



Shaping the Future

Delivering the Olam Strategy

First Half FY2013 Results Briefing
7 February 2013 Singapore

This presentation should be read in conjunction with Olam International Limited's Second Quarter and First half (H1 FY2013) Financial Results for the period ended 31 December 2012 statement lodged on SGXNET on 7 February 2013.

Cautionary note on forward-looking statements

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




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

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect Olam's future financial results are detailed in our listing prospectus, listed in this presentation, or discussed in today's press release and in the management discussion and analysis section of the company's Second Quarter and First Half FY2013 results report and filings with SGX. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

H1 FY2013 Results Briefing: Agenda



First Half FY2013 Results

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



Consolidated P&L Analysis


Summary

| (in S\$ million) | H1 FY2013 | H1 FY2012 | % Change |
|---|--------------|--------------|-------------|
| Sales Volume (MMT) | 7.772 | 4.523 | 71.9 |
| Sales Value | 9,589.5 | 7,716.4 | 24.3 |
| Net Contribution (NC) | 734.3 | 607.1 | 21.0 |
| Profit for the Period | 193.1 | 186.8 | 3.4 |
| (-) Minority Interest | (4.2) | 24.0 | n.m. |
| Profit After Tax and Minority Interest (PATMI) | 197.3 | 162.7 | 21.3 |
| (-) Exceptional Items* | 18.1 | - | n.m. |
| Operational Profit for the Period | 179.2 | 162.7 | 10.1 |

* Gain on sale of US almond orchard land, net of tax

Sales and Net Contribution

Sales Volume: 7.772 million metric tons

 Volume grew by 3.25 million metric tons

 71.9% growth over H1 FY2012

Sales Value: S\$9.6 billion

 Revenue grew by S\$1.87 billion

 24.3% growth over H1 FY2012

Net Contribution (NC): S\$ 734.3 million

 21% growth over H1 FY2012. Food Category's NC increased by 20%



Segmental Analysis

Segmental Analysis: Summary

Olam Consolidated

- Turnover **S\$9590 m**
- Volume **7.772 mmts**
- NC **S\$734.3 m**
- PATMI **S\$197.3 m**

Edible Nuts, Spices & Beans

- Turnover **S\$1346 m**
- Volume **0.721 mmts**
- NC **S\$180.5 m**
- NC Share **24.6%**



Confectionery & Beverage Ingredients

- Turnover **S\$2342 m**
- Volume **0.701 mmts**
- NC **S\$170.5 m**
- NC Share **23.2%**



Food Staples & Packaged Foods

- Turnover **S\$3688 m**
- Volume **5.466 mmts**
- NC **S\$298.2 m**
- NC Share **40.6%**



Industrial Raw Materials

- Turnover **S\$2214 m**
- Volume **0.884 mmts**
- NC **S\$94.9 m**
- NC Share **12.9%**



