



The Brand Behind The Brands

Olam International Limited

H1 FY2008 Results Briefing

14th February 2008

Singapore





This presentation should be read in conjunction with Olam International Limited's First Half (Interim), FY2008 (H1 FY2008) Financial Results for the period ended 31st December 2007 statement lodged on SGXNET on 14th February 2008.



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 First Half FY2008 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.



Results Presentation: Outline

- ❖ Results: H1 FY2008 - Consolidated P&L Analysis
- ❖ Results: H1 FY2008 - Segmental Analysis
- ❖ Results: H1 FY2008 - Balance Sheet Analysis
- ❖ Industry Trend and Analysis
- ❖ Olam's Strategic Response
- ❖ M&A Update
- ❖ Outlook & prospects
- ❖ Q&A



Results:
H1 FY2008
Consolidated P&L Analysis



Background to the results

✿ **Acquisitions consolidated in H1FY2008**

- ✿ Universal Blanchers (UB)
 - ✿ Queensland Cotton Holdings (QCH)
 - ✿ Naarden Agro Products BV (NAP)
 - ✿ PT Dharmapala Usaha Sukses (DUS)
 - ✿ Key Food Ingredients (KFI)
- ✿ The consolidated results of H1FY2008 not strictly comparable to H1FY2007



Snapshot of Results: H1 FY2008

Description	H1FY2008			H1FY2007	% Inc Total	% Inc Existing business
	Existing Business	New Business	Total	Total		
Volume (metric tons)	2,068,685	268,622	2,337,307	1,816,418	28.7%	13.9%
Revenue (S\$'000)	2,903,890	421,083	3,324,973	2,367,488	40.4%	22.7%
Net Contribution (S\$'000)	172,062	33,564	205,626	131,570	56.3%	30.8%
SG & A	119,893	32,648	152,540	88,937	71.5%	34.8%
PAT	47,186	(254)	46,932	38,139	23.1%	23.7%

Consolidated P&L Analysis: H1 FY2008

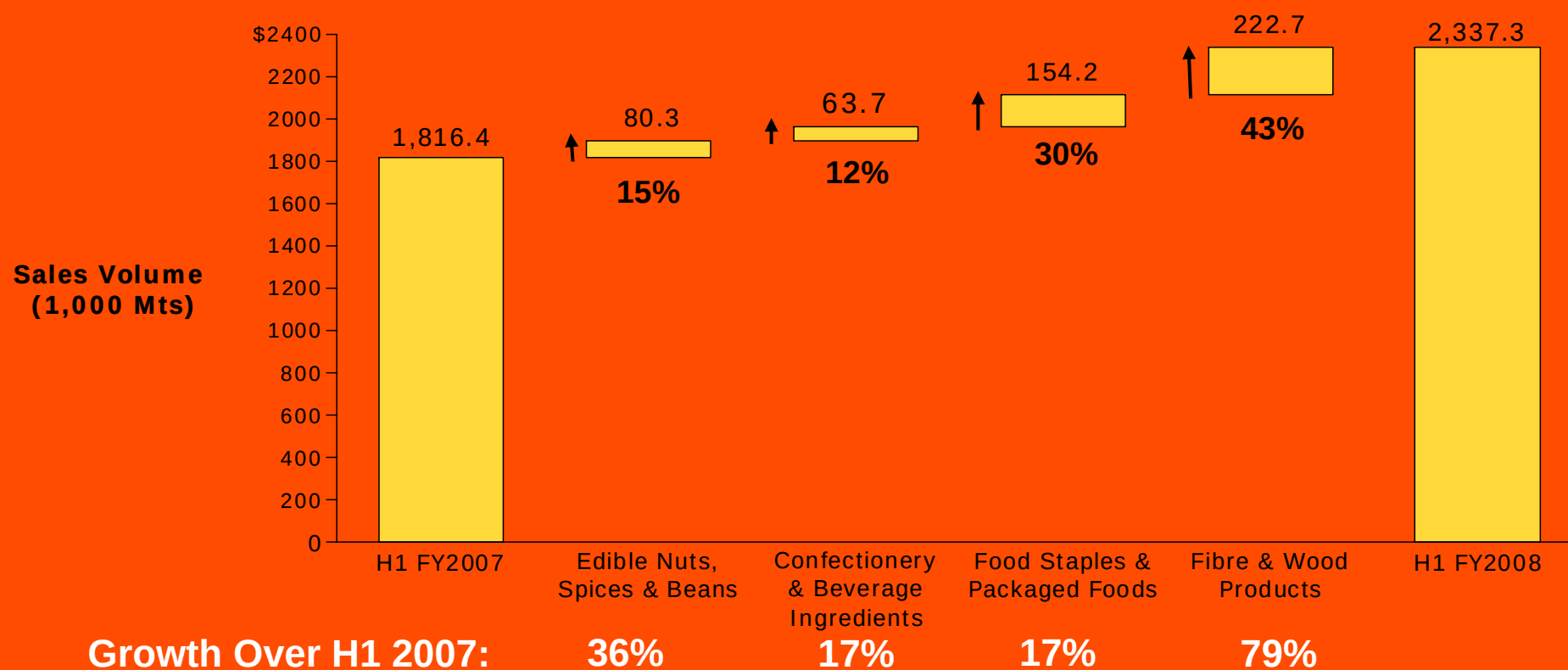
❖ **Sales Volume: 2.337 million metric tons**

- 28.7% growth over H1 FY2007
- Volume growth across all 4 segments



Sales Volume Growth: Segmental Contribution

Sales Volume growth 28.7%, 520,889 mts



Consolidated P&L analysis: H1 FY2008

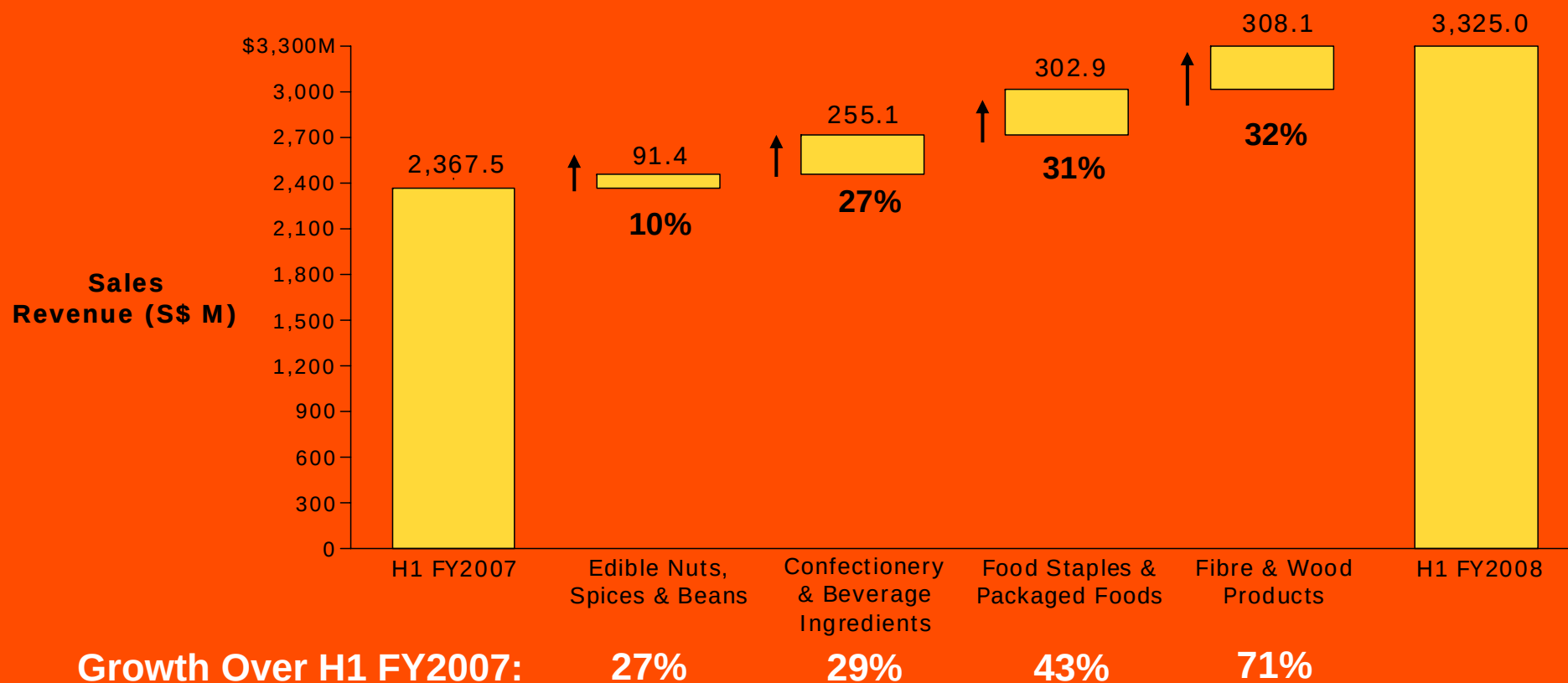
❖ **Total Revenue: S\$3,325 million**

- 40.4% growth over H1 FY2007
- Revenue growth across all 4 segments



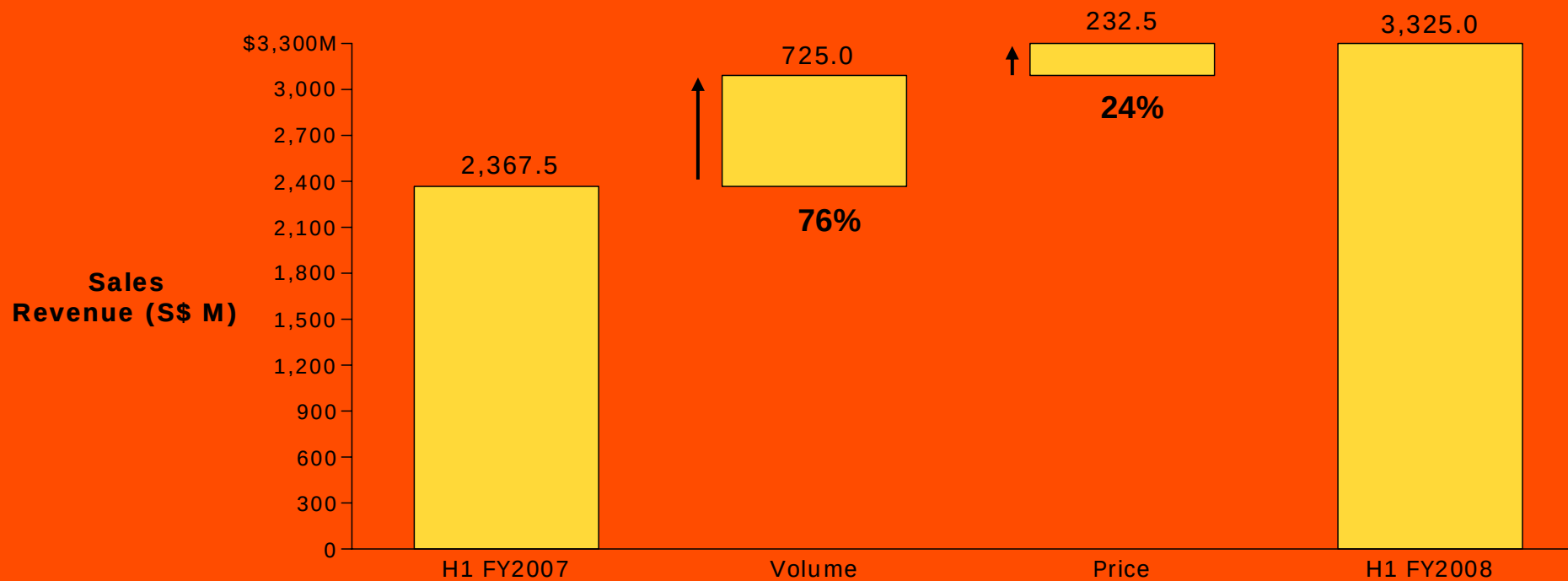
Sales Revenue Growth: Segmental Contribution

