Olam International Limited
9M 2015 Results Briefing

November 13, 2015 I Singapore

TRANSCENDING BOUNDARIES
25 YEARS

Notice

This presentation should be read in conjunction with Olam International Limited's Quarter and 15 Months ended September 30, 2015 (Q3 2015 & 15M FY2015 respectively) Financial Results statement and Management's Discussion and Analysis lodged on SGXNET on November 13, 2015

Cautionary note on forward looking statements

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

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

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect Olam’s future financial results are detailed in our listing prospectus, listed in this presentation, or discussed in today’s press release and in the management discussion and analysis section of the company’s Quarter and 15 Months Ended September 30, 2015 results report and filings with SGX. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

Change in Fiscal Year

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 this presentation are for the nine months ended September 30, 2015 on the new fiscal year basis (January 1, 2015 to December 31, 2015) referred to as "9M 2015" and are compared to the prior corresponding nine months ended September 30, 2014 ("9M 2014")

Agenda

- Highlights – 9M 2015
- Financial Performance
- Key Takeaways

Highlights – 9M 2015


Olam's palm nursery in Gabon

Highlights – 9M 2015

- **P&L highlights**
  - **Strong growth in Operational PATMI; up 41.0% to S$258.0 mn**
  - **Marginal decline of 1.6% in EBITDA to S$809.8 mn** with growth in most segments, offset primarily by underperformance in Food Staples & Packaged Foods segment
  - **Reported PATMI** was lower by 66.8% to S$157.0 mn on account of exceptional items (as highlighted in prior quarters)

- **Balance sheet and cash flow**
  - Generated **positive free cash flow to firm of S$5.8 mn** after the acquisition of MMI for S$234.7 mn (9M 2014: S$198.9 mn)
  - **Reduced net gearing to 1.43x** at September 30, 2015; remains well **in line with our 2016 objective** of at or below 2.0x

Highlights – 9M 2015

- **Strategic partnership with Mitsubishi Corporation (MC)**
  - Raised ~**S$915.0 mn** of growth capital by issuing 332.73 mn shares to MC at **S$2.75 per share** (~**29.3% premium** to 12-month VWAP)
  - Post completion of the share issuance and secondary share purchase from the KC Group, MC has become Olam's second largest shareholder with a **20.0% shareholding**
- **Financing**
  - Continued **reduction in net finance** costs (excluding one time costs): S$327.6 mn in 9M 2015 (9M 2014: S$369.7 mn)
- **Progress on strategic initiatives**
  - Completed the acquisition of **ADM Cocoa** at an EV of US$1,204.0 mn. Olam Cocoa is now a **top 3** integrated supplier of cocoa beans and products globally.
  - The **integration of MMI** was completed during the period and the business is performing **ahead of plan**

