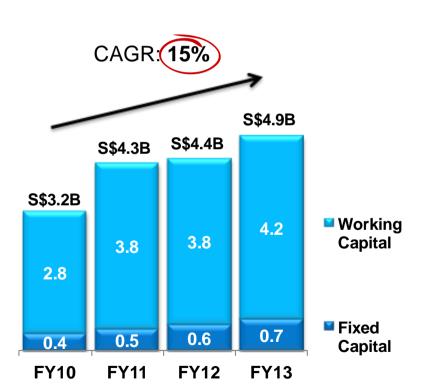


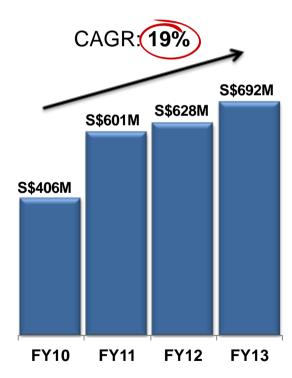
Value Chain EBITDA & IC

Supply Chain

INVESTED CAPITAL (END OF YEAR)

EBITDA





 Strong EBITDA growth with stable returns

Low market prices contributed to lower average IC in FY 12 and FY 13

EBITDA/ AVG IC %

13.6% 16.0% 14.4% 14.9%

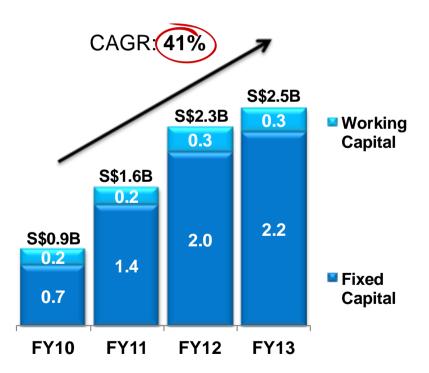


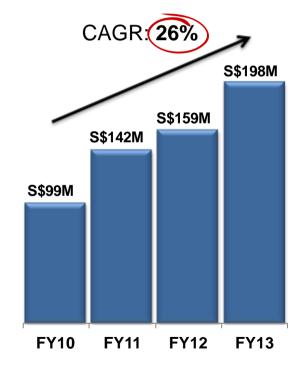
Value Chain EBITDA & IC

Upstream

INVESTED CAPITAL (END OF YEAR)

EBITDA





EBITDA/ AVG IC %

16.9% 11.1% 8.0% 8.3%

- Significant
 investments in
 Coffee, Dairy, Palm
 and Rubber
- Gestating
 Investments Palm,
 Rubber are not yielding at all; Coffee partially yielding and Almond Plantations are near maturity
- Underperformance

 in Dairy (Uruguay & Russia)
 and
 Argentina Peanuts
 in FY2013
- SIFCA while profitable was below previous years

