Olam International Limited

Management Discussion and Analysis

Results for the period ended September 30, 2015

This Management Discussion and Analysis (MD&A) should be read and understood only in conjunction with the full text of Olam International Limited's Financial Statements for the Quarter and Fifteen Months ended September 30, 2015 lodged on SGXNET on November 13, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for the period ended September 30, 2015 (“9M 2015”[1])

Contents

[1] The Company had announced a fiscal year-end change from June 30 to December 31. With this change, the Company’s current fiscal year, which began on July 1, 2014 will end on December 31, 2015. Thereafter, the Company will follow a January to December fiscal year. The numbers presented and analysed in the MD&A from pages 3-22 are for the third quarter (“Q3 2015”) and nine months (“9M 2015”) ended September 30, 2015 and are compared to the prior corresponding quarter (“Q3 2014”) and nine months (“9M 2014”) ended September 30, 2014. See additional explanation on pages 7-8.

Key Highlights

Financial Performance

SGD Mn

	9M 2015	9M 2014	% Change	Q3 2015	Q3 2014	% Change
Volume ('000 MT)	8,814.3	10,650.5	(17.2)	3,227.7	3,134.2	3.0
Revenue	13,604.2	14,892.7	(8.7)	4,471.5	4,298.6	4.0
Net loss in fair value of biological assets	(31.5)	(7.5)	318.2	2.4	(15.9)	n.m.
EBITDA	**809.8**	**823.4**	**(1.6)**	**194.6**	**219.4**	**(11.3)**
Depreciation & Amortisation	(160.5)	(164.6)	(2.5)	(50.6)	(59.7)	(15.1)
Net Finance costs	(327.6)	(369.7)	(11.4)	(103.2)	(124.1)	(16.8)
Taxation	(77.9)	(68.7)	13.4	(13.0)	(5.9)	121.8
Exceptional items*	(101.0)	289.3	n.m.	(3.2)	12.1	n.m.
PAT	142.9	509.7	(72.0)	24.5	41.9	(41.6)
PATMI	**157.0**	**472.3**	**(66.8)**	**31.0**	**44.3**	**(30.0)**
Operational PATMI	**258.0**	**183.0**	**41.0**	**34.2**	**32.2**	**6.2**

- Olam achieved **strong underlying performance** in 9M 2015 with **Operational Profit After Taxes and Minority Interests** (PATMI after excluding exceptional items) **up by 41.0% to S$258.0 million** (9M 2014: S$183.0 million).

- **Reported PATMI**, as a result of a net exceptional loss recorded during the period, **was lower by 66.8% at S$157.0 million** for 9M 2015 (9M 2014: S$472.3 million). The net exceptional loss of S$101.0 million was mainly from the buyback of bonds in Q1 2015, which is expected to generate interest savings of approximately S$55.0 to S$60.0 million per annum over the next three years. The results were also reported against a high PATMI base in 9M 2014, which included an exceptional gain of S$289.3 million principally from the revaluation of our stake in PureCircle Limited (S$270.3 million) and the sale and leaseback of Australian almond assets (S$65.4 million).

- **Sales volume declined by 17.2%** as compared to 9M 2014 on account of reduced volumes from lower margin businesses that were discontinued or restructured in line with our strategic plan objectives. The most significant impact on volumes was due to the discontinued Grains operations within the Food Staples & Packaged Foods segment, which was highlighted in H1 2015.

- **Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) declined by 1.6% to S$809.8 million** in 9M 2015 compared to S$823.4 million in 9M 2014 with growth across three of our segments offset by underperformance in the upstream Dairy farming operations in Uruguay, Palm refining in Mozambique and lower contribution from the SEZ business.

- These results also included a higher **net loss of S$31.5 million** for 9M 2015 on the **fair valuation of biological assets** compared to a **net loss of S$7.5 million** in 9M 2014.

- **Net finance costs** (excluding the one-time charge on the buyback of bonds) were lower at **S$327.6 million** in 9M 2015 compared to **S$369.7 million** in 9M 2014 due to various initiatives undertaken to optimise debt tenors and cost of borrowing. This reduction was partly offset by higher cost local currency loans for our import and domestic distribution businesses, which helped to partially mitigate the impact of sharp currency devaluation in some markets.

- **Depreciation and amortisation** was marginally **lower at S$160.5 million** in 9M 2015 **compared to S$164.6 million** in 9M 2014 due to reduced usage-based depreciation at our cotton ginning operations in Australia. This was despite a higher fixed asset base due to the acquisition of McCleskey Mills ("MMI").

- **Tax expenses** (excluding tax on exceptional items) for 9M 2015 were **higher at S$77.9 million** as compared to **S$68.7 million** for the prior corresponding period.

- We incurred gross **cash capital expenditure (Capex) of S$504.7 million** in 9M 2015 as compared to S$417.6 million in 9M 2014. Net of disposals, we invested cash of **S$263.5 million** in 9M 2015 as compared to S$99.1 million in 9M 2014. The gross Capex for 9M 2015 includes an investment of S$234.7 million for the acquisition of MMI which was not part of the strategic plan guidance. Excluding this investment, the gross **Capex spend in 9M 2015** was **S$270.0 million** which is a **reduction of 35.3%** over the corresponding prior period.

- We generated **positive free cash flow to firm (FCFF)** of **S$5.8** million during the current period as against S$198.9 million in 9M 2014. The reduction in FCFF was on account of increased Capex (including the investment in MMI) as well as higher deployment of working capital.

- **Net gearing of 1.43 times** at September 30, 2015 was significantly lower than 1.85 times as at September 30, 2014, mainly arising from the placement of shares to Mitsubishi Corporation. The gearing level remains in line with our 2016 objective of at or below 2.0 times.

- Subsequent to the strategic plan announcement in April 2013, we have completed 20 **strategic initiatives** to-date which have **released cash of S$966.1 million**, generated a **P&L gain of S$125.2 million** and added **S$154.2 million directly to our capital reserves**.

Strategic Partnership with Mitsubishi Corporation

On August 28, 2015, the Company entered into a subscription agreement (the “Subscription Agreement”) with Mitsubishi Corporation (“MC”), a global integrated business enterprise that develops and operates businesses across a variety of sectors with over 200 offices and subsidiaries in 90 countries worldwide.