Financial Performance

Onion harvesting in USA

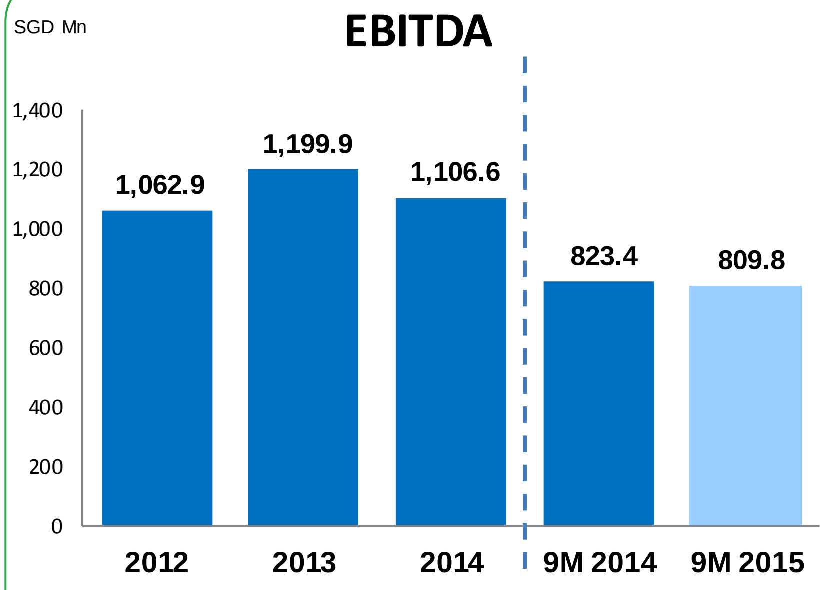
P&L Analysis

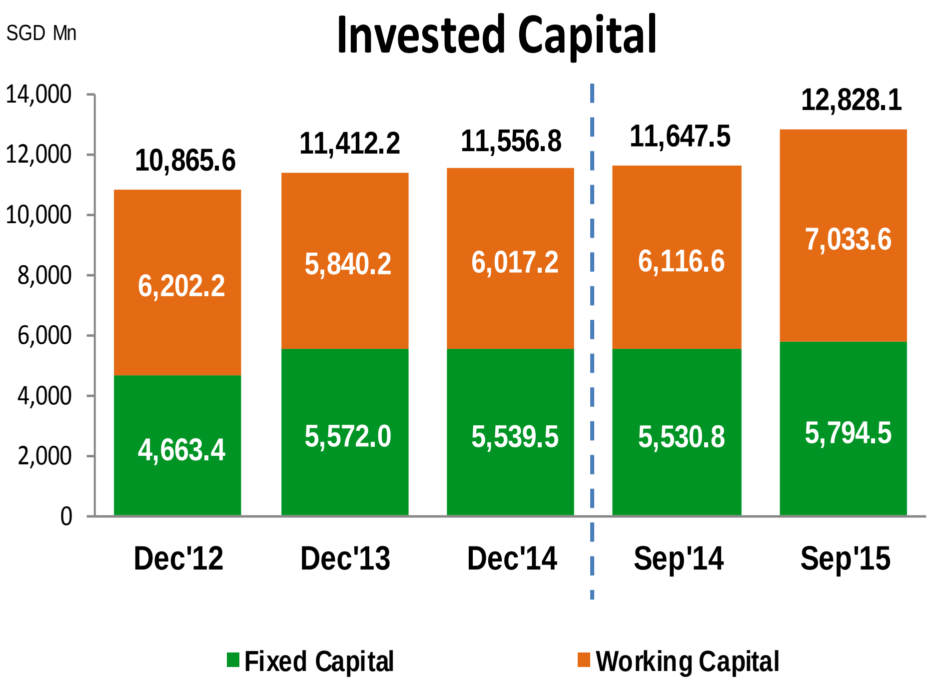
SGD Mn

	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
EBITDA	**809.8**	**823.4**	**(1.6)**	**194.6**	**219.4**	**(11.3)**
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**

- **Operational PATMI** up 41.0% while Reported **PATMI** declined by 66.8% due to exceptional items
- Decline in **overall sales volume** mainly due to discontinued / restructured lower margin businesses
- **EBITDA decline** of 1.6% to S$809.8 mn for 9M 2015
- 9M 2015 recorded a higher **net operational loss** on **fair valuation of biological assets** of **S$31.5 mn** compared to a **net operational loss of S$7.5 mn** in 9M 2014
- **Lower net finance costs, depreciation & amortisation** and **minority interest** with higher **taxation** as compared to 9M 2014

Historical EBITDA and Invested Capital





- As compared to Sep 14: Increase in **fixed capital** from the acquisition of MMI and increase in **working capital** due to increased inventories and receivables and the translational impact of currency devaluation

IC excludes

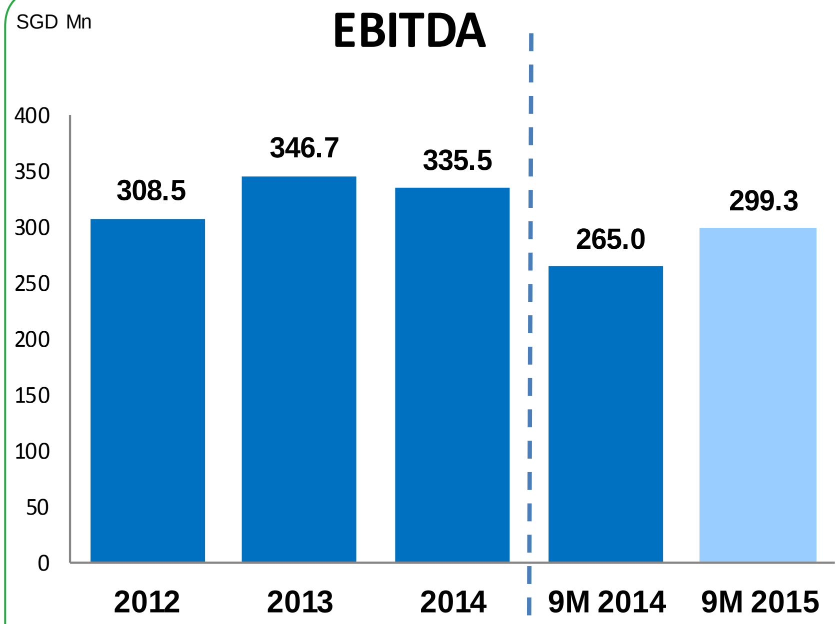
(a) Gabon Fertiliser Project (30-Sep-15: S$195.1 million, 31-Dec-14: S$182.4 million, 30-Sep-14: S$179.0 million), and

