



Building Relevant Scale

Delivering the Olam Strategy

Third Quarter and Nine Months FY2012 Results Briefing
15th May 2012 Singapore

Notice

This presentation should be read in conjunction with Olam International Limited's Third Quarter and Nine Months (9M FY2012) Financial Results for the period ended 31 March 2012 statement lodged on SGXNET on 15 May 2012.

Cautionary note on forward-looking statements

This presentation may contain statements regarding the business of Olam International Limited and its subsidiaries ('Group') that are of a forward looking nature and are therefore based on management's assumptions about future developments.

Such forward looking statements are intended to be identified by words such as 'believe', 'estimate', 'intend', 'may', 'will', 'expect', and 'project' and similar expressions as they relate to the Group. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors.

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect Olam's future financial results are detailed in our listing prospectus, listed in this presentation, or discussed in today's press release and in the management discussion and analysis section of the company's Third Quarter and Nine Months FY2012 results report and filings with SGX. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

9M FY 2012 Results Briefing: Agenda



9M FY2012 Results

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




Consolidated P&L Analysis

Summary

(in S\$ million)	9M FY2012	9M FY2011	% Change
Sales Volume (MMT)	7.219	6.158	17.2
Sales Value	11,947.7	11,239.6	6.3
Net Contribution (NC)	941.7	815.8	15.4
NC/ton	130	132	(1.5)
Reported Profit For the Period	289.0	301.7	(4.2)
(-) Exceptional Items	-	35.8	-
(-) Non-controlling interests	27.6	(0.7)	-
Adjusted Profit for the Period	261.4	266.6	(1.9)

Sales Volume

Sales Volume: 7.219 million metric tons

 Volume grew by 1.061 million metric tons




 17.2% growth over 9M FY2011

 Volume growth across all 4 segments

Sales Volume - Segmental

Segments	9M FY2012 (MT/'000)	9M FY2011 (MT/'000)	% Change
Edible Nuts, Spices & Beans	1,034	904	14.4
Confectionery & Beverage Ingredients	1,267	1,156	9.6
Food Staples & Packaged Foods	3,776	2,980	26.7
Food Category Total	6,077	5,040	20.6
Industrial Raw Materials	1,142	1,118	2.1
Consolidated Total	7,219	6,158	17.2