The transaction sets the platform for a long term strategic partnership between Olam and MC that leverages the strengths of both companies to increase their participation in the Japan market and collaborate in mutually beneficial business opportunities.

Pursuant to the Subscription Agreement, the Company raised approximately S$915.0 million of additional equity capital by issuing 332.73 million new ordinary shares (the “New Shares”) to MC at an issue price of S$2.75 per New Share. The New Shares represented approximately 12.0% of the enlarged issued and paid up share capital (excluding treasury shares) of the Company immediately after completion of the Subscription Agreement. Temasek Holdings (“Temasek”) remains Olam’s majority shareholder with a 51.4% controlling stake in the enlarged issued and paid-up share capital (excluding treasury shares) of the Company upon completion of the Subscription Agreement.

MC, in a separate and independent transaction, also acquired approximately 222.0 million secondary shares from the Kewalram Chanrai Group, representing approximately 8.0% of the enlarged issued and paid-up share capital (excluding treasury shares) of Olam immediately following the issuance of the New Shares. Post the completion of both these transactions, MC has become Olam’s second largest shareholder with a 20.0% shareholding in the Company. Temasek Holdings remains Olam’s majority shareholder with a 51.4% stake.

M&A

- On January 12, 2015, the Company announced the **sale of its Australian wool business**, Western Wool Marketing to Quality Wool of Australia.

- On January 28, 2015, the Company completed the **acquisition of MMI** for a cash consideration of US$178.0 million (S$234.7 million). The final purchase price allocation for the acquisition was completed in September 2015.

- On February 2, 2015, the Company **completed the sale of a 25.0% stake in its Packaged Foods business to Sanyo Foods Co. Ltd**. (“Sanyo Foods”). The Company received **cash proceeds of US$167.5 million (S$219.1 million)** and generated a capital gain of **S$106.2 million to reserves.** Following the completion of the sale, Olam owns 75.0% of Caraway Pte Ltd. (“Caraway”), the holding company for all of the

Company's Packaged Foods businesses with the balance 25.0% owned by Sanyo Foods.

- ❖ On March 2, 2015, the Company announced its participation in the **Republic of Gabon's ("RoG") GRAINE out-grower plantation programme** through a joint venture in which RoG will hold 51.0% equity ownership and the Company will hold the balance 49.0%.

- ❖ On October 16, 2015, the Company announced the **completion of the ADM Cocoa acquisition** at an enterprise value on a cash free and debt free basis of **US$1,204.0 million**. Olam Cocoa is now a top 3 integrated supplier of cocoa beans and products globally. The closing value is estimated at US$550.0 million in fixed assets and US$654.0 million in working capital subject to the final purchase price adjustment post-closing.

Financing

- ❖ On January 15, 2015, the Company announced the issuance of **US$50.0 million 5 year Senior Notes** due 2020 in a private placement to an institutional investor in Japan at a fixed coupon of 4.00%.

- ❖ On January 28, 2015, the Company announced that it had exercised its option to **redeem all of the outstanding US$750.0 million 6.75% bonds** due 2018 at a redemption price of 103.375% of the principal amount. Consequent to the redemption, the Company recorded a **one-time charge of S$98.4 million in 9M 2015** towards payment of redemption premium, amortisation of deferred expenses and the write back of the changes in the fair valuation of the bond from inception till June 30, 2014.

  The bonds, which were initially issued at 95% of their principal amount, had an effective interest cost of 8.08%. By exercising the redemption option, the Company has replaced these bonds using short and medium term borrowing at an effective cost of ~2.00% to 2.50% per annum thereby **saving approximately S$55.0 to S$60.0 million of interest per annum** over the next three years.

- ❖ On March 17, 2015, the Company announced the issuance of **A$125.0 million 4.875% 5 year Senior Unsecured Notes due 2020**. On March 19, 2015, the Company announced the issuance of additional notes of A$25.0 million, thereby increasing the total aggregate principal amount of the **combined issuance to A$150.0 million at an issue price of 100.069%** of their principal amount. The **post-swap US Dollar fixed coupon for the combined 5 year tenor issuance is 3.975% per annum**.

- ❖ On April 29, 2015, the Company announced the issuance of an **additional A$30.0 million 5 year Senior Unsecured Notes due 2020** which would be fungible with the A$150.0 million issuance. **The effective post-swap US Dollar fixed coupon on the**

new issuance was 3.60% per annum for 5 years, which was at a significant discount to the prevailing secondary prices of the Company's outstanding bonds**.**

- On August 12, 2015, the Company announced that it had secured a **US$800.0 million revolving credit facility** (the "US Facility") for its US subsidiaries. The US Facility consists of a two-year and three-year tranche of US$400.0 million each. Proceeds from the US Facility will be used to pre-pay existing debt and for supporting our growing businesses in the US. As a result of the pre-payment, we incurred a one-time cost of S$2.4 million in Q3 2015 which is expected to be offset by future interest savings from the US Facility.

- On August 31, 2015, the Company announced the issuance of **¥6.2 billion** (approximately US$51.2 million) 5 year Senior Notes due 2020 in a private placement to an institutional investor in Japan. The Notes were issued at a fixed coupon of 1.375% payable semi-annually in arrears and will mature on September 9, 2020. **The post-swap US Dollar fixed coupon is 3.75% per annum**.

- Post 9M 2015, the Company announced that it had secured a **revolving credit and term loan facility** (the "Facility") aggregating **US$1,000 million**. The Facility consists of two tranches, a US$850 million 364-day revolving credit facility and a US$150 million 5-year term loan. Proceeds from the Facility will be applied towards refinancing of existing debt and meeting working capital and general corporate funding requirements of the Company.

Others

- On January 8, 2015, we announced a **fiscal year-end change from June 30 to December 31.** This change was done to align our fiscal year to comply with the Group consolidation and reporting requirements of our majority shareholder.

- With this change, for the purpose of statutory reporting (SGXNET) the quarterly and cumulative financials will be presented for the current fiscal year which began on July 1, 2014 and will end on December 31, 2015.

- As part of the transition to the new fiscal year, the numbers presented and analysed in the MD&A are for the third quarter ("Q3 2015") and nine months ("9M 2015") ended June 30, 2015 on the new fiscal year basis (January 1, 2015 to December 31, 2015) and are compared to the prior corresponding periods.

