Transcending Boundaries

Annual Report 2014

Our Vision

To be a differentiated, leading, global agri-business.

Our Governing Objective

Maximising intrinsic shareholder value over time for our continuing shareholders, in an ethical, socially responsible and environmentally sustainable manner.

Front Cover

This year's cover design celebrates Olam's 25 years of growth. Our name means 'transcending boundaries' and this has inspired our journey since our inception in 1989 in Nigeria.

Transcending Boundaries – the First 25 Years

Olam means 'Transcending Boundaries' which fittingly describes our journey over the first 25 years, from a start-up to a global leader, from a company to the institution we are today. This has been achieved through the dedication and effort of our 23,000 employees globally and our partnerships with numerous stakeholders.

The agri-sector has exciting potential and our unique competitive position and differentiated business model place us in a strong position to take advantage of these opportunities as we plan for the next phase in our journey.

CONTENTS

Our Heritage

- Olam began in Nigeria
- Expanded into cotton, cocoa, coffee, rice and wood products businesses
- Set up operations in South-East Asia, Russia and Europe
- Expanded into North America
- Growth into the Middle East, South and Latin America
- Leadership in Edible Nuts, coffee, cocoa, cotton, rice and sesame
- Common Purpose established as 'Growing Responsibly'

1989

Established in Nigeria with US$100,000 equity capital to export cashew to India

1990

Headquarters moved to London

1996

Headquarters moved to Singapore

1998

2002

Global Talent Pool launched signature 'Rite of Passage' programme. All new joinees posted to tough locations in emerging markets.

Private Equity investments from Russell AIF, IFC and Temasek Holdings

2005

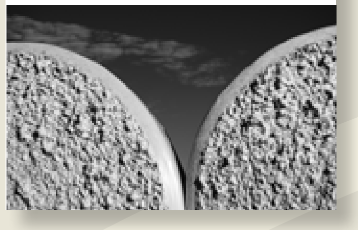
Listed on the Singapore Exchange

Traded volume crossed 2.5m MT mark

2006

2007

Launch of acquisition phase starting with Queensland Cotton Holdings, Australia and Universal Blanchers, USA.



2009

Forbes Asia's Fabulous 50 annual listing for most profitable companies in the region, and again in 2010 and 2012

Hewitt Associates, RBL Group and **Fortune Award for Global Top Companies for Leaders**

2010

Soluble coffee plant in Vietnam inaugurated, signalling our extension into midstream activities

Our move into upstream started with the acquisition of Timbercorp's almond orchards in Australia

2011

2012

Traded volume crossed 10m MT mark

Significant upscale of Packaged Foods' downstream operations through the acquisition of OK Foods, leveraging African consumers

Asian Human Capital Award for innovative and impactful people practices

2013

Rainforest Alliance and Guardian Group Awards for sustainability

2014

14.9m MT volume handled

2.1m Ha of land under Olam management

3.9m farmers directly supplying Olam

135 global processing units

13,800 customers

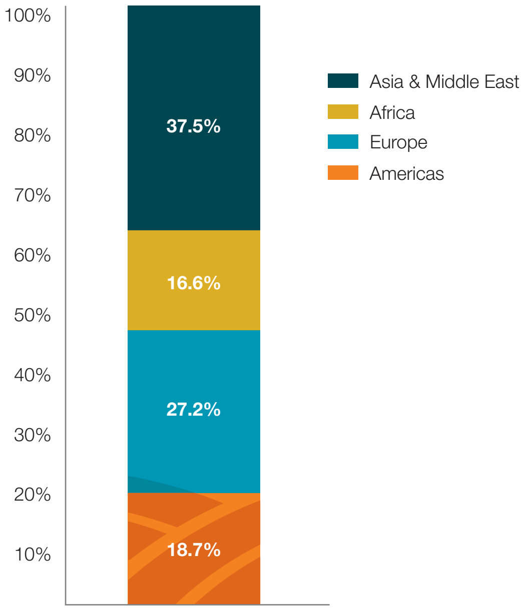
US$40m invested in 190 CR&S initiatives, including staff costs

58.5% ownership by Temasek Holdings following Voluntary General Offer

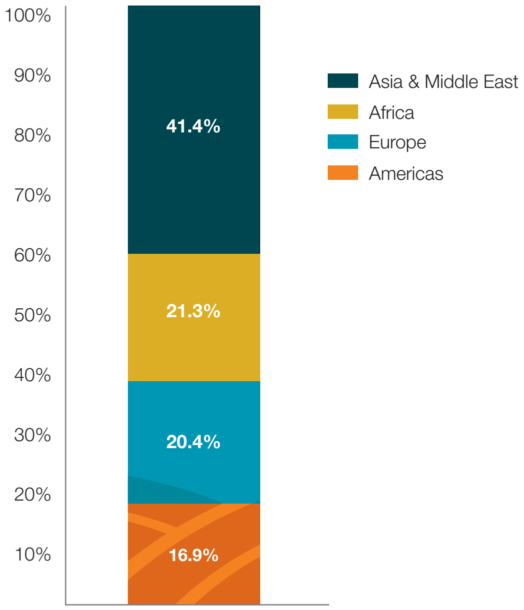
FY1989	FY1994	FY2001	FY2005	FY2008	FY2010	FY2014
1 product	7 products	10 products	14 products	25 products	30 products	16 platforms (44 products)
1 country	4 countries	20 countries	40 countries	60 countries	64 countries	65 countries
S$2m sales revenue	S$115m sales revenue	S$1.59b sales revenue	S$3.37b sales revenue	S$8.11b sales revenue	S$10.46b sales revenue	S$19.42b sales revenue
1 employee	500 employees	1,500 employees	5,000 employees	10,000 employees	14,600 employees	23,000 employees

Financial Summary

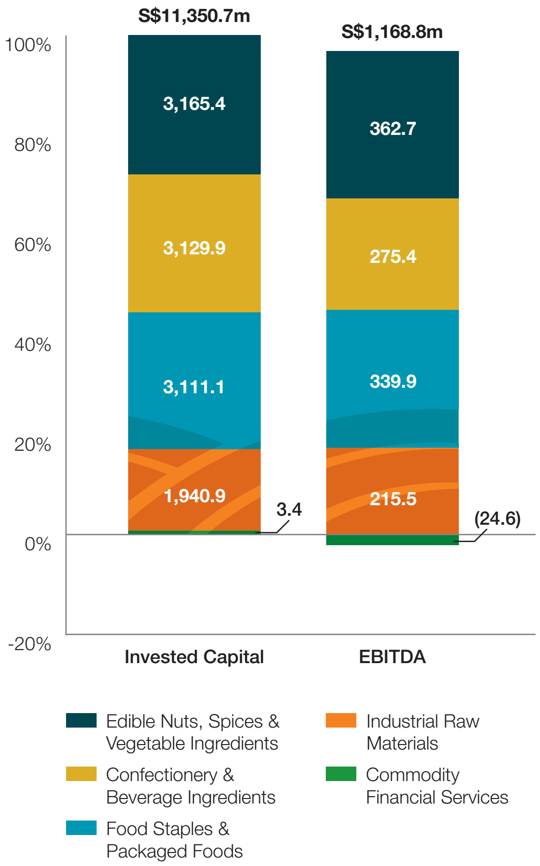
Sourcing Volume by Region (FY2014)



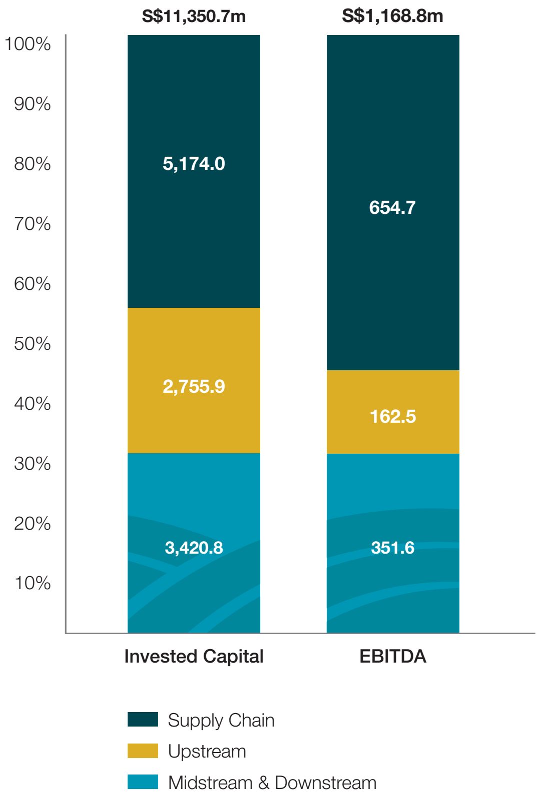
Sales Revenue by Region (FY2014)



Invested Capital and EBITDA by Business Segment (FY2014)



Invested Capital and EBITDA by Value Chain Segment (FY2014)



Financial Highlights

For the Year Ended 30 June (S$ million)

	FY2014	FY2013	% Change
Profit and Loss Statement			
Sales Volume ('000 Metric Tonnes)	14,877	15,953	(6.7%)
Sales Revenue	19,421.8	20,801.8	(6.6%)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) *	1,168.8	1,170.8	(0.2%)
Earnings Before Interest and Tax (EBIT) *	953.2	971.5	(1.9%)
Profit Before Tax	731.5	483.9	51.2%
Net Profit After Tax Attributable to Shareholders	608.5	362.6	67.8%
Operational Net Profit After Tax Attributable to Shareholders *	325.4	348.6	(6.7%)
Per Share			
Earnings Per Share basic (cents)	24.7	14.4	71.5%
Operational Earnings Per Share basic (cents) *	12.8	13.8	(7.2%)
Net Asset Value Per Share (cents) ^	171.0	154.2	10.9%
Net Dividend Per Share (cents)	7.5^^	4.0	87.5%
Balance Sheet			
Total Assets	13,562.3	12,672.0	7.0%
Total Invested Capital	11,350.7	10,929.6	3.9%
Total Debt	9,339.9	8,848.2	5.6%
Cash & Cash Equivalents	1,590.1	1,591.0	(0.1%)
Shareholders' Equity	4,200.2	3,691.9	13.8%
Cash Flow			
Operating Cash Flow Before Interest and Tax	1,175.5	1,073.8	9.5%
Net Operating Cash Flow After Changes in Working Capital and Tax	177.3	694.8	(74.5%)
Free Cash Flow to Firm	(28.7)	(355.7)	91.9%
Free Cash Flow to Equity	(504.6)	(800.4)	37.0%
Ratios			
Net Debt to Equity (times) ^	1.82	1.93	(0.11)
Net Debt to Equity (times) adjusted for liquid assets ^	0.63	0.55	0.08
Return on Beginning-of-period Equity (%)	15.7	9.7	6.0
Return on Average Equity (%)	14.7	9.4	5.3
Return on Invested Capital (%)	9.0	7.2	1.8
EBITDA on Average Invested Capital (%)	10.5	11.4	(0.9)
Interest Coverage (times) #	2.4	2.0	0.4

* Excludes exceptional items

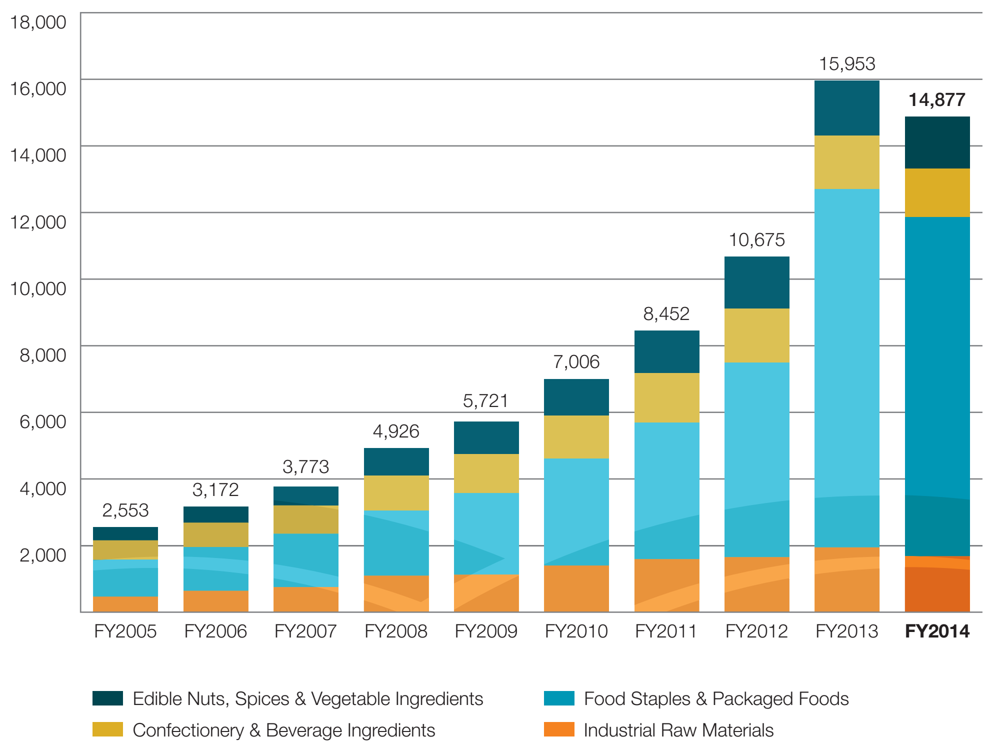
^ Before Fair Value Adjustment Reserves

^^ Includes special Silver Jubilee dividend of 2.5 cents per share and subject to shareholders' approval at the 20th Annual General Meeting

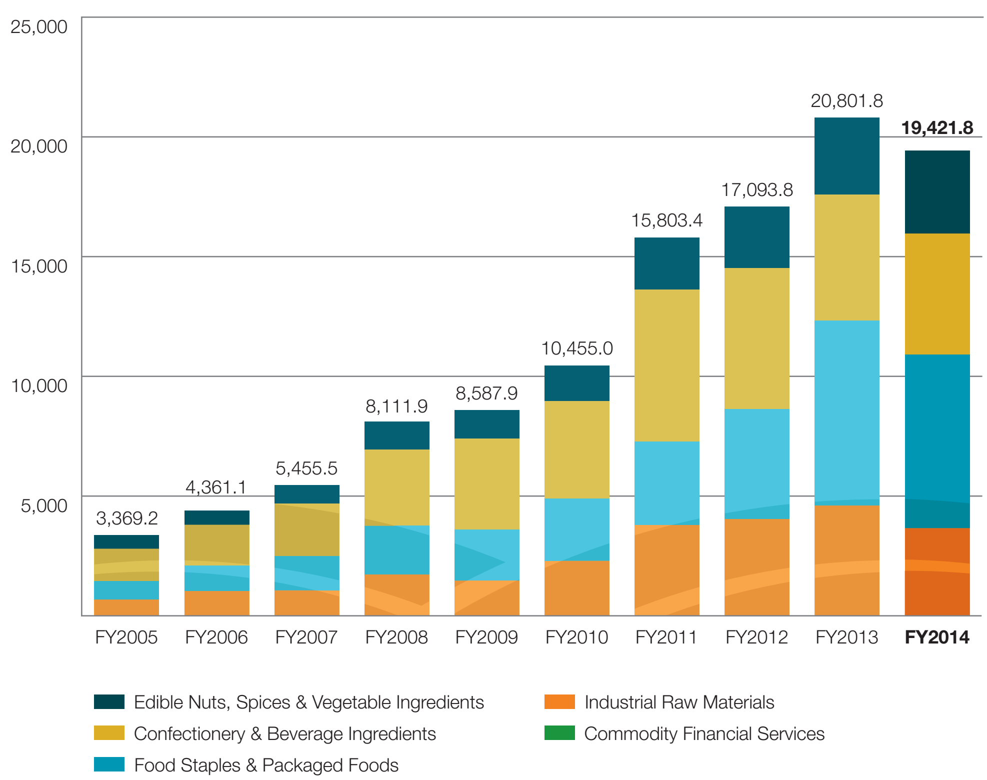
\# EBIT on total interest expense

Performance Overview

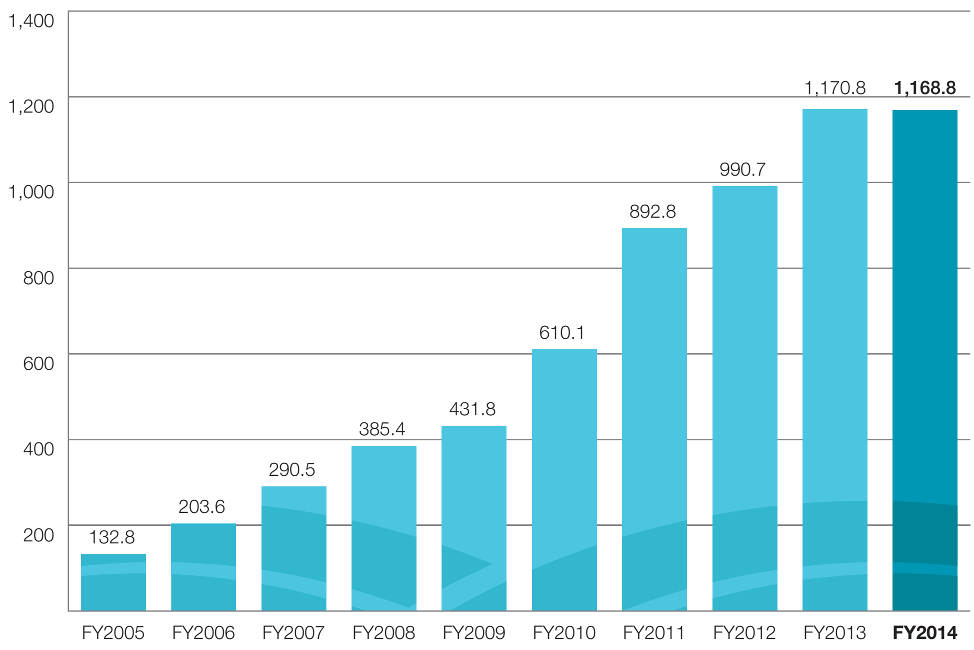
Sales Volume ('000 metric tonnes)



