OLAM

Transcending Boundaries

Annual Report 2014

Our Vision

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

Our Governing Objective

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

Front Cover

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

Transcending Boundaries – the First 25 Years

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

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

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Our Heritage

Olam began in Nigeria

Expanded into cotton, cocoa, coffee, rice and wood products businesses

Set up operations in South-East Asia, Russia and Europe

Expanded into North America

Growth into the Middle East, South and Latin America

Leadership in Edible Nuts, coffee, cocoa, cotton, rice and sesame

Common Purpose established as 'Growing Responsibly'

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

Headquarters moved to Singapore

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

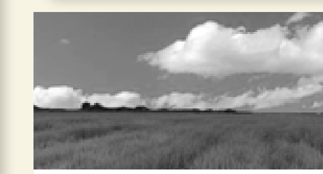
Listed on the Singapore Exchange

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

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

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

Rainforest Alliance and Guardian Group Awards for sustainability



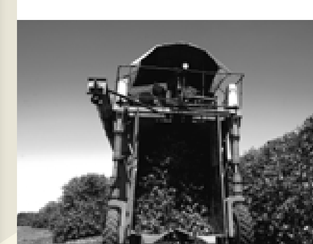
Traded volume crossed 10m MT mark

1989 | 1990 | 1996 | 1998 | 2002 | 2005 | 2006 | 2007 | 2009 | 2010 | 2011 | 2012 | 2013

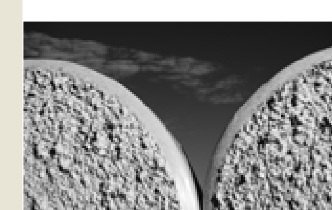
Headquarters moved to London

Private Equity investments from Russell AIF, IFC and Temasek Holdings

Traded volume crossed 2.5m MT mark



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



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

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

Asian Human Capital Award for innovative and impactful people practices

2014

14.9m MT
volume handled

2.1m Ha
of land under Olam management

3.9m
farmers directly supplying Olam

135
global processing units

13,800
customers

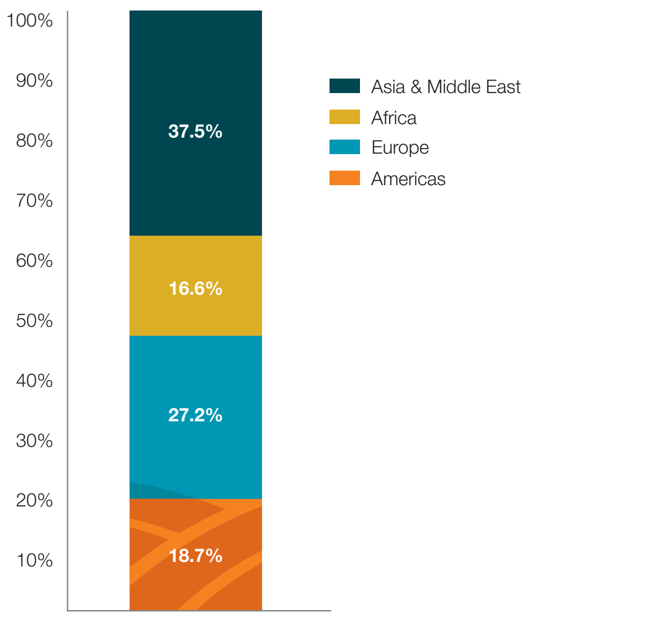
US$40m
invested in 190 CR&S initiatives, including staff costs

58.5%
ownership by Temasek Holdings following Voluntary General Offer

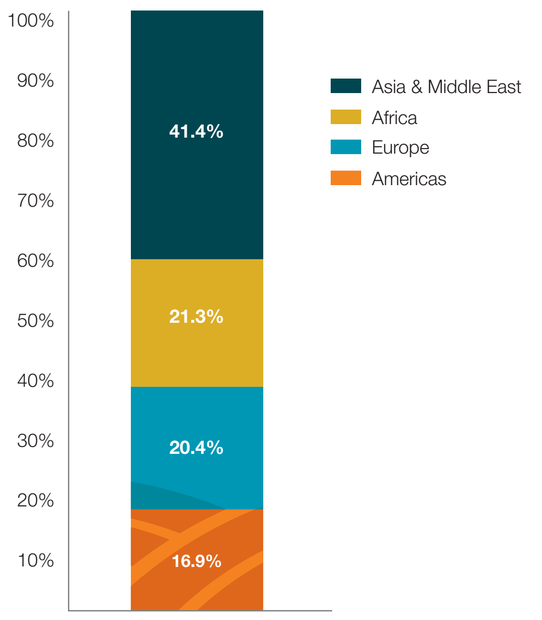
FY1989	FY1994	FY2001	FY2005	FY2008	FY2010	FY2014
1 product	7 products	10 products	14 products	25 products	30 products	16 platforms (44 products)
1 country	4 countries	20 countries	40 countries	60 countries	64 countries	65 countries
S$2m sales revenue	S$115m sales revenue	S$1.59b sales revenue	S$3.37b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

Financial Summary

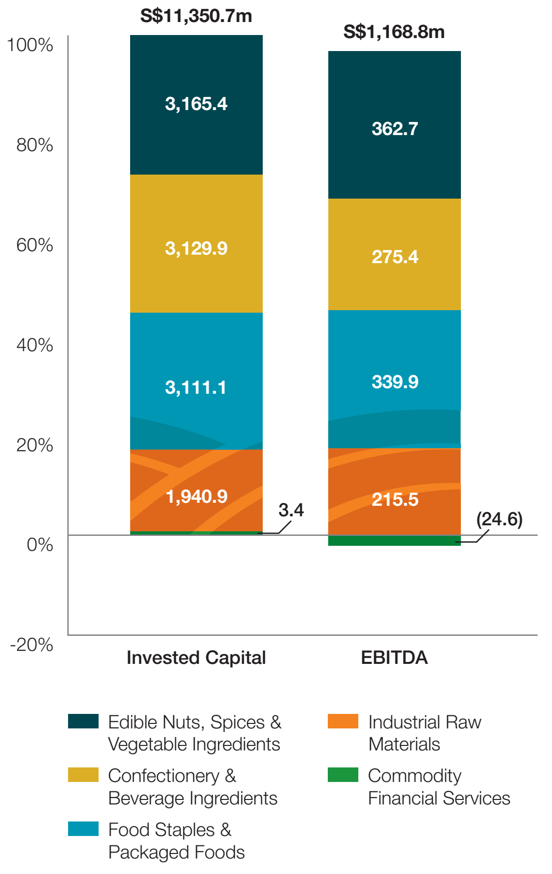
Sourcing Volume by Region (FY2014)



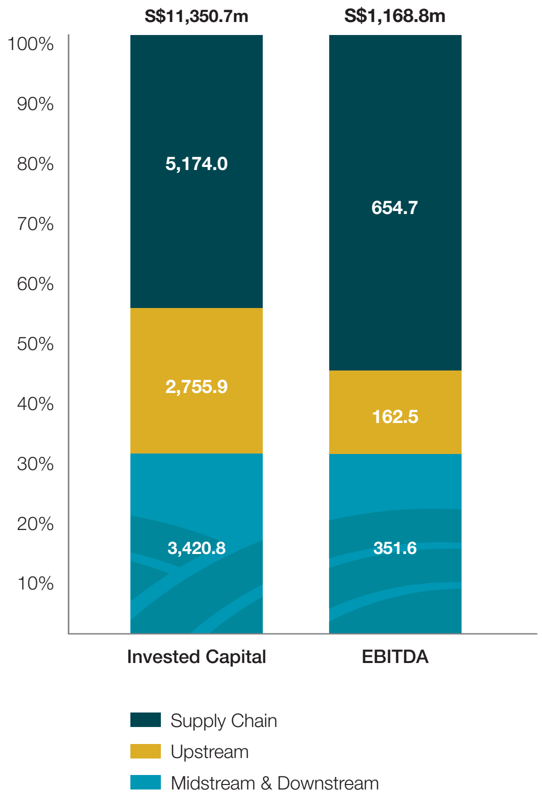
Sales Revenue by Region (FY2014)



Invested Capital and EBITDA by Business Segment (FY2014)



Invested Capital and EBITDA by Value Chain Segment (FY2014)



Financial Highlights

For the Year Ended 30 June (S$ million)

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

* Excludes exceptional items

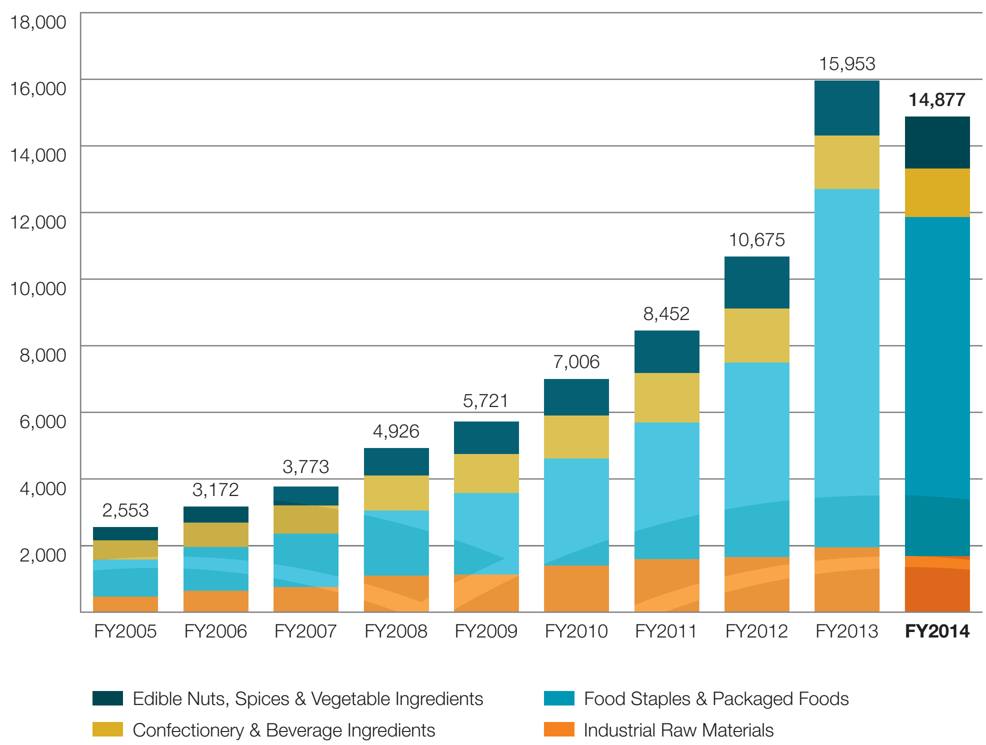
^ Before Fair Value Adjustment Reserves

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

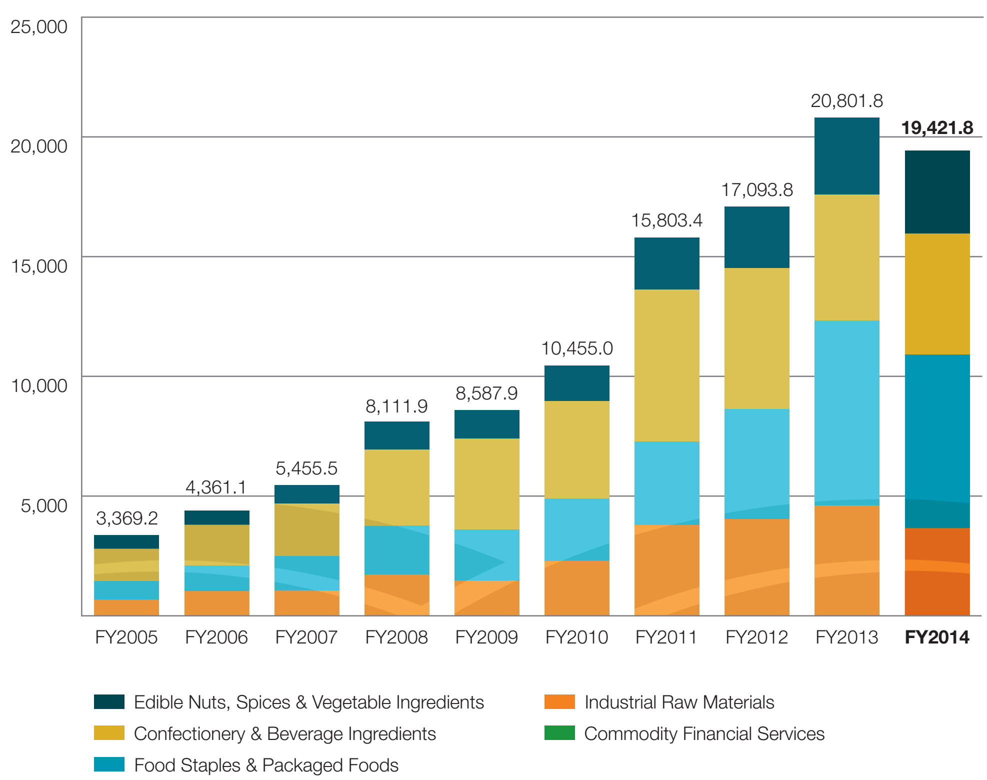
\# EBIT on total interest expense

Performance Overview

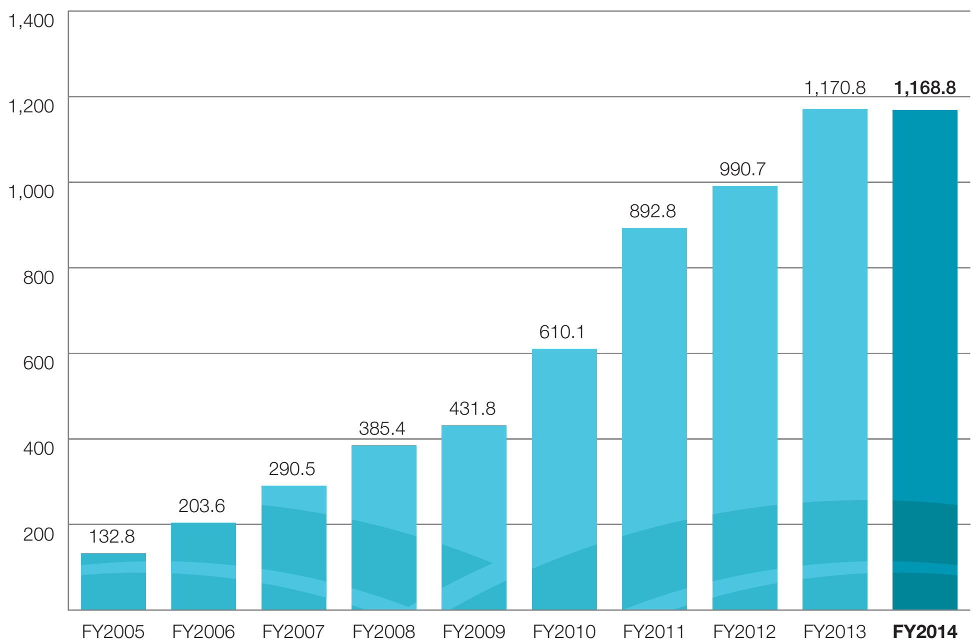
Sales Volume ('000 metric tonnes)



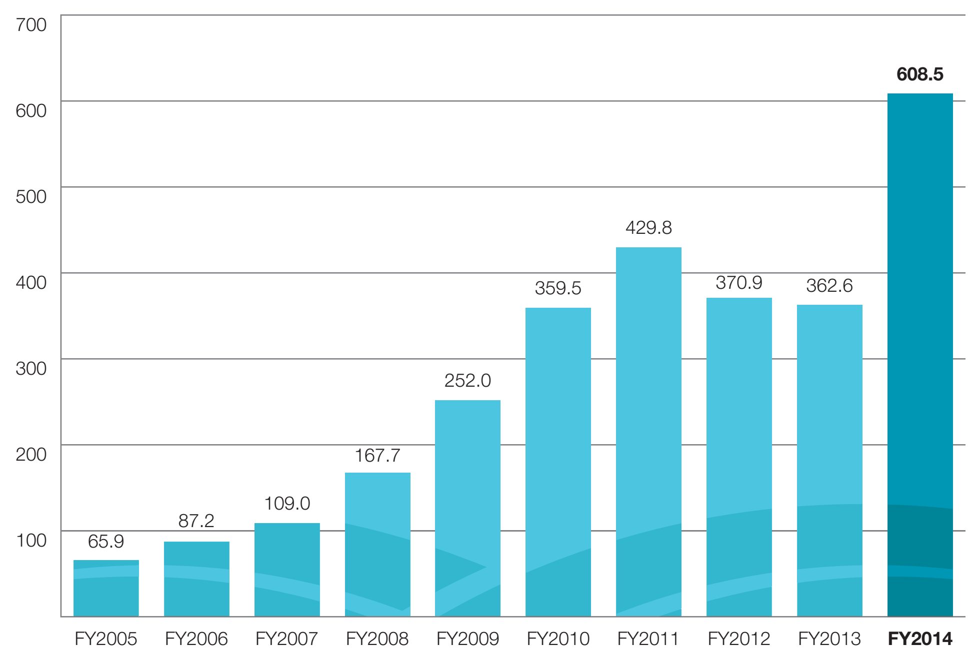
Sales Revenue (S$ million)



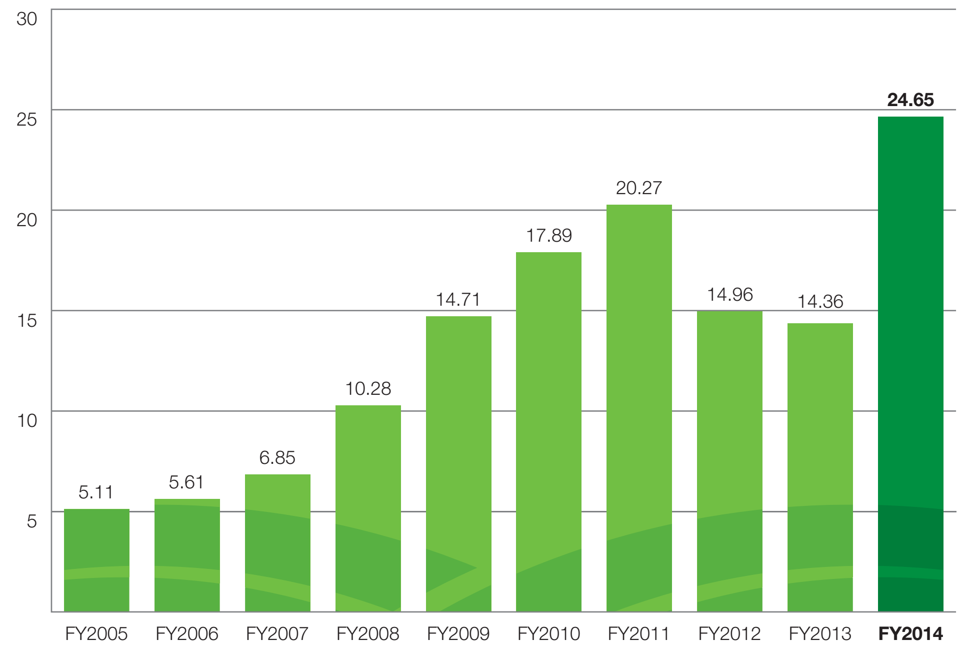
Earnings Before Interest, Tax, Depreciation and Amortisation (S$ million)



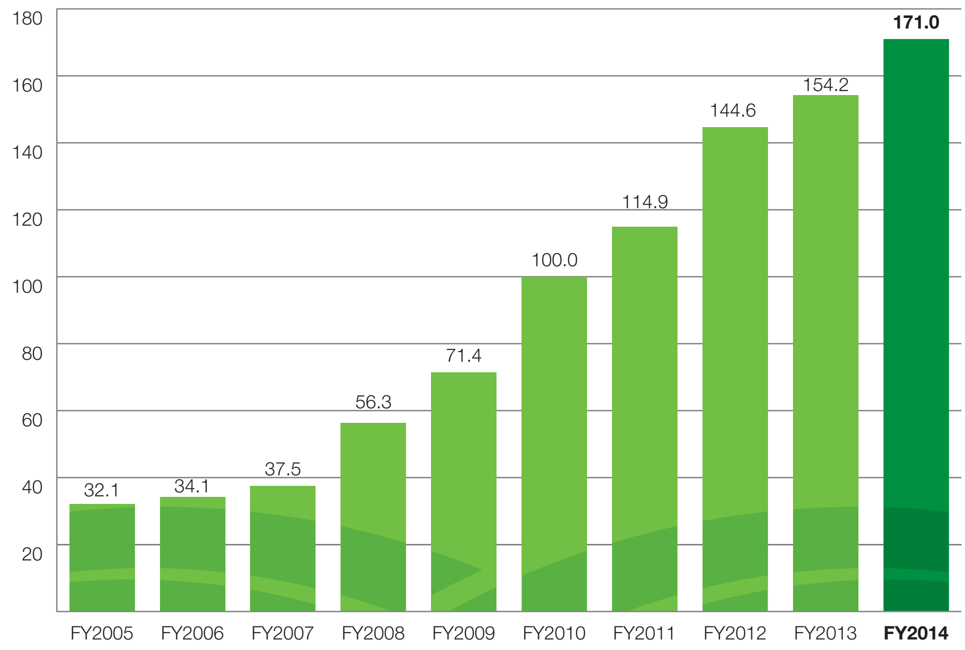
Profit After Tax and Minority Interest (S$ million)



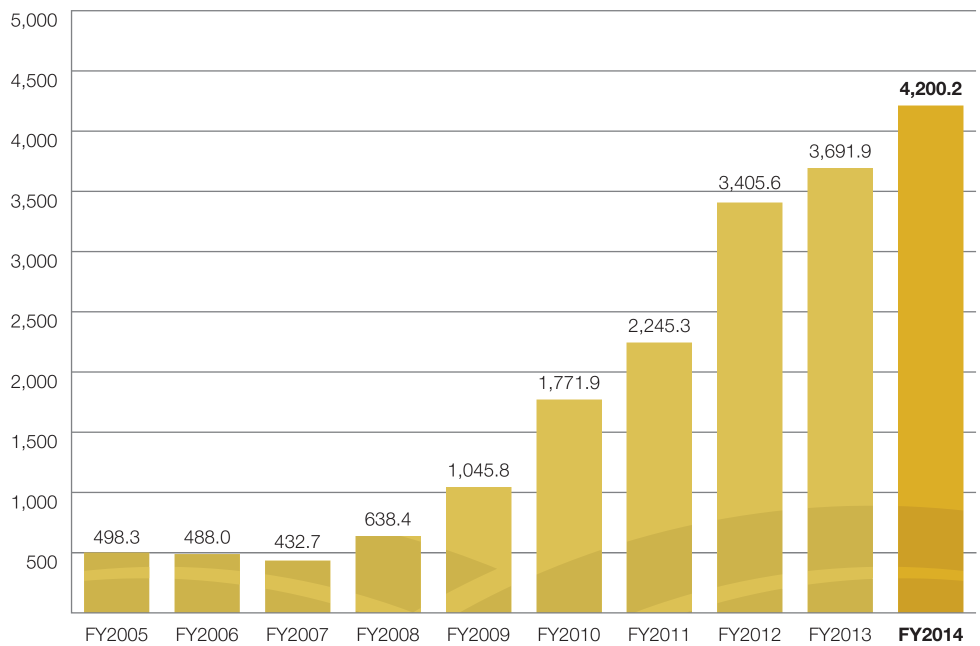
Earnings Per Share (cents)



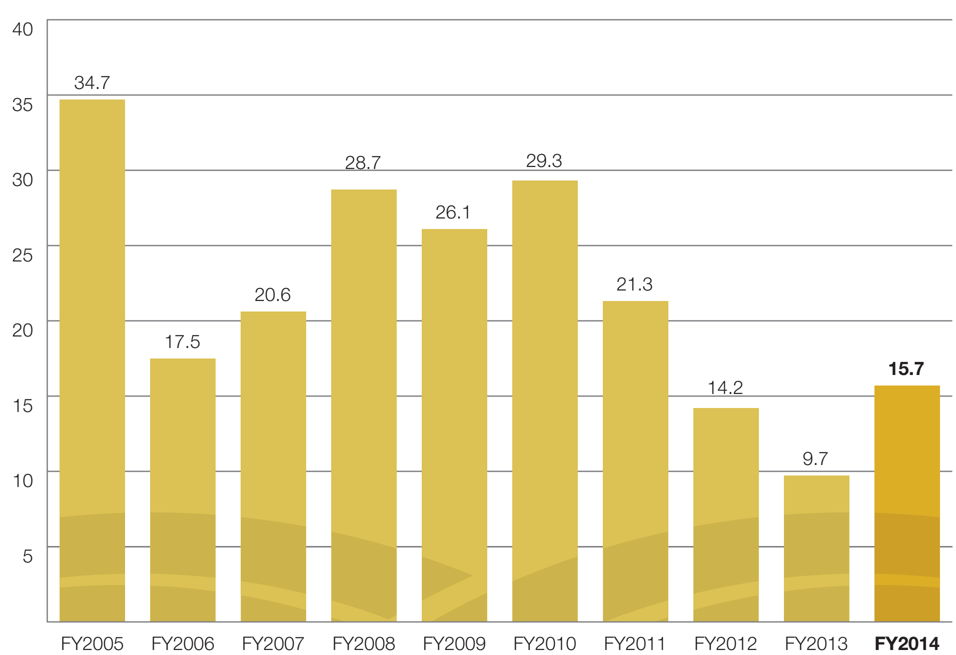
Net Asset Value Per Share (cents)



Shareholders' Equity (S$ million)

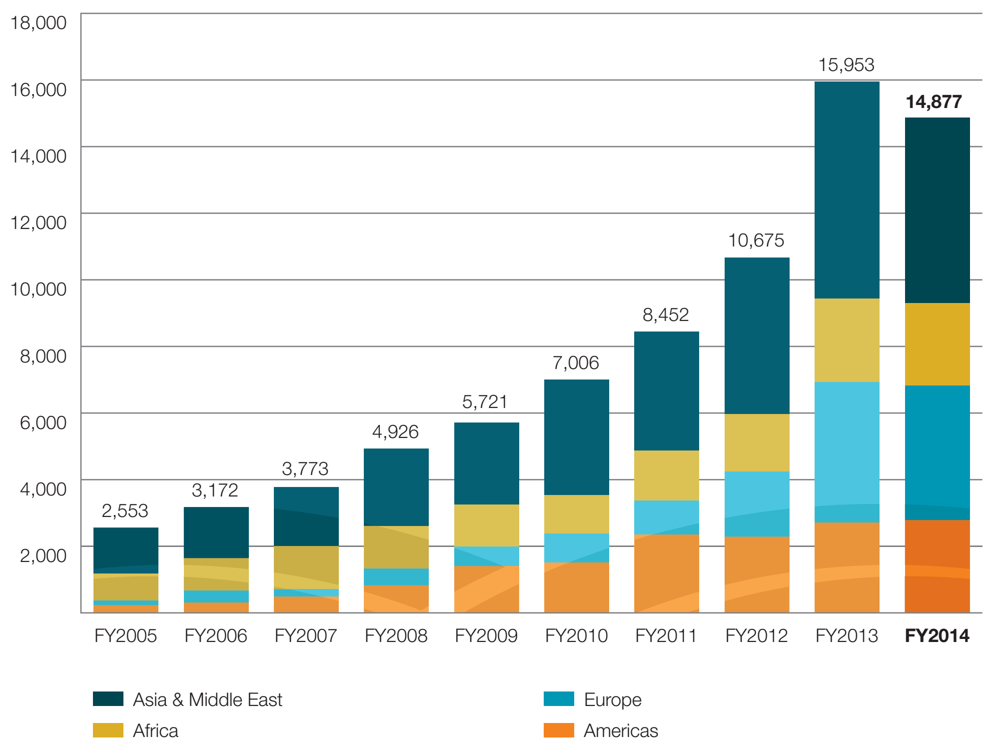


Return on Equity (%)*

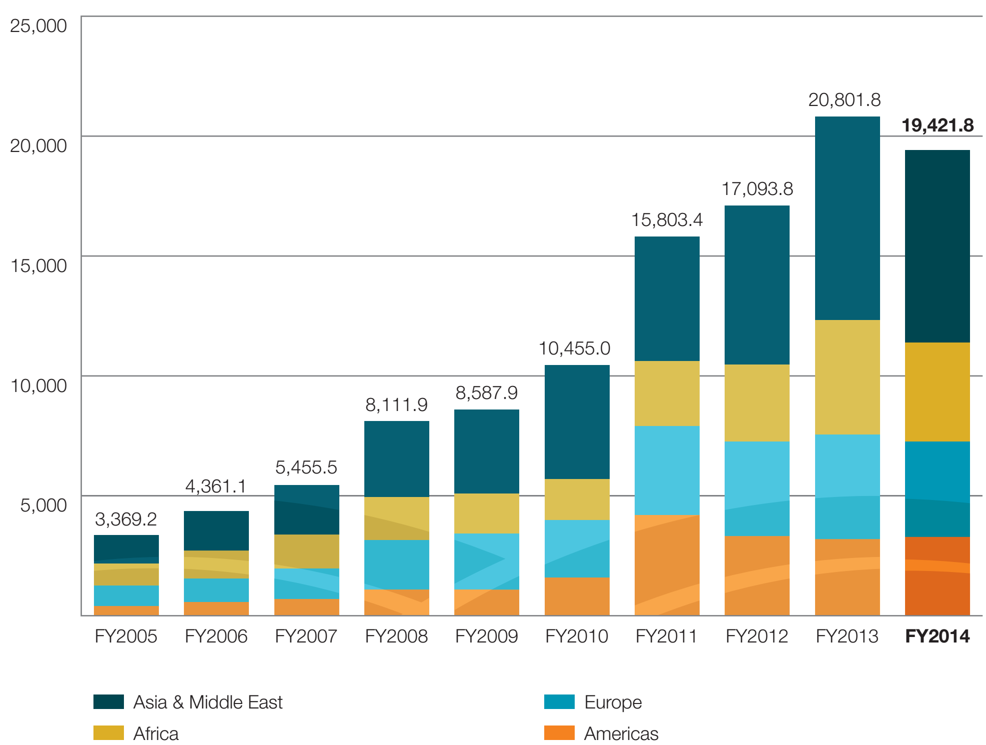


* Based on Beginning-of-period Equity

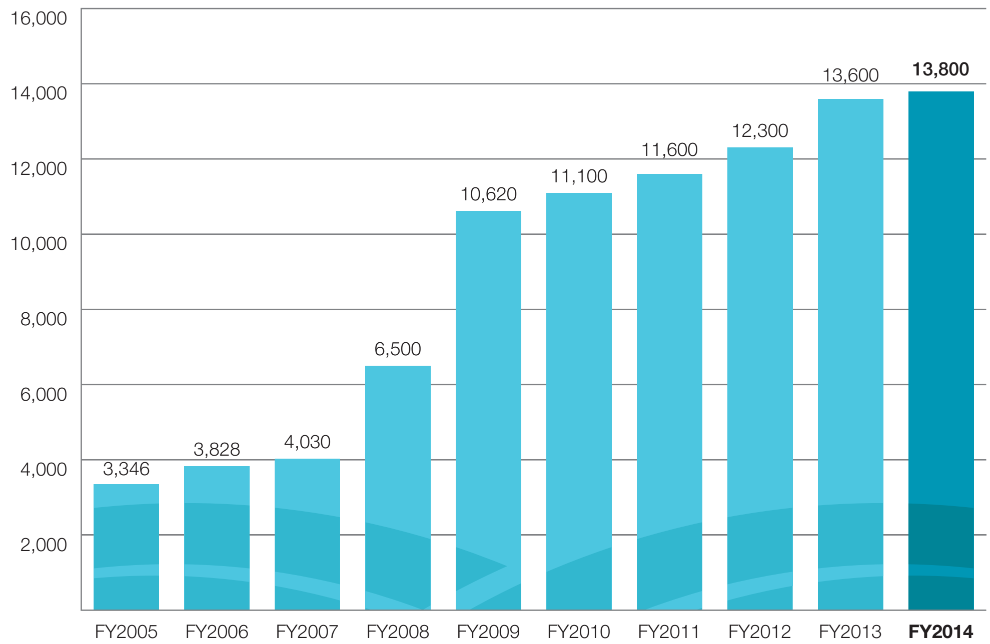
Sourcing Volume by Region ('000 metric tonnes)



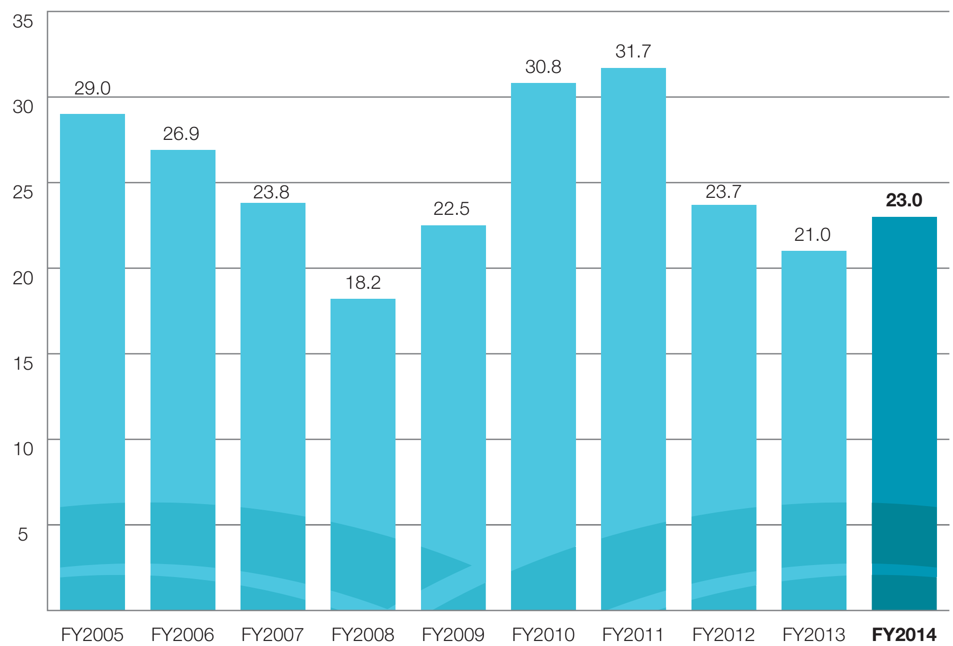
Sales Revenue by Region (S$ million)



Number of Customers



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



Disciplined Execution

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

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

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

Dividends

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

Board Composition

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

Shareholding Structure

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

People

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

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

R. Jayachandran
Chairman

Board of Directors

Sunny Verghese

Group Managing Director and CEO

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

R.Jayachandran

Non-Executive Chairman

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

Kwa Chong Seng

Deputy Chairman and Non-Executive and Independent Director

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

Michael Lim Choo San

Non-Executive and Lead Independent Director

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

Narain Girdhar Chanrai

Non-Executive Director

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

Mark Haynes Daniell

Non-Executive and Independent Director

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

Jean-Paul Pinard

Non-Executive and Independent Director

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

Wong Heng Tew

Non-Executive and Independent Director

Wong Heng Tew was Managing Director, Investments at Temasek Holdings and concurrently their Chief Representative in Vietnam from 2005 to 2008. Following his retirement in 2008, Heng Tew is now Advisory Director for Temasek Holdings and on the boards of several companies. His experience includes investments, mergers and acquisitions, restructuring of companies and divestments.
In 1998, he was appointed to the Pro Tem Committee for the formation of the Singapore Exchange. In 2014, he was conferred a Friend of Labour by the National Trades Union Congress (NTUC).

Nihal Vijaya Devadas Kaviratne CBE

Non-Executive and Independent Director

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

Sanjiv Misra

Non-Executive and Independent Director

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

Robert Michael Tomlin

Non-Executive and Independent Director

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

Shekhar Anantharaman

Executive Director

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

Transcending Boundaries

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

Our Journey

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

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

Extending our Participation

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

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

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

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

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

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

Growing Responsibly

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

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

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

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

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

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

Our Strategy and the Path Forward

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


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

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

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

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

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

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

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

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

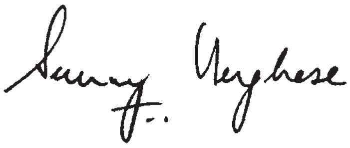
Our People and Culture

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

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

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

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



Sunny George Verghese

Group Managing Director
& Chief Executive Officer

Strategy Update and Financial Performance

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

Strategic Plan Update

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

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

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

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

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

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

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

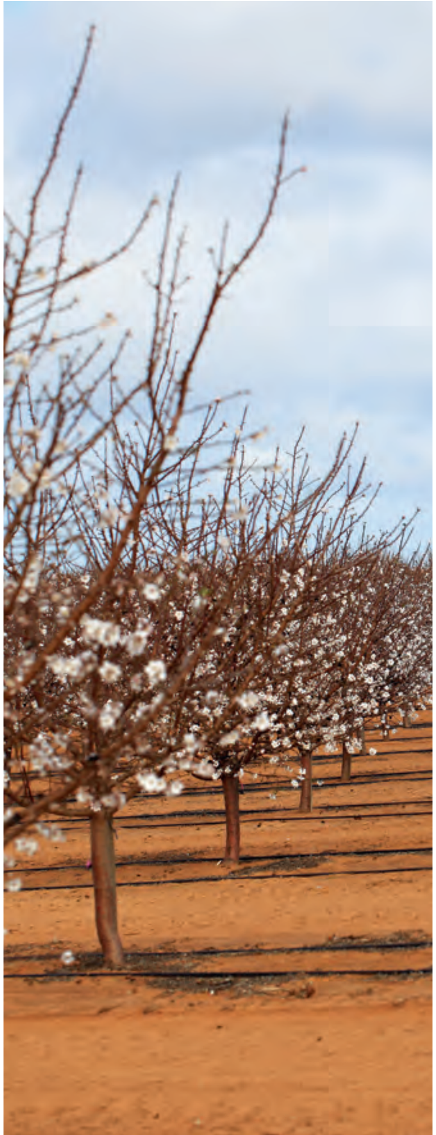
   We expect to conclude other announced initiatives in FY2015, including the sale of equity in our upstream palm and rubber joint ventures to the Republic of Gabon, the sale of our dairy processing plant in Côte d'Ivoire and the sale of a 25.0% stake in our Packaged Foods business to Sanyo Foods.

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

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

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

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



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

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

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

Completed Initiatives

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

Announced Initiatives that are Expected to be Completed in FY2015

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

Financial and Operational Review

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

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

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

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

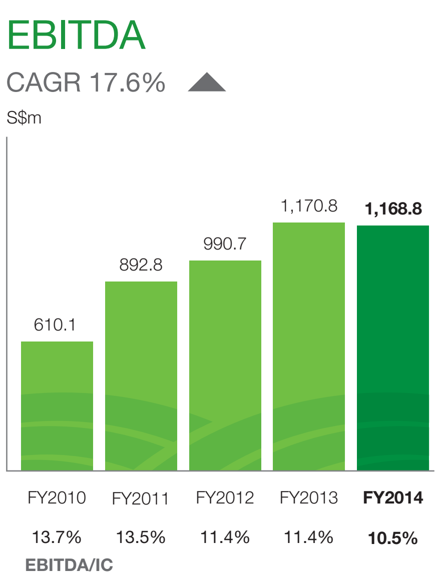
Operational PATMI declined by 6.7% as we recorded higher depreciation and amortisation charges on a larger fixed asset base, which increased by approximately S$0.7 billion since FY2013.