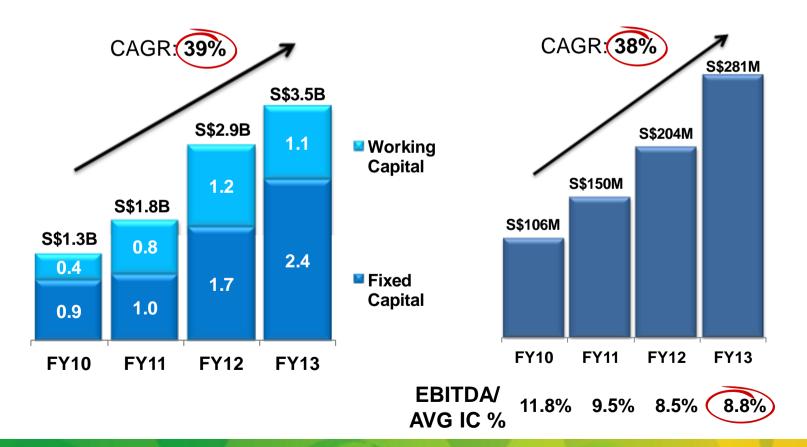


Value Chain EBITDA & IC

Mid/Downstream



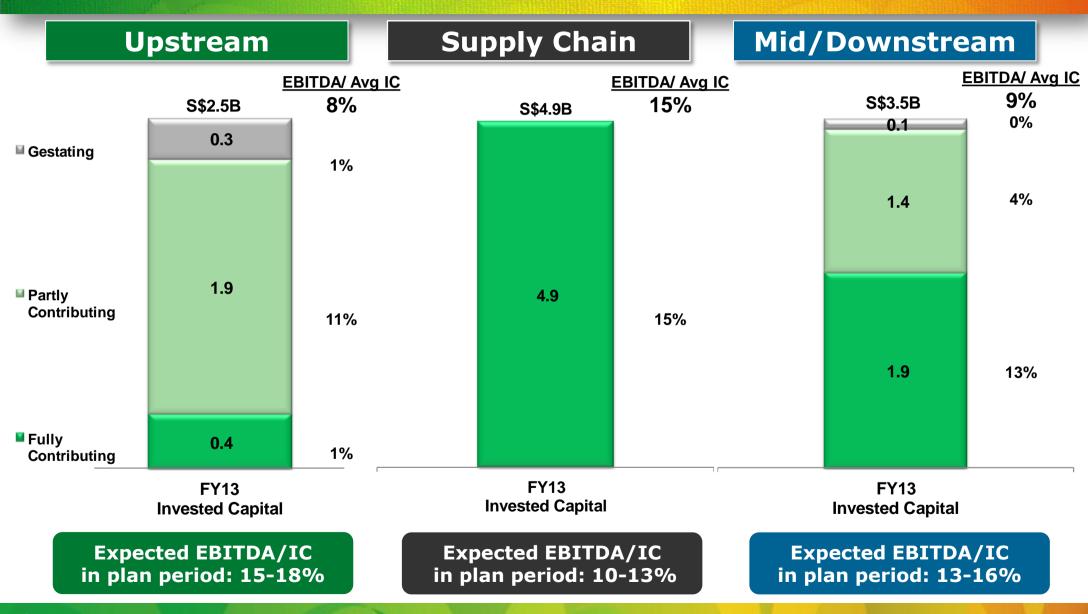
EBITDA



- Strong performance from midstream investments in E Nuts, SVI, Wheat milling, SEZ, Sugar refinery (Indo) etc.
- Partially yielding Investments in Dairy, PFB, Palm, Soluble Coffee etc,
- Underperforming assets – OTP, Gabon timber, and Sugar milling (India).
- PureCircle still not contributing to earnings
- New investments Grains, Cocoa



Significant upside potential from Upstream & Mid/Downstream as the assets start yielding fully