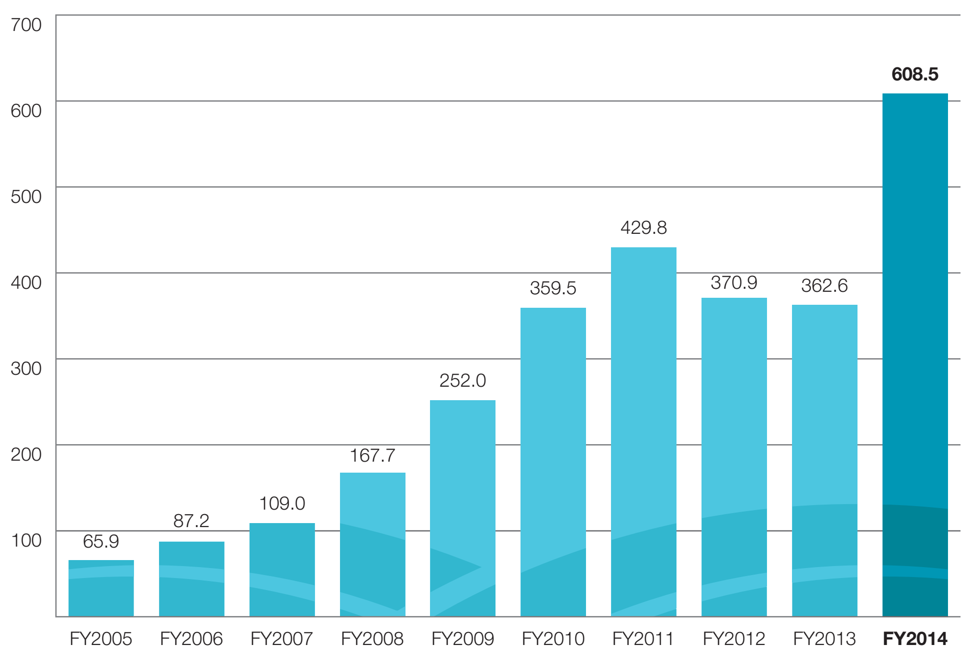
Sales Revenue (S$ million)



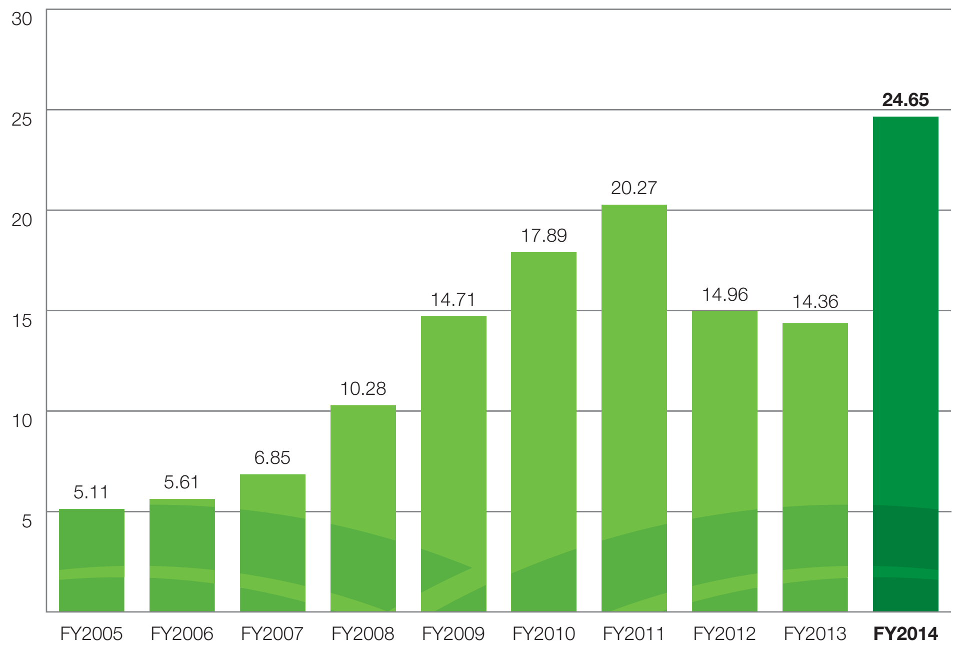
Earnings Before Interest, Tax, Depreciation and Amortisation (S$ million)



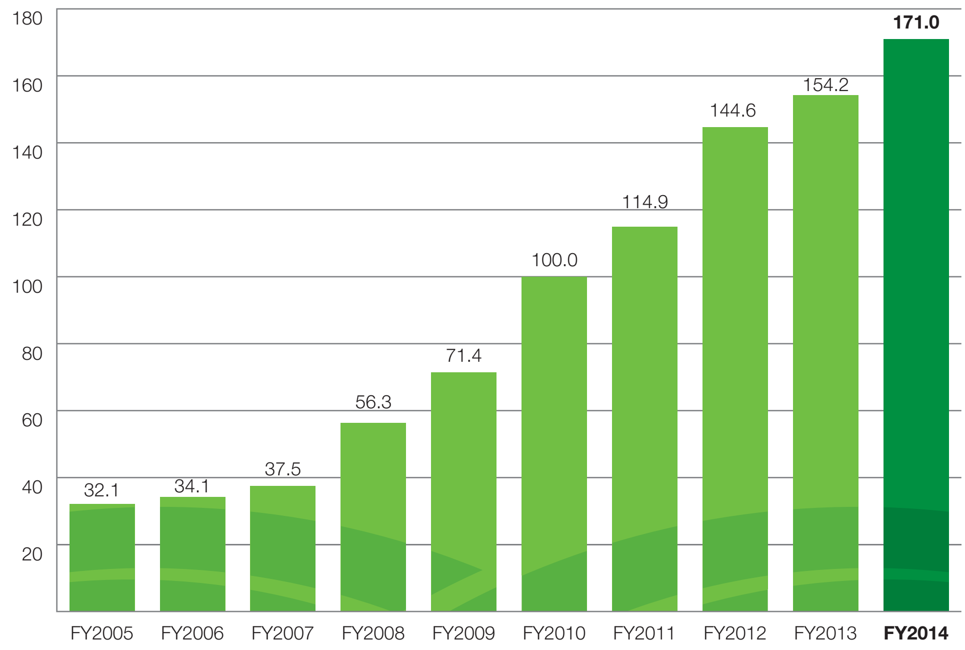
Profit After Tax and Minority Interest (S$ million)



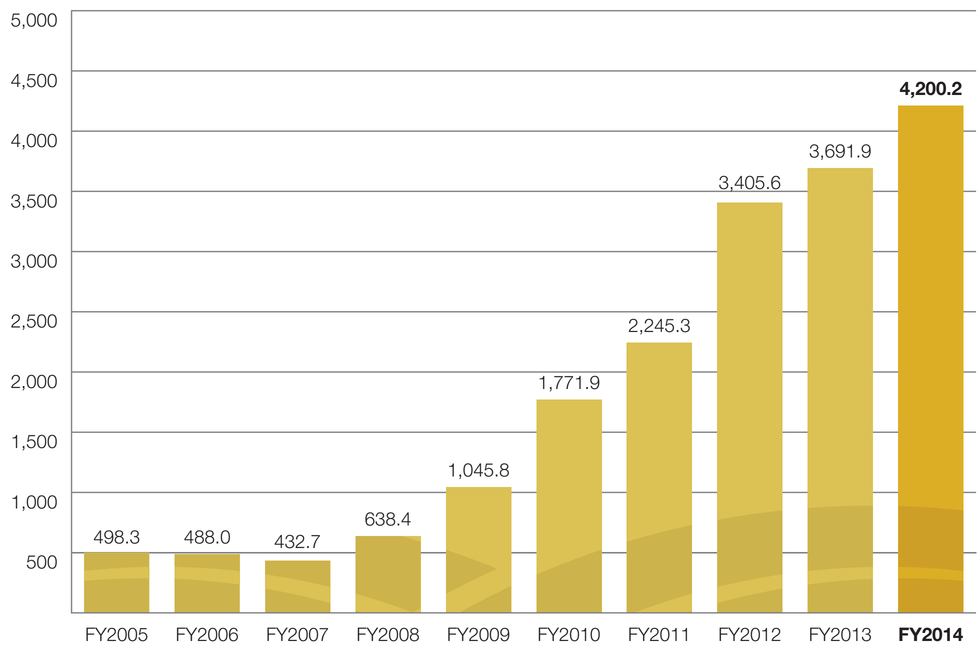
Earnings Per Share (cents)



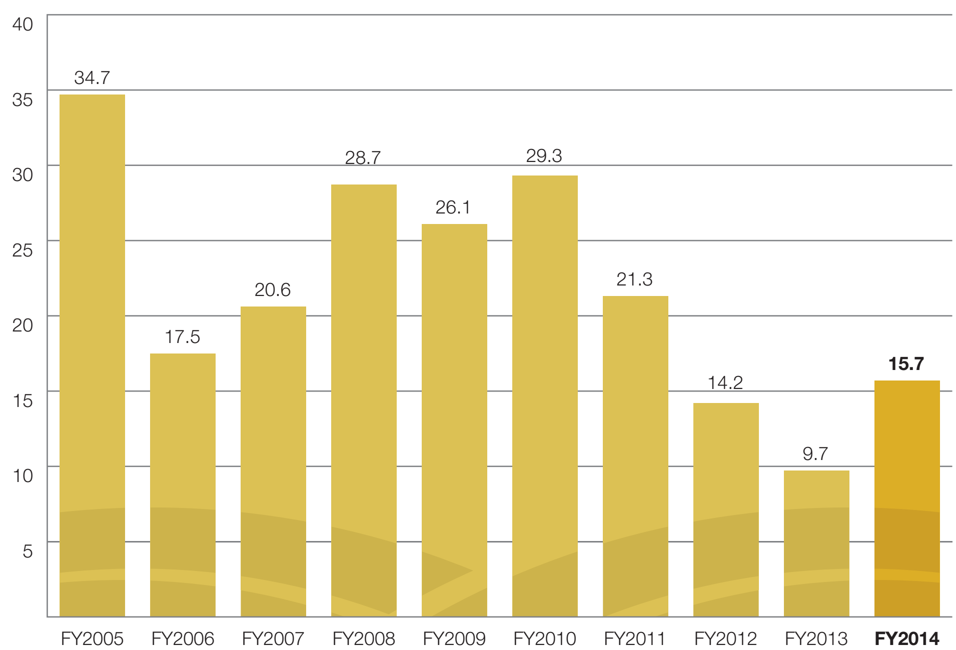
Net Asset Value Per Share (cents)



Shareholders' Equity (S$ million)

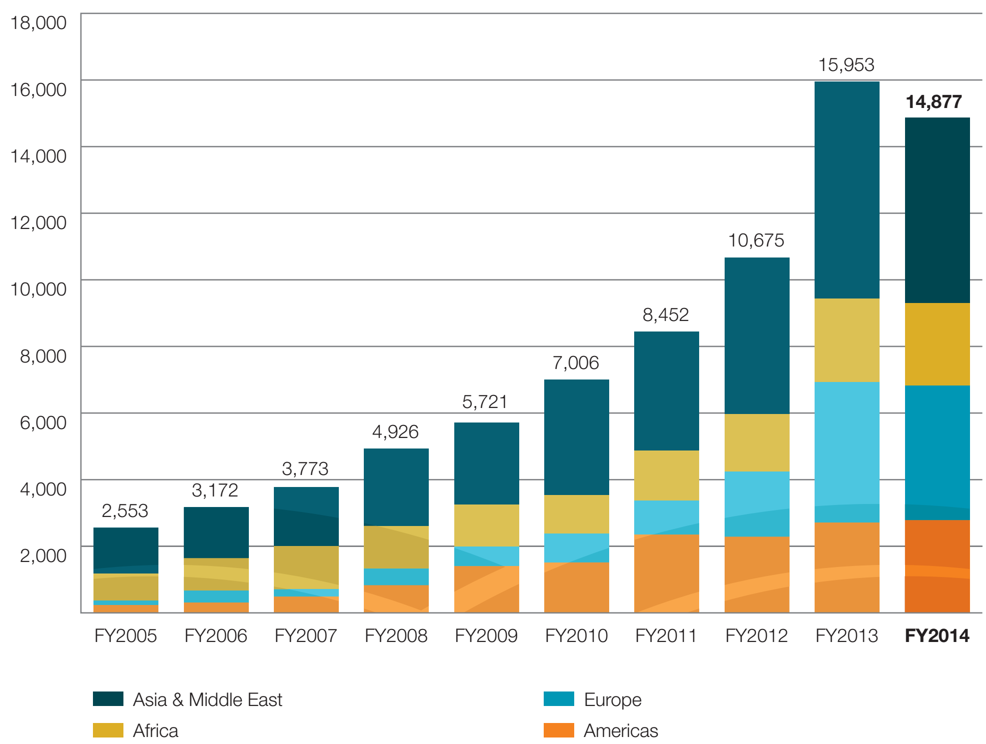


Return on Equity (%)*

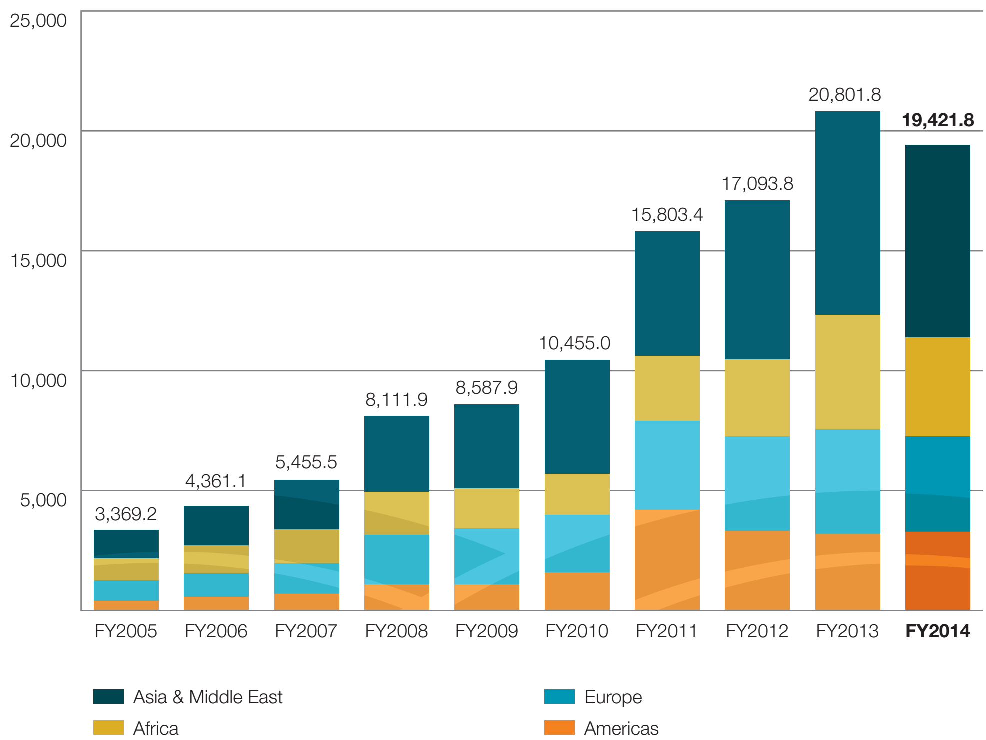


* Based on Beginning-of-period Equity

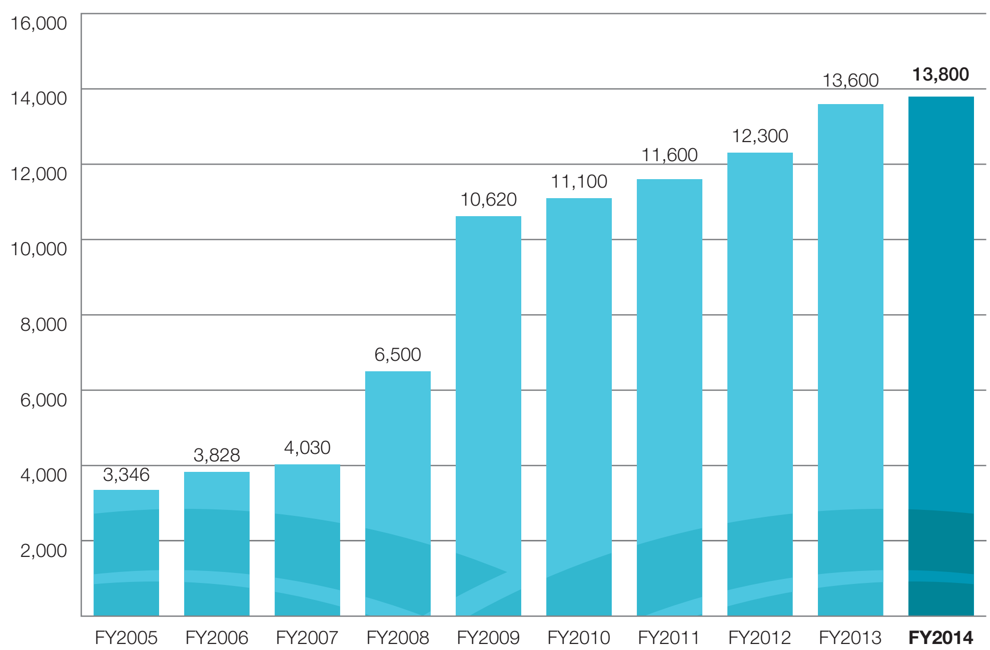
Sourcing Volume by Region ('000 metric tonnes)