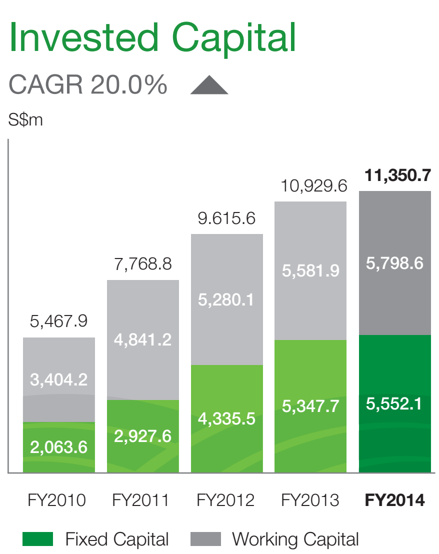
	FY2014 S$m	FY2013 S$m	% Change S$m
Volume ('000 MT)	**14,877.3**	**15,953.5**	**(6.7)**
Revenue	**19,421.8**	**20,801.8**	**(6.6)**
EBITDA	**1,168.8**	**1,170.8**	**(0.2)**
PBT	731.5	483.9	51.2
(-) Taxation	(90.2)	(92.3)	(2.3)
PAT	**641.3**	**391.5**	**63.8**
(-) Non-controlling interests	32.8	28.9	13.4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

EBITDA and Invested Capital Trend

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

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





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

Balance Sheet Analysis

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

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

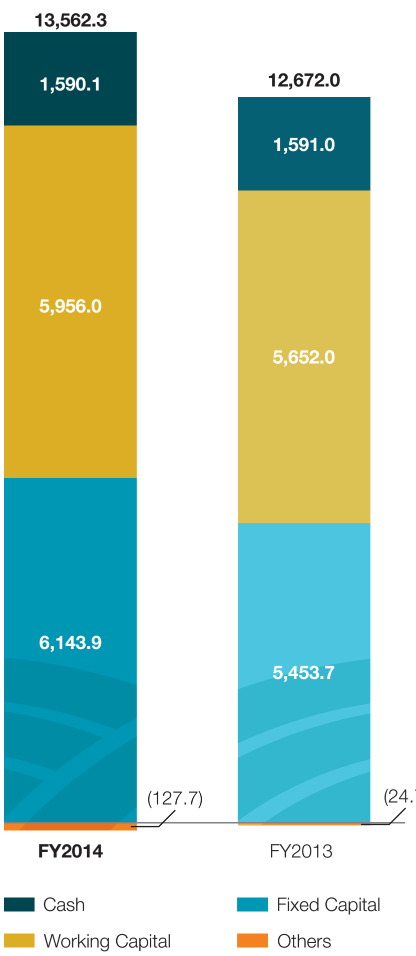
The growth in working capital was due to an increase in inventory levels, carried at higher commodity prices vis-à-vis end-June 2013, particularly in the Confectionery & Beverage Ingredients segment. The other three segments registered a net decline in working capital from a mix of lower prices and optimisation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

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

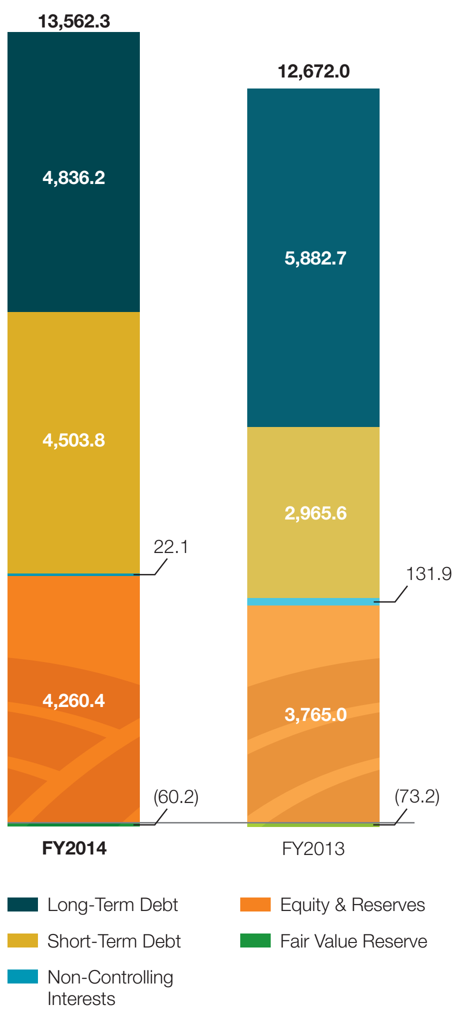
Borrowing Mix

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

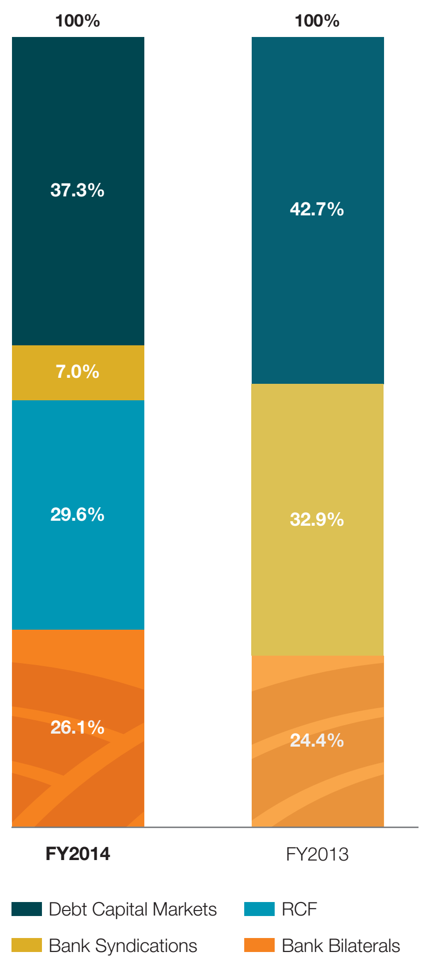
Use of Funds
S$m

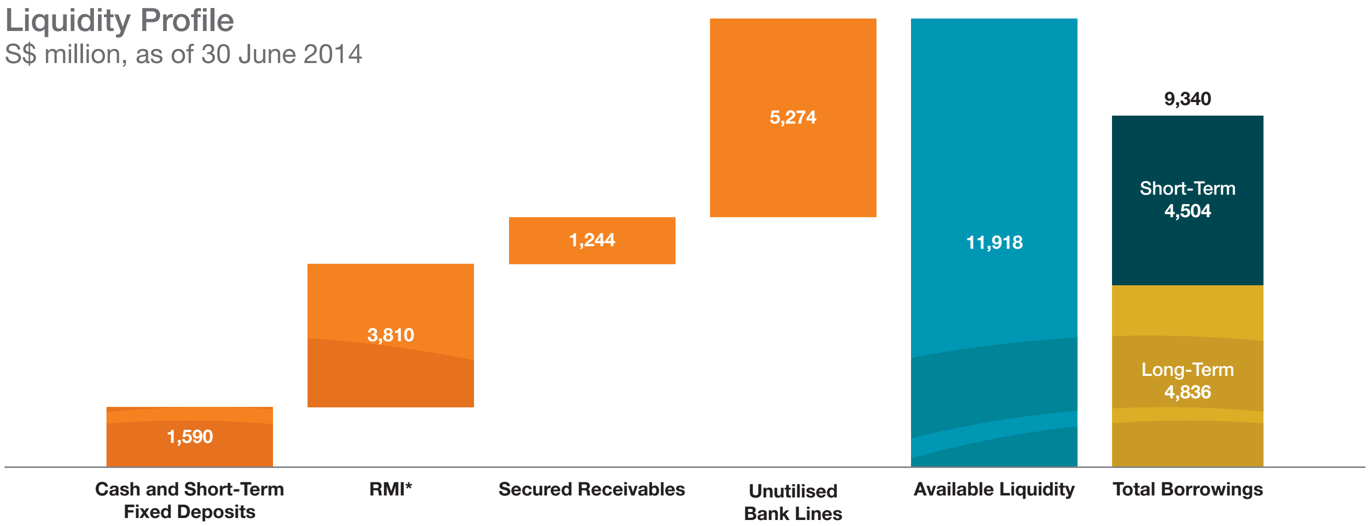


Sources of Funds
S$m



Borrowing Mix
%





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

Liquidity Profile

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

Gearing

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

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

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

Cash Flow

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

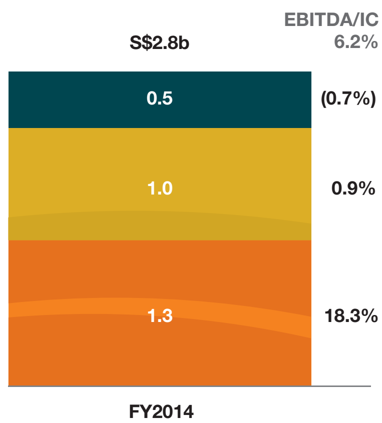
Annual Cash Flow Summary	FY2010 S$m	FY2011 S$m	FY2012 S$m	FY2013 S$m	FY2014 S$m
Operating Cash Flow (before Interest & Tax)	461.3	811.1	894.2	1,073.8	1,175.5
Changes in Working Capital	(1,099.3)	(2,094.9)	(306.9)	(339.5)	(944.5)
Tax Paid	(36.6)	(45.1)	(48.3)	(39.5)	(53.7)
Net Operating Cash Flow	**(674.6)**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

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

Value Chain Analysis

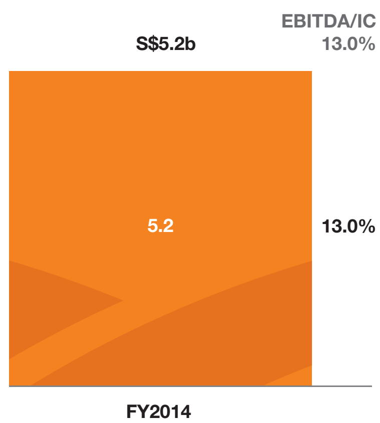
There is significant growth potential from existing Upstream and Mid/Downstream assets as more than half of the Invested Capital in those segments are currently gestating or partly contributing and are expected to make a larger contribution in the future.

Upstream



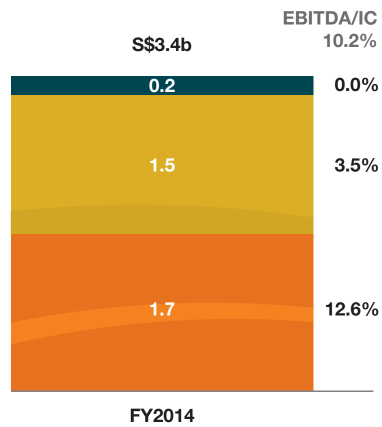
Invested Capital
Expected EBITDA/IC
in plan period: 15-18%

Supply Chain



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

Mid/Downstream



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

Gestating | Partly Contributing | Fully Contributing

Upstream

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

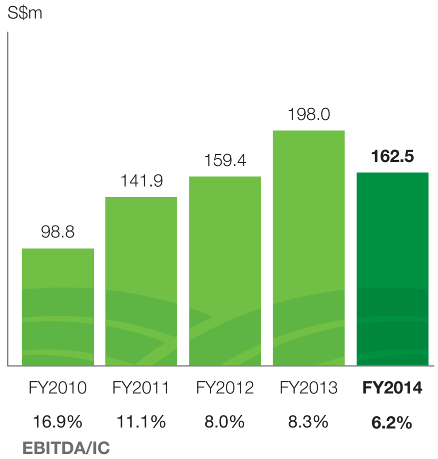
The growth in volume and revenue was driven by higher almond yields and prices. The decline in EBITDA was due to lower contribution from SIFCA on account of lower palm and rubber prices, reduction in our upstream coffee volumes due to the restructuring of the Laos plantation, as well as underperformance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

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

EBITDA

CAGR 13.2%

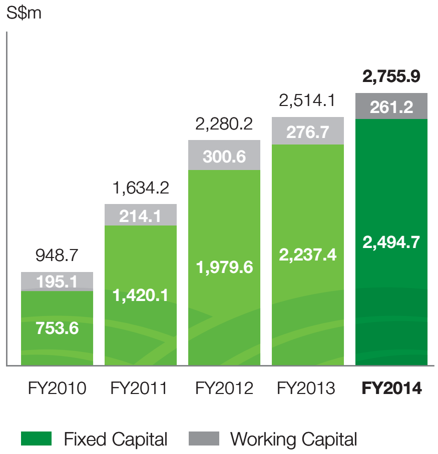
S$m



Invested Capital

CAGR 30.6%

S$m



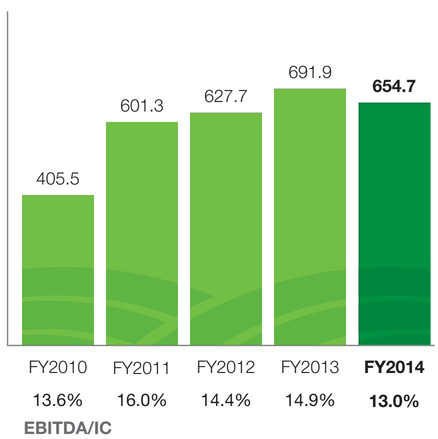
Supply Chain

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

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

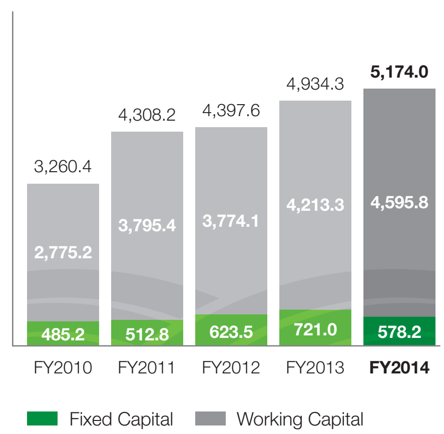
EBITDA

CAGR 12.7%



Invested Capital

CAGR 12.2%



Mid/Downstream

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

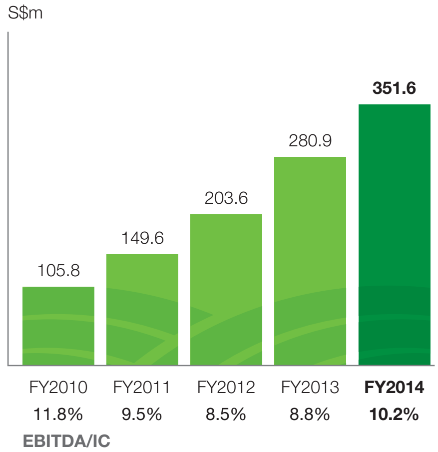
EBITDA grew by 25.1% as we benefited from scale economies and extracted greater operating leverage.

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

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

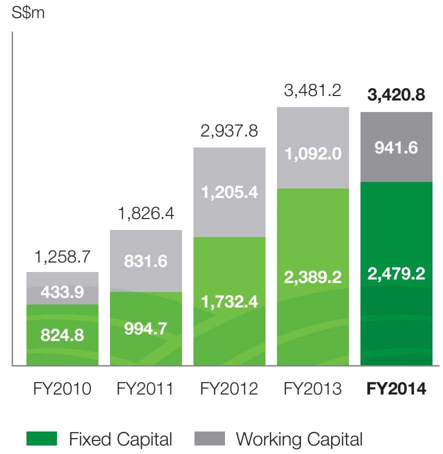
EBITDA

CAGR 35.0%



Invested Capital

CAGR 28.4%



Transcending Boundaries in our Business

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

IN THIS SECTION

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

Total Invested Capital in FY2014 of

S$3.2b

EBITDA grew at a 5-year CAGR of

27.2%

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

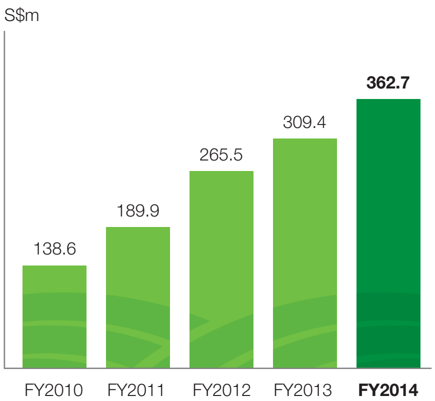
Edible Nuts, Spices & Vegetable Ingredients

Vegetables sourced directly from our farms in California.

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

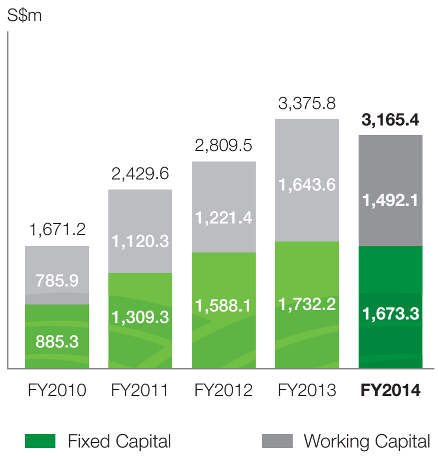
EBITDA

CAGR 27.2% ▲



Invested Capital

CAGR 17.3% ▲



FY2014

Volume
1.6m MT

Revenue
S$3.5b

EBITDA
S$362.7m

Invested Capital
S$3.2b

EBITDA/IC
11.1%

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

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

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

Cashews

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

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

Peanuts

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

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

Almonds

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

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

Hazelnuts

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

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

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

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

Sesame

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


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


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

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

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

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

Spices & Vegetable Ingredients

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

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

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

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

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

We produce dehydrated spices that can help replace artificial ingredients.

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

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

Total Invested Capital in FY2014 of

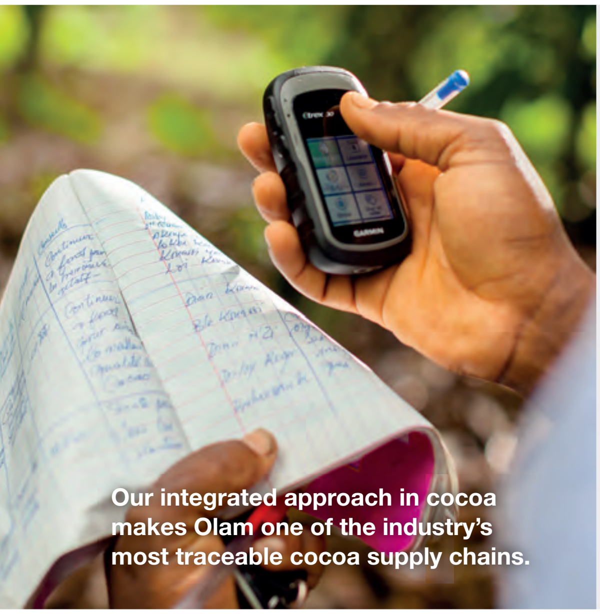
S$3.1b

EBITDA grew at a 5-year CAGR of

18.1%

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

Confectionery & Beverage Ingredients

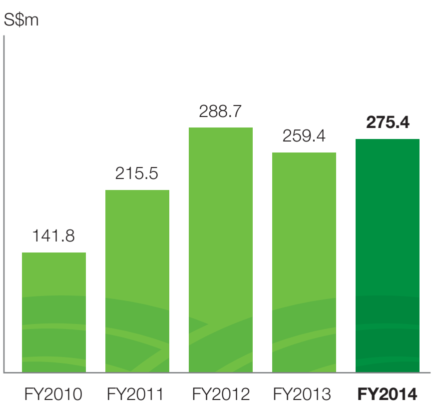


Our integrated approach in cocoa makes Olam one of the industry's most traceable cocoa supply chains.

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

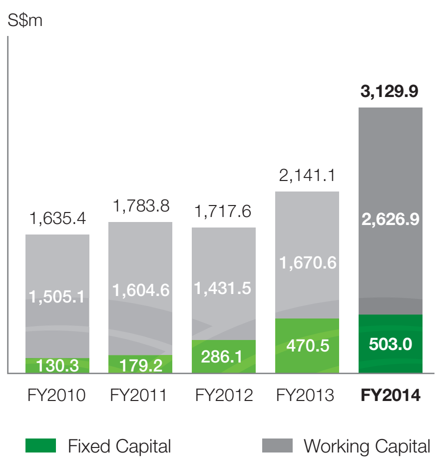
EBITDA

CAGR 18.1% ▲



Invested Capital

CAGR 17.6% ▲



FY2014

Volume
1.4m MT

Revenue
S$5.0b

EBITDA
S$275.4m

Invested Capital
S$3.1b

EBITDA/IC
10.4%

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

Coffee

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

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

Our sustainable coffee presents significant growth opportunities.

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

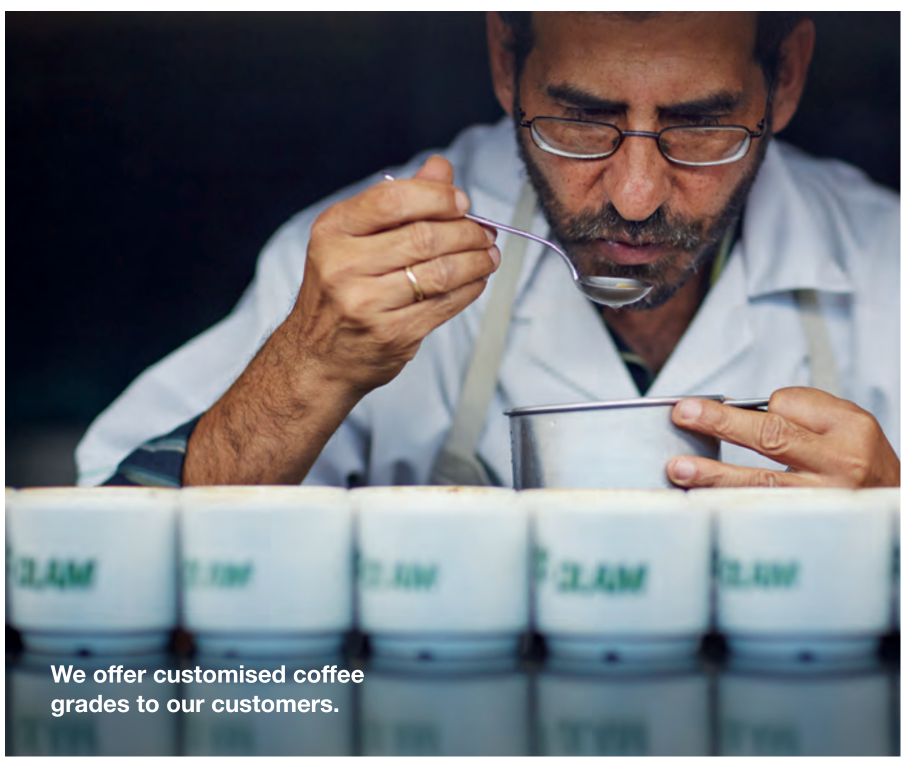
In the core supply chain business, we consolidated our direct green coffee sourcing in key growing origins. Challenges posed by the severe drought in Brazil and the coffee leaf rust outbreak in Central America were addressed through our inventories of various grades of coffee that gave us the flexibility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

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

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

Cocoa

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



We offer customised coffee grades to our customers.


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


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


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

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

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

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

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

Total Invested Capital
in FY2014 of

S$3.1b

EBITDA grew at
a 5-year CAGR of

24.0%

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

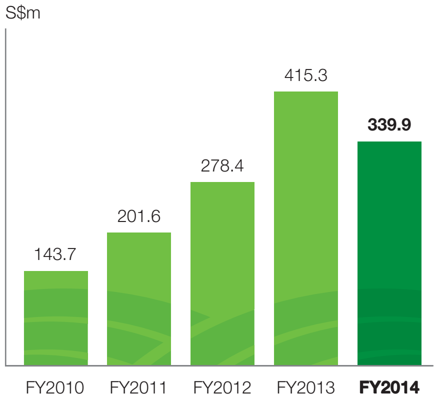
Food Staples & Packaged Foods

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

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

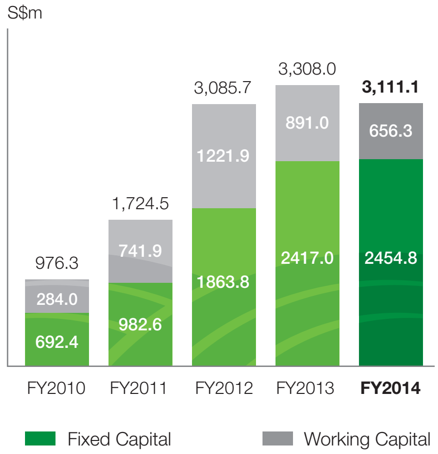
EBITDA

CAGR 24.0%



Invested Capital

CAGR 33.6%



FY2014

Volume
10.2m MT

Revenue
S$7.3b

EBITDA
S$339.9m

Invested Capital
S$3.1b

EBITDA/IC
10.6%

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

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

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

Grains

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

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

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

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

Rice

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

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

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

Sugar and Natural Sweeteners

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

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

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

Dairy

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

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

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


Our dairy processing facility in Malaysia.

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

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

Palm

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

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

Packaged Foods

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

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

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

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


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


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

We continue to develop and launch innovative food products.

Total Invested Capital in FY2014 of

S$1.9b

EBITDA grew at a 5-year CAGR of

6.8%

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

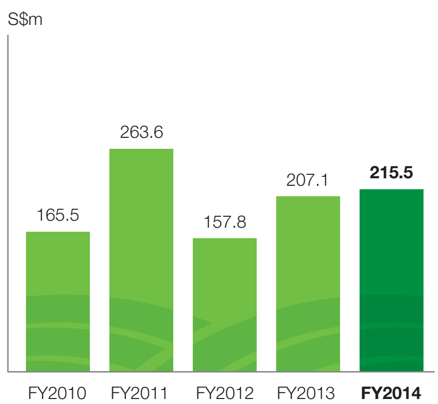
Industrial Raw Materials

This year we commissioned a new roller gin in Mozambique.

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

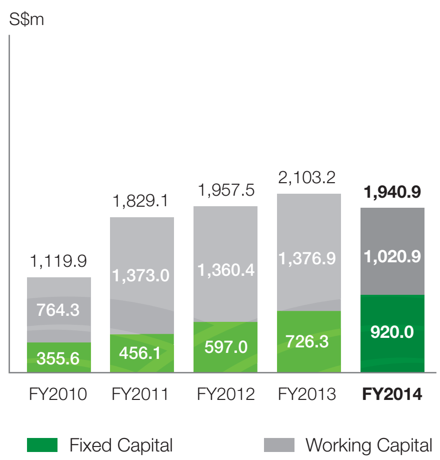
EBITDA

CAGR 6.8% ▲



Invested Capital

CAGR 14.7% ▲



FY2014

Volume

1.7m MT

Revenue

S$3.7b

EBITDA

S$215.5m

Invested Capital

S$1.9b

EBITDA/IC

10.7%

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

Natural Fibres

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

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

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

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

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

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

Wood Products

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

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

Rubber

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

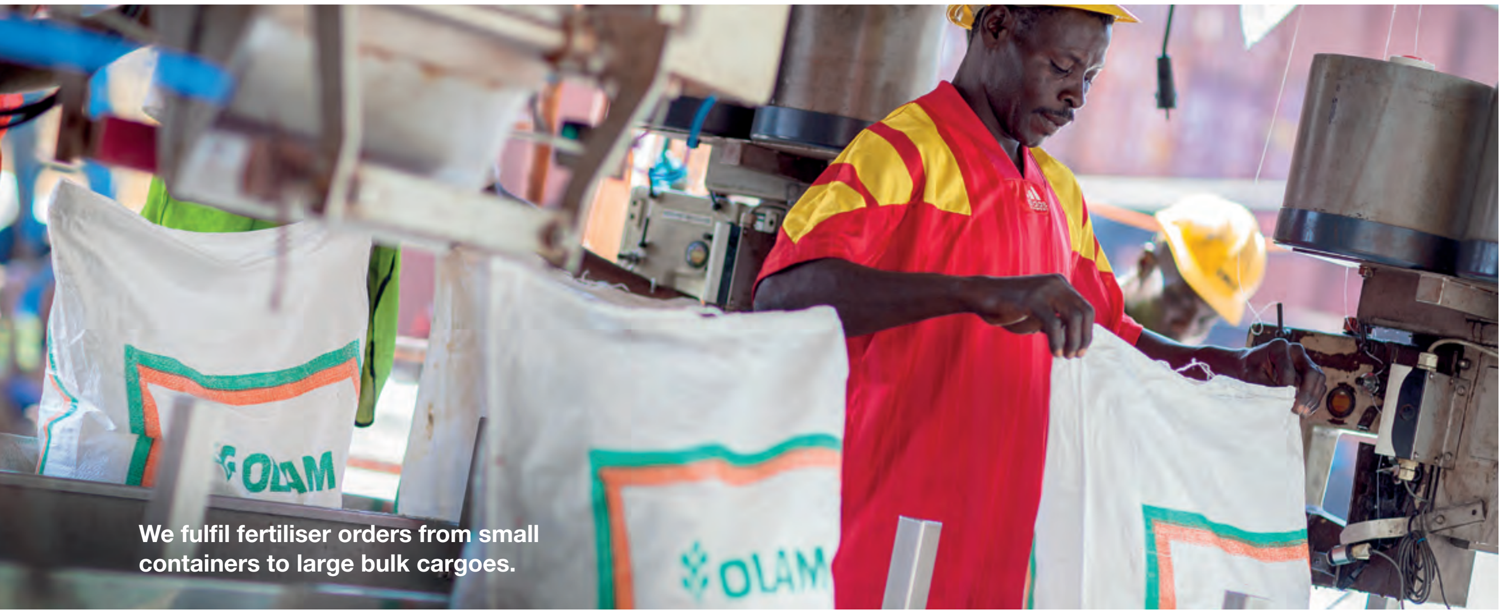
Our associate investment in SIFCA reported a lower contribution due to low rubber prices during the year. SIFCA remains one of the biggest integrated rubber businesses in the world, setting the industry benchmark in plantation yields and making a positive impact on outgrower and contiguous rural communities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

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

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

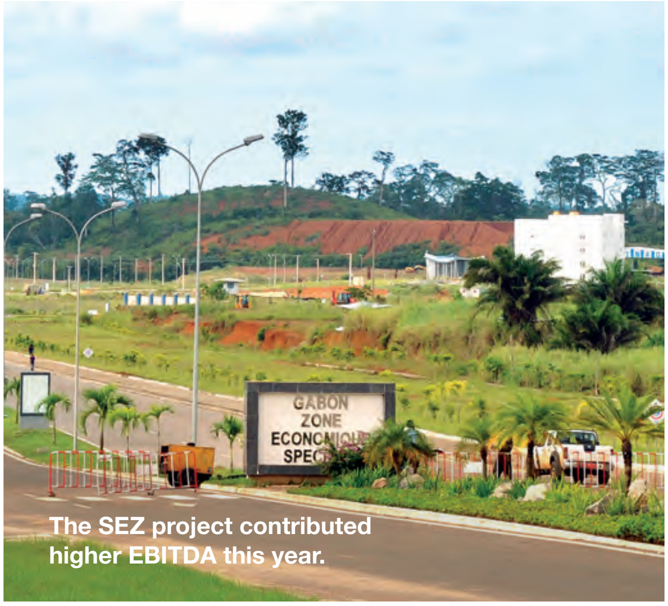
Sustainable forestry in our tropical forest concessions.

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



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


1,400 hectares of land in the Gabon SEZ.



The SEZ project contributed higher EBITDA this year.

Fertiliser

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

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

Special Economic Zone

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

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

Commodity Financial Services

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

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

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

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

Risk and Market Compliance — Strengthening Governance

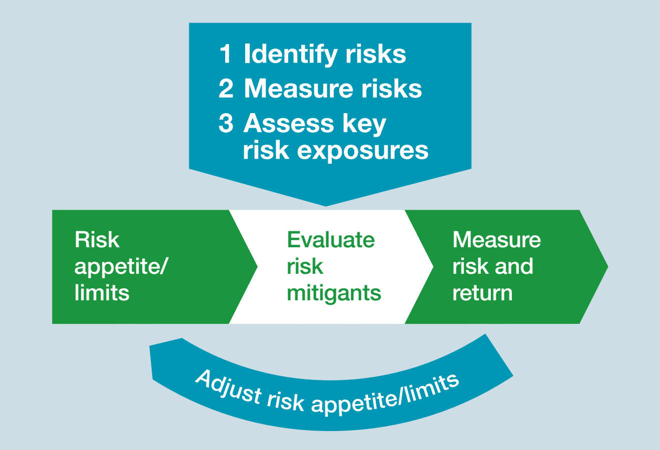
Olam's multi-faceted business, coupled with significant geographical spread in emerging markets, creates a unique set of opportunities, challenges and risks. The Risk Function has grown with Olam, partnering with the Business Units to independently identify, measure and mitigate the risks. We control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

Risk Appetite versus Return

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

Risk Monitoring across Olam Value Chain

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



Upstream Risk

Plantations

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

Supply Chain Risk

Origination

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

Midstream Risk

Refining and Processing

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

Supply Chain Risk

Trading and Logistics

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

Downstream Risk

Downstream

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

Risk Measurement

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

Risk Governance at Olam

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

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

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

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

Enterprise Risk Framework

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

Risk Training and Communication

Board Risk Field Day (BRFD)

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

Risk Training

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

Market Compliance Controls

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

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

Six Pillars for Managing Regulatory Risk

Oversee global harmonisation of trading jurisdictions 1

Robust trader training programme 2

Trade surveillance/ position monitoring capabilities 3

Robust internal policies and procedures 4

Regulatory oversight: advising/monitoring pending rule making 5

Build external industry and regulatory contacts/ relationships 6

Evolution of Corporate Responsibility and Sustainability

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

'Ethic of Compliance and Contribution'

1989 – 2004

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

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

2005 – 2010

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

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

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

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

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

1994

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

2004

CR&S Board Committee appointed to formalise sustainability strategy

2006

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

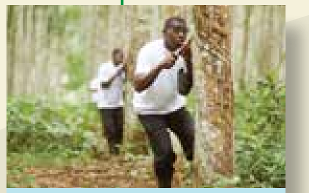
2007

Independent CR&S Function established and resourced

2008

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

2009



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

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

2010

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

2013

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

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

2014 Achievements

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

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

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

1,062
CR&S staff globally

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

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

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

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

2020 Aspiration

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

Our People – Our Competitive Advantage

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

Growing our Culture

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

Talent Management

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

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

Vardhaman Sakhlecha
Finance Manager
Corporate Finance
with Olam for 2 years

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

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

Team meeting in Ghana.

Olam Family

23,000
Employees

15,636
Male

7,364
Female

33,000
Seasonal & Contract workers

65+
Nationalities

Our Shared Values

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

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

Entrepreneurial Spirit
We dare to dream

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

Ownership to Deliver
Our unyielding commitment in whatever we do

Stretch & Ambition
Our passion for doing more

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

Customer & Supplier Focus
Our relationships bring us the rewards

Corporate Governance Report

Olam International Limited ('Olam' or the 'Company') is committed to observing a high standard of corporate governance in keeping with its overarching philosophy of delivering sustainable profitable growth and building capabilities with integrity. The Board constantly reviews the Company's corporate governance practices and seeks to align its practices with the developments and changes in the Code of Corporate Governance. The revised Code of Corporate Governance was issued on 2 May 2012 (the 'Code') which takes effect from financial year commencing 1 November 2012 and is only applicable to the Company for its Annual Report in 2014.

In keeping with its commitment, Olam has since 2012 complied with key revised guidelines in the Code such as the appointment of a lead independent director, the proportion of independent directors on the Board, engagement of key stakeholders, poll voting at shareholder meetings, having in place a Board Corporate Responsibility & Sustainability Committee as well as a Board Risk Committee. In 2013, the Board announced the renewal of the Board in line with the Board succession plan and bearing in mind Guideline 2.4 of the Code on the tenure of Independent Directors. Independent Directors who have served on the Board beyond nine years will be retired gradually with a view to refreshing the Board. The additional steps taken to align the Company with the Code include organising investor days as well as the extensive engagement with stakeholders. The Company continues to focus on the substance and spirit of the Code while continuing to deliver on the Company's vision and objectives.

Our Current Corporate Governance Structure

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Olam is led by a proficient Board with representatives from varied nationalities and diverse international business backgrounds. The Board oversees the affairs of the Company and provides leadership and support to the Senior Management team. Collectively, the Board and the Senior Management Team ensure the long-term success of the Company. Apart from discharging their statutory and fiduciary responsibilities, both individually and collectively, the key functions of the Board are:

a. To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives, as well as to regularly review the execution and the implementation of the revised strategy plan;

b. To oversee the process and framework for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and satisfy itself as to the adequacy and effectiveness of such processes and framework;

c. To review the performance of the Senior Management and the compensation framework of the Board, Executive Directors and Senior Management;

d. To oversee the succession plans for the Board, CEO and Senior Management;

e. To ensure the Company's compliance with laws and regulations as may be relevant to the business;

f. To assume responsibility for corporate governance;

g. To set the Company's value and standards, and ensure that obligation to shareholders and others are understood and met, from time to time;

h. To oversee and consider corporate responsibility and sustainability issues, policies, standards and strategy in the context of the Company's activities that may have an impact on environmental and social issues; and

i. To identify the key stakeholder groups and consider their perceptions.

As an established practice, the material matters that require the specific review and approval of the Board are:

- Acquisitions, divestments and capital expenditure exceeding the authority limits established under an internal policy adopted by the Board, while delegating authority for transactions below those limits to Board Committees and the Executive Committee;
- Capital planning and raising, annual budgets and update to strategy plan;
- Banking facilities and corporate guarantees; and
- Share issuances, dividend distribution, share buyback and other returns to shareholders.

The Board is assisted by various Board Committees for the effective discharge of their responsibilities. The Board Committees established to date are the Audit & Compliance Committee, Governance & Nomination Committee, Human Resource & Compensation Committee, Risk Committee and Corporate Responsibility & Sustainability Committee. Each of these Board Committees has clear written Terms of Reference which set out the role, authority, qualifications for committee membership and process of each committee. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company. The detailed involvement of each Board Committee is set out in this report.

The Terms of Reference of the Board Committees may be reviewed annually by each committee taking into consideration the changing needs in the business and operations of the Company, relevant laws and regulations, etc.

Ad hoc committees of the Board may from time-to-time be formed as part of the Board's commitment to engage and provide leadership to Management in areas concerning the business and operations of the Company. The Commodity Financial Services Committee, the Project Financing Committee and the Independent General Committee for purpose of the Voluntary General Offer by Breedens Investments Pte. Ltd. in March 2014, which comprises Independent Directors and are supported by the Executive team, were the ad hoc committees constituted previously. In November 2012, a committee of the Board was constituted to conduct a detailed internal review into the assertions made and widely reported in the media, and submit their findings to the Board. These ad hoc committees add to the effectiveness and strength of the Company's governance practices as well as took into consideration the interests and perspectives of the various stakeholders of the Company.

Directors are expected to exercise independent and objective judgement in the best interests of the Company. In the annual Board and peer performance evaluation exercise, the ability to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company, as well as the ability to objectively listen and discuss issues with one another, are important assessment criteria.

Board and Board Committee Meetings

The regular meetings of the Board and Board Committees including the Annual General Meeting are scheduled one year in advance. The Board sets aside a full day in each quarter to review and evaluate the Company's business, operations and performance and address key policy matters. These quarterly Board meetings include presentations by Senior Management Team members and the executive team from the business units and functions and, on occasions, external consultants, on strategic issues relating to specific business areas or legal issues, thus providing the Board with important updates and an understanding of the Group's businesses as well as the platform to engage with the key executives and managers. The Board also sets aside time at each regular Board meeting to meet without the presence of Management and the Executive Directors. In addition to the regular meetings, ad hoc meetings as well as informal discussions of the Board and Board Committees are held as and when required, with Board members participating in person and via telephone conference and video conference. An Annual Board Offsite visit is also organised in locations where the Company operates for Directors to gain an in-depth understanding of the activities and business on the ground. Ad hoc visits by the Board Committees are organised wherever required to better facilitate the review of issues delegated by the Board. The Company's Articles of Association and the Terms of Reference of the Board Committees provide for Board meetings and meetings of the Board Committees to be conducted via telephone conference and video conference or other similar modes of communication. Besides meetings of the Board, the Board pursuant to the Company's Articles of Association and the Board Committees under their Terms of Reference may also make decisions by way of resolution by circulation. The nature of the current Directors' appointments on the Board and details of their membership on Board Committees are set out below.

Tables showing the number of Board, Board Committees and Non–Executive Directors' meetings held during the year under review along with the attendance of Directors are provided on the next page. Throughout the year, Directors individually and collectively, actively engage with members of the Board, the CEO, Senior Management team and external consultants to gain deeper insights into the industry and the business of the Company. The contribution to and involvement of each Director in Board affairs and growth of the Company cannot be quantified simply by their attendance. Their input and engagement in the affairs of the Company far outweighs their attendance at Board and Board Committee meetings. Attendance of the Directors should not be the sole yardstick used to measure the effectiveness of a Director.

Membership on Board Committees

Name	Board Membership	Audit & Compliance Committee	Capital & Investment Committee	Corporate Responsibility & Sustainability Committee	Governance & Nomination Committee	Human Resource & Compensation Committee	Board Risk Committee
R. Jayachandran	Non–Executive Chairman	–	Member	–	Member	Member	–
Kwa Chong Seng[(1)]	Deputy Chairman Independent Director	–	Member[(1)]	–	Member[(1)]	Chairman[(1)]	–
Narain Girdhar Chanrai	Non–Executive Director	Member	Member	Member[(2)]	Member[(2)]	–	–
Michael Lim Choo San	Lead Independent Director	Chairman	–	–	Chairman	–	Member
Mark Haynes Daniell[(3)]	Independent Director	Member[(3)]	–	Member[(3)]	Member[(3)]	Chairman[(3)]	–
Robert Michael Tomlin[(4)(5)]	Independent Director	Member	Member[(5)]	Member	–	–	Chairman[(4)]
Wong Heng Tew[(3)]	Independent Director	Member[(3)]	–	–	Member[(3)]	Member[(3)]	–
Jean-Paul Pinard	Independent Director	–	Member	Chairman	–	Member	–
Sanjiv Misra[(6)]	Independent Director	–	Chairman[(6)]	–	–	Member[(6)]	Member[(6)]
Nihal Kaviratne CBE[(7)]	Independent Director	Member[(7)]	–	Member[(7)]	–	–	–
Tse Po Shing Andy[(8)]	Independent Director	–	Member[(8)]	–	–	–	Chairman[(8)]
Sridhar Krishnan[(8)]	Executive Director	–	–	Member[(8)]	–	–	Member[(8)]
Sunny George Verghese	Executive Director Group MD & CEO	–	Member	–	–	–	Member
Shekhar Anantharaman	Executive Director	–	Member	Member	–	–	–

(1) Kwa Chong Seng was appointed as Non-Executive & Independent Director and Deputy Chairman with effect from 1st October 2014. The various memberships on the Board Committees are effective on 30th October 2014

(2) N. G. Chanrai will remain as a member of the Governance & Nomination Committee till 30th October 2014 and will be appointed as a member of the Corporate Responsibility & Sustainability Committee with effect from 30th October 2014

(3) Mark Haynes Daniell and Wong Heng Tew will step down on 30th October 2014

(4) Robert Tomlin was appointed Chairman of the Board Risk Committee with effect from 1st November 2013

(5) Robert Tomlin stepped down as Chairman of the Capital & Investment Committee on 1st November 2013 and will step down as its member on 30th October 2014

(6) Sanjiv Misra was appointed as Non-Executive & Independent Director with effect from 1st November 2013

(7) Nihal Kaviratne CBE was appointed as Non-Executive & Independent Director with effect from 1st October 2014. The various memberships on the Board Committees are effective on 30th October 2014

(8) Tse Po Shing Andy and Sridhar Krishnan stepped down as Directors on 30th October 2013

Attendance at Board and Non-Executive Directors' Meetings held as at 30 June 2014

Name	Scheduled Board Meetings	Ad Hoc Board Meetings	Non-Executive Directors Discussions
R. Jayachandran	4/4	8/8	4/4
Narain Girdhar Chanrai	3/4	7/8	4/4
Michael Lim Choo San	4/4	8/8	4/4
Robert Michael Tomlin	4/4	8/8	4/4
Mark Haynes Daniell	4/4	7/8	4/4
Wong Heng Tew	4/4	7/8*	4/4
Jean-Paul Pinard	4/4	6/8*	4/4
Sanjiv Misra[1]	3/4	5/8*	3/4
Tse Po Shing Andy[2]	1/4	1/8	1/4
Sridhar Krishnan[2]	1/4	2/8	
Sunny George Verghese[3]	4/4	8/8	
Shekhar Anantharaman[3]	4/4	7/8*	

[1] Sanjiv Misra was appointed as Non-Executive & Independent Director with effect from 1st November 2013
[2] Tse Po Shing Andy and Sridhar Krishnan stepped down as Directors on 30th October 2013
[3] Executive Directors
* Attendance at one of the ad-hoc meetings not required

Attendance at Board Committee Meetings held as at 30 June 2014

Name	Audit & Compliance Committee	Capital & Investment Committee	Corporate Responsibility & Sustainability Committee	Governance & Nomination Committee	Human Resource & Compensation Committee	Board Risk Committee	Ad-hoc Independent Committee
R. Jayachandran		5/5		1/1	6/6		
Narain Girdhar Chanrai	5/6	4/5		0/1			
Michael Lim Choo San	6/6			1/1		4/4	7/7
Robert Michael Tomlin	6/6	5/5	3/3			4/4	7/7
Mark Haynes Daniell	5/6		2/3	1/1	6/6		7/7
Wong Heng Tew	6/6			1/1	6/6		
Jean-Paul Pinard		5/5	3/3		5/6		6/7
Sanjiv Misra[1]		4/5			5/6	3/4	7/7
Tse Po Shing Andy[2]		1/5				1/4	
Sridhar Krishnan[2]			1/3			1/4	
Sunny George Verghese[3]		5/5				4/4	
Shekhar Anantharaman[3]		5/5	3/3				

[1] Sanjiv Misra was appointed Non-Executive & Independent Director with effect from 1st November 2013
[2] Tse Po Shing Andy and Sridhar Krishnan stepped down as Directors on 30th October 2013
[3] Executive Directors

Induction and Orientation of Directors

Newly appointed directors are issued with formal letters upon their appointment, which outline their duties and obligations as Directors and are issued with an appointment pack that contains vital information about their appointment and the Company. They will undergo a comprehensive and tailored onboarding process which includes briefings by the Board Chairman and CEO, industry, business and operations briefings by Senior Management team, visits to the Group's key operations, briefing on governance matters, etc. The newly appointed directors are further assisted by the Board Secretariat Office to enable them to appropriately discharge their statutory and fiduciary duties.