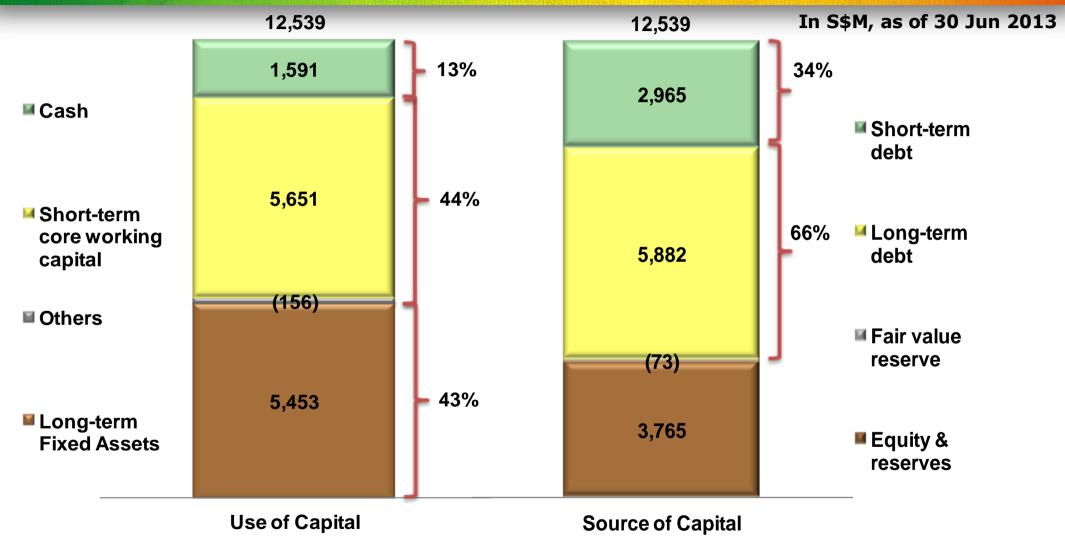




Balance Sheet Analysis



Balance Sheet Summary: Strong and resilient Balance Sheet



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



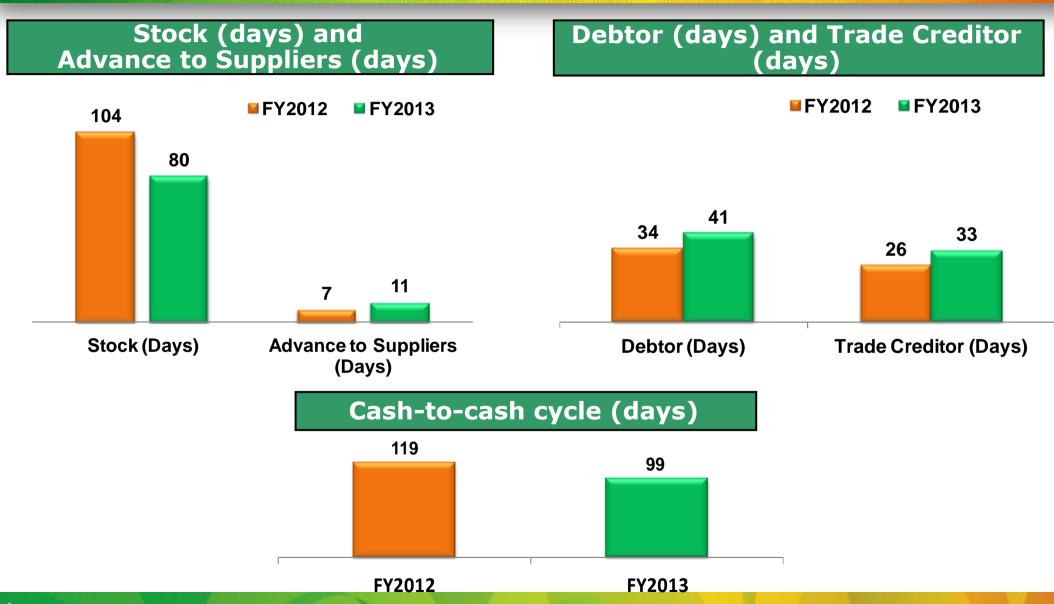
Segmental Fixed Capital

(in S\$ million)	FY2013	FY2012	Significant investments
Edible Nuts, Spices & Beans	1,731	1,588	Dehydro foods (Egypt), Almond processing (Australia)
Confectionery & Beverage Ingredients	471	286	Seda Solubles (Spain), NCCL (Zambia), Cocoa processing (IVC), Soluble coffee (Vietnam)
Food Staples & Packaged Foods	2,417	1,864	Kayass (W.Africa), Acacia (E.Africa), Palm plantations (Gabon), Palm refinery (Moz), Dairy (Russia & Uruguay), Wheat milling (West Africa)
Industrial Raw Materials*	728	597	Rubber and SEZ (Gabon)
Total	5.346	4.335	



^{*}Excluding Gabon Fertiliser Project

Working Capital Analysis





Inventory Analysis

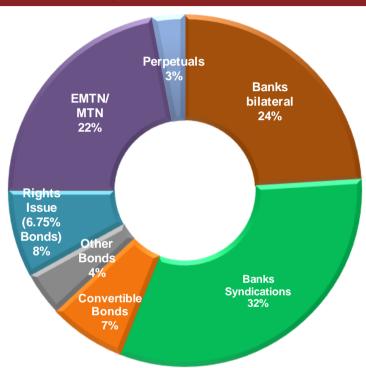
(in S\$ million)	FY2013	FY2012	Inc/ (Dec) vs FY2012
Edible Nuts, Spices & Beans	1,327	1,085	242
Confectionery & Beverage Ingredients	1,145	1,079	66
Food Staples & Packaged Foods	998	1,223	(225)
Industrial Raw Materials	684	1,023	(339)
Total	4,154	4,410	(256)

81.2% of inventories liquid, sold forward or hedged



Well diversified sources of funds

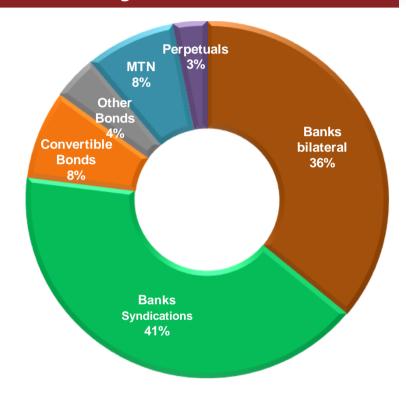
Borrowing Mix as of 30 June 2013



Issuances from 1 July 2012 to 30 June 2013

- 1 year S\$250 million 2.5% fixed rate notes due 2013
- 5 year US\$500 million 5.75% fixed rate notes due 2017
- 7 year S\$350 million 5.80% fixed rate notes due 2019
- 10 year S\$500 million 6.00% fixed rate notes due 2022
- Rights issue of 5 year US\$750 million 6.75% bonds due 2018 at 95% of their principal amount