Commodity Financial Services Group

- Turnover **S\$0.7 m**
- NC **S\$-9.8 m**
- NC Share **-1.3%**



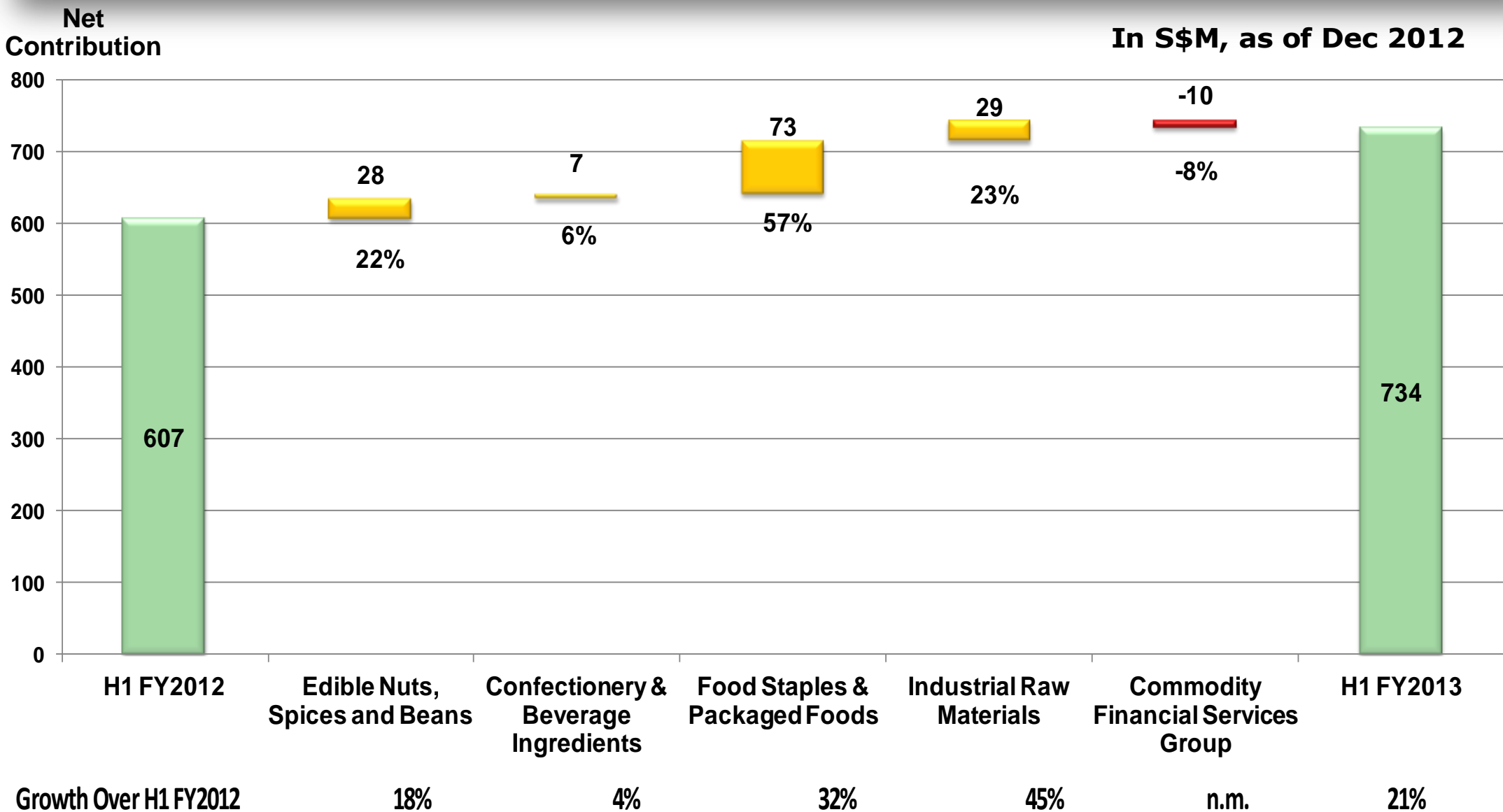
Sales Volume - Segmental

| Segments | H1 FY2013 (’000 MT) | H1 FY2012 (’000 MT) | % Change |
|---|------------------------|------------------------|-------------|
| Edible Nuts, Spices & Beans | 721 | 641 | 12.5 |
| Confectionery & Beverage Ingredients | 701 | 730 | (3.9) |
| Food Staples & Packaged Foods | 5,466 | 2,390 | 128.7 |
| Food Category Total | 6,888 | 3,761 | 83.1 |
| Industrial Raw Materials | 884 | 762 | 16.1 |
| Consolidated Total | 7,772 | 4,523 | 71.9 |

Net Contribution & NC/ MT Growth: Segmental

| Segments | Net Contribution | | |
|---|------------------|--------------|---------------|
| | H1 FY2013 | H1 FY2012 | % change |
| | S\$million | S\$million | |
| Edible Nuts, Spices & Beans | 180.5 | 152.4 | 18.5 |
| <i>NC/MT (S\$ / ton)</i> | <i>250.4</i> | <i>237.8</i> | <i>5.3</i> |
| Confectionery & Beverage Ingredients | 170.5 | 163.3 | 4.4 |
| <i>NC/MT (S\$ / ton)</i> | <i>243.0</i> | <i>223.7</i> | <i>8.6</i> |
| Food Staples & Packaged Foods | 298.2 | 225.5 | 32.2 |
| <i>NC/MT (S\$ / ton)</i> | <i>54.5</i> | <i>94.3</i> | <i>(42.2)</i> |
| Food Category Total | 649.2 | 541.2 | 20.0 |
| <i>NC/MT (S\$ / ton)</i> | <i>94.2</i> | <i>143.9</i> | <i>(34.5)</i> |
| Industrial Raw Materials | 94.9 | 65.5 | 45.0 |
| <i>NC/MT (S\$ / ton)</i> | <i>107.2</i> | <i>85.9</i> | <i>24.8</i> |
| Commodity Financial Services | (9.8) | 0.4 | n.m. |
| Consolidated Total | 734.3 | 607.1 | 21.0 |
| <i>NC/MT (S\$ / ton)</i> | <i>94.4</i> | <i>134.2</i> | <i>(29.7)</i> |

