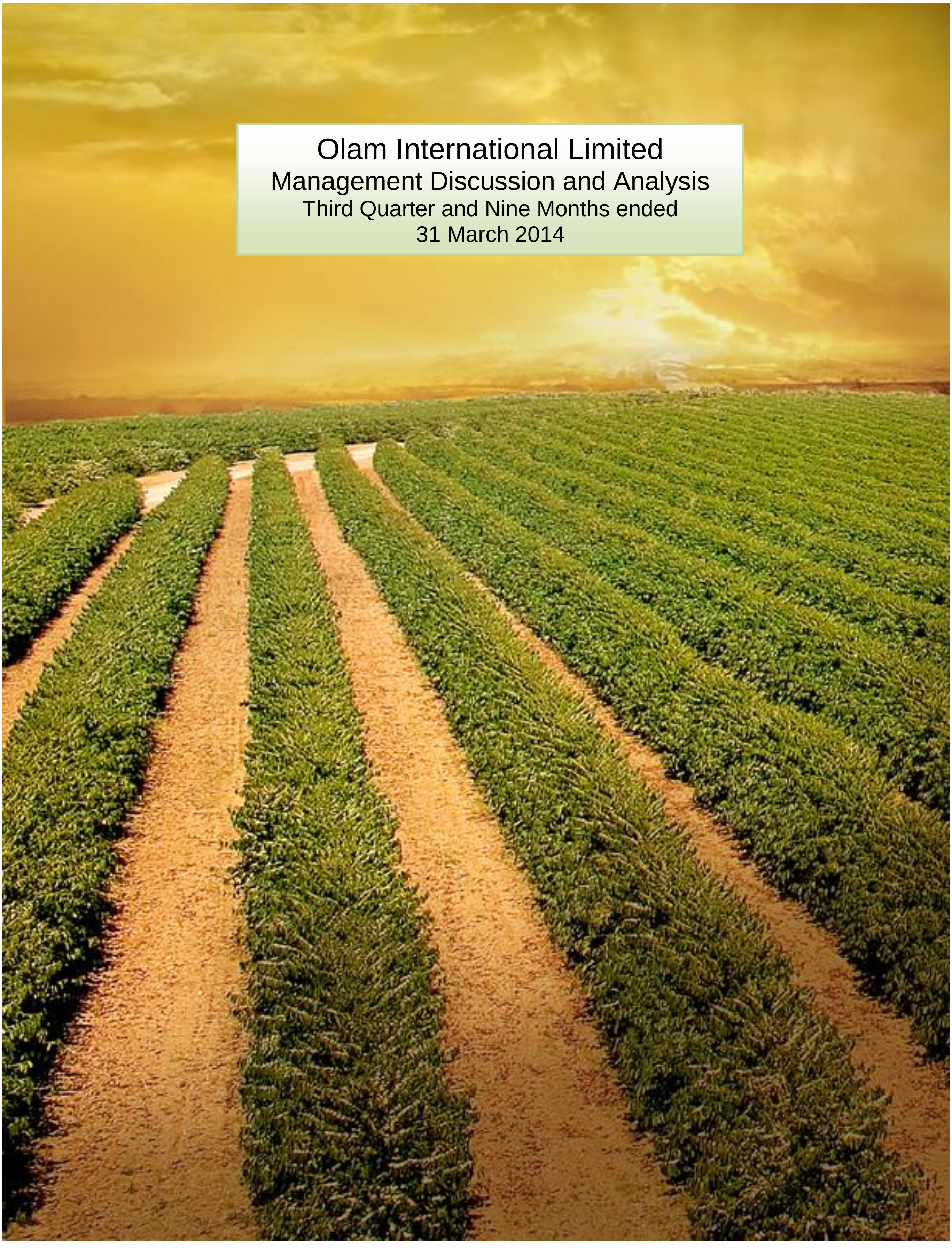
Olam International Limited
Management Discussion and Analysis
Third Quarter and Nine Months ended 31 March 2014



This MD&A should be read and understood only in conjunction with the full text of Olam International Limited's 9M FY2014 Financial Statements lodged on SGXNET on May 15, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Third Quarter and Nine Months ended 31 March 2014 (9M FY2014)

Contents

Key Highlights

- **Reported PATMI increased 88.6% to S$576.7 million** for 9M FY2014 (S$305.8 million for 9M FY2013). Reported PATMI includes net exceptional gains of S$299.8 million for 9M FY2014 (S$5.1 million for 9M FY2013).

- Overall **EBITDA was up 2.7% to S$900.1 million** in 9M FY2014 despite lower volumes, driven by improved results from all segments other than Food Staples and Packaged Foods.

- **Sales volume declined marginally by 2.4%** as compared to the high base in 9M FY2013 which saw a 61.5% increase over 9M FY2012.

- These results include a **net loss of S$20.7 million** on the **fair valuation of biological assets** compared to a **net gain of S$50.0 million** in 9M FY2013.

- **Net finance costs** remained flat at **S$400.4 million** in 9M FY2014 compared to **S$404.6 million** in 9M FY2013.

- **Depreciation and amortisation** was **higher at S$168.1 million compared to S$123.3 million** in 9M FY2013.

- **Tax expenses** (excluding exceptional items) for 9M FY2014 were **higher at S$65.0 million** as compared to **S$44.7 million** for the prior corresponding period.

- As a result of the above, **Operational PATMI** (after excluding exceptional items) **declined by 7.9% to S$276.9 million** (S$300.7 million in 9M FY2013)

- We have **moderated the pace of new investments** and incurred **cash capital expenditure (Capex) of S$502.0 million** in 9M FY2014 as compared to S$749.9 million in 9M FY2013. Net of disposals, the cash capex was **S$168.0 million** in 9M FY2014 as against S$665.2 million in 9M FY2013.

- There was **improved cash flow generation**, with increased cash flow from operations, lower capex and cash flow generated from various initiatives as outlined in the strategic plan. This was partially offset by higher working capital deployment, especially during Q3 FY2014, due to a sharp increase in commodity prices across several products in the portfolio.

- Notwithstanding a **significant increase in commodity prices** in Q3 FY2014, **net gearing of 2.03 times** at March 31, 2014 **was lower than 2.20 times** as at March 31, 2013.

- Subsequent to the strategic plan announcement in April 2013, we have announced **12 strategic initiatives**, of which nine have been completed by Q3 FY2014. These nine completed initiatives have **released cash of S$395.8 million**, generated a **P&L gain of S$85.7 million** and added **S$16.5 million to our capital reserves**. Six out of the nine initiatives contributed S$309.5 million of cash, S$55.5 million in P&L gains and S$16.5 million addition to capital reserves, which were recognised in 9M FY2014 results. The other three initiatives, which are expected to be completed within FY2014, are likely to **release further cash of approximately S$154.6 million**, generate a **P&L gain of approximately S$22.8 million** and add **approximately S$18.2 million** to our **capital reserves**.