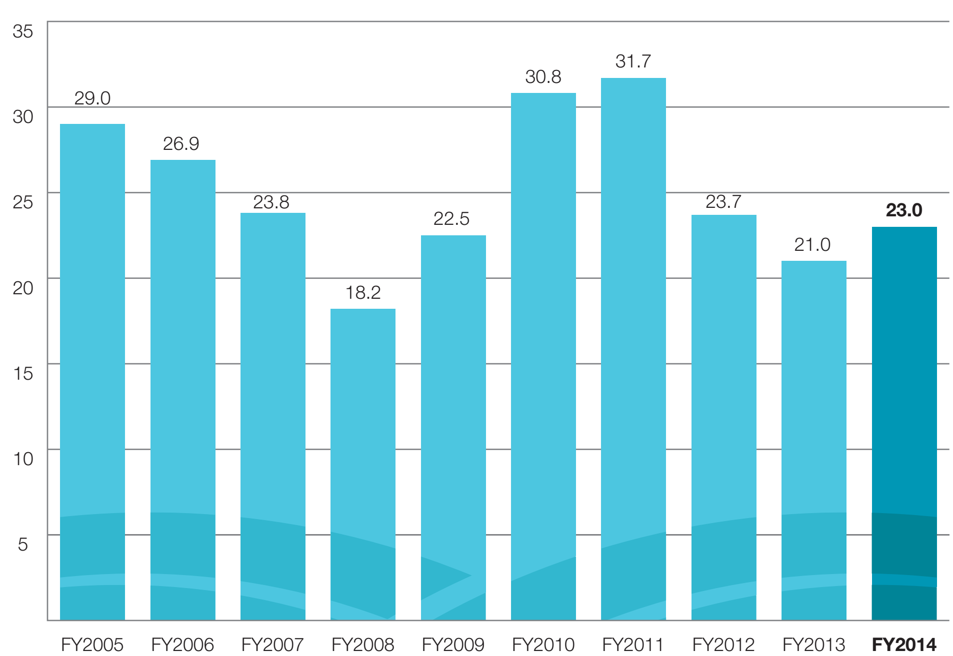
Sales Revenue by Region (S$ million)



Number of Customers



Top 25 Customers' Share of Total Sales Revenue (%)



Disciplined Execution

This year I write my statement from a personal vantage point, having witnessed Olam evolve and transcend from its humble beginnings in 1989 in Nigeria, to the global success story it is today. I am proud to have been closely involved with Olam's growth over the last 25 years.

The long-term trend in the agri-commodity sector continues to remain attractive and Olam is well-positioned to benefit from this.

Profit after Tax and Minority Interest was up by 67.8% to S$608.5 million on account of exceptional gains recorded during the year arising from the disciplined execution of the Strategic Plan. Free Cash Flow to Firm and Free Cash Flow to Equity improved by S$327.1 million and S$295.8 million respectively as compared to FY2013. A more detailed review of the results and the operating performance of the Group is contained in the Strategy Update and Financial Performance on pages 22 to 30 of this report.

Dividends

To reward shareholders for their continued support and confidence, the Board is pleased to announce an ordinary dividend of 5.0 cents per share for FY2014 and in celebration of the Company's 25th Anniversary, an additional Silver Jubilee Dividend of 2.5 cents per share. This is a total dividend payout of S$182.9 million and a dividend payout ratio of 30.1% for FY2014.

Board Composition

The Board and Management have engaged in open discussions on various aspects covering strategy, risk, people and compliance. Further, during the year, the Board undertook a comprehensive review of the composition of the Board and its renewal and a formal plan is now in place. Consequently, Tse Po Shing Andy and Sridhar Krishnan stepped down immediately after the 19th Annual General Meeting (AGM) on 30th October 2013. Mark Haynes Daniell and Wong Heng Tew will also formally step down at the close of the 20th AGM on 30th October 2014. I would like to thank all four of them for their significant contributions to the Board deliberations during their service. I am also delighted to welcome our three new Directors: Sanjiv Misra who was appointed to the Board as Non-Executive and Independent Director from 1st November 2013, Kwa Chong Seng as Non-Executive Deputy Chairman and Independent Director and Nihal Vijaya Devadas Kaviratne as Non-Executive and Independent Director whose appointments became effective 1st October 2014. Finally I would like to record my appreciation to my fellow Directors for their contributions over the past year.

Shareholding Structure

During the year, Temasek Holdings (through Breedens Investments and Aranda Investments) became our majority shareholder following the completion of their Voluntary General Offer for the Company in May. I would like to thank them for their belief in our strategy, execution capability and management. We are confident that Temasek's investment will provide a strong base for Olam's future growth.

People

Ultimately, our people make the difference in enhancing the Company's competitiveness, business success and in generating returns for our shareholders. We have a great management team and I congratulate our 23,000 colleagues worldwide for achieving good results this year and for their unflagging commitment.

I will close by expressing my gratitude to our shareholders, investors, business partners and other stakeholders for their strong support.

R. Jayachandran
Chairman

Board of Directors

Sunny Verghese
Group Managing Director and CEO

Sunny Verghese is currently the Chairman of the Human Capital Leadership Institute. His past key appointments include being Chairman of the International Enterprise, Singapore, Chairman of Cityspring Infrastructure Management Pte Ltd and a member on the Board of Trustees of the National University of Singapore. Sunny won the Best CEO of the Year Award 2011 for CEOs of listed companies with market capitalisation of above $1 billion at the Singapore Corporate Awards. He was awarded the Public Service Medal by the Government of the Republic of Singapore in 2010.

R.Jayachandran
Non-Executive Chairman

R. Jayachandran was Non-Executive Vice Chairman of Olam from 2004 before being appointed as Chairman in 2006. He is a founding shareholder and Director of the Redington Group of Companies and a Director of Kewalram Singapore Limited and Kewalram Chanrai Holdings. Jaya has been Singapore's High Commissioner to the Republic of Mauritius since 2008. He has over three decades of experience in capital raising, strategic planning and business development.

Kwa Chong Seng
Deputy Chairman and
Non-Executive and Independent Director

Kwa Chong Seng is currently Chairman of Neptune Orient Lines Ltd, Singapore Technologies Engineering Ltd and Fullerton Fund Management Co. Ltd. He is a Non-Executive Director of Singapore Exchange Ltd and a member on the Board of Defence Science and Technology Agency. He is also Deputy Chairman of the Public Service Commission. Chong Seng has more than 40 years experience in the petroleum industry. He retired from ExxonMobil where his last position was Chairman and Managing Director. He was awarded the Public Service Star and was also conferred the Honorary Ningbo Citizenship.

Michael Lim Choo San

Non-Executive and Lead Independent Director

Michael Lim is Chairman of the Land Transport Authority of Singapore and Nomura Singapore Limited and a Director of Nomura Holdings Inc, Japan. He is concurrently Chairman of Singapore Accountancy Commission and the Accounting Standards Council, as well as a member of the Public Service Commission. A Chartered Accountant by profession, Michael was PriceWaterhouse Singapore's Managing Partner from 1992 and its Executive Chairman from 1999 until his retirement in 2003. Michael was conferred the Meritorious Service Medal by the Government of the Republic of Singapore in 2010.

Narain Girdhar Chanrai

Non-Executive Director

N. G. Chanrai is the Managing Director of Kewalram Singapore Limited and has been the Group CEO of the Kewalram Chanrai Group since December 2004. He has worked in various operations of the Kewalram Group in Africa, the UK and Singapore and oversaw its global treasury and accounting functions before becoming Kewalram's Group CEO in 2004.

Mark Haynes Daniell

Non-Executive and Independent Director

Mark Daniell is currently the Independent Chairman of Sacoven Plc, Executive Chairman of Raffles Family Wealth Trust and Vice Chairman of Aquarius Investment Advisors. He also holds Directorships in other local and overseas companies. Mark has experience in investment banking, strategy, mergers and acquisitions and corporate organisation in both developed and emerging markets. He is an author of a number of books on business strategy and was formerly Managing Director of Bain & Company (Asia) Inc.

Jean-Paul Pinard

Non-Executive and Independent Director

Jean-Paul Pinard has previously held directorships in several overseas companies. He spent 17 years with the International Finance Corporation (IFC) Washington DC, becoming Director of the Agri-business Department, responsible for managing IFC's global portfolio of loan and equity investments in agri-business and food industries.

Wong Heng Tew

Non-Executive and Independent Director

Wong Heng Tew was Managing Director, Investments at Temasek Holdings and concurrently their Chief Representative in Vietnam from 2005 to 2008. Following his retirement in 2008, Heng Tew is now Advisory Director for Temasek Holdings and on the boards of several companies. His experience includes investments, mergers and acquisitions, restructuring of companies and divestments.

In 1998, he was appointed to the Pro Tem Committee for the formation of the Singapore Exchange. In 2014, he was conferred a Friend of Labour by the National Trades Union Congress (NTUC).

Nihal Vijaya Devadas Kaviratne CBE

Non-Executive and Independent Director

Nihal Kaviratne is currently Chairman of Akzo Nobel India Limited and an Independent Director of GlaxoSmithKline Pharmaceuticals Ltd, StarHub Ltd, SATS Limited and DBS Group Holdings Limited. He is a Member of the Private Sector Portfolio Advisory Committee in India for the UK Government's Department for International Development. Nihal spent 40 years with the Unilever Group including as Chairman and Managing Director across Asia, Europe and Latin America before retiring in 2005. Nihal was cited in the Queen's 2004 New Year Honours List in the UK and was awarded the Commander of the Order of British Empire for services to UK business interests in Indonesia.

Sanjiv Misra

Non-Executive and Independent Director

Sanjiv Misra is currently Chairman of the Asia Pacific Advisory Board for Apollo Global Management, a Director of Edelweiss Financial Services Ltd, a BSE listed company, and a Director of OUE Hospitality Trust Management Ltd, a SGX-listed company. Sanjiv is also a Member of the Board of Trustees of the Singapore Management University and the Board of Directors of the National University Health System. Sanjiv held several senior positions in a career spanning 11 years with Citigroup, including being the Chief Executive Officer of Citigroup's Global Corporate and Investment Banking Group in Singapore and Brunei.

Robert Michael Tomlin

Non-Executive and Independent Director

Robert Tomlin (Robin) is Vice Chairman of Lepercq de Neuflize Asia and a Trustee of Singapore Management University. He also holds Directorships in several other companies. He currently chairs the Design Singapore Council and the Singapore Repertory Theatre. Robin retired from UBS Investment Bank as Vice-Chairman, Asia. Prior to this, he was also with the Schroder Group, where he became CEO, Southeast Asia.

Shekhar Anantharaman

Executive Director

A. Shekhar leads the Company's overall Strategy and Business Development activities, as well as the Corporate Finance & Accounts, Banking & Treasury, Audit & Corporate Affairs, Strategic Investments, Investor Relations and Manufacturing and Technical Services functions. Shekhar has held various senior roles in Country Management, leading global functions, as well as being the Global Product Head for many businesses.

Transcending Boundaries

In writing this review for FY2014, our Silver Jubilee year, I am reminded of the meaning of the word Olam – 'Transcending Boundaries'. In our 25-year journey, we have transcended several boundaries, including product boundaries (1 to 44 products), geographical boundaries (1 to 65 countries) and value chain boundaries (from supply chain to upstream plantations, midstream processing, and downstream packaged foods distribution). More importantly, we have transcended boundaries that go to the heart of our DNA. We have evolved from good managers to effective leaders, from executives to entrepreneurs, from individual contributors to team players, from traders to long-term stewards of this business, from a small start-up to a global leader and finally, from a company to an institution. The meaning of our name has never felt more apt.

Our Journey

There are some key milestones in the years since Olam was established in 1989 leading to the success and scale we have achieved today. These milestones are way markers along a remarkably consistent journey, thanks to our differentiated and unique business model. At its heart, this model is based on repeatability – identifying and expanding into adjacent business opportunities that share customers, suppliers, costs, channels or capabilities with our existing businesses. We developed a competitive advantage by: focusing on and building leading positions in niche commodity categories; 'out-origining' our competition in the sourcing countries through our presence at the farmgate; providing value-added and differentiated solutions and services to our customers; building an extensive Africa footprint and operating capability; and developing a uniquely shaped portfolio through selective integration in the agri-value chain.

A key inflection point in our history was in 2002 when we secured Private Equity investment from three investors of global standing – AIF Capital, IFC and Temasek Holdings to support our growth plans. This capital raising exercise, along with the next step three years later (2005) to list on the Mainboard of the Singapore Exchange, provided us the opportunity to begin a phase of inorganic growth, marking the first shift from our core 'asset light' organic growth model. We focused on selectively acquiring businesses that had the potential to generate excess return opportunities with a clear, strategic fit to our core business.

Extending our Participation

In 2009, we extended our participation in the value chain by selectively expanding into upstream plantations and farming, midstream processing and downstream branding and distribution operations. The decision about where to play was based then, and still is today, on identifying those parts of the value chain in each business that are most attractive in terms of size of the profit pool and where we can build a significant advantage and win. In 2009, we were named one of Forbes Asia Fabulous 50 companies in the region.

The evolution of our strategy up to that point in time could be best understood as a series of inter-related steps into adjacent product, geography and value chain expansion, with each step building on prior initiatives. The pace of our growth accelerated over the next few years. Today we are the world's largest corporate farmer, with plantation and farming investments across 11 commodities in 20 countries, managing concessions and farms on a land area of over 2 million hectares and operating over 100 manufacturing plants processing agricultural raw materials into semi-finished and finished products. In the last 10 years we made 36 acquisitions and 27 greenfield investments in all.

In FY2014, we made good progress on executing our strategic plan announced in April 2013, focusing on the twin objectives of pursuing profitable growth and accelerating free cash flow generation, while investing in selective growth opportunities that will enhance shareholder value over time. In line with this plan, we have announced 18 transactions, generating S$948.2 million in cash flow and yielding a capital gain of S$264.3 million.

An important landmark in FY2014 was to realign our shareholder base to have more long-term shareholders that better reflected the long-term nature of our strategy. To this end the founding family and the management team acted in concert with Temasek Holdings to launch a Voluntary General Offer ('VGO') for the Company which proved to be very successful. Post the offer, Temasek has


Training in advanced agronomic practices is an ongoing process at our rice farm in Nigeria.

now become the majority shareholder with 58.5% ownership of Olam, with the three concert parties now owning 80.4% of the Company. This new shareholder base, with a longer-term outlook, will provide a more resilient future for the Company.

Growing Responsibly

Another meaning of the word Olam is 'everlasting' or 'enduring', a fitting adjective for our aspiration to build a company with a sustainable future. To do this, we need to 'Grow Responsibly'. As we celebrate our 25th Anniversary, our focus should be on what these 25 years and our incredible journey have taught us and what it tells us about the things we are yet to achieve.

Olam's corporate purpose of 'Growing Responsibly' fits very neatly in describing the Corporate Responsibility and Sustainability philosophy of our Company. It also fits squarely with our imperative to deliver profitable and enduring growth for our shareholders.

Today, 'Growing Responsibly' is about two quite distinct but inter-dependent responsibilities of the Company. To be a 'sustainable business', we must ensure governance standards that meet the expectations of all our stakeholders; we must be transparent; we must manage risk and reputation; we must attract and retain top talent; we must innovate and challenge the status quo; we must build capabilities and capacity and we must execute well. To meet the 'sustainability' expectations of our stakeholders and communities, we must respect the health and safety of our people, manage our environmental responsibilities and help improve the livelihoods of communities where we operate. Environmental and social criteria must go hand-in-hand with our commercial decision making.

At Olam, we see six key developmental challenges that we must all face up to this century, challenges that all stakeholders, including Olam, must be part of addressing. These are: food security; water security; energy security; impact of climate change; sustainable or enduring growth without depleting 'natural capital'; and inclusive growth (reducing inequalities). Very often, these challenges are looked at by governments, policymakers, think-tanks and companies in silos. We believe each of these issues is interlinked with interlocked causes – and we must therefore start integrating our approach on how they are dealt with.

As a key player in the sector, Olam is contributing to addressing each of these challenges and is becoming a voice in prompting awareness of these fundamental challenges.

> The agri-sector comprises a huge global market with an estimated US$5.9 trillion in production value that has seen a 5-year CAGR of 9% with underlying volume growth of 3% and price inflation of 6%. Olam currently participates in 26% of this addressable market.

Our Strategy and the Path Forward

We have always believed that the agri-sector offers exciting opportunities, and these prospects are more evident today than they were 25 years ago. The agri-sector comprises a huge global market with an estimated US$5.9 trillion in production value that has seen a

Our Shared Values are the bedrock of our culture that bind us together across businesses and geographies.

5-year CAGR of 9% with underlying volume growth of 3% and price inflation of 6%. Olam currently participates in 26% (US$1.6 trillion) of this addressable market.

Demand for agri-products will rise as the world's population expands, with much of that growth coming from Asia and Africa, where incomes are rising and populations are urbanising. These trends drive growth in demand for calories and dietary shifts to proteins and fats, which in turn generate corresponding growth in demand for food and feed raw materials. The supply of staple grains alone will need to increase 70% by 2050 to address this. On the supply side, we are facing considerable challenges in terms of declining arable land, declining growth in agricultural productivity, water constraints, impact of climate change and infrastructure deficits.