Sales growth 40.4%, S\$957.5 million



Sales Revenue Growth: Sources

Sales growth 40.4%, S\$957.5 million



Consolidated P&L Analysis: H1 FY2008

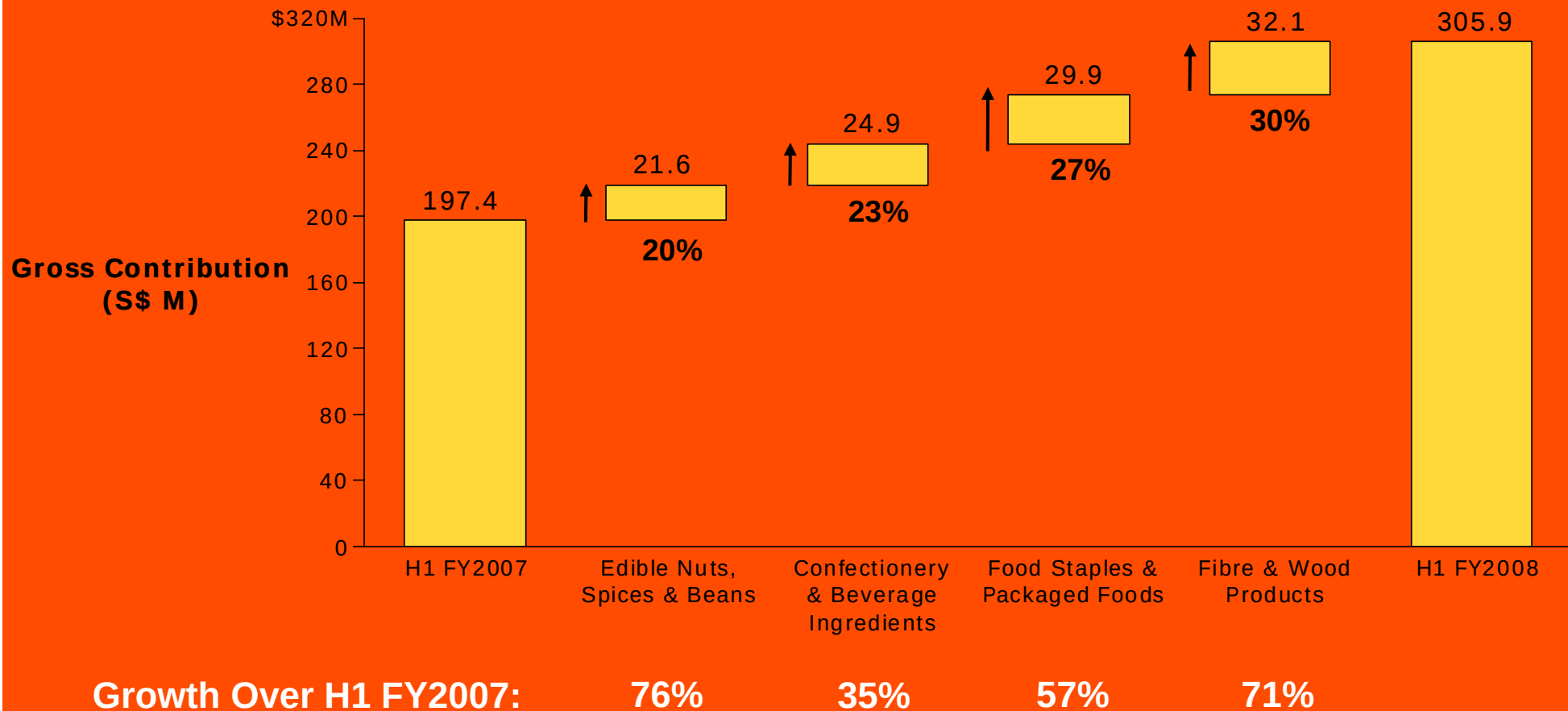
✿ **Gross Contribution (GC) : S\$305.9 million**

- 55.0% growth over H1 FY2007
- GC growth across all segments



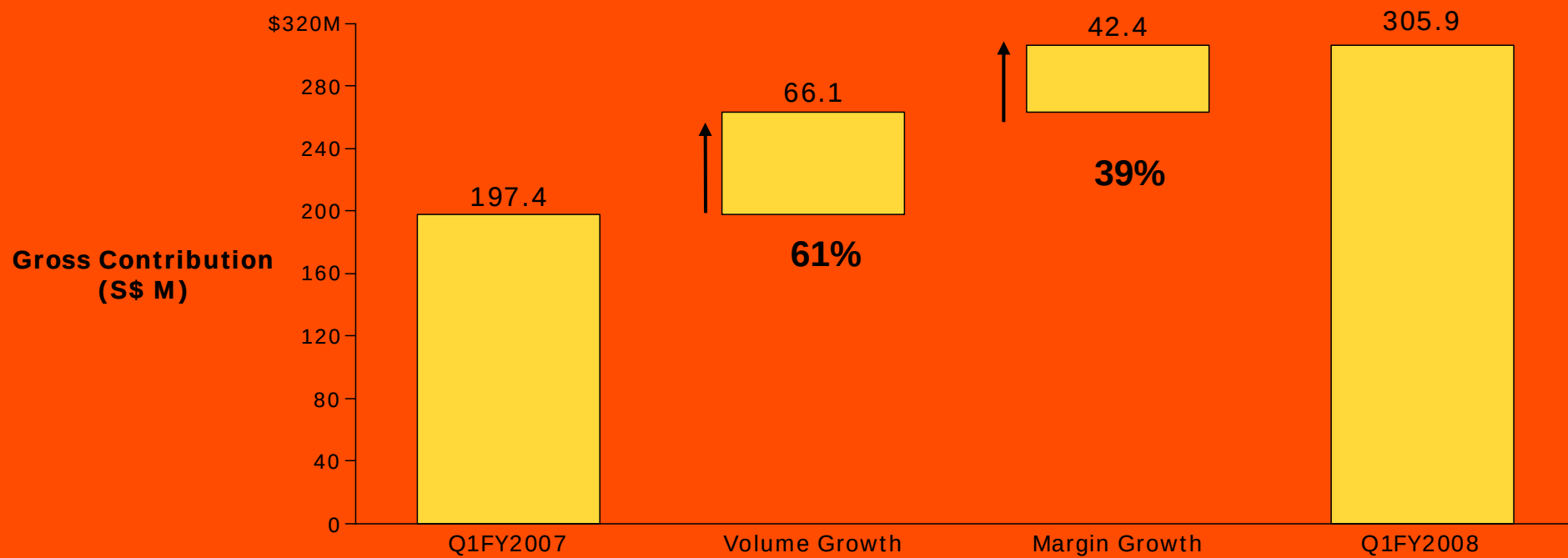
Gross Contribution Growth: Segmental Share

GC growth 54.9%, S\$108.5 million



Gross Contribution Growth: Segmental Share

GC growth 54.9%, S\$108.5 million



Interest Costs

❖ **Total increase in interest costs S\$34.435 million or 52.3%.**

	H1 FY2008 (S\$'000)	H1 FY2007 (S\$'000)	Increase (S\$'000)	% Increase
Interest Expenses	100,237	65,802	34,435	52.3%
Sales	3,324,973	2,367,488	957,485	40.4%
Interest Rate	7.21%	7.13%	0.08%	1.12%
Interest variance due to interest rate increase			(S\$'000)	1,112
Interest variance due to working capital increase			(S\$'000)	33,323
Total Net Increase in Interest			(S\$'000)	34,435