- Our investment in **PureCircle Limited** ("PCL") was previously classified as an "Investment in an associate company" and recorded at cost plus accumulated share of net losses on the balance sheet. However, as a result of the resignation of Mr. Sunny Verghese from the board of PCL, which was announced by PCL on March 18, 2014, and the fact that the our equity interest in PCL was already less than 20%, the PCL investment must now be accounted for as an "**available-for-sale" financial asset**, rather than as an "investment in an associate company". This change in categorisation of our investment in PCL required us to mark our shareholding in PCL to market on March 18, 2014, which has resulted in an **exceptional gain of S$271.0 million during the quarter**. With effect from March 31, 2014, this investment will be recorded at its fair value on each reporting date, and any change in fair value will be recorded in the reserves of the Group. The fair valuation on March 31, 2014 resulted in a reduction in the Group's reserves by S$15.9 million.

- **Post Q3 FY2014,** we announced the **sale of dairy farm land** in the Western and the Eastern regions in Uruguay for a total cash consideration of **US$53.7 million**. On completion, we expect to record a pre-tax gain of **US$18.0 million**.

*"We are making steady progress in executing our strategic plan. The focus during this phase of our plan is not on pursuing volume growth, but on **extracting value** from existing operations and investments. We continue to look for growth opportunities and make **selective investments** in higher margin, better return opportunities across the value chain while remaining focused on our objective of generating positive **free cash flow to firm (FCFF)**."*

A. Shekhar
Executive Director - Finance and Business Development

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 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:

Four Key priorities:
1. Accelerate free cash flow generation
2. Reduce gearing
3. Reduce complexity
4. Facilitate a better understanding of Olam's business

Six pathways:
1. Recalibrate pace of investments
2. Optimise balance sheet
3. Pursue opportunities for unlocking intrinsic value
4. Optimise shape of portfolio and reduce complexity
5. Improve operating efficiencies
6. Enhance stakeholder communication

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 **cash capital expenditure (Capex) of S$502.0 million** in 9M FY2014 **as compared to S$749.9 million** in 9M FY2013. This is a **33.1% 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 reduction of 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 US and Australia, the repurchase of long term unsecured bonds of **US$30.0 million** issued by NZ Farming Systems Uruguay Limited ("NZFSU") and the repurchase of 7% **perpetual capital securities** and 6% **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 our cotton gin in Dirranbandi, Australia and the sale of a 50% stake in our Grains origination operation - Olam Lansing Canada.

   We **expect to conclude other announced initiatives** in Q4 FY2014, including the sale of 14.99% equity stake in our Dairy processing operation – Open Country Dairy (OCD), New Zealand and the sale of additional equity in our upstream Palm and Rubber joint ventures in Gabon to the Republic of Gabon.

4. **Optimise shape of portfolio and reduce complexity**
   We **completed the partial divestment of our Wood Products business in Gabon** during Q3 FY2014 which has helped bring a sharper focus to the business and is 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 grew by 7.2% to S$562.1 million** in 9M FY2014 **from S$524.5 million** in 9M 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 also organised a **field visit** to our operations in Nigeria and Gabon and introduced this **Management Discussion and Analysis** (MD&A) from Q1 FY2014.

In summary, initiatives already completed have **released cash of S$395.8 million,** generated a **P&L gain of S$85.7 million** and added **S$16.5 million to** our **capital reserves:**

SGD Mn

Announced	Closed	Initiative	P & L impact	Addition to capital reserves	Cash flow released
Q2 FY13	Q2 FY13	Sale and Leaseback of Almond Plantation Assets, US	18.1		68.6
Q3 FY13	Q3 FY13	Buyback of NZFSU Bonds	6.0		
Q3 FY13	Q4 FY13	Sale of Basmati Rice Mill, India to Ebro Foods	6.1		17.7
Q4 FY13	Q1 FY14	Sale of 25.5% stake in Noodles business to Sanyo Foods		14.2	25.1
Q2 FY14	Q2 FY14	Sale of Dirranbandi Cotton Gin, Australia	5.9		22.7
Q2 FY14	Q3 FY14	Sale and Leaseback of Almond Plantation Assets, Australia	63.2		233.1
Q3 FY14	Q3 FY14	Divestment of Olam Lansing JV, Canada			6.8
Q3 FY14	Q3 FY14	Sale of Timber Assets, Gabon	(14.6)		21.8
Q3 FY14	Q3 FY14	Repurchase of Bonds and Perpetual Securities	1.0	2.3	
		Total	**85.7**	**16.5**	**395.8**

Going forward, we expect to **release cash of approximately S$154.6 million**, generate a **P&L gain of** approximately **S$22.8 million,** and **add approximately S$18.2 million** to our **capital reserves** in H2 FY2014 from **initiatives already announced, but pending completion**:

SGD Mn

Announced	Expected	Initiative	P & L impact	Addition to capital reserves	Cash flow expected
Q2 FY14	Q4 FY14	Sale of 14.99% stake in OCDL, New Zealand			48.8
Q3 FY14	Q4 FY14	Sale of 10%/20% stake in Palm/Rubber to RoG, Gabon		18.2	37.7
Q4 FY14	Q4 FY14	Sale and Leaseback of Dairy Farm Land, Uruguay	22.8		68.0
		Total	**22.8**	**18.2**	**154.6**

Note: figures in the table above may change to reflect the closing balance sheet position and exchange rates on date of completion.

Summary of Financial and Operating Results

Profit and Loss Statement

	9M FY2014	9M FY2013	% Change	Q3 FY2014	Q3 FY2013	% Change
Volume ('000 MT)	11,379.1	11,655.0	(2.4)	4,018.0	3,882.6	3.5
Revenue	13,664.1	14,306.8	(4.5)	4,836.4	4,717.3	2.5
EBITDA	**900.1**	**876.0**	**2.7**	**335.3**	**340.3**	**(1.5)**
PAT	566.4	308.4	83.7	392.9	115.3	240.9
PATMI	**576.7**	**305.8**	**88.6**	**396.1**	**108.5**	**265.1**
Operational PATMI	**276.9**	**300.7**	**(7.9)**	**102.2**	**121.5**	**(15.9)**

The volume decline of 2.4% was against a high base of 9M FY2013, which saw an exceptional 61.5% growth over 9M FY2012. Volumes were also impacted by reduced Wood Product volumes as we restructured and exited parts of that business.