We believe that the sector will require additional investment to the order of US$200 billion per year for the next 40 years to meet the increases required in crop production, livestock production and agricultural infrastructure (storage and logistics). As a result of these long-term structural trends, the agri-sector has become a strategic and highly visible industry, with increasing sovereign participation. Given the highly fragmented nature of this sector, with the biggest player having only a 2.3% market share, there is a wave of consolidation that is currently underway in the industry.

At Olam, we have made deliberate choices regarding our portfolio that enable us to put our best people and resources behind the most attractive opportunities. Six platforms (Edible Nuts, Cocoa, Coffee, Spices & Vegetable Ingredients, Grains and Packaged Foods) have been prioritised for accelerated investment and growth. In addition, we are now looking at Africa as a separate vertical and investing there along four themes:

1. Africa as a cost-competitive producer (palm, rubber and fertiliser)
2. Africa as a growing consumer of food staples (rice and wheat flour)
3. Africa as a growing consumer (branded packaged foods)
4. African infrastructure (warehousing, logistics and port investments)

We are now focusing our investments more precisely and leveraging our size in the prioritised areas to create scale benefits and enhance our competitive position.

Our unique competitive position and differentiated business model outlined earlier positions us very well to take advantage of these opportunities.

Our People and Culture

In the ultimate analysis, there are two key factors that have underpinned our success over the last 25 years and which I believe will also be the foundation of our success going forward. They are our people, our culture and our Shared Values.

We have created an environment that generates high engagement and an ownership mentality in our people. Our Shared Values of entrepreneurship; stretch and ambition; ownership to deliver; mutual respect and teamwork; supplier and customer partnerships and integrity, are the bedrock of our culture that bind us together across multiple businesses and geographies. I would like to take this opportunity to thank every member of Team Olam for consistently embodying and living the Olam spirit and Shared Values.

We strongly believe that our ability to win is due to our people and this was recognised when we received two prestigious accolades for how we develop, motivate and inspire our people (Hewitt Associates, The RBL Group and Fortune ranking of Olam in the Top 20 Global Companies for Leaders, and the Asian Human Capital Award for innovative and impactful people practices).

Looking ahead, I am confident that we have a winning strategy as well as the people and resources to continue to deliver profitable and sustainable growth going forward. Reflecting on a successful first 25 years, I would like to extend my sincere thanks to our Board, shareholders, employees, customers, suppliers, partners and all other stakeholders around the world who have been instrumental in our progress to date. We are committed to moving the company forward with you over the next 25 years and beyond.

Sunny G. Verghese

Sunny George Verghese
Group Managing Director
& Chief Executive Officer

Strategy Update and Financial Performance

We have made good progress in this first full year of our revised Strategic Plan. There has been disciplined execution across multiple initiatives which have focused on the continuing optimisation of our balance sheet, as well as unlocking the intrinsic value across various platforms. While a few of these initiatives have resulted in lower growth for some businesses, it has helped achieve a better balance between delivering profitable growth and achieving free cash flow generation. We will continue on this path of extracting full value from existing operations and investments, while continuing to invest in selective growth opportunities that can enhance shareholder value over time.

Strategic Plan Update

Following our Strategy Review in April 2013, we announced our Strategic Plan for the period FY2014–2016. The review reaffirmed the value of our existing strategy of building a core global supply chain business while selectively integrating into higher value upstream and mid/downstream segments. It further reinforced our belief in the attractive prospects for the agri-commodity sector and in the long-term value of our differentiated business model and strategy.

The key change envisaged in the 2013 Strategy Review was 'Rebalancing profitable growth and cash flow', with the specific objective of generating positive Free Cash Flow To Firm (FCFF), assuming constant prices, by the end of FY2014 and sustaining this going forward. To this end, four key priorities were established and six pathways identified to achieve those priorities.

In the first full year following the announcement of the Strategic Plan, we have made steady progress on each of the six pathways.

1. **Recalibrate pace of investments**
   We have moderated the pace of new investments and incurred gross cash capital expenditure (Capex) of S$583.9 million in FY2014, as compared to S$1,159.9 million in FY2013. This is a 49.7% reduction in Capex spend over the corresponding prior period.

2. **Optimise balance sheet**
   Several initiatives have been undertaken towards optimising working capital utilisation across the supply chain, including a reduction in inventory levels, securing higher supplier credit and prioritisation of higher margin transactions within each business unit.

   In addition, various initiatives to optimise the balance sheet and improve returns have also been announced. These include the sale-and-leaseback of dairy farming land in Uruguay; almond plantation assets in the USA and Australia; the repurchase of long-term unsecured bonds of US$30.0 million issued by NZ Farming Systems Uruguay (NZFSU) and the repurchase of 7.0% perpetual capital securities and 6.0% fixed rate notes due 2022 aggregating S$54.2 million.

3. **Pursue opportunities for unlocking intrinsic value**
   We have completed several initiatives, including the sale of our basmati rice mill in India; the sale of a 25.5% interest in our instant noodles business in Nigeria to Sanyo Foods of Japan; the sale of Dirranbandi and Collymongle cotton gins in Australia; the sale of our 50.0% stake in our grains origination operation – Olam Lansing Canada; the sale of 9.8% equity stake in our dairy processing operation – Open Country Dairy (OCD) in New Zealand; the sale of 20.0% stake in the SEZ to the Republic of Gabon and the sale of 80.0% stake in our Australian grains business to Mitsubishi Corporation. As a result of the reduced shareholding in the Australian grains business, our remaining 20.0% equity stake in the venture has been classified as a Long-Term Investment of the Group.

   We expect to conclude other announced initiatives in FY2015, including the sale of equity in our upstream palm and rubber joint ventures to the Republic of Gabon, the sale of our dairy processing plant in Côte d'Ivoire and the sale of a 25.0% stake in our Packaged Foods business to Sanyo Foods.

4. **Optimise shape of portfolio and reduce complexity**
   In addition to the partial divestment of our wood products business in Gabon which was completed during Q3 FY2014, we announced and closed the sale of our timber subsidiary Compagnie Forestière des Abeilles SA (CFA) in Gabon for US$6.0 million during Q4 FY2014. We also exited from the rice distribution business in Côte d'Ivoire.

   These transactions will help bring a sharper focus to the business and are expected to reduce operating costs going forward.

5. **Improve operating efficiencies**
   We launched a Sustained Cost Management initiative which helped to moderate the rate of overhead growth despite consolidation of expenses from newly acquired companies and inflationary pressures. Overhead expenses growth was contained at 5.5% to S$805.0 million in FY2014 from S$763.3 million in FY2013.

6. **Enhance stakeholder communication**
   In order to facilitate a better understanding of Olam's business, we launched several initiatives including investor days for our Edible Nuts, Spices & Vegetable Ingredients, Grains and Packaged Foods businesses. We organised a field visit to our operations in Nigeria and Gabon and introduced a Management Discussion and Analysis (MD&A) from Q1 FY2014 results. We also simplified the reporting template for our quarterly financial statements to highlight the underlying financial performance of the business, excluding the impact of exceptional items.

We optimised our balance sheet with the sale-and-leaseback of almond plantation assets in Australia.

In the first full year following the announcement of the Strategic Plan, we have made steady progress on each of the six pathways.

The table below summarises the impact of the Strategic Plan initiatives on our profits, capital reserves and cash flow:

Completed Initiatives

Initiative	P & L impact S$m	Addition to capital reserves S$m	Cash flow released S$m
Sale-and-leaseback of almond plantation assets, USA	17.4	-	68.6
Buyback of NZFSU bonds	6.0	-	-
Sale of basmati rice mill, India	6.1	-	17.7
FY2013 Initiatives	**29.5**	**-**	**86.3**
Sale of 25.5% stake in noodles business	-	14.2	25.1
Sale of Dirranbandi cotton gin, Australia	6.1	-	22.7
Sale-and-leaseback of almond plantation assets, Australia	65.4	-	233.2
Divestment of Olam Lansing, Canada	-	-	6.8
Sale of timber assets, Gabon	(14.6)	-	22.8
Repurchase of bonds and perpetual securities	1.0	2.3	-
Sale of 9.8% stake in OCD, New Zealand	(0.6)	-	35.1
Sale of 80.0% stake in Australian grains business	28.8	-	79.8
Sale of timber subsidiary in Gabon	(22.6)	-	7.5
Sale of Collymongle cotton gin, Australia	6.0	-	9.9
Sale of 20.0% stake in SEZ, Gabon	(5.0)	-	74.8
FY2014 Initiatives	**64.5**	**16.5**	**517.6**
Total (Completed Initiatives)	**94.0**	**16.5**	**603.9**
Fair valuation of investment in PureCircle	270.3	-	-
Total (Including PureCircle)	**364.3**	**16.5**	**603.9**

Announced Initiatives that are Expected to be Completed in FY2015

Initiative	P & L impact S$m	Addition to capital reserves S$m	Cash flow expected S$m
Sale of 10.0%/20.0% stake in palm/rubber, Gabon	-	18.1	37.4
Sale-and-leaseback of dairy farmland, Uruguay	22.4	-	66.9
Sale of 25.0% stake in Packaged Foods	-	100.7	208.8
Sale of dairy processing plant, Côte d'Ivoire	12.6	-	31.2
Total	**35.0**	**118.8**	**344.3**

Financial and Operational Review

In FY2014, Olam achieved Profit After Tax growth of 63.8% over FY2013. Profit After Tax and Minority Interest (PATMI) grew by 67.8% over FY2013. Operational PATMI, excluding exceptional items, was lower by 6.7% against FY2013.

The volume decline of 6.7% was against a high base in FY2013, which saw an exceptional 49.5% growth over FY2012. Lower volume, coupled with the change in business mix and lower priced commodities led to a 6.6% decline in sales revenue, even though prices for some commodities also registered a sharp increase during the period.

Despite the decline in volume, Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA), was flat at S$1,168.8 million reflecting margin expansion from upstream and midstream initiatives. The EBITDA for FY2014 includes a net loss of S$3.7 million on the fair valuation of biological assets compared to a net gain of S$92.5 million in FY2013.

PATMI for FY2014 grew by 67.8% over FY2013 on account of exceptional gains recorded during the period arising from the successful execution of various initiatives in our strategic plan.

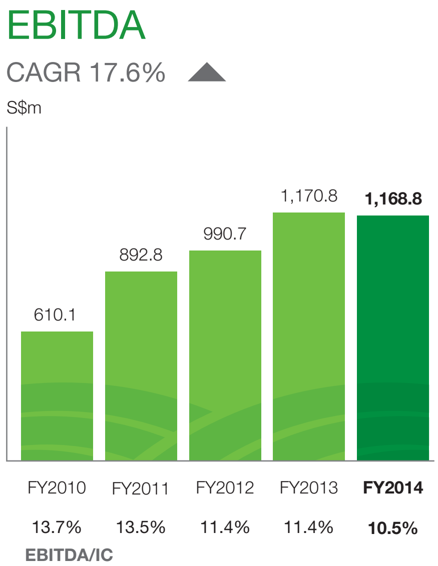
Operational PATMI declined by 6.7% as we recorded higher depreciation and amortisation charges on a larger fixed asset base, which increased by approximately S$0.7 billion since FY2013.

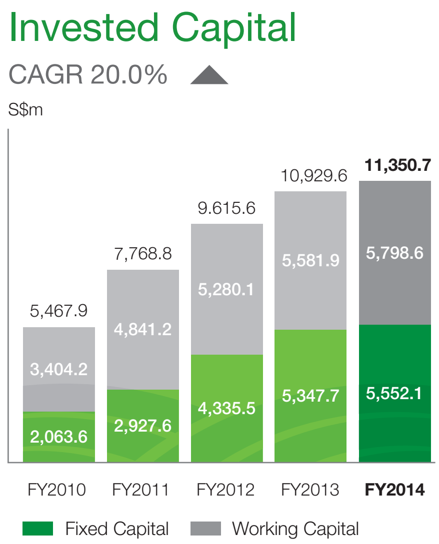
	FY2014 S$m	FY2013 S$m	% Change S$m
Volume ('000 MT)	**14,877.3**	**15,953.5**	**(6.7)**
Revenue	**19,421.8**	**20,801.8**	**(6.6)**
EBITDA	**1,168.8**	**1,170.8**	**(0.2)**
PBT	731.5	483.9	51.2
(-) Taxation	(90.2)	(92.3)	(2.3)
PAT	**641.3**	**391.5**	**63.8**
(-) Non-controlling interests	32.8	28.9	13.4
PATMI	**608.5**	**362.6**	**67.8**
(-) Net exceptional items	283.1	14.0	n.m.
Operational PATMI	**325.4**	**348.6**	**(6.7)**

EBITDA and Invested Capital Trend

EBITDA for the year was flat at S$1,168.8 million while Invested Capital rose from S$10.9 billion a year ago to S$11.4 billion at the end of FY2014.

Successful execution of the Strategic Plan led to a reduction in the pace of fixed capital investments. However, working capital increased on account of higher commodity prices, particularly in the Confectionery & Beverage Ingredients segment, leading to a decline in EBITDA on average Invested Capital (EBITDA/IC) from 11.4% in the previous year to 10.5% in FY2014.





Invested Capital excludes (a) Gabon Fertiliser Project (FY2014: S$184.1 million; FY2013: S$106.0 million) and (b) Long-Term Investment (FY2014: S$407.7 million)

Strategy and Performance

Strategy Update and Financial Performance

Balance Sheet Analysis

Our total assets of S$13.6 billion comprised S$1.6 billion of cash, S$6.0 billion of working capital and S$6.1 billion of long-term fixed assets. These were funded by S$4.3 billion of equity, S$4.5 billion of short-term debt and S$4.8 billion of long-term debt.

While there was a reduction in property, plant and equipment, as well as intangible assets, the overall fixed capital increased by S$690.2 million compared to the prior period due to (a) an increase in long-term investment from the revaluation of our stake in PureCircle Limited and the value of 20.0% stake in our Australian grains joint venture, (b) incremental investments in upstream farming and plantations, as well as from biological growth/harvest leading to higher biological assets, and (c) an increase in investments in jointly controlled entities and associates from the deconsolidation of the SEZ investment.

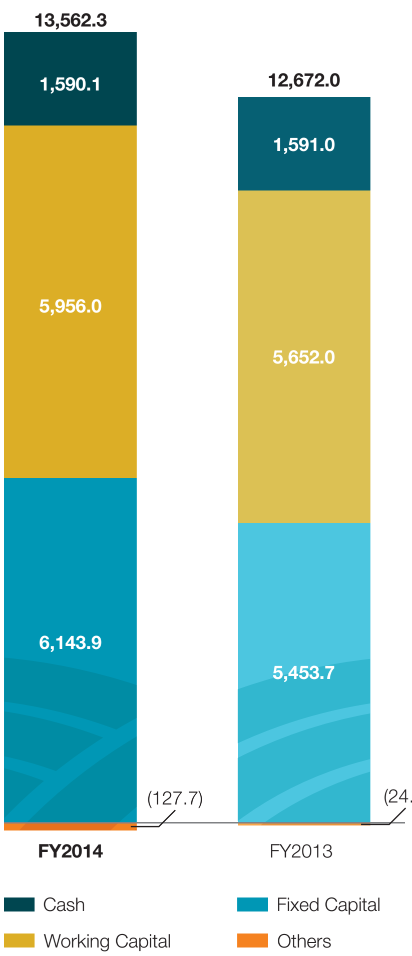
The growth in working capital was due to an increase in inventory levels, carried at higher commodity prices vis-à-vis end-June 2013, particularly in the Confectionery & Beverage Ingredients segment. The other three segments registered a net decline in working capital from a mix of lower prices and optimisation in cycle time.

The increase in the short-term debt was a result of higher working capital requirements, as well as prepayment of higher cost medium and long-term debt.

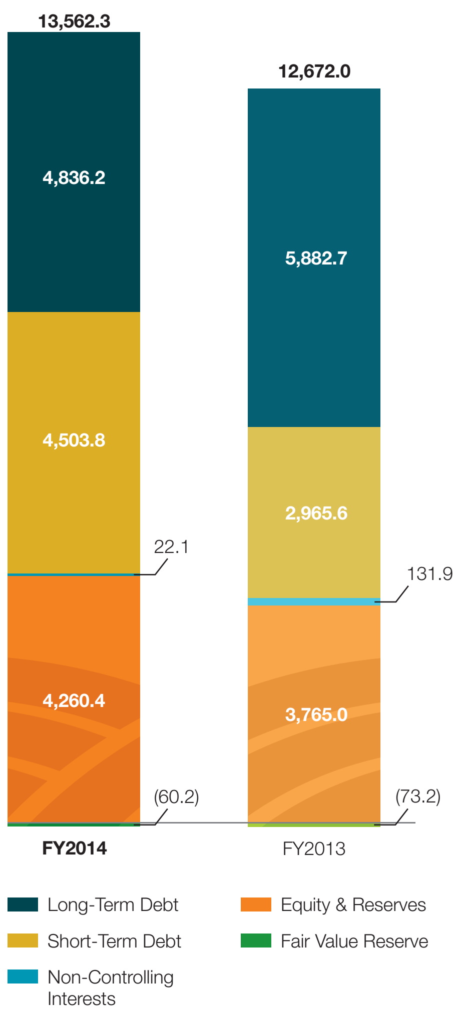
Borrowing Mix

We secured a US$2.22 billion revolving credit facility (RCF) in Q4 FY2014, which increased the proportion of our short-term debt in FY2014 versus FY2013. A part of the RCF was used to prepay higher cost debt which resulted in a reduction in the proportion of bank syndications as compared to the previous year. The prepayment of debt resulted in a one-time after tax charge of S$19.8 million in FY2014.