Directors' Training

To keep the Directors abreast of developments in the industry as also in the Company's global operations, country visits and interactions with business and geography teams are amongst the different types of exposures provided to the Directors. Directors are invited to participate in sessions and talks conducted by specialists and experts on trends, developments and issues concerning the sectors in which the Company operates. Furthermore, Directors are taken through detailed presentations on the development and progress of the Group's key operations. Regular updates on directors' duties and responsibilities and changes to the relevant laws and regulations such as the Listing Rules of the Singapore Exchange Securities Trading Limited ('SGX-ST'), Code of Corporate Governance, Companies Act, etc. are also provided to the Board.

During the year under review, the Board was briefed on the new SGX-ST requirements, changes and developments in the accounting standards by the external auditors and was briefed and updated on risks management, health & safety, environmental & social risks, market compliance and insurance.

The Board also visited the Company's key operations (cocoa, cashew and dairy) in Côte d'Ivoire. The 5–day visit included a visit to the rubber and palm operations of its strategic partners as well as meetings with key stakeholders and government representatives.

Principle 2: Board Composition and Guidance

To align with the extensive geographical spread and depth of the business, the existing Board comprises of directors with diverse skills and expertise. Our Directors bring with them wide-ranging experience in finance and accounting, banking, investment, business, management, strategic planning, retail and industry knowledge. The size, composition and blend of experience of the current Board allow discussions on matters of policy, strategy and performance to be informed, critical and constructive. A brief profile and the key information of each Director is given on pages 14 to 17 and 81 to 84 of this Annual Report.

Board Size

Our Board currently consists of 10 members with more than 50% being independent directors. This takes into account the changes arising from Board renewal annnounced on 26th September 2014. The Governance & Nomination Committee ('GNC') carries out a yearly examination of the Board size to ensure that it is appropriate for effective decision making. The Board reviewed and opined that, given the magnitude, nature and depth of the Group's business and operations, the Board should have between 10 and 12 members, who as a group, possess the required capabilities, skills and experience for the Board to discharge its duties and responsibilities effectively as well as to make objective decisions.

Independence

The GNC determines on an annual basis a Director's independence bearing in mind the definition of an Independent Director under the Code and guidance as to relationships that may exist of which would deem a director to be non-independent. A Director who has no relationship with the Group or its officers and 10% shareholders of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, is considered to be independent. The Code further requires the independence of any director who has served on the Board beyond nine years to be rigorously reviewed. The basis of determination by the GNC takes into account the annual confirmation of independence (the Confirmation) completed by each Independent Director. Each Independent Director is required under the Confirmation to critically assess his independence and to confirm in the checklist whether he considers himself independent. Each member of the Board is also required to complete a peer assessment of the independence of each director who has served on the Board beyond nine years. The peer assessment considers, amongst others, the contribution by the director, the uniqueness of his skills and his participation at meetings. The Board having carried out their review for FY2014 and taking into account the views of the GNC, determines that with the exception of the two Non-Executive Directors and two Executive Directors, the remaining six Non-Executive and Independent Directors are considered independent.

The Board has determined that Mr. Mark Haynes Daniell, Mr. Michael Lim Choo San, Mr. Robert Michael Tomlin and Mr. Wong Heng Tew be considered independent notwithstanding that they have served on the Board beyond nine years. These Non-Executive and Independent Directors have contributed effectively by providing impartial and autonomous views, advice and judgment. They have continued to demonstrate strong independence in character and mind.

Renewal of the Board

In line with the Board renewal plan, Mr. Mark Haynes Daniell and Mr. Wong Heng Tew, both Non-Executive and Independent Directors, who have served on the Board for 11 years and 8 months, and 10 years and 8 months, respectively as at the financial year ended 30 June 2014, will be stepping down as Directors of the Company immediately after the close of the forthcoming Annual General Meeting ('AGM') to be held on 30th October 2014. The remaining long serving Independent Directors will retire progressively with new Independent Directors to be appointed in their place. To fill the offices vacated by both Mr. Mark Haynes Daniell and Mr. Wong Heng Tew, the Board had on 1st October 2014 appointed Mr. Kwa Chong Seng and Mr. Nihal Kaviratne CBE as Non-Executive and Independent Directors.

Mr. Kwa Chong Seng was also appointed as Deputy Chairman on the same day. The new Independent Directors were appointed subsequent to a thorough review of the Board and the GNC following a rigorous selection process. Both Mr. Kwa Chong Seng and Mr. Nihal Kaviratne CBE will submit themselves for re-election and re-appointment at the forthcoming AGM.

Non-Executive Director

The Non-Executive, Independent Directors fulfill a pivotal role in corporate accountability. Their role is particularly important as they provide unbiased and independent views, advice and judgement to take care of the interests, not only of the Company but also of shareholders, employees, customers, suppliers and the many communities in which the Company conducts business. The Board has in 2013 reduced the number of executive directors from 3 to 2 to have more independent representation on the Board. During the year under review, the Non-Executive Directors met quarterly, without the presence of Management, to review, amongst others, the performance of Management and the reporting of the Company's performance by Management. An annual offsite meeting of the Non-Executive Directors, without the presence of Management, is held to discuss the strategic objectives of the Company, performance of the Company, Management's performance, quality of information furnished to the Board, Board succession plans, senior management succession plans and leadership development, etc.

Principle 3: Chairman and Chief Executive Officer

The Chairman, Mr. R. Jayachandran is a Non-Executive Director and is not related to the Chief Executive Officer ('CEO'), Mr. Sunny Verghese or other members of the Senior Management team. There is a clear division of responsibility between the Chairman and CEO to ensure a balance of power and authority. The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees as well as the governance process. The CEO is at the helm of the Management team and has overall responsibility of the Company's operations and organisational effectiveness. The CEO remains accountable to the Board for the decisions and actions taken, as well as for the performance of the Group. The Chairman works closely with the CEO on matters to be tabled at meetings as well as in ensuring that Board members receive accurate, timely and clear information. Under the leadership of the Chairman, the Board held robust, open and constructive discussions at its meetings with adequate time allocated to sufficiently review the issues tabled. The Chairman instituted quarterly non-executive directors' discussions after each Board meeting and organised an offsite meeting of the non-executive directors annually. Along with the CEO, the Chairman monitors the translation of the Board's decisions, requests and recommendations into executive action. As part of the Chairman's oversight, he ensures that constructive communication and engagement with shareholders take place at every general meeting. The Chairman may direct any members of the Board to participate in briefings and meetings with other stakeholders to explain publicly available material information.

Lead Independent Director

Mr. Michael Lim Choo San, Chairman of the GNC was appointed as the Lead Independent Director since 2010. The appointment of a Lead Independent Director is part of the Board succession planning in order to provide continuity of leadership at the Board level in the absence of the Chairman and Deputy Chairman. The Lead Independent Director together with the Deputy Chairman also acts as a bridge between the Independent Directors and the Chairman and is also available to shareholders if they have concerns relating to matters which contact through the normal channels of the Chairman, CEO or Executive Directors has failed to resolve, or where such contact is inappropriate.

Principle 4: Board Membership

Governance & Nomination Committee (GNC)

Michael Lim Choo San, *Chairman*
R. Jayachandran
Kwa Chong Seng (1)
Mark Haynes Daniell (2)
Narain Girdhar Chanrai (2)
Wong Heng Tew (2)

(1) *Effective 30th Oct 2014*
(2) *Cessation 30th Oct 2014*

The GNC is chaired by the Lead Independent Director. The GNC is comprised entirely of Non-Executive Directors, majority of whom are independent Directors. The GNC is guided by its written Terms of Reference with principal functions as follows:

a. To review the size, skills and composition of the Board to ensure there is adequate representation in respect of issues and challenges, without compromising Board effectiveness and participation. In addition, the GNC seeks to identify the critical needs in terms of expertise and skills, as well as knowledge of the jurisdictions in which Olam operates;

b. To recommend the appointment and re-appointment of Directors with a view to refreshing the Board;

c. To conduct an annual review of the independence of each Director bearing in mind the relationships and the tenure limits under the Code;

d. To assess the effectiveness of the Board and its members;

e. To review and recommend performance criteria for evaluating the Board's performance;

f. To recommend membership for Board committees;

g. To consider and review Company's corporate governance principles;

h. To consider questions of possible conflicts of interest of board members and senior executives; and

i. To review and recommend to the Board the induction program for new directors and ongoing training and development needs of the directors and the Board as a whole.

Succession Planning

In a joint review of the Terms of Reference of the Board Committees by the Board along with the recommendations of the GNC, the review of the Board succession plans including the Chairman shall remain as a principal role of the GNC while review of the succession plans for key positions in the Group including the CEO is delegated to the Human Resource & Compensation Committee. The GNC actively reviews the present Board composition and the necessity of refreshing the Board. The GNC is of the view that any renewal and refreshment of the Board must be carried out progressively and in an orderly manner to ensure continuity. A formal plan for the renewal of the Board and the process for selection of new directors were put in place after having been recommended to and approved by the Board. The key recommendations approved by the Board for implementation are effective from 1 July 2013 and were announced in October 2013, as follows:

i. Longest serving Independent Director will be retired gradually at each AGM over the next three years starting from the 2013 AGM;

ii. New Independent Directors who possess the required skills and capabilities will be appointed to fill the vacancies of the outgoing Independent Directors after such appointment is reviewed by the GNC and in concurrence with the Board;

iii. All newly appointed Independent Directors would be subject to a term of office comprising two terms of three years each, with an additional term of three years at the sole discretion of the Board subject to a maximum tenure of no more than nine years; and

iv. All directors whether executive, non-executive or independent remain subject to an annual performance evaluation notwithstanding the term of office. Independent Directors may be retired prior to completion of the term of office if so determined by the Board taking into consideration the recommendation of the GNC.

Retirement and Re-election

All Directors submit themselves for retirement and re-election at least once every three years. Pursuant to the Articles of Association of the Company, one third of the Directors shall retire from office at the Company's AGM. A retiring Director is eligible for re-election at the AGM. The Group Managing Director/ CEO, as a Director, is subject to the same retirement by rotation provision as the other Directors. In addition, the Company's Articles of Association also provides that a newly appointed Director must submit himself for re-election at the AGM following the appointment. At the 2014 AGM, Mr. N. G. Chanrai, Mr. Michael Lim Choo San and Mr. Shekhar Anantharaman will retire pursuant to Article 103 of the Company's Articles of Association ('AA') and will be eligible for re-election by the shareholders at the AGM. Mr. Kwa Chong Seng who was appointed as Deputy Chairman and Non-Executive and Independent Director on 1 October 2014 and Mr. Sanjiv Misra who was appointed as Non-Executive and Independent Director on 1 November 2013 will retire pursuant to Article 109 and will be eligible for re-election by the shareholders at the AGM. Mr. R. Jayachandran and Mr. Nihal Kaviratne who have attained the age of 70 will submit themselves for re-appointment at the AGM.

In addition, Mr. Mark Haynes Daniell and Mr. Wong Heng Tew, both Non-Executive and Independent Directors, will be stepping down as Directors of the Company immediately after the close of the 2014 AGM.

New Appointments, Selection and Re-nomination of Directors

All new appointments, selection and re-nomination of Directors are reviewed and proposed by the GNC. The GNC has access to external search consultants and resources to identify potential candidates. Board members may also make recommendations to the GNC. Shortlisted candidates are met by the GNC Chairman along with the Board Chairman and CEO prior to the approval at the Board level. Some of the criteria considered by the GNC while evaluating Directors' appointments are:

a. The candidate should possess knowledge and experience in any one area, namely, accounting or finance, business or management, industry knowledge, strategic planning and customer-based experience or knowledge;

b. The candidate should have the aptitude or experience to understand fully the fiduciary duties of a director and the governance processes of a publicly listed company;

c. Independence of mind;

d. Capability and how he/she could meet the needs of the Company and simultaneously complement the skill set of the other Board members;

e. Experience and track record in multi-national companies;

f. Ability to commit time and effort toward discharging his/her responsibilities as a Director; and

g. Reputation and integrity.

Membership on other Boards

The GNC, in assessing the performance of the individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Company. It has regard to the Director's other Board memberships and commitments. No limit on the number of Board representations which a Director may hold has been imposed by the GNC as Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest from serving on other Boards.

Key Information Regarding Directors

Key information regarding Directors, such as academic and professional qualifications, board committees served on (as a member or chairman), date of first appointment as a director, date of last re-election as a director, directorships both present and past held over the preceding three years in other listed companies and other major appointments, is disclosed on pages 81 to 84 of this Corporate Governance report. Information relating to Directors' shareholding and interests in the Group is disclosed in the Directors' Report of this Annual Report.

Principle 5: Board Performance

The Board considers the importance of putting the right people, with the range of skills, knowledge and experience together for effective governance of the Group's business. The GNC assists the Board in ensuring that the Board is comprised of individuals whose background, skills, experience and personal characteristics enhance the effectiveness of the current Board and meet its future needs.

Based on the recommendations of the GNC, the Board has laid down a preliminary set of assessment criteria to assess the effectiveness of the Board as a whole and contribution of each director to the effectiveness of the Board. The assessment criteria for the Board evaluation covers amongst other criteria, Board performance in relation to discharging its principal functions, its effectiveness in ensuring the long term success of the Company, composition of the Board, relationship amongst Board members and the adequacy and performance of Board Committees in relation to discharging the responsibilities set out in their respective terms of reference. The individual Directors' assessment criteria are in relation to their industry and functional expertise, level of involvement, contribution, objectivity and interactive skills when working with Board members and participation at Board meetings. During the year, the GNC carried out an evaluation of the effectiveness of the Board, the individual Board Members and the Chairman of the Board. The results of the evaluations are critically reviewed by the GNC and the Board with proposed follow-up actions planned and taken. The follow-up actions are undertaken by the GNC Chairman along with the Chairman of the Board. Meetings between the individual Director and the Board Chairman, as well as the GNC Chairman may be set up with a view to sharing feedback and comments received and to work out action plans to address specific issues raised.

Principle 6: Access to Information

Principle 10: Accountability

The agenda for each Board and Board Committee meeting along with all board papers, related materials and background materials are sent to the Directors in a timely manner. This is sent sufficiently in advance to enable the Directors to obtain further details and explanations where necessary. The Board is briefed and updated on the execution of the Company's strategic plan, performance of its investments, variance in budgets, etc. Members of the Management team are invited to be present at the Board and Board Committee meeting to provide additional insight into the matters tabled for deliberation. Global Heads of the Business Units are scheduled wherever required to update the Board on platform wise performance and plans.

Directors have direct access to the Management, Board Secretariat and the Company Secretary and are provided with their contact details. Non-Executive Directors meet with Senior Management independently to be briefed on various issues. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions.

Board members are invited to participate in the Annual Management Committee Meetings to interact with Management as well as to gain industry insight through external speakers. Presentations on the Group's business and activities are provided to the Board throughout the year by the Company's Management team. The Board takes independent professional advice, with expenses borne by the Company, as and when necessary to enable it or the Directors individually to discharge their responsibilities effectively.

The role of the Company Secretary is clearly defined. The Board Secretariat together with the Company Secretary ensures that all board procedures are followed and that applicable rules and regulations such as the Company's Memorandum and Articles of Association, Securities Dealing Policy, the Singapore Companies Act, Securities & Futures Act and the Listing Manual of the SGX-ST, are complied with. The Board Secretariat manages, attends and prepares all minutes of meetings of the Board and Board Committees. They play a key role in ensuring efficient and timely information flow to the Board and Board Committees. In addition, the Board Secretariat facilitates the appointment and induction of new director, ongoing training and development of the Board and coordinates with Legal, Market Compliance and any external consultants on advice in respect of changes in regulation or law, as circumstances require. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

The Board has adopted a policy of openness and transparency in the conduct of the Company's affairs while preserving the commercial interests of the Company. The Company has been reporting its financial results quarterly and holding media and analyst meetings to coincide with the quarterly results announcements. An Investor Day is also organised throughout the year to educate the external stakeholders on the businesses and operations of the Company.

Financial results and other price sensitive information are disseminated to shareholders via SGXNET, to the SGX-ST, press releases, the Company's website and through media and analyst briefings.

The Company has in place a comprehensive investor relations programme to keep investors informed of material developments in the Company's business and affairs beyond that which is prescribed, but without prejudicing the business interests of the Company.

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

Human Resource & Compensation Committee (HRCC)

Mark Haynes Daniell, *Chairman* [(1)]
Kwa Chong Seng, *Chairman* [(2)]
R. Jayachandran
Jean-Paul Pinard
Sanjiv Misra
Wong Heng Tew [(1)]

(1) Cessation 30th Oct 2014
(2) Effective 30th Oct 2014

Apart from Mr. R. Jayachandran who is the Non-Executive Chairman of the Board, all members of the HRCC, including the HRCC Chair, are Independent and Non-Executive Directors. Mr. Mark Haynes Daniell will be stepping down as Chairman of the HRCC on 30th October 2014 and will be succeeded by Mr. Kwa Chong Seng.

The HRCC is established by the Board with the following principal functions:

a. To review the executive leadership development process and program;

b. To review and recommend executives' compensation framework and equity based plans;

c. To review succession plans for key executives including the CEO;

d. To establish and oversee the process for evaluating the performance of the CEO and key executives in the fulfillment of their responsibilities, meeting objectives and performance targets; and

e. To review annually the remuneration framework and the adequacy of the fees paid to non-executive directors.

The HRCC carries out regular discussions with the CEO and the Board on succession planning at the senior management level including that of the CEO.

During the year, the HRCC actively engaged with the CEO, key members of the Human Resources function and an external consultant, Carrots Consulting to review the existing executives' remuneration framework, which included a proposed new Share Grant Plan. Apart from their engagement as remuneration consultants for this exercise, Carrots Consulting does not have any existing relationships with the Company which will affect their independence and objectivity.

Remuneration Policy for Non–Executive Directors

The existing remuneration framework for non-executive directors adopted by the HRCC consists of a base fee for membership on the Board, chairing the Board and as Lead Independent Director, fees for membership of Board committees, fees for chairing Board committees and an attendance fee for Board offsite meetings. The last review by an external consultant, Freshwater Adviser was commissioned by the HRCC in 2011. The existing fee structure is set out below.

Nature of Appointment	$
Board of Directors	
Base Fee (Chairman)	160,000
Base Fee (Member)	60,000
Audit & Compliance Committee	
Capital & Investment Committee	
Chairman's fee	50,000
Member's fee	25,000
Governance & Nomination Committee	
Human Resource & Compensation Committee	
Corporate Responsibility & Sustainability Committee	
Risk Committee	
Chairman's fee	30,000
Member's fee	15,000
Lead Independent Director	15,000
Attendance Fee at Board Offsite	2,500

To facilitate timely payment of Directors' fees, the fees are paid in advance on a quarterly basis for the current financial year once approval is obtained from shareholders at the AGM.

The fees paid to the Non-Executive Directors for the financial year ended 30 June 2014 quarterly in advance and entirely in cash amounted to $1,400,250 (FY 2013: $1,215,000), which included special fees paid to the Non-Executive and Independent Directors (excluding Mr. Wong Heng Tew) who were appointed to the Independent Committee established during the year under review for purpose of the Voluntary Cash Offer by Breedens Investments Pte. Ltd. The breakdown of the fees paid to the Non-Executive Directors for the financial year ended 30 June 2014 including fees paid to the Non-Executive Director(s) appointed to the subsidiary of the Company is tabled below.

Fees Paid to Non-Executive Directors for the financial year ended 30 June 2014

Name	Directors' Fees $
R. Jayachandran	217,500
Narain Girdhar Chanrai	127,500
Michael Lim Choo San	217,500
Mark Haynes Daniell	183,500
Robert Michael Tomlin	196,000
Wong Heng Tew	117,500
Jean-Paul Pinard	168,500
Sanjiv Misra(1)	141,000
Tse Po Shing Andy(2)	31,250
Paid by Subsidiary:	
Sanjiv Misra	50,000
Robert Michael Tomlin	40,000

(1) Appointed on 1 November 2013. Pro-rated fees paid.
(2) Stepped down on 30 October 2013. Pro-rated fees paid.

Revision to the Fees Framework for Non-Executive Directors

The HRCC may commission an independent review by an external consultant on the remuneration framework of directors as well as key management personnel.

In view of the Non-Executive Director fees having remained unchanged for the last three years, the Board has during the year, in conjunction with the HRCC, carried out a thorough review on the adequacy of the level and framework of remuneration of Non-Executive Directors. The review included discussions with key stakeholders as well as benchmarking fees paid to peers companies and companies with similar size and market capitalisation. Consequent to the extensive review, the Board approved the revision to the remuneration framework for Non-Executive Directors. The revised framework will include an upward adjustment of the base fees for Board Chairman, Lead Independent Director, directors and fees for chairmanship and membership on Board Committees, base fees for Deputy Chairman and introduction of attendance fees for all meetings held.

Details of the revised fees framework for Non-Executive Directors are provided below. The recommendations were made to bring the remuneration for Non-Executive Directors in line with the peers companies and those whom we benchmarked against. The revised fees framework for Non-Executive Directors reflect an equitable and adequate remuneration on account of increased responsibilities and increase in the average amount of time spent by a Director at Board and Board Committee meetings as well as their separate discussions with Management in the discharge of their responsibilities.

Nature of Appointment	$
Board of Directors	
Base Fee (Chairman)	180,000
Base Fee (Deputy Chairman)	130,000
Base Fee (Member)	70,000
Lead Independent Director	25,000
Audit & Compliance Committee	
Capital & Investment Committee	
Chairman's fee	50,000
Member's fee	25,000
Board Risk Committee	
Human Resource & Compensation Committee	
Chairman's fee	35,000
Member's fee	20,000
Governance & Nomination Committee	
Corporate Responsibility & Sustainability Committee	
Chairman's fee	30,000
Member's fee	15,000
Attendance Fee	
Home City Meeting:	
– Board	3,000
– Committee	1,500
Out Region Meeting:	
– Board	4,500
– Committee	2,250
Conference Call	
– Board	600
– Committee	400
Conference Call (Odd hours)	
– Board	1,200
– Committee	750
Board Offsite	6,000

The aggregate directors' fees for Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting. The Non-Executive Directors will refrain from making any recommendation on, and being shareholders, shall abstain from voting on the ordinary resolution for the aggregate directors' fees. The Directors shall also decline to accept appointment as proxies for any shareholder to vote in respect of this resolution unless the shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of this resolution.

Remuneration Policy for Executive Directors and Other Key Executives

Executive Directors are not entitled to either base fees or fees for membership in Board Committees. Remuneration for Executive Directors currently comprises a base salary, performance bonus tied to the Company's and the individual's performance and participation in share option scheme.

The Company advocates a performance based remuneration system that is flexible and responsive to the market. The remuneration is linked to the Company's and individual executive's performance.

The total remuneration comprises three components: an annual fixed cash component, an annual performance incentive and a long term incentive. The annual fixed component consists of the annual basic salary and other fixed allowances. The annual performance incentive is tied to the Company's and individual executive's performance, while the long term incentive is granted based on the individual's performance and contribution made.

To remain competitive, it would be our aim to benchmark our executive's compensation with that of similar performing companies and remain in the top 25 percentile. The compensation structure would be so designed that as one moves up the corporate ladder, the percentage of his/her total remuneration at risk increases. The Company currently has eight top key executives who are not also directors. In considering the disclosure of remuneration of the Executive Directors and top eight key executives of the Company who are not also directors, the HRCC regarded the industry conditions in which the Company operates, as well as the confidential nature of the Executive Directors and key executives' remuneration. The Company believes that the disclosure of remuneration of its Executive Directors and top eight key executives as recommended by the Code would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Group's talent pool. The Company has instead disclosed the breakdown in percentage terms of the individual Executive Director's remuneration within appropriate bands whilst the remuneration of the top eight key executives (who are not also directors of the Company) are presented only in a baseline remuneration band.

Level and Mix of Remuneration of the Executive Directors for the financial year ended 30 June 2014

Remuneration Band & Name of Executive Director	Base/ fixed salary	Variable or performance related income/ bonuses	Benefits in kind	Total	Share Option held under ESOS
$1,800,000 and above					
Sunny George Verghese	20%	77%	3%	100%	15,000,000[1]
$500,000 and above					
Shekhar Anantharaman	45%	55%	–	100%	5,000,000[3]

[1] The subscription/exercise price of $2.35 per share for 15,000,000 share options is the price equal to the average of the last dealt prices for a share for the five consecutive market days preceding the date of grant.

[2] The subscription/exercise price of $2.28 per share for 1,750,000 share options and $1.76 per share for 3,250,000 share options is the price equal to the average of the last dealt prices for a share for the five consecutive market days preceding the date of grant.

Remuneration Band of the Top Eight Key Executives for the Year Ended 30 June 2014

Remuneration Band	No. of Executives
$500,000 and above	8

Remuneration of employees who are immediate family members of a Director or the CEO

No employee of the Company and its subsidiaries was an immediate family member of a Director or the CEO and whose remuneration exceeded $50,000 during the year under review. Immediate family member means the spouse, child, adopted child, step-child, brother, sister and parent.

Employee Share Scheme

The Company has an existing share option plan, the ESOS 2005 which will expire on 3 January 2015.

Details of employee share schemes which include size of grants, methodology of valuing stock options, exercise price of options that were granted as well as outstanding, whether the exercise price was at the market or otherwise on the date of grant and vesting schedule are disclosed in the Directors' Report and the notes to financial statements in this Annual Report.

In view of the impending expiry of the ESOS 2005, the Board, with the concurrence of the HRCC, is recommending the adoption of a new Share Grant Plan by Shareholders at the 2014 Annual General Meeting.

The proposed Share Grant Plan is important to retain employees whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and Executive Directors of the Group who have contributed to the growth of the Group. The proposed Share Grant Plan will give employees an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

a. motivate employees to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;

b. align the interests of employees with the interests of the Shareholders of the Company;

c. retain key employees and executive directors of the Group whose contributions are key to the long-term growth and profitability of the Group;

d. instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and

e. attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company.

Details of the proposed Share Grant Plan are set out in the Letter to Shareholders dated 15 October 2014 accompanying the Notice of AGM.

Accountability and Audit

Principle 11: Risk Management and Internal Controls

Principle 12: Audit Committee

The Board, supported by the ACC and BRC, oversees the Group's system of internal controls and risk management.

Board Risk Committee (BRC)

Robert Michael Tomlin, Chairman
Michael Lim Choo San
Sunny Verghese
Sanjiv Misra

The Board is responsible for the governance of risk. To assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Risk Committee was established in 2005. The BRC met four times during the year under review and it has oversight of the following matters:

a. To review with Management the Group's guidelines, policies and systems to govern the process for assessing and managing risks;

b. To review and recommend risk limits and budgets;

c. To review benchmarks for and major risk exposures from such risks;

d. To request, receive and review reports from Management on risk exposures;

e. To identify and evaluate new risks at an enterprise level and to table a report to the Board;

f. To review the Enterprise Risk Scorecard bi–annually and determine the risks to be escalated to the Board;

g. To review the framework and effectiveness of the Enterprise Risk Scorecard; and

h. To review market compliance updates and issues reported.

Today, the Company is already complying with the recommendations contained in the Risk Governance Guidelines issued by the Corporate Governance Council such as the approach to risk governance for the Group and establishing the right mechanisms and framework to identify risks inherent in the Group's business model and strategy, risks from external factors, etc. monitoring the company's exposure to risk and the key risks that could impact the business, strategy, reputation and long-term viability of the Group. The Board along with the BRC, the Executive Risk team and Management has instilled the right culture throughout the company for effective risk governance.

The BRC has in the course of the year reviewed its' Terms of Reference against the Risk Governance Guidelines and the Code, having consideration of the changing needs of the organisation. The BRC Chair actively engages with the Risk Management team on various risks matters as well as the matters to be discussed at each BRC meeting. A Board Risk Field day was organised during the year under review where the Board was refreshed on areas such as risk governance, risk identification, risk monitoring and control, risk management tools, market compliance, environmental & social risks, health & safety, the Enterprise Risk framework, etc.

The Committee is assisted by the Executive Risk Committee ('ERC'), which approves large exposures, provides support in the escalation process for limit breaches and promotes risk culture & awareness. The ERC comprises the Managing Director – Risk, Market Compliance & Internal Audit as its chair and has the Managing Directors of our cocoa, edible nuts and cotton businesses, along with the President of Internal Audit & Assurance as its members. During the year under review, the BRC carried out a rigorous review of the Enterprise Risk Scorecard and engaged Management actively in ensuring the adequacy, effectiveness and relevance of the Enterprise Risk Scorecard against the business and operations of the Group.

Audit & Compliance Committee (ACC)

Michael Lim Choo San, *Chairman*
Mark Haynes Daniell [1]
Narain Girdhar Chanrai
Robert Michael Tomlin
Wong Heng Tew [1]
Nihal Kaviratne CBE [2]

[1] *Cessation 30th Oct 2014*
[2] *Effective 30th Oct 2014*

All the members of the Audit & Compliance Committee ('ACC') are Non-Executive Directors with a majority of its members including the ACC Chair being independent. Mr. Michael Lim, who is also the Chairman of the Singapore Accountancy Commission and the Accounting Standards Council, along with the members of the ACC have significant and varied experience and background in accounting and financial management related fields.

Besides the formal briefing to the full Board held twice in FY 2014, the external auditors also update the committee at its quarterly meeting on the changes to accounting standards and developments in issues with a direct impact on financial statements.

The ACC met six times during the year under review. The ACC has an established Terms of Reference approved by the Board and has explicit authority to investigate any matter within its terms of reference. The key functions of the ACC are to:

a. Assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational and compliance controls, and business and financial risk management policies and systems, and to ensure that a review of the effectiveness of the same (which may be carried out by the external or internal auditors) is conducted at least annually;
b. Review with the external auditors their audit plan, their evaluation of the system of internal controls, their audit report, their management letter, the Company management's response and allocation of audit resources according to the key business and financial risk areas as well as the optimum coverage and efforts between the external and internal auditors;
c. Review the quarterly and annual financial statements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major operating risk areas and overview of all group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any Singapore Exchange and statutory/ regulatory requirements;
d. Review the proposed scope of the Internal Audit function, the performance of the Internal Audit function, Internal Audit findings and the Internal Audit Plan semi–annually;
e. Review the internal controls and procedures and ensure co-ordination between the external auditors and the Company management, reviewing the assistance given by the management team to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
f. Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has, or is likely to have, a material impact on the Group's operating results or financial position, and the management's response to the same;
g. Consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
h. Review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors annually;

i. Review interested party transactions falling within the scope of Chapter 9 of the SGX Listing Rules for potential conflicts of interest;

j. Undertake such other reviews and projects as may be requested by our Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the ACC; and

k. Undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The ACC has full access to and cooperation of the Management and full discretion to invite any Director or executive officer to attend its meetings. The Executive Director for Finance and Business Development, President and Global Head of Corporate Finance, Managing Director – Risk, Compliance & Internal Audit, President of Internal Audit and the external auditors are invited to attend these meetings.

The Company has an Internal Audit team which together with the external auditors, reports their findings and recommendations independently to the ACC. During the year, the ACC reviewed the unaudited financial statements of the Company before the announcement of the financial results and the audited financial statements prior to despatch to the shareholders. During the year, the ACC along with Management reviewed the adequacy, structure and content of its results announcements to enable easier interpretation and analysis by its stakeholders. The ACC also reviewed the proposed Accounting Policy and Procedures Manual to formalise enterprise-wide practices, policies and procedures drawn up by Management with the assistance of the external auditors.

Internal Audit

The ACC regularly reviews the resource adequacy and the effectiveness of the internal audit function as well as the areas of audit undertaken by the internal audit team. During the year under review, the ACC is satisfied that the team has appropriate standing within the Company. The Committee met with the internal audit team during the year under review, without the presence of management, to discuss with them any issues of concern.

External Auditors

The Committee met with the external auditors during the year under review, without the presence of management, to discuss with them any issues of concern. The ACC also reviewed the nature and extent of all non-audit services performed by the external auditors to establish whether their independence has in any way been compromised as a result. From the review, the ACC has confirmed that the non-audit services performed by the external auditors would not affect their independence. Details of the fees payable to the external auditors in respect of audit and non–audit services are set out in the notes to financial statements of this Annual Report. The Company has complied with Rule 712, and Rule 715 read with Rule 716 of the SGX Listing Manual in relation to its auditing firms.

As a part of good corporate governance practices, the ACC during the year carried out a review of the external audit services provided. Taking all relevant factors into consideration, the ACC made its recommendation to the Board, and the Board accepted the recommendation for the re-appointment of the current auditors.

Whistle–Blowing

On the recommendation of the ACC and the approval of the Board, the Company has formalized a Code of Conduct for the Company with the objective of conducting business in compliance with the letter and spirit of the law and other accepted standards of business conduct and to maximise shareholder value for its continuing shareholders in an ethical and environmentally sustainable manner. It provides the key standards and policies that everyone working in and for the Company should adhere to. This Code also encourages and provides a channel for employees to report possible improprieties, unethical practices, etc. in good faith and confidence without fear of reprisals or concerns. All information and reports are received confidentially to protect the identity and the interest of all whistle-blowers. Different modes of reporting are provided in the Code including an internal compliance hotline and email. To ensure that all incidents that are reported are adequately brought to the notice of the stakeholders concerned as well as to initiate corrective action, a reporting structure is provided in detail in the Code.

Internal Controls

The Company's internal controls structure consists of the policies and procedures established to provide reasonable assurance that the organisation's related objectives would be achieved.

The Standard Operating Procedure ('SOP') and Field Operations Manual ('FOM') policies prescribe the process and documentation requirement for all our procurement, grading, sorting, processing, storage, transits and shipment of our products. Strict adherence to the SOP and FOM is the key to our control over financial and operational risks. To ensure that this is happening, we have periodical internal and external audit reviews.

To round off the process, we link the Internal Audit findings into the manager's performance evaluation system, to ensure the desired influence on behaviour.

The Company's Enterprise Risk Management ('ERM') framework covers Market Risks, Credit & Counter Party Risks, Operational Risks, Information Risks, Sovereign Risks, Health & Safety Risks, Legal & Regulatory Risks and other tail risks. The Market Compliance team puts in place a Market Compliance and Procedures Manual and an annual e-training session to provide guidance to officers and employees of the Group who are involved in the trading of commodity futures contracts and options on commodity futures contracts on the exchanges. The Market Compliance and Procedures Manual is periodically reviewed and updated for changes in exchanges rules and regulations. The Company has a Risk Committee and an independent Risk Control function to measure and monitor Market Risks and Credit & Counter Party Risks. Our risk management system is outlined on pages 54 and 55.

During the year, an assessment was carried out on the Company's risk management framework, systems and policies and processes including financial, operational, compliance and information technology controls.

The Board has received assurance from the CEO/Group Managing Director and the Executive Director for Finance and Business Development that:

a. the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
b. from their review with the risk owners of their assessments of the standard operating procedures framework, escalation reporting, breaches and assurance processes, they are satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the internal and external auditors, the internal controls and risk management systems established and reviewed by Management, as well as the regular reviews undertaken by various Board Committees, the Board, with the concurrence of the ACC, is of the opinion that the internal controls, addressing the financial, operational, information technology and compliance risks of the Company are adequate to meet the needs of the Group in its current business environment.

Whilst the internal audit and the internal controls systems put in place by Management provide reasonable assurance against material financial mis-statements or loss, reliability, relevance and integrity of information (including financial information), completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations, it is opined that such assurance cannot be absolute in view of the inherent limitations of any internal audit and internal controls systems against the occurrence of significant human and system errors, poor judgment in decision-making, losses, fraud or other irregularities.

Principle 13: Internal Audit

The internal audit function is established to support the Governance Process and provide a source of confidence to both Management and the ACC that there is sound managerial control over all aspects of the operations of Olam including statutory compliances, accounting, asset management and control systems.

The Managing Director – Risk, Market Compliance & Internal Audit and President of Internal Audit & Assurance reports directly to the Chairman of the ACC and administratively to the CEO of the Company. The Internal Audit team comprised of members with the relevant qualifications and experience and specialised audits may be outsourced to reputable accounting/auditing firms. Internal Audit is carried out according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Audit team has full, free and unrestricted access at all times to all books, personnel, documents, accounts, property, vouchers, records, correspondence and other data of the Company. The Internal Auditors also have the right, to enter any premises of the Group and to request any officer to furnish all information and such explanations deemed necessary for them to form an opinion on the probity of action, adequacy of systems and/or of controls.

The scope of the Internal Audit carried out by the Internal Audit Team is comprehensive to enable the effective and regular review of all operational, financial and related activities. The Internal Audit coverage extends to all areas of the Company and its controlled entities and includes financial, accounting, administrative, computing and other operational activities. An internal compliance monitoring system was developed as a self–assessment tool for monitoring the performance of the business units on key control aspects and processes.

The ACC reviews the proposed scope of the Internal Audit function, the performance of the Internal Audit function, internal audit findings and management response and the Internal Audit Plan semi-annually. It ensures that no limitation on audit has been interposed. The Internal Audit's summary of findings, recommendations and actions taken are reviewed and discussed at the ACC meetings.

The ACC is assisted in the discharge of this function by the Executive Audit Committee ('EAC'). The EAC has the Managing Director – Risk, Market Compliance & Internal Audit as its chair and the Managing Director – Africa & Middle East, the President of Internal Audit & Assurance and the President of Finance & Accounts as its members.

Capital & Investment Committee (CIC)

Sanjiv Misra, *Chairman*
R. Jayachandran
Kwa Chong Seng (1)
Narain Girdhar Chanrai
Jean-Paul Pinard
Sunny Verghese
Shekhar Anantharaman
Robert Michael Tomlin (2)

(1) *Effective 30th Oct 2014*
(2) *Cessation 30th Oct 2014*

The CIC met every quarter and as and when required either by way of physical meetings or via telephone conference. The CIC is governed by an established Terms of Reference and has oversight of the following matters:

a. To review and recommend financial strategies, policies, gearing and financial risks, new business risks, and capital structure of the Company;

b. To review and recommend equity capital raising plans;

c. To review and recommend debt capital raising plans and significant banking arrangements;

d. To review investment policy guidelines and capital expenditure plans;

e. To review and assess the adequacy of foreign currency management;

f. To review and recommend on mergers, acquisitions and divestments;

g. To evaluate periodically the performance of the businesses in relation to the capital allocated; and

h. To review and recommend the Annual Budget.

The committee has access to any member of the Management team in their review of investments and divestments, and actively engages the Management team and consultants when deliberating any investment and divestment proposal.

During the year, the CIC reviewed its Terms of Reference and the existing policy governing authority limit of the committee and CEO.

Corporate Responsibility & Sustainability Committee (CRSC)

Jean-Paul Pinard, *Chairman*
Robert Michael Tomlin
Shekhar Anantharaman
Narain Girdhar Chanrai (1)
Nihal Kaviratne CBE (2)
Mark Haynes Daniell (2)

(1) *Effective 30th Oct 2014*
(2) *Cessation 30th Oct 2014*

At Olam, we believe that profitable growth needs to be combined with a way of doing business. At its heart, it involves creating value in an ethical, socially responsible and environmentally sustainable basis – we have called this 'Growing Responsibly'.

The CRSC met three times during the year. The Terms of Reference of this committee includes:

a. To review and recommend to the Board the CR&S vision and strategy for the Group;
b. To oversee the integration of CR&S perspectives into the Company's strategy and businesses;
c. To review global CR&S issues and trends and assess their potential impact on the Group;
d. To monitor implementation, through the Executive CR&S committee, the strategy as well as the policies and investments in the CR&S area;
e. To review the progress made on various initiatives;
f. To support Management's response to crisis, where required;
g. To review the Company's annual Corporate Responsibility & Sustainability Report and its Livelihood Charter; and
h. To review the adequacy of the CR&S function.

The CRSC engages the Executive CR&S committee comprising of Gerry Manley, Managing Director for Cocoa, Sugar & Natural Sweeteners and Chris Brett, Senior Vice President and Head of Corporate Responsibility & Sustainability, in the formulation and implementation of various sustainability policies and projects.

The committee actively monitors corporate responsibility and sustainability issues and the report by Management on such issues in the Company's pursuit of various investments. As part of the CRSC vigorous engagement in corporate responsibility and sustainability matters concerning the Group's business and operations, the Chairman of the CRSC visited some of the Company's global operations during the year along with members of the Management team, to gain deeper insights into the CR&S activities on the ground.

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

Enhancing investor communication: A key priority

At Olam, we believe it is important for us to communicate our business, strategic developments, financial and non–financial information to shareholders, investors, analysts (collectively referred to as the investing community) and key intermediaries (including financial media, brokers and independent research organisations) who provide research and information on the Company. Concurrently, we aim to understand their perspectives and requirements for decision-making and improve the two-way process.

In the Strategic Plan for FY2014–2016, one of the four key priorities is to promote a better understanding of Olam's business by enhancing stakeholder communication. To achieve this, we will:

1. Supplement our existing company disclosure with details on investment performance;
2. Set up a calendar of investor days and field visits to Olam's operational sites globally; and
3. Improve the structure and content of our results announcements to facilitate better understanding and analysis.