Lower volume, coupled with the change in business mix towards lower priced commodities led to a 4.5% decline in sales revenue.

Despite the decline in volume, Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA), grew 2.7% to $900.1 million reflecting margin expansion from upstream and midstream initiatives. The EBITDA for 9M FY2014 includes a net loss of S$20.7 million on the fair valuation of biological assets compared to a net gain of S$50.0 million in 9M FY2013.

Reported Profit After Taxes and Minority Interests ("PATMI") for 9M FY2014 grew by 88.6% over 9M 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 7.9% as we recorded higher depreciation and amortisation charges on a larger fixed asset base, which increased by approximately S$1.0 billion since 9M FY2013. The operational tax provision was also higher at S$65.0 million in 9M FY2014 as compared to S$44.7 million in 9M FY2013 due to changes in the geographical mix of the business.

Balance Sheet Analysis

SGD Mn

	31-Mar-14	30-Jun-13	Change vs Jun 13	31-Mar-13	Change vs Mar 13
Uses of Capital					
Fixed Capital	6,069.9	5,453.7	616.2	5,102.8	967.1
Working Capital	6,882.5	5,652.0	1,230.5	6,942.0	(59.5)
Cash	1,022.6	1,591.0	(568.4)	1,327.7	(305.1)
Others	(333.6)	(24.7)	(308.9)	(353.1)	19.5
Total	**13,641.4**	**12,672.0**	**969.4**	**13,019.4**	**622.0**
Sources of Capital					
Equity & Reserves	4,186.5	3,765.0	421.5	3,639.1	547.4
Non-controlling interests	136.4	131.9	4.5	101.4	35.0
Short term debt	3,758.8	2,965.6	793.2	3,414.1	344.7
Long term debt	5,748.0	5,882.7	(134.7)	5,913.3	(165.3)
Fair value reserve	(188.3)	(73.2)	(115.1)	(48.5)	(139.8)
Total	**13,641.4**	**12,672.0**	**969.4**	**13,019.4**	**622.0**

Our total assets of S$13.6 billion comprised S$1.0 billion of cash, S$6.9 billion of working capital and S$6.1 billion of long term fixed assets. These were funded by S$4.2 billion of equity, S$3.8 billion of short term debt and S$5.7 billion of long term debt.

The increase in working capital was a function of business seasonality and increase in commodity prices vis-à-vis end-June 2013. The increase was funded by a combination of cash and short-term debt.

Cash Flow Analysis

SGD Mn

Cash Flow Summary	9M FY2014	9M FY2013	Y-o-Y
Operating Cash flow (before Interest & Tax)	875.5	820.7	54.8
Changes in Working Capital	(1,376.5)	(999.6)	(376.9)
Tax paid	(38.1)	(17.6)	(20.5)
Net Operating Cash flow	**(539.1)**	**(196.5)**	**(342.6)**
Capex / Investments	(168.0)	(665.2)	497.2
Free cash flow to firm (FCFF)	**(707.1)**	**(861.7)**	**154.6**
Net interest paid	(403.1)	(383.5)	(19.6)
Free cash flow to equity (FCFE)	**(1,110.2)**	**(1,245.2)**	**135.0**

We continued to make good progress in generating higher cash flows from operations, reducing the pace of new investments and releasing cash from our strategic plan initiatives. However, the positive cash generated was partially offset by a significant increase in commodity prices in Q3 FY2014, especially across Edible Nuts, Spices and Vegetable Ingredients and Confectionery and Beverage ingredients segments. This sudden and significant price increase led to a substantially higher change in working capital as compared to the corresponding prior period.

Detailed Financial Analysis

SGD Mn

	9M FY2014	9M FY2013	% Change	Q3 FY2014	Q3 FY2013	% Change
Volume ('000 MT)	**11,379.1**	**11,655.0**	**(2.4)**	**4,018.0**	**3,882.6**	**3.5**
Revenue	**13,664.1**	**14,306.8**	**(4.5)**	**4,836.4**	**4,717.3**	**2.5**
Other Income (excl. exceptional items)	30.8	23.9	28.9	15.8	10.3	53.4
Cost of sales	(12,225.0)	(12,960.1)	(5.7)	(4,332.4)	(4,236.1)	2.3
Overhead expenses	(562.1)	(524.5)	7.2	(203.2)	(176.9)	14.9
Other operating expenses	3.9	(27.1)	n.m.	23.6	6.3	274.6
Net changes in fair value of biological assets	(20.7)	50.0	n.m.	(8.7)	17.7	n.m.
Share of results from jointly controlled entities and associates	8.9	7.0	26.8	3.8	1.7	129.7
EBITDA	**900.1**	**876.0**	**2.7**	**335.3**	**340.3**	**(1.5)**
EBITDA %	6.6%	6.1%		6.9%	7.2%	
Depreciation & Amortisation	(168.1)	(123.3)	36.3	(57.5)	(39.4)	45.9
EBIT	732.0	752.7	(2.8)	277.8	300.9	(7.7)
Exceptional items	299.8	14.8	n.m.	293.9	(13.0)	n.m.
Net Finance costs	(400.4)	(404.6)	(1.0)	(141.2)	(145.8)	(3.2)
PBT	631.4	362.9	74.0	430.5	142.1	202.9
Taxation	(65.0)	(54.5)	19.2	(37.6)	(26.8)	40.1
PAT	**566.4**	**308.4**	**83.7**	**392.9**	**115.3**	**240.9**
PAT %	4.1%	2.2%		8.1%	2.4%	
Non-controlling interests	(10.2)	2.6	n.m.	(3.2)	6.8	n.m.
PATMI	**576.7**	**305.8**	**88.6**	**396.1**	**108.5**	**265.1**
PATMI %	4.2%	2.1%		8.2%	2.3%	
Exceptional items (net of tax)	299.8	5.1	n.m.	293.9	(13.0)	n.m.
Operational PATMI	**276.9**	**300.7**	**(7.9)**	**102.2**	**121.5**	**(15.9)**
Operational PATMI %	2.0%	2.1%		2.1%	2.6%	

The 9M FY2014 results included the consolidation/share of results from Northern Coffee Corporation Limited (NCCL) (Zambia), Dehydro Foods (Egypt), Acacia Investments (East Africa) , Seda Solubles (Spain), PT Sumber (Indonesia) and our joint venture with Sanyo Foods (Nigeria) as the acquisition or formation of these companies were completed after 9M FY2013.

Other Income

Other Income (excluding exceptional items) increased by S$6.9 million due to higher commissions and claims income recorded during the period.