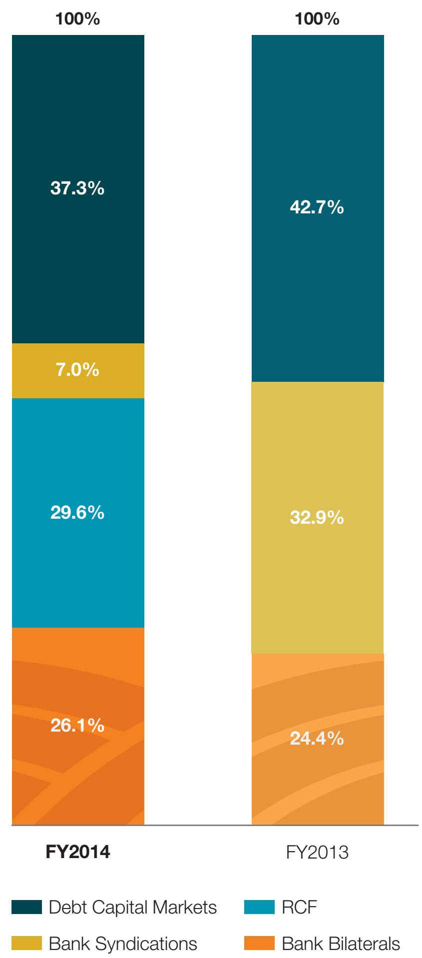
Use of Funds
S$m



Sources of Funds
S$m

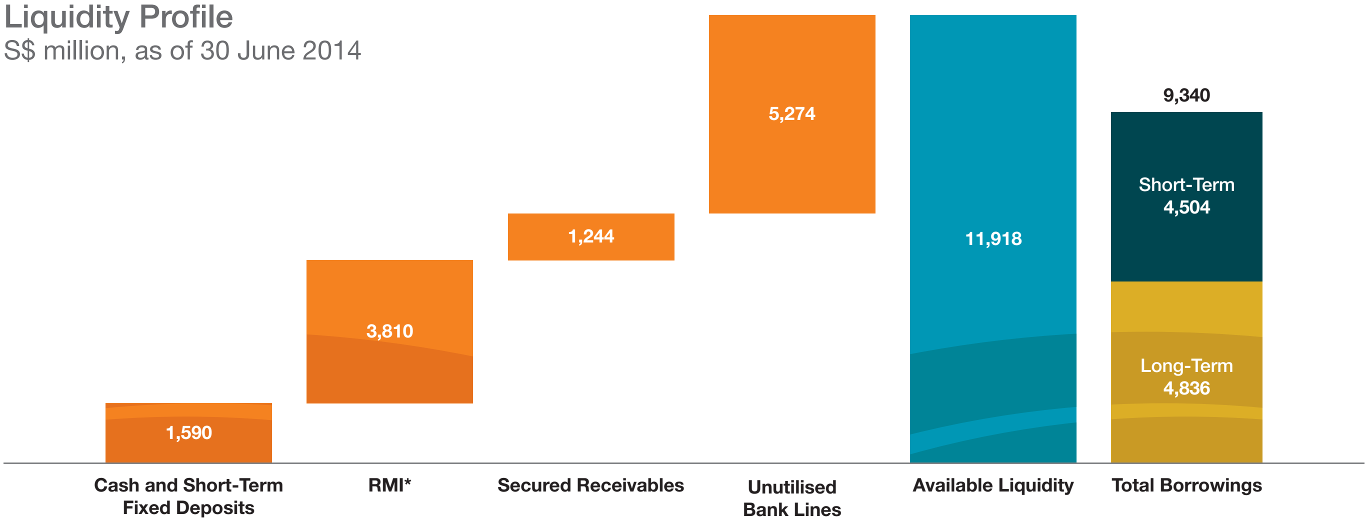


Borrowing Mix
%



Liquidity Profile

S$ million, as of 30 June 2014



*RMI: Readily Marketable Inventories that are liquid, hedged and/or sold forward

Liquidity Profile

We maintained sufficient liquidity to meet our working capital and capital expenditure requirements, with a total of S$11.9 billion in available liquidity as of 30 June 2014, including unutilised bank lines of S$5.3 billion.

Gearing

Net debt increased by S$492.6 million mainly to finance the price-led incremental working capital. Net gearing of 1.82 times as of 30 June 2014 is below our FY2016 target of 2.0 times as set out in our Strategic Plan.

Of the S$4.7 billion inventory position, approximately 81.3%, or S$3.8 billion were Readily Marketable Inventories (RMI) that were liquid, hedged and/or sold forward, operating as near-cash assets on our balance sheet. In addition, of the S$1.6 billion in trade receivables, approximately 77.1% were secured. Typically, at any given point, about 80-90% of inventory is hedged and/or sold forward and 60-70% of receivables are supported by letters of credit or documents through banks. Adjusting for RMI and secured receivables, our net gearing would be 0.63 times, reflecting the true indebtedness of our Company.

	30 Jun 2014 S$m	30 Jun 2013 S$m	Change S$m
Gross debt	9,339.9	8,848.2	491.7
Less: Cash	1,590.1	1,591.0	(0.9)
Net debt	7,749.8	7,257.2	492.6
Less: RMI	3,809.5	3,373.3	436.2
Less: Secured receivables	1,243.8	1,822.4	(578.6)
Adjusted net debt	2,696.5	2,061.5	635.0
Equity (before fair value adjustment reserves)	4,260.4	3,765.0	495.4
Net debt/Equity (Basic)	**1.82**	**1.93**	**(0.11)**
Net debt/Equity (Adjusted)	**0.63**	**0.55**	**0.08**

Cash Flow

We made significant progress towards our goal of achieving positive free cash flow during the year. We were successful in generating higher cash flows from operations, reducing the pace of new investments and releasing cash from our Strategic Plan initiatives. We also achieved working capital reduction across three of our segments. However, a sharp increase in commodity prices in H2 FY2014, particularly in the Confectionery & Beverage ingredients segment led to an overall increase in working capital as compared to the corresponding prior period.

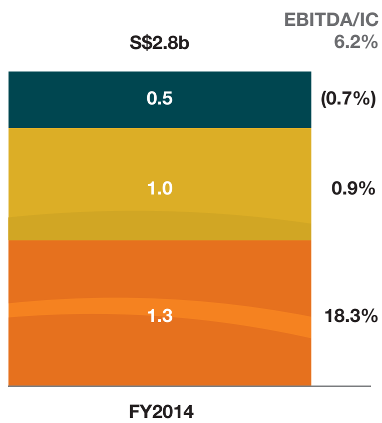
Annual Cash Flow Summary	FY2010 S$m	FY2011 S$m	FY2012 S$m	FY2013 S$m	FY2014 S$m
Operating Cash Flow (before Interest & Tax)	461.3	811.1	894.2	1,073.8	1,175.5
Changes in Working Capital	(1,099.3)	(2,094.9)	(306.9)	(339.5)	(944.5)
Tax Paid	(36.6)	(45.1)	(48.3)	(39.5)	(53.7)
Net Operating Cash Flow	**(674.6)**	**(1,328.9)**	**538.9**	**694.8**	**177.3**
Net Capex/Investments	(820.9)	(900.5)	(1,248.4)	(1,050.6)	(206.0)
Free Cash Flow to Firm (FCFF)	**(1,495.4)**	**(2,229.4)**	**(709.4)**	**(355.7)**	**(28.7)**
Net Interest	(179.0)	(294.2)	(351.5)	(444.6)	(475.9)
Free Cash Flow to Equity (FCFE)	**(1,674.4)**	**(2,523.7)**	**(1,060.9)**	**(800.4)**	**(504.6)**

Growth in volume and revenue in the upstream segment was driven by higher almond yield and prices.

Value Chain Analysis

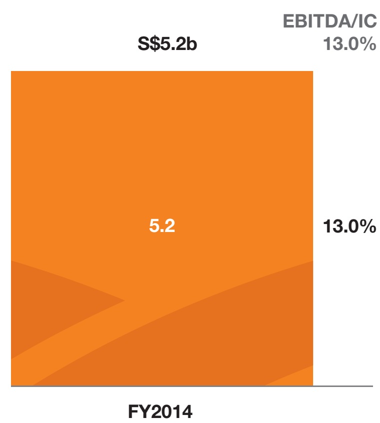
There is significant growth potential from existing Upstream and Mid/Downstream assets as more than half of the Invested Capital in those segments are currently gestating or partly contributing and are expected to make a larger contribution in the future.

Upstream



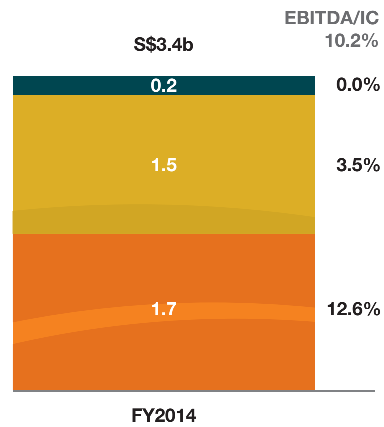
Invested Capital
Expected EBITDA/IC
in plan period: 15-18%

Supply Chain



Invested Capital
Expected EBITDA/IC
in plan period: 10-13%

Mid/Downstream



Invested Capital
Expected EBITDA/IC
in plan period: 13-16%

Gestating Partly Contributing Fully Contributing

Upstream

The upstream segment registered a year-on-year volume growth of 1.5%, revenue growth of 43.5% and an EBITDA decline of 17.9% in FY2014.

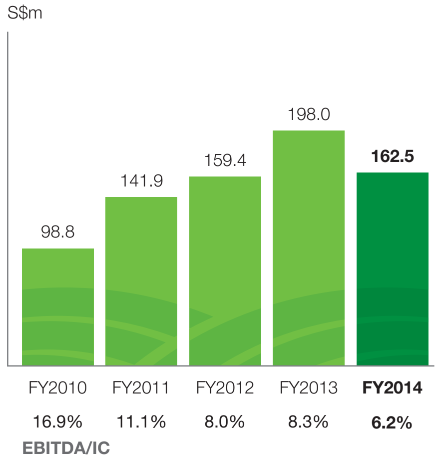
The growth in volume and revenue was driven by higher almond yields and prices. The decline in EBITDA was due to lower contribution from SIFCA on account of lower palm and rubber prices, reduction in our upstream coffee volumes due to the restructuring of the Laos plantation, as well as underperformance in dairy farming in Uruguay and Russia.

Invested Capital in the segment increased by S$241.8 million from the end of FY2013, mainly on account of higher fixed capital invested in various plantation, farming and dairy projects. EBITDA/IC declined from 8.3% in FY2013 to 6.2% in FY2014 due to lower EBITDA and higher average Invested Capital. Of the total segment Invested Capital of S$2.8 billion, S$1.5 billion was partly contributing or gestating. The fully contributing Invested Capital of S$1.3 billion generated an EBITDA/IC of 18.3%.

EBITDA

CAGR 13.2%

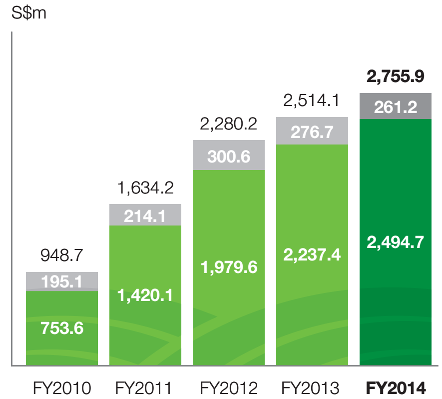
S$m



Invested Capital

CAGR 30.6%

S$m



Fixed Capital Working Capital

Supply Chain

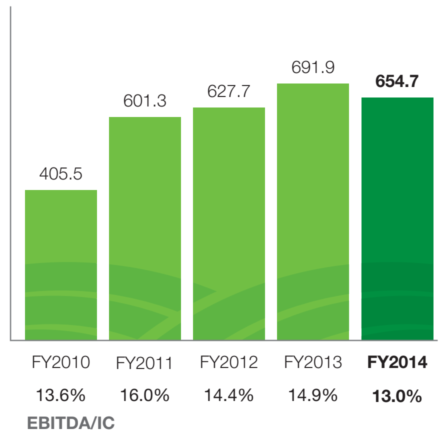
The supply chain segment recorded a decline in volume of 11.9%, and revenue of 13.1%. Lower volumes during the period resulted in segment EBITDA declining by 5.4%.

Invested Capital in the segment increased by S$239.7 million, despite a reduction in fixed capital from the execution of various strategic initiatives, mainly due to higher working capital deployed in the Confectionery & Beverage Ingredients segment. EBITDA/IC declined from 14.9% in FY2013 to 13.0% in FY2014 due to lower EBITDA for the year, as well as higher Invested Capital due to an increase in commodity prices.

EBITDA

CAGR 12.7%

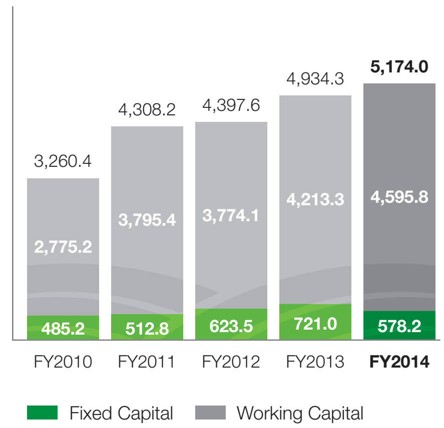
S$m



Invested Capital

CAGR 12.2%

S$m



Mid/Downstream

The mid/downstream segment volumes and revenue recorded a strong growth of 37.3% and 19.0% respectively as we increased capacity utilisation at existing facilities and commissioned new facilities during the year.

EBITDA grew by 25.1% as we benefited from scale economies and extracted greater operating leverage.

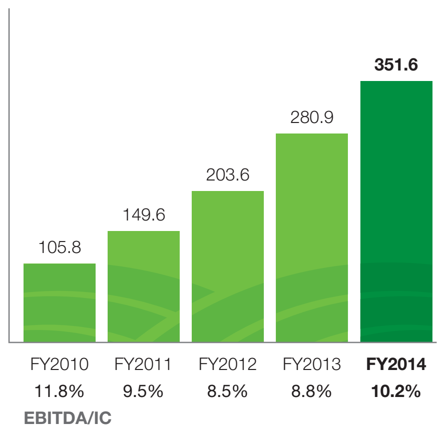
Invested Capital increased marginally by S$60.4 million during the period, mainly due to higher fixed capital deployed in various processing facilities including flour mills in Senegal and Cameroon, palm refineries in East Africa and cocoa processing in Côte d'Ivoire. Despite an increase in volume, there was a reduction in working capital as our efforts to optimise cycle time started yielding results.

EBITDA/IC increased from 8.8% in FY2013 to 10.2% in FY2014 due to higher segment EBITDA for the year. Of the total segment Invested Capital of S$3.4 billion, S$1.7 billion was partly contributing or gestating. The fully contributing Invested Capital of S$1.7 billion generated an EBITDA/IC of 12.6%.

EBITDA

CAGR 35.0%

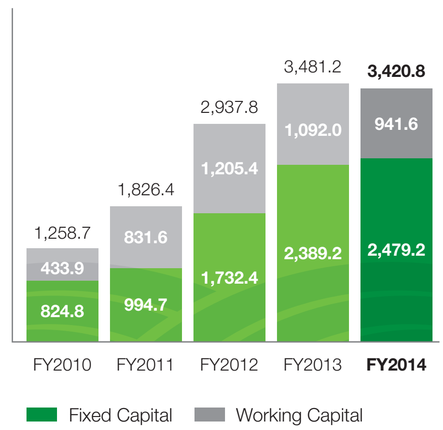
S$m



Invested Capital

CAGR 28.4%

S$m



Transcending Boundaries in our Business

In FY2014 we have focused on our twin objectives of pursuing profitable growth and accelerating free cash flow generation across our operations. In executing our Strategic Plan we have made deliberate choices to reduce volumes and exit lower margin businesses and we are now strongly positioned to benefit as a global supply chain business with selective integration into higher value upstream and mid/downstream segments.

IN THIS SECTION

We continue to integrate our large-scale onion growing and processing in the USA to enhance our productivity.

Total Invested Capital in FY2014 of

S$3.2b

EBITDA grew at a 5-year CAGR of

27.2%

Careful monitoring of quality and growth ensures optimum yields in our almond orchards.

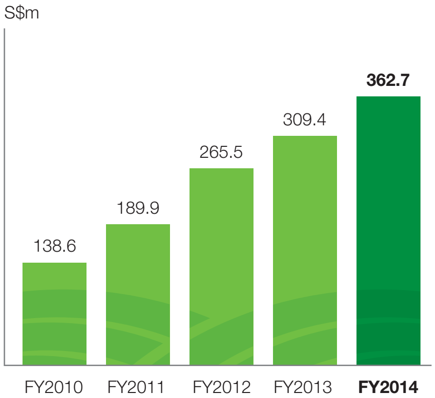
Edible Nuts, Spices & Vegetable Ingredients

Vegetables sourced directly from our farms in California.

Olam was born 25 years ago trading cashews in Nigeria. Today our cashew business has grown into a leading global player within our strong performing Edible Nuts platform. We are also the number one global supplier of sesame and Spices & Vegetable Ingredients where we enjoy a leadership position in pepper, dehydrated onion and garlic.