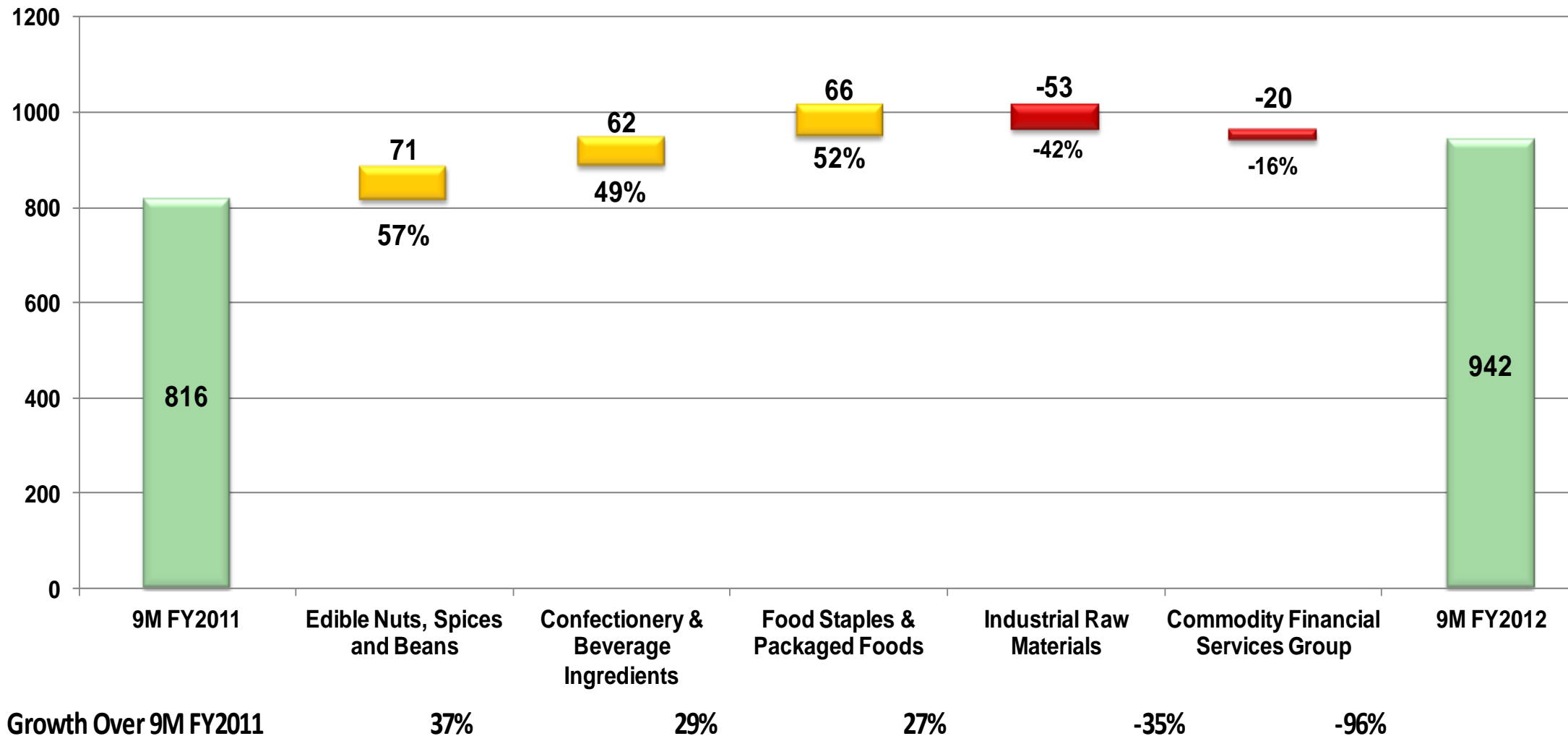
Net Contribution

-  **Net Contribution (NC): S\$ 941.7 million**
-  15.4% growth over 9M FY2011
-  NC per ton decreased from S\$132/ton in 9M FY2011 to S\$130/ton in 9M FY2012. Food Category's NC and NC/ ton increased by 30.9% and 8.5% respectively

Net Contribution Growth: Segmental Share

Net Contribution
(S\$ M)

NC Growth 15.4%, S\$126 million



Net Contribution & NC/ MT Growth: Segmental

Segments	Net Contribution		
	9M FY2012	9M FY2011	% change
	S\$million	S\$million	
Edible Nuts, Spices & Beans	264.2	192.8	37.0
<i>NC/MT (S\$ / ton)</i>	<i>255.3</i>	<i>213.1</i>	<i>19.8</i>
Confectionery & Beverage Ingredients	272.4	210.5	29.4
<i>NC/MT (S\$ / ton)</i>	<i>215.1</i>	<i>182.1</i>	<i>18.1</i>
Food Staples & Packaged Foods	305.7	240.0	27.4
<i>NC/MT (S\$ / ton)</i>	<i>80.9</i>	<i>80.5</i>	<i>0.5</i>
Food Category Total	842.2	643.3	30.9
<i>NC/MT (S\$ / ton)</i>	<i>138.5</i>	<i>127.6</i>	<i>8.5</i>
Industrial Raw Materials	98.6	151.3	(34.8)
<i>NC/MT (S\$ / ton)</i>	<i>86.3</i>	<i>135.3</i>	<i>(36.2)</i>
Commodity Financial Services	0.8	21.1	(96.0)
Consolidated Total	941.7	815.8	15.4
<i>NC/MT (S\$ / ton)</i>	<i>130.4</i>	<i>132.4</i>	<i>(1.5)</i>

Comparative P&L Analysis

(in S\$ million)	9M FY2012	9M FY2011	% Change (FY12 vs FY11)	9M FY2010	% Change (FY11 vs FY10)
Sales Volume (MMT)	7.219	6.158	17.2	5.161	19.3
Sales Value	11,947.7	11,239.6	6.3	7,321.2	53.5
Net Contribution (NC)	941.7	815.8	15.4	566.5	44.0