Borrowing Mix as of 30 June 2012

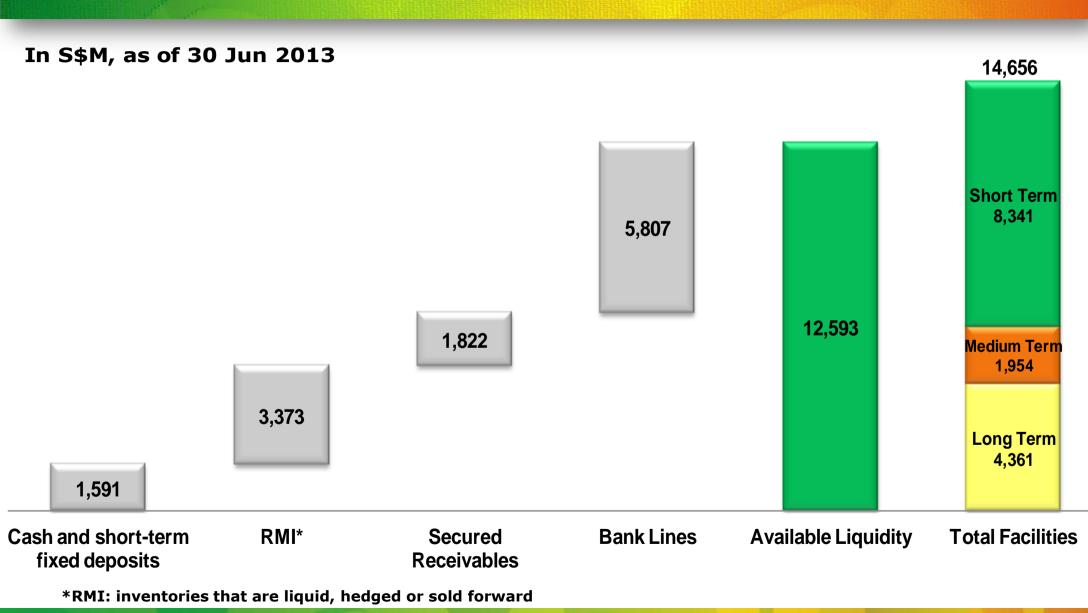


New Issuances post 30 June 2013

- 5 year Term Loan of US\$120 million by IFC
- 3 year Revolving Credit Facility of US\$400 million for Olam Holdings Partnership (USA)

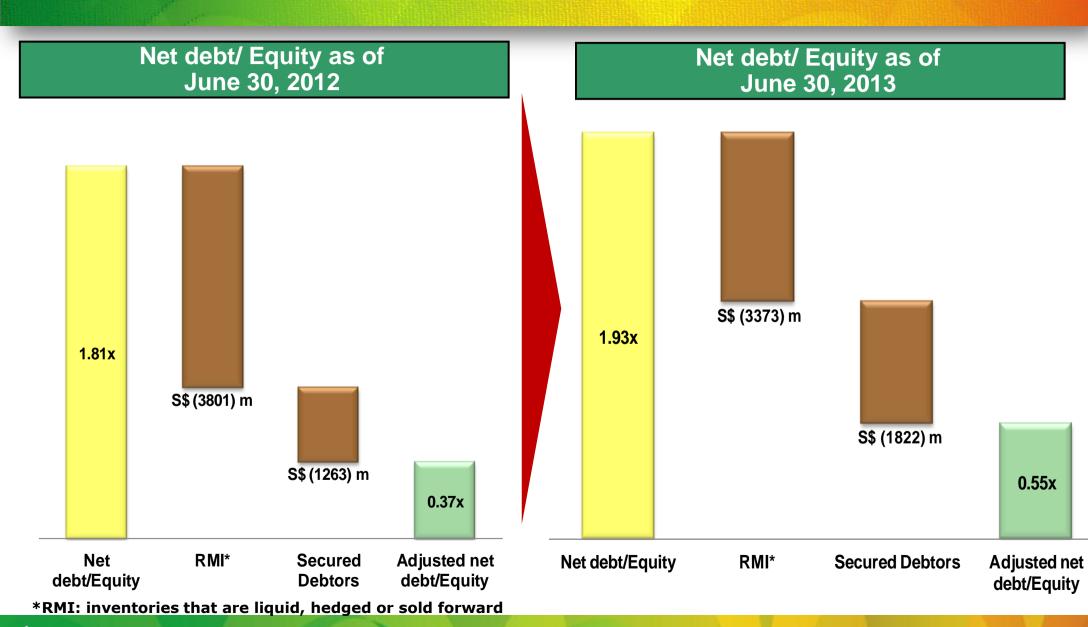


Strong liquidity profile





Adjusted Net Gearing





Improving Operating cash flows

S\$ m

Annual Cash Flow Summary	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Operating Cashflow (before Interest & Tax)	1,074	894	811	461	331
Changes in Working Capital	(339)	(307)	(2,095)	(1,099)	297
Net Operating Cashflow	735	587	(1,284)	(638)	628
Capex/ Investments	(1,051)	(1,248)	(901)	(821)	(544)
Free cashflow (before RMI)	(316)	(661)	(2,185)	(1,459)	84
Adjustment for changes in RMI/ Receivables	131	743	1,359	813	118
Adjusted Free Cashflow (after RMI)	(185)	82	(826)	(646)	202



Recap of our Strategic Review

The Strategy Review had established 4 priorities:

- Accelerate free cash flow generation
- Reduce gearing

- Reduce complexity
- Facilitate
 better understanding of
 Olam business
- ... and <u>6 pathways</u> to realize these 4 priorities:
- Recalibrate pace of investments
- Optimize Balance Sheet
- Pursue opportunities for unlocking Intrinsic Value