Consolidated P&L Analysis: H1 FY2008

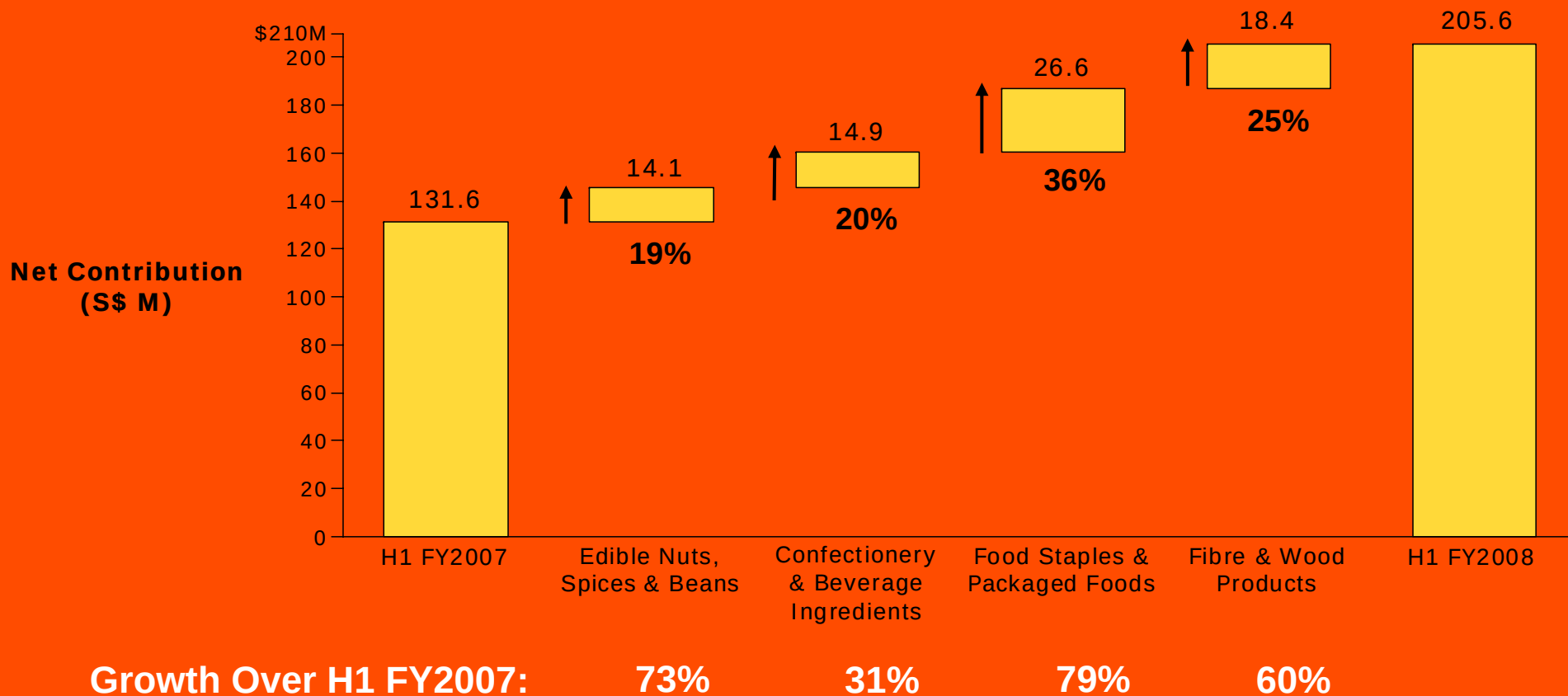
❖ **Net Contribution (NC) : S\$205.6 million**

- 56.3% growth over H1 FY2007
- NC growth across all segments



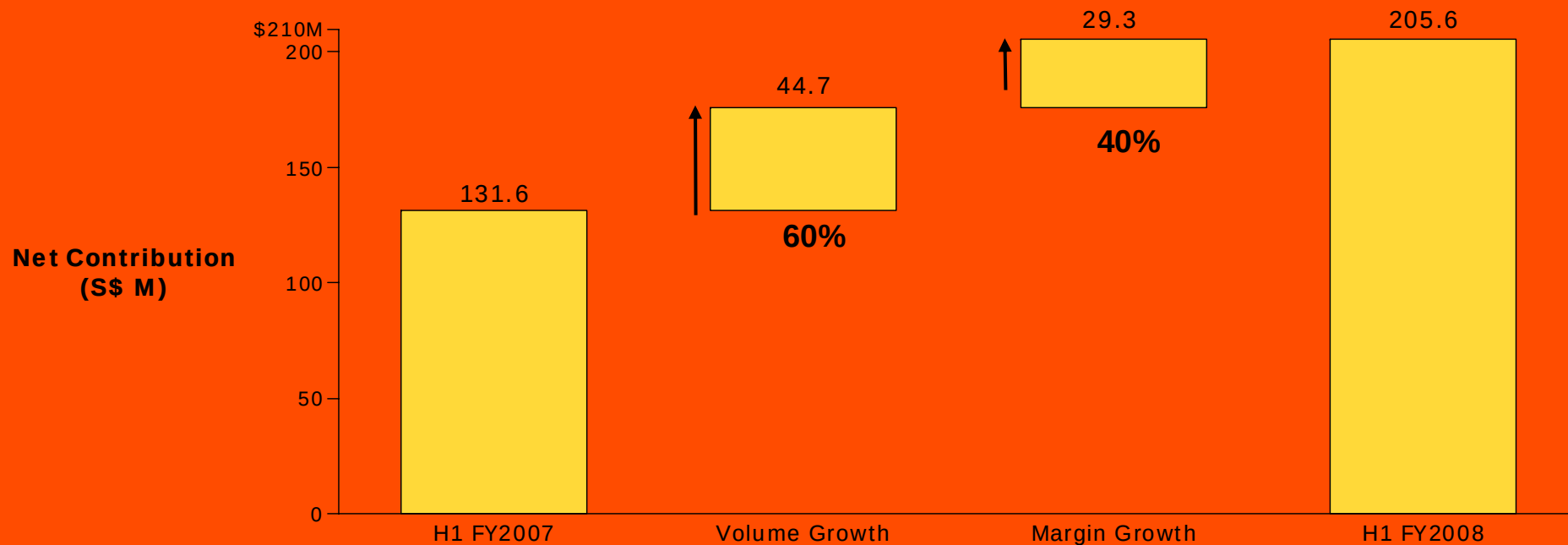
Net Contribution Growth: Segmental Share

NC growth 56.3%, S\$74 million



Net Contribution Growth: Sources

NC growth 56.3%, S\$74 million



Impact of FRS 102

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

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

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

	Prior Period S\$'000	6-Mth FY2008 S\$'000	Carried Forward S\$'000	Total S\$'000
E S S S	2,300	81	76	2,457
E S O S	6,218	2,359	6,491	14,978
Total	8,428	2,440	6,567	17,435

Consolidated P&L Analysis: H1 FY2008

- ❖ **SG&A** increased by 71.5% to S\$152.5 million in H1 FY2008.

	H1 FY2008	H1 FY2007	Change
SG&A (S\$ million)	152.5	88.9	71.5%
SG&A / Sales ratio (%)	4.59	3.76	(0.83)



Consolidated P&L Analysis: H1 FY2008

❖ **Net Profit After Tax (NPAT): S\$46.9 million**

- 23.1% growth over H1 FY2007

❖ **Earnings per Share (EPS)**

- 23.2% growth over H1 FY2007
- 3.03 cent/share H1 FY2008 vs 2.46 cent/share H1 FY2007 (based on weighted average no. of shares)



Results: H1 FY2008

Segmental Analysis



Segmental Analysis H1 FY2008: Summary

Olam Consolidated

- Turnover **S\$3,325 million**
- Volume **2.337 mmts**
- NC **S\$205.6 m**
- NPAT **S\$46.9 m**

Edible Nuts, Spices & Beans

- Turnover **\$426.5 m**
- Volume **0.306mmts**
- NC **\$33.6 m**

• NC Share **16.3%**



Confectionery & Beverage Ingredients

- Turnover **\$1,147.6 m**
- Volume **0.448mmts**
- NC **\$62.6 m**

• NC Share **30.4%**



Food Staples & Packaged Foods

- Turnover **\$1,011.9m**
- Volume **1.078mmts**
- NC **\$60.2 m**

• NC Share **29.3%**



Fibre & Wood Products

- Turnover **\$738.8 m**
- Volume **0.505mmt**
- NC **\$49.2 m**

• NC Share **24%**



Segmental Analysis: Edible Nuts, Spices & Beans

Description	H1 FY2008		H1 FY2007		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	306,045		225,773		↑ 35.6%
Revenue (S\$'000)	426,549	1,394	335,111	1,484	↑ 27.3%
Net Contribution (S\$'000)	33,588	110	19,435	86	↑ 72.8%



Segmental Analysis: Confectionery & Beverage Ingredients

Description	H1 FY2008		H1 FY2007		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	448,110		384,444		▲ 16.6%
Revenue (S\$'000)	1,147,608	2,561	892,512	2,322	▲ 28.6%
Net Contribution (S\$'000)	62,602	140	47,710	124	▲ 31.2%



Segmental Analysis: Food Staples & Packaged Foods

Description	H1 FY2008		H1 FY2007		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	1,077,918		923,716		↑ 16.7%
Revenue (S\$'000)	1,011,959	939	709,042	768	↑ 42.7%
Net Contribution (S\$'000)	60,197	56	33,594	36	↑ 79.2%



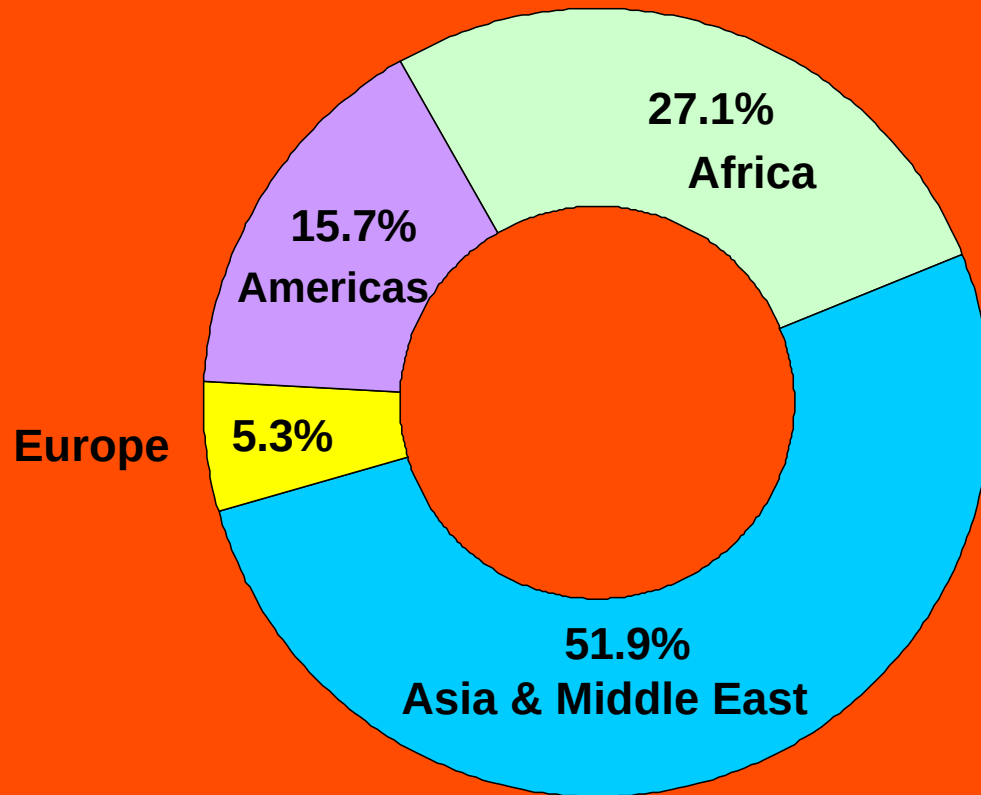
Segmental Analysis: Fibre & Wood products