Cost of Sales

Cost of Sales was lower, in line with reduced revenue for the period.

Overhead Expenses

Overhead Expenses grew by 7.2% to S$562.1 million in 9M FY2014 from S$524.5 million in 9M FY2013 despite cost inflation and the consolidation of businesses and entities acquired after 9M FY2013 due to various cost management initiatives which started delivering savings.

Other Operating Expenses

Other Operating Expenses reduced by S$31.0 million, primarily on account of higher unrealised foreign exchange gains during the current period.

Net Changes in Fair Value of Biological Assets

There was a reduction in fair value of biological assets of S$70.7 million from a gain of S$50.0 million in 9M FY2013 to a loss of S$20.7 million in 9M FY2014. The reduction was primarily a result of lower net fair value of our Australian almond plantation assets which have achieved peak maturity in most of the estates.

Share of Results from Jointly Controlled Entities and Associates

Share of results from jointly controlled entities and associates recorded a marginal increase from S$7.0 million in 9M FY2013 to S$8.9 million in 9M FY2014, mainly due to higher contribution from OCDL, New Zealand. The contribution from SIFCA was lower than the prior corresponding period due to lower Palm and Rubber prices.

Depreciation & Amortisation

Depreciation & Amortisation rose from S$123.3 million in 9M FY2013 to S$168.1 million in 9M FY2014, as invested fixed capital increased by approximately S$1.0 billion between the two periods.

Finance Costs

Net Finance costs remained flat despite an increase in net debt due to a combination of higher finance income (S$13.9 million in H1 FY0214 as against S$10.5 million in 9M FY2013) as well as a change in the geographic and borrowing mix in favour of lower cost, shorter-term debt as a part of our ongoing capital structure optimisation initiatives.

Taxation

Tax charge on the base business increased on account of higher tax provisioning for the year driven by the changing geographical mix of the business. 9M FY2013 tax expense included a one-time charge of S$9.8 million on the gain on sale of US almond assets. Excluding this charge, the tax for 9M FY2013 was S$44.7 million as against S$65.0 million in 9M FY2014.

Non-controlling Interest

Non-controlling Interest primarily consists of the minority share of results from SEZ, Invenio Holdings (Commodity Financial Services), Rusmolco, Olam Palm Gabon, Olam Rubber Gabon and the Sanyo Foods joint venture. 9M FY2014 recorded a loss of S$10.2 million, compared to a gain of S$2.6 million in 9M FY2013 driven primarily by the underperformance in Rusmolco.

Exceptional Items

9M FY2014 results included exceptional gains of S$299.8 million as against gains of S$14.8 million and a tax on exceptional gain of S$9.8 million in 9M FY2013 as shown below:

SGD Mn

	9M FY2014	9M FY2013	Q3 FY2014	Q3 FY2013
Sale of Dirranbandi Cotton Gin, Australia	5.9			
Sale and Leaseback of Almond Plantation Assets, Australia	63.2		63.2	
Sale of Timber Assets, Gabon	(14.6)		(14.6)	
Repurchase of Bonds and Perpetual Securities	1.0		1.0	
Fair Valuation of Investment in PureCircle Limited	271.0		271.0	
Write-Off of Laos Coffee Plantation Expenses	(26.7)		(26.7)	
Sale and Leaseback of Almond Plantation Assets, US		27.9		0.1
Buyback of NZFSU Bonds		6.0		6.0
Termination Expenses - Nigeria and Brazil Sugar Refineries		(19.0)		(19.0)
Exceptional Items	**299.8**	**14.8**	**293.9**	**(13.0)**
Tax on Sale and Leaseback of Almond Plantation Assets, US		(9.8)		
Post-Tax Exceptional Items	**299.8**	**5.1**	**293.9**	**(13.0)**

Balance Sheet Analysis

Working Capital

SGD Mn

	31-Mar-14	30-Jun-13	Change vs Jun 13	31-Mar-13	Change vs Mar 13
Stock	4,944.4	4,154.3	790.1	4,729.9	214.5
Advance to suppliers	538.2	598.5	(60.3)	400.2	138.0
Receivables	2,226.8	2,372.9	(146.1)	1,617.3	609.5
Trade creditors	(1,490.3)	(1,748.0)	257.7	(764.1)	(726.2)
Others	663.4	274.3	389.1	958.7	(295.3)
Working Capital	**6,882.5**	**5,652.0**	**1,230.5**	**6,942.0**	**(59.5)**

Others: Includes other current assets, changes to margin accounts with brokers and other current liabilities

The third quarter is typically when the working capital deployed is at its peak. As at March 31, 2014, in addition to the usual seasonality, there was a significant increase in some agricultural commodity prices, particularly across Edible Nuts, Spices and Vegetable Ingredients and Confectionary and Beverage Ingredients segments. The price changes of key commodities within these segments during the past quarter and over the last year were:

		31-Dec-13	31-Mar-14	Q-o-Q	31-Mar-13	Y-o-Y
Arabica Coffee	USD / MT	2,490.1	3,968.3	59.4%	3,078.8	28.9%
Robusta Coffee	USD / MT	1,683.0	2,084.0	23.8%	2,074.0	0.5%
Cocoa (LIFFE)	GBP / MT	1,727.0	1,864.0	7.9%	1,477.0	26.2%
Industrial Tomato paste	USD / LB	0.44	0.46	4.5%	0.36	27.8%
Almonds	USD / MT	8,820.0	9,150.0	3.7%	7,610.0	20.2%

This led to an overall working capital increase by S$1,230.5 million from the end of FY2013, with almost half the increase happening in Q3 FY2014.

However, there was a marginal decrease in working capital as compared to March 31, 2013. While there was a mainly price-led increase in receivables and inventory levels for a few products, it was partly offset by better payable management across the portfolio, leading to a net decrease of S$59.5 million.

\# of days

	31-Mar-14	31-Mar-13	30-Jun-13	Y-o-Y
Stock	110	100	80	10
Advance to suppliers	12	8	11	4
Receivables	44	30	41	14
Trade creditors	(33)	(16)	(33)	(17)
Total cash cycle	**133**	**122**	**99**	**11**

Our overall working capital cycle increased from 122 days as on March 31, 2013 to 133 days as on March 31, 2014. The change was driven by an increase in our receivable and inventory days, which was partly offset by an increase in creditor days achieved by securing better supply terms.