Net Contribution Growth: Segmental Share



Overhead Expenses

 **Overhead Expenses increased by 13.3%
to S\$431.5 million in H1 FY2013**

| | H1 FY2013 | H1 FY2012 | Change |
|---------------------------|-----------|-----------|--------|
| Overhead Expenses(S\$m) | 431.5 | 380.9 | 13.3% |
| Overhead/ Sales Ratio (%) | 4.5% | 4.9% | -0.4% |

Key Earnings Metrics

PATMI: S\$197.3 m

- 21.3% over H1 FY2012

PATMI (excluding exceptional items): S\$179.2 m

- 10.1% growth over H1 FY2012

Earnings per Share (EPS)

- 17.8% growth over H1 FY2012
- 7.85 cents/share in H1 FY2013 vs 6.66 cents/share in H1 FY2012

Net Asset Value (NAV before fair value adjustment)

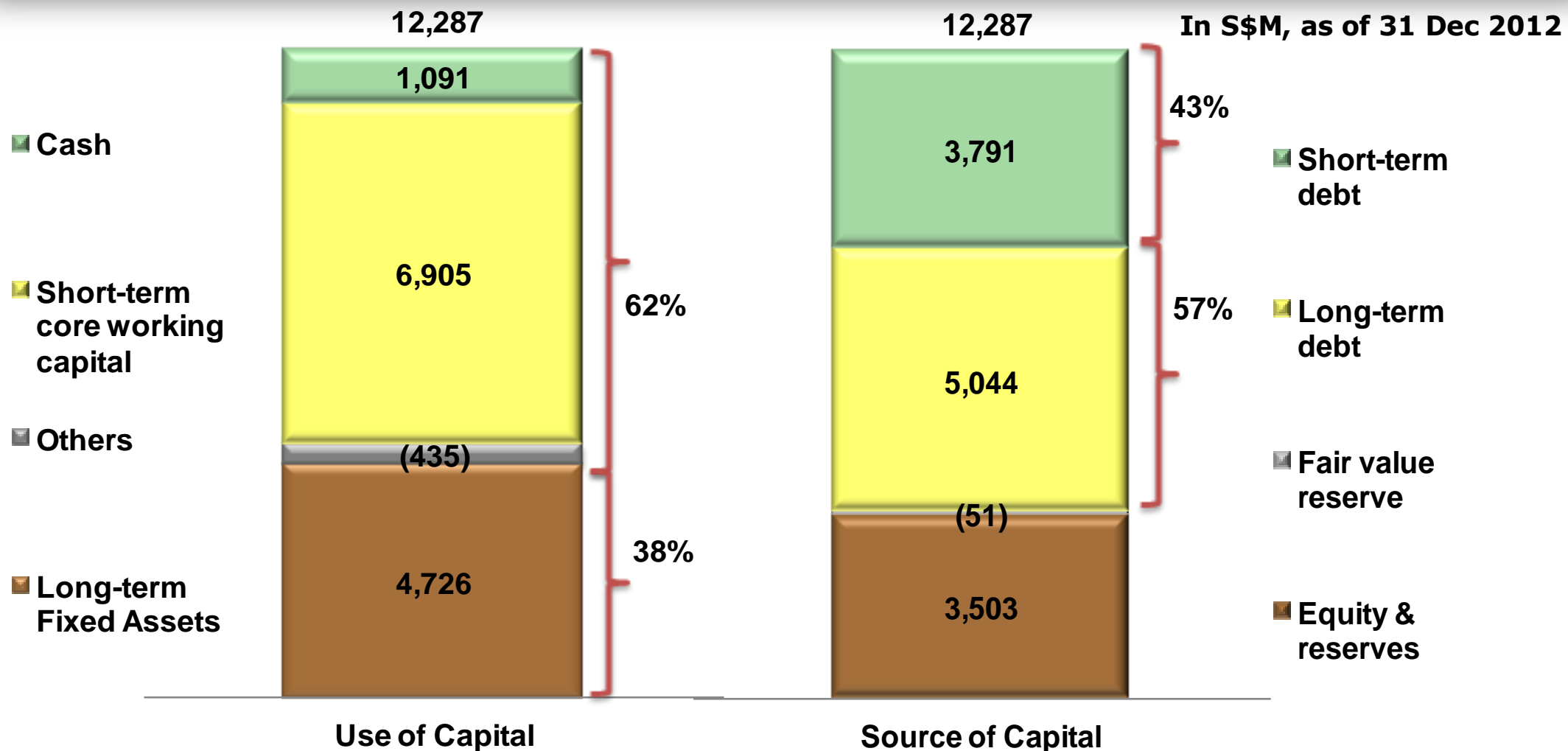
- 143.44 cents/share in H1 FY2013 vs 144.56 cents/share in FY2012