The Investor Relations department has lead responsibility in achieving these outcomes with the active involvement of the CEO and Executive Director, Finance and Business Development and in consultation with the Corporate Affairs department on financial reporting and the Corporate Responsibility and Sustainability department on Environmental, Social and Governance issues.

Delivering quality and timely information in a transparent manner

With the above objectives in mind, from FY2014 onwards we introduced a quarterly Management Discussion and Analysis (MD&A) statement, which includes a business commentary, key operational and financial highlights as well as a detailed review of the financial performance. In order to track and measure progress against our targets as stated in the Strategic Plan, we also introduced new key financial metrics.

Besides enhancing the quality of our financial information, we aim to deliver such information to the investing community and key intermediaries in a timely manner. We hold media and analysts conferences quarterly to announce our financial and operating results. These quarterly results briefings are webcast live to cater to global audiences. (The full financial statements, press releases, MD&A and presentation materials provided at the conferences are disseminated through the SGXNET onto the SGX–ST website outside trading hours. The same are also uploaded onto the Company's website and disseminated by email to subscribers of our news alerts.)

In addition to these quarterly events, we hold media and analysts conferences and teleconference calls to communicate important corporate developments. Such media and analysts conferences are also webcast live.

Engaging the investing community

Apart from these forums, we hold frequent dialogues through meetings, telephone and video conference calls with the investing community and organise investor days to facilitate their understanding of the Company's business model and growth strategies.

We aim to reach out to a broad spectrum of investors across the globe as part of our efforts to achieve a geographically diversified shareholder base. As part of this aim, we actively engage analysts with the objective of extending research coverage and thereby our reach to investors. As of end FY2014, 16 research institutions cover Olam. We actively and continuously engage other leading international, local and independent research firms to initiate coverage on our stock.

Investment roadshows are held regularly on an ongoing basis to meet the investing community. We believe these roadshows enhance the visibility of Olam among diverse groups of investors and provide the investing community with access to the Management team, thereby addressing their concerns and helping them to better understand our business environment, business model and growth potential.

In Singapore, we hold investment roadshows and attend investment conferences on a selective basis. Investment roadshows or conferences in other major, targeted investing countries, such as Hong Kong, Malaysia, UK, Continental Europe and the USA, are also scheduled along with these activities to reach out to shareholders and prospective investors in these locations.

Where necessary, the frequency of conducting such roadshows and attending investment conferences may increase to meet the Company's requirements to communicate important key messages and address market concerns.

The calendar of investor relations activities for FY2014 is given below.

Apart from these scheduled programmes, the Investor Relations department periodically receives investor/analyst requests for meetings or conference calls to discuss the Company. Generally, we accede to all requests for meetings/calls where our schedule permits, provided these meetings/calls do not fall within the closed periods prior to the announcement of financial results.

While Olam actively pursues an outreach programme to institutional investors who account for the largest percentage of the Company's public shareholder base, it does not neglect its relations with the smaller employee and retail shareholders. We keep our employee shareholders informed of our Company's performance and investor relations activities via our employee intranet and employee communications programmes. Interaction with retail investors are facilitated by the shareholder communication services of the Securities Investors' Association ('SIAS') of Singapore.

Date	Event
2 July 2013	DBS The Pulse of Asia Conference, Singapore
12–13 September 2013	Goldman Sachs Global Commodities Conference, Singapore
24 September 2013	CLSA Investors' Forum, Hong Kong
30 September 2013	Investor Day – Grains and Packaged Foods, Singapore
14–18 October 2013	Analysts' Field Visit to Nigeria and Gabon
26–27 January 2014	Nomura ASEAN All Access Conference, Singapore
12 June 2014	Citi ASEAN Investor Conference, Singapore
25 June 2014	Debt Non-deal Roadshow, Hong Kong
26 June 2014	OSK DMG ASEAN Corporate Day, Singapore

Tracking changes in the shareholder base and interaction with the investing community

We track and monitor changes in our shareholder base monthly so that we may approach and engage shareholders who have come up on the register, as well as sellers of the stock to understand their reasons for the exit.

We maintain an active electronic database of the investing community, which allows us to target investors and track every investor meeting so that we can measure the frequency and quality of each interaction. This system also enables us to deliver our Company results and announcements to the investing community electronically at the same time as these are disseminated through the SGXNET so that investors have access to our information on a timely basis.

As the internet, social media and other electronic means of communication have become more accessible, we continue to leverage such means to achieve a greater and faster reach to the investing community and facilitate their research by providing online easy-to-access financial and non-financial information, resources and tools.

Obtaining and acting on feedback from the investing community

We conduct investor perception surveys to seek the investing community's feedback on the Company. The study we initiated in FY2013 to support our 2013 Strategy Review continued through FY2014 to track the past and current sentiments of the investing community.

Encouraging greater shareholder participation at Annual General Meetings (AGM)

We regard the AGM as an opportunity to communicate directly with shareholders. We are committed to efforts to establish more effective ways of communicating with our shareholders around the AGM. Shareholders are informed of these meetings through notices published in the newspapers or through circulars. To encourage more shareholder participation, our AGMs are held in Singapore's city centre that is easily accessible by most shareholders.

Board members including the Chairman of the Audit & Compliance Committee, the Human Resource & Compensation Committee and the Governance & Nomination Committee and key executives of the Senior Management team attend the AGM. Our external auditors are also present at the AGM to assist the Directors in addressing shareholders' queries.

We treat shareholder issues, particularly those that require shareholders' approval, such as the re-election of Directors and approval of Directors' fees, as distinct subjects and submit them to the AGM as separate resolutions.

In support of greater transparency and toward an efficient voting system, the Company has been conducting electronic poll voting since 2011. Shareholders who are present in person or represented at the meeting will be entitled to vote on a one-share, one-vote basis on each of the resolutions by poll, using an electronic voting system. The results of all votes cast for and against in respect of each resolution are instantaneously displayed at the meeting and announced to the SGX–ST immediately following the AGM. Voting in absentia by mail or electronic means requires careful study and is only feasible if there is no compromise to either the integrity of the information and/or the true identity of the shareholder.

Detailed minutes of the AGM are prepared and are available to shareholders upon their request.

Accolades

Most transparent company

Olam was named the runner–up of the 14th SIAS Investors' Choice Award – Most Transparent Company Award 2013 – in the Food & Beverages category for its outstanding efforts in improving transparency standards. SIAS had appointed Singapore Management University, Sim Kee Boon Institute to conduct a research using the Singapore Corporate Governance Index (SCGI), a balanced weighted index which covers five aspects in accordance with OECD principles as stage 1 selection process. Companies were then short-listed in their respective industry classification benchmark sub-sector, followed by a stage 2 nomination from financial journalists, analysts, fund managers and retail investors represented by SIAS. The selection committee comprised of senior financial journalists, brokers, fund managers and SIAS.

Securities Transactions

The Company is committed to transparency, fairness and equity in dealing with all shareholders and in ensuring adherence to all laws and regulations that govern a company listed and trading on the Singapore Exchange Securities Trading Limited ('SGX–ST'). The Employee Share Dealing Committee ('ESDC') was set up to formulate and review the best practices in the dealing of securities by directors, executives and employees. The ESDC is chaired by Ranveer Singh Chauhan with V. Srivathsan as the co-chair and Joydeep Bose, N. Muthukumar and Sriram Subramanian as its members. The ESDC reports to the CEO.

Through the ESDC, the Company has issued a policy on dealings in securities of the Company in line with the SGX Listing Rules to its Directors and employees setting out the implications of insider trading and guidance on such dealings. The policy provides that the Company, its Directors and employees undertake not to deal in the Company's securities at any time after a price sensitive development has occurred, or has been the subject of a decision, until the price sensitive decision has been publicly announced. Directors and employees are discouraged from short-term speculative trading in the Company's securities; personal investment decisions should be geared towards long-term investment. In particular the Company, its Directors and executives will not deal in the Company's securities during the following period:

a. commencing two weeks prior to making public of the quarterly financial results and ending at the close of trading on the date of the announcement of the relevant results; and

b. commencing one month prior to making public the annual financial results and ending at the close of trading on the date of the announcement of the relevant results.

In keeping with the policy, Directors, executives and employees of the Company are notified of close periods for dealing in the Company's securities.

Voluntary General Offer

On 14 March 2014, Credit Suisse (Singapore) Limited, DBS Bank Ltd. and United Overseas Bank Limited announced for and on behalf of Breedens Investments Pte. Ltd., the proposed voluntary conditional cash offer (the 'Offer') for (i) all the ordinary shares in issue in the capital of the Company, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of the Convertible Bonds (as defined herein), and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the options granted under the Olam Employee Share Option Scheme.

So as not to prejudice the Directors and employees of the Company and to enable them to participate in the Offer, the closed dealing period in connection with its third quarter ended 31 March 2014 unaudited financial results issued on 15 May 2014 was waived under the policy on dealings in securities. Directors and employees were permitted to tender their shares, convertible bonds and warrants in acceptance of the Offer; and share option holders were permitted to exercise their options in acceptance of the Offer but excluding any exercise of options which will result in the immediate sale of the resultant shares.

Material Contracts

There was no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the ACC and that the transactions are carried out on a normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company's disclosure in respect of interested person transactions for the financial year ended 30 June 2014 are as follows:

Name of interested person	Aggregate value of all interested person transactions (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920)
Chanrai Nigeria Limited	$1,248,193.00	Not applicable – the Company does not have a shareholders' mandate under Rule 920
Singapore Telecommunications Limited	$1,088,772.81	
Neptune Orient Line Limited: • APL Co. Pte.Ltd • APL (India) Private Limited • APL-NOL (Vietnam) Ltd	$779,819.37	
Total	**$3,116,785.18**	

Key Information Regarding Directors

Rangareddy Jayachandran

Non-Executive Chairman

Date of first appointment as a Director: 4 July 1995
Date of appointment as Chairman: 11 February 2006
Date of last re-election as a Director: 30 October 2013
Date of next re-appointment as a Director: 30 October 2014
Age as at 30 June 2014: 70
Length of service as a Director: 19 years (as at 30 June 2014)

Board committee(s) served on:
Capital & Investment Committee (Member)
Governance & Nomination Committee (Member)
Human Resource & Compensation Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Commerce, University of Madras
Institute of Chartered Accountants of India
Advanced Management Program, Harvard University

Directorship in Other Listed Company:
Redington India Ltd (Non-Executive Director)

Other Principal Commitments:
Aquarius Investment Advisors Pte Ltd (Executive Chairman)
Kewalram Singapore Limited (Non-Executive Director)
Napier Healthcare Solutions Pte Ltd (Executive Chairman)
Napier Healthcare Solutions (India) Ltd (Non-Executive Chairman)
Kewalram Chanrai Holdings Limited (Non-Executive Director)

Major Appointments (other than Directorships):
Hindu Endowments Board (Chairman)
Singapore High Commissioner to Mauritius (Non Resident)
ASPIRE Steering Committee, Ministry of Education
– Applied Study in the Polytechnics and ITE Review

Directorship in other listed company held over the preceding three years:
Nil

Past Key Appointment:
National Heritage Board (Member)

Narain Girdhar Chanrai

Non-Executive Director

Date of first appointment as a Director: 4 July 1995
Date of last re-election as a Director: 28 October 2011
Date of next re-election as a Director: 30 October 2014
Age as at 30 June 2014: 66
Length of service as a Director: 19 years (as at 30 June 2014)

Board committee(s) served on:
Audit & Compliance Committee (Member)
Capital & Investment Committee (Member)
Governance & Nomination Committee (Member)
Governance & Nomination Committee (Member)
(Stepping down on 30 Oct 2014)
Corporate Responsibility & Sustainability Committee
(Appointed with effect from 30 Oct 2014)

Academic & Professional Qualification(s):
Bachelor of Economics, University of London

Directorship in Other Listed Company:
Nil

Other Principal Commitments:
Kewalram Singapore Limited (Managing Director)
Afri Ventures Ltd (Non-executive Director)
Eco Oils Ltd (Non-executive Director)

Major Appointments (other than Directorships):
Kewalram Chanrai Foundation (Trustee)
Jaslok Hospital & Research Centre (Trustee)

Directorship in other listed company held over the preceding three years:
Nil

Michael Lim Choo San

Non-Executive and Lead Independent Director

Date of first appointment as a Director: 24 September 2004
Date of last re-election as a Director: 28 October 2011
Date of first appointment as lead independent Director: May 2010
Date of next re-election as a Director: 30 October 2014
Age as at 30 June 2014: 67
Length of service as a Director: 9 years and 9 months (as at 30 June 2014)

Board committee(s) served on:
Audit & Compliance Committee (Chairman)
Governance & Nomination Committee (Chairman)
Risk Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Commerce & Administration, Victoria University of Wellington, New Zealand
Chartered Accountant, New Zealand
Fellow, Institute of Certified Public Accountants of Singapore

Directorship in other Listed Company:
Nomura Holdings Inc, Japan (Non-Executive Director)

Other Principal Commitments:
Land Transport Authority (Chairman)
Nomura Singapore Limited (Chairman)

Major Appointments (other than Directorships):
Accounting Standards Council (Chairman)
Singapore Accountancy Commission (Chairman)
Public Service Commission (Member)

Directorship in other listed company held over the preceding three years:
Chemoil Energy Limited

Past Key Appointments:
PricewaterhouseCoopers, Singapore (Executive Chairman)
National Healthcare Group Pte Ltd (Chairman)
Legal Service Commission (Member)
PSA International Pte Ltd (Director)
Nanyang Technological University (Trustee)

Robert Michael Tomlin

Non-Executive and Independent Director

Date of first appointment as a Director: 24 September 2004
Date of last re-election as a Director: 30 October 2013
Age as at 30 June 2014: 69
Length of service as a Director: 9 years and 9 months (as at 30 June 2014)

Board committee(s) served on:
Risk Committee (Chairman)
Audit & Compliance Committee (Member)
Capital & Investment Committee (Member)
(stepping down on 30 Oct 2014)
Corporate Responsibility & Sustainability Committee (Member)

Academic & Professional Qualification(s):
Bachelor in Modern Language, Downing College Cambridge
Business Management Graduate, Harvard Business School

Directorship in Other Listed Company:
Nil

Other Principal Commitments:
Lepercq de Neuflize Asia Pte Ltd (Vice Chairman)
Dane Court Pte Ltd (Executive Director)
Lasalle College for the Arts Limited (Non-Executive Director)

Major Appointments (other than Directorships):
DesignSingapore Council (Chairman)
Singapore Management University (Trustee)
Singapore Repertory Theatre (Chairman)
Yong Siew Toh Conservatory (Governor)

Directorship in other listed company held over the preceding three years:
Nil

Past Key Appointments:
Mediacorp Pte Ltd (Director)
Aviva Ltd (Director)
Aviva Life Insurance Co. Ltd (Director)

Mark Haynes Daniell

Non-Executive and Independent Director

Date of first appointment as a Director: 31 October 2002
Date of last re-election as a Director: 31 October 2012
Date of next re-election as a Director: Stepping down as Director on 30 October 2014
Age as at 30 June 2014: 59
Length of service as a Director: 11 years and 8 months (as at 30 June 2014)

Board committee(s) served on:
Human Resource & Compensation Committee (Chairman)
Audit & Compliance Committee (Member)
Governance & Nomination Committee (Member)
Corporate Responsibility & Sustainability Committee (Member)

Academic & Professional Qualification(s):
Bachelor's Degree, Amherst College
Bachelor's and Masters Degrees in Jurisprudence, University College, Oxford University
Juris Doctor Degree, Harvard Law School
Qualified Attorney in the Commonwealth of Massachusetts

Directorship in Other Listed Company:
Sacoven PLC (Chairman)

Other Principal Commitments:
The Cuscaden Group Pte Ltd (Chairman)
Aquarius Investment Advisors Pte Ltd (Vice Chairman)
Raffles Family Wealth Trust Pte Ltd (Executive Chairman)
Tiryaki Agro Gida San. Ve Tic.A.S. (Non-Executive Director)

Major Appointments:
Landon Corporativo (Advisory Board)
Diagenics SE (Business Advisory Board)

Directorship in other listed company held over the preceding three years:
Nil

Wong Heng Tew

Non-Executive and Independent Director

Date of first appointment as a Director: 10 October 2003
Date of last re-election as a Director: 31 October 2012
Date of next re-election as a Director: Stepping down as Director on 30 October 2014
Age as at 30 June 2014: 62
Length of service as a Director: 10 years and 8 months (as at 30 June 2014)

Board committee(s) served on:
Audit & Compliance Committee (Member)
Governance & Nomination Committee (Member)
Human Resource & Compensation Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Engineering, University of Singapore
Program for Management Development, Harvard Business School

Directorship in Other Listed Company:
Vietnam Growth Fund Limited (Non-Executive Director)

Other Principal Commitments:
Mercatus Co-operative Limited (Non-Executive Director)
Heliconia Capital Management Pte Ltd (Non-Executive Director)
NTUC Fairprice Co-operative Limited (Non-Executive Director)
Industrial & Services Co-Operative Society Ltd (Non-Executive Director)
ASEAN Potash Mining Public Company Limited (Non-Executive Director)
Asean Bintulu Fertilizer Sdn Bhd (Non-Executive Director)

Major Appointments (other than Directorships):
Nil

Directorship in other listed company held over the preceding three years:
Nil

Past Key Appointments:
Certis Cisco Security Pte Ltd (Director)
Surbana Fund Management Pte Ltd (Director)
Surbana Township Development Fund Pte Ltd (Director)
Surbana Corporation Pte Ltd (Director)

Jean-Paul Pinard
Non-Executive and Independent Director

Date of first appointment as a Director: 29 October 2008
Date of last re-election as a Director: 30 October 2013
Age as at 30 June 2014: 64
Length of service as a Director: 5 years and 8 months (as at 30 June 2014)

Board committee(s) served on:
Corporate Responsibility & Sustainability Committee (Chairman)
Capital & Investment Committee (Member)
Human Resource & Compensation Committee (Member)

Academic & Professional Qualification(s):
PhD in Economics, University of California
Diplome d'Ingenieur, Ecole Polytechnique Paris

Directorship in Other Listed Company:
Nil

Other Principal Commitments:
Nil

Major Appointments (other than Directorships):
Nil

Directorship in other listed company held over the preceding three years:
Yantai Changyu Pioneer Wine Company Limited (Director)

Sanjiv Misra
Non-Executive and Independent Director

Date of first appointment as a Director: 1 November 2013
Date of last re-election as a Director: Not Applicable
Date of next re-election as a Director: 30 October 2014
Age as at 30 June 2014: 54
Length of service as a Director: 7 months (as at 30 June 2014)

Board committee(s) served on:
Capital & Investment Committee (Chairman)
Human Resource & Compensation Committee (Member)
Risk Committee (Member)

Academic & Professional Qualification(s):
Bachelor's Degree in Economics, St Stephen's College, University of Delhi, India
Postgraduate Degree in Management, University of Delhi, Indian Institute of Management, Ahmedabad
Master in Management, JL Kellogg Graduate School of Management, Northwestern University

Directorship in Other Listed Company:
Edelweiss Financial Services Ltd (Independent Director)
OUE Hospitality Trust Management Pte. Ltd. (Independent Director)
OUE Hospitality REIT Management Pte. Ltd. (Independent Director)

Other Principal Commitments:
Phoenix Advisers Pte. Ltd. (President and Director)
Edelweiss Capital (Singapore) Pte Ltd (Independent Director)

Major Appointments (other than Directorships):
Singapore Management University (Trustee)
National University Health System (Board Member)

Directorship in other listed company held over the preceding three years:
Dart Energy Ltd (ASX listed)

Sunny George Verghese
Executive Director
Group Managing Director and Chief Executive Officer

Date of first appointment as a Director: 11 July 1996
Date of last re-election as a Director: 30 October 2013
Age as at 30 June 2014: 54
Length of service as a Director: 18 years (as at 30 June 2014)

Board committee(s) served on:
Capital & Investment Committee (Member)
Risk Committee (Member)

Academic & Professional Qualification(s):
Postgraduate Degree in Business Management, Indian Institute of Management, Ahmedabad
Advanced Management Program, Harvard Business School

Directorship in Other Listed Company:
Société SIFCA (Non-Executive Director)

Other Principal Commitments:
Nil

Major Appointments (other than Directorships):
Human Capital Leadership Institute (Chairman)

Directorship in other listed company held over the preceding three years:
PureCircle Limited (Non-Executive Director)

Past Key Appointments:
Cityspring Infrastructure Management Pte Ltd (Chairman)
International Enterprise Singapore (Chairman)
National University of Singapore (Trustee)

Shekhar Anantharaman
Executive Director

Date of first appointment as a Director: 1 April 1998
Date of last re-election as a Director: 28 October 2011
Date of next re-election as a Director: 30 October 2014
Age as at 30 June 2014: 51
Length of service as a Director: 16 years (as at 30 June 2014)

Board committee(s) served on:
Capital & Investment Committee (Member)
Corporate Responsibility & Sustainability Committee (Member)

Academic & Professional Qualification(s):
Bachelor Degree in Aeronautical Engineering, Panjab University, India
Postgraduate Degree in Business Management, Panjab University, India
Advanced Management Program, Harvard Business School

Directorship in Other Listed Company:
Nil

Other Principal Commitments:
Nil

Major Appointments (other than Directorships):
Nil

Directorship in other listed company held over the preceding three years:
Nil

Kwa Chong Seng

Deputy Chairman
Non-Executive and Independent Director

Date of first appointment as a Director: 1 October 2014
Date of appointment as Deputy Chairman: 1 October 2014
Date of last re-election as a Director: Not Applicable
Date of next re-election as a Director: 30 October 2014
Age as at 30 June 2014: 67

Board Committee(s) served on with effect from 30th Oct 2014:
Human Resource & Compensation Committee (Chairman)
Capital & Investment Committee (Member)
Governance & Nomination Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Engineering (Mechanical), University of Singapore
Fellow of the Academy of Engineering Singapore

Directorship in Other Listed Company:
Neptune Orient Lines Limited (Chairman)
Singapore Technologies Engineering Ltd (Chairman)
Singapore Exchange Ltd (Lead Independent Director)

Other Principal Commitments:
APL Co. Pte Ltd (Chairman)
APL Logistics Ltd (Chairman)
APL (Bermuda) Ltd. (Chairman)
Automar (Bermuda) Ltd. (Chairman)
APL Limited (Chairman)
NOL Liner (Pte.) Ltd. (Chairman)
Seatown Holdings Pte Ltd (Director)
Delta Topco Limited (Director)
Fullerton Fund Management Company Ltd (Chairman)
Singapore Technologies Holdings Pte Ltd (Director)

Major Appointments (other than Directorships):
Public Service Commision, Singapore (Deputy Chairman)
Defence Science and Technology Agency (Board Member)

Directorship in other listed company held over the preceding three years:
DBS Bank (Hong Kong) Ltd (Chairman)
DBS Bank Ltd
DBS Group Holdings Ltd
Esso China Inc. (Chairman and President)
ExxonMobil Asia Pacific Pte Ltd (Chairman and Managing Director)
ExxonMobil Oil Singapore Pte Ltd
Sinopec SenMei (Fujian) Petroleum Co. Ltd
Temasek Holdings Pte Ltd (Deputy Chairman)

Nihal Vijaya Devadas Kaviratne CBE

Non-Executive and Independent Director

Date of first appointment as a Director: 1 October 2014
Date of last re-election as a Director: Not Applicable
Date of next re-appointment as a Director: 30 October 2014
Age as at 30 June 2014: 70

Board Committee(s) served on with effect from 30th Oct 2014:
Audit & Compliance Committee (Member)
Corporate Responsibility & Sustainability Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Arts, Economics (Honours), Bombay University, India

Directorship in Other Listed Company:
Akzo Nobel India Limited (Chairman)
DBS Group Holdings Ltd (Director)
GlaxoSmithKline Pharmaceuticals Ltd (Director)
SATS Ltd (Director)
StarHub Ltd (Director)

Other Principal Commitments:
DBS Bank Ltd (Director)
DBS Foundation Ltd (Director)
TVS Motor (Singapore) Pte. Limited (Director)
Wildlife Reserves Singapore Pte Ltd (Director)
PT TVS Motor Company (President Commissioner)
Bain & Company SE Asia, Inc (Member, Advisory Board for South East Asia/Indonesia)

Major Appointments (other than Directorships):
Private Sector Portfolio Advisory Committee in India of the UK Government's Department for International Development (Member)

Directorship in other listed company held over the preceding three years:
Titan Company Limited (Director)

Corporate Information

Board of Directors

Non-Executive Chairman
Rangareddy Jayachandran

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

Lead Independent Director
Michael Lim Choo San

Non-Executive and Independent Directors
Robert Michael Tomlin
Mark Haynes Daniell
Wong Heng Tew
Jean-Paul Pinard
Sanjiv Misra
Nihal Vijaya Devadas Kaviratne CBE

Non-Executive Director
Narain Girdhar Chanrai

Executive Directors
Sunny George Verghese (Group MD & CEO)
Shekhar Anantharaman

Audit & Compliance Committee

Michael Lim Choo San (Chairman)
Robert Michael Tomlin
Mark Haynes Daniell*
Wong Heng Tew*
Narain Girdhar Chanrai
Nihal Vijaya Devadas Kaviratne CBE

Governance & Nomination Committee

Michael Lim Choo San (Chairman)
Rangareddy Jayachandran
Kwa Chong Seng
Narain Girdhar Chanrai*
Mark Haynes Daniell*
Wong Heng Tew*

Human Resource & Compensation Committee

Mark Haynes Daniell (Chairman)*
Kwa Chong Seng (Chairman)
Rangareddy Jayachandran
Jean-Paul Pinard
Wong Heng Tew*
Sanjiv Misra

Capital & Investment Committee

Sanjiv Misra (Chairman)
Rangareddy Jayachandran
Kwa Chong Seng
Narain Girdhar Chanrai
Robert Michael Tomlin*
Jean-Paul Pinard
Sunny George Verghese
Shekhar Anantharaman

Risk Committee

Robert Michael Tomlin (Chairman)
Michael Lim Choo San
Sanjiv Misra
Sunny George Verghese

Corporate Responsibility & Sustainability Committee

Jean-Paul Pinard (Chairman)
Mark Haynes Daniell*
Robert Michael Tomlin
Shekhar Anantharaman
Nihal Vijaya Devadas Kaviratne CBE
Narain Girdhar Chanrai

Company Secretary

Yoo Loo Ping

Auditors

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge (since FY2013):
Vincent Toong

*Stepping down on 30 October 2014

Executive Committee

Sunny George Verghese
Sridhar Krishnan
Shekhar Anantharaman
Jagdish Achleshwar Prasad Parihar
Gerard Anthony Manley
Vivek Verma
Ashok Krishen
Ashok Hegde
Venkataramani Srivathsan
Ranveer Singh Chauhan

Management Committee

Sunny George Verghese
Sridhar Krishnan
Shekhar Anantharaman
Jagdish Parihar
Gerard Manley
Vivek Verma
Ashok Krishen
Ashok Hegde
Venkataramani Srivathsan
Ranveer Singh Chauhan
Abhishek Sahai
Alain Edmond Fredericq
Amit Khirbat
Amit Manikchand Agrawal
Amit Suri
Anupam Gupta
Anupam Jindel
Aravind VR
Arouna Coulibaly
Arun Sharma
Ashish Govil
Azeez Abdul Syed
Bob Dall'Alba
Brijesh Krishnaswamy
Charles Davis
Chris Brett
Chris Thompson
Damien Houlahan
Dave de Frank
Darshan Banubhai Raiyani
David Watkins
Deepak Kaul
Devashish Chaubey
Gagan Gupta
Girish Nair
Greg Estep
Hank Gray
Jagdish Parihar
Jayant Parande
Joe Kenny
Joydeep Bose
Juan Antonio Rivas
Kaushal Khanna
Keshav Chandra Suresh
Mahesh Menon
Manish Dhawan
Manvinder Singh
Michael Symth
Moochikal Ramesh
Mukul Mathur
Munish Minocha
Neelamani Muthukumar
Partheeban Theodore
Prakash Jhanwer
Prakash Kanth
Premender Sethi
Raj Kanwar Singh
Raj Vardhan
Raja Saoud
Rajeev Kadam
Rajeev Raina
Ramanarayanan Mahadevan
Ramesh Sundaresan
Ranjan Naik
Ravi Pokhriyal
Ray Steitz
Rishi Kalra
Sachin Sachdev
Sameer Patil
Sandeep Daga
Sandeep Hota
Sandeep Kumar Jain
Saurabh Mehra
Sathyamurthy Mayilswamy
Sanjay Sacheti
Shankar Rao
Shankar Athreya
Sivaswami Pattamadai
Raghavan
Sridhar Krishnan
Srinivasan Venkita
Padmanabhan
Sriram Subramanian
Stephen Driver
Supramaniam Ramasamy
Suresh Ramamurthy
Suresh Sundararajan
Tejinder Saraon
Thiagaraja Manikandan S
Thomas Gregersen
Vasanth Subramanian
Vibhu Nath
Vinayak Narain
Vipan Kumar

Head Office

Olam International Limited
9 Temasek Boulevard
#11-02 Suntec Tower Two,
Singapore 038989
Tel: (65) 6339 4100 Fax: (65) 6339 9755

Registered Office/Share Registrar

50 Raffles Place,
#32-01 Singapore Land Tower,
Singapore 048623
Tel: (65) 6536 5355 Fax: (65) 6536 1360

Principal Bankers

Australia and New Zealand Banking Group Limited
Banco Bilbao Vizcaya Argentaria S.A
Barclays Bank PLC
BNP Paribas
Commerzbank AG
Credit Suisse AG
DBS Bank Ltd
ING Bank N.V.
JPMorgan Chase Bank, N.A.
National Australia Bank
Natixis
Oversea-Chinese Banking Corporation Limited
Rabobank International
Standard Chartered Bank
The Bank of Tokyo-Mitsubishi-UFJ, Ltd
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland Plc
United Overseas Bank

General Information

Our Annual Report 2014 presents an overview of the Company (Olam International Limited) and the Group's (Olam International Limited and its subsidiaries) financial performance in FY2014, compared to prior years. It includes a management discussion and analysis of our financial performance as well as our plans and strategies for the future. This General Information is intended to help readers understand the bases of our financial reporting and analysis.

Business Segmentation and Reporting

For financial reporting purposes, we organise our 16 business platforms into five segments – Edible Nuts, Spices & Vegetable Ingredients (formerly known as Edible Nuts, Spices & Beans); Confectionery & Beverage Ingredients; Food Staples & Packaged Foods; Industrial Raw Materials and Commodity Financial Services. The table below shows the distribution of platforms across these five segments.

5 Business Segments	16 Platforms
Edible Nuts, Spices & Vegetable Ingredients	1 Edible Nuts (cashew, peanuts, almonds, hazelnuts and sesame) 2 Spices & Vegetable Ingredients (including pepper, 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	11 Natural Fibres (cotton and wool) 12 Wood Products 13 Rubber 14 Fertiliser 15 Special Economic Zone (SEZ)
Commodity Financial Services (CFS)	16 Commodity Financial Services (Market-making/volatility trading & risk management solutions and fund management)

In addition, we report our financial performance on the various value chain initiatives across three value chain segments as follows:

3 Value Chain Segments	Value Chain Activity
Supply Chain	Includes all activities connected with origination, sourcing, primary processing, logistics, trading, marketing (including value-added services) 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

Changes to Reporting Format

One of the strategic priorities identified in the Strategic Plan is to promote a better understanding of Olam's business by enhancing stakeholder communication. Up until FY2013, we had measured and tracked our profitability in terms of Gross Contribution (GC) and Net Contribution (NC) per tonne of product supplied. However, NC and NC per tonne could not adequately capture or communicate the underlying financial performance as the fixed asset intensity of the business increased, particularly as we expanded into the upstream and midstream segments. Accordingly, from FY2014 we discontinued the reporting of GC and NC metrics.

In order to track and measure progress against our targets as stated in the Strategic Plan, we had introduced two key financial metrics since FY2013 – Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and EBITDA on average Invested Capital (EBITDA/IC), presented for the Group as well as across business segments and value chain segments.

Absolute EBITDA as a metric is a good indicator to track our progress towards our goal of generating free cash flows on a sustainable basis. EBITDA/IC provides a better visibility and link between the growth in earnings (as reflected by the growth in EBITDA) and the capital invested in each business segment and value chain segment. As the Invested Capital captures both the fixed and working capital directly attributed to the business segments and value chain segments, EBITDA/IC is a close proxy for Return on Invested Capital (ROIC).

To facilitate the comparison of financial performance against prior years, EBITDA and EBITDA/IC are presented for the period from FY2010 to FY2014.

Definitions for Key Financial Metrics

The definitions for the key financial metrics used in the Annual Report 2014 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.

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, gain/loss on buyback of bonds, impairment loss, non-operational gain/loss from changes in fair value of biological assets, finance charges on pre-payment of loans and non-recurring business restructuring expenses. Tax expenses associated with these items are also presented as exceptional items.

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

EBITDA: Includes minority interest and excludes exceptional items.

Invested Capital: 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.

Net Gearing: Ratio of net debt (gross debt less cash) to equity (before fair value adjustment reserves).

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, some numbers presented in this Annual Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Disclaimer

Certain sections of our Annual Report 2014 have been audited. The sections that have been audited are set out on pages 90 to 197. Readers should note that legislation in Singapore governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Except where you are a shareholder, this material is provided for information purposes only and is not, in particular, intended to confer any legal rights on you. This Annual Report does not constitute an invitation to invest in the Company's shares. Any decision you make by relying on this information is solely your responsibility. The information given is as of the dates specified, is not updated and any forward-looking statement is made subject to the reservation specified in the following paragraph.

Cautionary Statement

This document may contain forward-looking statements. Words such as 'expects', 'anticipate', 'intends' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual reports to differ materially from those expressed or implied by these forward-looking statements, including among others, competitive pricing and activity, demand levels for the products that we supply, cost variances, the ability to maintain and manage key supplier and customer relationships, supply chain sources, currency values, interest rate, the ability to integrate acquisitions and complete planned divestitures, physical risks, environmental risk, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory development, political, economic and social conditions in the geographic markets where the Group operates and new or changed priority of the Company's or its subsidiaries' Boards. Further details of potential risks and uncertainties affecting the Group are updated in the Group's Offering Circular on its US$5.0 billion Euro Medium Term Note Programme dated 14 July 2014.

These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Olam International Limited and Subsidiary Companies

IN THIS SECTION

Report of the Directors

The directors present their report to the shareholders together with the audited financial statements of Olam International Limited (the "Company") and its subsidiary companies (the "Group") for the financial year ended 30 June 2014.

Directors

The directors of the Company in office at the date of this report are:-

R. Jayachandran
Narain Girdhar Chanrai
Michael Lim Choo San
Robert Michael Tomlin
Mark Haynes Daniell
Wong Heng Tew
Jean-Paul Pinard
Sanjiv Misra (Appointed on 1 November 2013)
Sunny George Verghese
Shekhar Anantharaman

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register kept by the Company for the purposes of section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year in shares, warrants, debentures and share options of the Company and related corporations (other than subsidiary companies) are as follows:-

	Held in the name of the director or nominee			Deemed interest		
Name of directors	**As at 1.7.2013 or date of appointment, if later**	**As at 30.6.2014**	**As at 21.7.2014**	**As at 1.7.2013 or date of appointment, if later**	**As at 30.6.2014**	**As at 21.7.2014**
The Company						
Olam International Limited						
(a) Ordinary shares						
Narain Girdhar Chanrai	–	–	–	483,493,065[1]	355,461,088[1]	355,461,088[1]
Sunny George Verghese	111,646,477	111,646,477	111,646,477	–	–	–
Shekhar Anantharaman	16,038,498[2]	12,619,672[2]	12,619,672[2]	–	–	–
Robert Michael Tomlin	200,000	200,000	200,000	–	–	–
Michael Lim Choo San	200,000	200,000	200,000	–	–	–
(b) Notes issued						
R. Jayachandran [3]	–	–	–	$6,000,000	$6,000,000	$6,000,000
Narain Girdhar Chanrai [4]	$250,000	$250,000	$250,000	–	–	–
(c) US$250,000,000 7.5% Bonds due 2020 ("Bonds") issued in denominations of US$100,000						
R. Jayachandran [5]	–	–	–	US$1,500,000	US$1,500,000	US$1,500,000

Directors' interests in shares and debentures (cont'd)

Name of directors	Held in the name of the director or nominee: As at 1.7.2013 or date of appointment, if later	As at 30.6.2014	As at 21.7.2014	Deemed interest: As at 1.7.2013 or date of appointment, if later	As at 30.6.2014	As at 21.7.2014
The Company						
Olam International Limited						
(d) $275,000,000 7.0% Perpetual Capital Securities ("Capital Securities") issued in denominations of $250,000 and in higher integral multiples of $1,000 in excess thereof						
R. Jayachandran (5)	–	–	–	$1,000,000	$1,000,000	$1,000,000
Jean-Paul Pinard	–	$250,000	$250,000	–	–	–
(e) US$500,000,000 6.0% Convertible Bonds due 2016 ("Convertible Bonds") issued in denominations of US$100,000						
Robert Michael Tomlin (6)	US$500,000	US$500,000	US$500,000	–	–	–
(f) Euro Medium Term Note Programme						
Narain Girdhar Chanrai (7)	US$500,000	US$500,000	US$500,000	–	–	–
(g) US$750,000,000 6.75% Bonds due 2018 ("Bonds") issued in denominations of US$1.00 each						
Sunny George Verghese	US$34,945,346	US$34,945,346	US$34,945,346	–	–	–
Shekhar Anantharaman	US$4,600,000	–	–	–	–	–
Robert Michael Tomlin (6)	US$183,000	US$183,000	US$183,000	–	–	–
Narain Girdhar Chanrai	–	–	–	US$151,334,000(1)	US$98,750,000(1)	US$98,750,000(1)
Michael Lim Choo San	US$563,000	US$563,000	US$563,000	–	–	–
(h) 397,826,160 Warrants issued at an exercise price of US$1.25 for each new share (8)						
Sunny George Verghese	18,086,727	18,575,086	18,575,086	–	–	–
Shekhar Anantharaman	2,500,000	2,567,500	2,567,500	–	–	–
Robert Michael Tomlin (6)	500,000	1,027,000	1,027,000	–	–	–
Narain Girdhar Chanrai	–	–	–	78,326,000(1)	80,440,802(1)	80,440,802(1)
Michael Lim Choo San	292,000	299,884	299,884	–	–	–
Jean-Paul Pinard	500,000	718,900	718,900	–	–	–
(i) Options to subscribe for ordinary shares						
Sunny George Verghese	15,000,000	15,000,000	15,000,000	–	–	–
Shekhar Anantharaman	5,000,000	5,000,000	5,000,000	–	–	–
Subsidiaries of the Company's holding company						
Temasek Group of companies						
(a) Cityspring Infrastructure Management Pte. Ltd. (9) (Unit holdings in Cityspring Infrastructure Trust)						
Sunny George Verghese	–	400,000	400,000	–	–	–
(b) Mapletree Commercial Trust Management Ltd. (9) (Unit holdings in Mapletree Commercial Trust)						
Michael Lim Choo San	–	150,000	150,000	–	–	–

Directors' interests in shares and debentures (cont'd)

Name of directors	Held in the name of the director or nominee: As at 1.7.2013 or date of appointment, if later	As at 30.6.2014	As at 21.7.2014	Deemed interest: As at 1.7.2013 or date of appointment, if later	As at 30.6.2014	As at 21.7.2014
Subsidiaries of the Company's holding company						
Temasek Group of companies						
(c) Mapletree Logistics Trust Management Ltd. [9]						
(Perpetual Securities in Mapletree Logistics Trust)						
Michael Lim Choo San	–	250,000	250,000	–	–	–
(d) Singapore Telecommunications Limited [9]						
(Ordinary Shares)						
Wong Heng Tew	–	1,667	1,667	–	1,537[10]	1,537[10]
Sanjiv Misra	–	23,560	23,560	–	–	–
(e) Mapletree Greater China Commercial Trust Management Ltd. [9]						
(Unit holdings in Mapletree Greater China Commercial Trust)						
Sanjiv Misra	–	382,215	382,215	–	–	–
(f) Starhub Ltd [9]						
(Ordinary Shares)						
Sanjiv Misra	–	60,000	60,000	–	–	–
(g) Singapore Airlines Limited [9]						
(Ordinary Shares)						
Sanjiv Misra	–	38,090	38,090	–	–	–
(h) Temasek Financial Ltd [9]						
(2.375% Bonds due 230123)						
Sanjiv Misra [11]	–	US$500,000	US$500,000	–	–	–

(1) The interests in shares, debentures and warrants are held by Kewalram Singapore Limited ("Kewalram"). Mr Narain Girdhar Chanrai ("NGC") is the Managing Director of Kewalram and has been mandated by the Board of Directors of Kewalram to take all decisions pertaining to the shares, debentures and warrants in the Company held by Kewalram. By virture of section 7(6)(d) of the Act and section 4(1) of the Securities and Futures Act 2001, NGC is therefore deemed to be interested in the shares, debentures and warrants held by Kewalram.

(2) A total of 1,418,826 shares ("the Trust Shares") were jointly registered in the name of Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose ("the Trustees") and were held in trust for the management (including the directors) and the employees of the Group pursuant to the Olam International Limited Employee Share Subscription Scheme 2004. The Trustees had tendered the Trust Shares in acceptance of the voluntary conditional cash offer made by Breedens Investments Pte. Ltd. for, inter alia, all the shares in issue in the capital of the Company.

(3) This refers to Notes issued under Series 52 of the S$800,000,000 Multicurrency Medium Term Note Programme established by the Company, comprising $250,000,000 in principal amount of 6.0% notes due 2018. The Notes are issued in denominations of $250,000. R. Jayachandran is deemed to be interested in the $6,000,000 Notes registered in the name of Eljay Holdings Ltd. by virtue of section 7 of the Act in shares over which he and his spouse have an interest.

Directors' interests in shares and debentures (cont'd)

(4) This refers to Notes issued under Series 52 of the S$800,000,000 Multicurrency Medium Term Note Programme established by the Company, comprising $250,000,000 in principal amount of 6.0% notes due 2018. The Notes are issued in denominations of $250,000.

(5) R. Jayachandran is deemed to be interested in the Bonds and Capital Securities registered in the name of Eljay Holdings Ltd, by virtue of section 7 of the Act in shares over which he and his spouse have an interest.