Debt, Liquidity and Gearing

SGD Mn

	31-Mar-14	30-Jun-13	Change vs Jun 13	31-Mar-13	Change vs Mar 13
Gross debt	9,506.8	8,848.2	658.6	9,327.4	179.4
Less: Cash	1,022.6	1,591.0	(568.4)	1,327.7	(305.1)
Net debt	8,484.2	7,257.2	1,227.0	7,999.7	484.5
Less : Readily marketable inventory	3,945.6	3,373.3	572.3	3,930.5	15.1
Less: Secured receivables	1,712.4	1,822.4	(110.0)	1,258.2	454.2
Adjusted net debt	2,826.2	2,061.5	764.7	2,811.0	15.2
Equity (before FV adj reserves)	4,186.5	3,765.0	421.5	3,639.1	547.4
Net debt / Equity (Basic)	**2.03**	**1.93**	**0.10**	**2.20**	**(0.17)**
Net debt / Equity (Adjusted)	**0.68**	**0.55**	**0.13**	**0.77**	**(0.10)**

Note: 79.8% of inventories were liquid, hedged and/or sold forward

Net debt increased by S$1,227.0 million as we were in the midst of our peak procurement season, and hence drew down our short term lines and utilised cash balances to fund working capital. Net gearing of 2.03 times as on March 31, 2014 was marginally higher than our FY2016 target of 2.0 times as set out in our strategic plan, due to the normal seasonality in the business. However, this was lower than the 2.20 times gearing as at March 31, 2014.

Of the S$4.9 billion inventory position, approximately 79.8%, or S$3.9 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$2.2 billion in trade receivables, approximately 76.9% 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 0.68 times, reflecting the true indebtedness of our Company.

We maintained sufficient liquidity to meet our working capital and capital expenditure requirements, with a total of S$12.2 billion in available liquidity as on March 31, 2014, including unutilised bank lines of S$5.5 billion.

Segmental Review and Analysis

Cumulative

SGD Mn

	Sales Volume ('000 MT)		Revenue		EBITDA		Invested Capital (IC)		
	9M FY2014	9M FY2013	9M FY2014	9M FY2013	9M FY2014	9M FY2013	9M FY2014	9M FY2013	FY 2013
Edible Nuts, Spices and Vegetable Ingredients	1,021.0	1,084.2	2,378.9	2,050.6	260.2	204.5	3,651.9	3,341.7	3,375.8
Confectionery and Beverage Ingredients	1,146.2	1,190.8	3,562.6	3,683.8	221.3	205.6	2,811.8	2,078.8	2,141.0
Food Staples and Packaged Foods	8,024.0	8,094.6	5,201.0	5,374.9	305.7	386.8	3,531.6	3,435.1	3,168.5
Food Category	**10,191.2**	**10,369.6**	**11,142.5**	**11,109.3**	**787.2**	**796.9**	**9,995.3**	**8,855.6**	**8,685.3**
Industrial Raw Materials (IRM)	1,187.9	1,285.4	2,520.5	3,196.4	125.9	99.0	2,029.0	2,232.1	2,103.2
Commodity Financial Services (CFS)	N.A.	N.A.	1.1	1.1	(13.0)	(19.9)	13.8	22.1	1.6
Non-Food Category	**1,187.9**	**1,285.4**	**2,521.6**	**3,197.5**	**112.9**	**79.1**	**2,042.8**	**2,254.2**	**2,104.8**
Total	**11,379.1**	**11,655.0**	**13,664.1**	**14,306.8**	**900.1**	**876.0**	**12,038.1**	**11,110.0**	**10,790.1**

For the Quarter

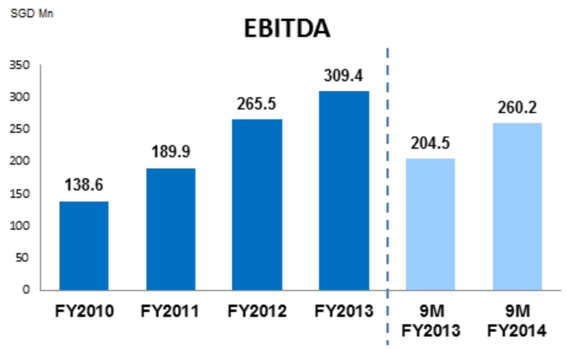
SGD Mn

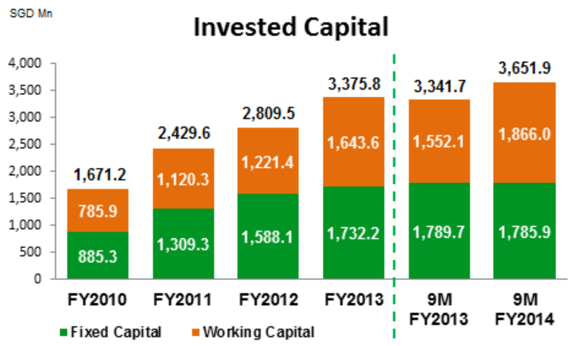
Segment	Sales Volume ('000 MT)		Revenue		EBITDA		Invested Capital (IC)		
	Q3 FY2014	Q3 FY2013	Q3 FY2014	Q3 FY2013	Q3 FY2014	Q3 FY2013	9M FY2014	9M FY2013	FY 2013
Edible Nuts, Spices and Vegetable Ingredients	283.6	363.4	773.4	705.0	84.7	66.3	3,651.9	3,341.7	3,375.8
Confectionery and Beverage Ingredients	464.6	489.4	1,526.1	1,342.0	77.2	70.8	2,811.8	2,078.8	2,141.0
Food Staples and Packaged Foods	2,860.9	2,628.8	1,828.1	1,687.2	122.0	166.1	3,531.6	3,435.1	3,168.5
Food Category	**3,609.1**	**3,481.6**	**4,127.6**	**3,734.2**	**283.9**	**303.2**	**9,995.3**	**8,855.6**	**8,685.3**
Industrial Raw Materials (IRM)	408.9	401.0	708.5	982.8	55.7	40.3	2,029.0	2,232.1	2,103.2
Commodity Financial Services (CFS)	N.A.	N.A.	0.3	0.3	(4.3)	(3.2)	13.8	22.1	1.6
Non-Food Category	**408.9**	**401.0**	**708.8**	**983.1**	**51.4**	**37.1**	**2,042.8**	**2,254.2**	**2,104.8**
Total	**4,018.0**	**3,882.6**	**4,836.4**	**4,717.3**	**335.3**	**340.3**	**12,038.1**	**11,110.0**	**10,790.1**

Note: IC excludes (a) Gabon Fertiliser Project (31-Mar-14: S$177.0 million, 31-Mar-13: S$68.3 million and 30-Jun-13: S$106.0 million) and (b) PureCircle (31-Mar-14: S$392.2 million, 31-Mar-13: S$136.1 million and 30-Jun-13: S$139.5 million)

Edible Nuts, Spices & Vegetable Ingredients

The Edible Nuts, Spices & Vegetable Ingredients segment registered a year-on-year volume decline of 5.8%, revenue growth of 16.0% and EBITDA growth of 27.2% in 9M FY2014.