- To aid comparison with the financial statements on SGXNET, we are also presenting the financials for the 15 months ended September 30, 2015 ("15M FY15") as compared to 12 months ended June 30, 2014 ("12M FY14") in the Cumulative Financials section of the MD&A.

- In addition, pro-forma historical financial statements (profit and loss statement, balance sheet, abridged cash flow) as well as business and value chain segmental analysis have been re-stated to the new financial year (January to December) for the past three years (2012, 2013 and 2014) to facilitate analysis. These were disclosed via SGXNET on May 11, 2015, and are also available on our website (www.olamgroup.com)

Strategic Plan Update

1. **Recalibrate the pace of investments**
   We incurred gross **Capex of S$504.7 million** in 9M 2015 **as compared to S$417.6 million** in 9M 2014. The Capex for 9M 2015 includes an investment of approximately S$234.7 million for the acquisition of MMI which was not a part of the strategic plan Capex guidance. Excluding this investment, the **gross Capex spend in 9M 2015 was S$270.0 million which is a reduction of 35.3% 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, receivable factoring, 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 completed**. These include the sale-and-leaseback of Dairy farming land in Uruguay, almond plantation assets in the US and Australia, the repurchase of long term unsecured bonds of **US$30.0 million** issued by NZ Farming Systems Uruguay Limited ("NZFSU") and the repurchase of 7.0% **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 the Dirranbandi cotton gin and the partial sale of the Collymongle gin in Australia, the sale of a 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), New Zealand, the sale of 20.0% stake in the SEZ to the Republic of Gabon, the sale of 80.0% stake in our Australian grains business to Mitsubishi Corporation, sale of equity in our upstream Palm and Rubber joint ventures in Gabon to the Republic of Gabon and the sale of 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**, we sold our **Timber subsidiary** Compagnie Forestière des Abeilles SA ("CFA") in Gabon for **US$6.0 million**. We also **exited from the Rice distribution business** in Côte d'Ivoire, announced the **sale of our Australian wool business** and closed a **vegetable dehydrates facility in the US**.

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

In summary, initiatives already completed have **released cash of S$966.1 million,** generated a **P&L gain of S$125.2 million** and added **S$154.2 million to** our **capital reserves:**

SGD Mn

Summary of Completed Strategic Plan Initiatives	Number of Initiatives	P & L impact	Addition to capital reserves	Cash flow impact
Closed in 2012	**1**	**17.4**		**68.6**
Closed in 2013	**4**	**18.2**	**14.2**	**65.5**
Sale and Leaseback of Almond Plantation Assets, Australia		65.4		233.2
Divestment of Olam Lansing JV, 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 OCDL, New Zealand		(0.6)		35.1
Australian Grains JV with Mitsubishi Corporation		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% stake in SEZ to RoG, Gabon				74.8
Sale of Dairy Processing Plant, Cote d'Ivoire		13.2		32.7
Sale of 10%/20% stake in Palm/Rubber to RoG, Gabon			31.5	40.0
Sale and Leaseback of Dairy Farm Land, Uruguay		20.4		70.4
Sale of Australian Wool Business		(2.7)		
Closure of SVI dehydrates facility, US		(4.7)		
Closed in 2014	**14**	**89.6**	**33.8**	**612.9**
Sale of 25% stake in Packaged Foods BU to Sanyo Foods			106.2	219.1
Closed in 2015	**1**		**106.2**	**219.1**
Total	**20**	**125.2**	**154.2**	**966.1**

Note 1: Cash proceeds for some 2014 initiatives are being received in 2015.
Note 2: Figures in the table above may change to reflect the closing balance sheet position and changes in the closing exchange rates from the date of completion till the date of reporting.

Summary of Financial and Operating Results (Jan 2015 – Sep 2015)

Profit and Loss Analysis

SGD Mn

	9M 2015	9M 2014	% Change	Q3 2015	Q3 2014	% Change
Volume ('000 MT)	**8,814.3**	**10,650.5**	**(17.2)**	**3,227.7**	**3,134.2**	**3.0**
Revenue	**13,604.2**	**14,892.7**	**(8.7)**	**4,471.5**	**4,298.6**	**4.0**
Other Income (excl. exceptional items)	41.2	44.3	(7.0)	12.6	5.5	127.5
Cost of sales	(12,014.3)	(13,452.8)	(10.7)	(3,959.3)	(3,863.6)	2.5
Overhead expenses	(661.8)	(639.1)	3.6	(234.9)	(193.0)	21.7
Other operating expenses	(118.2)	(13.2)	797.1	(92.9)	(14.3)	550.6
Net (loss)/ gain in fair value of biological assets	(31.5)	(7.5)	318.2	2.4	(15.9)	n.m.
Share of results from jointly controlled entities and associates	(9.7)	(0.9)	956.1	(4.8)	2.0	n.m.
EBITDA	**809.8**	**823.4**	**(1.6)**	**194.6**	**219.4**	**(11.3)**
EBITDA %	6.0%	5.5%		4.4%	5.1%	
Depreciation & Amortisation	(160.5)	(164.6)	(2.5)	(50.6)	(59.7)	(15.1)
EBIT	649.3	658.8	(1.4)	144.0	159.7	(9.8)
Exceptional items	(101.0)	289.3	n.m.	(3.2)	12.1	n.m.
Net Finance costs	(327.6)	(369.7)	(11.4)	(103.2)	(124.1)	(16.8)
PBT	220.8	578.4	(61.8)	37.5	47.8	(21.5)
Taxation	(77.9)	(68.7)	13.4	(13.0)	(5.9)	121.8
PAT	**142.9**	**509.7**	**(72.0)**	**24.5**	**41.9**	**(41.6)**
PAT %	1.1%	3.4%		0.5%	1.0%	
Non-controlling interests	(14.1)	37.4	n.m.	(6.5)	(2.4)	175.3
PATMI	**157.0**	**472.3**	**(66.8)**	**31.0**	**44.3**	**(30.0)**
PATMI %	1.2%	3.2%		0.7%	1.0%	
Operational PATMI	**258.0**	**183.0**	**41.0**	**34.2**	**32.2**	**6.2**
Operational PATMI %	1.9%	1.2%		0.8%	0.7%	

Sales Volume

Volume declined 17.2% primarily from reduced volume from lower margin or discontinued operations (such as Grains trading, Wood Products in Gabon and cashew processing in Nigeria), which was in line with our strategic plan objectives. Overall revenues declined by 8.7% due to lower volumes, which was partly offset by higher prices of some commodities, such as almonds, cocoa, cashews and hazelnuts as compared to the prior corresponding period.