Description	H1 FY2008		H1 FY2007		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume	505,234		282,486		↑ 78.9%
Turnover	738,857	1,462	430,823	1,525	↑ 71.5%
Net Contribution	49,238	97	30,832	109	↑ 59.7%

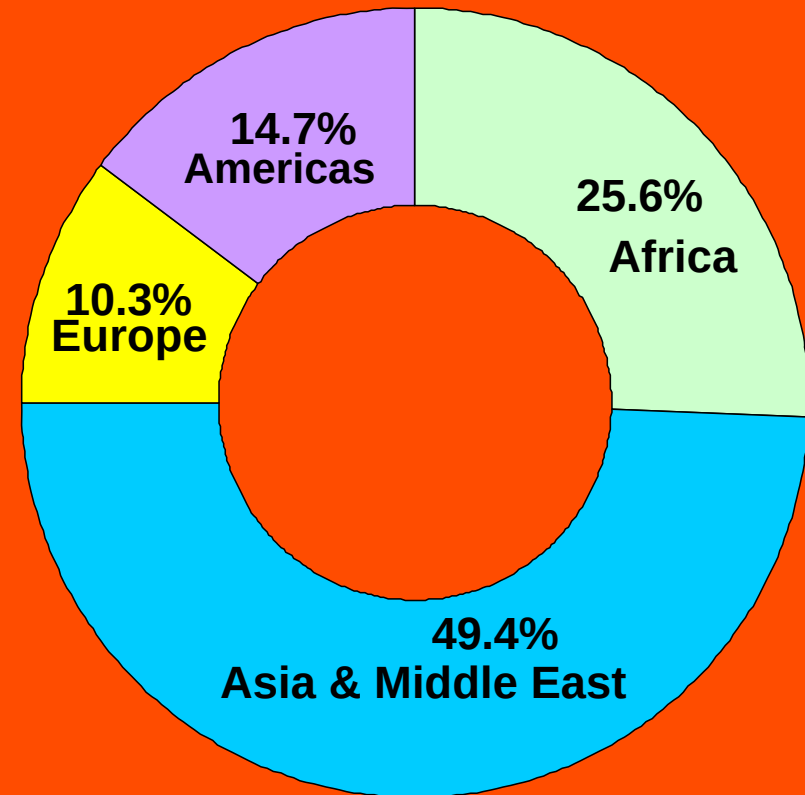


Well Diversified Sourcing: Origins

Sourcing Volume H1FY2008

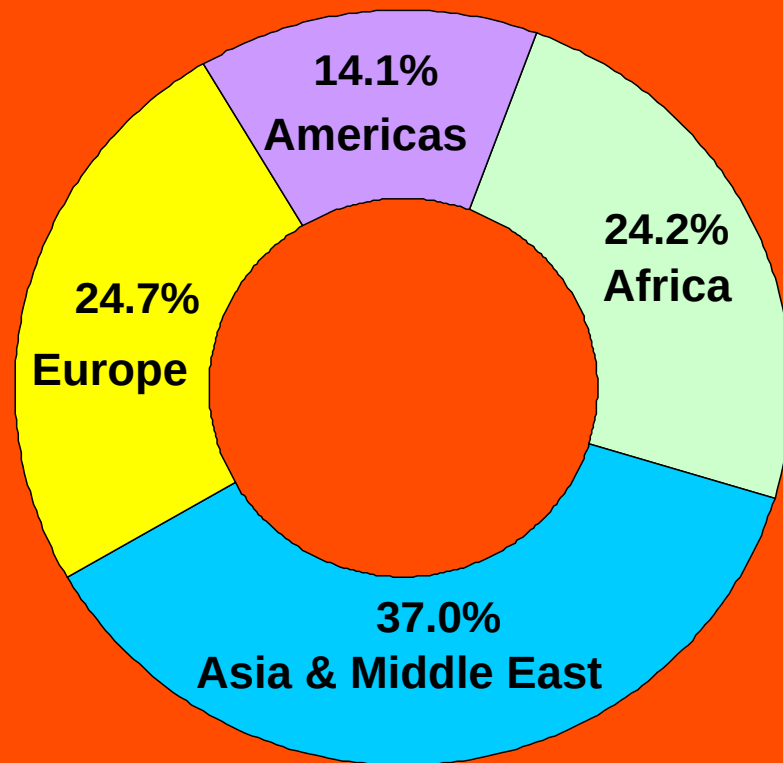


Sourcing Volume H1FY2007

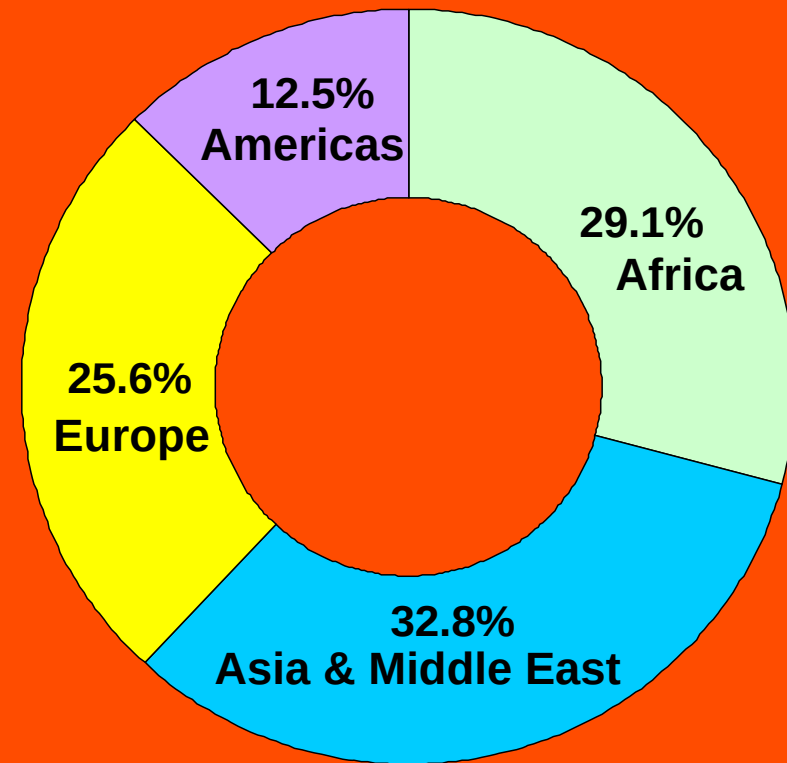


Well Diversified Sales: Markets

Sales Turnover H1FY2008



Sales Turnover H1FY2007



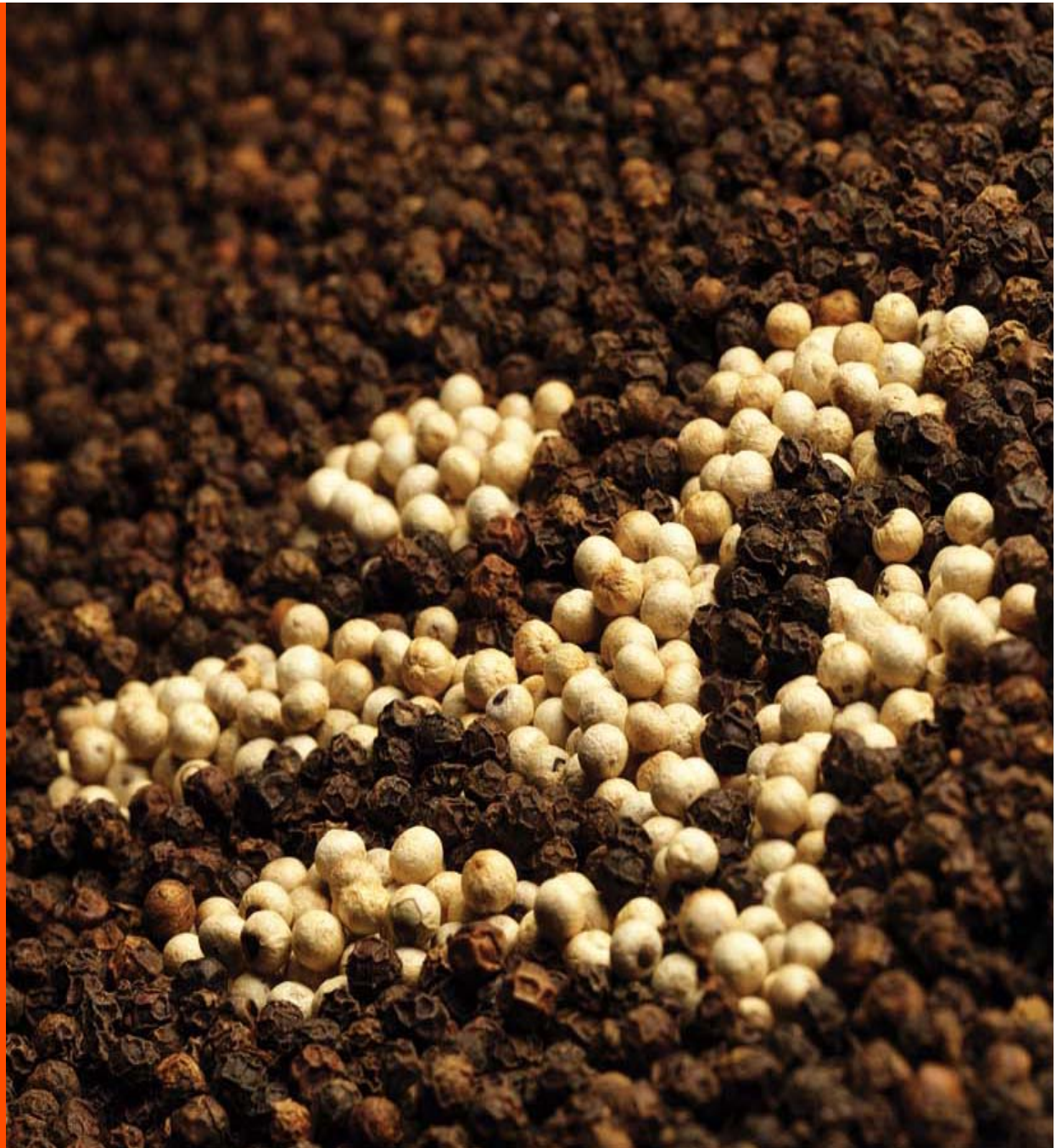
Well diversified: **Customers**

Segment	Top 5 Customer Share of Total Sales
Edible Nuts, Spices & Beans	2.04%
Confectionery & Beverage Ingredients	11.56%
Food Staples & Packaged Foods	2.73%
Fibre & Wood Products	0.94%