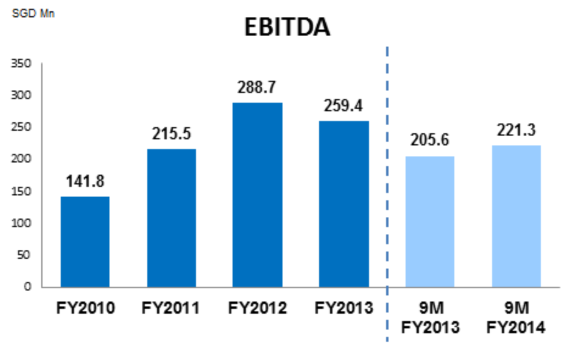


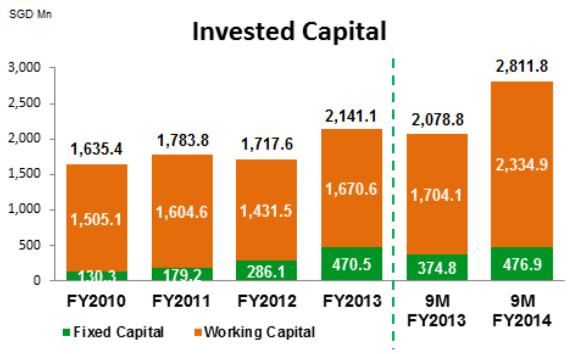
The decline in volume was primarily on account of lower volumes in cashews as compared to the prior period. Cashew margins continued to be impacted by operational challenges at our mechanical processing facility in Nigeria. Despite a lower contribution from the cashew business, there was strong growth in EBITDA, led by the upstream almond and dehydrated onion businesses. The tomato processing and Peanuts businesses performed better than in the previous corresponding period.

Invested capital in the segment has increased by S$276.1 million from the end of FY2013, mainly on account of higher working capital deployed in the business due to higher almond and tomato prices.

Confectionery & Beverage Ingredients

The Confectionery & Beverage Ingredients segment recorded a small decline in volume of 3.7%, and revenue of 3.3%. Segment EBITDA grew by 7.6%, led by improving coffee supply chain margins, aided by favourable trading conditions and continuing strong performance from the cocoa business. The Soluble Coffee business performed well, but saw higher inventory levels as some customers deferred purchases on account of higher prices.





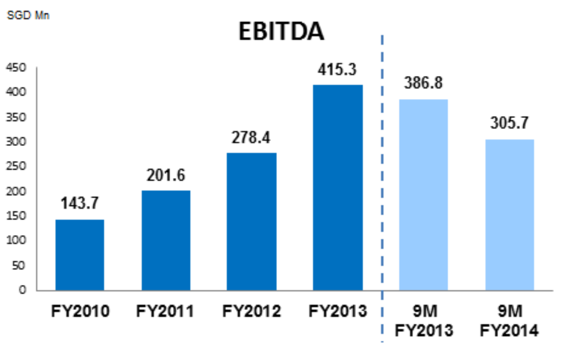
During the quarter, we commenced trial production at our greenfield cocoa processing facility in Côte d'Ivoire.

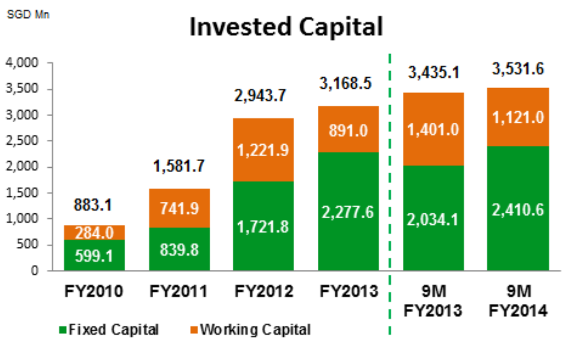
An agronomical review of our upstream coffee plantation in Laos revealed that the tree development and long-term yield potential on some parcels of land would be lower than anticipated, thereby requiring replanting to address the issues comprehensively. In addition, a portion of the plantation land was returned to the Government for which land will be provided to us at an alternate site. Consequently, we have provided for a write-off of relevant expenses of S$26.7 million incurred on these sites which need to be replanted, resulting in a reduction in the carrying value of our plantation asset during Q3 FY2014. We are currently evaluating options for re-planting both on current and on the alternate sites that will be provided to us.

Invested capital in the segment increased by S$670.8 million, with most of the increase on account of higher working capital deployed in both the coffee and cocoa businesses. Over the past 12 months, Arabica coffee prices have increased by approximately 30%, while cocoa prices increased by approximately 26%, leading to higher working capital deployment, despite lower volumes. The increase in Coffee prices has been very significant in Q3 FY2014 with Arabica prices going up by approximately 60% and Robusta prices going up by approximately 24% during the quarter.

Food Staples & Packaged Foods

Food Staples & Packaged Foods segment volumes started to stabilise after a strong prior period and recorded a marginal decline of 0.9%. Palm trading volumes registered good growth as compared to the prior corresponding period. Segment revenues declined by 3.2%, mainly due to lower Rice and Grain prices as compared to 9M FY2013.





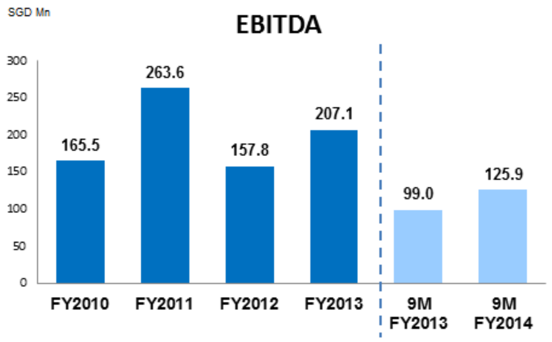
EBITDA declined by 21.0% due to (a) lower Grains trading margins and volumes particularly in Australia and South Africa, combined with recent volatility in the grains complex, (b) lower Rice margins led by the recent fall in rice prices and higher prior period margins arising from tariff changes in Nigeria, (c) adverse impact on margins of Packaged Foods, Grains and Rice businesses in Ghana due to the devaluation of the local currency, and (d) continuing underperformance in the upstream Dairy business, particularly in Rusmolco.