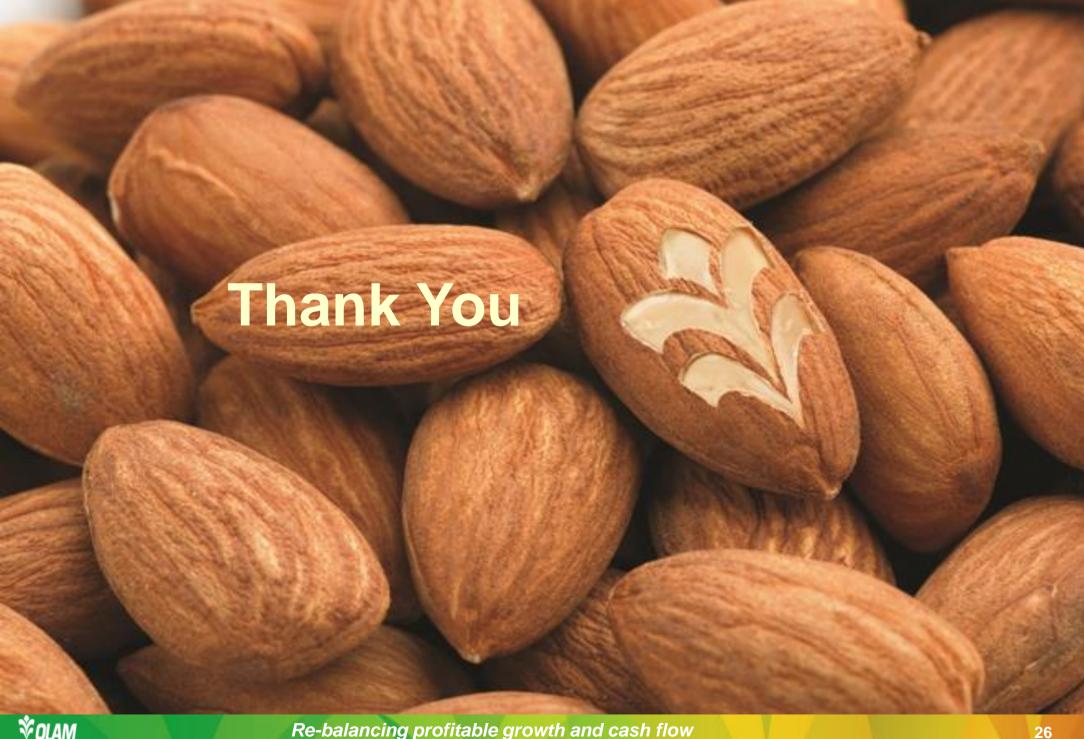
- Optimize shape of portfolio and reduce complexity
- Improve operating efficiencies
- Enhance stakeholder communication



Key Takeaways

- * A transition year, since we are just three months into our strategic plan implementation
- Our results for FY2013 underlines our ability to deliver resilient operating performance across most of our businesses despite the tough market conditions
- Progress being made on the strategic plan priorities and pathways identified
- The balance sheet remains strong with adequate liquidity. Gearing is within targeted levels and our ability to tap both bank loan and debt capital markets appropriately, demonstrates the credit quality and continued support from our lenders and bondholders
- * Enhanced stakeholder communication with the launch of our inaugural Investor day in June with more such events being planned for FY 2014. Continued focus on simplifying our communication and furthering the understanding of our business model.
- Focus remains on execution against our plans, extracting full value from our existing investments, reducing pace of new investments and optimizing our balance sheet to deliver both Profitable Growth and free cash flow generation





FY2013 Results Briefing





FY2013 Results Briefing: Annexure

- Consolidated P&L Analysis
- Segmental Analysis Backup







Consolidated P&L Analysis

Breakdown of Exceptional Items

(in S\$ million)	FY2013	FY2012
Other Income:		
- Gain on sale of assets	36.3	-
- Gain on buyback of NZFSU bonds	6.0	-
- Negative goodwill	-	3.2
Gain/ (loss) on Biological Assets:		
- Non-operational gain on biological assets	3.8	12.8
Other Operating Expenses:		
- Terminated Projects	(19.2)	-
- Acquisition Expenses	-	(0.6)
Tax:		
- Tax on sale of assets	(12.8)	-
Net Exceptional Items	14.0	15.4



Sales and Net Contribution

Sales Volume: 15.953 million metric tons

- Volume grew by 5.279 million metric tons
- * 49.5% growth over FY2012
- **Sales Value: S\$20.8 billion**
 - Revenue grew by S\$3.71 billion
 - 21.7% growth over FY2012
- Net Contribution (NC): S\$ 1615.8 million
 - \$\footnote{*} 16.9\% growth over FY2012. Food Category's NC increased by 14.6\%