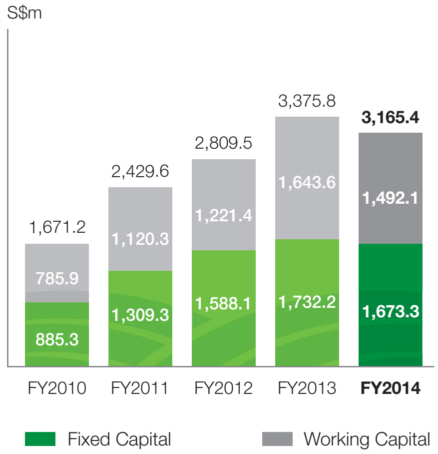
EBITDA

CAGR 27.2%



Invested Capital

CAGR 17.3%



FY2014

Volume
1.6m MT

Revenue
S$3.5b

EBITDA
S$362.7m

Invested Capital
S$3.2b

EBITDA/IC
11.1%

Volumes in the Edible Nuts, Spices & Vegetable Ingredients segment declined by 4.3%, revenue was up 7.7% and EBITDA grew by 17.2% over the previous year. A deliberate shift away from raw nuts into processed, value-added kernels meant lower cashew volumes, resulting in slower volume growth overall. Revenue growth however rose on the back of increases in almond and tomato prices. Strong performance in upstream almond, USA peanut and dehydrated onion and garlic processing delivered EBITDA growth, offsetting the weaker performance from cashews.

We successfully reduced Invested Capital in the segment during the year by S$210.4 million. This reflected lower working capital in the cashew business and lower fixed capital as a result of the sale-and-leaseback of our almond plantation assets in Australia. EBITDA to average Invested Capital (EBITDA/IC) rose from 10.0% a year ago to 11.1% this year on improved EBITDA.

Our business began with sourcing cashews in Nigeria and we are now the world's largest supplier of cashews.

Cashews

It all began for Olam 25 years ago with cashew as our single category in a single origin. Since then our cashew business has developed sustainable supply chains, pioneered mechanised processing, reduced carbon footprint by processing at source, innovated in packaging and pasteurisation and promoted cashews as ingredients. Today it is a truly global business – we process cashews in India, Tanzania, Mozambique, Côte d'Ivoire, Nigeria and Vietnam. Olam is also the largest supplier of organic cashews.

To address the ongoing industry challenges of shortage of labour, more stringent food standards and increased demand, we continue to remain focused on increased automation in our factories and put in place processes and practices to pursue globally accepted certifications. During the year, we built long-term partnerships with our key clients and acquired global quality accreditations for some of our processing facilities, including those in India and Vietnam, where pasteurised cashews are produced. While we made the decision to scale down our processing activities in Nigeria, which resulted in a one-off impairment charge in FY2014, our mechanical cashew processing in Côte d'Ivoire is doing well and we are replicating this model in Asia by setting up semi-mechanised plants in India and Vietnam. Training on good harvesting practices conducted for farmers as part of our Sustainable Cashew Growers Programme in Côte d'Ivoire showed positive results in terms of better yields and increased productivity.

Peanuts

The peanuts business has represented some important firsts in Olam's 25-year history, being the first business to execute our Group strategy of selectively expanding into the upstream and midstream parts of the value chain.

This year, the peanut industry was impacted by languishing peanut prices, lower yields in Argentina and South Africa because of drought and the rapid depreciation of Argentina's currency. Despite these difficult operating conditions, there were bright spots for our midstream operations. Our blanching and ingredient processing operations in the USA maintained optimum operating levels and experienced a strong demand for their end-products. Our new blanching operations in India met high European quality standards and our strong focus on capital optimisation saw a 30% reduction in cycle times.

Almonds

As the world's second largest grower and trader of almonds, we continued to benefit from growing global demand for almonds as a 'healthy nut'. We also captured greater share in emerging markets.

Although overall industry volumes came under pressure from higher almond prices and geopolitical risk in the Middle East, we recorded larger grower volumes in the year as our orchards in Australia reached full maturity and volumes from the USA grew with increased acreage. Following the sale-and-leaseback of our almond orchards in the USA the previous year, we successfully completed a larger transaction in the sale-and-leaseback of our orchard farming assets in Australia for A$200.0 million. In line with our Strategic Plan, this unlocked value built up since 2010, generated cash and importantly, saw us retain the production economics of the almond harvest from these orchards.

Hazelnuts

Olam entered the hazelnut industry in 2011 through the acquisition of Progida in Turkey. Since then we have been mainstreaming our corporate responsibility and sustainability standards by investing in human, social and technical capital in our hazelnut business. We are now the supplier of choice to many of the world's top confectionery brands.

The year was not without its challenges. We saw the depreciation of the currency in Turkey, as well as frost, leading to a doubling of prices. Added to this was the instability in the destination markets of Ukraine and Russia. We mitigated currency volatility through our risk management systems, diversified our customer base and drew on our physical stocks to manage the impact of a price run-up.

Continued active development of sustainable supply chains in Turkey remains a priority, which we are pursuing in partnership with a number of our key customers. We work closely with farmers to help them improve yields and adopt better drying practices. We are innovating to develop new products and to enhance operating practices that deliver cost leadership in conjunction with high food safety standards. Sustainability in action is a key competitive advantage for us and resulted in our successful acquisition of new customers during the year.

To support growth in hazelnut demand, we are deepening our sourcing capabilities in Turkey and seeking new sources of supply.

Sesame

Olam is the number one supplier of sesame globally and has been integral to the growth of responsible sesame production in Africa since 1996. The business has evolved from initiation in Nigeria, expansion into Tanzania and Mozambique, to the setting up of a hulling plant in Nigeria in 2006 and market participation now across Asia and the Middle East.

We are now the hazelnut supplier of choice to many leading confectionery brands.

We have an ongoing commitment to support both sesame farmers and cooperatives.

We experienced strong demand for our peanut ingredients in the USA.

Innovations like Oven Roasted Tomatoes are the result of combining upstream expertise with our multiple processing facilities.

During the year, our focus was redirected back to our roots in Nigeria with the commissioning of a state-of-the-art sesame hulling facility. In line with our expanded capacity, we processed larger volumes in the origins compared to last year. Our ongoing commitment to supporting both farmers and cooperatives and increases in our processing volumes put us in a strong position to capitalise on the shift in sesame seed production from Asia to Africa. The ability of our supply chains to produce high quality edible grade and hulled sesame and the provision of risk management solutions, with guaranteed quantities, earned the commitment of our customers to long-term supply arrangements.

Spices & Vegetable Ingredients

Our Spices & Vegetable Ingredients (SVI) business has developed significantly over the past five years and now leverages Olam's wider global networks, established over 25 years. The business achieved above-target performance in the year as volumes and margins continued to increase.

SVI has invested heavily to develop its Innovation & Quality Centre, which offers unparalleled capabilities to our customers in respect of food technology, trends, sensory and product development. A recent example of our cross-product innovation, Oven Roasted Tomatoes, is a result of combining the expertise of tomatoes and specialty vegetables with the proficiencies of multiple processing facilities to create and test a new mass-scale retail product.

We mitigated the impact of persistent drought in California by leveraging our sourcing from various origins and through the use of drip irrigation for more efficient water usage. The global dehydrates business grew profitably on increased market share through advances in seed research and management at our Global Agriculture Centre. The development of efficiencies in our supply operations across the USA, Peru, India, Vietnam, Egypt and China supported growth in our global capsicum business and our tomato processing business turned around with improved margins.

To continue growing responsibly, we will focus on reducing waste in our manufacturing facilities and improving productivity and energy conservation. We will further develop seed and agricultural practices that are adaptable to changing production conditions around the world.

Global trends in demand present strong opportunities in our businesses, such as replacement of sodium and artificial food ingredients through dehydrated vegetables and spices; growth of protein seasonings; demand for ready-to-eat meals, instant noodles and snacks.

We produce dehydrated spices that can help replace artificial ingredients.

Our onion breeding programme has helped reduce water consumption, conserving 10 million litres over the last four years.

Our use of drip irrigation in California led to more efficient water usage.

Total Invested Capital in FY2014 of

S$3.1b

EBITDA grew at a 5-year CAGR of

18.1%

Spanning five continents and 19 countries, Olam's coffee business is expanding further with new plantings in Brazil, Tanzania and Zambia.

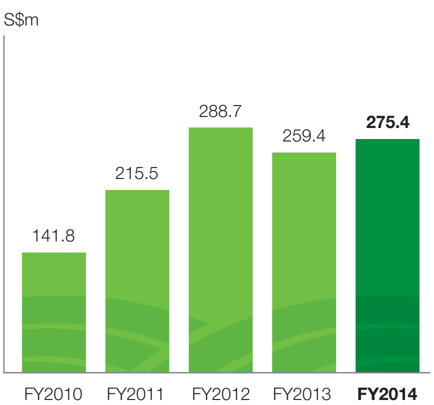
Confectionery & Beverage Ingredients


Our integrated approach in cocoa makes Olam one of the industry's most traceable cocoa supply chains.

Olam has been in coffee and cocoa for more than 20 years and on the leading edge of the evolution of responsible and traceable sourcing to meet the growing demand for sustainably produced products. Our approach is underpinned by deep collaboration with stakeholders from farmers to customers and our success in building those relationships is a key differentiator for Olam in these businesses.

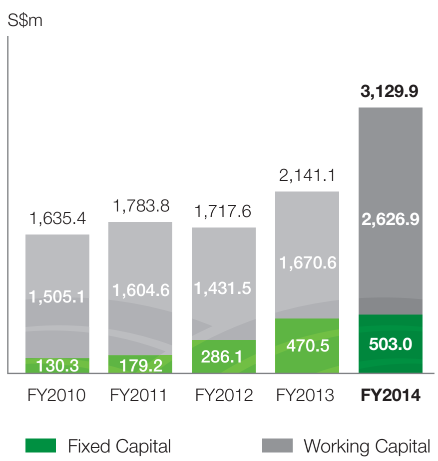
EBITDA

CAGR 18.1%



Invested Capital

CAGR 17.6%



FY2014

Volume
1.4m MT

Revenue
S$5.0b

EBITDA
S$275.4m

Invested Capital
S$3.1b

EBITDA/IC
10.4%

The Confectionery & Beverage Ingredients segment continued to deliver a consistent performance with EBITDA growth of 6.2% to S$275.4 million. Volumes and revenues in the segment declined by 10.6% and 4.3% respectively year-on-year. Going forward, we are positioned well with our greater depth and integration in the cocoa and coffee businesses, including the soluble coffee manufacturing facilities in Vietnam and Spain, the newly commissioned cocoa processing facility in Côte d'Ivoire and the further development of Olam Food Ingredients in Europe.

Coffee

This year marked 20 years in the coffee business for Olam and our most successful yet. Today we are one of the largest and most vertically integrated coffee businesses across five continents and 19 countries from farming to instant coffee.

In our upstream operations, we continued to execute our plan to increase our total planted area, now at 3,600 hectares, with new plantings in Brazil, Tanzania and Zambia. In Laos, the need to replant some areas to improve

Our sustainable coffee presents significant growth opportunities.

tree development and achieve better long-term yield, coupled with the return of a portion of land to the Laotian government in exchange for alternate land, resulted in a write-off and a reduction in the carrying value of our plantation assets. We learned from this experience and have now revised planting procedures with regular external surveys to check that the planting material, nurseries and soil remain healthy.

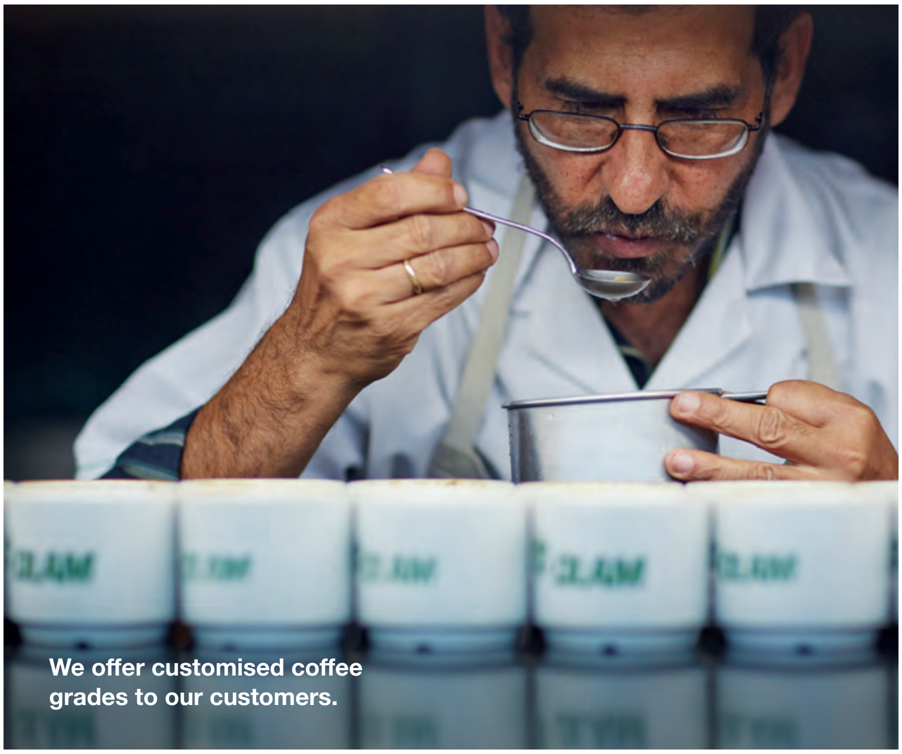
In the core supply chain business, we consolidated our direct green coffee sourcing in key growing origins. Challenges posed by the severe drought in Brazil and the coffee leaf rust outbreak in Central America were addressed through our inventories of various grades of coffee that gave us the flexibility to respond to possible shortages.

In the premium coffee segment, we are working to boost sustainable coffee volumes which currently account for about 5.0% of our trading volumes and where we see significant headroom for growth. Through 4C partnership initiatives with key customers, part proceeds from sustainable coffee sales are channelled back to growers in Brazil, Vietnam and Indonesia to enhance their agricultural and environmental practices and boost livelihood opportunities. We are also expanding our specialty coffee reach in Europe and the Asia Pacific.

In our midstream operations, after expanding installed capacity in FY2013, marketing our soluble coffee volumes was a key focus. Our operation in Vietnam focused on product development, while meeting quality requirements of our clients in Europe, Japan and Australia. Our operation in Spain focused on the private label market with major retailers in Western Europe.

Cocoa

Cocoa was at the heart of the development of Olam's now group-wide Origin Sourcing and Risk Management model when cocoa started 22 years ago. It remains at the forefront of our drive to grow responsibly and ensure mutual value through the Olam Livelihood Charter. We have one of the industry's most traceable cocoa supply chains



We offer customised coffee grades to our customers.

We have trained 90,000 farmers in environmentally responsible farming practices.

We continue to leverage our strong traceable cocoa sourcing network in Indonesia.

Demand for sustainable cocoa products manufactured in our facilities grew during the year.

and two new programmes with major chocolate brands have seen Olam train 90,000 farmers globally in efficient and environmentally responsible farming practices.

Olam continued to expand its integrated cocoa business during the year and played a leading role in the industry's response to global cocoa supply issues. We successfully commissioned our cocoa processing plant in Côte d'Ivoire, which is now capable of grinding 75,000 metric tonnes of cocoa beans and we increased our capacity for cocoa butter refining at Olam Food Ingredients (OFI) UK. In Spain, our milling capacity was doubled as we develop a wider range of cocoa products to cater to our larger customer base.

Demand for sustainable cocoa products manufactured in our facilities in Côte d'Ivoire, Nigeria, UK and Spain increased during the year, an endorsement of our approach that sustainability is at the heart of what we do.

Effective integration of our supply chain is also paying off. To address the growing outsourcing trend by confectioners and the rising global demand for sustainable high quality cocoa products, particularly in Asia, we are investing US$61.0 million in a cocoa processing facility in Indonesia that will commence operations in 2016. With an initial capacity of 60,000 metric tonnes, the facility will leverage our already strong traceable cocoa sourcing network in Indonesia to produce cocoa butter, cocoa cake and high quality cocoa powders. The facility will grind beans sourced from our cocoa plantation on Indonesia's Seram Island and from our farmgate networks in Africa.

Total Invested Capital in FY2014 of

S$3.1b

EBITDA grew at a 5-year CAGR of

24.0%

We have a collective wheat milling capacity of one million tonnes per annum in Nigeria, Ghana, Senegal and Cameroon.

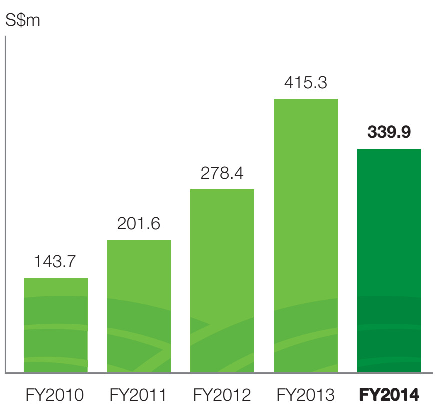
Food Staples & Packaged Foods

Our production capacity for noodles has increased following investment the previous year.

One of Olam's strengths developed over the past 25 years has been our ability to not only recognise and seize adjacent growth opportunities, but to respond quickly to changes in the business environment or strategic priorities. Establishing our Packaged Foods business was just one example of this entrepreneurial spirit, as we leveraged our origin and distribution presence by moving downstream.

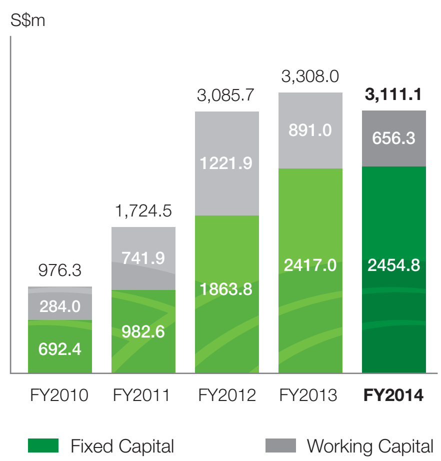
EBITDA

CAGR 24.0%



Invested Capital

CAGR 33.6%



FY2014

Volume
10.2m MT

Revenue
S$7.3b

EBITDA
S$339.9m

Invested Capital
S$3.1b

EBITDA/IC
10.6%

Volumes in the Food Staples & Packaged Foods segment fell by 5.3% compared with a strong prior year. Revenue was down 5.9% on lower volumes and prices. In the five-year period from FY2010 to FY2014, EBITDA grew at a CAGR of 24.0% against an invested capital CAGR of 33.6%, suggesting headroom for better returns, as a number of currently gestating initiatives are expected to contribute in the future.