Results: H1 FY2008

Balance Sheet Analysis



Balance Sheet Analysis: Summary

(Figures in S\$'000)	H1 FY2008	FY 2007	% Change
Goodwill and Intangibles	103,208	96,203	7.3%
Fixed Assets & Investments	458,040	232,932	96.6%
Current Assets			
Debtors	389,067	508,193	(23.4%)
Stocks	1,242,701	1,163,203	6.8%
Cash & Cash Equivalents	285,039	237,607	19.9%
Advances to Suppliers	368,099	255,706	43.9%
Fair Value of Derivatives	307,744	388,032	(20.7%)
Margin Account Balances	175,578	86,162	103.8%
Other Current Assets	310,818	199,416	55.8%
Total Assets	3,079,046	2,851,780	
Trade Creditors	328,114	255,522	28.4%
Borrowings	2,380,658	1,919,886	24.0%
Fair Value of Derivatives	355,532	488,630	(21.1%)
Other Liabilities	173,769	80,805	115.0%
Net Assets	402,221	432,749	
Minority Interest	(114)	27	(522.2%)
Equity & Reserves	402,335	432,722	(7.0%)

Fixed Assets and Investments

(in S\$ million)	H1 FY2008	FY2007	Increase
Fixed Assets	431.1	151.8	↑ 279.3
Investments	26.9	81.1	↓ 54.2
Total	458.0	232.9	

Increase in fixed assets mainly on account of consolidation of the acquisitions



Balance Sheet Analysis: Ratios

	H1 FY2008	FY2007	Change
Current Asset Ratios			
Debtors (days)	21	34	13
Stock (days)	75	85	10
Advance to Suppliers (days)	22	19	(3)
Trade Creditors (days)	20	19	1
Current Ratio (x)	1.49	1.57	

Balance Sheet Analysis: Debtors

- 77.4% of Debtors secured by Letter of Credit / Docs of Title.
- Debtor quality good. No additional provisions created over June 2007



Balance Sheet Analysis: **Stock**

(in S\$ million)	H1 FY2008	FY2007	Increase / Decrease
Edible Nuts, Spices & Beans	176.9	182.2	(5.3)
Confectionery & Beverage Ingredients	732.1	586.3	145.8
Food Staples & Packaged Foods	168.3	296.0	(127.7)
Fibre & Wood Products	165.4	98.7	66.7
Total	1,242.7	1,163.2	79.5

✿ 83.7% of stocks sold forward or hedged



Balance Sheet Analysis: **Cash & Borrowings**

- ❖ **Cash and Fixed Deposits** increased by 19.9% to S\$285.0 million
- ❖ **Borrowings:**
 - ❖ Only 54.3% of our total credit facilities were used as of 31st Dec.

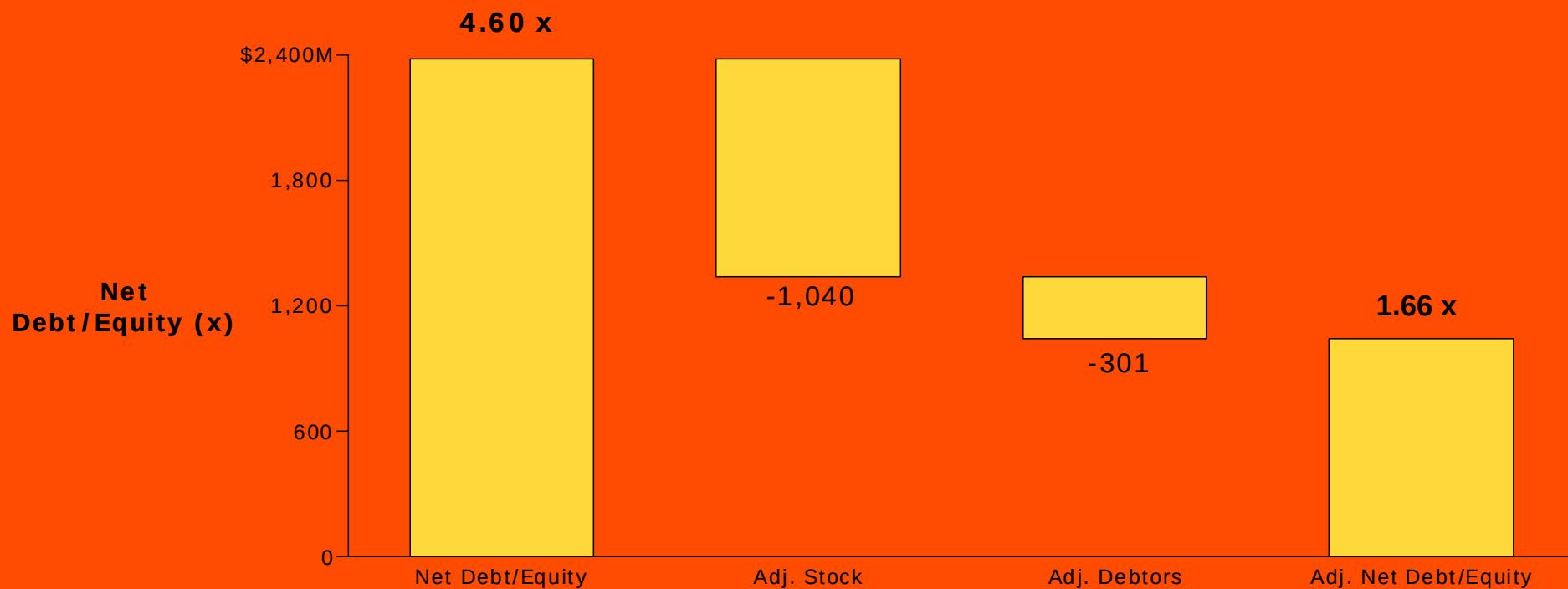
(in S\$ million)	H1 FY2008	% Share
Short Term Banking Facilities	2,185	50%
Committed Banking Facilities	651	15%
MTN / Medium Term Loan	820	19%
Long Term Loan	724	16%
Total	4,380	100%

Balance Sheet Analysis: Gearing

	H1 FY2008			FY 2007	
Leverage (x)	Before Intangibles and Fair Value Adj. Reserve	After Intangibles and before Fair Value Adj. Reserve	After Intangibles and Fair Value Adj. Reserve	After Intangibles and before Fair Value Adj. Reserve	After Intangibles and Fair Value Adj. Reserve
Gross Debt to Equity (x)	4.26	5.23	7.96	3.94	5.71
Net Debt to Equity (x)	3.75	4.60	7.01	3.45	5.00
Interest Coverage (x)	1.53			1.91	
Liquidity					
Cash to Sales (%)	4.29			4.36	
Cash & Cash Equivalents	285.0 m			237.6 m	

Balance Sheet: Analysis of Gearing

Adjusting: hedged, liquid inventory



Finance Costs on Borrowings: Interest Spreads

Facility Type	2004-05	2005-06	2006-07	Current
Short Term	120-140 bps	80-100 bps	50-70 bps	30-50 bps
Medium Term	-	110-120 bps	80-90 bps	70-80 bps
Long Term	-	130-140 bps	100-115 bps	85-100 bps
<i>Wt. Avg Cost</i>	<i>120-140 bps</i>	<i>100-120 bps</i>	<i>75-90 bps</i>	<i>65-80 bps</i>

- We have not experienced pressure from credit markets on spreads

Credit Facilities

- ✦ We secured a A\$200m 5-year syndicated term loan facility in Oct 2007 for acquisition of QCH
- ✦ In Dec 2007 and Jan 2008, we have been able to raise additional short term credit facilities of over US\$250m at similar spreads to finance increases in working capital:
- ✦ All bank facilities falling due for renewal has been renewed as scheduled on the same terms

Long-term Financing

- ❖ We have more than doubled revenues and profits without diluting existing shareholders' interest over the past 3 years post-IPO in Feb 2005
- ❖ We have successfully re-gearred balance sheet to an optimum gearing level of 4.6X (or 1.66X adjusted gearing) through a combination of higher dividends and long-term debt
- ❖ We are now evaluating raising additional capital to finance our next 2-3 year growth

Impact of FRS 39

- ✿ Impact on P&L is reduction in profits of S\$0.539 million.
- ✿ Reduction in equity as of 31 December 2007 is S\$156.1 million.
- ✿ FRS 39 allows for hedge accounting to be applied when strict effectiveness criteria are met.
- ✿ We have assessed the effectiveness of our hedging instruments and have concluded that the majority of the derivatives qualifies for hedge accounting. Hence, adjustment due to adoption of FRS 39 has mainly flown to equity.
- ✿ We do not expect any adverse impact of these measurements to the results of the Company.

Industry Trend & Analysis



Industry Trend: Agricultural Commodity Super cycle?

- ❖ Prices across a whole range of agricultural commodities including cashew, cocoa, coffee, corn, palm oil, peanuts, rice, rubber, sesame, soybean, wheat, wood products, all at, near or hitting historical highs. Cotton and sugar prices beginning to move up as well.
- ❖ US wheat inventories at a 60 year low. Rice global inventories at a 35 year low, corn global inventories at a 12 year low, soybean global inventories at a 10 year low.
- ❖ The imbalance between global supply and demand in agricultural commodities continues to create significant arbitrage opportunities.
- ❖ Is this trend cyclical or structural?

Agricultural Commodity Trends: structural factors

1. Traditional sources of demand for agri-commodities was **food** and **feed**. Now a new source of demand emerging - **fuel**.
 - Ethanol production capacity grew 35% in 2007 and is expected to grow 58% in 2008.
 - Mandated demand for ethanol likely to double by 2012.
 - Significant growth in bio-fuel demand.
 - Intense 'battle for acreage'.