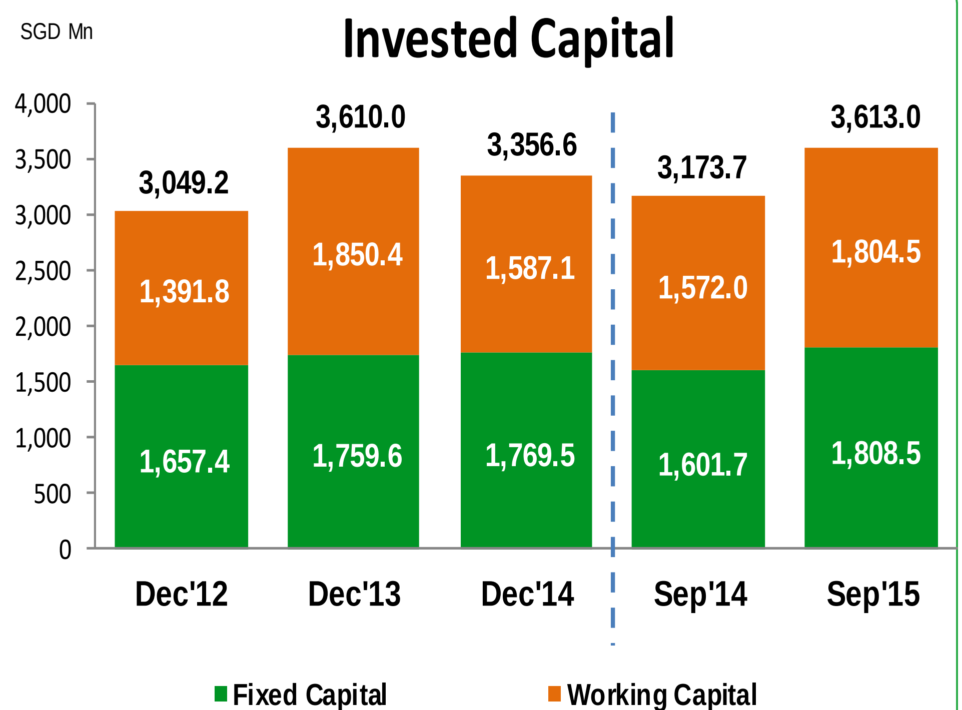
(b) Long Term Investment (30-Sep-15: S$291.0 million, 31-Dec-14: S$334.4 million, 30-Sep-14: S$394.3 million)

Segmental Analysis

Wheat milling in Ghana

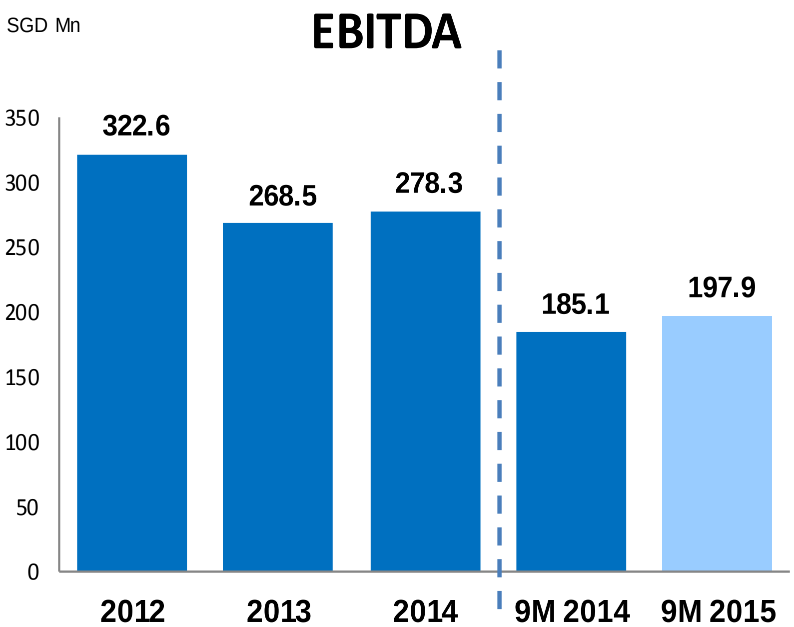
Edible Nuts, Spices & Vegetable Ingredients