During the year a number of initiatives were announced as part of the Strategic Plan to unlock intrinsic value and accelerate growth in the grains, dairy, palm and Packaged Foods businesses. Separately, our investment in PureCircle was reclassified from associate to long-term investment, resulting in a net gain of S$270.3 million.

Our 6,000-hectare integrated rice farming project in Nasarawa, Nigeria is proof of our sustainable value chain model.

Grains

We entered the grains business just six years ago and today Olam is amongst the largest wheat millers in Africa, with a collective wheat milling capacity of approximately one million tonnes per annum in Nigeria, Ghana, Senegal and Cameroon. We are also amongst the largest exporters of grain from Russia with a port elevation facility.

The key focus of our grains business during the year in review was to achieve full economies of scale and synergies between our origination and sourcing, milling, bulk ocean freight and marketing operations. The grains strategy was adjusted during the year to generate longer-term margin improvement with a trade off in near-term volumes. This meant a reduction in origination and trading activities and a focus on putting our capital to work in milling, where we believe we have a significant competitive advantage and can generate attractive returns. Global sourcing and trading capabilities that support milling operations, such as our operations in the Black Sea region, are being boosted in line with this approach.

Our milling business performed above expectations despite the impact of the devaluation of the Ghanaian cedi. Our mill in Senegal started production during the year, while the mill in Cameroon is currently in the final stages of construction and scheduled for production in the second half of FY2015.

Volumes in origination and trading decreased in FY2014 compared to the previous year, in line with our revised strategy. Our decision not to commit capital to support capacity and volume substantially reduced our participation in Australia, South Africa and Canada during the year. We exited Canada with the sale of our entire 50.0% stake in Olam Lansing and sold down 80.0% ownership of our grains business in Australia. Despite a lower contribution from Ukraine this year, we remain committed to our origination businesses in the Black Sea and will continue to build on our strong competitive position in Russia.

Rice

Policies on rice in Africa are shifting in favour of domestic self-sufficiency, although rice consumption in Africa continues to grow rapidly. Olam is the second largest rice trader in the world and has been in the business since 1993. Our response to the trends in rice has been to do what Olam does best – build a sustainable business model that integrates our value chain presence from farm-to-fork, leveraging our strong grower relationships, distribution strengths and corporate responsibility and sustainability practices.

Despite lower volumes and margins, we maintained our position as the second largest global supplier of rice. The decline in volumes and margins resulted from an increase in import tariffs in Nigeria that led to a period where no rice was imported into the country (it has since resumed); the devaluation of the cedi in Ghana, and consistent with our strategic plan to optimise the rice business, our exit from rice distribution in Côte d'Ivoire.

Our 6,000-hectare integrated rice farming and milling project in Nasarawa, Nigeria, is a significant proof point of our sustainable, integrated value chain model. 4,000 hectares are already under cultivation, with a further 2,000 hectares on target for 2015. The rice mill will provide 50,000 metric tonnes of milled rice per annum to the domestic market, contributing to the Nigerian government's goal to improve self-sufficiency in rice. The farm and the mill will also boost smallholder rice production in the region with 3,000 farmers already engaged in the programme and a target of 16,000 farmers by 2018.

Sugar and Natural Sweeteners

After further restructuring this year, the sugar business remained focused on extracting maximum value from existing assets. We achieved growth in profitable trade flows and significant improvements in operational efficiencies. We reduced indirect overheads and both the Indian milling and Indonesian refining assets delivered their best ever performance. Processing operations made significant progress in contracting additional volumes with global industrial users, diversifying our sales portfolio.

The sugar business has come a long way since we started trading into Nigeria and Ghana 19 years ago. Along that journey, we saw the rise in potential markets for sustainably produced sugar. As this market demand evolves, we leverage our capabilities through partnerships. This includes a three-way collaboration in India with international agency Solidaridad and the IFC to reduce the use of natural capital in sugar production, increase yields and improve the livelihoods of farmers.

In natural sweeteners, PureCircle accelerated growth in both sales and sales volumes and reported positive net profit for the year. Its strategy of introducing new and innovative ingredients and customisable ingredient combinations was the main driver of volume growth. Recent carbonated soft drink launches using PureCircle's natural ingredients are expected to deliver sizeable and sustained growth for the business.

Dairy

We undertook a comprehensive restructuring of the dairy business portfolio this year to focus on balance sheet optimisation and reduce overall asset intensity, while addressing the upstream dairy farming challenges. Our restructured supply chains are now focused on leveraging competencies in product sourcing in key origins and destination markets, where we see constant supply constraints in high quality dairy products. This change yielded positive results for the business.

The sale and 12-year leaseback by NZ Farming Systems Uruguay (NZFSU) of farmland in Uruguay is expected to release cash for Olam, while we retain the upstream dairy farming economics, which continue to be fundamentally and structurally attractive in the long-term. Although NZFSU has not performed to our investment plan to date, it improved operationally versus the previous year, with higher milk production and higher dairy prices. This positive result was offset by the continued underperformance from our dairy farming operations in Rusmolco, Russia. We have strengthened the teams running these businesses with a mandate to drive more efficient dairy production in these two operations.

On the midstream side, we sold 9.8% of our holding in Open Country Dairy (OCD) to Tally's Group, New Zealand, releasing cash for Olam, while maintaining product off-take arrangements with the company to support our dairy supply chain business. We also disposed of our dairy processing facility in Côte d'Ivoire to focus on more earnings accretive midstream projects. Our processing plant in Malaysia had its first full year of commercial production and the product quality and the customer response have been encouraging, lending credence to our focus on selective participation in the midstream space.

Our dairy processing facility in Malaysia.

We have completed planting on 16,000 hectares in our plantations in the Republic of Gabon.

To realise the full value of dairy farming, NZFSU is pursuing an integrated farming and processing model by investing US$80.0 million to establish a new dairy processing facility in Uruguay, accessible to its farms. The processing plant will be uniquely positioned and differentiated with the control of milk supply through captive milk production and well placed to meet our customers' demand for high quality dairy products with complete traceability and stringent food safety standards. The dairy processing plant is expected to commence operations in 2017.

Palm

Our palm business delivered overall good growth and a creditable performance in a low price environment that lasted through the year. This was also despite a lower contribution from Nauvu Investments (SIFCA). We were able to grow our global supply chain volumes in all our target markets. India emerged as our biggest market and for a period during the year, we were the biggest shipper into the country. In Southern and Eastern Africa we established a firm foothold and continued to expand our trade into West Africa. In processing, we recognised the first full year of our share of results from our Acacia Investments joint venture and we commissioned our greenfield refinery in Beira, Mozambique. Leveraging our existing distribution channels in the country, we were able to ramp up to a sizeable market share in less than a year.

Our upstream joint venture with the Republic of Gabon, Olam Palm Gabon (OPG), hit significant milestones this year. We completed the Environmental and Social Impact Assessment (ESIA) due diligence on our plantations in Gabon according to the Roundtable on Sustainable Palm Oil (RSPO) standards, which were approved by third-party certification agencies and local regulatory authorities. We successfully completed planting on 16,000 hectares in Awala and Mouila and we are on track to finish the Phase 1 planting of 50,000 hectares by 2017. On the basis of these accomplishments, the Republic of Gabon committed to further investment by increasing its stake in OPG from 30.0% to 40.0%. Olam will continue to hold majority ownership at 60.0% and management control in the joint venture.

Packaged Foods

Olam's move into the Packaged Foods business in Africa was one of the more manifest examples of how we have grown by harnessing the synergies of our existing businesses and the insights we developed there. While the downstream move required us to develop new skill sets in brands and consumer understanding, our deep roots in Africa and our view of the region enabled us to appreciate the significant trends towards domestic consumption and discern the preference for homegrown African brands.

Our Packaged Foods business reported continued growth across product categories in West Africa, benefiting from the strong demographic shift that is taking place and the region's demand for higher value-added and better quality foods.

To capitalise on these trends, we increased our focus on developing our brands, market research, consumer insight, product innovation and distribution reach. Following a successful 2013, we developed and launched more innovative products in the biscuits, candies and dairy beverages categories in Nigeria and Ghana. Our direct distribution network now covers 40% more than last year and we aim to expand our network at a similar rate in FY2015. Our production capacities for noodles, biscuits, candies and seasonings also grew this year on the back of investments made in the previous year.

Our strategic partnership with Sanyo Foods in the noodles joint venture had a strong start with improved sales and joint developments. Both companies recently agreed to expand the existing strategic partnership with Sanyo Foods taking a 25.0% stake in the entire Packaged Foods business for US$187.5 million, valuing the business at US$750.0 million. This could increase to US$850.0 million should the business meet specific performance milestones in FY2015. Completion of the sale will generate a net cash inflow and make a positive contribution to Olam's reserves.

Our strategic partnership with Sanyo Foods has expanded into the entire Packaged Foods business.

Our Packaged Foods business continues to grow across product categories in West Africa.

We continue to develop and launch innovative food products.

Total Invested Capital in FY2014 of

S$1.9b

EBITDA grew at a 5-year CAGR of

6.8%

Our cotton farmer outgrower programmes in Côte d'Ivoire and Mozambique are benefiting from our expanded ginning capacity.

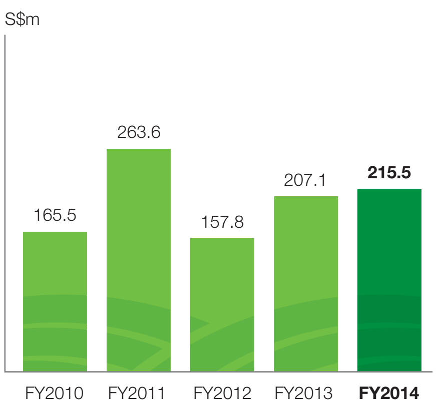
Industrial Raw Materials

This year we commissioned a new roller gin in Mozambique.

Olam's foray into Industrial Raw Materials started with cotton in 1990 followed by wood products in 1994. Our cotton business has since expanded from a single sourcing operation in Burkina Faso to becoming the industry's second largest player. Our more recent investments into rubber and fertiliser have substantially diversified our product portfolio and added gestating assets that will fully contribute in the future.

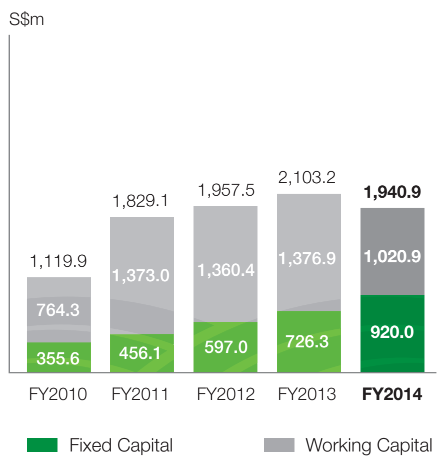
EBITDA

CAGR 6.8%



Invested Capital

CAGR 14.7%



FY2014

Volume
1.7m MT

Revenue
S$3.7b

EBITDA
S$215.5m

Invested Capital
S$1.9b

EBITDA/IC
10.7%

The Industrial Raw Materials segment saw volumes decline by 13.7% and revenues by 20.6% versus the previous year. This was largely the result of lower volumes from the wood products and fertiliser businesses. Despite the topline decline, EBITDA increased by 4.1% on better cotton margins and a higher contribution from the Gabon Special Economic Zone (SEZ).

Natural Fibres

Olam has built a leadership position in a highly consolidated and mature cotton industry in a relatively short span of 24 years. In this commodity, overall size and market share in each trade flow is critical. In 2007, we acquired Australia's largest cotton company Queensland Cotton, establishing us as the largest private ginner in the world and subsequently, as the second largest merchant globally.

Our sustainable operation in the Republic of Congo has a processing capacity to produce 100,000 cubic metres of sawn lumber per annum.

Our merchandising strength and robust risk management system helped us navigate through the most difficult times in cotton history during 2011 and 2012 and emerge stronger post the crisis. Our traded volumes in FY2014 were lower due to a weaker demand from China. However an increase in our market share in the USA and India supported an overall margin improvement in FY2014.

Structurally, we reorganised our ginning assets and overheads across our origination and marketing functions to concentrate on core activities and to reposition for renewed growth and expansion in selected markets. We divested two gins in Dirranbandi and Collymongle to optimise our ginning infrastructure in Australia. As part of this restructuring exercise, we wound down our trading operations for Australian wool, while continuing to leverage our expertise to grow our wool brokering business. We have invested further in manpower resources and logistics capabilities in the USA to capitalise on the opportunity from projected growth in the American textile sector.

We expanded our ginning capacity in Africa and commissioned a new roller gin in Mozambique during the year. As larger volumes flow through our farmer outgrower programmes in Côte d'Ivoire and Mozambique, we will increase our integrated ginning footprint to cover a larger planted area and benefit from the economies of scale in these two locations.

Furthermore, we now engage directly with 90,700 smallholder farmers in African countries. We guide and train them in good agronomic practices, efficient application of agricultural inputs, improve on-farm labour productivity and water conservation practices to increase farm yields and family income sustainably. Our BCI (Better Cotton Initiative) Steering Committee role enables us to implement the principles of sustainable production developed by the BCI and CmiA (Cotton Made in Africa) certification schemes in key producing countries.

Wood Products

Over the last 20 years, the business has transitioned from a supply chain manager of teak and hardwood logs to a manufacturer of certified sawn lumber. In 2007, we expanded our footprint upstream by acquiring forestry concessions in Gabon. In 2012, we further consolidated our position by acquiring 1.3 million hectares of Forest Stewardship Council (FSC®) certified contiguous forestry concessions in the Republic of Congo, the largest in the world. We also acquired sawmilling and processing capacity for producing 100,000 cubic metres of sawn lumber per annum. This operation is the benchmark for sustainable forestry management. In our ongoing quest to grow responsibly, we have invested US$20.0 million in a co-generation project in the Republic of Congo to generate electricity from wood waste. We will be using this electricity to run the sawmills, as well as supply electricity to the town of Pokola in the North.

The focus during the year was on resizing and restructuring the operations to be able to extract full value from the selective participation in trade flows from the Republic of Congo, South-East Asia and Latin America. As part of that exercise, we exited all activity in this Business Unit in Gabon. The emphasis has changed from that of a log exporter to one focused on the processing and exports of value-added lumber and wood products. With the global economy poised for recovery, the construction and housing industry is likely to grow, generating a good demand for high quality teak and certified hardwood. In both these product lines we are well positioned to take advantage of this demand growth.

Rubber

Natural rubber prices went through a low price cycle in FY2014 due to a combination of lower than expected demand from China and increased output from Thailand. Notwithstanding the challenging environment, our supply chain business continued to grow volumes and build deep customer relationships in the global markets. We expanded our footprint this year, trading natural rubber into China, India, Malaysia and the EU. Today, the supply chain business, headquartered in Singapore, has a direct presence in Malaysia, China, Indonesia and India.

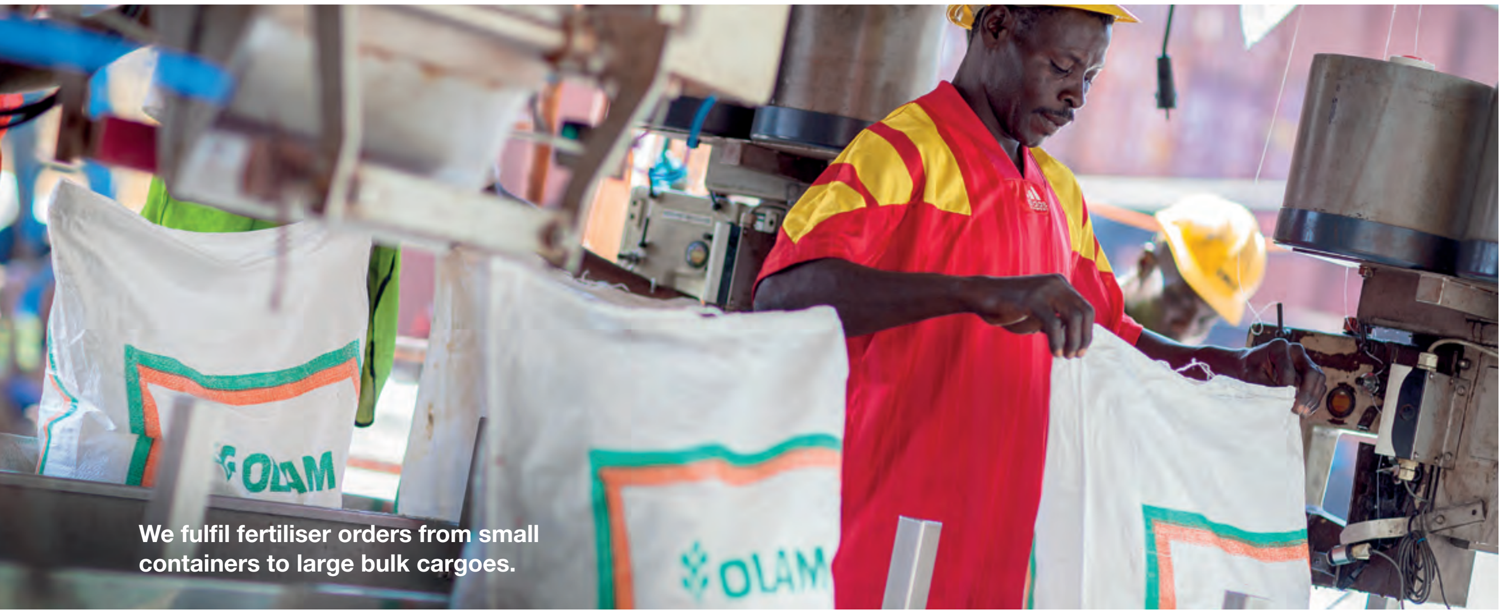
Our associate investment in SIFCA reported a lower contribution due to low rubber prices during the year. SIFCA remains one of the biggest integrated rubber businesses in the world, setting the industry benchmark in plantation yields and making a positive impact on outgrower and contiguous rural communities in Côte d'Ivoire, Ghana and Nigeria. It recently entered Liberia and the operation is in its early stages of development.