Agricultural Commodity Trends: structural factors

2. We are in the midst of an **agri-commodity up-cycle** triggered by:

Soaring population growth

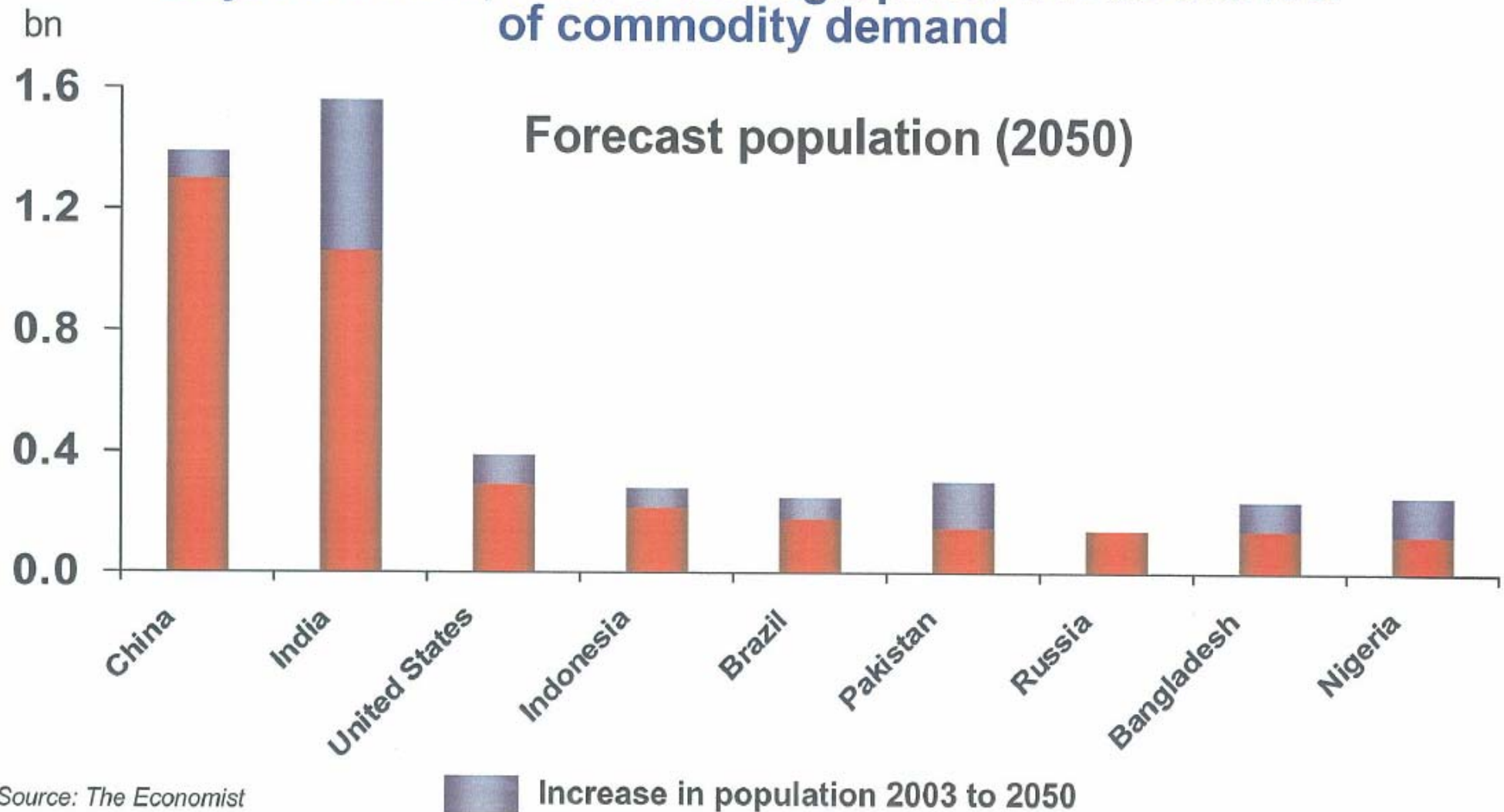
- World population at the **start of the 20th Century** was **less than 2 billion people**.
- **Current world population** is estimated at **6.5 billion**.
- UN estimates **world population in 2050** to reach **9.3 billion**.
- Population boom driven mainly in the emerging markets in Asia, Africa and Latin America.
- World population is increasing at a rate of **> 80 million people a year**.



Soaring population growth

Beyond China, India's demographics will be a driver of commodity demand

Forecast population (2050)



Agricultural Commodity Trends: structural factors

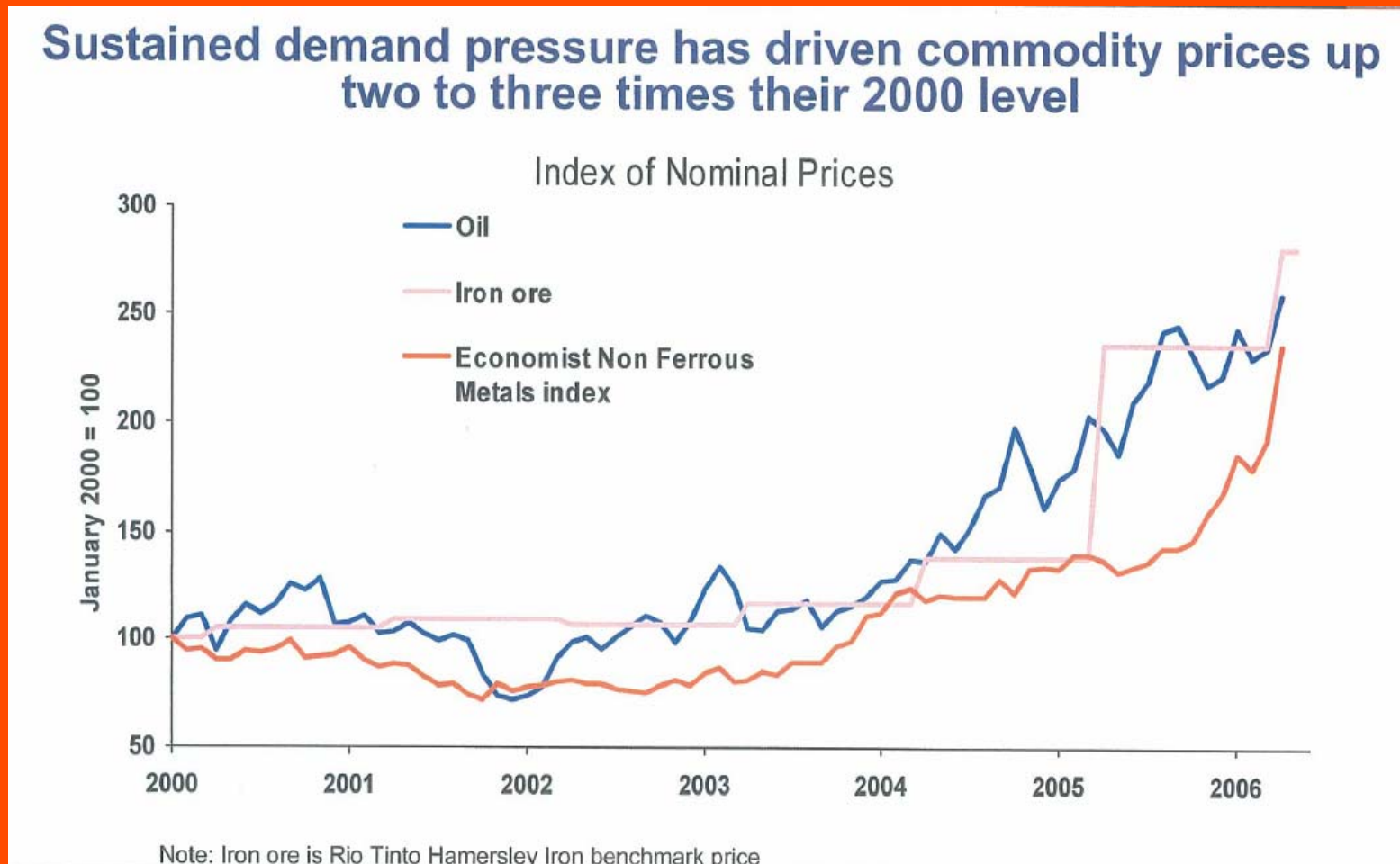
3. We are in the midst of an **agri-commodity up-cycle** triggered by:

Rising incomes & demand for higher quality food

- Commodities follow the “**Rule of Saturation**”. As real income grows from about \$5,000 to \$20,000 per capita (purchasing power parity rules may apply overseas), commodity usage vastly outstrips real income. Then saturation occurs, and individual income grows faster than commodity use. Emerging markets today are following the same trend the U.S. followed in the first half of the 20th Century.
- India's current per capita income is estimated at < US\$3,000 while China's is estimated at < US\$6,000 indicating significant raw material consumption growth going forward.
- 80% of the world's population fall in the < US\$3,465 income bracket. The potential growth in demand for raw material consumption is therefore tremendous.
- Increasing demand for higher quality food which is more resource intensive (you require 100 times more water to produce a pound of beef than a pound of wheat).

Agricultural Commodity Trends: structural factors

Rising incomes & demand growth

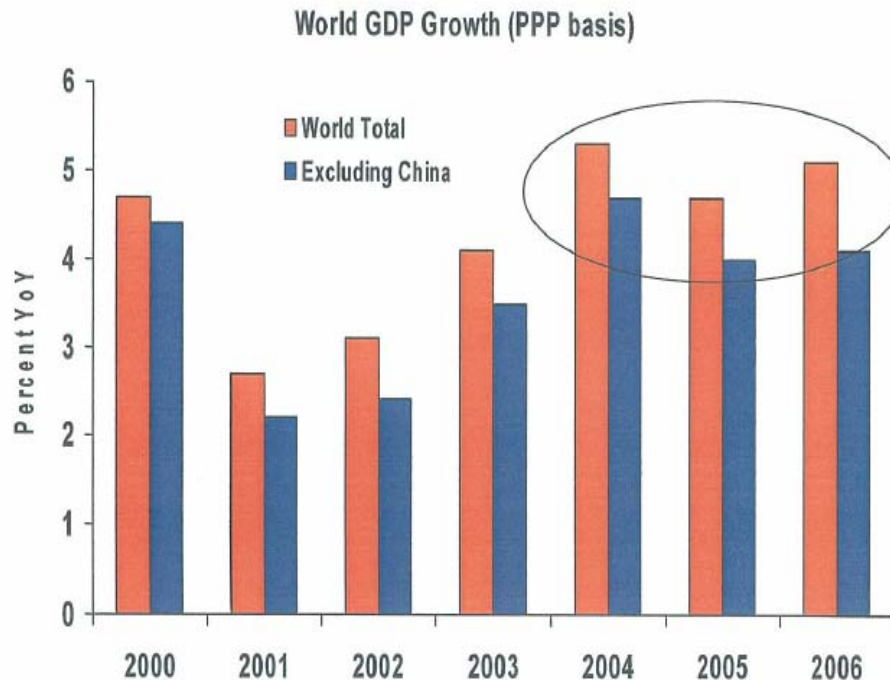


➤ For example, domestic textile demand in China growing at 20%.