Key Earnings Metrics

- *** PATMI: S\$362.6 m**
 - 2.2% decline over FY2012
- * PATMI (excluding exceptional items): \$\$348.6 m
 - 2% decline over FY2012
- ***** Earnings per Share (EPS)
 - 4% decline over FY2012
 - 14.36 cents/share in FY2013 vs 14.96 cents/share in FY2012
- **Net Asset Value (NAV before fair value adjustment)**
 - 154.15 cents/share in FY2013 vs 144.56 cents/share in FY2012



Key Return Metrics



• 9.7% in FY2013 vs 14.2% in FY2012



• **7.2% in FY2013** vs 8.5% in FY2012



• 11.4% in FY2013 (same as FY2012)

*Excluding accrued distribution on capital securities



Overhead Expenses



Overhead Expenses increased by 12.1% to \$\$962.7 million in FY2013

	FY2013	FY2012	Change
Overhead Expenses(S\$m)	962.7	859.0	12.1%
Employee Benefit expenses	466.2	426.2	9.4%
Depreciation	175.9	128.7	36.7%
Other operating expenses	320.6*	304.1	11.7%
Overhead/ Sales Ratio (%)	4.6%	5.0%	-0.4%

^{*} Excludes 'one-off ' expenses of S\$ 19.2 million incurred on termination of projects.





Segmental Analysis: Summary

Olam Consolidated

• Turnover \$\$20802 m

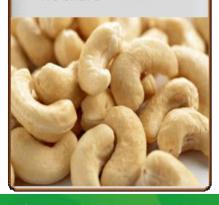
Volume 15.953 mmts

• NC S\$1615.8 m

• PATMI \$\$362.6 m

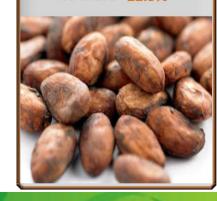
Edible Nuts, Spices & Beans

- Turnover **\$\$3205 m**
- Volume 1.641 mmts
- NC S\$418.7 m
- NC Share 25.9%



Confectionery & Beverage Ingredients

- Turnover \$\$5273 m
- Volume **1.612 mmts**
- NC \$\$370.7 m
- NC Share 22.9%



Food Staples & Packaged Foods

- Turnover S\$7721 m
- Volume 10.754 mmts
- NC \$\$589.3 m
- NC Share 36.5%



Industrial Raw Materials

- Turnover **\$\$4601 m**
- Volume **1.946 mmts**
- NC **\$\$246.3** m
- NC Share 15.2%



Commodity Financial Services Group

- •Turnover S\$1.4 m
- NC S\$ (9.2) m
- NC Share -0.5%





Sales Volume - Segmental

Segments	FY2013 ('000 MT)	FY2012 ('000 MT)	% Change
Edible Nuts, Spices & Beans	1,641	1,570	4.5
Confectionery & Beverage Ingredients	1,612	1,609	0.2
Food Staples & Packaged Foods	10,754	5,845	84.0
Food Category Total	14,007	9,024	55.2
Industrial Raw Materials	1,946	1,651	17.9
Consolidated Total	15,953	10,675	49.5