Comparative P&L Analysis – Total Food Category

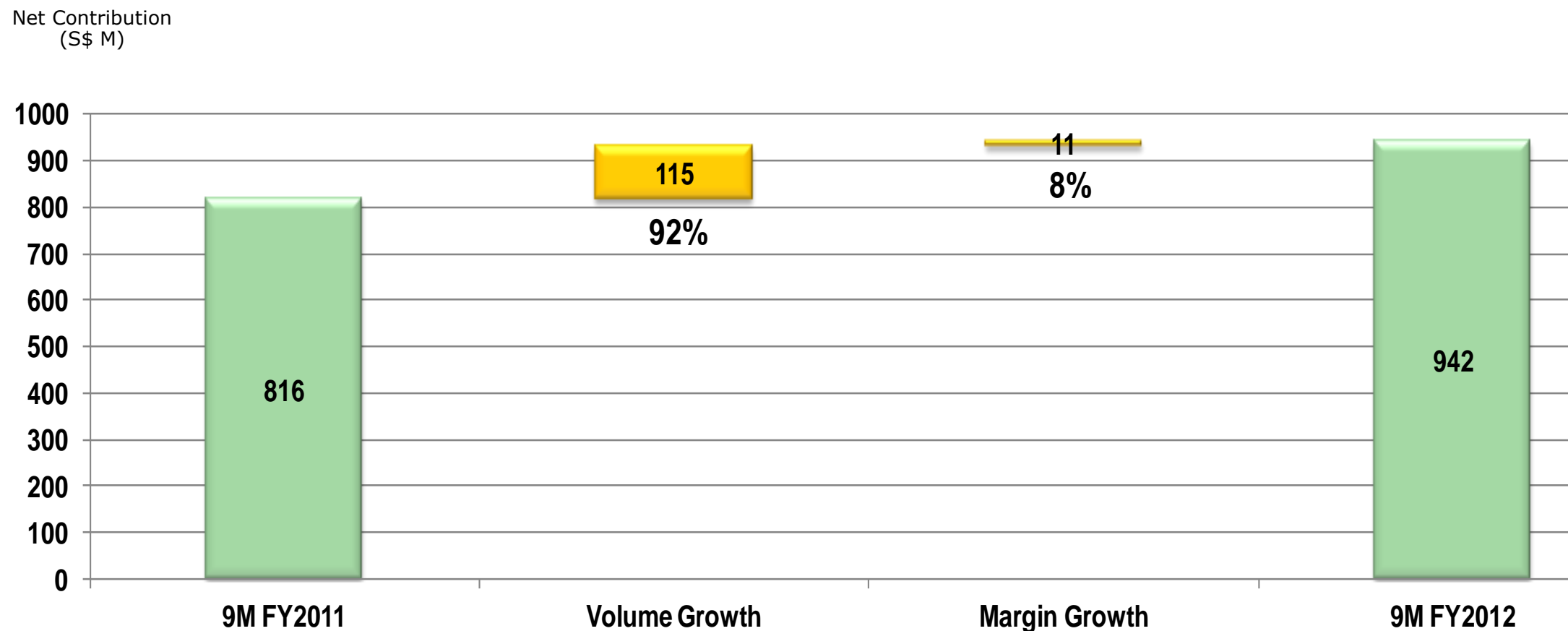
(in S\$ million)	9M FY2012	9M FY2011	% Change (FY12 vs FY11)	9M FY2010	% Change (FY11 vs FY10)
Sales Volume (MMT)	6.077	5.040	20.6	4.194	20.2
Sales Value	9,365.3	8,770.0	6.8	6,020.9	45.7
Net Contribution (NC)	842.2	643.3	30.9	459.1	40.1

Comparative P&L Analysis – IRM

(in S\$ million)	9M FY2012	9M FY2011	% Change (FY12 vs FY11)	9M FY2010	% Change (FY11 vs FY10)
Sales Volume (MMT)	1.142	1.118	2.1	0.967	15.6
Sales Value	2,581.2	2,467.8	4.6	1,300.3	89.8
Net Contribution (NC)	98.6	151.3	(34.8)	85.0	78.1

Net Contribution Growth: Sources

NC Growth 15.4%, S\$126 million



Overhead Expenses

 **Overhead Expenses increased by 19.7%
to S\$540.9 million in 9M FY2012**

	9M FY2012	9M FY2011	Change
Overhead Expenses(S\$m)	540.9	452.0	19.7%
Overhead/ Sales Ratio	4.5%	4.0%	-

Key Earnings Metrics

Reported Profit for the Period: S\$289 m

- 4.2% decline over 9M FY2011

Adjusted Profit for the Period: S\$261.4 m

- 1.9% decline over 9M FY2011

Reported Earnings per Share (EPS)