Agricultural Commodity Trends: structural factors

Rising incomes & demand growth

Strong growth in China and the rest of the world is boosting commodity demand



- Over the last 30 years, growth above 4% has been associated with above trend prices

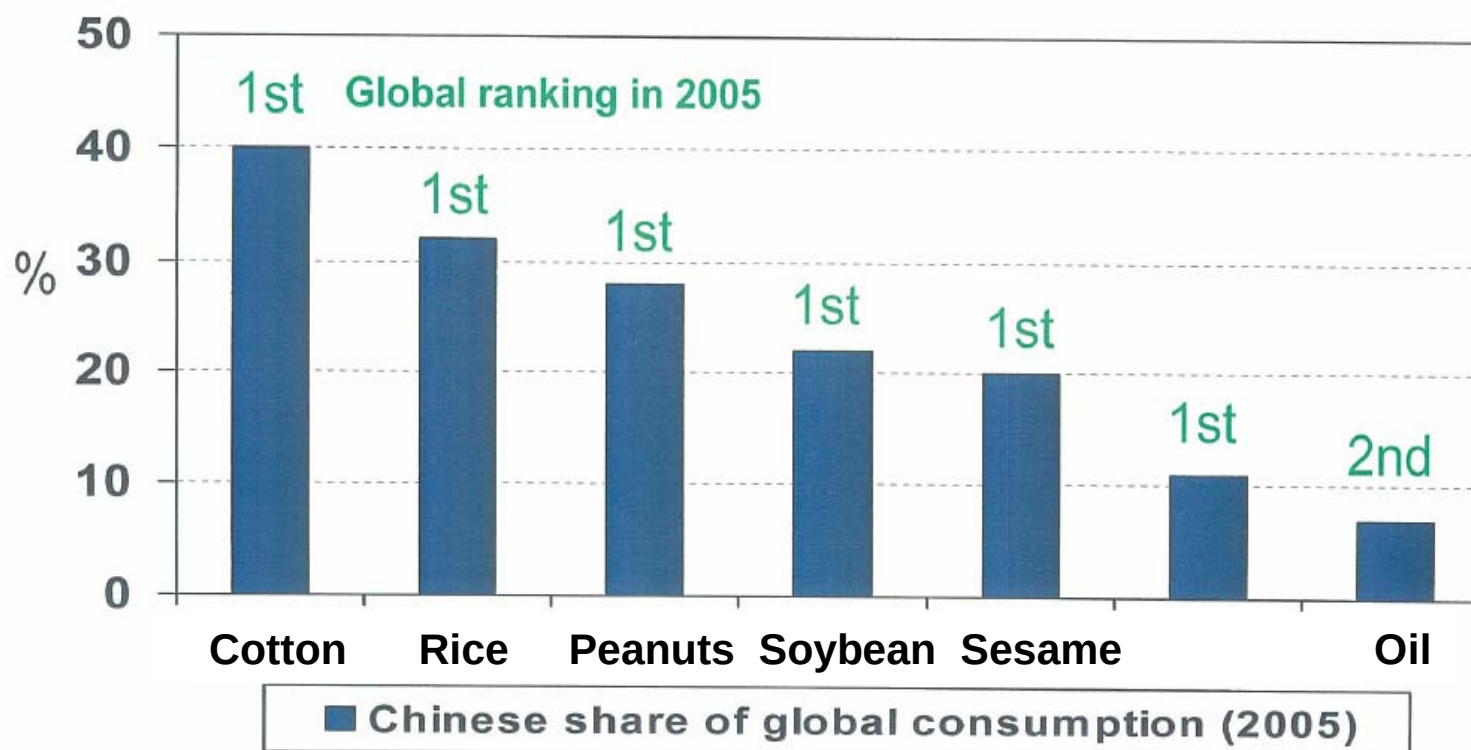
- IMF forecasts world GDP to grow by around 5% in 2007

Source: Global Insight, Rio Tinto

Agricultural Commodity Trends: structural factors

Rising incomes & demand growth

China is now the number one consumer of many commodities

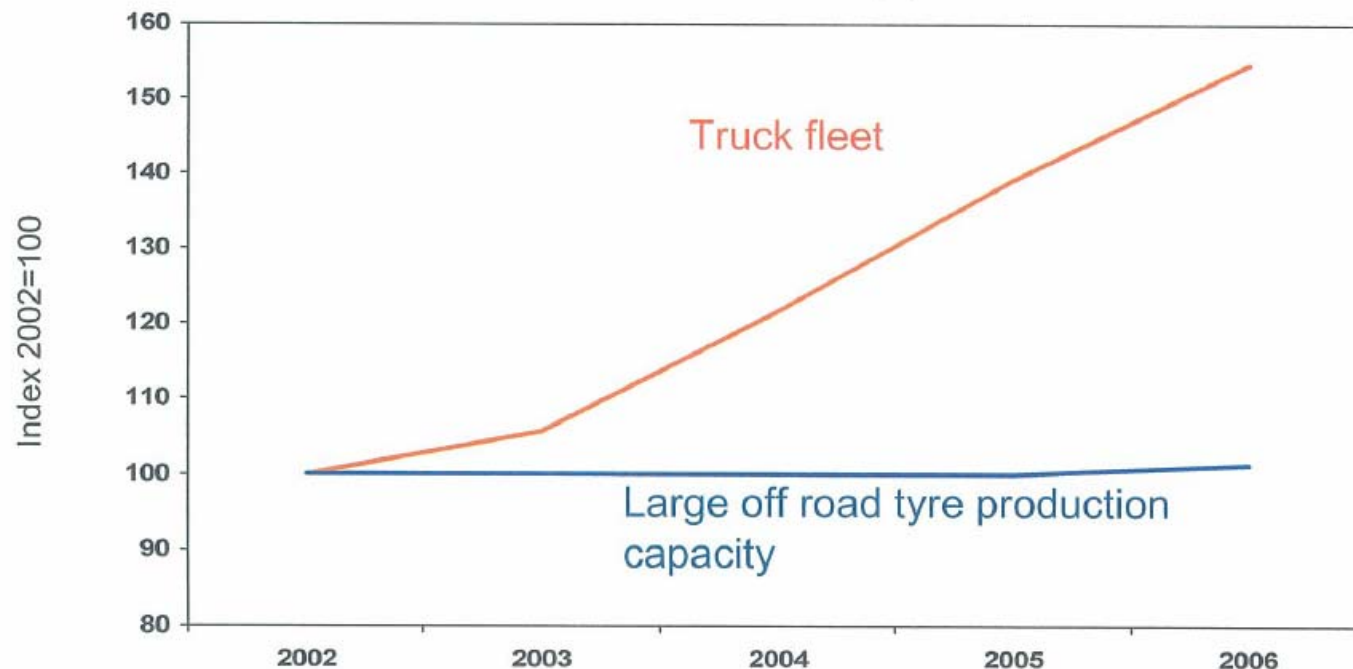


Agricultural Commodity Trends: structural factors

4. We are in the midst of an **agri-commodity up-cycle** triggered by:
Severe supply constraints

...hindered by medium term supply constraints

Not enough large off road tyres are being produced to meet demand



Source: indicative estimates based on various public and industry data

Agricultural Commodity Trends: structural factors

5. We are in the midst of an **agri-commodity up-cycle** triggered by:

Increasing urbanisation

- Increased population density from 43 people / km² to 63 people / km² (47% increase).
- Cities outgrow into surrounding farmlands.
- Growing demand for infrastructure such as schools, roads, seaports and airports.
- Increasing demand for housing, water and food supply.
- Material reduction in the availability of arable land.

Year	World Population	Farmland (billion ha)	Farmland/inhabitant (ha)
1950	2.5 b	1.3	0.5
1975	4.0 b	1.4	0.4
2000	6.0 b	1.5	0.3
2020	7.5 b	1.5	0.2

- Water becoming a critical constraint.

Agricultural Commodity Trends: structural factors

6. We are in the midst of an **agri-commodity up-cycle** triggered by:

Severe supply constraints

- a long period of under investment by commodity producers, therefore relative supply inelasticity, long investment gestations to bring productive capacities on stream.

Supply disruptions caused by climate change

- More frequent and prolonged floods and drought incidences due to climate change causing supply disruptions



Agricultural Commodity Trends: structural factors

7. GMO and productivity breakthroughs:

Adoption of improved planting material (GMO or BT seeds) and increased input intensiveness raising farm yield and productivity.



Olam: Strategic direction



Strategic direction:

Recap: 5 Key Rules of the Game

Rule 1: Global Leadership and High Absolute Market Share

Rule 2: Strong Presence in Key Origins

Rule 3: Strong End-market Presence

Rule 4: Direct End-customer Relationship

Rule 5: Differential Value Chain Integration

Strategic direction:

- ❖ As global supply chain manager, we need to:
 - ❖ Build **scale** economies, secure **control over supply, customer** and develop **pricing power**
 - ❖ Be **integrated along entire supply chain** but **no rigid orthodoxy that each business has to be similarly integrated**
- ❖ **Degree of integration** for each business **is a function of industry dynamics**, eg. degree of industry liberalisation, fragmented vs. non-fragmented industry, distribution of profits, relative value across various activities in the supply chain
- ❖ We **make investments** in the supply chain **directly only when we see opportunity to capture some incremental value**

Strategic Direction:

- ✿ We are an **integrated global supply chain manager**:
 - ✿ Backward integration in **selected plantation crops only**, not all crops - we do not envisage ourselves becoming a plantation company
 - ✿ Forward integration into **value-added processing**, eg. ingredient manufacturing, **for supplying to private labels**
- ✿ We continue to diversify our business across agri-products, geographies, markets, selected upstream and downstream activities
- ✿ Higher degree of asset intensity to be expected as we grow but we prefer to remain asset-light by hiving off fixed assets through an **asset trust**

Olam's strategic response:

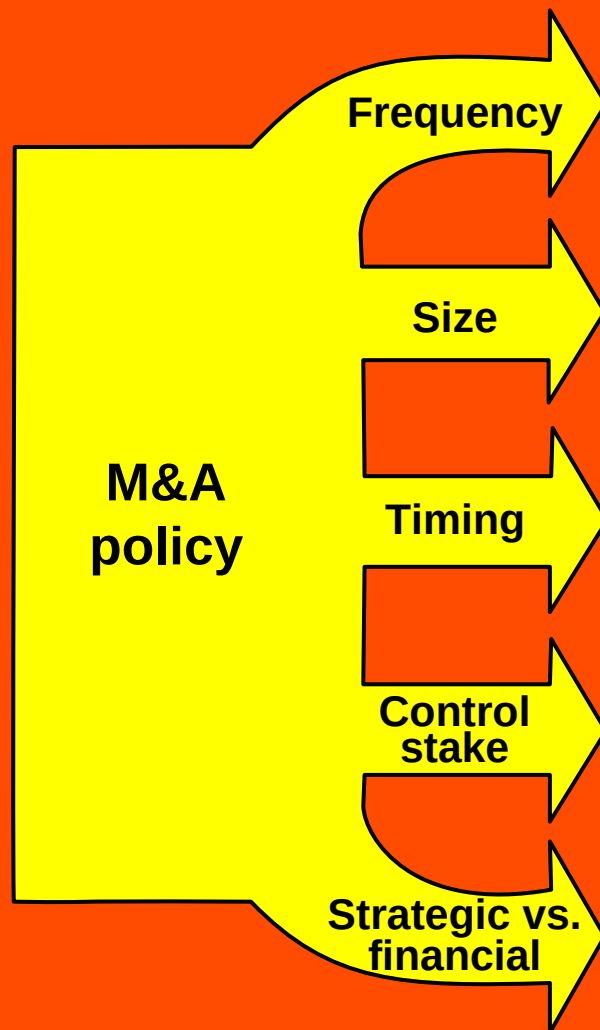
Organic 'growth - as - usual'