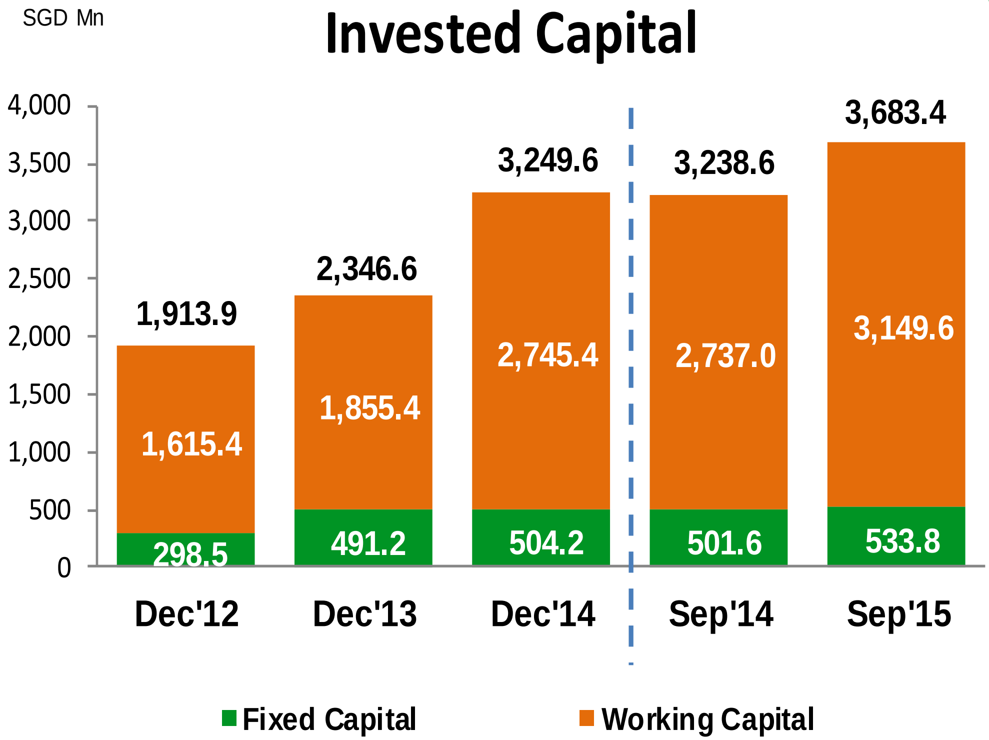




- The almonds business **continued its strong performance**, aided by record prices & A$ depreciation. Hazelnuts, cashews and the SVI business in the US performed well. MMI contributed incremental EBITDA, partially offset by underperformance in the Argentinean Peanut business
- **Invested capital increased** by S$439.3 mn as compared to end-Sep 2014 due to the 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