(6) The interests in the Convertible Bonds, Bonds and Warrants are registered in the name of Robert Michael Tomlin and his spouse.

(7) This refers to Notes issued under Series 3 of the US$5,000,000,000 Euro Medium Term Note Programme ("EMTN") established by the Company on 6 July 2012 and subsequently updated on 14 July 2014, comprising US$500,000,000 in principal amount of 5.75% fixed rate notes due 2017. The Notes are issued in denominations of US$200,000.

(8) On 29 January 2013, the Company undertook a renounceable underwritten rights issue (the "Rights Issue") of US$750,000,000 6.75% Bonds due 2018 (the "Bonds"), with 387,365,079 free detachable warrants (the "Warrants"). The Warrants were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited. Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company (the "New Share") at an original exercise price of US$1.291 for each New Share. These Warrants are exercisable from 29 January 2016 to 28 January 2018. In the current financial year, as a result of the payment of the first and final dividend on 14 November 2013, the original exercise price of US$1.291 was adjusted to US$1.250 and an additional 10,461,081 Warrants was issued resulting in a total of 397,826,160 Warrants outstanding as at 30 June 2014.

(9) With effect from 23 May 2014 being the close of the Offer (as defined in this report), the Company's ultimate holding company is Temasek Holdings (Private) Limited. Accordingly no disclosure of directors' shareholdings in the other subsidiaries of Temasek Holdings (Private) Limited has been made as at 1 July 2013.

(10) The interest in the Ordinary Shares is registered in the name of Wong Heng Tew's spouse.

(11) Held in trust by Windsor Castle Holding Ltd for Sanjiv Misra and spouse.

Except as disclosed in this report, no director who held office at the end of the financial year had interest in shares, share options, warrants, notes, bonds or capital securities of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Temasek Staff Co-Investment Plan

Wong Heng Tew has received an award of units granted under the Temasek Staff Co-Investment Plan (the "Plan") implemented by Temasek Holdings (Private) Limited ("Temasek"), the ultimate holding company of the Company, subject to certain performance conditions being met by Temasek and other terms and conditions. The units confer the right, when exercised, to receive cash payments, the value of which is based on the compounded total shareholders' return of Temasek over the period commencing from the financial year of Temasek during which the commencement date occurs and ending on the financial year of Temasek immediately preceding the exercise date, as calculated in accordance with the provisions of the Plan.

Employee share subscription scheme

The Olam International Limited Employee Share Subscription Scheme 2004 ("the ESSS") was implemented on 26 October 2004. The ESSS comprised 73,913,044 ordinary shares of $0.23 per share, which were fully allotted and issued by the Company. A total of 1,418,826 shares ("the Trust Shares") were jointly registered in the name of Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose ("the Trustees" or "Trust") and were held in trust for the management (including the directors) and the employees of the Group pursuant to the ESSS and the Trust Deed dated 26 October 2004 (the "Trust Deed"). On 15 May 2014, the Trustees had tendered the Trust Shares in acceptance of the voluntary conditional cash offer made by Breedens Investments Pte. Ltd. for, inter alia, all the shares in issue in the capital of the Company. The ESSS is subject to a maximum period of 10 years and the Trust will be terminated on the 10th anniversary of the date of the Trust Deed.

Olam employee share option scheme

The Olam Employee Share Option Scheme ("the ESOS") was approved by the shareholders on 4 January 2005 at the Extraordinary General Meeting of the Company. The ESOS Rules were amended on 29 October 2008 at the Extraordinary General Meeting of the Company. Under the amended rules, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS, and all subsequent options issued to the Group's employees and Executive Directors shall have a life of ten years instead of five. For Options granted to the Company's Non-Executive Directors and Independent Directors, the Option Period shall be no longer than five years. Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

The objectives of the ESOS are to provide an opportunity for employees of the Group, directors (including Non-Executive Directors and Independent Directors) or full-time employees of the Company, to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and a higher standard of performance, and to give recognition to employees of the Group who have contributed to the success and development of the Company and/or the Group.

Subject to any adjustment as stated in the ESOS, the subscription price for each share in respect of which a Market Price Option is exercisable shall be at a price (the "Market Price") equal to the average of the last dealt prices for a share, as determined by reference to the daily official list or any other publication published by SGX-ST, for the five consecutive Market days immediately preceding the offering date of that option, rounded up to the nearest whole cent.

Olam employee share option scheme (cont'd)

Each Option shall be exercisable, in whole or in part, during the option period as follows:-

(a) in the case of a Market Price Option, a period commencing after the first anniversary of the Offering Date and expiring on the tenth anniversary of such Offering Date.

(b) in the case of an Incentive Option, a period commencing after the second anniversary of the Offering Date and expiring on the tenth anniversary of such Offering Date.

It is provided that, in the case of Non-Executive Directors or Independent Directors, such option period shall not extend beyond the fifth anniversary of such offering date or any maximum period that may be prescribed by law.

In the event of an Option being exercised in part, the balance of the Option not exercised shall continue to be exercisable until such time as it lapses in accordance with the ESOS.

As at the date of this report, the ESOS is administered by the Human Resource & Compensation Committee ("HRCC"), which comprises the following directors:-

Mark Haynes Daniell – Chairman
R. Jayachandran
Wong Heng Tew
Jean-Paul Pinard
Sanjiv Misra (Appointed on 1 November 2013)

On 14 March 2014, Credit Suisse (Singapore) Limited, DBS Bank Ltd. and United Overseas Bank Limited announced, for and on behalf of Breedens Investments Pte. Ltd. (the "Offeror"), that the Offeror intends to make a voluntary conditional cash offer ("Offer") for (i) all the ordinary shares ("Shares") in issue in the capital of the Company, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding US$500,000,000 six per cent. convertible bonds due 2016 and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options granted under the ESOS. Under the rules of the ESOS provides, an Option holder (including Option holders holding Options which are then not exercisable) shall be entitled to exercise in full or in part any Option held by him in the period commencing on the date on which the Offer becomes or is declared unconditional and ending on the earlier of: (a) the expiry of six months thereafter; or (b) the date of expiry of the period for the exercise of an Option under the ESOS rules, whereupon the Option then remaining unexercised shall lapse and become null and void ("Accelerated Exercise Period"). The Offer was declared unconditional on 24 April 2014. On 8 April 2014, approval was granted such that the Options shall not automatically lapse and become null and void at the expiry of the Accelerated Exercise Period but will expire in accordance with their terms and that following the expiry of the Accelerated Exercise Period, all Options not exercised shall cease to remain exercisable, except in accordance with their terms. Accordingly, the Accelerated Exercise Period by which Option holders could exercise their Options (including Option holders holding Options which are then not exercisable) ended at the close of the Offer on 23 May 2014.

During the financial year ended 30 June 2014 and following the close of the Offer, there were 48,448,000 ordinary shares issued pursuant to the exercise of Options granted under the ESOS.

Olam employee share option scheme (cont'd)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS outstanding as at 30 June 2014 are as follows:-

Expiry date	Exercise price ($)	Number of options
21 July 2019	2.28	37,025,000
17 February 2020	2.35	15,000,000
23 July 2020	2.64	3,830,000
17 December 2020	3.10	1,950,000
14 March 2021	2.70	1,415,000
30 December 2021	2.16	3,090,000
15 June 2022	1.76	16,942,000
Total		**79,252,000**

The details of options granted to the directors of the Group, are as follows:-

Name of Participant	Options granted during financial year under review	Exercise Price for options granted during the financial year under review	Aggregate options granted since the commencement of the scheme to the end of financial year under review	Aggregate options exercised since the commencement of the scheme to the end of financial year under review	Aggregate options outstanding as at the end of financial year under review
Sunny George Verghese	–	–	30,000,000	15,000,000	15,000,000
Shekhar Anantharaman	–	–	5,800,000	800,000	5,000,000

The 15,000,000 options granted to Sunny George Verghese in financial year 2010 are exercisable in three equal tranches of 5,000,000 each on or after the first, second and third anniversaries of the grant date (17 February 2010) at the exercise price of $2.35. The options will expire ten years after the date of grant.

The 1,750,000 options granted to Shekhar Anantharaman in financial year 2010 are exercisable in tranches of 25% and 75% at the end of the third anniversary and fourth anniversary from the date of grant (21 July 2009) at the exercise price of $2.28 if the vesting conditions are met. The 3,250,000 options granted to Shekhar Anantharaman in financial year 2012 are exercisable in tranches of 25% and 75% at the end of the third and fourth anniversary respectively from the date of grant (15 June 2012) at the exercise price of $1.76 if the vesting conditions are met. The options will expire ten years after the date of grant.

Apart from that which is disclosed above, no directors or employees of the Group received 5% or more of the total number of options available under the ESOS.

The options granted by the Company do not entitle the holder of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

There were no Incentive Options granted from commencement of ESOS to the financial year end under review.

There were no options granted at a discount.

There were no options granted to controlling shareholders of the Company and their associates.

Invenio Equity Participation Scheme

Invenio Holdings Pte. Ltd. ("Invenio"), a subsidiary of the Company, had implemented the Invenio Equity Participation Scheme (the "Invenio Equity Scheme") which was approved and adopted by the shareholders of Invenio on 13 January 2011.

The Invenio Equity Scheme was set up to incentivise and reward selected eligible employees and give participants an opportunity to have a personal equity interest in Invenio and, amongst other objectives, motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to Invenio and its subsidiaries (the "Invenio Group").

Participation in the Scheme is restricted to directors and employees of the Invenio Group (including associated companies over which Invenio has significant influence), and employees of the Company or its subsidiaries who have been seconded or deputed to Invenio and who hold an executive position in Invenio. Controlling shareholders of the Company and their associates are not eligible to participate in the Invenio Equity Scheme.

Employees selected to participate receive an initial allotment of Invenio shares for which they will pay a fixed multiple of then prevailing book value at the relevant time, as specified in the Invenio Equity Scheme. Subsequently, a portion of up to 50% of any cash or other incentive due to them as employees under any performance-based bonus or incentive scheme initiated by the Invenio Group for its employees will be paid to them in the form of Invenio shares allotted to them, valued at a fixed multiple of the then-prevailing book value at the relevant time, in accordance with the Invenio Equity Scheme.

The shares will be ordinary shares in Invenio, ranking pari passu with other ordinary shares in Invenio's issued share capital in respect of all entitlements, including dividends or other distributions, save that the Invenio Equity Scheme provides for certain obligations and restrictions on transfer of the shares by Participants.

The details of the awards granted under the Scheme are as follows:-

Year of Award	No. of Holders	No. of Shares
2011	18	2,670,000

During the current financial year, Invenio purchased 45,000 shares from one (1) employee under the Scheme and held them as treasury shares. There were no new shares granted during the financial year under review.

Audit and Compliance Committee

The Audit and Compliance Committee (the “ACC”) comprises four Independent Directors and a Non-Executive Director. The members of the ACC are Michael Lim Choo San (Chairman), Robert Michael Tomlin, Mark Haynes Daniell, Wong Heng Tew and Narain Girdhar Chanrai. The ACC performed the functions specified in section 201B of the Act, the Singapore Code of Corporate Governance and the Listing Manual of the Singapore Exchange.

The ACC held six meetings during the year under review. The ACC met with the Company’s external and internal auditors to discuss the scope of their work, the results of their examination and their evaluation of the Company’s internal accounting control systems.

The ACC reviewed the following:-

- audit plans of the internal and external auditors of the Company, and ensured the adequacy of the Company’s system of accounting controls and the cooperation given by the Company’s management to the external and internal auditors;
- quarterly and annual financial statements of the Group and the Company prior to their submission to the Board of Directors for adoption;
- the Company’s material internal controls, including financial, operational, compliance controls and risk management via reviews carried out by the internal auditors;
- legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;
- independence and objectivity of the external auditors;
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange); and
- the scope and results of the audit.

Further, the ACC

- held meetings with the external auditors and the management in separate executive sessions to discuss any matters that these groups believed should be discussed privately with the ACC;
- made their recommendations to the Board of Directors in relation to the external auditors re-appointment and their compensation for the renewed period be approved; and
- reported actions and minutes of the ACC meetings to the Board of Directors with such recommendations as the ACC considered appropriate.

The ACC had full access and cooperation of the management and full discretion to invite any director or executive officer to attend its meetings.

The ACC also reviewed the cost effectiveness of the audit conducted by the external auditors and the nature and extent of all non-audit services performed by the external auditors, and has confirmed that such services would not affect their independence.

The ACC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting. In appointing the auditors of the Company and its subsidiaries, the Company has complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange.

Further details regarding the functions of the ACC are disclosed in the Report on Corporate Governance in the Company’s Annual Report to shareholders.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as independent auditor.

On behalf of the board of directors,

R. Jayachandran
Director

Sunny George Verghese
Director

Singapore
29 September 2014

Statement by the Directors

We, R. Jayachandran and Sunny George Verghese, being two of the directors of Olam International Limited ("the Company"), do hereby state that, in the opinion of the directors:-

(i) the accompanying balance sheets, consolidated profit and loss accounts, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results of the business, changes in equity of the Group and of the Company, and cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

R. Jayachandran
Director

Sunny George Verghese
Director

Singapore
29 September 2014

Independent Auditor's Report

For the financial year ended 30 June 2014
To the Members of Olam International Limited

Report on the financial statements

We have audited the accompanying financial statements of Olam International Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 102 to 197, which comprise the balance sheets of the Group and the Company as at 30 June 2014, the statements of changes in equity of the Group and the Company and the consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore
29 September 2014

Consolidated Profit and Loss Accounts

for the year ended 30 June 2014

	Note	Group 2014 $'000	Group 2013 $'000
Sale of goods and services	4	**19,421,802**	20,801,798
Other income	5	**452,391**	90,284
Cost of goods sold	6	**(17,481,766)**	(18,913,064)
Net gain from changes in fair value of biological assets	12	**14,168**	96,286
Depreciation and amortisation	10, 11	**(215,577)**	(199,312)
Other expenses	7	**(940,583)**	(898,146)
Finance income		**14,399**	16,674
Finance costs	8	**(519,240)**	(518,353)
Share of results from jointly controlled entities and associates	14	**2,187**	20,484
Profit before taxation		**747,781**	496,651
Income tax expense	9	**(106,509)**	(105,134)
Profit for the financial year		**641,272**	391,517
Attributable to:			
Owners of the Company		**608,488**	362,618
Non-controlling interests		**32,784**	28,899
		641,272	391,517
Earnings per share attributable to owners of the Company (cents)			
Basic	25	**24.65**	14.36
Diluted	25	**24.21**	14.27

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2014

	Group	
	2014 $'000	2013 $'000
Profit for the financial year	**641,272**	391,517
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net gain on fair value changes during the financial year	**(8,248)**	131,458
Recognised in the profit and loss accounts on occurrence of hedged transactions	**21,218**	(79,442)
Foreign currency translation adjustments	**(75,393)**	(37,298)
Share of other comprehensive income of jointly controlled entities and associates	**10,255**	4,174
Other comprehensive income for the financial year, net of tax	**(52,168)**	18,892
Total comprehensive income for the financial year	**589,104**	410,409
Attributable to:		
Owners of the Company	**553,501**	378,983
Non-controlling interests	**35,603**	31,426
	589,104	410,409

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

at 30 June 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current assets					
Property, plant and equipment	10	**3,143,886**	3,427,775	**1,788**	2,557
Intangible assets	11	**648,758**	686,516	**34,680**	33,393
Biological assets	12	**1,108,162**	781,742	**–**	–
Subsidiary companies	13	**–**	–	**2,555,084**	2,007,203
Deferred tax assets	9	**22,983**	34,832	**893**	–
Investments in jointly controlled entities and associates	14	**835,393**	557,693	**684,254**	413,026
Long term investments	15	**407,685**	–	**393,976**	–
Other non-current assets	21	**23,148**	20,256	**–**	–
		6,190,015	5,508,814	**3,670,675**	2,456,179
Current assets					
Amounts due from subsidiary companies	16	**–**	–	**1,783,155**	2,258,023
Trade receivables	17	**1,613,223**	2,372,900	**650,185**	984,391
Margin accounts with brokers	18	**225,499**	–	**140,600**	–
Inventories	19	**4,685,698**	4,154,271	**805,045**	459,060
Advance payments to suppliers	20	**706,652**	598,470	**207,495**	215,033
Advance payments to subsidiary companies	20	**–**	–	**2,055,652**	2,079,753
Cash and short-term deposits	33	**1,590,075**	1,591,009	**1,183,019**	1,126,575
Derivative financial instruments	35	**554,617**	606,062	**290,986**	353,326
Other current assets	21	**740,814**	552,658	**129,546**	87,971
		10,116,578	9,875,370	**7,245,683**	7,564,132
Current liabilities					
Trade payables and accruals	22	**(1,587,626)**	(1,747,963)	**(665,288)**	(927,715)
Borrowings	24	**(4,503,756)**	(2,965,559)	**(2,976,945)**	(748,503)
Provision for taxation	9	**(80,213)**	(49,728)	**(31,104)**	(21,976)
Derivative financial instruments	35	**(382,163)**	(395,295)	**(193,811)**	(180,764)
Other current liabilities	23	**(428,322)**	(269,241)	**(99,702)**	(98,794)
Margin accounts with brokers	18	**–**	(9,114)	**–**	(35,683)
		(6,982,080)	(5,436,900)	**(3,966,850)**	(2,013,435)
Net current assets		**3,134,498**	4,438,470	**3,278,833**	5,550,697
Non-current liabilities					
Deferred tax liabilities	9	**(266,035)**	(240,877)	**–**	(4,843)
Borrowings	24	**(4,836,150)**	(5,882,679)	**(3,692,824)**	(5,153,194)
		(5,102,185)	(6,123,556)	**(3,692,824)**	(5,158,037)
Net assets		**4,222,328**	3,823,728	**3,256,684**	2,848,839
Equity attributable to owners of the Company					
Share capital	26	**2,162,642**	2,077,038	**2,162,642**	2,077,038
Treasury shares	26	**(96,081)**	(96,081)	**(96,081)**	(96,081)
Perpetual capital securities	26	**237,379**	276,939	**237,379**	276,939
Reserves		**1,896,246**	1,433,964	**952,744**	590,943
		4,200,186	3,691,860	**3,256,684**	2,848,839
Non-controlling interests		**22,142**	131,868	**–**	–
Total equity		**4,222,328**	3,823,728	**3,256,684**	2,848,839

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the year ended 30 June 2014

2014 Group				Attributable to owners of the Company								
	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000	Total non-controlling interests $'000	Total equity $'000
At 1 July 2013	2,077,038	(96,081)	276,939	122,335	(378,532)	(73,174)	90,311	1,673,024	1,433,964	3,691,860	131,868	3,823,728
Profit for the financial year	–	–	–	–	–	–	–	608,488	608,488	608,488	32,784	641,272
Other comprehensive income												
Net gain on fair value changes during the financial year	–	–	–	–	–	(8,248)	–	–	(8,248)	(8,248)	–	(8,248)
Recognised in the profit and loss accounts on occurrence of hedged transactions	–	–	–	–	–	21,218	–	–	21,218	21,218	–	21,218
Foreign currency translation adjustments	–	–	–	–	(78,212)	–	–	–	(78,212)	(78,212)	2,819	(75,393)
Share of other comprehensive income of jointly controlled entities and associates	–	–	–	3,648	6,607	–	–	–	10,255	10,255	–	10,255
Other comprehensive income for the financial year, net of tax	–	–	–	3,648	(71,605)	12,970	–	–	(54,987)	(54,987)	2,819	(52,168)
Total comprehensive income for the year	–	–	–	3,648	(71,605)	12,970	–	608,488	553,501	553,501	35,603	589,104
Contributions by and distributions to owners												
Buy back of capital securities	–	–	(38,552)	2,341	–	–	–	–	2,341	(36,211)	–	(36,211)
Issue of shares on exercise of share options (Note 26)	85,604	–	–	–	–	–	–	–	–	85,604	–	85,604
Share-based expense	–	–	–	–	–	–	9,535	–	9,535	9,535	–	9,535
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(99,302)	(99,302)	(99,302)	–	(99,302)
Accrued capital securities distribution	–	–	17,994	–	–	–	–	(17,994)	(17,994)	–	–	–
Payment of capital securities distribution	–	–	(19,002)	–	–	–	–	–	–	(19,002)	–	(19,002)
Total contributions by and distributions to owners	85,604	–	(39,560)	2,341	–	–	9,535	(117,296)	(105,420)	(59,376)	–	(59,376)
Changes in ownership interests in subsidiaries												
Sale of minority interest in subsidiary	–	–	–	14,201	–	–	–	–	14,201	14,201	10,879	25,080
Disposal of subsidiary company	–	–	–	–	–	–	–	–	–	–	(156,208)	(156,208)
Total changes in ownership interests in subsidiaries	–	–	–	14,201	–	–	–	–	14,201	14,201	(145,329)	(131,128)
Total transactions with owners in their capacity as owners	85,604	–	(39,560)	16,542	–	–	9,535	(117,296)	(91,219)	(45,175)	(145,329)	(190,504)
At 30 June 2014	2,162,642	(96,081)	237,379	142,525	(450,137)	(60,204)	99,846	2,164,216	1,896,246	4,200,186	22,142	4,222,328

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2013 Group	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Attributable to owners of the Company: Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000	Total non-controlling interests $'000	Total equity $'000
At 1 July 2012	2,077,038	(96,081)	276,886	120,093	(344,781)	(125,190)	72,327	1,425,318	1,147,767	3,405,610	122,152	3,527,762
Profit for the financial year	–	–	–	–	–	–	–	362,618	362,618	362,618	28,899	391,517
Other comprehensive income												
Net gain on fair value changes during the financial year	–	–	–	–	–	131,458	–	–	131,458	131,458	–	131,458
Recognised in the profit and loss accounts on occurrence of hedged transactions	–	–	–	–	–	(79,442)	–	–	(79,442)	(79,442)	–	(79,442)
Foreign currency translation adjustments	–	–	–	–	(39,825)	–	–	–	(39,825)	(39,825)	2,527	(37,298)
Share of other comprehensive income of jointly controlled entities and associates	–	–	–	(1,900)	6,074	–	–	–	4,174	4,174	–	4,174
Other comprehensive income for the financial year, net of tax	–	–	–	(1,900)	(33,751)	52,016	–	–	16,365	16,365	2,527	18,892
Total comprehensive income for the year	–	–	–	(1,900)	(33,751)	52,016	–	362,618	378,983	378,983	31,426	410,409
Contributions by and distributions to owners												
Issuance of warrants (Note 26)	–	–	–	8,268	–	–	–	–	8,268	8,268	–	8,268
Share-based expense	–	–	–	–	–	–	17,984	–	17,984	17,984	–	17,984
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(95,609)	(95,609)	(95,609)	–	(95,609)
Accrued capital securities distribution	–	–	19,303	–	–	–	–	(19,303)	(19,303)	–	–	–
Payment of capital securities distribution	–	–	(19,250)	–	–	–	–	–	–	(19,250)	–	(19,250)
Total contributions by and distributions to owners	–	–	53	8,268	–	–	17,984	(114,912)	(88,660)	(88,607)	–	(88,607)
Changes in ownership interests in subsidiaries												
Acquisition of subsidiary	–	–	–	–	–	–	–	–	–	–	7,012	7,012
Acquisition of non-controlling interests	–	–	–	(4,126)	–	–	–	–	(4,126)	(4,126)	(28,722)	(32,848)
Total changes in ownership interests in subsidiaries	–	–	–	(4,126)	–	–	–	–	(4,126)	(4,126)	(21,710)	(25,836)
Total transactions with owners in their capacity as owners	–	–	53	4,142	–	–	17,984	(114,912)	(92,786)	(92,733)	(21,710)	(114,443)
At 30 June 2013	2,077,038	(96,081)	276,939	122,335	(378,532)	(73,174)	90,311	1,673,024	1,433,964	3,691,860	131,868	3,823,728

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2014 Company	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Capital reserves(1) $'000	Foreign currency translation reserves(2) $'000	Fair value adjustment reserves(3) $'000	Share-based compensation reserves(4) $'000	Revenue reserves $'000	Total reserves $'000	Total equity $'000
				Attributable to owners of the Company						
At 1 July 2013	2,077,038	(96,081)	276,939	138,145	(214,795)	(74,818)	90,311	652,100	590,943	2,848,839
Profit for the financial year	–	–	–	–	–	–	–	511,335	511,335	511,335
Other comprehensive income										
Net loss on fair value changes during the financial year	–	–	–	–	–	(13,061)	–	–	(13,061)	(13,061)
Recognised in the profit and loss accounts on occurrence of hedged transactions	–	–	–	–	–	20,763	–	–	20,763	20,763
Foreign currency translation adjustments	–	–	–	–	(51,816)	–	–	–	(51,816)	(51,816)
Other comprehensive income for the financial year, net of tax	–	–	–	–	(51,816)	7,702	–	–	(44,114)	(44,114)
Total comprehensive income for the year	–	–	–	–	(51,816)	7,702	–	511,335	467,221	467,221
Contributions by and distributions to owners										
Buy back of capital securities	–	–	(38,552)	2,341	–	–	–	–	2,341	(36,211)
Issue of shares on exercise of share options (Note 26)	85,604	–	–	–	–	–	–	–	–	85,604
Share-based expense	–	–	–	–	–	–	9,535	–	9,535	9,535
Dividends on ordinary shares (Note 26)	–	–	–	–	–	–	–	(99,302)	(99,302)	(99,302)
Accrued capital securities distribution	–	–	17,994	–	–	–	–	(17,994)	(17,994)	–
Payment of capital securities distribution	–	–	(19,002)	–	–	–	–	–	–	(19,002)
Total contributions by and distributions to owners	85,604	–	(39,560)	2,341	–	–	9,535	(117,296)	(105,420)	(59,376)
Total transactions with owners in their capacity as owners	85,604	–	(39,560)	2,341	–	–	9,535	(117,296)	(105,420)	(59,376)
At 30 June 2014	2,162,642	(96,081)	237,379	140,486	(266,611)	(67,116)	99,846	1,046,139	952,744	3,256,684

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2013 Company	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Attributable to owners of the Company Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total equity $'000
At 1 July 2012	2,077,038	(96,081)	276,886	129,877	(210,221)	(128,785)	72,327	632,954	496,152	2,753,995
Profit for the financial year	–	–	–	–	–	–	–	134,058	134,058	134,058
Other comprehensive income										
Net loss on fair value changes during the financial year	–	–	–	–	–	164,010	–	–	164,010	164,010
Recognised in the profit and loss accounts on occurrence of hedged transactions	–	–	–	–	–	(110,043)	–	–	(110,043)	(110,043)
Foreign currency translation adjustments	–	–	–	–	(4,574)	–	–	–	(4,574)	(4,574)
Other comprehensive income for the financial year, net of tax	–	–	–	–	(4,574)	53,967	–	–	49,393	49,393
Total comprehensive income for the year	–	–	–	–	(4,574)	53,967	–	134,058	183,451	183,451
Contributions by and distributions to owners										
Issuance of warrants (Note 26)	–	–	–	8,268	–	–	–	–	8,268	8,268
Share-based expense	–	–	–	–	–	–	17,984	–	17,984	17,984
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(95,609)	(95,609)	(95,609)
Accrued capital securities distribution	–	–	19,303	–	–	–	–	(19,303)	(19,303)	–
Payment of capital securities distribution	–	–	(19,250)	–	–	–	–	–	–	(19,250)
Total contributions by and distributions to owners	–	–	53	8,268	–	–	17,984	(114,912)	(88,660)	(88,607)
Total transactions with owners in their capacity as owners	–	–	53	8,268	–	–	17,984	(114,912)	(88,660)	(88,607)
At 30 June 2013	2,077,038	(96,081)	276,939	138,145	(214,795)	(74,818)	90,311	652,100	590,943	2,848,839

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(1) **Capital reserves**
Capital reserves represent the premium paid and discounts on acquisition of non-controlling interests, gain on partial disposal of subsidiary which did not result in loss of control, residual amount of convertible bonds net of proportionate share of transaction costs, after deducting the fair value of the debt and derivative component on the date of issuance, the share of capital reserve of a jointly controlled entity and warrants arising from the Rights Issue (Note 26).

(2) **Foreign currency translation reserves**
The foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Company and the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the share of foreign currency translation reserves of jointly controlled entities and associates.

(3) **Fair value adjustment reserves**
Fair value adjustment reserves record the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges as well as fair value changes of available-for-sale financial assets.

(4) **Share-based compensation reserves**
Share-based compensation reserves represent the equity-settled shares and share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the year ended 30 June 2014

	2014 $'000	2013 $'000
Cash flows from operating activities		
Profit before taxation	**747,781**	496,651
Adjustments for:-		
Allowance for doubtful debts	**16,749**	9,578
Amortisation of intangible assets and depreciation of property, plant and equipment	**215,577**	199,312
Share-based expense	**9,535**	17,984
Accelerated amortisation of facility fees	**21,103**	–
Fair value of biological assets (Note 12)	**(14,168)**	(96,286)
Gain on disposal of subsidiaries, net (Note 13)	**(18,785)**	–
Loss on partial disposal of associate	**595**	–
Gain on disposal of property, plant and equipment, net	**(105,632)**	(36,367)
Biological assets written off (Note 12)	**25,926**	–
Fixed assets written off	**355**	–
Impairment of fixed assets, goodwill and intangible assets	**26,571**	1,916
Interest income	**(14,399)**	(16,674)
Interest expense	**519,240**	518,353
Inventories written down, net	**23,688**	115
Net measurement of derivative instruments	**(4,488)**	5,699
Gain on remeasurement of investments to fair value upon ceasing equity accounting (Note 5)	**(271,022)**	–
Share of results from jointly controlled entities and associates	**(2,187)**	(20,484)
Gain on bond buy back (Note 5)	**(957)**	(6,020)
Operating cash flows before reinvestment in working capital	**1,175,482**	1,073,777
(Increase)/decrease in inventories	**(152,951)**	320,658
Decrease/(increase) in receivables and other current assets	**346,131**	(679,187)
Increase in advance payments to suppliers	**(156,533)**	(280,865)
Decrease in margin account with brokers	**(233,519)**	(132,233)
(Decrease)/increase in payables and other current liabilities	**(747,650)**	432,156
Cash flows from operations	**230,960**	734,306
Interest income received	**14,399**	16,674
Interest expense paid	**(490,314)**	(461,313)
Tax paid	**(53,724)**	(39,495)
Net cash flows (used in)/from operating activities	**(298,679)**	250,172
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**309,077**	109,355
Purchase of property, plant and equipment (Note 10)	**(567,546)**	(940,255)
Purchase of intangibles (Note 11)	**(13,217)**	(14,903)
Acquisition of subsidiaries, net of cash acquired	**–**	(129,185)
Disposal of subsidaries, net of cash disposed of	**(3,162)**	–
Net proceeds from partial disposal of associates/ (investments in associates and jointly controlled entities)	**43,812**	(44,266)
Acquisition of non-controlling interests	**–**	(31,298)
Proceeds from sale of minority interest in subsidiary	**25,080**	–
Net cash flows used in investing activities	**(205,956)**	(1,050,552)
Cash flows from financing activities		
Dividends paid on ordinary shares by the Company	**(99,302)**	(95,609)
Proceeds from borrowings, net	**570,269**	780,636
Proceeds from issuance of shares on exercise of share options	**85,604**	–
Proceeds from rights issue of bonds and warrants	**–**	860,752
Payment of capital securities distribution	**(19,002)**	(19,250)
Payment for capital securities, bond buy back	**(36,211)**	(34,030)
Net cash flows from financing activities	**501,358**	1,492,499

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	2014 $'000	2013 $'000
Net effect of exchange rate changes on cash and cash equivalents	**(33,983)**	(8,349)
Net decrease/(increase) in cash and cash equivalents	**(37,260)**	683,770
Cash and cash equivalents at beginning of year	**1,285,532**	601,762
Cash and cash equivalents at end of year (Note 33)	**1,248,272**	1,285,532

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
30 June 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 September 2014.

1. Corporate information

Olam International Limited ("the Company") is a limited liability company, which is domiciled and incorporated in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The Company's ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore.

The principal activities of the Company are those of sourcing, processing, packaging and merchandising of agricultural products. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The registered office of the Company is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The principal place of business of the Company is at 9 Temasek Boulevard, #11-02 Suntec Tower Two, Singapore 038989.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore Dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 July 2013. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

Accordingly to the transition provisions of FRS 113 Fair Value Measurement, FRS 113 has been applied prospectively by the Group on 1 July 2013.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for financial year beginning on
Revised FRS 27 Separate Financial Statements	1 July 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 July 2014
FRS 110 Consolidated Financial Statements	1 July 2014
FRS 111 Joint Arrangements	1 July 2014
FRS 112 Disclosures of Interest in Other Entities	1 July 2014
Amendments to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Amendment to FRS 32 Offsetting of Financial Assets and Financial Liabilities	1 July 2014
Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets	1 July 2014
Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting	1 July 2014
Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities	1 July 2014
Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1 July 2014
Improvements to FRSs (January 2014):	
– Amendments to FRS 102 Share-based Payment	1 July 2014
– Amendments to FRS 103 Business Combinations	1 July 2014
– Amendments to FRS 108 Operating Segments	1 July 2014
– Amendments to FRS 16 Property, Plant and Equipment	1 July 2014
– Amendments to FRS 24 Related Party Disclosures	1 July 2014
– Amendments to FRS 38 Intangible Assets	1 July 2014
Improvements to FRSs (February 2014):	
– Amendments to FRS 103 Business Combinations	1 July 2014
– Amendments to FRS 113 Fair Value Measurement	1 July 2014
INT FRS 121 Levies	1 July 2014
FRS 114 Regulatory Deferral Accounts	1 July 2016

Except for Amendments to FRS 32, FRS 111, revised FRS 28 and FRS 112, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of Amendments to FRS 32, FRS 111, revised FRS 28 and FRS 112 are described below.

Amendments to FRS 32 Offsetting of Financial Assets and Financial Liabilities

The amendments to FRS 32 clarify that rights of set-off must not only be legally enforceable in the normal course of business, but must also not contingent on a future event and must be enforceable in the event of bankruptcy or insolvency of all the counterparties to the contract. The Group currently offset certain balances with the same counterparty as the Group has legal rights to set off the amounts and intends to settle on a net basis.

Upon adoption of the amendment FRS 32, the Group does not expect any impact to the Group's financial statements position.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures are effective for the financial year beginning on 1 July 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the arrangement whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

Currently, the Group's investments in jointly controlled entities are accounted for using the equity method. Upon adoption of FRS 111, the Group does not expect any impact to the Group's financial statements presentation.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for the financial year beginning on 1 July 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group upon adoption of this standard.

2.4 Functional and foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Company's functional currency is the United States Dollar ("USD"), which reflects the economic substance of the underlying events and circumstances of the Company. Although the Company is domiciled in Singapore, most of the Company's transactions are denominated in USD and the selling prices for the Company's products are sensitive to movements in the foreign exchange rate with the USD.

2. Summary of significant accounting policies (cont'd)

2.4 Functional and foreign currency (cont'd)

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Translation to the presentation currency

The financial statements are presented in Singapore Dollar ("SGD") as the Company's principal place of business is in Singapore.

The financial statements are translated from USD to SGD as follows:-

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date;

- Income and expenses for each profit and loss account are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

All exchange differences arising on the translation are included in the foreign currency translation reserves.

2. Summary of significant accounting policies (cont'd)

2.5 Subsidiary companies, basis of consolidation and business combinations

(a) Subsidiary companies

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any impairment losses.

A list of the Group's significant subsidiary companies is shown in Note 13.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.5 Subsidiary companies, basis of consolidation and business combinations (cont'd)

(c) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date. The accounting policy for goodwill is set out in Note 2.10(a).

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (cont'd)

2.7 Jointly controlled entities

The Group has interests in joint ventures that are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

The consolidated financial statements include the Group's share of the total recognised gains and losses of its jointly controlled entities on an equity accounted basis from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported as nil and recognition of losses is discontinued except to the extent of the Group's commitment.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment loss. The carrying amounts of the jointly controlled entities are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated and any impairment loss is recognised whenever the carrying amount exceeds the recoverable amount.
The impairment loss is charged to profit or loss.

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former joint venture entity upon loss of joint venture control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in the associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.8 Associates (cont'd)

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land and buildings are depreciable over the shorter of the estimated useful life of the asset or the lease period.

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful life except for ginning assets of Queensland Cotton Holdings, which are depreciated using the units of use method. The estimated useful life of the assets is as follows:-

Leasehold land and buildings	–	20 to 50 years
Plant and machinery	–	5 to 20 years; 30 years for ginning assets
Motor vehicles	–	3 to 5 years
Furniture and fittings	–	5 years
Office equipment	–	5 years
Computers	–	3 years

Other assets in Note 10 comprise motor vehicles, furniture and fittings, office equipment and computers.

Capital work-in-progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

2. Summary of significant accounting policies (cont'd)

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss account. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or that are not yet available for use are not subject to amortisation and they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

2. Summary of significant accounting policies (cont'd)

2.11 Biological assets

Biological assets mainly include plantations, annual crops and livestock.

Plantations and annual crops

Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets.

The fair value of the mature plantations is estimated by reference to independent professional valuations using the present value of expected net cash flows of the underlying biological assets. The valuations is determined using the market price, discount rates used, annual rate of inflation and the estimated yield of the agricultural produce, net of maintenance and harvesting costs and any costs required to bring the plantations to maturity. The estimated yield of the various plantations is dependent on the age of the trees, the location of the plantations, soil type and infrastructure. The market price of the agricultural produce is largely dependent on the prevailing market prices of the products after harvest.

The annual crops have been valued using adjusted cost, which is the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximate fair value.

Livestock

Livestock are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets. The fair value of livestock is determined based on valuations by an independent professional value using the market prices of livestock of similar age, breed and generic merit.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of non-financial assets (cont'd)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

(iii) Available-for-sale financial assets

Available-for-sale financial assets relate to equity instruments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts are recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

Cash and cash equivalents carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.13.

2. Summary of significant accounting policies (cont'd)

2.15 Receivables and advances

Receivables and advances include trade receivables, which are on trade terms, margin accounts with brokers, receivables from subsidiary companies, advance payments to suppliers and subsidiary companies and other current assets (excluding prepayments and short term investment) are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.13.

An allowance is made for doubtful debts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.16 below.

2.16 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment, and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (cont'd)

2.16 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.17 Inventories

Inventories principally comprise commodities held for trading and inventories that form part of the Group's expected purchase, sale or usage requirements.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the profit or loss in the period of the change.

Inventories that form part of the Group's expected purchase, sale or usage requirements are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

For agricultural produce that is harvested, cost of inventory is stated at fair value less estimated point-of-sale costs at the time of harvest (the "initial cost"). Thereafter this inventory is carried at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

(c) Employee share subscription/options scheme

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment for services rendered ("equity-settled transactions").

The cost of these equity-settled share based payment transactions with employees is measured with reference to the fair value at the date on which the share subscriptions/options are granted which takes into account market conditions and non-vesting conditions.

This cost is recognised in the profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

2. Summary of significant accounting policies (cont'd)

2.21 Employee benefits (cont'd)

(c) Employee share subscription/options scheme (cont'd)

Where the terms of an equity-settled award are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for a modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.22 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Finance lease

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2.23 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised upon passage of title to the customer, which generally coincides with their delivery and acceptance. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of services

Revenue from services rendered is recognised upon services performed.

Interest income

Interest income is recognised using the effective interest method.

2. Summary of significant accounting policies (cont'd)

2.24 Government grants, export incentives and subsidies

Government grants, export incentives and subsidies are recognised at their fair values when there is reasonable assurance that the grant will be received and all conditions attached will be complied with. When the grant relates to an expense item, it is recognised in the profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.25 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

2. Summary of significant accounting policies (cont'd)

2.25 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.28 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost (including directly attributable expenses) and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. Summary of significant accounting policies (cont'd)

2.29 Perpetual capital securities

The perpetual capital securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

2.30 Contingencies

A contingent liability is:-

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

2.31 Derivative financial instruments and hedging activities

Derivative financial instruments include forward currency contracts, commodity futures, options, over-the-counter ("OTC") structured products, commodity physical forwards and interest rate contracts. These are used to manage the Group's exposure to risks associated with foreign currency, commodity price and interest rate fluctuations. Certain derivatives are also used for trading purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts and interest rate derivatives are calculated by reference to current forward exchange rates and interest rates respectively for contracts with similar maturity profiles. The fair values of commodity futures, options, OTC structured products and physical forwards are determined by reference to available market information and market valuation methodology. Where the quoted market prices are not available, fair values are based on management's best estimates, which are arrived at by reference to market prices.

Any gains or losses arising from changes in fair value on derivative financial instruments that are ineffective hedges or are held for trading are taken to the profit and loss account for the year.

2. Summary of significant accounting policies (cont'd)

2.31 Derivative financial instruments and hedging activities (cont'd)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

When the hedge accounting is applied, all hedges are classified as cash flow hedges because they are held for hedging the exposure to variability in cash flows that is attributable to highly probable risk exposure and could affect profit or loss.

For cash flow hedges that meet the criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised directly in the fair value adjustment reserves, while the ineffective portion is recognised in the profit and loss account.

Amounts taken to fair value adjustment reserves are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecasted sale occurs, or when financial income or financial expense is recognised.

If the forecast transaction is no longer expected to occur, amounts previously recognised in fair value adjustment reserves are transferred to the profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in fair value adjustment reserves remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit and loss account.

2.32 Convertible bonds

When convertible bonds are issued, the total proceeds net of transaction costs are allocated to the debt component, the fair value of derivative financial instruments component and the equity component, which are separately presented on the balance sheet.

The debt component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the debt is extinguished on conversion or redemption of the bonds.

The derivative financial instruments component is determined by the fair value of the embedded derivatives on the date of issue. The fair value is reassessed at every balance sheet date and the difference is recognised in the profit and loss account.

The balance after reducing the debt component and the fair value of the embedded derivatives component from the net proceeds is presented as capital reserve under equity. The carrying amount of the equity component is not adjusted in subsequent periods. When the conversion option is exercised, the carrying amount of the equity component will be transferred to the share capital account. When the conversion option lapses, its carrying amount will be transferred to retained earnings.

2. Summary of significant accounting policies (cont'd)

2.33 Related parties

A related party is defined as follows:-

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amounts of the Group's income tax payables, deferred tax assets and deferred tax liabilities as at 30 June 2014 is disclosed in Note 9 to the financial statements.