- ✿ Bringing existing businesses to full potential by growing volumes:
 - Expand procurement reach (width and depth) in existing origins
 - Expand into new origins
 - New customers in existing markets
 - New customers in new markets



Olam's strategic response:

Selective earnings and value accretive acquisitions with clear strategic fit with our existing businesses



M&A Policy

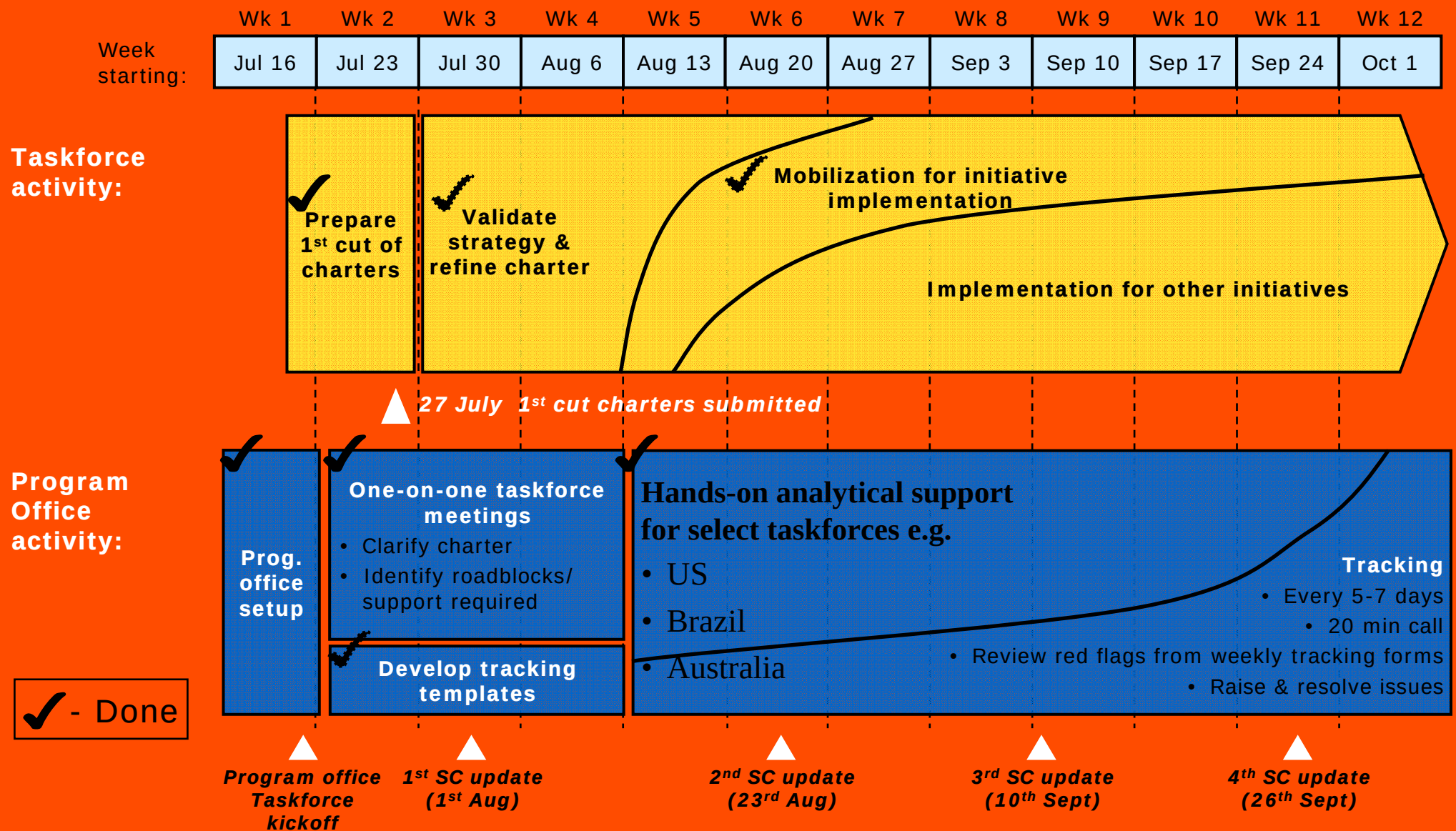
- We would seek to build our M&A expertise over a multi-year period through a series of small deals (string of pearls)
- Sweet spot deals: **5%-10%** of market cap
- Maximum deal size: **10%** of market cap
- Maximum deal value per annum: **15%** of Olam's market capitalisation
- We would make acquisitions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

Inorganic Growth: Track Record

✿ 8 value-accretive transactions announced since February 2007

Acquisition	Investment (US\$ million)	Olam's Stake (%)	Status/Date of Completion	Integration Status	Incorporated in Q1 FY2008 Results
Chinatex Grains & Oils	13.5	35	Not Completed	n/a	No
Queensland Cotton	136.3	100	Completed		Yes
Universal Blanchers	73.1	100			Yes
Open Country Cheese	18.0	19.9			No
Key Foods	18.5	100			No
Naarden Agro	3.8	100			Yes
PT DUS	14.0	100			No
Nauvu Investments	112.95	50	Jun 2008	n/a	No
Total	390.15	-	-		-

Inorganic Growth - QCH Integration



QCH Prospects

- ❖ Accounting policies of QCH have been brought in line with Olam's, including mark-to-market of all open derivative positions prior to 30 Jun 2007; S\$5.2m losses booked in H1 FY2008 and some earnings volatility to be expected in H2 FY2008
- ❖ Guidance remains that QCH is expected to report full-year loss of A\$12-14 million in FY2008



QCH Prospects (cont'd)

- ❖ 7-year drought has broken – Rains in NSW and Queensland since Jan 2008 increases possibility of better cotton crop in the next planting season and hence a return to normal crop in subsequent season
- ❖ QCH's performance is expected to improve; more guidance to be given nearer to season in Oct - Nov 2008



Joint Ventures with Chinatex

- ❖ Approval from relevant Chinese government authorities for 35% investment in CTGO has been delayed
- ❖ This development is not expected to have a significant impact on our earnings expectations in the near term (current sustainable earnings of CTGO is US\$5-6m p.a.)
- ❖ Olam will separately pursue to set up 50:50 cotton JV with Chinatex

Nauvu Investments – Plantation (Palm-CI)

❖ Short-term initiatives:

- ❖ Increase own plantation yield from current 11.6 to 15 tonnes/ha through sustainable replanting, correction for under-investment in fertilisers and improvement in plantation management and harvesting techniques
- ❖ Consolidate PHCI (acquired from Unilever) and Palm-CI operations to reduce fixed costs

❖ Long-term initiatives:

- ❖ Further raise own plantation yield to 18 tonnes/ha through increased plantation density and better seed quality
- ❖ Increase outgrower plantation yield from 4.9 to 7 tonnes/ha by providing working capital financing, crop inputs and plantation management services to larger growers
- ❖ Invest in transportation to plug leakages from plantation to mill
- ❖ Increase outgrower volumes and land bank, potentially in Nigeria, Cameroon and Liberia

Nauvu Investments – Refining (Newco)

- ❖ Short-term initiatives:
 - ❖ Consolidate Cosmivoire and UCI facilities, which now have high unit costs, to reduce materials, packaging costs and overheads in buying, distribution and logistics function
- ❖ Mid to long-term initiatives:
 - ❖ Consolidate factories with 300K tonnes capacity into a single-scale facility of 500K tonnes capacity with more efficient processes, eg. bleaching and energy consumption
 - ❖ Potential savings of approx. US\$4m p.a.

Nauvu Investments – Rubber

- ✿ Expected to benefit from global growth of 4% p.a. fuelled by tyre industry growth, which accounts for 70% of total consumption; China demand alone is growing at 10% p.a.
- ✿ Favourable prices in the medium term, est. at US\$1,800-2,300/tonne
- ✿ Well-positioned for increased production given West Africa's higher yields (than Asia) of up to 2 tonnes/ha
- ✿ High market share (40% in Cote d'Ivoire, almost 100% in Ghana and 9% in Nigeria) and strategic 20% stake by Michelin position us well for long-term supply-backed customer contracts
- ✿ Potential expansion into Liberia and Cameroon

Olam's strategic response:

Expand into new product adjacencies

- Palm oil
- Soybean
- Wheat
- Rubber
- Fertilizer
- Other edible nuts (almonds, hazelnuts, pecans, macadamia, walnuts).



Olam's strategic response:

Selective backward integration into plantations

Select commodities	Select geographies
Oil Palm Peanuts Rubber Sugar	Africa Argentina Brazil India

- Supply chain managers who control supply of certain agri-commodities through plantation ownership, such as palm and rubber, where ownership is less fragmented and profits are disproportionately distributed across various parts of the chain, are poised to benefit from these structural changes and we want to invest directly but selectively in plantations

Olam's strategic response:

Providing Customised Marketing Solutions & Services

- ❖ Organic certification
- ❖ Traceability
- ❖ Customised grades and qualities
- ❖ Vendor-managed inventory (VMI) solution
- ❖ Risk management solutions
- ❖ Proprietary market intelligence
- ❖ Value-added processing



Olam's strategic response:

Value chain integration

- Sugar milling and refining
- Edible oil crushing and refining
- Wheat milling
- Rice milling
- Cotton ginning
- Soluble coffee processing
- Cocoa grinding and processing
- Peanut ingredient manufacturing
- Spice grinding and dehydrates
- Fertilizer blending

Olam's strategic response:

Selective forward integration into private label and packaged food distribution (PFB)

✿ Select geographies:

- Africa
- Russia & Eastern Europe
- Central Asia



Thank You