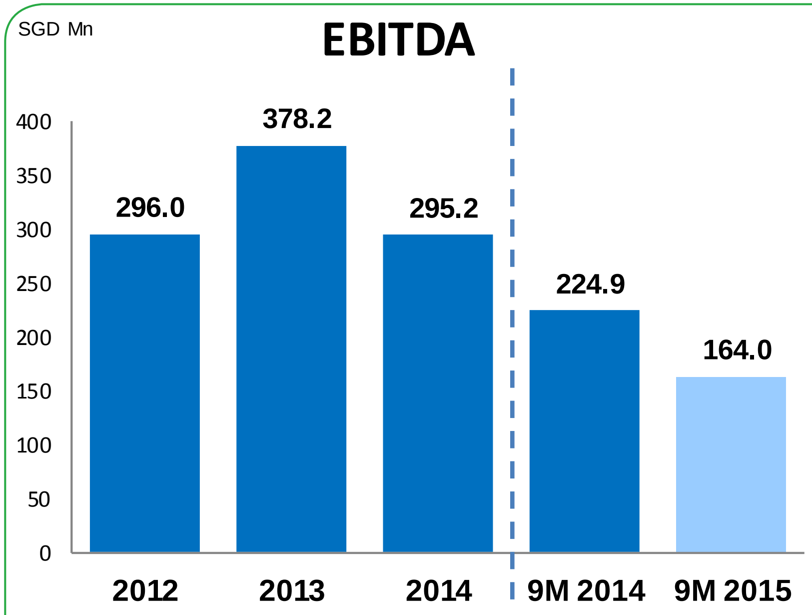
Confectionery & Beverage Ingredients

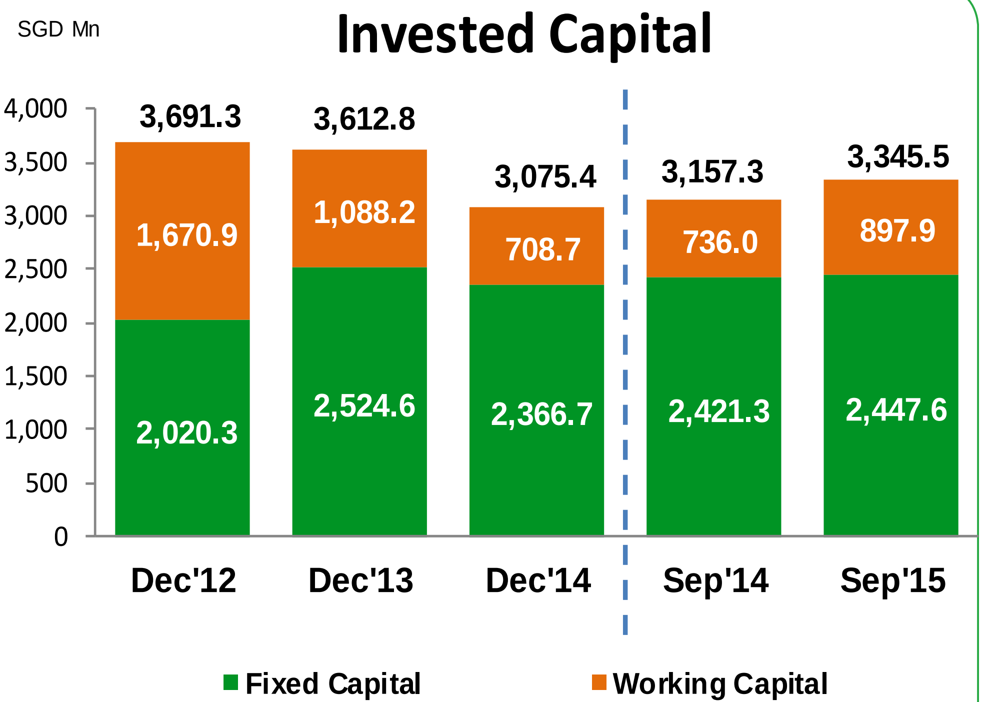




- **EBITDA growth of 6.9%** with good contributions from both Coffee and Cocoa platforms. The soluble coffee facility in Vietnam performed well during this period
- **Invested capital** in the segment increased by S$444.8 mn as compared to end-Sep 2014 mainly due to an **increase in Cocoa inventory levels** which were carried at higher average prices