Other Income

Other income (excluding exceptional items) was reduced by S$3.1 million due to lower commissions, claims and miscellaneous income as compared to the prior corresponding period.

Cost of Sales

The change in cost of sales normally follows the corresponding change in revenue for the period. While revenue declined by 8.7%, cost of sales declined by 10.7% over 9M 2014 due to currency devaluation, which favourably impacted our export oriented businesses in Brazil, Australia, Colombia and Turkey by lowering the cost of sales. A large proportion of these gains had corresponding unrealised foreign exchange losses that were recorded in other operating expenses.

Overhead Expenses

Overhead expenses increased by 3.6% to S$661.8 million in 9M 2015 from S$639.1 million in 9M 2014 due to higher employee expenses, rental expenses and other indirect overheads.

Other Operating Expenses

Other operating expenses increased by S$105.0 million, primarily on account of higher unrealised foreign exchange losses during the current period. A large proportion of these losses had a corresponding favourable impact in the cost of sales.

Net Changes in Fair Value of Biological Assets

There was a reduction in net fair value of biological assets of S$24.0 million from a loss of S$7.5 million in 9M 2014 to a loss of S$31.5 million in 9M 2015. The reduction was primarily a result of a lower net fair value of our Australian almond plantation assets as most of the estates achieved peak maturity, which was partly offset by fair value gains from our Coffee plantations in Brazil, Tanzania and Zambia.

Share of Results from Jointly Controlled Entities and Associates

Share of results from jointly controlled entities and associates declined from a loss of S$0.9 million in 9M 2014 to a loss of S$9.7 million in 9M 2015, mainly due to reduced contribution from Acacia Investments, a Palm joint venture in Mozambique, SIFCA and the SEZ business in Gabon. This was partly offset by a higher contribution from OCD.

EBITDA

EBITDA for 9M 2015 declined by 1.6% to S$809.8 million with three of our five segments recording an increase which was offset by a decline in contribution from the Food Staples & Packaged Foods and Industrial Raw Materials segments. The Food Staples & Packaged Foods segment was adversely impacted by the continued underperformance in the upstream Dairy farming operations in Uruguay, the Palm refining operations in Mozambique and the Packaged Foods business in Nigeria and Ghana. The Industrial Raw Materials segment was impacted by a lower contribution from the SEZ business as compared to the prior corresponding period.

Depreciation and Amortisation

In spite of a higher fixed asset base from the acquisition of MMI, depreciation and amortisation expenses were reduced from S$164.6 million in 9M 2014 to S$160.5 million in 9M 2015 due to lower usage-based depreciation at our cotton ginning operations in Australia.

Finance Costs

Net finance costs declined from S$369.7 million in 9M 2014 to S$327.6 million in 9M 2015 due to a reduction in the overall cost of borrowing arising from the repayment of higher cost and longer tenor loans in 2014. This was partly offset by an increase in finance costs due to higher cost local currency borrowings that were deployed for our import and domestic distribution businesses in order to mitigate the impact of local currency devaluation.

Taxation

Tax charge on the base business was higher at S$77.9 million in 9M 2015 compared to S$68.7 for 9M 2014 due to a shift in the geographical mix of earnings contribution towards higher tax jurisdictions.

Non-controlling Interest

Non-controlling interest primarily comprised the minority share of results from Rusmolco, Olam Palm Gabon, Olam Rubber Gabon, Olam Algodao do Vale do Zambeze Limitada ,Mozambique (AVZ) and Caraway (Packaged Foods). 9M 2015 recorded a loss of S$14.1 million, compared to a gain of S$37.4 million in 9M 2014 due to reduced contributions from Rusmolco, Caraway and Olam AVZ. 9M 2014 results included the minority share of results from the SEZ business which is now classified under share of results from jointly controlled entities and associates.

Exceptional Items

9M 2015 results included a net exceptional loss of S$101.0 million as against a gain of S$289.3 million in 9M 2014 as shown on page 14.

SGD Mn

	9M 2015	9M 2014	Q3 2015	Q3 2014
Sale of Dairy Processing Plant, Cote d'Ivoire	0.5	12.1	0.2	12.1
Sale and Leaseback of Dairy Farm Land, Uruguay	0.7		0.2	
Sale of Australian Wool Business	(0.1)		(0.0)	
Sale of Dirranbandi Cotton Gin, Australia		0.2		
Sale of Collymongle Cotton Gin, Australia		6.0		
Sale and leaseback of Almond Plantation Assets, Australia		65.4		
Sale of stake in Grains business in Australia		28.8		
Fair Valuation of investment in PureCircle Limited		270.3		
Non-operational fair valuation gain on biological assets		17.8		
Closure of SVI dehydrates facility, US	(0.2)		(0.1)	
Laos Coffee Impairment		(24.4)		
Sale of Timber subsidiary (CFA), Gabon		(22.6)		
Sale of additional stake in SEZ, Gabon		(5.0)		
Sale of Timber Assets, Gabon		(14.6)		
Sale of stake in OCDL, New Zealand		(0.6)		
Impairment of Mechanical Cashew Facility, Nigeria		(25.3)		
Finance charge on prepayment of higher cost loans		(19.8)		
US loan prepayment	(2.4)		(2.4)	
Loss on Bonds Redemption 2015 - Interest portion	(81.1)		(0.9)	
Loss on Bonds Redemption 2015 - FV portion	(18.4)		(0.2)	
Gain on buyback of bonds		1.0		
Exceptional Items	**(101.0)**	**289.3**	**(3.2)**	**12.1**

PATMI

Reported PATMI for 9M 2015 declined by 66.8% primarily due to a net exceptional loss of S$101.0 million in 9M 2015 as against a net exceptional gain of S$289.3 million in 9M 2014.

Operational PATMI

Operational PATMI (excluding exceptional items) increased by 41.0% over the prior corresponding period as lower finance costs and depreciation and amortisation offset the decline in EBITDA and higher tax.