(b) Impairment of investments in subsidiary companies

The Company assesses at each reporting date whether there is an indication that the investments in subsidiaries may be impaired. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiary companies at the balance sheet date is disclosed in Note 13 to the financial statements.

(c) Impairment of goodwill and intangible assets with indefinite useful life

Goodwill and intangible assets with indefinite useful life are tested for impairment annually and whenever there is an indication of impairment, the Group estimates the value in use of the cash generating units to which the goodwill and intangible asset with indefinite useful life is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The impairment tests are sensitive to growth rates and discount rates. Changes in these assumptions may result in changes in recoverable values.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(d) *Impairment of property, plant and equipment*

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's property, plant and equipment at the balance sheet date is disclosed in Note 10 to the financial statements.

(e) *Useful lives of plant and machinery*

The cost of plant and machinery is depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 20 years, with the exception of ginning assets, where the estimated useful lives of ginning assets are up to 30 years. These are common life expectancies applied in the agri-commodities industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the balance sheet date is disclosed in Note 10 to the financial statements.

(f) *Employee share options*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date on which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including expected life of the option, volatility and dividend yield. The assumptions and model used are disclosed in Note 30.

(g) *Biological assets*

The fair value of biological assets (other than annual crops and livestock) is estimated using the discounted cash flow model, which requires the Group to make an estimate of the expected future cash flows from the biological assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows, which is referenced to professional valuations. The valuation of these biological assets is particularly sensitive to discount rates and they are disclosed in Note 12.

(h) *Impairment of loans and receivables*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset under loans and receivables is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the end of the reporting period is disclosed in Note 37 to the financial statements.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(i) Fair value of financial instruments

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of model inputs regarding forward prices, credit risk, volatility and counterparty risk that are not supported by observable market data. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 35.

4. Sale of goods and services

	Group	
	2014 $'000	2013 $'000
Sale of goods	**19,234,576**	20,520,214
Sale of services	**187,226**	281,584
	19,421,802	20,801,798

Revenue from sale of goods is stated net of discounts and returns. It excludes interest income, realised gains or losses on derivatives and intra-group transactions.

Revenue from sale of services mainly represents processing income and freight charter income.

5. Other income

Other income included the following:-

	Group	
	2014 $'000	2013 $'000
Gain on remeasurement of investment to fair value upon ceasing equity accounting (Note 14(b))	**271,022**	–
Gain on disposal of property, plant and equipment, net [(1)]	**105,632**	36,367
Miscellaneous income [(2)]	**55,995**	47,175
Net gain on disposal of subsidiaries (Note 13)	**18,785**	–
Gain on bond buy back (Note 24)	**957**	6,020
Fair value gain on investment	**–**	722
	452,391	90,284

(1) Net gain on disposal of property, plant and equipment in the current financial year includes the gain on sale and leaseback of the Australia almond orchard plantations. The lease is for a period of 18 years with a review of rent and replanting scheduled in 10 years. The annual rent is a combination of a fixed percentage basis of purchase price plus capital expenditure paid by the landlord, with an annual consumer price index adjustment to take into account of inflation.

Gain on disposal of property, plant and equipment in the previous financial year include gain on sale and leaseback of freehold land of the USA almond orchard plantations and gain on sale of rice mill in India.

(2) Miscellaneous income comprised mainly income from commissions and claims.

6. Cost of goods sold

The significant portion of the cost of goods sold pertains to the purchase costs of inventories sold. There are other directly attributable costs associated with cost of goods sold and these include:-

	Group	
	2014 $'000	2013 $'000
Shipping, logistics, commission and claims	**(1,866,729)**	(1,853,528)
Foreign exchange on cost of goods sold [1]	**(127,758)**	26,247
(Losses)/gains on derivatives net of fair value changes	**(122,101)**	36,667
Inventories (written down)/written back, net (Note 19)	**(23,688)**	(115)
Export incentives, subsidies and grant income received [2]	**79,030**	101,134
Net measurement of derivative instruments	**4,488**	(5,699)
Net measurement of derivative instruments is stated after crediting/(charging):		
– Convertible and other bonds	**16,149**	610
– Derivatives held for trading	**(11,661)**	(6,309)
	4,488	(5,699)

[1] Foreign exchange on cost of goods sold relate to foreign exchange movement arising between the time of purchase of goods and the time of sale of such goods.

[2] Export incentives and subsidies relate to income from government agencies of various countries for the export of agricultural products. Grant income in the previous financial year relates to the conceptualisation, marketing and promotion of the special economic zone in Gabon.

7. Other expenses

	Group 2014 $'000	Group 2013 $'000
Other expenses are stated after (charging)/crediting:		
Fair value loss on investment held for trading	**(2,187)**	–
Allowance for doubtful debts:		
– Trade receivables (Note 17)	**(10,189)**	(8,002)
– Advance payments to suppliers (Note 20)	**(6,560)**	(1,576)
Bad debts written back:		
– Trade receivables	**1,963**	1,922
– Advance payments to suppliers	**575**	342
Bank charges	**(62,487)**	(60,208)
Gain/(loss) on foreign exchange, net	**45,588**	(55,279)
Biological assets written off (Note 12)	**(25,926)**	–
Accelerated amortisation of facility fees	**(21,103)**	–
Loss on partial disposal of associate	**(595)**	–
Employee benefits expenses (Note 30)	**(474,696)**	(466,181)
Travelling expenses	**(44,396)**	(51,253)
Impairment of intangible assets (Note 11)	**(1,257)**	(1,916)
Impairment of property, plant and equipment (Note 10)	**(25,669)**	–
Costs incurred for terminated projects	**–**	(19,209)
Transaction costs incurred in business combinations	**–**	(2,905)
Audit fees:		
– Auditor of the Company	**(1,666)**	(1,563)
– Other auditors	**(6,276)**	(4,253)
Non-audit fees:		
– Auditor of the Company	**(65)**	(304)
– Other auditors	**(559)**	(330)

8. Finance costs

Finance costs include the following:-

	Group 2014 $'000	Group 2013 $'000
Interest expense:		
– On bank overdrafts	**21,057**	17,695
– On bank loans	**247,849**	272,203
– On medium-term notes	**103,991**	98,545
– On bonds	**158,131**	120,576
– Others	**22,640**	38,535
	553,668	547,554
Less: interest expense capitalised in:		
– Property, plant and equipment and biological assets	**(34,428)**	(29,201)
	519,240	518,353

Interest was capitalised to capital work-in-progress, plant and machinery, buildings and biological assets by various subsidiaries of the Group at rates ranging from 5.50% to 8.30% (2013: 1.22% to 15.00%) per annum.

9. Income tax

(a) Major components of income tax expense

	Group 2014 $'000	Group 2013 $'000
Profit and loss accounts		
Current income tax:		
Singapore	**30,915**	29,728
Foreign	**44,865**	44,715
Over provision in respect of prior years	**(1,394)**	(11,705)
	74,386	62,738
Deferred income tax:		
Singapore	**1,953**	(1,105)
Foreign	**30,170**	43,501
Income tax expense	**106,509**	105,134

	Group 2014 $'000	Group 2013 $'000
Statement of comprehensive income:		
Deferred income tax related to items credited directly to other comprehensive income:		
Net change in fair value adjustment reserves for derivative financial instruments designated as hedging instruments in cash flow hedges	**(426)**	(3,144)
Deferred tax recorded in other comprehensive income	**(426)**	(3,144)

	Group 2014 $'000	Group 2013 $'000
Statement of changes in equity:		
Deferred income tax related to items debited directly to changes in equity:		
Net change in capital reserves for convertible bond	**5,412**	–
Deferred tax recorded in changes in equity	**5,412**	–

9. Income tax (cont'd)

(b) Relationship between tax expense and accounting profit

A reconciliation of the statutory tax rate to the Group's effective tax rate is as follows:-

	Group 2014 %	Group 2013 %
Statutory tax rate	**17.0**	17.0
Tax effect of non-deductible expenses	**8.1**	6.4
Higher statutory tax rates of other countries [(1)]	**5.2**	8.2
Tax effect on over provision in respect of prior years	**(0.2)**	(2.4)
Tax effect of income taxed at concessionary rate [(2)]	**(5.9)**	(6.4)
Tax effect on non-taxable/exempt income [(3)]	**(14.0)**	(4.4)
Tax effect of jointly controlled entities/associates	**(0.1)**	(0.7)
Tax effect of deferred tax assets not recognised	**3.0**	2.5
Tax effect of others, net	**1.1**	1.0
	14.2	21.2

(1) The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

(2) The Company is an approved company under the Global Trader Programme ("GTP") of International Enterprise Singapore and Development and Expansion Incentive ("DEI") under the International Headquarters ("IHQ") award of Singapore Economic Development Board. By virtue of this, the Company is entitled to a concessionary income tax rate of 5% for a period of 5 years from 1 July 2013 to 30 June 2018 on qualifying activities, products and income.

(3) There are eight (2013: three) subsidiaries within the Group that are taxed at the preferential tax rate of 0% (as opposed to the local headline/ statutory tax rates ranging from 20% to 35%) by the local tax authorities for periods ranging from 1.5 to 7 years.

(c) Current tax

Current tax assets and current tax liabilities are offset if a legally enforceable right exists, when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Income tax payables	**80,213**	49,728	**31,104**	21,976

(d) Deferred income tax

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The amounts, after such offsets, are disclosed on the balance sheet as follows:-

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Deferred tax assets	**22,983**	34,832	**893**	–
Deferred tax liabilities	**(266,035)**	(240,877)	**–**	(4,843)
Net deferred tax (liabilities)/assets	**(243,052)**	(206,045)	**893**	(4,843)

9. Income tax (cont'd)

(d) Deferred income tax (cont')

Detail of deferred tax assets and liabilities before offsetting is as follows:-

	Group				Company	
	Consolidated balance sheet		Consolidated profit and loss account		Balance sheet	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Deferred tax liabilities:						
Differences in depreciation	**206,605**	193,601	**14,328**	47,851	**240**	847
Fair value adjustment on business combinations	**93,613**	108,922	**(15,309)**	(5,708)	**–**	–
Biological assets	**43,742**	40,025	**3,963**	10,027	**–**	–
Convertible bonds	**416**	5,922	**–**	–	**416**	5,922
Others	**10,332**	9,627	**635**	4,230	**–**	–
Gross deferred tax liabilities	**354,708**	358,097			**656**	6,769
Deferred tax assets:						
Allowance for doubtful debts	**3,934**	2,390	**(1,435)**	2,813	**103**	–
Inventories written-down	**–**	–	**–**	–	**–**	23
Revaluation of financial instruments to fair value	**1,446**	1,903	**–**	–	**1,446**	1,903
Unabsorbed losses	**106,276**	147,759	**29,941**	(16,817)	**–**	–
Gross deferred tax assets	**111,656**	152,052			**1,549**	1,926
Net deferred tax (liabilities)/ assets	**(243,052)**	(206,045)			**893**	(4,843)
Deferred income tax expense			**32,123**	42,396		

Unrecognised tax losses and capital allowances for which no deferred tax assets has been recognised

The Group has tax losses of $152,475,000 (2013: $130,044,000) and capital allowances of $89,318,000 (2013: $69,034,000) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset has been recognised. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate and there is no expiry date on the utilisation of such tax losses and capital allowances for offset against future taxable profits.

Unrecognised temporary differences relating to investments in subsidiaries and jointly controlled entities

At the end of the financial years ended 30 June 2014 and 30 June 2013, there is no deferred tax liability that needs to be recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and jointly controlled entities as the Group has determined that if any undistributed earnings of its subsidiaries and jointly controlled entities are distributed in the foreseeable future, there will be no material tax impact.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements in respect of the current and previous financial year (Note 27).

10. Property, plant and equipment

Group	Freehold land $'000	Leasehold land and buildings $'000	Plant and machinery $'000	Other assets $'000	Capital work-in-progress $'000	Total $'000
Cost						
As at 1 July 2012	427,457	608,946	1,061,237	133,646	747,528	2,978,814
Additions	5,017	86,159	168,616	52,795	627,668	940,255
Acquired through business combinations	5,552	56,327	96,457	1,932	730	160,998
Disposals	(46,516)	(8,085)	(22,593)	(9,440)	(4,040)	(90,674)
Reclassification	42,965	185,644	175,856	36,387	(440,852)	–
Foreign currency translation adjustments	(5,012)	(9,215)	(35,859)	(939)	(5,543)	(56,568)
As at 30 June 2013 and 1 July 2013	429,463	919,776	1,443,714	214,381	925,491	3,932,825
Additions	4,987	61,037	114,351	30,078	357,093	567,546
Disposals	(33,294)	(44,809)	(158,773)	(14,600)	(13,873)	(265,349)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	(561)	(7,449)	(9,150)	(343,644)	(360,804)
Reclassification	5,449	184,052	276,650	5,267	(471,418)	–
Foreign currency translation adjustments	(9,587)	(16,031)	(82,735)	(2,763)	17,606	(93,510)
As at 30 June 2014	397,018	1,103,464	1,585,758	223,213	471,255	3,780,708
Accumulated depreciation and impairment loss:						
As at 1 July 2012	–	77,806	217,027	62,986	–	357,819
Charge for the year	–	40,400	110,759	24,719	–	175,878
Disposals	–	(2,486)	(8,463)	(6,737)	–	(17,686)
Reclassification	–	1,251	(486)	(765)	–	–
Foreign currency translation adjustments	–	(2,983)	(7,509)	(469)	–	(10,961)
As at 30 June 2013 and 1 July 2013	–	113,988	311,328	79,734	–	505,050
Charge for the year	–	46,021	120,758	27,989	–	194,768
Disposals	–	(11,088)	(39,679)	(11,137)	–	(61,904)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	(3)	(1,469)	(3,868)	–	(5,340)
Reclassification	–	2,821	(3,062)	241	–	–
Impairment	7,246	7,054	11,369	–	–	25,669
Foreign currency translation adjustments	16	(4,607)	(14,521)	(2,309)	–	(21,421)
As at 30 June 2014	7,262	154,186	384,724	90,650	–	636,822
Net carrying value						
As at 30 June 2014	389,756	949,278	1,201,034	132,563	471,255	3,143,886
As at 30 June 2013	429,463	805,788	1,132,386	134,647	925,491	3,427,775

10. Property, plant and equipment (cont'd)

Company	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Total $'000
Cost							
As at 1 July 2012	523	131	1,073	1,867	873	6,448	10,915
Additions	–	340	28	19	–	1,110	1,497
Foreign currency translation adjustments	(1)	7	(1)	(3)	(1)	15	16
As at 30 June 2013 and 1 July 2013	522	478	1,100	1,883	872	7,573	12,428
Additions	–	2	99	15	9	469	594
Disposal	–	–	–	(11)	(3)	(64)	(78)
Foreign currency translation adjustments	(8)	(8)	(19)	(30)	(14)	(125)	(204)
As at 30 June 2014	514	472	1,180	1,857	864	7,853	12,740
Accumulated depreciation							
As at 1 July 2012	107	29	726	1,810	816	4,703	8,191
Charge for the year	44	66	135	50	24	1,337	1,656
Foreign currency translation adjustments	1	1	2	(2)	(1)	23	24
As at 30 June 2013 and 1 July 2013	152	96	863	1,858	839	6,063	9,871
Charge for the year	45	27	119	9	13	1,046	1,259
Disposal	–	–	–	–	(1)	(5)	(6)
Foreign currency translation adjustments	(3)	(2)	(15)	(30)	(14)	(108)	(172)
As at 30 June 2014	194	121	967	1,837	837	6,996	10,952
Net carrying value							
As at 30 June 2014	320	351	213	20	27	857	1,788
As at 30 June 2013	370	382	237	25	33	1,510	2,557

The carrying amount of leasehold land and buildings of the Group held under financial lease at the end of the reporting period was $22,415,000 (2013: $25,170,000). The Group's buildings, plant and machinery with a carrying amount of $278,069,000 (2013: $280,566,000) have been pledged to secure the Group's borrowings as set out in Note 24 to the financial statements. In the previous financial year, freehold land amounting to $69,292,000 was pledged to secured borrowings.

During the financial year, management carried out a review of the Group's mechanical cashew processing facility in Nigeria as there were continuing operational challenges. An impairment loss of $25,314,000 representing the write down of related property, plant and equipment to recoverable amount was recognised. The recoverable amount of the related property, plant and equipment was based on its value in use taking into consideration management's plan to scale down the operations.

11. Intangible assets

Group	Goodwill $'000	Customer relationships $'000	Brands and trademark[1] $'000	Software $'000	Water Rights[2] $'000	Concession Rights[3] $'000	Others[4] $'000	Total $'000
Cost								
As at 1 July 2012	153,194	46,993	115,125	36,285	230,170	96,165	35,191	713,123
Additions	–	–	–	14,668	–	–	235	14,903
Acquired through business combinations	44,944	2,939	–	–	–	–	3,349	51,232
Foreign currency translation adjustments	(1,220)	(8)	(181)	(719)	(24,022)	11,651	(1,186)	(15,685)
As at 30 June 2013 and 1 July 2013	196,918	49,924	114,944	50,234	206,148	107,816	37,589	763,573
Additions	–	–	–	8,241	–	–	4,976	13,217
Disposal	(1,890)	–	–	–	–	–	–	(1,890)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	–	–	(1,968)	–	(29,698)	(8)	(31,674)
Foreign currency translation adjustments	(2,794)	(796)	(1,833)	(772)	3,136	(1,064)	78	(4,045)
As at 30 June 2014	192,234	49,128	113,111	55,735	209,284	77,054	42,635	739,181
Accumulated amortisation and impairment								
As at 1 July 2012	3,838	9,968	–	13,572	–	17,537	8,051	52,966
Amortisation	–	4,197	–	4,529	–	11,589	3,119	23,434
Impairment	1,859	–	–	57	–	–	–	1,916
Foreign currency translation adjustments	(310)	78	–	(893)	–	357	(491)	(1,259)
As at 30 June 2013 and 1 July 2013	5,387	14,243	–	17,265	–	29,483	10,679	77,057
Amortisation	–	4,446	–	5,876	–	5,410	5,077	20,809
Disposals	(1,890)	–	–	–	–	–	–	(1,890)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	–	–	(768)	–	(5,238)	–	(6,006)
Impairment	–	–	–	–	–	1,084	173	1,257
Foreign currency translation adjustments	(247)	(274)	–	(98)	–	(190)	5	(804)
As at 30 June 2014	3,250	18,415	–	22,275	–	30,549	15,934	90,423
Net carrying value								
As at 30 June 2014	188,984	30,713	113,111	33,460	209,284	46,505	26,701	648,758
As at 30 June 2013	191,531	35,681	114,944	32,969	206,148	78,333	26,910	686,516
Average remaining amortisation period (years) – 2014	–	4–13	–	1–9	–	12–22	5–33	
Average remaining amortisation period (years) – 2013	–	5–14	–	1–10	–	13–23	6–34	

11. Intangible assets (cont'd)

Company	Goodwill $'000	Brands and trademark $'000	Software $'000	Others[4] $'000	Total $'000
Cost					
As at 1 July 2012	5,584	3,959	7,346	11,126	28,015
Additions	–	–	11,564	–	11,564
Foreign currency translation adjustments	(9)	(6)	277	(18)	244
As at 30 June 2013 and 1 July 2013	5,575	3,953	19,187	11,108	39,823
Additions	–	–	5,521	–	5,521
Foreign currency translation adjustments	(89)	(63)	(305)	(177)	(634)
As at 30 June 2014	5,486	3,890	24,403	10,931	44,710
Accumulated amortisation					
As at 1 July 2012	–	–	1,006	2,598	3,604
Amortisation	–	–	1,666	1,104	2,770
Foreign currency translation adjustments	–	–	36	20	56
As at 30 June 2013 and 1 July 2013	–	–	2,708	3,722	6,430
Amortisation	–	–	2,692	1,049	3,741
Foreign currency translation adjustments	–	–	(71)	(70)	(141)
As at 30 June 2014	–	–	5,329	4,701	10,030
Net carrying amount					
As at 30 June 2014	5,486	3,890	19,074	6,230	34,680
As at 30 June 2013	5,575	3,953	16,479	7,386	33,393
Average remaining amortisation period (years) – 2014	–	–	1–9	5–13	
Average remaining amortisation period (years) – 2013	–	–	1–10	6–14	

(1) Brands and trademarks include "OK Foods" and "OK Sweets" brands. The useful lives of the brands are estimated to be indefinite as management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash flows for the Group.

(2) Water rights relate to perpetual access to share of water from a specified consumptive pool.

(3) Concession rights consist of rights to harvest trees in designated areas. Amortisation is charged over the estimated useful life of the concession rights.

(4) Others comprise land use rights, trade names, marketing agreements and non-compete fees. Land use rights relate to rights to land where the Group has acquired plantations. Amortisation is charged over the estimated useful lives of the land use rights.

11. Intangible assets (cont'd)

Impairment testing of goodwill and other intangible assets

Goodwill and intangible assets with indefinite lives arising from business combinations have been allocated to the following cash-generating units ("CGU"), for impairment testing:-

	Goodwill		Brands and trademark		Water rights	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Universal Blanchers	**61,754**	62,755	**–**	–	**–**	–
Olam Food Ingredients Holdings UK Limited	**7,513**	7,463	**–**	–	**–**	–
Queensland Cotton Holdings						
– Australian Cotton	**6,033**	5,943	**–**	–	**–**	–
– Australian Pulses	**1,619**	1,594	**–**	–	**–**	–
– USA Cotton	**2,426**	2,390	**–**	–	**–**	–
– Australian Wool	**2,233**	2,200	**–**	–	**–**	–
Olam International – Brazilian Cotton	**5,485**	5,574	**–**	–	**–**	–
Olam Orchards Australia Pty Ltd	**–**	–	**–**	–	**209,284**	206,148
Olam Spices & Vegetables Ingredients	**8,591**	8,723	**789**	802	**–**	–
Packaged foods brands	**29,382**	29,858	**112,322**	114,142	**–**	–
Olam Food Ingredients Spain, S.L. (formerly known as "Olam Macao Spain, S.L.")	**5,447**	5,535	**–**	–	**–**	–
Progida Group	**11,661**	11,850	**–**	–	**–**	–
Hemarus Industries Limited	**1,622**	1,696	**–**	–	**–**	–
Kayass Enterprise S.A. (Ranona Limited)	**40,146**	40,796	**–**	–	**–**	–
Dehydro Foods S.A.E.	**4,382**	4,453	**–**	–	**–**	–
Usicam S.A.	**690**	701	**–**	–	**–**	–
	188,984	191,531	**113,111**	114,944	**209,284**	206,148

11. Intangible assets (cont'd)

Impairment testing of goodwill and other intangible assets (cont'd)

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five year period. The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five year period are as follows:-

	Growth rates		Discount rates	
	2014 %	2013 %	2014 %	2013 %
Universal Blanchers	**2.00**	2.00	**10.00**	10.00
Olam Food Ingredients Holdings UK Limited (formerly known as "Britannia Food Ingredients Holdings Limited")	**–**	–	**12.50**	12.50
Queensland Cotton Holdings [1]	**–**	–	**13.00**	13.00
Olam International – Brazilian Cotton	**2.00**	2.00	**13.00**	13.00
Olam Orchards Australia Pty Ltd	**–**	–	**13.00**	13.00
Olam Spices and Vegetables Ingredients	**2.00**	2.00	**12.00**	12.00
Packaged foods brands	**3.00**	3.00	**12.50**	12.50
Olam Food Ingredients Spain, S.L. (formerly known as "Olam Macao Spain, S.L.")	**–**	–	**12.00**	12.00
Progida Group	**2.00**	2.00	**12.50**	12.50
Hemarus Industries Limited	**–**	–	**11.50**	11.50
Kayass Enterprises S.A. (Ranona Limited)	**3.00**	3.00	**12.50**	12.50
Dehydro Foods S.A.E.	**2.00**	2.00	**12.90**	12.90
Usicam S.A.	**2.00**	2.00	**12.00**	12.00

(1) The growth rates and discount rates used are the same for all CGUs relating to Queensland Cotton Holdings.

The calculations of value in use for the CGUs are most sensitive to the following assumptions:-

Budgeted gross margins – Gross margins are based on average values achieved at prevailing market conditions at the start of the budget period.

Growth rates – The growth rates indicated are as estimated by the management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Discount rates – Discount rates reflect management's estimate of risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

12. Biological assets

Group	Plantations and annual crops $'000	Livestock $'000	Total $'000
As at 1 July 2012	**485,177**	146,162	631,339
Net additions [(1)]	**19,569**	16,878	36,447
Capitalisation of expenses	**41,942**	18,668	60,610
Net change in fair value less estimated costs to sell	**105,234**	(8,948)	96,286
Foreign currency translation adjustments	**(42,986)**	46	(42,940)
As at 30 June 2013 and 1 July 2013	**608,936**	172,806	781,742
Net additions [(1)]	**263,202**	8,875	272,077
Capitalisation of expenses	**43,785**	30,295	74,080
Written off during the year	**(25,926)**	–	(25,926)
Net change in fair value less estimated costs to sell	**18,630**	(4,462)	14,168
Foreign currency translation adjustments	**(3,516)**	(4,463)	(7,979)
As at 30 June 2014	**905,111**	203,051	1,108,162

[(1)] Net additions include purchases, growths and harvests in the various biological assets categories.

Plantations and annual crops

Plantations consist of almonds, coffee, cocoa, palm and rubber. The almond orchards and coffee plantations presently consist of trees aged between 1 and 25 years and 1 and 13 years respectively (2013: 1 and 24 years and 1 and 12 years respectively). The cocoa plantations presently consist of trees aged between 11 and 13 years (2013: 10 and 12 years).

Biological assets written off during the year relates to the coffee plantations in Laos that were cleared and replanted to achieve optimal yields.

Immature plantations consist of palm and rubber trees aged between 1 and 3 years amounting to $193,396,000.

During the financial year, the Group harvested approximately 34,679 metric tonnes (2013: 40,152 metric tonnes) of almonds, which had a fair value less estimated point-of-sale costs of approximately $333,565,000 (2013: $353,483,000). The fair value of almonds was determined with reference to the market prices at the date of harvest.

Annual crops consist of various commodities such as cotton, onions, tomatoes and other vegetables, rice and grains. For cotton, onions, tomatoes and other vegetable, the Group provides seeds to farmers to sow and grow while for rice and grains, the Group manages its own farms. For annual crops where seeds are provided, the farmers take all the harvest risks and bear all the farming costs. However, the Group has the first right to buy the produce from these farmers, when these annual crops are harvested.

At the end of the financial year, the Group's total planted area of plantations and annual crops is approximately 37,324 (2013: 27,774) hectares and 35,577 (2013: Nil) hectares respectively, excluding hectares for those commodities whose plantations are not managed by the Group.

12. Biological assets (cont'd)

Fair value determination

The fair value of plantations is estimated with reference to a professional valuation using the present value of expected net cash flows from the biological assets.

The following table shows the key inputs used:-

Key inputs	Inter-relationship between key inputs and fair value measurement
Plantations:	
Discount rates of 11% to 13% per annum	The estimated fair value increases as the estimated discount rate per annum decreases.
Market prices ranging from $9,600 to $11,000 per metric tonne	The estimated fair value increases as the respective inputs increase.

The annual crops have been valued using adjusted cost, based on the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximates fair value.

Livestock

Livestock relates mainly to dairy cattle in Uruguay and Russia. At the end of the financial year, the Group held 55,512 (2013: 48,988) cows, which are able to produce milk (mature assets) and 37,103 (2013: 38,394) heifers and calves, being raised to produce milk in the future (immature assets). The cows produced 229 million litres (2013: 216 million litres) of milk with a fair value less estimated point-of-sale costs of $127,237,000 (2013: $109,647,000) during the financial year.

Fair value determination

The fair value of livestock is determined based on valuations by an independent professional valuer using market prices ranging from $90 to $4,820 of livestock of similar age, breed and generic merit.

Financial risk management strategies related to agricultural activities

The Group is exposed to financial risk in respect of agricultural activity. The agricultural activity of the Group consists of the management of biological assets to produce marketable output. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of biological assets and on harvesting and ultimately receiving cash from the sale of the marketable output. The Group plans for cash flow requirements for such activities and manages its debt and equity portfolio actively.

13. Subsidiary companies

	Company 2014 $'000	Company 2013 $'000
Unquoted equity shares at cost	**1,588,848**	1,497,240
Less: Impairment loss	**(14,173)**	(13,283)
Foreign currency translation adjustments	**(50,993)**	(27,203)
	1,523,682	1,456,754
Loans to subsidiary companies	**1,031,402**	550,449
	2,555,084	2,007,203

Loans to subsidiary companies denominated in currencies other than functional currency of the Company at 30 June are as follows:-

	Company 2014 $'000	Company 2013 $'000
Australian Dollar	**–**	153,450
Euro	**314,772**	117,740

The Company has recognised impairment loss during the financial year of $890,000 (2013: $6,544,000) on the investment in the subsidiaries as the carrying amount exceeds the fair value based on the net asset value of the subsidiaries.

Loans to subsidiary companies are unsecured and are not repayable within the next 12 months. The loans are non-interest bearing, except for amounts of $543,202,000 (2013: $440,543,000) which bear interest ranging from 2.5% to 6.0% (2013: 2.5% to 9.0%) per annum.

Disposal of ownership interest in a subsidiary, without loss of control

During the year, the Company disposed a 25.5% equity stake in OS Foods Africa Ltd for $25,080,000 to a third party. The gain on divestment amounting to $14,201,000 has been included in "Capital Reserves", a separate component of equity.

Disposal of ownership interest in subsidiaries resulting in loss of control

During the year, the Group entered into various sale agreements for the following subsidiaries:

Gabon Special Economic Zone SA

The Company sold a 20.0% equity stake in Gabon Special Economic Zone SA ("GSEZ") to government of the Republic of Gabon. Upon the sale, Gabon Special Economic Zone SA ceased to be a subsidiary of the Company and has been classified as an associate (Note 14(b)).

Compagnie Forestière des Abeilles SA

During the year, the Company sold its 100% equity stake in its subsidiary Compagnie Forestière des Abeilles SA ("CFA") to a Gabonese timber company. The divestment is in line with the Company's strategy to restructure the Wood Products portfolio and with this transaction, the Group has fully exited the Timber business in Gabon and restructured its portfolio to focus primarily on the forestry business in the Republic of Congo.

Olam Grains Australia Pty Ltd

During the year, the Group sold a 80.0% equity interest in wholly owned subsidiary, Olam Grains Australia ("OGA"). OGA's business mainly comprises origination, trading, logistics and marketing activities as well as an investment in a 32.5% stake in Newcastle Agri Terminal, which commenced operations in February 2014. Olam will continue to hold a 20.0% equity interest in OGA (Note 15).

13. Subsidiary companies (cont'd)

Disposal of ownership interest in subsidiaries resulting in loss of control (cont'd)

The financial effects of disposal of ownership interest in subsidiaries resulting in loss of control during the year are as follows:-

	2014 $'000
Property, plant and equipment (Note 10)	355,464
Intangible assets (Note 11)	25,668
Investment in jointly controlled entity	20,463
Other non-current assets	15,563
Current assets	376,131
Cash and bank balances	3,162
	796,451
Current liabilities	(14,403)
Bank loans – current	(14,824)
Non-current liabilities	(328,100)
	(357,327)
Total carrying value of net assets	439,124
Non-controlling interest measured based on proportionate share of net identifiable assets	(156,208)
Net assets	282,916
Gain on disposal of subsidiaries, net	18,785
	301,701
Consideration received for the disposals	
Cash receivables (Note 21)	137,077
Fair value of retained interest in GSEZ and OGA	164,624
Total consideration	301,701
Less: Cash and cash equivalents disposed	(3,162)
Net cash outflow on disposal of subsidiaries	(3,162)

13. Subsidiary companies (cont'd)

Details of significant subsidiary companies are as follows:-

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group 2014 %	2013 %
Olam Ghana Limited [1]	Ghana	(a)	**100**	100
Olam Ivoire SA [1]	Ivory Coast	(a)	**100**	100
Olam Nigeria Limited [1]	Nigeria	(a)	**100**	100
Outspan Ivoire SA [1]	Ivory Coast	(a)	**100**	100
Olam Moçambique, Limitada [1]	Mozambique	(a)	**100**	100
Olam Vietnam Limited [1]	Vietnam	(a)	**100**	100
Olam South Africa (Proprietary) Limited [1]	South Africa	(a)	**100**	100
Olam Brasil Ltda [1]	Brazil	(a)	**100**	100
Olam Europe Limited [1]	United Kingdom	(a)	**100**	100
PT Olam Indonesia [1]	Indonesia	(a)	**100**	100
Outspan Brasil Importação e Exportação Ltda. [1]	Brazil	(a)	**100**	100
Olam Argentina S.A. [1]	Argentina	(a)	**100**	100
Café Outspan Vietnam Limited [1]	Vietnam	(a)	**100**	100
LLC Outspan International [1]	Russia	(a)	**100**	100
Olam Investments Australia Pty Ltd [1]	Australia	(b)	**100**	100
Olam Enterprises India Limited (formerly known as "Olam Agro India Limited") [1]	India	(a)	**100**	100
Crown Flour Mills Limited [1]	Nigeria	(a)	**100**	100
Olam Orchards Australia Pty Ltd [1]	Australia	(a) & (c)	**100**	100
tt Timber International AG [2]	Switzerland	(a) & (b)	**100**	100
Congolaise Industrielle des Bois SA [1]	Republic of Congo	(a)	**100**	100
NZ Farming Systems Uruguay Limited [1]	New Zealand	(a) & (b)	**100**	100
Gabon Special Economic Zone SA [1]	Gabon	(d)	**–** [3]	60
Olam Palm Gabon SA [1]	Gabon	(a) & (c)	**70**	70
OK Foods Limited [1]	Nigeria	(a) & (b)	**100**	100
Olam Cocoa Processing Cote d'Ivoire [1]	Ivory Coast	(a)	**100**	100
Seda Outspan Iberia S.L. [1]	Spain	(a)	**100**	100
Ranona Limited [1]	Nigeria	(a)	**100**	100
Dehydro Foods S.A.E. [1]	Egypt	(a)	**100**	100
Queensland Cotton Holdings Pty Ltd [1]	Australia	(a) & (b)	**100**	100

13. Subsidiary companies (cont'd)

Details of significant subsidiary companies are as follows:-

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group 2014 %	2013 %
Olam Holdings Partnership [1]	The United States of America	(a), (b) & (c)	**100**	100
Progida Findik Sanayi ve Ticaret A.Ş. [1]	Turkey	(a)	**100**	100
Progida Pazarlama A.Ş. [1]	Turkey	(a)	**100**	100
Progida Tarim Ürünleri Sanayi ve Ticaret A.Ş. [1]	Turkey	(a)	**100**	100
LLC Russian Dairy Company [1]	Russia	(c)	**75**	75
Gabon Fertilizer Company SA [1]	Gabon	(a)	**80**	80
Olam Rubber Gabon SA [1]	Gabon	(a)	**80**	80
Olam Sanyo Foods Limited [1]	Nigeria	(a)	**74.5**	100

(a) Sourcing, processing, packaging and merchandising of agricultural products and inputs.

(b) Investment holding.

(c) Agricultural operations.

(d) Infrastructure development.

[1] Audited by associated firms of Ernst & Young Global Limited.

[2] Audited by other Certified Public Accounting ("CPA") firms.

[3] The Group's investment in Gabon Special Economic Zone SA has been classified as an associate as disclosed above (Note 14(b)).

14. Investments in jointly controlled entities and associates

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Jointly controlled entities (Note 14(a))	**306,748**	317,084	**173,014**	188,483
Associates (Note 14(b))	**528,645**	240,609	**511,240**	224,543
	835,393	557,693	**684,254**	413,026

(a) Investments in jointly controlled entities

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Unquoted equity shares at cost	**59,791**	60,019	**45,610**	50,807
Share of post-acquisition reserves	**119,992**	122,735	**–**	–
Loans to jointly controlled entities [1]	**128,764**	136,540	**128,130**	136,540
Foreign currency translation adjustments	**(1,799)**	(2,210)	**(726)**	1,136
	306,748	317,084	**173,014**	188,483

[1] Loans to jointly controlled entities include a loan to Nauvu Investments Pte Ltd amounting to $128,130,000 (2013: $136,540,000). The loans are unsecured, non-interest bearing and not expected to be repayable within the next 12 months.

Details of significant jointly controlled entities at end of financial year are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held 2014 %	Percentage of equity held 2013 %
Held by the Company				
Nauvu Investments Pte Ltd [1]	Singapore	(a)/(b)	**50**	50
Acacia Investment Limited [3]	United Arab Emirates	(a)/(b)	**50**	50
Held by Subsidiary				
Collymongle Ginnery Pty Ltd [2]	Australia	(c)	**51**	–

(a) Sourcing, processing, packaging and merchandising of agricultural products.

(b) Technical services.

(c) Cotton ginning services.

[1] Audited by Ernst & Young LLP, Singapore

[2] Audited by associated firms of Ernst & Young Global Limited

[3] Audited by other CPA firm. However, the principal operating subsidiary in Mozambique is audited by an associate firm of Ernst & Young Global Limited

14. Investments in jointly controlled entities and associates (cont'd)

(a) Investments in jointly controlled entities (cont'd)

Collymongle Ginnery Pty Ltd

The Group's investment in Collymongle Ginnery Pty Ltd ("CGPL") has been accounted for as a jointly controlled entity even though the Group has an effective interest of 51% as joint approval is required in relevant activities that affect the returns of CGPL, such as adoption and amendment of the business plan, capital expenditure, dividend policy, funding policy and arrangements with directors and shareholders.

The Group's share of the jointly controlled entities' underlying assets and liabilities, and results are as follows:-

	Group	
	2014 $'000	2013 $'000
Assets and liabilities:		
Current assets	49,262	72,222
Long-term assets	280,404	272,025
Total assets	329,666	344,247
Current liabilities	(18,515)	(35,282)
Long-term liabilities	(158,133)	(159,830)
Total liabilities	(176,648)	(195,112)
Results:		
Income	22,441	46,230
Expenses	(28,101)	(27,925)
(Loss)/profit after tax for the financial year	(5,660)	18,305

(b) Investments in associates

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Quoted equity shares at cost	–	169,031	–	169,031
Unquoted equity shares at cost	236,169	137,940	244,593	120,470
Share of post-acquisition reserves	25,676	343	–	–
Loan to associate [(1)]	317,854	–	317,854	–
Less: Impairment loss	(35,596)	(35,596)	(35,596)	(35,596)
Foreign currency translation adjustments	(15,458)	(31,109)	(15,611)	(29,362)
	528,645	240,609	511,240	224,543
Market value of quoted equity shares	–	220,637	–	220,637

(1) Loan to associate is unsecured, non-interest bearing and not expected to be repayable within the next 12 months.

14. Investments in jointly controlled entities and associates (cont'd)

(b) Investments in associates (cont'd)

Details of significant associates at end of financial year are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held 2014 %	2013 %
Held by the Company				
Gabon Special Economic Zone SA [1] (Note 13)	Gabon	Infrastructure development	**40.00**	–
Open Country Dairy Limited [2]	New Zealand	Processing and trading of agricultural commodities	**15.19**	24.75
PureCircle Limited [2]	Bermuda	Processing and trading of agricultural commodities	**–**	18.56
Held by Subsidiary				
Newcastle Agri Terminal Pty Ltd [2]	Australia	Infrastructure development	**–**	27.16

(1) Audited by associated firms of Ernst & Young Global Limited
(2) Audited by other CPA firms

Open Country Dairy Limited

During the year, the Company partially sold an equity stake in Open Country Dairy Limited for a consideration of $34,858,000. Management has assessed and is satisfied that the Group retains significant influence over Open Country Dairy Limited.

PureCircle Limited

The investment in PureCircle Limited has been classified as an available-for-sale financial asset during the year as the Company no longer has the ability to significantly influence the investee (Note 5, 15).

Newcastle Agri Terminal Pty Ltd

Newcastle Agri Terminal Pty Ltd was sold together with the grains business in Australia to a third party (Note 15).

14. Investments in jointly controlled entities and associates (cont'd)

(b) Investments in associates (cont'd)

The Group's share of the associates' underlying assets and liabilities, and results are as follows:-

	Group 2014 $'000	Group 2013 $'000
Assets and liabilities:		
Current assets	184,798	68,451
Long-term assets	193,085	104,766
Total assets	377,883	173,217
Current liabilities	(28,409)	(27,892)
Long-term liabilities	(143,631)	(35,227)
Total liabilities	(172,040)	(63,119)
Results:		
Income	159,324	170,725
Expenses	(151,477)	(168,546)
Profit after tax for the financial year	7,847	2,179

15. Long term investments

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Quoted equity shares	393,976	–	393,976	–
Unquoted equity shares	13,709	–	–	–
	407,685	–	393,976	–

The Group's investment in quoted equity shares relates to a 18.56% investment in PureCircle Limited, while the investment in unquoted equity shares relates to a 20% investment in Olam Grains Australia Pty Ltd. Management has assessed and is of the view that the Group does not retain significant influence over Olam Grains Australia Pty Ltd and has accounted for the investment as an 'available-for-sale' financial asset.

16. Amounts due from subsidiary companies

	Company 2014 $'000	2013 $'000
Trade receivables	**728,136**	741,688
Loans to subsidiaries	**1,038,606**	1,460,885
Non-trade receivables	**16,413**	55,450
	1,783,155	2,258,023

Loans to subsidiaries include amounts totalling $483,865,000 (2013: $741,991,000) which are unsecured and bear interest ranging from 2.23% to 6.90% (2013: 4.94% to 7.47%) per annum, repayable on demand and is to be settled in cash. The remaining amounts are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

The other amounts are non-interest bearing, unsecured, subject to trade terms or repayable on demand, and are to be settled in cash.