- 10.64 cents/share in 9M FY2012 vs 14.34 cents/share in 9M FY2011

Adjusted Earnings per Share (EPS)

- 10.64 cents/share in 9M FY2012 vs 12.64 cents/share in 9M FY2011

Net Asset Value (NAV before fair value adjustment)

- 144.76 cents/share in 9M FY2012 vs 114.88 cents/share in FY2011



Segmental Analysis

Segmental Analysis: Summary

Olam Consolidated

- Turnover **S\$11948 m**
- Volume **7.219 mmts**
- NC **S\$941.7 m**
- NPAT **S\$289 m**

Edible Nuts, Spices & Beans

- Turnover **S\$1715 m**
- Volume **1.034 mmts**
- NC **S\$264.2 m**
- NC Share **28.0%**



Confectionery & Beverage Ingredients

- Turnover **S\$4597 m**
- Volume **1.267 mmts**
- NC **S\$272.4 m**
- NC Share **28.9%**



Food Staples & Packaged Foods

- Turnover **S\$3055 m**
- Volume **3.776 mmts**
- NC **S\$305.7 m**
- NC Share **32.5%**



Industrial Raw Materials

- Turnover **S\$2581 m**
- Volume **1.142 mmts**
- NC **S\$98.6 m**
- NC Share **10.5%**