Balance Sheet Analysis

SGD Mn

	30-Sep-15	31-Dec-14	Change vs Dec 14	30-Sep-14	Change vs Sep 14
Uses of Capital					
Fixed Capital	6,280.7	6,056.3	224.4	6,104.2	176.5
Working Capital	7,240.7	6,259.4	981.3	6,268.4	972.3
Cash	1,276.0	1,845.8	(569.8)	1,277.1	(1.1)
Others	(169.4)	(27.1)	(142.3)	(27.1)	(142.3)
Total	**14,628.0**	**14,134.4**	**493.6**	**13,622.6**	**1,005.4**
Sources of Capital					
Equity & Reserves	5,509.0	4,320.1	1,188.9	4,347.5	1,161.5
Non-controlling interests	232.2	126.3	105.9	18.2	214.0
Short term debt	2,398.0	2,623.7	(225.7)	3,839.3	(1,441.3)
Long term debt	6,777.7	7,217.0	(439.3)	5,493.4	1,284.3
Fair value reserve	(288.9)	(152.7)	(136.2)	(75.8)	(213.1)
Total	**14,628.0**	**14,134.4**	**493.6**	**13,622.6**	**1,005.4**

Our total assets of S$14.6 billion comprised S$1.3 billion of cash, S$7.2 billion of working capital and S$6.3 billion of fixed assets. These were funded by S$5.5 billion of equity, S$2.4 billion of short term debt and S$6.8 billion of long term debt.

Working Capital

SGD Mn

	30-Sep-15	31-Dec-14	Change vs Dec 14	30-Sep-14	Change vs Sep 14
Stock	5,131.9	4,988.3	143.6	4,739.6	392.3
Advance to suppliers	794.8	664.4	130.4	631.5	163.3
Receivables	1,955.5	1,373.7	581.8	1,809.3	146.2
Trade creditors	(1,285.0)	(1,373.2)	88.2	(1,406.7)	121.7
Others	643.5	606.2	37.3	494.7	148.8
Working Capital	**7,240.7**	**6,259.4**	**981.3**	**6,268.4**	**972.3**

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

The overall working capital increased by S$981.3 million compared to end-December 2014, and by S$972.3 million as compared to end-September 2014. While a part of the increase was on account of higher inventories and receivables as compared to the prior periods, the main factor driving the change was the translational impact of currency devaluation on all components of working capital.

\# of days

	30-Sep-15	31-Dec-14	Change vs Dec 14	30-Sep-14	Change vs Sep 14
Stock	115	110	5	111	4
Advance to suppliers	17	14	3	14	3
Receivables	39	27	12	38	1
Trade creditors	(28)	(30)	2	(33)	5
Total cash cycle	**143**	**121**	**22**	**130**	**13**

Our overall working capital cycle increased from 121 days as at end-December 2014 and 130 days as at end-September 2014 to 143 days as at end-September 2015. The change was driven by a combination of higher inventories and receivables, lower average prices as compared to the prior corresponding period and the translational impact of currency devaluation on all components of working capital.

Cash Flow Analysis

SGD Mn

Cash Flow Summary	9M 2015	9M 2014	Y-o-Y
Operating Cash flow (before Interest & Tax)	849.8	829.8	20.0
Changes in Working Capital	(527.4)	(486.7)	(40.7)
Net Operating Cash Flow	**322.4**	**343.1**	**(20.7)**
Tax paid	(53.1)	(45.1)	(8.0)
Capex/ Investments	(263.5)	(99.1)	(164.4)
Free cash flow to firm (FCFF)	**5.8**	**198.9**	**(193.1)**
Net interest paid	(362.3)	(330.3)	(32.0)
Free cash flow to equity (FCFE)	**(356.5)**	**(131.4)**	**(225.1)**

We generated positive free cash flow to firm of S$5.8 million during the current period compared to S$198.9 million in the prior corresponding period as an increase in operating cash flow was offset by an increase in working capital, tax and net Capex due to the acquisition of MMI.

Debt, Liquidity and Gearing

SGD Mn

	30-Sep-15	31-Dec-14	Change vs Dec 14	30-Sep-14	Change vs Sep 14
Gross debt	9,175.7	9,840.7	(665.0)	9,332.7	(157.0)
Less: Cash	1,276.0	1,845.8	(569.8)	1,277.1	(1.1)
Net debt	7,899.7	7,994.9	(95.2)	8,055.6	(155.9)
Less: Readily marketable inventory	3,854.1	3,947.9	(93.8)	3,796.4	57.7
Less: Secured receivables	1,525.3	1,030.4	494.9	1,376.9	148.4
Adjusted net debt	2,520.3	3,016.6	(496.3)	2,882.3	(362.0)
Equity (before FV adj reserves)	5,509.0	4,320.1	1,188.9	4,347.5	1,161.5
Net debt / Equity (Basic)	**1.43**	**1.85**	**(0.42)**	**1.85**	**(0.42)**
Net debt / Equity (Adjusted)	**0.46**	**0.70**	**(0.24)**	**0.66**	**(0.21)**

Net debt increased marginally by S$95.2 million as compared to end-December 2014. Net gearing of 1.43 times as at September 30, 2015 was significantly lower than the 1.85 times as at December 31, 2014 due to the issuance of additional equity to Mitsubishi Corporation.

Of the S$5.1 billion inventory position, approximately 75.1% or S$3.9 billion were readily marketable inventories (RMI) that were liquid, hedged and/or sold forward, operating as near-cash assets on our balance sheet. In addition, of the S$2.0 billion in trade receivables, approximately 78.0% were secured. Typically, at any given point, about 75-85% 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 0.46 times, reflecting the true indebtedness of our Company.

We maintained sufficient liquidity to meet our working capital and capital expenditure requirements, with a total of S$15.5 billion in available liquidity as at September 30, 2015, including unutilised bank lines of S$8.8 billion.