Amounts due from subsidiary companies denominated in currencies other than functional currency of the Company at 30 June are as follows:-

	Company 2014 $'000	2013 $'000
Euro	**340,826**	450,237
Australian Dollar	**–**	269,783
Amounts due from subsidiary companies are stated after deducting allowance for doubtful debts of		
– Trade	**1,870**	1,900
– Non-trade	**3,126**	3,176
	4,996	5,076

The movement of the allowance accounts is as follows:-

Movement in allowance accounts:-		
At 1 July	**5,076**	5,074
Charge for the year	**–**	10
Foreign currency translation adjustments	**(80)**	(8)
At 30 June	**4,996**	5,076

17. Trade receivables

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade receivables	**1,420,681**	2,190,808	**649,276**	984,098
Indirect tax receivables	**192,542**	182,092	**909**	293
	1,613,223	2,372,900	**650,185**	984,391

Trade receivables are non-interest bearing and are subject to trade terms of 30 to 60 days' terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

Trade receivables denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
United States Dollar	**115,404**	194,850	**–**	–
Great Britain Pound	**25,677**	25,493	**25,009**	25,493
Euro	**105,794**	48,255	**78,678**	32,825

Trade receivables include an amount of $68,124 and $9,402,979 (2013: $443,167 and $12,469,677) due from an associate and a jointly controlled entity, respectively.

The Group's and the Company's trade receivables that are impaired at balance sheet date and the movement of the allowance accounts are as follows:-

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade receivables – nominal amounts	**1,454,869**	2,218,778	**666,763**	997,892
Less: Allowance for doubtful debts	**(34,188)**	(27,970)	**(17,487)**	(13,794)
	1,420,681	2,190,808	**649,276**	984,098
Movement in allowance accounts:-				
At 1 July	**27,970**	30,792	**13,794**	9,207
Charge for the year	**10,189**	8,002	**4,651**	4,938
Written off	**(1,699)**	(8,330)	**–**	–
Written back	**(2,026)**	(2,184)	**(697)**	(437)
Foreign currency translation adjustments	**(246)**	(310)	**(261)**	86
At 30 June	**34,188**	27,970	**17,487**	13,794

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

17. Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group and Company has trade receivables amounting to $513,569,000 (2013: $1,111,188,000) and $126,494,000 (2013: $293,366,000) that are past due at the end of the reporting period but not impaired respectively. The analysis of their aging at the balance sheet date is as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables past due but not impaired:-				
Less than 30 days	**263,095**	720,485	**46,305**	146,168
30 to 60 days	**123,001**	178,974	**35,418**	52,073
61 to 90 days	**45,811**	109,765	**4,792**	56,519
91 to 120 days	**18,310**	43,657	**7,556**	5,237
121 to 180 days	**26,372**	20,887	**14,910**	2,979
More than 180 days	**36,980**	37,420	**17,513**	30,390
	513,569	1,111,188	**126,494**	293,366

Indirect tax receivables comprise goods and services, value-added taxes and other indirect forms of taxes.

18. Margin accounts with brokers

Margin accounts are maintained with recognised futures dealers and brokers for trades done on the futures exchanges. These margin accounts move in relation to trades done on futures, variation margins required and prices of the commodities traded.

These amounts reflect the payments made to futures dealers as initial and variation margins depending on the volume of trades done and price movements.

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Margin deposits with brokers	**268,598**	82,515	**181,729**	47,494
Amounts due to brokers	**(43,099)**	(91,629)	**(41,129)**	(83,177)
	225,499	(9,114)	**140,600**	(35,683)

19. Inventories

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Balance sheets:				
Commodity inventories at fair value	**2,823,363**	1,650,197	**713,811**	282,147
Commodity inventories at the lower of cost and net realisable value	**1,862,335**	2,504,074	**91,234**	176,913
	4,685,698	4,154,271	**805,045**	459,060
Profit and loss accounts:				
Inventories recognised as an expense in cost of goods sold	**(15,393,547)**	(17,113,260)	**(11,852,404)**	(11,866,997)
inclusive of the following (charge)/credit				
– Inventories written down/ off	**(27,113)**	(7,720)	**(10,088)**	(1,265)
– Reversal of write-down of inventories [1]	**3,425**	7,605	**1,286**	1,658

[1] The reversal of write-down of inventories is made when the related inventories are sold above their carrying amounts.

20. Advance payments to suppliers/subsidiary companies

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Third parties	**706,652**	598,470	**207,495**	215,033
Subsidiary companies	**–**	–	**2,055,652**	2,079,753
	706,652	598,470	**2,263,147**	2,294,786

These represent advance payments to suppliers and subsidiary companies for procurement of physical commodities.

Advance payments to suppliers and subsidiary companies denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
United States Dollar	**14,700**	33,302	**–**	–
Euro	**25,624**	22,773	**409,205**	430,146
Great Britain Pound	**72**	91	**29,161**	3,538

Advance payments to subsidiary companies are stated after deducting allowance for doubtful debts of $10,416,000 (2013: $10,584,000).

Advance payments to suppliers for the Group and Company are stated after deducting allowance for doubtful debts of $16,819,000 (2013: $12,149,000) and $5,402,000 (2013: $5,082,000) respectively.

20. Advance payments to suppliers/subsidiary companies (cont'd)

The movement in the allowance accounts for advance payment to suppliers is as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Movement in allowance accounts:-				
As at 1 July	**12,149**	10,988	**5,082**	5,339
Charge for the year	**6,560**	1,576	**497**	89
Written off	**(1,385)**	(153)	**–**	–
Written back	**(575)**	(342)	**(92)**	(332)
Foreign currency translation adjustments	**70**	80	**(85)**	(14)
At 30 June	**16,819**	12,149	**5,402**	5,082

21. Other current / non-current assets

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current:				
Staff advances [(1)]	**8,504**	10,582	**729**	928
Deposits	**26,142**	30,969	**1,967**	1,878
Option premium receivable	**17,919**	7,069	**14,514**	6,431
Insurance receivables [(2)]	**7,953**	25,650	**5,066**	18,759
Short-term investment [(3)]	**10,687**	39,657	**10,687**	39,657
Sundry receivables [(4)]	**180,253**	91,354	**2,410**	3,299
Export incentives and subsidies receivable [(5)]	**143,787**	103,725	**–**	–
	395,245	309,006	**35,373**	70,952
Prepayments [(6)]	**345,569**	243,652	**94,173**	17,019
	740,814	552,658	**129,546**	87,971
Non-current:				
Other non-current assets [(7)]	**23,148**	20,256	**–**	–

(1) Staff advances are interest-free, unsecured, repayable within the next 12 months and are to be settled in cash.

(2) Insurance receivables pertain to pending marine and inventories insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.

(3) Short-term investment relates to investment in the Ektimo Commodity Relative Value Fund LP ('Fund'), which invests in a portfolio of commodity markets including agriculture, metals, energy and livestock.

(4) Cash receivables from the disposal of ownership interest in subsidiaries resulting in loss of control is included in sundry receivables (Note 13).

(5) These relate to incentives and subsidies receivable from the Government agencies of various countries for export of agricultural products. There are no unfulfilled conditions or contingencies attached to these incentives and subsidies.

(6) Prepayments mainly pertain to prepaid expenses incurred for sourcing, processing, packaging and merchandising of agricultural products and inputs.

(7) Other non-current assets include an investment in a dairy co-operative in Uruguay, which is accounted at cost.

22. Trade payables and accruals

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade payables	**1,066,914**	1,188,242	**530,300**	766,982
Accruals	**419,668**	475,254	**121,514**	131,499
Advances received from customers	**67,243**	59,517	**13,474**	29,234
Amounts due to an associate	**2,987**	–	**–**	–
GST payable and equivalent	**30,814**	24,950	**–**	–
	1,587,626	1,747,963	**665,288**	927,715

Trade payables are non-interest bearing. Trade payables are subject to trade terms of 30 to 60 days' terms while other payables have an average term of two months.

Trade payables denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Euro	**104,869**	107,377	**84,344**	103,004
New Zealand Dollar	**47,973**	3,035	**47,973**	3,035
United States Dollar	**41,817**	27,357	**–**	–
Great Britain Pound	**7,753**	285	**6,522**	–

Trade payables include amounts of $47,974,200 (2013: $3,032,288) and $4,273,522 (2013: $6,275,352) due to an associate and a jointly controlled entity respectively.

Accruals mainly relate to provisions for operating costs such as logistics, insurance premiums and employee benefits.

23. Other current liabilities

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Interest payable on bank loans	**87,476**	95,924	**79,107**	92,181
Sundry payables	**315,367**	156,023	**–**	3,385
Option premium payable	**20,720**	3,228	**20,595**	3,228
	423,563	255,175	**99,702**	98,794
Withholding tax payable	**4,759**	14,066	**–**	–
	428,322	269,241	**99,702**	98,794

24. Borrowings

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current:				
Bank overdrafts (Note 33)	**298,179**	261,147	**–**	–
Bank loans	**4,082,463**	2,115,877	**2,867,998**	164,371
Term loans from banks	**108,947**	308,522	**108,947**	308,522
Medium-term notes	**–**	248,055	**–**	248,055
Obligation under finance leases (Note 28(c))	**5,722**	4,403	**–**	–
Convertible bonds, unsecured	**–**	27,555	**–**	27,555
Other bonds	**8,445**	–	**–**	–
	4,503,756	2,965,559	**2,976,945**	748,503
Non-current:				
Term loans from banks	**1,309,524**	2,354,192	**227,147**	1,670,762
Medium-term notes	**1,699,547**	1,724,505	**1,699,547**	1,724,505
Obligation under finance leases (Note 28(c))	**52,489**	21,563	**–**	–
Convertible bonds, unsecured	**575,528**	564,601	**575,528**	564,601
Other bonds	**1,199,062**	1,217,818	**1,190,602**	1,193,326
	4,836,150	5,882,679	**3,692,824**	5,153,194
	9,339,906	8,848,238	**6,669,769**	5,901,697

Borrowings denominated in currencies other than functional currencies of Group companies as at 30 June are as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore Dollar	**1,109,270**	1,392,990	**1,109,270**	1,392,990
United States Dollar	**447,969**	321,882	**–**	–
Euro	**16,763**	51,845	**–**	–

Bank overdrafts and bank loans

The bank loans to the Company are repayable within 12 months and bear interest in a range from 0.55% to 1.13% (2013: 0.63% to 2.14%) per annum.

The bank loans and bank overdrafts to the subsidiary companies are repayable within 12 months and bear interest in a range from 1.05% to 34.00% (2013: 0.95% to 23.25%) per annum.

Bank loans include an amount of $23,564,000 (2013: $88,305,000) secured by the assets of subsidiaries. The remaining amounts of bank loans are unsecured.

24. Borrowings (cont'd)

Term loans from banks

Term loans from banks to the Company bear interest at floating interest rates ranging from 2.28% to 4.98% (2013: 1.65% to 4.19%) per annum. Term loans to the Company are unsecured and are repayable within six years.

Term loans from banks to the subsidiary companies bear interest at floating interest rates ranging from 1.27% to 12.50% (2013: 1.22% to 12.50%) per annum. Term loans to the subsidiary companies are unsecured and are repayable between two and nine years.

Term loans from banks include an amount of $145,431,000 (2013: $143,087,000) secured by the assets of subsidiaries. The remaining amounts of term loans from banks are unsecured.

Medium-term notes

The Company has a $800,000,000 multicurrency medium-term notes ("MTN") programme and a US$2,000,000,000 Euro medium-term notes ("EMTN") programme. The draw downs from the MTN and EMTN are unsecured.

The MTN and EMTN as at 30 June are as follows:-

		Group and Company	
	Maturity	2014 $'000	2013 $'000
Current:			
Euro medium term note programme:			
– 2.50% fixed rate notes	2013	**–**	248,055
Non-current:			
Multicurrency medium term note programme:			
– 6.00% fixed rate notes	2018	**249,075**	249,075
Euro medium term note programme			
– 5.75% fixed rate notes	2017	**620,185**	633,300
– 5.80% fixed rate notes	2019	**348,107**	348,107
– 6.00% fixed rate notes [1]	2022	**482,180**	494,023
		1,699,547	1,724,505
		1,699,547	1,972,560

[1] On 22 January 2014, the Company repurchased S$15,000,000 of the S$500,000,000 6.00% fixed rate notes due 2022, issued on 25 October 2012. The repurchase was made by way of on-market purchases. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is S$485,000,000.

Obligations under finance leases

Obligations under finance leases amounting to $16,887,000 (2013: $11,509,000) are guaranteed by a subsidiary company.

Obligations under finance leases bear interest ranging from 1.56% to 9.22% (2013: 1.56% to 9.20%) per annum and are repayable between 1 and 18 years.

24. Borrowings (cont'd)

Convertible bonds, unsecured

The liability portion of the convertible bonds at 30 June is as follows:-

	Group and Company	
	2014 **$'000**	**2013** **$'000**
Current:		
– 1.0% convertible bonds [1]	**–**	27,555
Non-current:		
– 6.0% convertible bonds [2]	**575,528**	564,601
	575,528	592,156

[1] On 3 July 2008, the Company issued 1.0% interest bearing convertible bonds of US$300,000,000. The bonds will mature in five years from the issue date at their redemption value of US$358,140,000 or can be converted any time between 13 August 2008 and 23 May 2013 into fully paid ordinary shares of the Company at an initial conversion price of $3.8464 per share with a fixed exchange rate of $1.3644 to US$1.00. In 2009, bonds aggregating to a principal amount of US$280,800,000 were bought back. These bonds were fully redeemed during the current financial year.

[2] On 2 September 2009, the Company issued 6.0% interest bearing convertible bonds of US$400,000,000. The bonds will mature in seven years from the issue date and have an initial conversion price of $3.0853 per share with a fixed exchange rate of $1.4400 to US$1.00. On 1 October 2009, the Company increased the issue size of the bonds by an additional US$100,000,000 bringing the total issue size to US$500,000,000.

The carrying amount of the liability component of the above convertible bonds at the balance sheet date is derived as follows:-

	Group and Company	
	2014 **$'000**	**2013** **$'000**
Balance at the beginning of the period	**592,156**	567,412
Less: Redemption of convertible bonds	**(27,402)**	-
Less: Foreign currency translation adjustments	**(9,158)**	(893)
Add: Accretion of interest	**19,932**	25,637
	575,528	592,156

24. Borrowings (cont'd)

Other bonds

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Current:				
– Outspan Ivoire SA bonds [2]	**8,445**	–	**–**	–
Non-current:				
– 7.5% unsecured senior bonds [1]	**310,170**	314,960	**310,170**	314,960
– Outspan Ivoire SA bonds [2]	**8,460**	24,492	**–**	–
– 6.75% bonds [3]	**880,432**	878,366	**880,432**	878,366
	1,199,062	1,217,818	**1,190,602**	1,193,326
	1,207,507	1,217,818	**1,190,602**	1,193,326

(1) On 7 August 2010, the Company issued a 7.5% interest bearing unsecured senior bonds of US$250,000,000 due in 2020. The interest is payable semi-annually.

(2) Outspan Ivoire SA issued unsecured bonds of XOF 13.0 billion with a fixed annual interest rate of 7% per annum on the reducing principal. The interest is payable annually on 1 July each year. The principal is payable in four equal installments of XOF 3.25 billion starting from 1 July 2013 annually. The first and second installments totalling XOF 6.5 billion (equivalent to $14,782,000) have been repaid as of year end.

(3) On 29 January 2013, the Company undertook a renounceable underwritten rights issue (the "Rights Issue") of US$750,000,000 6.75% Bonds due 2018 (the "Bonds"), with 387,365,079 free detachable warrants (the "Warrants"). Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company (the "New Share") at an exercise price of US$1.291 for each New Share. The issue price of the Right Issue was 95% of the principal amount of the Bonds. In the current financial year, as a result of the payment of the first and final dividend on 14 November 2013, adjustments were made to the exercise price from US$1.291 to US$1.250 and the number of the Warrants from 387,365,079 to 397,826,160 Warrants.

Upon completion of the Rights Issue, the total proceeds net of transaction costs are allocated to the Bond, fair value of derivative financial instruments component and the warrants, which are separately presented on the balance sheet.

The Bond is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the debt is extinguished on redemption of the Bond.

The derivative financial instrument component is determined by the fair value of the embedded derivatives on the date of issue. The fair value is reassessed at every balance sheet date and the difference is recognised in the profit and loss account.

The carrying amount of the Warrants are determined after reducing the fair values of the Bond and the embedded derivatives component from the net proceeds of the Rights Issue is presented as capital reserve under equity. The carrying amount of the Warrants is not adjusted in subsequent periods. When the Warrants are exercised, the carrying amount of the Warrants will be transferred to the share capital account. When the Warrant expires, its carrying amount will be transferred to retained earnings. (Note 26(d)).

25. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year adjusted for the effects of dilutive shares and options.

The following reflects the profit and share data used in the basic and diluted earnings per share computations for the financial years ended 30 June:-

	Group	
	2014 $'000	2013 $'000
Net profit attributable to owners of the Company	608,488	362,618
Less: Distribution on perpetual capital securities	(17,994)	(19,303)
Net profit attributable to owners of the Company for basic and dilutive earnings per share	590,494	343,315
	No. of shares	No. of shares
Weighted average number of ordinary shares on issue applicable to basic earnings per share	2,395,390,505	2,390,213,869
Dilutive effect of share options	379,225	–
Dilutive effect of warrants	43,351,520	15,772,954
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	2,439,121,250	2,405,986,823

The incremental shares relating to the outstanding convertible bonds have not been included in the calculation of diluted earnings per share as they are anti-dilutive.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of these financial statements.

26. Share capital, treasury shares, perpetual capital securities and warrants

(a) Share capital

	Group and Company			
	2014		2013	
	No. of shares	$'000	No. of shares	$'000
Ordinary shares issued and fully paid [1]				
Balance at 1 July	**2,442,409,869**	**2,077,038**	2,442,409,869	2,077,038
Issue of shares on exercise of share options	**48,448,000**	**85,604**	–	–
Balance at 30 June	**2,490,857,869**	**2,162,642**	2,442,409,869	2,077,038

[1] The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(b) Treasury shares

	Group and Company			
	2014		2013	
	No. of shares	$'000	No. of shares	$'000
Balance at 1 July and 30 June	**52,196,000**	**96,081**	52,196,000	96,081

(c) Perpetual capital securities

On 1 March 2012, the Company issued perpetual capital securities (the "perpetual securities") with an aggregate principal amount of S$275,000,000. Issuance costs incurred amounting to $4,549,000 was recognised in equity as a deduction from proceeds.

Such perpetual securities bear distributions at a rate of 7% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, the Company may elect to defer making distribution on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the Company is considered to have no contractual obligations to repay its principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 Financial Instruments: Disclosure and Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

On 22 January 2014, the Company repurchased S$39,200,000 of the S$275,000,000 7% Perpetual Capital Securities issued on 1 March 2012 (the "Perpetual Bonds"). The repurchase was made by way of on-market purchases. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is S$235,800,000.

(d) Warrants

On 29 January 2013, 387,365,079 Warrants were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited. Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company (the "New Share") at an original exercise price of US$1.291 for each New Share. These Warrants are exercisable from 29 January 2016 to 28 January 2018. The Warrants have been presented as capital reserves under equity.

In the current financial year, as a result of the payment of the first and final dividend on 14 November 2013, the original exercise price of US$1.291 was reduced to US$1.250 and an additional 10,461,081 Warrants were issued resulting in a total of 397,826,160 Warrants outstanding as at 30 June 2014.

27. Dividends

	Group and Company	
	2014 $'000	2013 $'000
Declared and paid during the financial year:-		
Dividends on ordinary shares:		
– One tier tax exempted first and final dividend for 2013: $0.04 (2012: $0.04) per share	**99,302**	95,609
Proposed but not recognised as a liability as at 30 June:-		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– One tier tax exempted first and final dividend for 2014: $0.05 (2013: $0.04) per share	**121,933**	95,609
– One tier tax exempted bonus dividend for 2014: $0.025 (2013: $Nil) per share	**60,967**	–
	182,900	95,609

28. Commitments

(a) Operating lease commitments

Operating lease expenses of the Group and Company (principally for land, offices, warehouses, employees' residences and vessels) were $96,755,000 (2013: $50,766,000) and $16,982,000 (2013: $10,999,000), respectively. These leases have an average tenure of between 1.0 and 6.0 years with no renewal option or contingent rent provision included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Future minimum rental payable under non-cancellable operating leases are as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Within one year	**67,310**	54,018	**18,798**	19,956
After one year but not more than five years	**143,152**	65,224	**8,177**	4,421
More than five years	**270,738**	5,925	**–**	–
	481,200	125,167	**26,975**	24,377

(b) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Capital commitments in respect of property, plant and equipment	**67,976**	43,889	**–**	–

28. Commitments (cont'd)

(c) Finance lease commitments

The Group has finance leases for almond plantation, land and buildings. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:-

	Group			
	2014 $'000	2014 $'000	2013 $'000	2013 $'000
	Minimum lease payments	Present value of payments (Note 24)	Minimum lease payments	Present value of payments (Note 24)
Not later than one year	**9,023**	**5,722**	5,783	4,403
Later than one year but not later than five years	**43,472**	**27,688**	27,343	21,563
Later than five years	**37,265**	**24,801**	–	–
Total minimum lease payments	**89,760**	**58,211**	33,126	25,966
Less: Amounts representing finance charges	**(31,549)**	**–**	(7,160)	–
Present value of minimum lease payments	**58,211**	**58,211**	25,966	25,966

29. Contingent liabilities

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Contingent liabilities not provided for in the accounts:				
Financial guarantee contracts given on behalf of subsidiary companies [(1)]	**–**	–	**4,438,330**	4,504,544

(1) Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to $1,236,448,691 (2013: $1,486,035,863).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

30. Employee benefits expenses

Employee benefits expenses (including executive directors):

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Salaries and employee benefits	**439,804**	417,150	**122,756**	112,586
Central Provident Fund contributions and equivalents	**23,790**	29,276	**2,375**	2,297
Retrenchment benefits	**1,567**	1,771	**–**	–
Share-based expense	**9,535**	17,984	**4,256**	8,819
	474,696	466,181	**129,387**	123,702

30. Employee benefits expenses (cont'd)

(a) Employee share subscription scheme

The Olam International Limited Employee Share Subscription Scheme 2004 (the "ESSS") was implemented on 26 October 2004. The ESSS comprised 73,913,044 ordinary shares of $0.23 per share, which were fully allotted and issued by the Company.

The share-based expense was based on the fair value price of $0.2965 per share, which represented a discount from the estimated value of the Company's pre-IPO share price.

(b) Employee share option scheme

The Olam Employee Share Option Scheme (the "ESOS") was approved by shareholders at an Extraordinary General Meeting held on 4 January 2005. The ESOS rules were amended on 29 October 2008 at the Extraordinary General Meeting of the Company. Under the amended rules, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS and all subsequent options issued to the Group's employees and Executive Directors shall have a life of 10 years, instead of 5 years. For Options granted to the Company's Non-Executive Directors and Independent Directors, the Option Period shall be no longer than 5 years.

The shares issued upon the options being exercised carry full dividend and voting rights.

Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

All these options have a contractual life of 10 years with no cash settlement alternatives.

Details of all the options granted to subscribe for ordinary shares of the Company pursuant to the ESOS which have not fully vested as at 30 June 2014 are as follows:-

Date of issue	No. of share options issued	Vesting period	In annual tranches of %
21 July 2009	**37,025,000**	4 years	0, 0, 25, 75
17 February 2010	**15,000,000**	3 years	33, 33, 34
23 July 2010	**3,830,000**	4 years	0, 0, 25, 75
17 December 2010	**1,950,000**	4 years	0, 0, 25, 75
14 March 2011	**1,415,000**	4 years	0, 0, 25, 75
30 December 2011	**3,090,000**	4 years	0, 0, 25, 75
15 June 2012	**16,942,000**	4 years	0, 0, 25, 75
	79,252,000		

30. Employee benefits expenses (cont'd)

(b) Employee share option scheme (cont'd)

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the financial year:-

	2014 Number of share options	2014 Weighted average exercise price $	2013 Number of share options	2013 Weighted average exercise price $
Outstanding at the beginning of the year	**134,040,000**	**2.06**	145,737,000	2.11
Granted during the year [(1)]	**750,000**	**1.70**	1,175,000	1.67
Forfeited during the year	**(7,090,000)**	**2.20**	(12,872,000)	2.60
Exercised during the year [(2)]	**(48,448,000)**	**1.77**	–	–
Outstanding at the end of the year [(3)]	**79,252,000**	**2.22**	134,040,000	2.06
Exercisable at end of year	**31,063,000**	**2.27**	25,315,000	2.32

(1) The weighted average fair value of options granted during the financial year ended 30 June 2014 was $0.29 (2013: $0.30).

(2) The weighted average share price when the options were exercised in the current financial year was $2.29. There were no options exercised during the previous financial year.

(3) The range of exercise prices for options outstanding at the end of the financial year was $1.67 to $2.28 (2013: $1.67 to $3.14). The weighted average remaining contractual life for these options is 5.99 years (2013: 7.70 years).

The fair value of share options as at the date of grant, is estimated by the Company using the Black Scholes Model, taking into account the terms and conditions upon which the options are granted. The expected life of the option is based on the assumption that the options would be exercised within six months of the vesting date. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The inputs to the model used for the share options granted during financial years ended 30 June 2014 and 2013 are shown below:-

Grant date	10 April 2013	
Vested in	3 year	4 year
Dividend yield (%)	2.99	3.74
Expected volatility (%)	33.60	36.50
Risk free interest rate (%)	0.25	0.37
Expected life of the option (years)	6.50	7.00
Share price of underlying equity ($)	1.67	1.67

Grant date	26 July 2013	
Vested in	3 year	4 year
Dividend yield (%)	2.94	3.68
Expected volatility (%)	33.02	33.53
Risk free interest rate (%)	0.47	0.95
Expected life of the option (years)	6.50	7.00
Share price of underlying equity ($)	1.70	1.70

30. Employee benefits expenses (cont'd)

(b) Employee share option scheme (cont'd)

Modification of share options during the financial year

On 14 March 2014, Credit Suisse (Singapore) Limited, DBS Bank Ltd. and United Overseas Bank Limited announced, for and on behalf of Breedens Investments Pte. Ltd. (the "Offeror"), that the Offeror intends to make a voluntary conditional cash offer ("Offer") for (i) all the ordinary shares ("Shares") in issue in the capital of the Company, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding US$500,000,000 six per cent. convertible bonds due 2016 and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options granted under the ESOS. Under the rules of the ESOS provides, an Option holder (including Option holders holding Options which are then not exercisable) shall be entitled to exercise in full or in part any Option held by him in the period commencing on the date on which the Offer becomes or is declared unconditional and ending on the earlier of: (a) the expiry of six months thereafter; or (b) the date of expiry of the period for the exercise of an Option under the ESOS rules, whereupon the Option then remaining unexercised shall lapse and become null and void ("Accelerated Exercise Period"). The Offer was declared unconditional on 24 April 2014. On 8 April 2014, approval was granted such that the Options shall not automatically lapse and become null and void at the expiry of the Accelerated Exercise Period but will expire in accordance with their terms and that following the expiry of the Accelerated Exercise Period, all Options not exercised shall cease to remain exercisable, except in accordance with their terms. Accordingly, the Accelerated Exercise Period by which Option holders could exercise their Options (including Option holders holding Options which are then not exercisable) ended at the close of the Offer on 23 May 2014.

The incremental fair value of outstanding share options as at the date of modification, is estimated by the Company using the Black Scholes Model, taking into account the fair value of the outstanding share options immediately before and after the modification. The range of inputs to the models used to fair value the outstanding share options immediately before and after the modification are shown below:-

Inputs	Before modification	After modification
Dividend yield (%)	–	2.02
Expected volatility (%)	28.00	28.00
Risk free interest rate (%)	0.16	0.49 – 1.50
Expected life of the option (years)	0.50	1.78 – 5.00
Share price of underlying equity ($)	2.22	2.22

31. Related party disclosures

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; ii) it is subject to common control or common significant influence.

The following are the significant related party transactions entered into by the Company and Group in the ordinary course of business on terms agreed between the parties:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Subsidiary companies:				
– Sales of goods	**–**	–	**2,371,754**	2,199,473
– Sales of services, net	**–**	–	**1,397**	38,485
– Purchases	**–**	–	**6,108,436**	5,797,238
– Insurance premiums paid	**–**	–	**6,779**	5,517
– Commissions paid	**–**	–	**39,704**	36,554
– Interest received on loan	**–**	–	**54,930**	83,526
– Consultancy fee paid	**–**	–	**14,186**	13,780
– Management fee received	**–**	–	**30,634**	25,141
– Director's fee received	**–**	–	**–**	279
– Dividend received	**–**	–	**–**	1,383
Jointly controlled entity:				
– Sales of goods	**29,902**	12,197	**29,902**	12,197
– Purchases	**25,891**	27,190	**–**	–
Associate:				
– Sales of goods	**11,115**	13,843	**11,115**	13,843
– Purchases	**164,367**	128,516	**164,367**	128,516
Shareholder related companies:				
– Purchase of motor vehicles and other assets	**1,248**	945	**–**	–

32. Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the years is as follows:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Directors' fees	**1,490**	1,375	**1,400**	1,215
Salaries and employee benefits	**13,996**	16,814	**12,513**	13,962
Central Provident Fund contributions and equivalents	**512**	538	**93**	95
Share-based expense	**3,926**	4,289	**3,636**	3,999
	19,924	23,016	**17,642**	19,271
Comprising amounts paid to:-				
Directors of the Company	**10,571**	12,931	**10,481**	12,771
Key management personnel	**9,353**	10,085	**7,161**	6,500
	19,924	23,016	**17,642**	19,271

Directors' interest in employee share benefit plans

At the end of the reporting date, the total number of outstanding share options that were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:-

	2014 Share options	2013 Share options
Employee Share Option Scheme:		
Directors	**20,000,000**	23,100,000
Key management personnel	**17,400,000**	17,700,000

33. Cash and short-term deposits

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash and bank balances	**1,529,147**	1,522,777	**1,133,437**	1,065,290
Deposits	**60,928**	68,232	**49,582**	61,285
	1,590,075	1,591,009	**1,183,019**	1,126,575

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.02% to 11.50% (2013: 0.02% to 9.00%) per annum.

Deposits include short-term and capital guaranteed deposits.

Short-term deposits are made for varying periods between 1 and 365 days (2013: 1 and 365 days) depending on the immediate cash requirements of the Group, and interest earned at floating rates ranging from 0.52% to 23.00% (2013: 0.04% to 9.50%) per annum.

Deposits include capital guaranteed, non-interest bearing, index-linked structured deposits of $43,624,000 (2013: $44,330,000) with remaining maturity period ranging from three to four years and may be withdrawn on demand.

33. Cash and short-term deposits (cont'd)

Cash at banks and deposits denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
United States Dollar	**29,893**	46,972	**–**	–
Great Britain Pound	**88,753**	52,163	**88,716**	52,154
Euro	**205,482**	46,927	**200,598**	43,298
New Zealand Dollar	**43,903**	584	**43,903**	584
Singapore Dollar	**4,827**	5,983	**4,714**	5,724

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	Group	
	2014 $'000	2013 $'000
Cash and bank balances	**1,529,147**	1,522,777
Deposits	**60,928**	68,232
Structured deposits	**(43,624)**	(44,330)
Bank overdrafts (Note 24)	**(298,179)**	(261,147)
	1,248,272	1,285,532

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

34. Financial risk management policies and objectives

The Group's principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium-term notes, term loans from banks, bonds, cash and bank balances, fixed deposits and bank overdrafts. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including interest rate swaps, commodity options, swaps and futures contracts and foreign currency forward contracts. The purpose is to manage the commodity price risk, foreign currency risk and interest rate risk arising from the Group's operations and its sources of financing.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

34. Financial risk management policies and objectives (cont'd)

The main risks arising from the Group's financial instruments are commodity price risk, credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees on the policies for managing each of these risks and they are summarised below:-

(a) Commodity price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group purchases and sells various derivative products, primarily exchange traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

The Group also enters into commodity derivatives for trading purposes. The Group's trading market risk appetite is determined by the Board of Directors, with detailed exposure limits recommended by the Executive Risk Committee and approved by the Board Risk Committee.

At balance sheet date, if the commodities price index moved by 1.0% with all other variables held constant, the Group's profit net of tax would have changed by $8,145,000 (2013: $5,861,000) and equity would have changed inversely by $ Nil (2013: $2,021,000) arising as a result of fair value on Group's commodity futures, options contracts, physical sales and purchases commitments as well as the inventory held at balance sheet date.

(b) Credit risk

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

The carrying amounts of trade and other receivables, advances to suppliers, margin accounts with brokers, cash and short-term deposits payments, including derivatives with positive fair value represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Deposits and cash balances are placed with reputable banks.

The Group has no significant concentration of credit risk with any single customer.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

The Group's maximum exposure to credit risk for trade debtors at the balance sheet date is as follows:-

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
By operating segments:				
Edible nuts, spices and beans	**470,284**	531,374	**226,241**	201,338
Confectionery and beverage ingredients	**383,829**	463,487	**216,745**	251,605
Industrial raw materials	**351,062**	613,724	**194,240**	230,537
Food staples and packaged food business	**215,161**	581,827	**12,050**	300,618
Commodity financial services	**345**	396	**–**	–
	1,420,681	2,190,808	**649,276**	984,098

34. Financial risk management policies and objectives (cont'd)

(b) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables).

(c) Foreign currency risk

The Group trades its products globally and, as a result, is exposed to movements in foreign currency exchange rates. The primary purpose of the Group's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. The Group primarily utilises foreign currency forward exchange contracts to hedge firm commitments. The Group does not use foreign currency forward exchange contracts for trading purposes.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD), Great Britain Pound (GBP), Euro (EUR), Australian Dollar (AUD) and Singapore Dollar (SGD).

The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the USD, GBP, EUR, AUD and SGD exchange rates, with all other variables held constant.

	Group			
	2014		2013	
	Profit net of tax $'000 Increase/ (decrease)	Equity $'000 Increase/ (decrease)	Profit net of tax $'000 Increase/ (decrease)	Equity $'000 Increase/ (decrease)
USD – strengthened 0.5%	**(1,014)**	**–**	(477)	(584)
GBP – strengthened 0.5%	**(1,412)**	**(5,445)**	(1,200)	(2,162)
EUR – strengthened 0.5%	**(7,475)**	**(5,928)**	(4,892)	(3,749)
AUD – strengthened 0.5%	**10**	**(135)**	(1,966)	(2,202)
SGD – strengthened 0.5%	**(230)**	**6,135**	(61)	8,410

34. Financial risk management policies and objectives (cont'd)

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations associated with its financial liabilities or due to shortage of funds.

To ensure continuity of funding, the Group primarily uses short-term bank facilities that are transaction-linked and self-liquidating in nature. The Group also has a multicurrency medium-term notes programme, as well as term loans from banks, to fund its ongoing working capital requirement and growth needs.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2014 $'000				2013 $'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
Group								
Financial liabilities:								
Trade payables and accruals (Note 22)	**1,587,626**	**–**	**–**	**1,587,626**	1,747,963	–	–	1,747,963
Other current liabilities (Note 23)	**336,087**	**–**	**–**	**336,087**	159,251	–	–	159,251
Borrowings	**4,924,050**	**3,798,013**	**1,418,574**	**10,140,637**	3,420,630	4,635,980	1,926,482	9,983,092
Derivative financial instruments (Note 35)	**382,163**	**–**	**–**	**382,163**	395,295	–	–	395,295
Margin accounts with brokers (Note 18)	**–**	**–**	**–**	**–**	9,114	–	–	9,114
Total undiscounted financial liabilities	**7,229,926**	**3,798,013**	**1,418,574**	**12,446,513**	5,732,253	4,635,980	1,926,482	12,294,715
Company								
Financial liabilities:								
Trade payables and accruals (Note 22)	**665,288**	**–**	**–**	**665,288**	927,715	–	–	927,715
Other current liabilities (Note 23)	**20,595**	**–**	**–**	**20,595**	6,613	–	–	6,613
Borrowings	**3,255,127**	**2,609,588**	**1,308,910**	**7,173,625**	1,074,118	4,024,284	1,620,339	6,718,741
Derivative financial instruments (Note 35)	**193,811**	**–**	**–**	**193,811**	180,764	–	–	180,764
Margin accounts with brokers (Note 18)	**–**	**–**	**–**	**–**	35,683	–	–	35,683
Total undiscounted financial liabilities	**4,134,821**	**2,609,588**	**1,308,910**	**8,053,319**	2,224,893	4,024,284	1,620,339	7,869,516

34. Financial risk management policies and objectives (cont'd)

(d) Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2014 $'000				2013 $'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
Group								
Financial guarantees	–	–	–	–	–	–	–	–
Company								
Financial guarantees	1,236,449	–	–	1,236,449	1,486,036	–	–	1,486,036

(e) Interest rate risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to its floating rate loans and borrowings. Interest rate risk is managed on an ongoing basis such as hedging the risk through interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates. The details of the interest rates relating to the interest-earning financial assets and interest-bearing financial liabilities are disclosed in various notes of the financial statements.

At the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, the Group's profit net of tax would have changed inversely by $19,932,000 (2013: $13,852,000).

35. Fair values of assets and liabilities

(a) Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

35. Fair values of assets and liabilities (cont'd)

(b) Fair value of assets and liabilities that are carried fair value

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:-

	Group 2014			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Recurring fair value measurements				
Financial assets:				
Long term investment (Note 15)	393,976	–	13,709	407,685
Short term investment (Note 21)	–	10,687	–	10,687
Derivatives financial instruments				
– Foreign exchange contracts	–	58,678	–	58,678
– Commodity contracts	61,002	391,507	26,216	478,725
– Convertible and other bonds	–	17,214	–	17,214
	454,978	478,086	39,925	972,989
Financial liabilities:				
Derivatives financial instruments				
– Foreign exchange contracts	–	(38,265)	–	(38,265)
– Commodity contracts	(155,294)	(185,129)	(3,475)	(343,898)
	(155,294)	(223,394)	(3,475)	(382,163)
Non-financial assets:				
Biological assets (Note 12)	–	–	914,766	914,766
Inventories (Note 19)	–	2,808,576	14,787	2,823,363
	–	2,808,576	929,553	3,738,129

Determination of fair value

Long term investments relate to two investments, of which one is based on quoted closing prices at the balance sheet date; and the other being unquoted, is determined based on valuations using discounted cash flows of the underlying asset.

Short term investment relate to an investment fund which is not quoted in an active market and is valued based on Net Asset Value ("NAV") per share, which reflects the fair value of underlying assets and liabilities of the fund (subject to adjustments), published by the administrator of the fund. The fund is redeemable at its NAV at the reporting date.

Foreign exchange contracts and interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

35. Fair values of assets and liabilities (cont'd)

(b) Fair value of assets and liabilities that are carried fair value (cont'd)

Determination of fair value (cont'd)

Commodity contracts and inventories are valued based on the following:-

- Level 1 – Based on quoted closing prices at the balance sheet date;
- Level 2 – Valued using valuation techniques with market observable inputs. The models incorporate various inputs including the broker quotes for similar transactions, credit quality of counter-parties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities; and
- Level 3 – Valued using inputs that are not based on observable inputs such as internal historical transacted prices and estimates.

The fair value of biological assets (plantations, annual crops and livestock) has been determined through various methods and assumptions. Please refer to Note 12 for more details.

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The significant unobservable inputs used in the valuation of biological assets are disclosed in Note 12.

The following table shows the information about fair value measurements other assets and liabilities using significant unobservable inputs (Level 3):

Recurring fair value measurements	Valuation techniques	Unobservable inputs	Percentage
Financial assets/ liabilities:			
Long term investment - unquoted	Discounted cash flow	Discount rate	14.6%
Commodity contracts	Comparable market approach	Premium on quality per metric tonne	0% to 67%
Commodity contracts	Comparable market approach	Discount on quality per metric tonne	0% to 27%
Non-financial assets:			
Inventories	Comparable market approach	Premium on quality per metric tonne	0% to 44%
Inventories	Comparable market approach	Discount on quality per metric tonne	0% to 75%

35. Fair values of assets and liabilities (cont'd)

(c) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Impact of changes to key assumptions on fair value of Level 3 financial instruments

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	30 June 2014		
		Effect of reasonably possible alternative assumptions	
	Carrying amount $'000	Profit/ (loss) $'000	Other comprehensive income $'000
Recurring fair value Measurements			
Financial assets:			
Long term investment – unquoted	13,709	–	69
Commodity contracts	26,216	(505)	–
Financial assets:			
Commodity contracts	(3,475)	(343)	–
Non-financial assets:			
Biological assets – increased by 0.5%	914,766	(22,516)	–
Biological assets – decreased by 0.5%	914,766	23,476	–
Inventories	14,787	3,725	–

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

- For certain commodity contracts and inventories, the Group adjusted the market prices of the valuation model by 1%.
- For long term investment (unquoted), the Group adjusted the assumptions to the model inputs of the valuation model by 0.5%.
- For biological assets, the Group adjusted the estimated discount rate applied to discounted cash flow model by 0.5%.

35. Fair values of assets and liabilities (cont'd)

(c) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value, except for biological assets (Note 12), based on significant unobservable inputs (Level 3):-

	Commodity contracts - assets $'000	Commodity contracts - liabilities $'000	Long term investment – unquoted (Note 15) $'000	Inventories $'000
At 1 July 2013	15,840	(3,087)	–	16,994
Total gain/(loss) recognised in the profit and loss accounts				
– Net gain/(loss) on fair value changes, sales, purchases and settlements	10,376	(388)	–	(2,207)
– Net gain from remeasurement of retained interest in former subsidiary	–	–	13,709	–
At 30 June 2014	26,216	(3,475)	13,709	14,787

(d) Derivative financial instruments

The Group and Company have master netting arrangements with certain dealers and brokers to settle the net amount due to or from each other. The Group's and Company's derivative financial instruments that are offset are as follows:-

	Group		Company	
	Fair value		Fair value	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
2014				
Derivatives held for hedging [(1)]				
Foreign exchange contracts	58,678	(38,265)	11,906	(23,608)
Commodity contracts	1,512,402	(1,340,444)	1,299,377	(1,207,714)
Total derivatives held for hedging	1,571,080	(1,378,709)	1,311,283	(1,231,322)
Derivatives held for trading				
Commodity contracts	3,834	(40,965)	–	–
Convertible and other bonds	17,214	–	17,214	–
Total derivatives held for trading	21,048	(40,965)	17,214	–
Total derivatives, gross	1,592,128	(1,419,674)	1,328,497	(1,231,322)
Gross amounts offset in the balance sheet	(1,037,511)	1,037,511	(1,037,511)	1,037,511
Net amounts in the balance sheet	554,617	(382,163)	290,986	(193,811)

(1) Derivatives held for hedging that were assessed to be ineffective or classified as fair value through profit or loss are recognised in profit and loss accounts.