Balance Sheet Analysis

Balance Sheet Summary:

Strong and resilient Balance Sheet



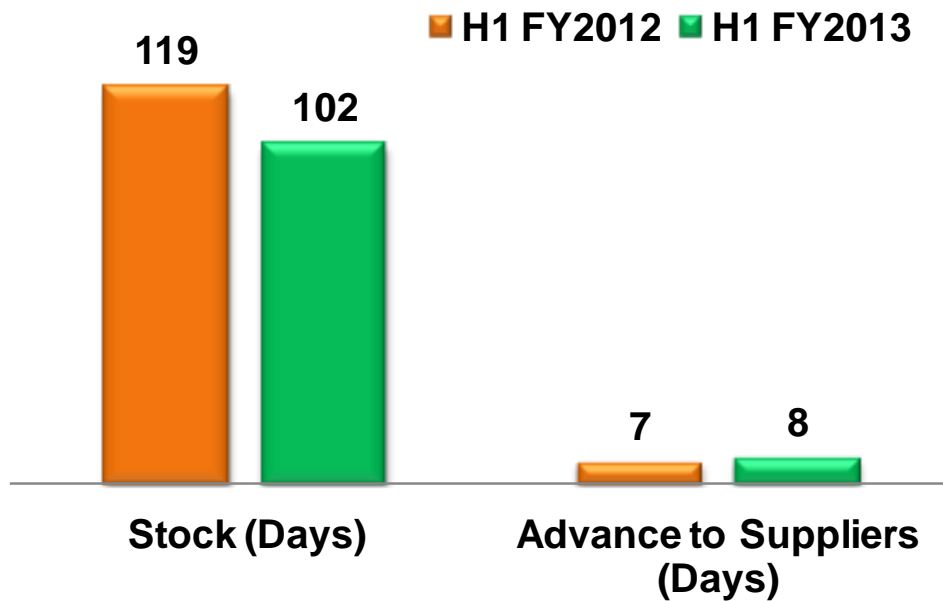
- Investment in fixed term assets funded through equity capital and long term debt
- Investment in working capital funded through a combination of long term and short-term debt

Balance sheet Analysis: Gearing

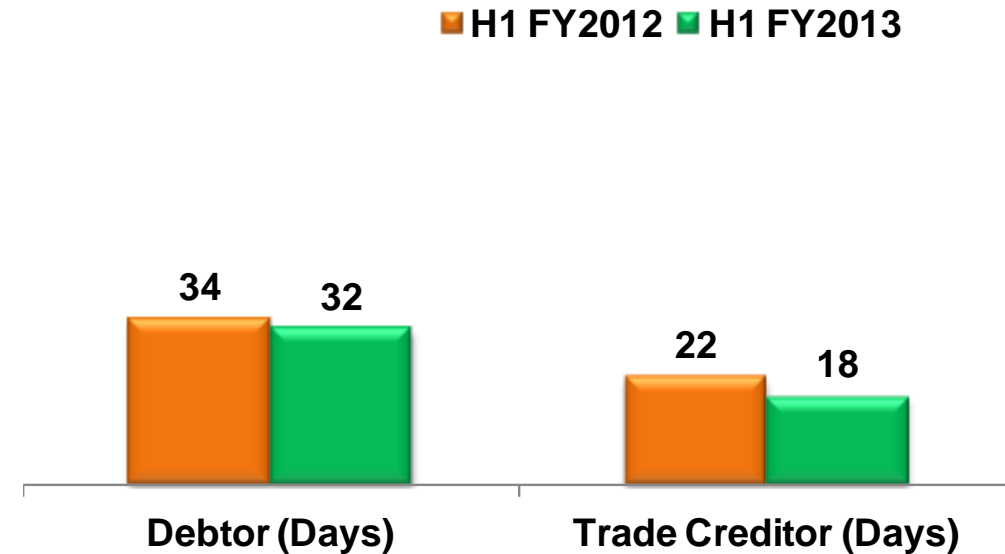
| | H1 FY2013 | H1 FY2012 | Change |
|--|-----------|-----------|--------|
| Leverage (x) | | | |
| Gross Debt to Equity | 2.52 | 2.31 | 0.21 |
| Net Debt to Equity | 2.21 | 1.95 | 0.26 |
| Adjusted Net Debt to Equity | 0.68 | 0.42 | 0.26 |
| Liquidity | | | |
| Cash to Sales (%) | 5.69% | 7.48% | -1.79% |
| Cash & short-term fixed deposits (S\$ m) | 1,091.8 | 1,154.6 | (62.8) |
| Margin Deposit (S\$ m) | 231.5 | 33.9 | 197.6 |