Commodity Financial Services Group

- NC **S\$0.8 m**
- NC Share **0.1%**

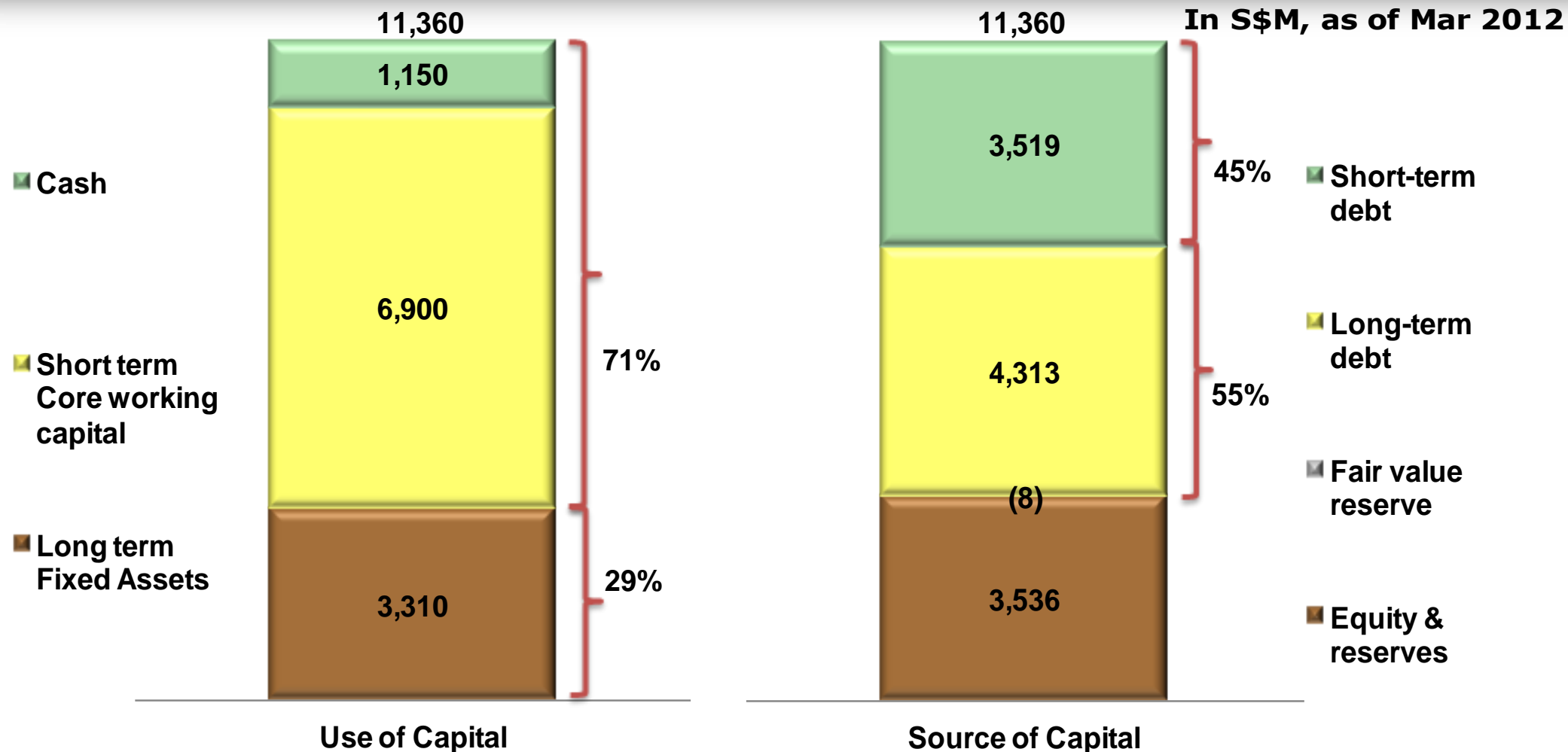




Balance Sheet Analysis

Balance Sheet Summary:

Strong and resilient Balance Sheet

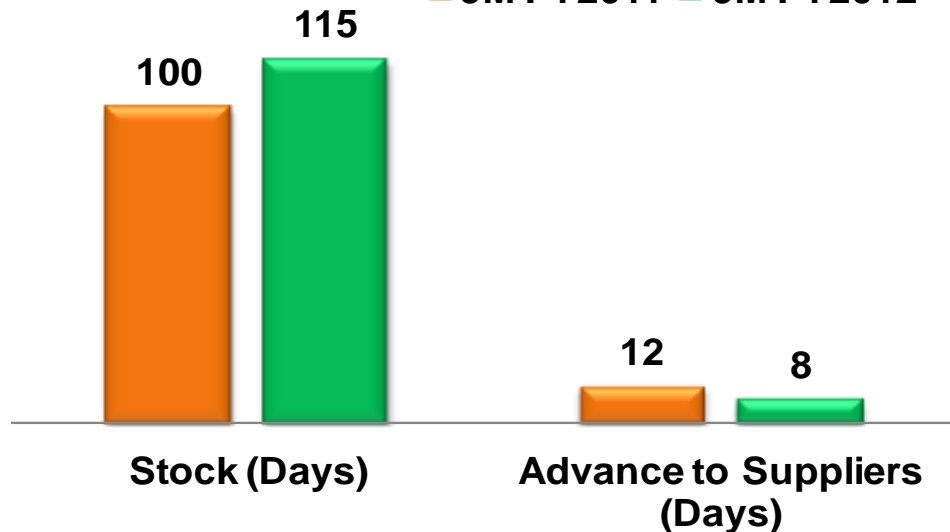


- Investment in fixed term assets funded through permanent capital
- Investment in working capital funded through a combination of long term and short-term debt

Working capital Analysis

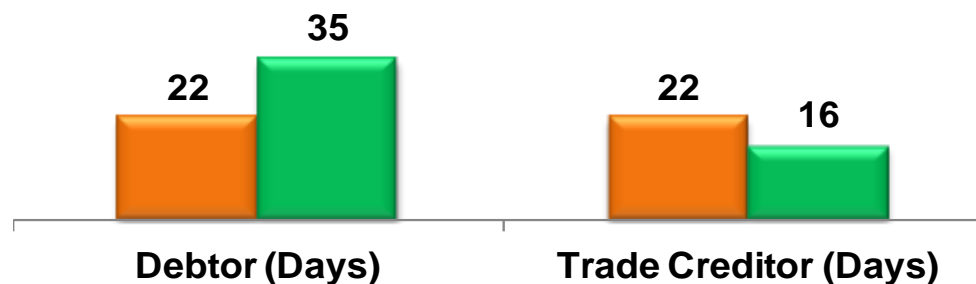
Stock (days) and Advance to Suppliers (days)