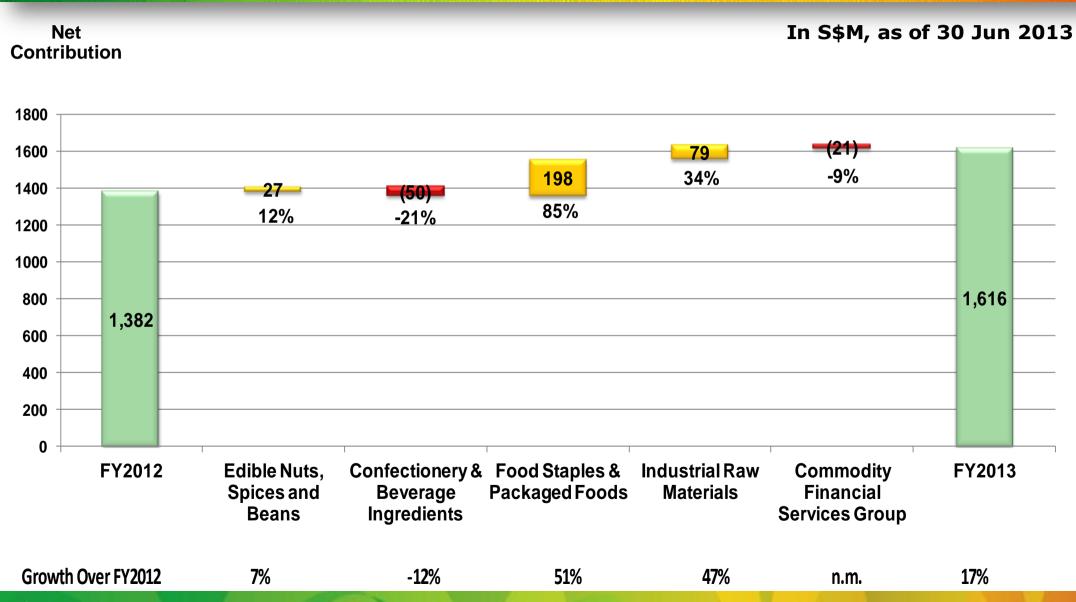


Net Contribution & NC/MT Growth: Segmental

	Net Contribution				
Segments	FY2013	FY2012	% change		
	S\$million	S\$million	% change		
Edible Nuts, Spices & Beans	418.7	390.9	7.1		
NC/MT (S\$ / ton)	255.1	248.9	2.5		
Confectionery & Beverage Ingredients	370.7	420.8	-11.9		
NC/MT (S\$ / ton)	229.9	261.5	-12.1		
Food Staples & Packaged Foods	589.3	390.9	50.8		
NC/MT (S\$ / ton)	54.8	66.8	(18.0)		
Food Category Total	1,378.7	1,202.6	14.6		
NC/MT (S\$ / ton)	98.4	133.2	(26.1)		
Industrial Raw Materials	246.3	167.2	47.3		
NC/MT (S\$ / ton)	126.5	101.2	25.0		
Commodity Financial Services	(9.2)	12.1	n.m.		
Consolidated Total	1,615.8	1,381.8	16.9		
NC/MT (S\$ / ton)	101.2	129.4	(21.8)		