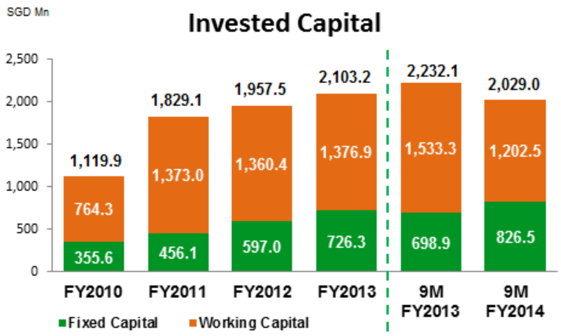
The flour mills and Packaged Foods in Nigeria, Dairy supply chain and the Sugar business, after restructuring, continued to perform well during the period. NZFSU performed better than in the prior corresponding period.

Invested capital increased by S$363.1 million during the period, mainly due to higher fixed capital deployed in the Nigerian Rice farm, flour mills in Senegal and Cameroon and the upstream Palm plantations in Gabon. We commenced trial production at our wheat mill in Senegal during Q3 FY2014. Lower inventories of Grains and Rice, together with working capital optimisation initiatives led to an overall reduction in working capital compared to March 31, 2013.

Industrial Raw Materials

The Industrial Raw Materials segment saw lower volumes in the Cotton, Wood Products and Fertiliser businesses leading to a decline of 7.6%, while turnover declined by 21.1%. Rubber trading volumes were higher than in the previous corresponding period.





Despite lower volumes, EBITDA increased by 27.2%, primarily on account of better Cotton margins compared to 9M FY2013.

Overall invested capital declined by S$74.2 million, driven by lower working capital in our Cotton and Wood Product businesses as the impact of our balance sheet optimisation efforts and restructuring started to yield results. Segment fixed capital increased mainly in our projects in Gabon (Rubber and SEZ).

Commodity Financial Services

The CFS business registered an EBITDA loss of S$13.0 million in 9M FY2014 versus a loss of S$19.9 million in 9M FY2013.

Other Developments

Gabon Fertiliser Project

On March 28, 2014, we signed a termination agreement with Tata Chemicals Limited (“TCL”) and announced that TCL will not proceed with its proposed 25.1% equity participation in the greenfield ammonia-urea fertiliser manufacturing project (“GFC”) in the Republic of Gabon, Africa.

This decision was made due to a change in TCL’s investment focus away from overseas fertiliser manufacturing and our intention to move to a minority and non-consolidated position in the project. TCL will maintain its relationship with GFC going forward by providing any technical support that may be requested by Olam or GFC’s other equity partners.

We continue to believe in GFC’s strategic and financial value and are continuing our discussions with other industry participants who have expressed their desire to partner with us in the project. This is in line with our intention to bring down our final equity stake to below 50%.

Sale of NZFSU Dairy Farm Land, Uruguay

On April 25, 2014, we announced the sale of 7,771 hectares of dairy farm land in the Western and the Eastern regions of Uruguay for a gross cash consideration of US$53.7 million. We entered into a long-term lease agreement for 6,002 hectares of land in the Eastern region for a period of 12 years, which is renewable upon mutual consent.

The transaction is expected to release cash of US$53.7 million and generate a one-time pre-tax gain of approximately US$18.0 million, while we still retain the upstream dairy farming economics, which remain fundamentally and structurally attractive in the long-term due to increasing demand and supply constraints. The transaction is expected to close in Q4 FY2014.

Voluntary General Offer

On March 14, 2014, Breedens Investments Pte. Ltd. (the "Offeror"), an indirect wholly owned subsidiary of Singapore investment company Temasek Holdings (Private) Limited, announced that it intends to make an all-cash Voluntary Conditional General Offer ("Offer") for all shares, outstanding convertible bonds and outstanding warrants issued by Olam International Limited.

On March 21, 2014, Olam's Board of Directors informed shareholders that it had appointed Rothschild (Singapore) Limited (the "IFA") as the independent financial adviser to advise the directors of the Company who are considered independent for the purposes of the Offer (the "Independent Directors").

The Independent Directors of Olam, after carefully considering the terms of the Offer and the advice given by the IFA, concurred with the IFA's assessment of the terms of the offer from a financial point of view, and issued their recommendation via a circular dated April 17, 2014, which is summarised below:

Share offer: Fair and reasonable, so far as the Shareholders are concerned
Convertible bonds offer: Not fair and not reasonable on a "see-through" price basis, so far as the Bondholders are concerned
Warrants offer: Fair and reasonable on a "see-through" price basis, so far as the Warrantholders are concerned

On April 24, 2014, the Offeror announced that the offer had become unconditional in all respects and would remain open for acceptance until 5.30 p.m. on May 23, 2014.

As on May 12, 2014, the Offeror and its concert parties owned, controlled or have agreed to acquire an aggregate of 1,548,099,189 Shares, representing approximately 64.4 per cent. of the total issued share capital of the Company; and 294,020,766 Warrants, representing approximately 73.9 per cent. of the total issued Warrants of the Company.

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Annexure: Business Description

Business Model and Strategy

Olam's business is built on a strong foundation as a fully integrated supply chain manager and processor of agricultural products and food ingredients, with operations across 16 platforms in 65 countries. As a supply chain manager, Olam is engaged in the sourcing of a wide range of agricultural commodities from the producing countries and the processing, warehousing, transporting, shipping, distributing and marketing of these products right up to the factory gate of our customers in the destination markets. We also manage risk at each stage of the supply chain. From our inception in 1989, we have evolved from a single country, single product trader to a multi-country, multi-product supply chain manager.

In that process of evolution and development, the Olam business model has grown both in depth as well as breadth, pursuing selected value chain adjacencies which both complement and enhance our core supply chain model.

Business model evolution

The evolution of our business model over recent years has led us to develop new competencies as we pursued our strategic goals, including the capabilities to identify, execute and integrate attractive acquisition opportunities in selected countries. These initiatives are carefully selected to be within or adjacent to our core value chain activities. Successfully completed transactions have addressed opportunities in the upstream (plantation and farming), midstream (manufacturing/ processing) and downstream parts of the value chain.

Building on existing and new capabilities, we have expanded upstream selectively into plantation ownership and management (perennial crops), farming (annual crops), dairy farming and forest concessions management. These opportunities, both organic and inorganic, have been pursued in countries that have a comparative advantage to produce these commodities relatively better and at relatively lower costs on a sustainable basis.

Selective investments across the value chain

Pursuit of this strategy has led us to invest selectively in almond orchards in Australia and California, peanut farming in Argentina, Coffee plantation in Laos, Ethiopia, Tanzania, Zambia and Brazil, Rice farming in Nigeria and Mozambique, Palm and Rubber plantations in Africa, Dairy farming in Uruguay and Russia, and the development of tropical hard wood forest concessions in The Republic of Congo (ROC), Gabon and Mozambique.