■ 9M FY2011 ■ 9M FY2012

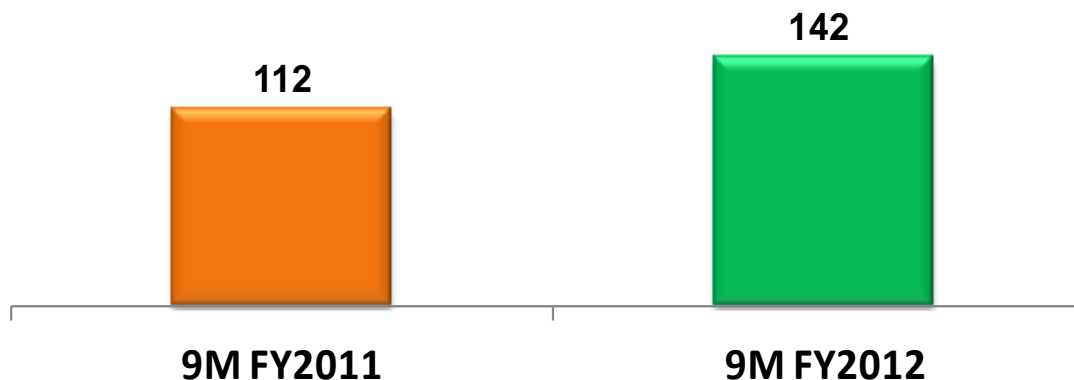


Debtor (days) and Trade Creditor (days)

■ 9M FY2011 ■ 9M FY2012



Cash-to-cash cycle (days)