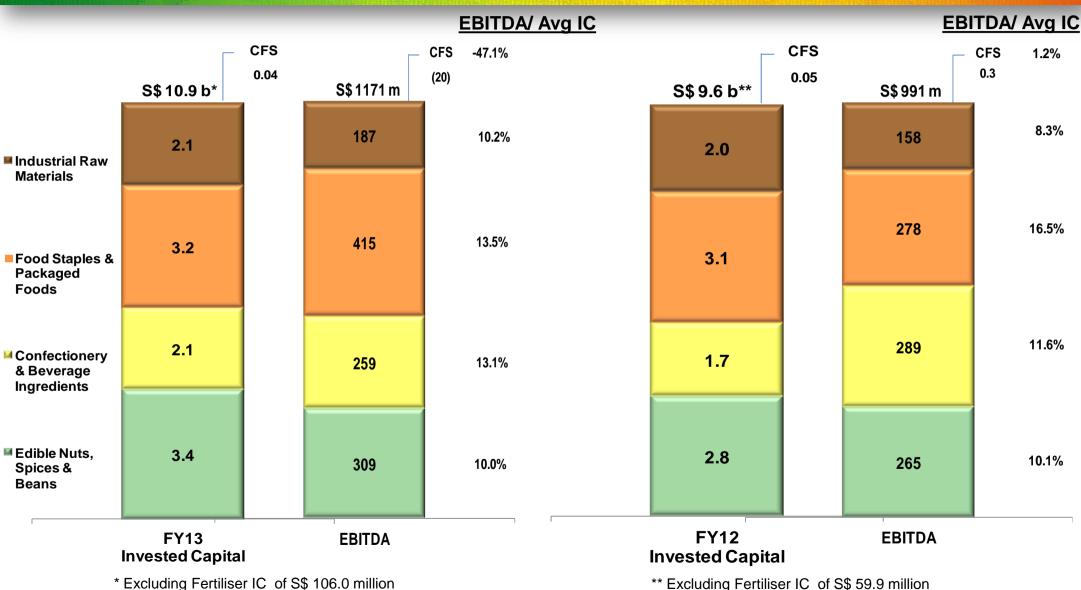


Net Contribution Growth: Segmental Share



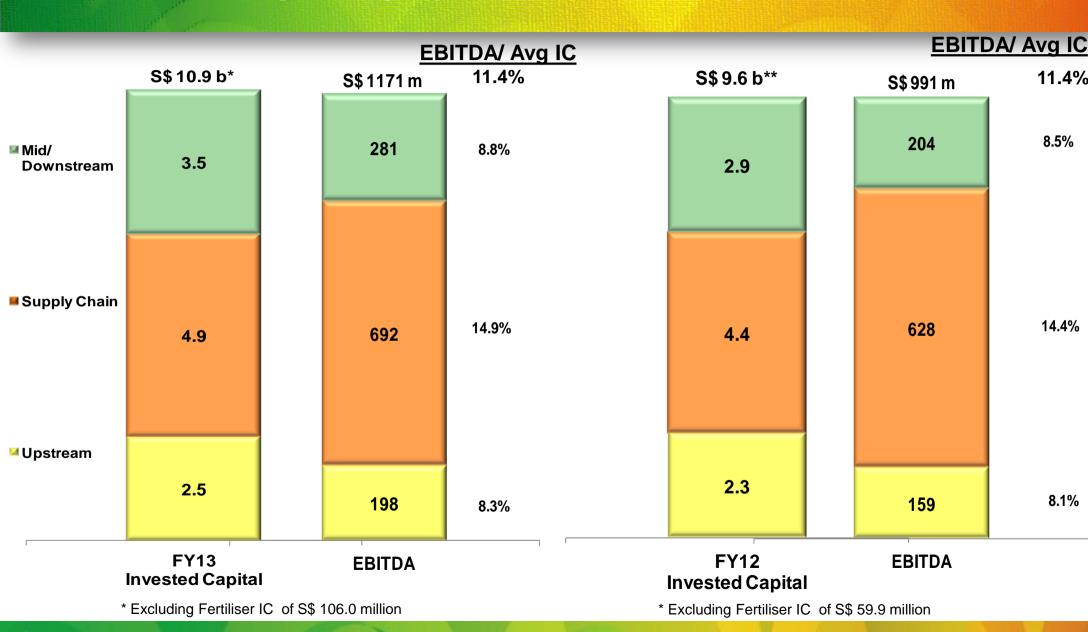


Invested Capital (IC) and EBITDA by product segment





Invested Capital (IC) and EBITDA by value chain





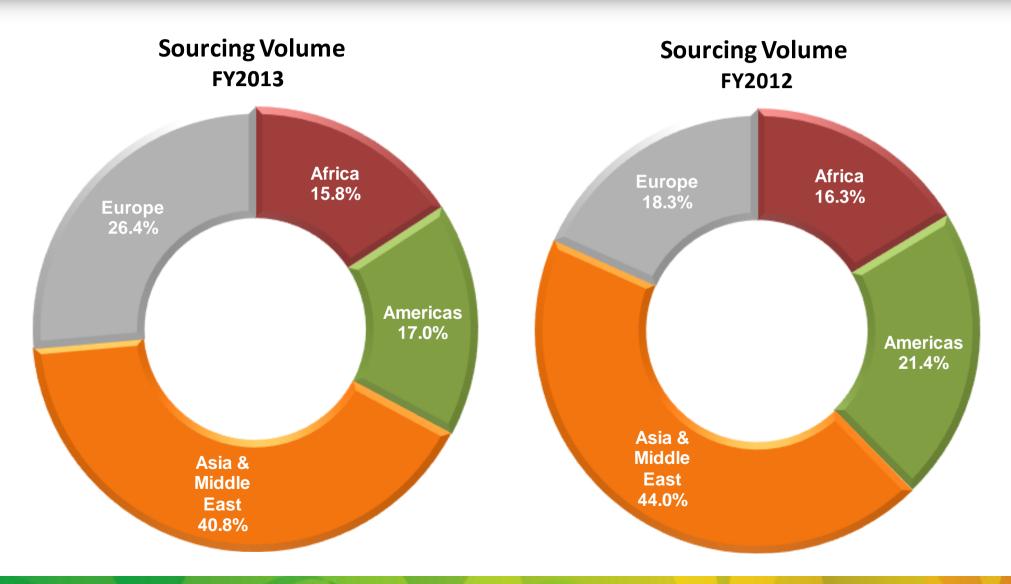
Segmental Analysis: Value Chain

Value Chain Initiatives		Sales Revenue (in S\$ m)		Net Contribution (in S\$ m)		Growth		TDA S\$ m)	Growth
	30 June 2013	30 June 2012	%	30 June 2013	30 June 2012	%	30 June 2013	30 June 2012^	%
Supply Chain & VAS	17,077	14,825	15.2%	992	956	3.7%	692	628	10.2%
Margin (%)				5.8%	6.5%		4.1%	4.2%	
Margin Per Ton				71	105		49	69	
% Share	82.1%	86.7%		61.4%	69.2%		59.1%	63.4%	
Upstream	619	376	64.7%	274	192	42.6%	198	159	24.2%
Margin (%)				44.2%	51.0%		32.0%	42.4%	
Margin Per Ton				743	662		538	550	
% Share	3.0%	2.2%		16.9%	13.9%		16.9%	16.1%	
Midstream & Downstream	3,105	1,892	64.1%	350	234	50.0%	281	204	38.0%
Margin (%)				11.3%	12.3%		9.0%	10.8%	
Margin Per Ton				221	187		177	163	
% Share	14.9%	11.1%		21.7%	16.9%		24.0%	20.6%	
Total	20,802	17,094	21.7%	1,616	1,382	16.9%	1,171	991	18.2%
Margin (%)				7.8%	8.1%		5.6%	5.8%	
Margin Per Ton				101	129		73	93	

[^] FY2012 EBITDA figures have been restated to include Non-controlling interests of S\$ 32.9 million



Well Diversified Sourcing: Origins





Well Diversified Sales: Markets