Segmental Review and Analysis

For Q3 2015

SGD Mn

Segment	Sales Volume ('000 MT)		Revenue		EBITDA		Invested Capital (IC)		
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	30-Sep-15	31-Dec-14	30-Sep-14
Edible Nuts, Spices and Vegetable Ingredients	331.2	454.5	1,140.9	837.0	81.4	77.8	3,613.0	3,356.6	3,173.7
Confectionery and Beverage Ingredients	326.0	306.6	1,361.3	1,216.1	54.8	53.8	3,683.4	3,249.6	3,238.6
Food Staples and Packaged Foods	2,223.7	1,972.1	1,352.1	1,402.2	31.1	68.9	3,345.5	3,075.4	3,157.3
Food Category	**2,880.9**	**2,733.2**	**3,854.3**	**3,455.3**	**167.3**	**200.5**	**10,641.9**	**9,681.6**	**9,569.6**
Industrial Raw Materials (IRM)	346.8	401.0	616.8	843.3	16.1	15.4	2,121.6	1,872.0	2,072.2
Commodity Financial Services (CFS)	N.A.	N.A.	0.3	0.0	11.2	3.4	64.7	3.2	5.6
Non-Food Category	**346.8**	**401.0**	**617.1**	**843.3**	**27.3**	**18.8**	**2,186.3**	**1,875.2**	**2,077.8**
Total	**3,227.7**	**3,134.2**	**4,471.5**	**4,298.6**	**194.6**	**219.4**	**12,828.1**	**11,556.8**	**11,647.5**

Note: IC excludes:

(a) Gabon Fertiliser Project (30-Sep-15: S$195.1 million, 31-Dec-14: S$182.4 million, 30-Sep-14: S$179.0 million), and

(b) Long Term Investment (30-Sep-15: S$291.0 million, 31-Dec-14: S$334.4 million, 30-Sep-14: S$394.3 million)

For 9M 2015

SGD Mn

	Sales Volume ('000 MT)		Revenue		EBITDA		Invested Capital (IC)		
	9M 2015	9M 2014	9M 2015	9M 2014	9M 2015	9M 2014	30-Sep-15	31-Dec-14	30-Sep-14
Edible Nuts, Spices and Vegetable Ingredients	1,085.5	1,287.4	3,106.7	2,683.5	299.3	265.0	3,613.0	3,356.6	3,173.7
Confectionery and Beverage Ingredients	1,216.4	1,066.7	4,903.1	4,228.4	197.9	185.1	3,683.4	3,249.6	3,238.6
Food Staples and Packaged Foods	5,481.4	6,995.5	3,647.7	5,294.7	164.0	224.9	3,345.5	3,075.4	3,157.3
Food Category	**7,783.3**	**9,349.6**	**11,657.5**	**12,206.6**	**661.2**	**675.0**	**10,641.9**	**9,681.6**	**9,569.6**
Industrial Raw Materials (IRM)	1,031.0	1,300.9	1,946.5	2,686.1	129.6	160.7	2,121.6	1,872.0	2,072.2
Commodity Financial Services (CFS)	N.A.	N.A.	0.3	(0.1)	19.1	(12.3)	64.7	3.2	5.6
Non-Food Category	**1,031.0**	**1,300.9**	**1,946.8**	**2,686.0**	**148.7**	**148.4**	**2,186.3**	**1,875.2**	**2,077.8**
Total	**8,814.3**	**10,650.5**	**13,604.2**	**14,892.7**	**809.8**	**823.4**	**12,828.1**	**11,556.8**	**11,647.5**

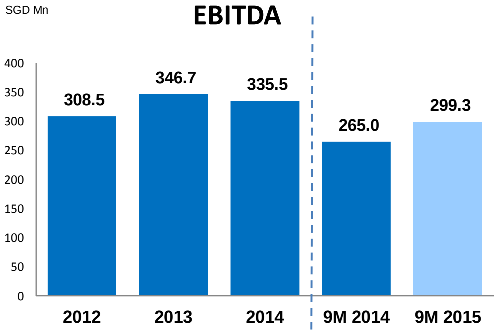
Note: IC excludes:

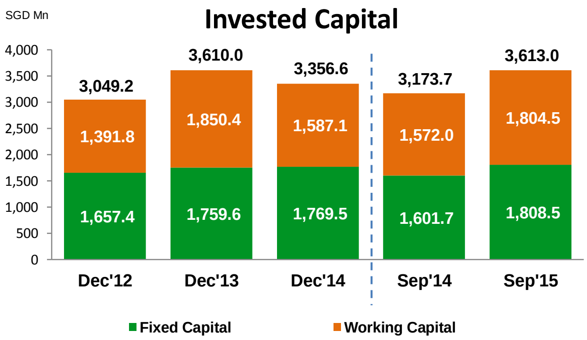
(a) Gabon Fertiliser Project (30-Sep-15: S$195.1 million, 31-Dec-14: S$182.4 million, 30-Sep-14: S$179.0 million), and

(b) Long Term Investment (30-Sep-15: S$291.0 million, 31-Dec-14: S$334.4 million, 30-Sep-14: S$394.3 million)

Edible Nuts, Spices & Vegetable Ingredients

The Edible Nuts, Spices & Vegetable Ingredients segment registered a year-on-year volume decline of 15.7%, revenue growth of 15.8% and EBITDA growth of 12.9% in 9M 2015.



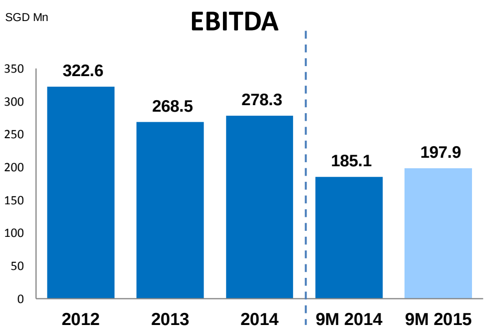


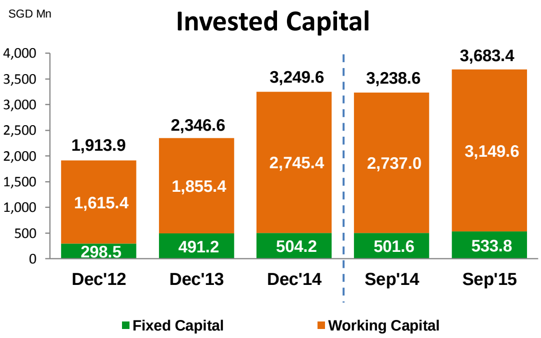
The decline in volume as compared to the prior corresponding period was primarily on account of lower tomato paste sales, cashew volumes due to the closure of the processing plant in Nigeria and US dehydrated vegetable volumes from the closure of our processing facility in Modesto, California. Segment revenues were higher due to elevated prices of almonds and cashews.