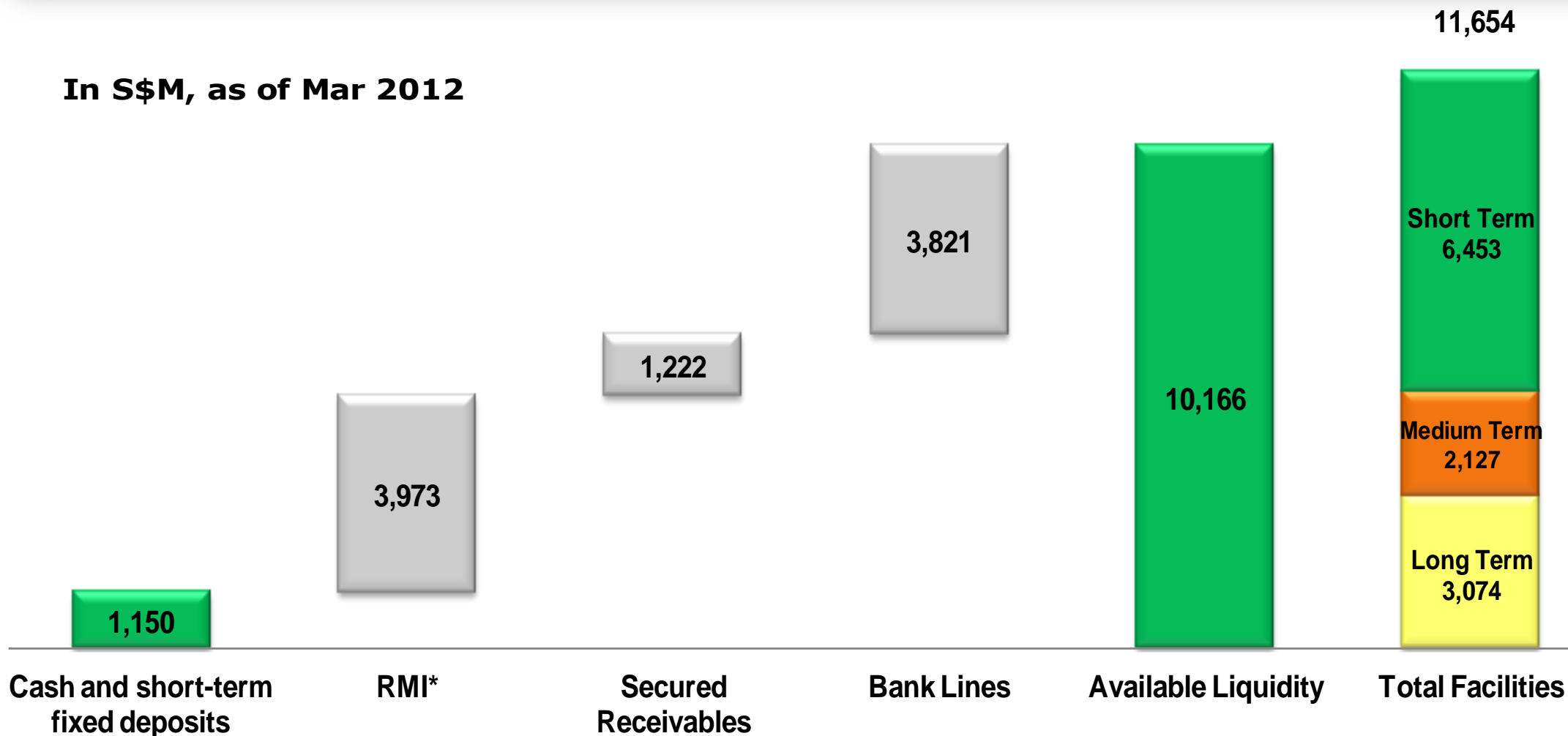
Inventory Analysis

(in S\$ million)	9M FY2012	H1 FY2012	Increase / Decrease	9M FY2011
Edible Nuts, Spices &	1,066	1,229	(163)	1,020
Confectionery & Beverage Ingredients	1,478	1,424	54	1,188
Food Staples & Packaged Foods	904	779	125	782
Industrial Raw Materials	1,089	1,138	(49)	758
Total	4,537	4,570	(33)	3,747

87.6% of inventories sold forward or hedged

Strong liquidity profile

In S\$M, as of Mar 2012



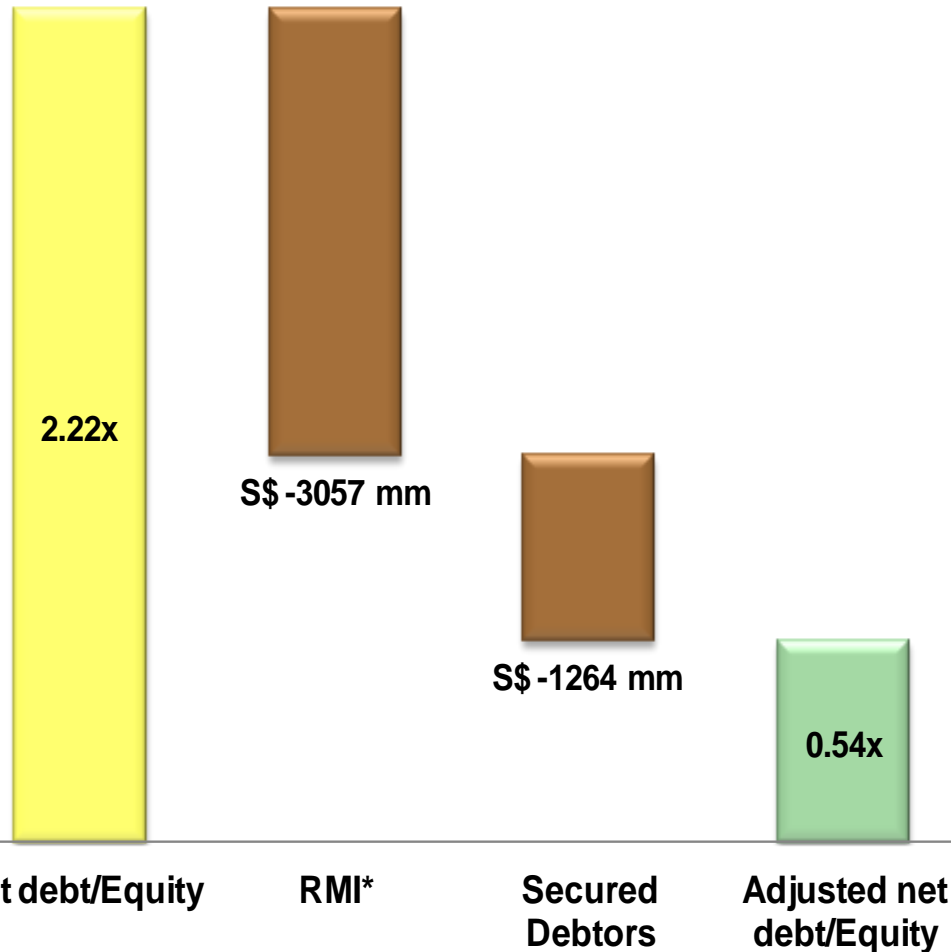
*RMI: inventories that are liquid, hedged, or sold forward