Working capital Analysis

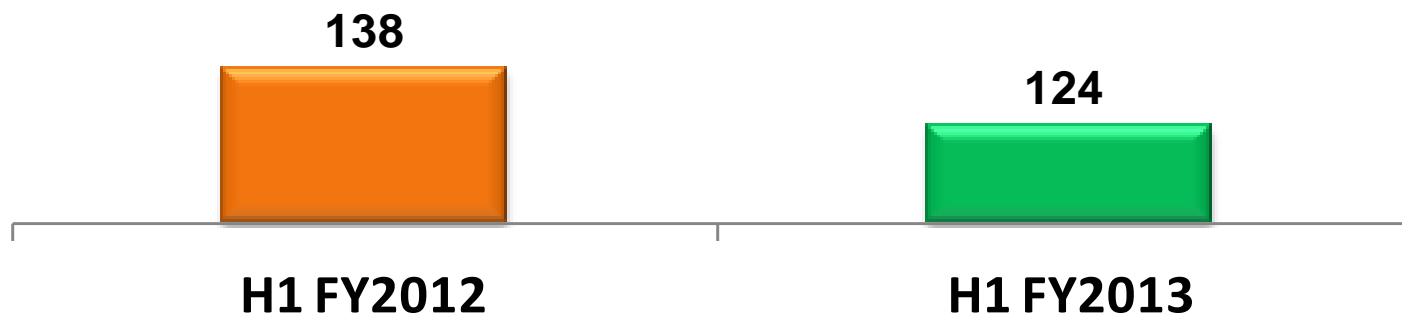
Stock (days) and Advance to Suppliers (days)



Debtor (days) and Trade Creditor (days)



Cash-to-cash cycle (days)



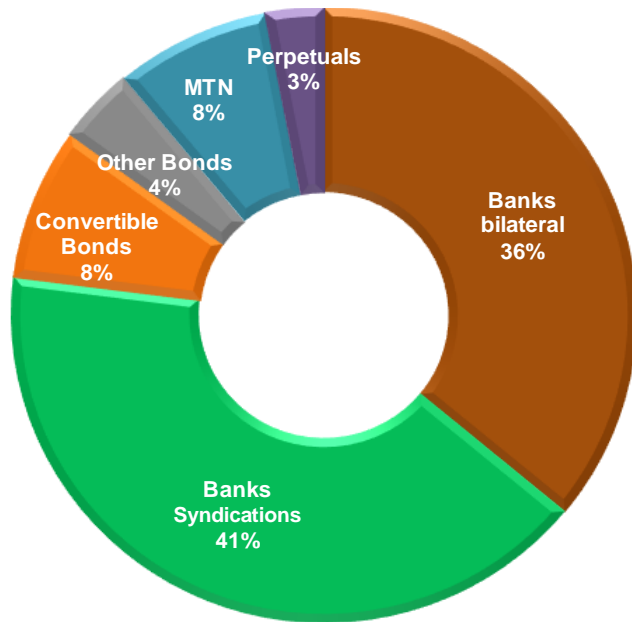
Inventory Analysis

| (in S\$ million) | H1 FY2013 | FY2012 | Inc/ (Dec) vs FY2012 | H1 FY2012 | Inc/ (Dec) vs H1 FY2012 |
|---|--------------|--------------|-------------------------|--------------|----------------------------|
| Edible Nuts, Spices & Beans | 1,199 | 1,085 | 114 | 1,229 | (30) |
| Confectionery & Beverage Ingredients | 1,093 | 1,079 | 14 | 1,424 | (331) |
| Food Staples & Packaged Foods | 1,582 | 1,223 | 359 | 779 | 803 |
| Industrial Raw Materials | 1,030 | 1,023 | 7 | 1,138 | (108) |
| Total | 4,904 | 4,410 | 494 | 4,570 | 334 |