The almonds business continued its strong performance, aided by record prices and the depreciation of the Australian dollar. Hazelnuts, cashews and the Spices & Vegetable Ingredients business in the US performed well. We also recorded incremental EBITDA from the acquisition of MMI, but this was partially offset by the underperformance in the Argentinean Peanut business due to lower peanut prices, and the adverse impact of currency.

Invested capital in the segment increased by S$439.3 million as compared to end-September 2014 primarily due to acquisition of MMI, investment in increased acreage of almond and pistachio plantations in the US and higher inventories of almonds, cashews and hazelnuts due to increased prices.

Confectionery & Beverage Ingredients



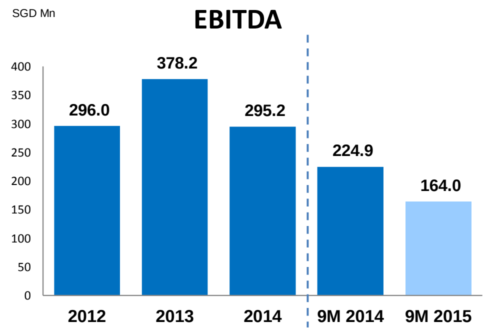


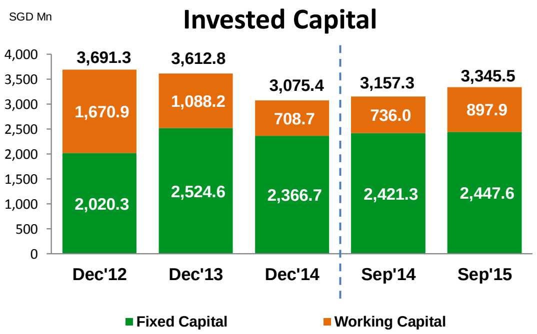
The Confectionery & Beverage Ingredients segment recorded a 14.0% increase in volumes, driven by increased Cocoa and Coffee sales. Segment revenues increased by 16.0% due to higher volumes as well as an increase in cocoa prices compared to the prior corresponding period.

Segment EBITDA grew by 6.9% with increased contribution from both the Coffee and Cocoa platforms. The soluble coffee facility in Vietnam performed well during this period.

Invested capital in the segment increased by S$444.8 million as compared to end-September 2014 mainly due to an increase in Cocoa inventory levels which were carried at higher average prices as compared to the prior corresponding period.

Food Staples & Packaged Foods





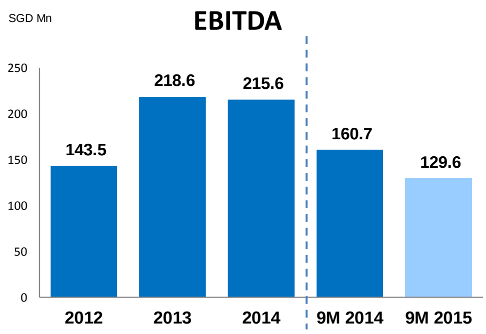
Food Staples & Packaged Foods segment volumes declined by 21.6% primarily due to lower traded volumes of Grains, Sugar and Rice. Segment revenues decreased by 31.1% due to lower volumes as well as lower prices for all commodities in this segment as compared to the prior corresponding period.

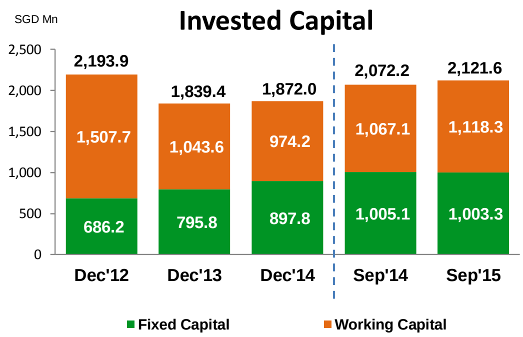
The Grains and Rice businesses performed well during this period. However, overall segment EBITDA declined by 27.1% due to reduced trading volumes, continued underperformance of Dairy farming operations in Uruguay and the adverse impact of currency devaluation on our Palm refining operations in Mozambique and Packaged Foods business. We also recorded a lower contribution from sugar trading and SIFCA due to lower palm prices.

As highlighted in Q2 2015, the Dairy farming operation in Uruguay will be restructured on account of its continued underperformance. The restructuring is likely to result in a one-time cost in Q4 2015.

Overall invested capital increased by S$188.2 million vis-à-vis end-September 2014 due to increased working capital in Grains milling, Packaged Foods and Palm businesses and higher fixed investments in Palm plantations in Gabon. The increase was partly offset by a reduction in fixed assets from the sale of the Dairy processing plant in Cote d'Ivoire and the sale-and-leaseback of Dairy farm land in Uruguay.

Industrial Raw Materials





The Industrial Raw Materials volumes declined by 20.7% due to lower Fertiliser trading, cotton and Wood Products volumes during the current period. Segment revenue declined by 27.5% due to lower volumes as compared to the prior corresponding period.

The Cotton and Wood Products businesses recorded a growth in EBITDA. However, overall segment EBITDA declined by 19.4% due to a reduced contribution from the SEZ business as compared to the prior corresponding period.

Overall invested capital increased by S$49.4 million compared to end-September 2014 with higher Cotton inventories and investments in upstream Rubber plantations, partly offset by a reduction in our net investment in SEZ.

Commodity Financial Services

The CFS business registered an improved EBITDA of S$19.1 million in 9M 2015 versus a loss of S$12.3 million in 9M 2014. Invested capital in this segment was higher by S$59.1 million due to an increase in margin facilities.

Cumulative Financials (Jul 2014 to Sep 2015)

To aid comparison with the financial statements on SGXNET, we are also presenting the financials for the 15 months ended September 30, 2015 ("15M FY15") as compared to 12 months ended June 30, 2014 ("12M FY14") in this section.

It must be noted that the results presented in this section are not comparable to the prior reported period of the 12 months ended June 30, 2014.