Balance sheet Analysis: Gearing

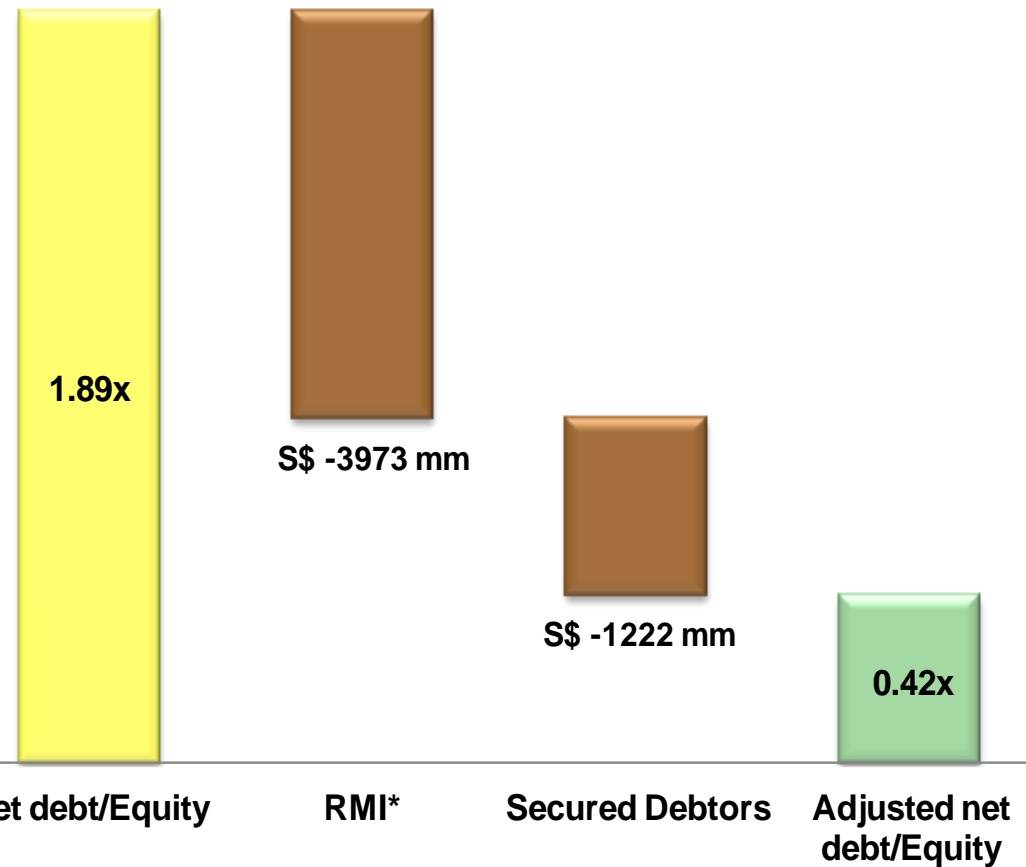
	9M FY2012	FY2011	Change
Leverage (x)			
Gross Debt to Equity (x)	2.22	2.56	(0.34x)
Net Debt to Equity (x)	1.89	2.22	(0.33x)
Adjusted Net Debt to Equity (x)	0.42	0.54	(0.12x)
Liquidity			
Cash to Sales (%)	7.22%	5.54%	-
Cash & Cash Equivalents (m)	1,150.3	872.2	278.1 m
Margin Deposit (m)	(30.3)	457.1	(487.4 m)

Adjusted Net Gearing

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



Net debt/Equity as of
March 31, 2012 (x)



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

Summary: 9M FY2012

- ✿ **Volume** grew by **17.2%** to **7.2 million MT**
- ✿ **Net Contribution** grew by **15.4%** to **S\$ 941.7 million**. **Food Category's NC and NC/ton increased by 30.9% and 8.5% respectively.**
- ✿ **Reported Profit for the period** (including exceptional items and minority interest) declined by **4.2%** to **S\$ 289 million**.
- ✿ **Adjusted Profit for the period** (excluding exceptional items and minority interest) declined by **1.9%** to **S\$ 261.4 million**.
- ✿ **Strong liquidity** profile and a **resilient balance sheet**
- ✿ **Strong execution of strategy:** **17** out of 24 planned **growth initiatives** for FY2012 under execution.
- ✿ The cyclical events in the IRM and CFS segments are expected to continue to pose a drag to Olam's Q4 and full year earnings in FY2012. However, structurally, the Group remains positive about the long term fundamentals of the businesses and the growing earnings power of our company as it continues to prioritise capital projects, execute on strategy and pursue growth in intrinsic shareholder value.



Thank you