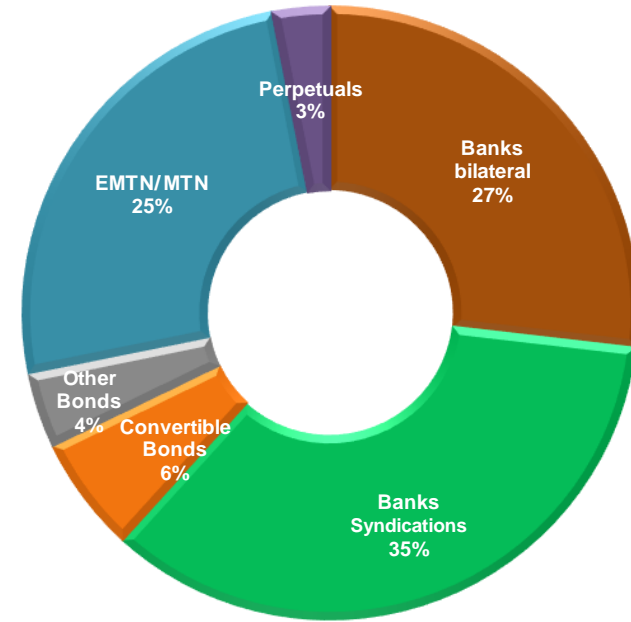
82.6% of inventories liquid, sold forward or hedged

Well diversified sources of funds

Borrowing Mix as of 30 June 2012



Borrowing Mix as of 31 December 2012



Summary of New Issuances from 1 July 2012 to 31 December 2012

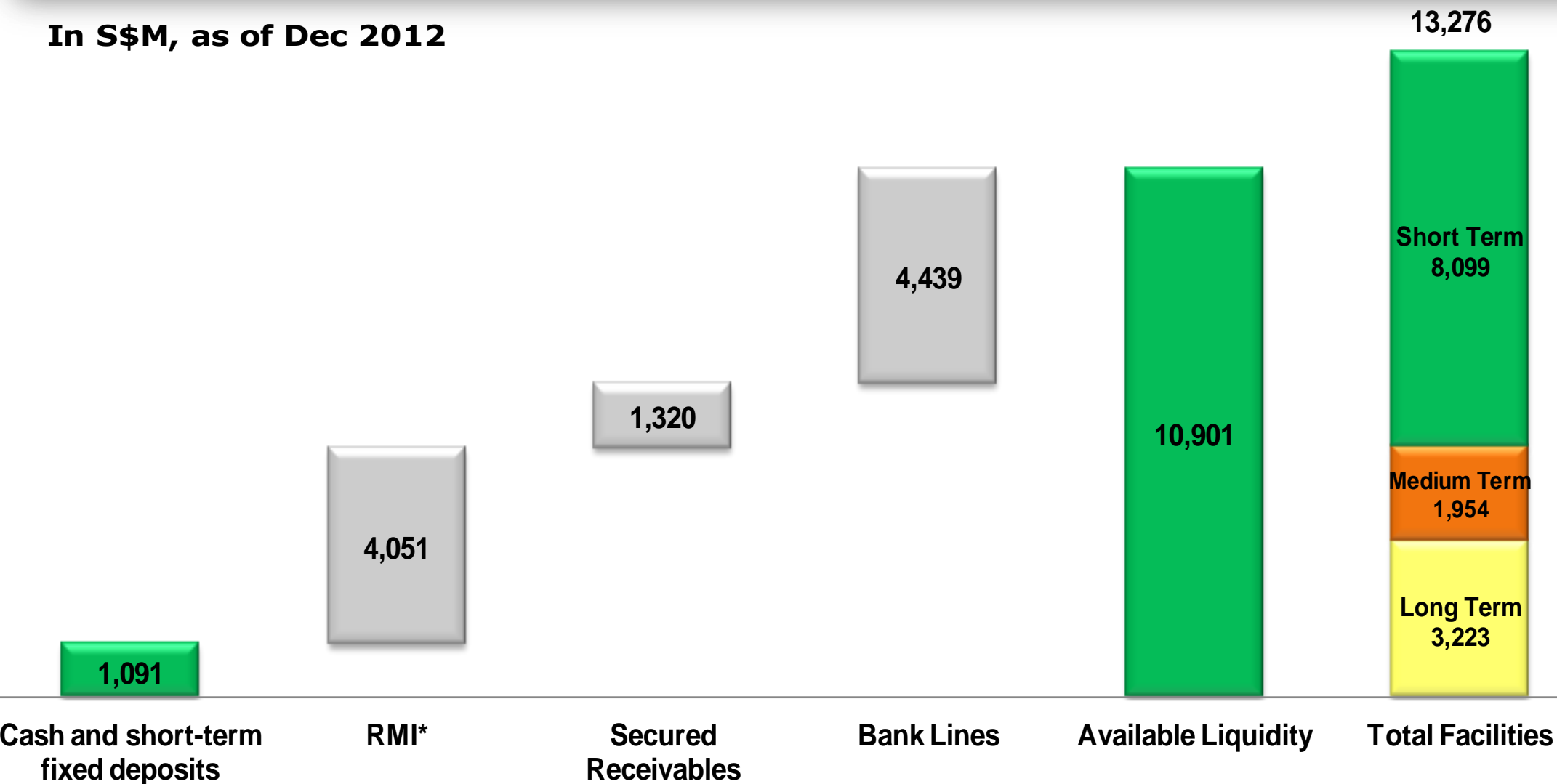
- 1 year S\$250mm 2.5% fixed rate notes due 2013
- 5 year US\$500 million 5.75% fixed rate notes due 2017
- 7 year S\$350 million 5.80% fixed rate notes due 2019
- 10 year S\$500 million 6.00% fixed rate notes due 2022