Profit and Loss Analysis

SGD Mn

	15M FY15	12M FY14	% Change
Volume ('000 MT)	**15,319.9**	**14,877.3**	**n.m.**
Revenue	**22,782.2**	**19,421.8**	**n.m.**
Other Income (excl. exceptional items)	61.7	53.8	n.m.
Cost of sales	(20,066.6)	(17,481.8)	n.m.
Overhead expenses	(1,075.7)	(805.0)	n.m.
Other operating expenses	(317.1)	(18.6)	n.m.
Net (loss)/ gain in fair value of biological assets	(59.4)	(3.7)	n.m.
Share of results from jointly controlled entities and associates	(12.6)	2.2	n.m.
EBITDA	**1,312.4**	**1,168.8**	**n.m.**
EBITDA %	5.8%	6.0%	
Depreciation & Amortisation	(265.4)	(215.6)	n.m.
EBIT	1,047.0	953.2	n.m.
Exceptional items	(75.3)	283.1	n.m.
Net Finance costs	(556.5)	(504.8)	n.m.
PBT	415.3	731.5	n.m.
Taxation	(109.9)	(90.2)	n.m.
PAT	**305.4**	**641.3**	**n.m.**
PAT %	1.3%	3.3%	
Non-controlling interests	(14.7)	32.8	n.m.
PATMI	**320.1**	**608.5**	**n.m.**
PATMI %	1.4%	3.1%	
Operational PATMI	**395.4**	**325.4**	**n.m.**
Operational PATMI %	1.7%	1.7%	

Balance Sheet Analysis

SGD Mn

	30-Sep-15	30-Jun-14	Change vs Jun 14
Uses of Capital			
Fixed Capital	6,280.7	6,143.9	136.8
Working Capital	7,240.7	5,956.0	1,284.7
Cash	1,276.0	1,590.1	(314.1)
Others	(169.4)	(127.7)	(41.7)
Total	**14,628.0**	**13,562.3**	**1,065.7**
Sources of Capital			
Equity & Reserves	5,509.0	4,260.4	1,248.6
Non-controlling interests	232.2	22.1	210.1
Short term debt	2,398.0	4,503.8	(2,105.8)
Long term debt	6,777.7	4,836.2	1,941.5
Fair value reserve	(288.9)	(60.2)	(228.7)
Total	**14,628.0**	**13,562.3**	**1,065.7**

Our total assets of S$14.6 billion comprised S$1.3 billion of cash, S$7.2 billion of working capital and S$6.3 billion of fixed assets. These were funded by S$5.5 billion of equity, S$2.4 billion of short term debt and S$6.8 billion of long term debt.

Cash Flow Analysis

SGD Mn

Cash Flow Summary	15M FY15	12M FY14	Change
Operating Cash flow (before Interest & Tax)	1,404.9	1,175.5	229.4
Changes in Working Capital	(924.0)	(944.5)	20.5
Net Operating Cash Flow	**480.9**	**231.0**	**249.9**
Tax paid	(92.2)	(53.7)	(38.5)
Capex/ Investments	(307.3)	(206.0)	(101.3)
Free cash flow to firm (FCFF)	**81.4**	**(28.7)**	**110.1**
Net interest paid	(549.2)	(475.9)	(73.3)
Free cash flow to equity (FCFE)	**(467.8)**	**(504.6)**	**36.8**

Reconciliation between financial statements on SGXNET and MD&A

The table below summarises the differences between the financial statements on SGXNET and MD&A on account of adjustment for exceptional items.

SGD Mn

	15M FY15	12M FY14	Q3 2015	Q3 2014
Other Income^	**61.7**	**53.8**	**12.6**	**5.5**
Other Income	103.6	452.4	13.1	23.3
Less: Exceptional items	41.9	398.6	0.5	17.8
Cost of sales^	**(20,066.6)**	**(17,481.8)**	**(3,959.3)**	**(3,863.6)**
Cost of sales	(20,085.0)	(17,481.8)	(3,959.6)	(3,863.6)
Less: Exceptional items	(18.4)	-	(0.2)	-
Overhead expenses^	**(1,075.7)**	**(805.0)**	**(234.9)**	**(193.0)**
Other operating expenses^	**(317.1)**	**(18.6)**	**(92.9)**	**(14.3)**
Other expenses	(1,404.5)	(940.6)	(327.9)	(211.6)
Less: Exceptional items	(11.8)	(117.0)	(0.1)	(4.3)
Net (loss)/ gain in fair value of biological assets^	**(59.4)**	**(3.7)**	**2.4**	**(15.9)**
Net (loss)/ gain in fair value of biological assets	(59.4)	14.2	2.4	(15.9)
Less: Exceptional items	-	17.8	-	-
Net Finance costs^	**(556.5)**	**(504.8)**	**(103.2)**	**(124.1)**
Finance income	35.9	14.4	9.1	2.3
Finance costs	(675.9)	(519.2)	(115.7)	(126.4)
Less: Exceptional items	(83.5)	-	(3.3)	-
Taxation^	**(109.9)**	**(90.2)**	**(13.0)**	**(5.9)**
Income tax expense	(113.6)	(106.5)	(13.0)	(7.1)
Less: Exceptional items	(3.6)	(16.3)	-	(1.2)

^ As stated in the MD&A

Annexure: Business Description

Business Model and Strategy

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

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

Business model evolution

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

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

Selective investments across the value chain

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

Similarly, in the midstream part of the value chain, we have pursued initiatives in value-added processing and manufacturing activities, such as peanut shelling in the US, mechanical processing of cashews in Côte d'Ivoire, hazelnut processing in Turkey, spice grinding in Vietnam, soluble Coffee manufacturing in Vietnam and Spain, Cocoa processing in Côte d'Ivoire, Germany, Netherlands, Singapore, Canada, Ghana and Nigeria and wheat milling in Nigeria, Ghana, Senegal and Cameroon.

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

In addition, Olam has diversified into three adjacent businesses which build on latent assets and capabilities developed over the last 25 years – the Commodity Financial Services business (CFS), the development of a Special Economic Zone (SEZ) and fertiliser manufacturing in Gabon.

A responsible approach to business

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

A unique and entrepreneurial culture

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

Business Segmentation and Reporting

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

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

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

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

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

Key Definitions

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

Sales Volume: There are no associated volumes for CFS and SEZ platforms

Revenue: Sale of goods and services

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

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

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

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

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

Exceptional Items: One-off, non-recurring items, including negative goodwill and related transaction costs, gain/loss on sale of assets/business, 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. These items were earlier presented under Other Income, Cost of Sales, Overhead Expenses, Other Operating Expenses lines, Finance costs and Taxation.

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

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

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

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

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