Olam's joint venture with the Republic of Gabon, Olam Rubber Gabon (ORG), has established a new Public Private Partnership (PPP) model for upstream development within a new environmental and social framework, which we initiated based on our experience in the Roundtable on Sustainable Palm Oil (RSPO) and FSC® principles and criteria. A first in the rubber industry, the framework has established standards that include the Free, Prior and Informed Consent (FPIC) of communities and protection of High Conservation Value (HCV) areas as some of the key criteria. To date, ORG has successfully planted 3,350 hectares of rubber in Bitam and created 2,000 new rural jobs as part of Phase 1 development of 28,000 hectares. We are on track to complete planting by 2018.

Having witnessed these key milestones, the Republic of Gabon invested further in the business by increasing their stake in ORG from 20% to 40%. We continue to hold the majority ownership at 60.0% and management control in the joint venture.

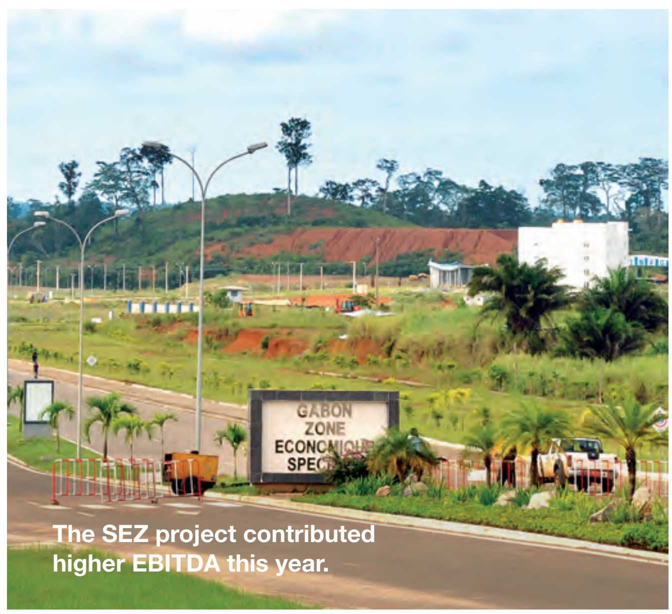
Sustainable forestry in our tropical forest concessions.

Our associated company SIFCA remains one of the world's biggest integrated rubber businesses.



We fulfil fertiliser orders from small containers to large bulk cargoes.

1,400 hectares of land in the Gabon SEZ.



The SEZ project contributed higher EBITDA this year.

Fertiliser

The fertiliser trading business expanded to 11 countries and successfully handled various orders ranging from small containers to large-size bulk cargoes. Although the volume was almost the same as the previous year, the business registered better margins this year.

The site development work for the Gabon fertiliser project is now complete. In line with our Strategic Plan, we continued to focus on deconsolidating our ownership in the project from the current 80.0% stake. Talks with potential strategic partners to co-share our investment in the project are ongoing. Our Invested Capital in the project stood at S$184.1 million at the end of the year.

Special Economic Zone

During the year we announced the sale of a 20.0% equity stake in the SEZ joint venture company to the Republic of Gabon. SEZ is now classified as an associate of Olam.

Over the past three years we developed approximately 400 out of 1,400 hectares of land in the Gabon SEZ. The SEZ project contributed higher EBITDA during the year compared to the previous year as we started recognising sales of land parcels developed in the second phase of expansion. Over 90% of the total developed land was sold to various industrial customers by the end of the year. A total of 16 companies have started construction and four have started production during the year.

Commodity Financial Services

The Commodity Financial Services business put in place improved risk assessment and management policies.

The Commodity Financial Services (CFS) business is comprised of two parts – Market-making/Volatility Trading & Risk Management Solutions (MMVT & RMS) and Fund Management. Given that the Fund Management business is gestating and is expected to remain so over the next few years, MMVT & RMS and Fund Management have been administered separately under different management structures since FY2013.

The CFS business as a whole delivered an EBITDA loss of S$24.6 million in FY2014 compared to a loss of S$20.4 million in FY2013. The MMVT & RMS business faced headwinds on account of two major market events since the early part of the year. This resulted in the business significantly cutting down its risk exposures for the rest of the year. The business has made substantial changes in its direction and strategy to put itself back on track in the coming year. The business has also cut down on overheads, exited trading of some products that had a high tail event risk and implemented improved risk assessment and management policies.

The Fund Management business also faced difficult market conditions. Although its maiden Ektimo Fund and the agri-commodity Fundamental Fund, which was on trial, had a lacklustre performance during the year, they both outperformed their relevant benchmarks. Significant progress has been made on other fund strategies under development as the business is positioning for an overall well-diversified set of strategies in the coming year.

Risk and Market Compliance — Strengthening Governance

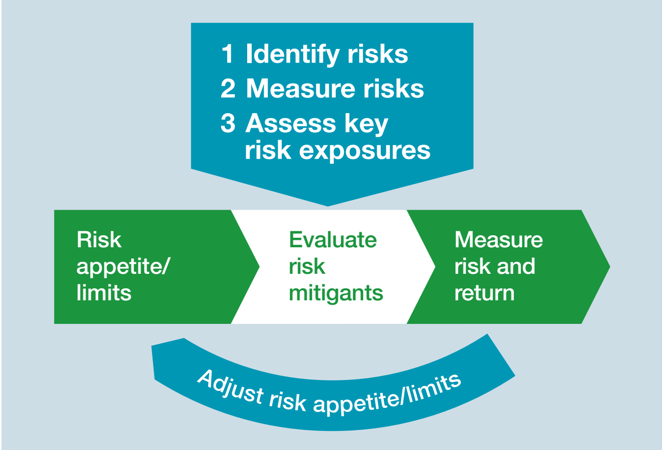
Olam's multi-faceted business, coupled with significant geographical spread in emerging markets, creates a unique set of opportunities, challenges and risks. The Risk Function has grown with Olam, partnering with the Business Units to independently identify, measure and mitigate the risks. We control the terms on which risks are taken and employ effective risk management strategies to enhance the overall risk-return profile of the business.

Risk Appetite versus Return

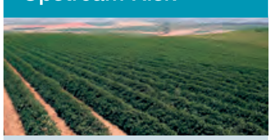
The components of the risk framework that support our goals are strong Risk Governance within the context of Risk Appetite versus Return, in collaboration with the relevant risk stakeholders. Calibration of risk is a continual process and limits are dynamically managed as events unfold.

Risk Monitoring across Olam Value Chain

Our mapping of risks across the Olam Value Chain has identified the specific risks at each stage. Olam seeks to identify, measure and control the drivers of risk from upstream risks such as yield and input costs, to credit and counterparty in the supply chain and trading, downstream and non-trading exposures.



Upstream Risk



Plantations

- Outright price
- Basis price
- Yield
- Quality
- Farm input cost
- Legal, regulatory and taxation
- Duty structure change
- Corporate responsibility, environment and sustainability

Supply Chain Risk

Origination

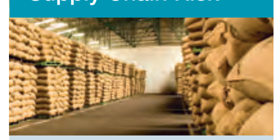
- Counterparty
- Credit
- Currency
- Legal, regulatory and taxation
- Duty structure change
- Operational
- Corporate responsibility, environment and sustainability

Midstream Risk

Refining and Processing

- Processing efficiency
- Asset utilisation
- Product contamination and recall
- Stock expiry and deterioration
- Legal, regulatory and taxation
- Duty structure change

Supply Chain Risk



Trading and Logistics

- Outright
- Basis
- Structure
- Credit
- Counterparty
- Currency
- Funding
- Compliance and regulatory
- Operational

Downstream Risk

Downstream

- Operational
- Product contamination and recall
- Stock expiry and deterioration
- Legal, regulatory and taxation
- Duty structure change
- Stock liquidity
- Credit
- Counterparty

Risk Measurement

Olam continues to upgrade its risk measurement methodology in line with best practices. We focus on the measurement of quantity, dollar value, VaR and stress testing to determine impact of market events on the books. Additionally, analysis of the return drivers provides a clear attribution of returns against risk, and allows an independent flagging of exogenous risk.

Risk Governance at Olam

Olam has set up strong governance processes in the continual pursuit to mitigate risk in all forms and these, coupled with our strong risk culture, act as enablers to support the overall risk process. Every risk is within a defined risk appetite and is approved within the mandated risk framework.

The Board Risk Committee (BRC), made up of Executive and Non-Executive Directors, is the apex risk body in Olam. It determines the overall risk capital and VaR and approves risk policies and governance.

The Risk Office (RO) reports to both the CEO and BRC and is mandated to allocate the risk capital across our Business Units taking into account the competitive position, trading and market conditions and the track record of each business. Performance is continuously monitored and risk capital allocation is recalibrated where necessary.

The Executive Risk Committee (ERC), made up of senior management, supports the risk governance process by promoting risk culture, approving large exposures and mediating large breaches.

Enterprise Risk Framework

Our Enterprise Risk Framework captures all categories of risk into a comprehensive scorecard. The scorecard maps the likelihood of key risks materialising along with their impacts. The scorecard serves as a tool for highlighting the significant risks which require mitigation actions. The findings from the scorecard are presented to senior management and the BRC.

Risk Training and Communication

Board Risk Field Day (BRFD)

A comprehensive training programme was conducted by the Risk Function for the Olam Board. The exercise covered areas such as Risk Framework/Policies, Measurement, Enterprise and Regulatory Risks, Quality, Environmental, Health and Safety (QEHS) and Insurable Risks. Olam's risk practice was also benchmarked against leading commodity players and investment banks.

Risk Training

Periodic training is conducted for all critical stakeholders and covers what was presented during the BRFD. This year there is an added emphasis on enhancements in Escalation, New Product Approval and Trading Risk policies in an effort to align risk awareness and culture from top to bottom.

Market Compliance Controls

The Market Compliance Office (MCO) is responsible for ensuring overall regulatory compliance for the company's derivatives trading units. Complying with the highest business standards is Olam's first priority.

In 2014 the MCO rolled out E-Learning compliance training, enhanced the Trading Compliance Manual, increased internal trade surveillance, aligned with major regulatory changes and continued to leverage off other Olam departmental expertise such as Internal Audit, Risk and Information Technology.

Six Pillars for Managing Regulatory Risk

1. Oversee global harmonisation of trading jurisdictions
2. Robust trader training programme
3. Trade surveillance/ position monitoring capabilities
4. Robust internal policies and procedures
5. Regulatory oversight: advising/monitoring pending rule making
6. Build external industry and regulatory contacts/ relationships

Evolution of Corporate Responsibility and Sustainability

Olam, together with our customers, will contribute to feeding nine billion people by 2050. To do this we need commercially viable farmers in both developed and developing markets, backed by thriving communities, growing crops on fertile land which in turn is supported by rich eco systems. This is our journey so far.

'Ethic of Compliance and Contribution'

1989 – 2004

- Contributed to smallholder communities in Africa by enhancing livelihoods for farmers through direct relationships, fair payment practices and superior marketing of their produce
- Functional investment in rural infrastructure e.g. roads, bridges and warehouses
- Social investment for farming communities e.g. sanitation, school materials and furniture

'Ethic of Mutuality' Developing a compelling business case for sustainability

2005 – 2010

- First strategic alliance with US NGO TechnoServe
- Cocoa livelihoods programme launched in Indonesia with 125 farmers. Today it embraces 35,000 smallholder farmers.

Olam's Common Purpose 'Growing Responsibly' 2011 – now

- Growing Responsibly represents responsible business and sustainability under one umbrella
- Recognition that a 'One Olam' approach to CR&S should be formalised
- Environmental and social criteria sit firmly in our commercial decision-making

Launched Olam Sustainability Standard – an organising framework of codes, standards and policies across the supply chain from farmers to logistics to processing

1989 1994 1999 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

1994

Deeper engagement with smallholders by offering pre-finance, setting up model farms and training for yield and quality improvement

2004

CR&S Board Committee appointed to formalise sustainability strategy

2006

CIB achieved first FSC® certificate for Republic of Congo wood concessions

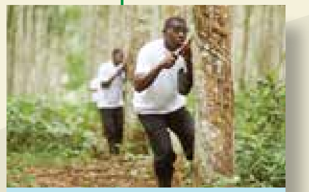
2007

Independent CR&S Function established and resourced

2008

- HIV/AIDS awareness programmes launched among workforce and communities with healthcare partners. The programmes now reach 180,000 annually.
- World Business & Development Award for support of UN Millennium Development Goals

2009



Extension into upstream, midstream and downstream opportunities brought a new set of sustainability challenges:

- Land selection, ownership or leasing, and land-use
- Natural resource stewardship
- Increasing carbon footprint
- Labour policies

2010

- Olam Livelihood Charter launched
- Began CR&S reporting against the Global Reporting Initiative Framework (GRI) for increased transparency and accountability
- First year reporting against Carbon Disclosure Project

2013

- Signatory to UN Guidelines on Responsible Land Tenure
- First agri-business to be accepted for membership of the Fair Labor Association
- First year reporting against Forest Footprint Disclosure
- Focus areas reassessed in terms of materiality: Livelihoods, Water, Land, Climate Change, Labour, Food Safety and Food Security

This year's Corporate Responsibility & Sustainability Report can be found on the CD in the inside back cover of this Annual Report.

2014 Achievements

3.9m
farmers in extended network, of which one million receive direct support

190
CR&S community initiatives in 30 countries supporting productivity, education, health and rural infrastructure

US$186m
in pre-finance lent interest-free to Olam Livelihood Charter farmers

1,062
CR&S staff globally

1st
global 'climate smart' verified cocoa with Rainforest Alliance in Ghana launched

2
UN advisory committee appointments for the CEO Water Mandate and the Sustainable Rice Platform

31%
reduction in irrigation water intensity on Olam-managed plantations, concessions and farms

18%
less carbon emissions in Olam-managed plantations, concessions and farms (measured in CO_2e/tonne product)

2020 Aspiration

To build end-to-end sustainable supply chains by 2020 using the framework of the Olam Sustainability Standard

Our People – Our Competitive Advantage

Over the last quarter of a century, we have competed and won on the merit of our intangible assets…our people. Our greatest strength as a company has come from creating a unique environment and team culture, characterised by entrepreneurship, ownership and ambition. We have trained and developed our managers to build, lead and grow businesses to achieve global leadership positions. It is our people who create our true sustainable competitive advantage.

Growing our Culture

Olam has a very strong culture permeating throughout our company – from farmgate purchasing clerks in remote locations to laboratory technicians, risk assessors and warehouse staff. This DNA, embedded across all 65 countries, is the key to our 'One Olam' mindset. Our spirit is entrepreneurial, team-oriented and non-hierarchical, encouraging employees to take greater responsibility, to grow both professionally and personally and contribute to the success of the company throughout their careers. As a result our people take ownership for their decisions, demonstrate high levels of commitment, welcome the chance to innovate and contribute from day one of joining.

Talent Management

Investing in talent and leadership capability has been one of our top priorities from day one. We administer structured and formalised training programmes, combining practical experience with classroom training for all our people, to enhance their competencies and thereby manage their operations more effectively. These programmes range from induction programmes and Shared Value workshops, to our signature leadership development programmes including our New Leadership Programme, our Mastering your Leadership Skills Programme, The Country Leadership Skills Programme and the 4-day Core Process Sessions anchored by the CEO. In our journey over 25 years, we have hired exceptional people and provided them with great opportunities to build their capabilities and careers across multiple businesses, geographies and functions.

"Olam provides me a fast-paced dynamic environment and the opportunity to work with some of the most enterprising minds."

Vardhaman Sakhlecha
Finance Manager
Corporate Finance
with Olam for 2 years

"I see Olam as a reflection of a community that advocates oneness. Olam gives an opportunity to grow and display talents."

Bola Adenji
Marketing Manager,
Packaged Foods
with Olam for 8 years

Team meeting in Ghana.

Olam Family

23,000
Employees

15,636
Male

7,364
Female

33,000
Seasonal & Contract workers

65+
Nationalities

Our Shared Values

We formalised our Shared Values in 1994 as the foundation stone for the way we do business - both with our external partners and with each other. Our Shared Values transcend our businesses, geographies and functions and bind us together as an organisation. Our business has grown in scale and scope across the value chain over the last 25 years, requiring people with specialist skills to be integrated into the original core supply chain team.

The Shared Values underpinned by the culture of empowerment and learning have made this task a relatively smooth process. Furthermore each time a new business was started or a new geography entered, we deployed a key team of senior managers from our existing operations to ensure that our culture and shared values were ingrained into the new team from the very beginning.

Entrepreneurial Spirit
We dare to dream

Integrity
We stay true to what we believe, say and do

Ownership to Deliver
Our unyielding commitment in whatever we do

Stretch & Ambition
Our passion for doing more

Mutual Respect & Team Work
We treat each other the way we want to be treated

Customer & Supplier Focus
Our relationships bring us the rewards