35. Fair values of assets and liabilities (cont'd)

(d) Derivative financial instruments (cont'd)

	Group		Company	
	Fair value		Fair value	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
2013				
Derivatives held for hedging [(1)]				
Foreign exchange contracts	71,157	(158,298)	37,832	(32,895)
Commodity contracts	1,521,661	(1,205,062)	1,324,407	(1,141,483)
Interest rate swaps	–	(16,552)	–	(16,552)
Total derivatives held for hedging	1,592,818	(1,379,912)	1,362,239	(1,190,930)
Derivatives held for trading				
Commodity contracts	22,157	(25,549)	–	–
Convertible and other bonds	1,253	–	1,253	–
Total derivatives held for trading	23,410	(25,549)	1,253	–
Total derivatives, gross	1,616,228	(1,405,461)	1,363,492	(1,190,930)
Gross amounts offset in the balance sheet	(1,010,166)	1,010,166	(1,010,166)	1,010,166
Net amounts in the balance sheet	606,062	(395,295)	353,326	(180,764)

(1) Derivatives held for hedging that were assessed to be ineffective or classified as fair value through profit or loss are recognised in profit and loss accounts.

As at 30 June 2014, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 23 months (2013: 1 and 21 months).

The foreign exchange derivatives held for hedging are used to hedge the foreign currency risk of future purchases or sales. The commodity derivatives held for hedging are used to hedge the commodity price risk related to forecasted transactions. The interest rate derivatives held for hedging are used to hedge the interest rate risk related to the floating rate loans. In addition, a portion of the commodity derivatives are used for trading purposes.

For all the foreign exchange and commodity derivatives used for hedging purposes, the forecasted transactions are expected to occur within 23 months (2013: 21 months). For all cases where the Group applies hedge accounting, the fair value of the derivative recorded in the fair value adjustment reserves will be recycled through the profit and loss accounts upon occurrence of the forecasted transactions.

Cash flow hedges of expected transactions that were assessed to be highly effective have resulted in a net fair value loss of $49,778,000 and $56,690,000 for the Group and Company as at 30 June 2014 respectively (2013: $73,174,000 and $74,818,000 respectively).

No cash flow hedges of expected transactions were assessed to be ineffective under FRS 39 and recognised in the profit and loss accounts for the Group and the Company for the year (2013: $Nil).

35. Fair values of assets and liabilities (cont'd)

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

(i) Cash and short-term deposits, trade receivables, advance payments to suppliers and subsidiary companies, other current assets, margin accounts with brokers, amounts due from subsidiary companies, trade payables and accruals, other current liabilities and bank overdrafts

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(ii) Bank loans and term loans from banks

The carrying amount of the bank loans and term loans from banks are an approximation of fair values as they are subjected to frequent repricing (floating rates).

(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

(i) Loans to subsidiary companies, loans to jointly controlled entities and loan to associate

Loans to subsidiary companies, loans to jointly controlled entities and loan to associate have no fixed terms of repayment and are repayable only when the cash flow of the entities permits. Accordingly, the fair value of these amounts is not determinable as the timing of the future cash flow arising from these balances cannot be estimated reliably.

(ii) Other non-current assets – investment in dairy co-operative

The Group's investment in a dairy co-operative has been carried at cost because fair value cannot be measured reliably as the dairy co-operative is not listed and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.

(iii) Convertible bonds, medium-term notes and other bonds

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:-

	Group		Company	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
2014				
Financial liabilities:				
Convertible bonds	**575,528**	689,415	**575,528**	689,415
Medium-term notes	**1,699,547**	1,787,487	**1,699,547**	1,787,487
Other bonds	**1,199,062**	1,337,865	**1,190,602**	1,329,404
2013				
Financial liabilities:				
Convertible bonds	**592,156**	649,260	**592,156**	649,260
Medium-term notes	**1,972,560**	1,842,615	**1,972,560**	1,842,615
Other bonds	**1,217,818**	1,212,185	**1,193,326**	1,187,694

The fair value of medium term notes and all bonds is determined directly by reference to their published market bid price at the end of the respective financial years (Level 1).

36. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2014 and 30 June 2013.

The Group calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios are as follows:-

	Group	
	2014	2013
Gross debt to equity:		
– Before fair value adjustment reserve	**2.19 times**	2.35 times
Net debt to equity:		
– Before fair value adjustment reserve	**1.82 times**	1.93 times

The Group assesses the level of debt capital used to finance capital investment in respect of the projected risk and returns of these investments using a number of traditional and modified investment and analytical models including discounted cash flows. It also assesses the use of debt capital to fund such investments relative to the impact on the Group's overall debt capital position and capital structure.

In order to manage its capital structure, the Group may issue debt of either a fixed or floating nature, arrange credit facilities, issue medium-term notes, issue new shares or convertible bonds and adjust dividend payments.

37. Classification of financial assets and liabilities

Group	Loans and receivables $'000	Carried at amortised cost $'000	Held for hedging $'000	Available-for-sale $'000	Fair value through profit or loss/held for trading $'000
2014					
Financial assets:					
Loans to jointly controlled entities (Note 14(a))	**128,764**	**–**	**–**	**–**	**–**
Loan to associate (Note 14(b))	**317,854**	**–**	**–**	**–**	**–**
Long term investments (Note 15)	**–**	**–**	**–**	**407,685**	**–**
Trade receivables (Note 17)	**1,613,223**	**–**	**–**	**–**	**–**
Margin accounts with brokers (Note 18)	**225,499**	**–**	**–**	**–**	**–**
Advance payments to suppliers (Note 20)	**706,652**	**–**	**–**	**–**	**–**
Other current assets (Note 21)	**384,558**	**–**	**–**	**–**	**10,687**
Cash and short-term deposits (Note 33)	**1,546,451**	**–**	**–**	**–**	**43,624**
Derivative financial instruments (Note 35)	**–**	**–**	**533,569**	**–**	**21,048**
Other non-current assets (Note 21)	**14,495**	**–**	**–**	**8,653**	**–**
	4,937,496	**–**	**533,569**	**416,338**	**75,359**
Financial liabilities:					
Trade payables and accruals (Note 22)	**–**	**1,587,626**	**–**	**–**	**–**
Other current liabilities (Note 23)	**–**	**423,563**	**–**	**–**	**–**
Borrowings (Note 24)	**–**	**9,339,906**	**–**	**–**	**–**
Derivative financial instruments (Note 35)	**–**	**–**	**341,198**	**–**	**40,965**
	–	**11,351,095**	**341,198**	**–**	**40,965**
2013					
Financial assets:					
Loans to jointly controlled entities (Note 14(a))	136,540	–	–	–	–
Trade receivables (Note 17)	2,372,900	–	–	–	–
Advance payments to suppliers (Note 20)	598,470	–	–	–	–
Other current assets (Note 21)	269,349	–	–	–	39,657
Cash and short-term deposits (Note 33)	1,546,679	–	–	–	44,330
Derivative financial instruments (Note 35)	–	–	582,652	–	23,410
Other non-current assets (Note 21)	12,919	–	–	7,337	–
	4,936,857	–	582,652	7,337	107,397
Financial liabilities:					
Margin accounts with brokers (Note 18)	–	9,114	–	–	–
Trade payables and accruals (Note 22)	–	1,747,963	–	–	–
Other current liabilities (Note 23)	–	255,175	–	–	–
Borrowings (Note 24)	–	8,848,238	–	–	–
Derivative financial instruments (Note 35)	–	–	369,746	–	25,549
	–	10,860,490	369,746	–	25,549

37. Classification of financial assets and liabilities (cont'd)

Company	Loans and receivables $'000	Carried at amortised cost $'000	Held for hedging $'000	Available-for-sale $'000	Fair value through profit or loss/held for trading $'000
2014					
Financial assets:					
Loans to subsidiary companies (Note 13)	**1,031,402**	**–**	**–**	**–**	**–**
Loans to jointly controlled entities (Note 14(a))	**128,130**	**–**	**–**	**–**	**–**
Loan to associate (Note 14(b))	**317,854**	**–**	**–**	**–**	**–**
Long term investments (Note 15)	**–**	**–**	**–**	**393,976**	**–**
Amounts due from subsidiary companies (Note 16)	**1,783,155**	**–**	**–**	**–**	**–**
Trade receivables (Note 17)	**650,185**	**–**	**–**	**–**	**–**
Margin accounts with brokers (Note 18)	**140,600**	**–**	**–**	**–**	**–**
Advance payments to suppliers (Note 20)	**2,263,147**	**–**	**–**	**–**	**–**
Other current assets (Note 21)	**24,686**	**–**	**–**	**–**	**10,687**
Cash and short-term deposits (Note 33)	**1,139,395**	**–**	**–**	**–**	**43,624**
Derivative financial instruments (Note 35)	**–**	**–**	**273,772**	**–**	**17,214**
	7,478,554	**–**	**273,772**	**393,976**	**71,525**
Financial liabilities:					
Trade payables and accruals (Note 22)	**–**	**665,288**	**–**	**–**	**–**
Other current liabilities (Note 23)	**–**	**99,702**	**–**	**–**	**–**
Borrowings (Note 24)	**–**	**6,669,769**	**–**	**–**	**–**
Derivative financial instruments (Note 35)	**–**	**–**	**193,811**	**–**	**–**
	–	**7,434,759**	**193,811**	**–**	**–**
2013					
Financial assets:					
Loans to subsidiary companies (Note 13)	550,449	–	–	–	–
Loans to jointly controlled entities (Note 14)	136,540	–	–	–	–
Amounts due from subsidiary companies (Note 16)	2,258,023	–	–	–	–
Trade receivables (Note 17)	984,391	–	–	–	–
Advance payments to suppliers (Note 20)	2,294,786	–	–	–	–
Other current assets (Note 21)	31,295	–	–	–	39,657
Cash and short-term deposits (Note 33)	1,082,245	–	–	–	44,330
Derivative financial instruments (Note 35)	–	–	352,073	–	1,253
	7,337,729	–	352,073	–	85,240
Financial liabilities:					
Margin accounts with brokers (Note 18)	–	35,683	–	–	–
Trade payables and accruals (Note 22)	–	927,715	–	–	–
Other current liabilities (Note 23)	–	98,794	–	–	–
Borrowings (Note 24)	–	5,901,697	–	–	–
Derivative financial instruments (Note 35)	–	–	180,764	–	–
	–	6,963,889	180,764	–	–

38. Segmental information

The Group's businesses are organised and managed as five broad segments grouped in relation to different types and nature of products traded. The Group's supply chain activities of sourcing, processing and merchandising span across a broad range of agricultural products.

The segmentation of products has been done in the following manner:-

- Edible Nuts, Spices and Beans – cashews, peanuts, almonds, hazelnuts, spices and vegetable ingredients, sesame and beans (including pulses, lentils and peas).
- Confectionery and Beverage Ingredients – cocoa and coffee.
- Industrial Raw Materials – cotton, wool, wood products, rubber, agri inputs (fertiliser) and special economic zone project.
- Food Staples and Packaged Foods – rice, sugar and natural sweeteners, grains such as wheat, barley, corn, palm products, dairy products and packaged foods.
- Commodity Financial Services – market making, risk management solutions, commodity funds management.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate cash, fixed deposits, other receivables and corporate liabilities such as taxation, amounts due to bankers and medium-term notes. Assets which are unallocated are common and shared by segments and thus it is not practical to allocate them.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The measure used by management to evaluate segment performance is different from the operating profit or loss in the consolidated financial statements, as explained in the table below.

In the prior year, management assessed the performance of the operating segments based on a measure of Earnings before interest and tax ("EBIT"). In the current year, following a strategy review, management has changed this measure to Earnings before, interest, tax, depreciation and amortisation ("EBITDA"). Management also excludes certain items of income and expenses such as gain or loss on disposal of property, plant and equipment and gain or loss on disposal/ partial disposal of investments as these are not expected to recur regularly every year and are analysed separately. Comparatives for this note have accordingly been restated to conform with this new measure.

Group financing (including finance cost), which is managed on group basis, and income tax which is evaluated on group basis are not allocated to operating segments.

The turnover by geographical segments is based on the location of customers regardless of where the goods are produced. The assets and capital expenditure are attributed to the location of those assets.

38. Segmental information (cont'd)

(a) Business segments

	Edible nuts, spices and beans		Confectionery and beverage ingredients	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Segment revenue:				
Sales to external customers	**3,452,046**	3,205,127	**5,048,759**	5,273,235
Segment result (EBITDA)	**362,650**	309,390	**275,359**	259,361
Depreciation and amortisation	**(68,604)**	(56,746)	**(31,315)**	(24,558)
Finance costs	**–**	–	**–**	–
Finance income	**–**	–	**–**	–
Exceptional items [(1)]	**34,062**	28,436	**(27,391)**	–
Profit before taxation				
Taxation expense				
Profit for the financial year				
Segment assets	**3,480,240**	3,644,484	**3,849,224**	2,407,134
Unallocated assets [(2)]				
Segment liabilities	**313,225**	268,687	**719,286**	266,043
Unallocated liabilities [(3)]				
Other segmental information:				
Share of results from jointly controlled entities and associates	**–**	–	**28**	10
Investments in jointly-controlled entities and associates	**650**	1,068	**1,082**	979
Capital expenditure	**68,046**	181,158	**67,969**	186,973

Industrial raw materials		Food staples and packaged foods		Commodity financial services		Consolidated	
2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
3,654,831	4,601,099	**7,265,443**	7,720,913	**723**	1,424	**19,421,802**	20,801,798
215,476	207,128	**339,928**	415,280	**(24,623)**	(20,354)	**1,168,790**	1,170,805
(36,066)	(47,736)	**(79,341)**	(70,125)	**(251)**	(147)	**(215,577)**	(199,312)
–	–	**–**	–	**–**	–	**(519,240)**	(518,353)
–	–	**–**	–	**–**	–	**14,399**	16,674
(37,749)	–	**329,532**	(1,599)	**955**	–	**299,409**	26,837
						747,781	496,651
						(106,509)	(105,134)
						641,272	391,517
2,385,498	2,809,851	**3,766,729**	4,312,684	**40,902**	17,092	**13,522,593**	13,191,245
						2,784,000	2,192,939
						16,306,593	15,384,184
264,877	600,652	**655,630**	1,004,677	**37,491**	15,541	**1,990,509**	2,155,600
						10,093,756	9,404,856
						12,084,265	11,560,456
(8,846)	2,402	**11,005**	18,072	**–**	–	**2,187**	20,484
539,085	75,063	**294,576**	480,583	**–**	–	**835,393**	557,693
232,506	210,598	**198,966**	522,459	**59**	65	**567,546**	1,101,253

38. Segmental information (cont'd)

(b) Geographical segments

	Asia, Middle East and Australia		Africa	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Segment revenue:				
Sales to external customers	**8,035,828**	8,486,467	**4,127,563**	4,756,856
Intersegment sales	**3,213,746**	2,804,860	**2,515,608**	2,251,246
	11,249,574	11,291,327	**6,643,171**	7,008,102
Non-current assets [4]	**2,701,834**	2,199,640	**1,778,493**	1,662,049

(c) Information on major customers

The Group has no single customer accounting for more than 10% of the turnover.

Europe 2014 $'000	Europe 2013 $'000	Americas 2014 $'000	Americas 2013 $'000	Eliminations 2014 $'000	Eliminations 2013 $'000	Consolidated 2014 $'000	Consolidated 2013 $'000
3,972,257	4,368,827	3,286,154	3,189,648	–	–	19,421,802	20,801,798
985,545	945,816	2,132,729	2,222,563	(8,847,628)	(8,224,485)	–	–
4,957,802	5,314,643	5,418,883	5,412,211	(8,847,628)	(8,224,485)	19,421,802	20,801,798
526,313	503,769	1,183,375	1,143,356	–	–	6,190,015	5,508,814

38. Segmental information (cont'd)

[(1)] Exceptional items included the following items of income/ (expenses):-

	Group 2014 $'000	Group 2013 $'000
Fair valuation of investment in PureCircle Limited	**270,315**	–
Sale and leaseback of almond plantation assets	**65,362**	28,436
Sale of stake in grain business, Australia	**46,421**	–
Non-operational gain on biological assets	**17,826**	3,764
Sale of cotton gins, Australia	**12,161**	–
Gain on bond buy back	**957**	6,020
Impairment of mechanical cashew facility, Nigeria	**(25,314)**	–
Laos coffee impairment	**(24,403)**	–
Sale of timber subsidiary (CFA), Gabon	**(22,594)**	–
Accelerated amortisation of facility fees	**(21,103)**	–
Sale of timber assets, Gabon	**(14,583)**	–
Sale of additional stake in GSEZ, Gabon	**(5,041)**	–
Sale of stake in Open Country Dairy Limited, New Zealand	**(595)**	–
Sale of basmati rice mill, India	**–**	7,826
Termination of sugar refinery projects	**–**	(19,209)
	299,409	26,837

The tax expense related to the above items amounted to $16,308,000 (2013: $12,795,000).

[(2)] The following unallocated assets items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:-

	Group 2014 $'000	Group 2013 $'000
Cash and bank balances	**1,529,147**	1,522,777
Other current/non-current assets	**746,043**	565,845
Long term investments	**407,685**	–
Fixed deposits	**60,928**	68,232
Deferred tax assets	**22,983**	34,832
Fair value of derivative assets	**17,214**	1,253
	2,784,000	2,192,939

[(3)] The following unallocated liabilities items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:-

	Group 2014 $'000	Group 2013 $'000
Borrowings	**9,339,906**	8,848,238
Deferred tax liabilities	**266,035**	240,877
Other liabilities	**407,602**	266,013
Provision for taxation	**80,213**	49,728
	10,093,756	9,404,856

[(4)] Non-current assets mainly relate to property, plant and equipment, intangible assets, biological assets, investments in jointly controlled entities and associates and long term investments.

39. Events occurring after the reporting period

(a) On 15 July 2014, the Company announced that it has updated its US$2,000,000,000 Euro Medium Term Note Programme established on 6 July 2013 to US$5,000,000,000 (the "EMTN Programme").

(i) On 16 July 2014, the Company announced the issuance of a $400 million 4.25% fixed rate notes due 2019 (the "Notes") under the EMTN Programme. The Notes are expected to mature on 22 July 2019.

(ii) On 29 July 2014, the Company announced the issuance of a US$300 million 4.50% fixed rate senior unsecured notes due 2020 (the "Notes") under the EMTN Programme. The Notes are expected to mature on 5 February 2020.

The net proceeds from the issue of each tranche of Notes will be used by the Group for working capital purposes and general corporate purposes, including financing capital expenditure and potential acquisition opportunities that the Group may pursue in the future as part of its strategic objectives, or such other purposes as may be specified in the relevant pricing supplement.

(b) On 18 August 2014, the Company announced that Sanyo Foods Co. Ltd is to acquire 25.0% stake in the Group's Packaged Foods business for US$187.5 million.

40. Comparatives

In line with management's strategy to improve transparency and understanding, the profit and loss account comparative figures have been reclassified to conform with current year's presentation:-

	Group	
	As reclassified 2013 $'000	As previously stated 2013 $'000
Sale of goods and services	**20,801,798**	20,801,798
Other income [1]	**90,284**	106,853
Cost of goods sold [2]	**(18,913,064)**	(17,053,837)
Shipping and logistics [2]	**–**	(1,689,818)
Commission and claims [2]	**–**	(163,710)
Net gain from changes in fair value of biological assets	**96,286**	96,286
Employee benefits expenses [3]	**–**	(466,181)
Depreciation and amortisation [3]	**(199,312)**	(175,878)
Net measurement of derivative instruments [2]	**–**	(5,699)
Finance costs	**(518,353)**	(518,353)
Other expenses [3]	**(898,146)**	(455,294)
Finance income [1]	**16,674**	–
Share of results from jointly controlled entities and associates	**20,484**	20,484

(1) Interest income from loans and receivables has been separately disclosed as 'finance income' on the consolidated profit and loss accounts instead of the previous classification in 'other income'.

(2) Shipping and logistics, commission and claims and net measurement of derivative instruments have been included as part of "Cost of Goods" in the current financial year's comparatives.

(3) In the current financial year, employee benefits have been included in 'other expenses' and amortisation has been separately disclosed together with 'depreciation' on the consolidated profit and loss accounts.

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders as at 22 September 2014) [1]

	Name of Shareholder	Direct	Deemed
1.	Kewalram Singapore Limited ("**Kewalram**") [2]	355,461,088	-
2.	Chanrai Investment Corporation Limited ("**CICL**") [2]	-	355,461,088
3.	Kewalram Chanrai Holdings Limited ("**KCH**") [2]	-	355,461,088
4.	GKC Trustees as trustees of Girdhar Kewalram Chanrai Settlement ("**GKC Settlement**") [2]	-	355,461,088
5.	MKC Trustees as trustees of Hariom Trust ("**Hariom Trust**") [2]	-	355,461,088
6.	DKC Trustees as trustees of Dayal Damodar Chanrai Settlement ("**DDC Settlement**") [2]	-	355,461,088
7.	Salamanca Trustees (Jersey) Ltd (formerly known as Investec Trustees (Jersey) Ltd) as trustee of The PKC 2008 Settlement ("**PKC 2008 Settlement**") [2]	-	355,461,088
8.	Narain Girdhar Chanrai [2]	-	355,461,088
9.	Aranda Investments Pte. Ltd. ("**Aranda**")	228,331,313	
10.	Breedens Investments Pte. Ltd. ("**Breedens**")	1,196,809,904	-
11.	Seletar Investments Pte Ltd ("**Seletar**") [3]	-	1,425,141,217
12.	Temasek Capital (Private) Limited ("**Temasek Capital**") [3]	-	1,425,141,217
13.	Temasek Holdings (Private) Limited ("**Temasek Holdings**") [3]	-	1,425,141,217
14.	Orbis Group [4]	-	185,897,000

Notes:

(1) Based on 2,440,501,869 shares (excluding treasury shares) as at 22 September 2014 and as recorded in the Register of Substantial Shareholders as at 22 September 2014.

(2) Kewalram is a wholly-owned subsidiary of CICL, which in turn is a wholly-owned subsidiary of KCH. CICL and KCH are therefore deemed to be interested in the 355,461,088 ordinary shares held by Kewalram.

The GKC Settlement, Hariom Trust, DDC Settlement and the PKC 2008 Settlement are shareholders of KCH, each holding approximately 29%, 28%, 28% and 15% respectively in the issued and paid-up capital of KCH. Pursuant to section 7(4A) of the Companies Act, as the GKC Settlement, Hariom Trust and DDC Settlement are associates of the PKC 2008 Settlement and vice versa, the PKC 2008 Settlement would be deemed to be interested in the Shares held by Kewalram.

The GKC Settlement, Hariom Trust, DDC Settlement and the PKC 2008 Settlement are therefore deemed to be interested in the 355,461,088 Shares held by Kewalram in the Company.

Narain Girdhar Chanrai is deemed interested in the shares held by Kewalram by virtue of section 7(d) of the Companies Act, Chapter 50 and section 4(1) of the Securities and Futures Act.

(3) Seletar is the holding company of Breedens and Aranda and is deemed to be interested in the Shares held by Breedens and Aranda.

Temasek Capital is the holding company of Seletar and is deemed to be interested in the Shares held by Breedens and Aranda.

Temasek Holdings is the holding company of Temasek Capital, which in turn is the holding company of Seletar, which in turn holds all issued shares in Breedens and Aranda. Temasek Holdings' deemed interest in the 1,425,141,217 Shares comprises:

(a) 228,331,313 Shares held by Aranda; and

(b) 1,196,809,904 Shares held by Breedens.

(4) Orbis Group of Companies comprised of the following Notifying Companies and shares were held through nominees:

(a) Orbis Holdings Limited ("OHL")

(b) Orbis World Limited ("OWL")

(c) Orbis Trust ("OT")

(d) Orbis Holding Trust ("OHT")

(e) Orbis Asset Management Limited ("OAML")

(f) Rhone Trustees (Switzerland) SA ("RTS")

(g) Rhone Trustees (Bahamas) Ltd ("RTB")

Each of OHL, OWL and RTS and RTB as co-trustee of the OHT is a substantial shareholder of the Company by virtue of its deemed interest in the shares managed by its subsidiaries, Orbis Investment Management Limited ("OIML") and Orbis Investment Management B.V.I. Limited, as fund managers of the Orbis funds. Each such fund manager has the ability to vote and acquire/dispose of the Company's shares for and on behalf of the Orbis funds.

In addition, RTS as trustee of the Orbis Trust is also a substantial shareholder of the Company by virtue of being entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of OHL.

Separately, OAML as fund manager for another Orbis fund holds a deemed interest of less than 0.001% in the Company's shares by having the ability to vote and acquire/dispose of the Company's shares for and on behalf of this Orbis fund.

OIML is part of the Orbis Group of Companies. OIML is a substantial shareholder of the Company as it has deemed interests in the shares of the Company as fund manager of the following Orbis funds:

- Orbis Global Equity Fund Limited
- Orbis Global Equity Fund (Australia Registered)
- Orbis Optimal SA Limited
- Orbis SICAV Global Equity Fund

Each of the above Orbis funds does not individually hold 5% or more of the Company's shares.

The parent entities of OIML (being OHL, OWL, RTS and RTB as co-trustee of Orbis Trust and OHT) and an entity affiliated with OIML, (being OAML) has deemed interest in the Company. Therefore, the deemed interests of OIML had been taken into account in the aggregation of interests of the foregoing entities.

Statistics of Shareholdings

as at 22 September 2014

Issued and fully Paid-up Capital	:	S$2,238,648,554.065
Number of Ordinary Shares in Issue (excluding treasury shares)	:	2,440,501,869
Number of Treasury Shares held	:	52,196,000
Class of Shares	:	Ordinary
Voting Rights	:	One vote per share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	161	3.17	25,875	0.00
1,000 – 10,000	4,034	79.52	16,948,016	0.69
10,001 – 1,000,000	860	16.95	31,156,313	1.28
1,000,001 and above	18	0.35	2,392,371,665	98.03
TOTAL	**5,073**	**100.00**	**2,440,501,869**	**100.00**

Twenty Largest Shareholders

	Name	No. of Shares	%
1.	BREEDENS INVESTMENTS PTE LTD	1,196,809,904	49.04
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	454,220,452	18.61
3.	ARANDA INVESTMENTS PTE LTD	228,331,313	9.36
4.	HSBC (SINGAPORE) NOMINEES PTE LTD	124,578,140	5.10
5.	DB NOMINEES (SINGAPORE) PTE LTD	119,617,587	4.90
6.	RAFFLES NOMINEES (PTE) LIMITED	95,063,859	3.90
7.	DBS NOMINEES (PRIVATE) LIMITED	51,471,930	2.11
8.	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	50,000,000	2.05
9.	DBSN SERVICES PTE. LTD.	41,730,971	1.71
10.	UOB KAY HIAN PRIVATE LIMITED	7,658,455	0.31
11.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,905,156	0.24
12.	MERRILL LYNCH (SINGAPORE) PTE LTD	5,287,306	0.22
13.	KEWALRAM SINGAPORE LIMITED	4,461,088	0.18
14.	OCBC SECURITIES PRIVATE LIMITED	2,247,559	0.09
15.	CITIBANK CONSUMER NOMINEES PTE LTD	1,784,091	0.07
16.	MACQUARIE CAPITAL SECURITIES (SINGAPORE) PTE LIMITED	1,116,883	0.05
17.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	1,086,575	0.04
18.	THOMAS GREGERSEN	1,000,396	0.04
19.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	977,962	0.04
20.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	747,045	0.03
	TOTAL	**2,394,096,672**	**98.09**

PUBLIC FLOAT

Approximately 14.30% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Bondholder of 6% Convertible Bonds Due 2016

Due Date	:	15 October 2016
Conversion Price	:	S$2.98 per share#
Conversion Premium	:	25% above reference share price
Redemption Price	:	Principal amount together with unpaid accrued interest thereon on the maturity Date i.e 15 October 2016
Conversion Period	:	At any time from 25 November 2009 until the date falling 10 days prior to maturity date, subject to customary closed periods

The US$500 million 6% convertible bonds due 2016 issued by Olam International Limited on 15 October 2009 and 5 November 2009 (the "2009 CBs") are represented by a Global Certificate registered in the name of The Bank of New York Depository (Nominees) Limited, which is a nominee of a Common Depository and holding the bonds on behalf for, Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme.

As at the latest practicable date, The Bank of New York Depository (Nominees) Limited, is entered in the register of holders as the holder of the balance US$500 million 2009 CBs. The identity of the holders of the beneficial interests in the 2009 CBs is not currently known.

The conversion price of the 2009 CBs was adjusted to S$2.98 per share with effect from 29 January 2013.

Statistics of Warrantholdings

as at 22 September 2014

Distribution of Warrantholdings

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 999	370	26.81	174,601	0.04
1,000 – 10,000	842	61.02	2,458,616	0.62
10,001 – 1,000,000	156	11.30	10,087,337	2.54
1,000,001 and above	12	0.87	385,105,606	96.80
TOTAL	**1,380**	**100.00**	**397,826,160**	**100.00**

Twenty Largest Warrantholders

	Name	No. of Warrants	%
1.	BREEDENS INVESTMENTS PTE LTD	175,957,954	44.23
2.	ARANDA INVESTMENTS PTE LTD	75,282,812	18.92
3.	KEWALRAM SINGAPORE LIMITED	52,489,970	13.19
4.	DB NOMINEES (SINGAPORE) PTE LTD	30,865,579	7.76
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	17,924,620	4.51
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	14,672,315	3.69
7.	DBS NOMINEES (PRIVATE) LIMITED	4,579,676	1.15
8.	DBSN SERVICES PTE. LTD.	4,550,546	1.14
9.	MAK SENG FOOK	3,574,016	0.90
10.	BANK OF SINGAPORE NOMINEES PTE. LTD.	2,328,691	0.59
11.	CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,852,427	0.47
12.	PE KIM BENG @ PEK KIM BING	1,027,000	0.26
13.	RAFFLES NOMINEES (PTE) LIMITED	719,502	0.18
14.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	678,080	0.17
15.	UOB KAY HIAN PRIVATE LIMITED	416,157	0.10
16.	RAJEEV PANDURANG KADAM	414,409	0.10
17.	ANUPAM JINDEL	407,742	0.10
18.	MAHESH SARATCHANDRAN MENON	380,000	0.10
19.	JUNE SONG PTE LTD	345,712	0.09
20.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	306,734	0.08
	TOTAL	**388,773,942**	**97.73**

Exercise Price : US$1.25# for each New Share on the exercise of a Warrant

Exercise Period : Commencing on and including the date falling 36 months after 29 January 2013 and expiring at 5.00 p.m. on a date falling 60 months after 29 January 2013, excluding such period(s) during which the register of Warrantholders may be closed pursuant to the Deed Poll.

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd
50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623

The Warrant exercise price was adjusted from US$1.291 to US$1.25 per Share with effect from 8 November 2013.

Notice of Annual General Meeting

OLAM INTERNATIONAL LIMITED

(Company Registration No. 199504676H)
(Incorporated in Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Olam International Limited ("the **Company**") will be held at Room 331-332 Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 30 October 2014 at 2.00 p.m. for the following purposes:

ORDINARY BUSINESS	Ordinary Resolution
To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 30 June 2014 together with the Auditors' Report thereon.	**Resolution 1**
To declare a first and final dividend of 5 cents and a special silver jubilee dividend of 2.5 cents, per share tax exempt (one-tier), for the year ended 30 June 2014.	**Resolution 2**
To re-elect the following Directors of the Company retiring pursuant to Article 103 of the Articles of Association of the Company, and who, being eligible, offer themselves for re-election:	
(i) Mr. Michael Lim Choo San	**Resolution 3**
(ii) Mr. Narain Girdhar Chanrai	**Resolution 4**
(iii) Mr. Shekhar Anantharaman	**Resolution 5**
Please refer to explanatory note provided below.	
To re-elect the following Directors of the Company who will cease to hold office in accordance with Article 109 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:	
(i) Mr. Kwa Chong Seng	**Resolution 6**
(ii) Mr. Sanjiv Misra	**Resolution 7**
Please refer to explanatory note provided below.	
To re-appoint Mr. R. Jayachandran as Director pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. *Please refer to explanatory note provided below.*	**Resolution 8**
To re-appoint Mr. Nihal Vijaya Devadas Kaviratne CBE as Director pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. *Please refer to explanatory note provided below.*	**Resolution 9**
To approve the payment of Directors' fees of S$1,889,433 for the year ending 30 June 2015. (2014: S$1,440,000)	**Resolution 10**
To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.	**Resolution 11**

SPECIAL BUSINESS

Ordinary Resolution

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

General Authority to issue shares — **Resolution 12**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Please refer to explanatory note provided below.

SPECIAL BUSINESS

Ordinary Resolution

Renewal of the Share Buyback Mandate

Resolution 13

That:

(1) for the purposes of the Companies Act, Cap. 50 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(a) market purchase(s) (each a "**Market Purchase**") on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(b) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to this Resolution may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(a) the date on which the next annual general meeting of the Company ("AGM") is held or required by law to be held; or

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earlier; and

(3) in this Ordinary Resolution 13:

"Maximum Limit" means that number of issued Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time).

"Relevant Period" means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier; and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days; and

SPECIAL BUSINESS

Ordinary Resolution

Renewal of the Share Buyback Mandate (cont'd)

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Please refer to explanatory note provided below.

Authority to issue shares under the Olam Scrip Dividend Scheme — **Resolution 14**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to allot and issue such number of ordinary shares in the capital of the Company as may be required to be allotted and issued from time to time pursuant to the Olam Scrip Dividend Scheme.

Please refer to explanatory note provided below.

Adoption of the Olam Share Grant Plan — **Resolution 15**

That:

(1) a new share plan to be known as the "Olam Share Grant Plan" (the "**Share Grant Plan**"), under which awards ("**Awards**") of fully-paid Shares, their equivalent cash value or combinations thereof, will be granted, free of charge, to eligible participants under the Share Grant Plan, the rules and summary details of which are set out in the Letter, be and is hereby approved and adopted with effect from the date of the AGM;

(2) the Directors be and are hereby authorised:

(a) to establish and administer the Share Grant Plan; and

(b) to modify and/or alter the Share Grant Plan at any time and from time to time, provided that such modifications and/or alterations is effected in accordance with the provisions of the Share Grant Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Share Grant Plan; and

(3) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Share Grant Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of Awards under the Share Grant Plan, provided that the total number of Shares which may be allotted and issued and/or Shares which may be delivered pursuant to the Share Grant Plan on any date, when added to:

(a) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares delivered and/or to be delivered in respect of all Awards granted under the Share Grant Plan; and

(b) all Shares, options or awards granted under any other share schemes of the Company then in force,

shall not exceed 10% of the issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of the Award.

Please refer to explanatory note provided below.

By Order of the Board

Yoo Loo Ping
Company Secretary
Singapore

Date: 15 October 2014

Notes Concerning Appointment of Proxy:

1. A Member entitled to attend and vote at the Annual General Meeting (the "**Meeting**") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Meeting.
3. **Personal data privacy:**
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes:

<u>*Ordinary Resolutions 3, 4 and 5*</u>

Mr. Michael Lim Choo San will, upon re-election as a Director of the Company, continue his office as non-executive and lead independent director. He will remain as Chairman of the Audit & Compliance Committee ("ACC") and Governance & Nomination Committee ("GNC") and member of the Board Risk Committee ("BRC"). He will be considered independent.

Mr. Narain Girdhar Chanrai will, upon re-election as a Director of the Company, continue his office as non-executive director and will remain as a member of the ACC and the Capital & Investment Committee ("CIC") and will become a member of the Corporate Responsibility and Sustainability Committee ("CRSC").

Mr. Shekhar Anantharaman will, upon re-election as a Director of the Company, continue his office as an executive director and will remain as a member of the CIC and the CRSC.

Please refer to "Key Information Regarding Directors" in the Corporate Governance section of the Annual Report for information on Mr. Michael Lim Choo San, Mr. Narain Girdhar Chanrai and Mr. Shekhar Anantharaman.

<u>*Ordinary Resolutions 6 and 7*</u>

Mr. Kwa Chong Seng will, upon re-election as a Director of the Company, continue his office as non-executive and independent director as well as Deputy Chairman. He will be Chairman of the Human Resource & Compensation Committee ("HRCC") and a member of the CIC and GNC. He will be considered independent.

Mr. Sanjiv Misra will, upon re-election as a Director of the Company, continue his office as non-executive and independent director and will remain as Chairman of the CIC and a member of the HRCC and BRC. He will be considered independent.

Please refer to "Key Information Regarding Directors" in the Corporate Governance section of the Annual Report for information on Mr. Kwa Chong Seng and Mr. Sanjiv Misra.

<u>*Ordinary Resolutions 8 and 9*</u>

Mr. R. Jayachandran is over 70 years of age and is required by the Companies Act to vacate his office at each AGM, and he will be standing for re-appointment. He will, upon his re-appointment as a Director of the Company, continue his office as Non-executive Chairman and will remain as a member of the CIC, GNC and HRCC.

Mr. Nihal Vijaya Devadas Kaviratne CBE is over 70 years of age and is required by the Companies Act to vacate his office at each AGM, and he will be standing for re-appointment. He will, upon his re-appointment as a Director of the Company, be a member of the ACC and the CRSC, and will be considered independent.

Please refer to "Key Information Regarding Directors" in the Corporate Governance section of the Annual Report for information on Mr. R. Jayachandran and Mr. Nihal Kaviratne CBE.

Explanatory Notes:

Ordinary Resolution 10

Ordinary Resolution 10 should be read in conjunction with the proposed increase in remuneration for non-executive directors for the year ending 30 June 2015 reported in the Corporate Governance Statement on page 70 of the Annual Report. The aggregate fees payable to the non-executive directors include the pro-rata payout to Mr. Mark Haynes Daniell and Mr. Wong Heng Tew who will step down as non-executive and independent directors at the close of this AGM. Ordinary Resolution 10, if passed, will facilitate the payment of Directors' fees during the financial year ending 30 June 2015 in which the fees are incurred. The amount of the Directors' fees is computed based on the revised fees structure as reported in the Corporate Governance statement on page 70 of this Annual Report. The Directors' fees proposed for payment also includes an additional 10 per centum (10%) to provide for unforeseen circumstances (such as additional meetings of the Board and Committees, the appointment of additional Directors and/or the formation of additional Board Committees).

Ordinary Resolution 12

Resolution 12, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Ordinary Resolution 13

Ordinary Resolution 13, if passed, will empower the Directors of the Company from the date of the passing of this Ordinary Resolution until the earlier of the date of the next AGM, or the date by which the next AGM is required by law to be held, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to 10% of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this Ordinary Resolution 13 on the terms of the Share Buyback Mandate as set out in the letter to shareholders dated 15 October 2014 accompanying this Notice of AGM (the "**Letter**"), unless such authority is earlier revoked or varied by the shareholders of the Company in a general meeting.

The Company may use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, inter alia, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition of the Maximum Number of Shares, at a purchase price equivalent to the Maximum Price per Share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2014 and certain assumptions, are set out in paragraph 2.4.6 of the Letter.

Ordinary Resolution 14

Ordinary Resolution 14, if passed, will empower the Directors of the Company to issue shares in the Company from time to time pursuant to the Olam Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive shares in lieu of the cash amount of that qualifying dividend. Unless varied or revoked by the Company in a general meeting, such authority shall remain effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. Please refer to the circular to shareholders of the Company dated 7 October 2009 for the terms and conditions of the Olam Scrip Dividend Scheme.

Ordinary Resolution 15

The Company proposes to adopt the Share Grant Plan under Ordinary Resolution 15. The Company has an existing share option plan, the ESOS 2005, which was adopted at an extraordinary general meeting of the Company held on 4 January 2005, and subsequently amended on 29 October 2008. The ESOS 2005 will be expiring on 3 January 2015. In view of the impending expiry of the ESOS 2005, the Company wishes to adopt the Share Grant Plan, subject to, and upon approval of Shareholders being obtained for the Share Grant Plan at the AGM. The rationale for the adoption of the Share Grant Plan, details of and a summary of the principal rules of the Share Grant Plan is set out in the Letter to Shareholders dated 15 October 2014 accompanying this Notice of AGM.

OLAM INTERNATIONAL LIMITED
(Company Registration No. 199504676H)
(Incorporated In The Republic of Singapore with limited liability)

Annual General Meeting
Proxy Form

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. For investors who have used their CPF monies to buy Olam International Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

*I/We, ______________________________

of ______________________________

being a *member/members of Olam International Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting (the "Meeting") of the Company to be held on Thursday, 30 October 2014 at 2.00 p.m. at Room 331-332 Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 30 June 2014		
2	Payment of proposed first and final dividend of 5 cents and a special silver jubilee dividend of 2.5 cents, per share tax exempt (one-tier) for the year ended 30 June 2014		
3	Re-election of Mr. Michael Lim Choo San as a Director retiring under Article 103		
4	Re-election of Mr. Narain Girdhar Chanrai as a Director retiring under Article 103		
5	Re-election of Mr. Shekhar Anantharaman as a Director retiring under Article 103		
6	Re-election of Mr. Kwa Chong Seng as a Director retiring under Article 109		
7	Re-election of Mr. Sanjiv Misra as a Director retiring under Article 109		
8	Re-appointment of Mr. R. Jayachandran as a Director pursuant to section 153(6) of the Companies Act, Chapter 50		
9	Re-appointment of Mr. Nihal Vijaya Devadas Kaviratne CBE as a Director pursuant to section 153(6) of the Companies Act, Chapter 50		
10	Approval of Directors' fees amounting to S$1,889,433 for the year ending 30 June 2015		
11	Re-appointment of Messrs Ernst & Young LLP as Auditors		
12	General Authority to issue new shares		
13	Renewal of Share Buyback Mandate		
14	Authority to issue shares under the Olam Scrip Dividend Scheme		
15	Adoption of the Olam Share Grant Plan and authority to grant awards and issue shares under the Olam Share Grant Plan		

Dated this ______________________ day of ______________________ 2014

____
Signature or Common Seal of Member
** Delete where inapplicable*

Total number of Shares Held:	

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 October 2014.

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the second named proxy shall be an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.
5. (i) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing.

   (ii) Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   (iii) Where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified true copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Registered Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Connectivity in the Landscape

In an effort to reduce our printed material, we have produced this year's Corporate Responsibility & Sustainability Report on CD.

If you would like to receive a printed version, please email your details to CRS@olamnet.com

TRANSCENDING
BOUNDARIES

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