Similarly, in the midstream part of the value chain, we have pursued initiatives in value-added processing and manufacturing activities, such as mechanical processing of cashews in Cote d'Ivoire and Nigeria, hazelnut processing in Turkey, spice grinding in Vietnam, soluble Coffee manufacturing in Vietnam and Spain, Cocoa processing in Cote d'Ivoire and Nigeria and wheat milling in Nigeria and Ghana.

Downstream progress has been reflected in the initiatives completed in Packaged Foods distribution in West Africa and the successful development of our own consumer brands in the food category, which capitalise on our intimate knowledge of African markets, operations, brands, and consumers. This downstream activity also builds on capabilities in the management of food supply chains and on the common distribution pipeline that we have built for related commodity products (including Rice, Sugar, wheat flour and Dairy products) in West Africa. Initiatives in this segment include biscuits and candy manufacturing and downstream distribution in Nigeria and Ghana, juice and dairy beverages in Nigeria, instant noodles, seasonings, tomato paste distribution in Nigeria and selective West African markets.

In addition, Olam has diversified into three adjacent businesses which build on latent assets and capabilities developed over the last 24 years - The Commodity Financial Services business (CFS), the development of a Special Economic Zone (SEZ) and fertiliser manufacturing in Gabon.

A responsible approach to business

Corporate responsibility and sustainability have always been an essential part of our way of doing business around the world. In addition to our longstanding adherence to documented standards, we have also recently established an Olam Livelihood Charter, and continue to work both on our own and with selected expert partners to advance our objectives in this area.

A unique and entrepreneurial culture

One of the major factors that sets Olam apart is our unique culture: we think and act as owner-managers, focused both on the realisation of short-term results and the creation of long-term value for our stakeholders. A fully aligned organisational structure, culture and long-term compensation system support these objectives.

Business Segmentation and Reporting

We organise Olam's operations into five business segments and three value chain segments for reporting purposes. The distribution of the 16 platforms across the business segments and the activities across the value chain segments are given below:

5 Business Segments	16 Platforms
Edible Nuts, Spices & Vegetable Ingredients (formerly known as Edible Nuts, Spices & Beans)	1) Edible Nuts (cashew, peanuts, almonds, hazelnuts and sesame) 2) Spices & Vegetable Ingredients (including onion, garlic, and tomato)
Confectionery & Beverage Ingredients	3) Cocoa 4) Coffee
Food Staples & Packaged Foods	5) Rice 6) Sugar and Natural Sweeteners 7) Grains (including wheat, corn and barley) 8) Palm 9) Dairy 10) Packaged Foods
Industrial Raw Materials (IRM)	11) Natural Fibres (cotton and wool) 12) Wood Products 13) Rubber 14) Fertiliser supply chain 15) Special Economic Zone (SEZ)
Commodity Financial Services (CFS)	16) Commodity Financial Services (Market-making, risk management solutions and commodity funds management)

3 Value Chain Segments	Value Chain Activity
Supply Chain (including value added services)	Includes all activities connected with origination, sourcing, primary processing, logistics, trading, marketing (including VAS) and risk management of agricultural products and the CFS business
Upstream	Includes all activities relating to farming (annual row crops), plantations (perennial tree crops), Dairy farming and forest concessions
Midstream & Downstream	Includes all activities relating to secondary processing, contract manufacturing, branded distribution, private label activities and SEZ

The production of agricultural products is seasonal in nature. The seasonality of the products in our global portfolio depends on the location of the producing country. The harvesting season for most of the agricultural products for countries situated in the northern hemisphere generally falls between October and March. Countries in the southern hemisphere have harvesting seasons between April and September. It is also not unusual to experience both delays, as well as early starts, to the harvesting seasons in these countries in a particular year, based on weather patterns. In addition to an early or delayed harvesting season, the precise timing and size of arrivals of these products can also vary based on the farmers' selling decisions; these are mainly a function of the farmers' view on prices and inventory holding capacity. The majority of our origins are located in the northern hemisphere. Consequently, our earnings tend to be relatively higher in the Second Half of the Financial Year (January to June) compared to the First Half of the Financial Year (July to December). Based on this seasonality, we have observed the distribution of our earnings in prior periods follow the schedule below:

Q1 July - Sept	Q2 Oct - Dec	**1st Half July – Dec**	Q3 Jan - March	Q4 Apr – June	**2nd Half Jan – June**
5 – 10%	25 – 30%	**30 – 40%**	35 – 40%	25 – 30%	**60 – 70%**

Key Definitions

The definitions for the financial terms used in the MD&A are as follows:

Sales Volume: Includes proportionate share of volumes from jointly controlled entities and associates, although there are no associated volumes for CFS and SEZ platforms

Revenue: Sale of goods and services

Other Income: Includes sale of scrap materials, commissions and claims income and fair value gain on investments held for trading. Negative goodwill, gain on sale of assets and other non-recurring, exceptional items which were presented as a part of Other Income are now classified as Exceptional Items

Cost of Sales: Cost of goods sold, shipping and logistics, commissions and claims expenses and the net measurement of derivative assets

Overhead Expenses: Employee benefit costs, manufacturing overheads, travel expenses and other direct expenses

Other Operating Expenses: Unrealised foreign exchange gain/loss and other expenses

Net changes in fair value of biological assets: Includes only operational changes in the fair value of biological assets. Non-operational changes (arising due to changes in the fair value model) which were formerly presented under this line item are now classified as Exceptional Items

Exceptional Items: One-off, non-recurring items, including negative goodwill and related transaction costs, gain/loss on sale of assets/business and associated tax impact, gain/loss on buyback of bonds, impairment loss, non-operational gain/loss from changes in fair value of biological assets and non-recurring business restructuring expenses. These items were earlier presented under Other Income, Cost of Sales, Overhead Expenses or Other Operating Expenses lines.

Operational PATMI: Profit After Tax and Minority Interest (PATMI) excluding exceptional items

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) which includes minority interest and excludes exceptional items

Invested Capital (IC): Excludes cash and bank balances, deferred tax assets, fixed deposits, other current/non-current assets (other than option premiums payable/receivable) and fair value of derivative assets on bonds.

EBITDA/IC: EBITDA on average invested capital based on beginning and end-of-period invested capital

Free Cash Flow to Firm (FCFF): Operating cash flow less changes in working capital, cash taxes, capital expenditures and investments

Free Cash Flow to Equity (FCFE): FCFF less net interest paid

Note: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.