New Issuances post 31 December 2012

- Rights issue of 5 year US\$750 million 6.75% bonds due 2018 at 95% of their principal amount

Strong liquidity profile

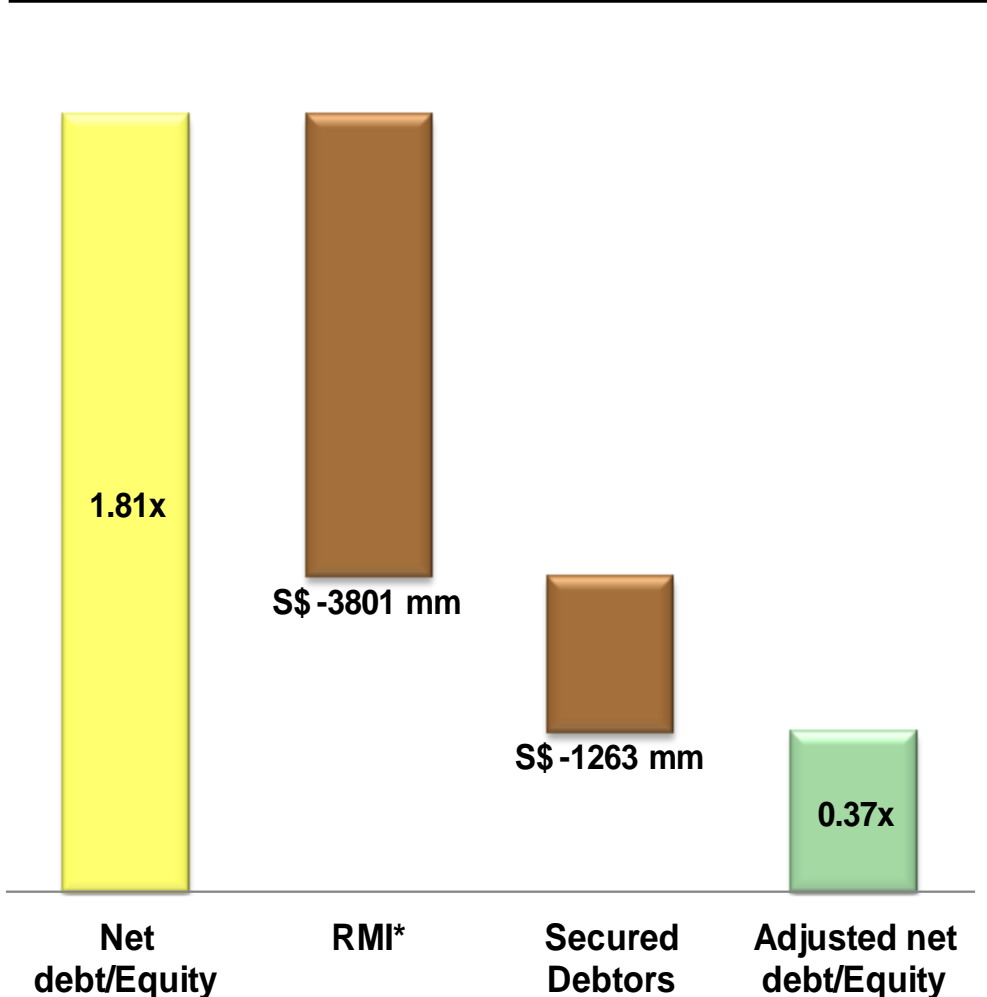
In S\$M, as of Dec 2012



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

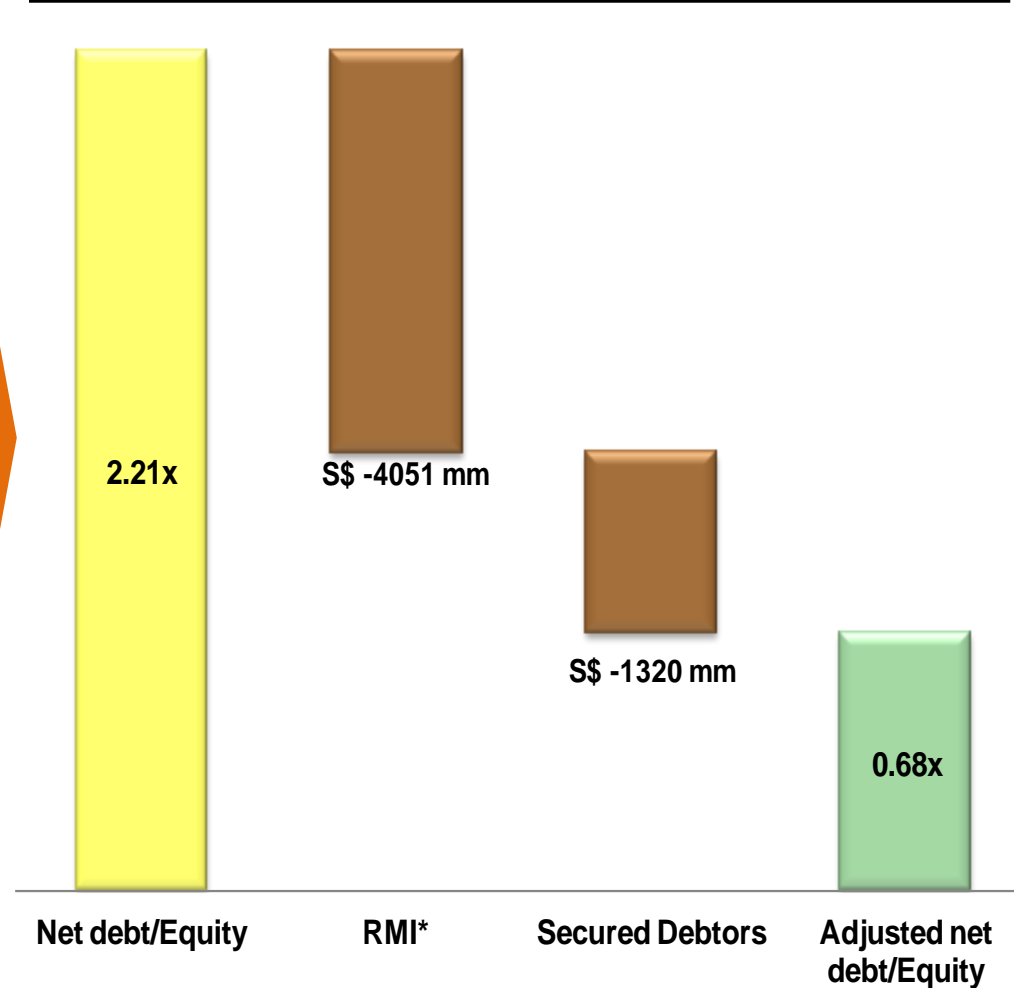
Adjusted Net Gearing

Net debt/Equity as of
June 30, 2012



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

Net debt/Equity as of
December 31, 2012



Summary: H1 FY2013

- ❖ Remained **focused on efficient execution** against operating plans.
- ❖ Continued to make **selective investments and other asset optimisation actions** to meet overall strategic and financial goals
- ❖ **Oversubscription of recent Rights issue** provides fresh endorsement of the Company's strategy and execution capability, from both existing and new shareholders, under challenging market conditions.
- ❖ **Continued backing and strong support** from our employees, customers, suppliers, lenders, bondholders and all other stakeholders
- ❖ **Balance Sheet has been further strengthened** with adequate liquidity to execute current business plans, complete planned investments and meet all our financial obligations till end of FY 2014
- ❖ **Strategy recalibration exercise** announced by the Board will seek to comprehensively address the feedback received from various stakeholders

Thank You