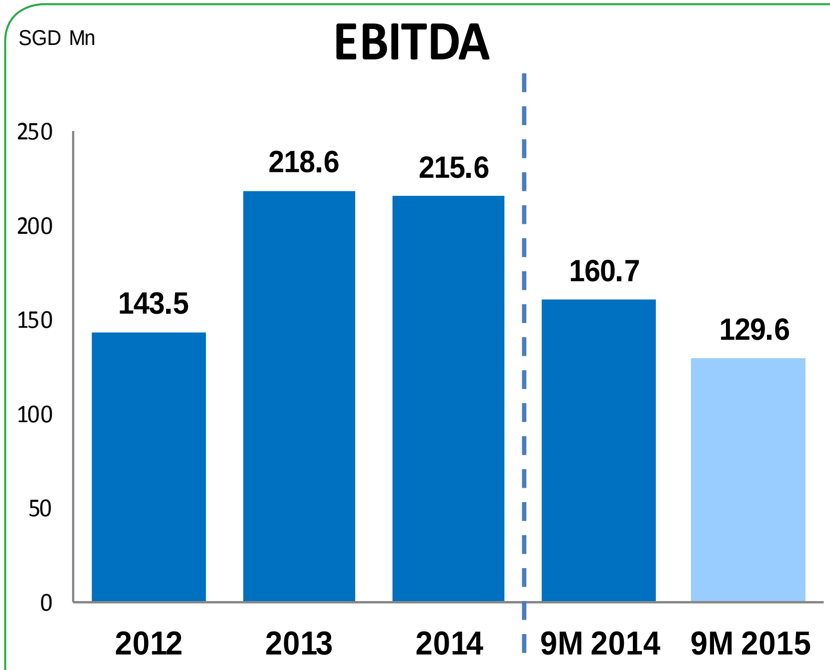
Food Staples & Packaged Foods

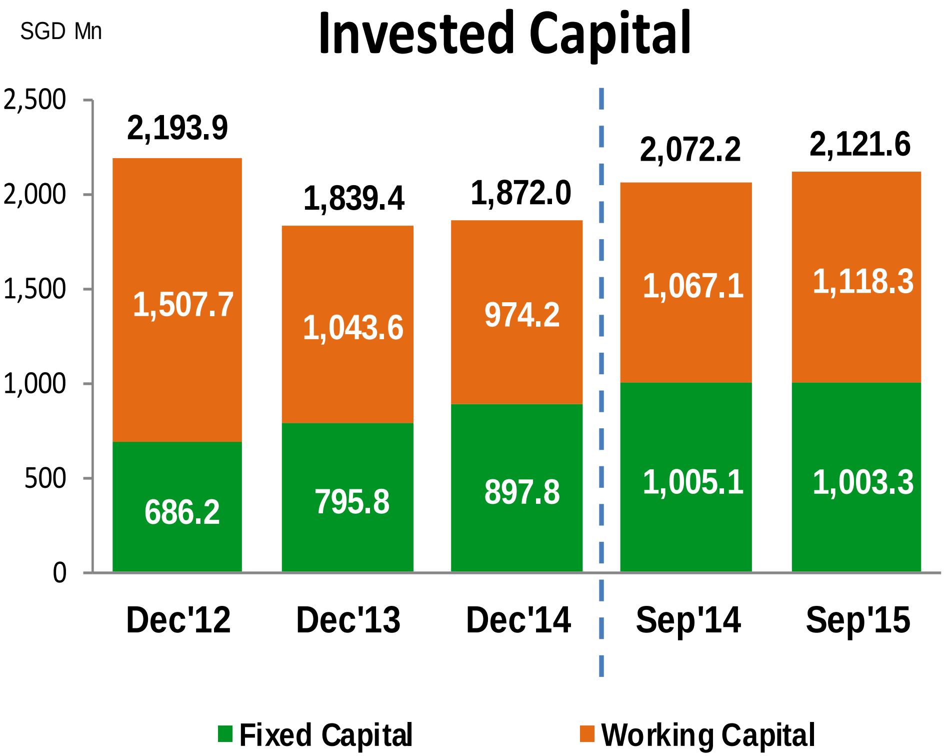




- **The Grains** and **Rice** businesses performed well during this period
- Segment EBITDA declined by 27.1% due to reduced volumes from discontinued operations, continued underperformance of Dairy farming operations in Uruguay, lower contribution from sugar trading, adverse impact of low palm prices on SIFCA and the impact of currency devaluation on PFB in Nigeria and Palm refining in Mozambique
- 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
- **Invested capital increased** by S$188.2 mn vis-à-vis end-Sep 2014, due to increased working capital in Grains milling, Packaged Foods and Palm businesses and higher fixed investments in Palm plantations in Gabon

Industrial Raw Materials





- The Cotton and Wood Products businesses recorded a growth in EBITDA
- Overall segment EBITDA declined by 19.4% due to a reduced contribution from the SEZ business as compared to the prior corresponding period
- **Invested capital increased** by S$49.4 mn compared to end-Sep 2014 with higher Cotton inventories and investments in upstream Rubber plantations, partly offset by a reduction in our net investment in SEZ

Cash Flow, Gearing & Liquidity

Irrigation at our coffee farms in Zambia

Continued free cash flow generation

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)**

- Generated **positive free cash flow** to firm of S$5.8 mn in 9M 2015 as compared to S$198.9 mn in 9M 2014 as higher operating cash flows were offset by an increase in working capital, tax and net capex due to the acquisition of MMI

Reduced gearing, remains in line with 2016 objective

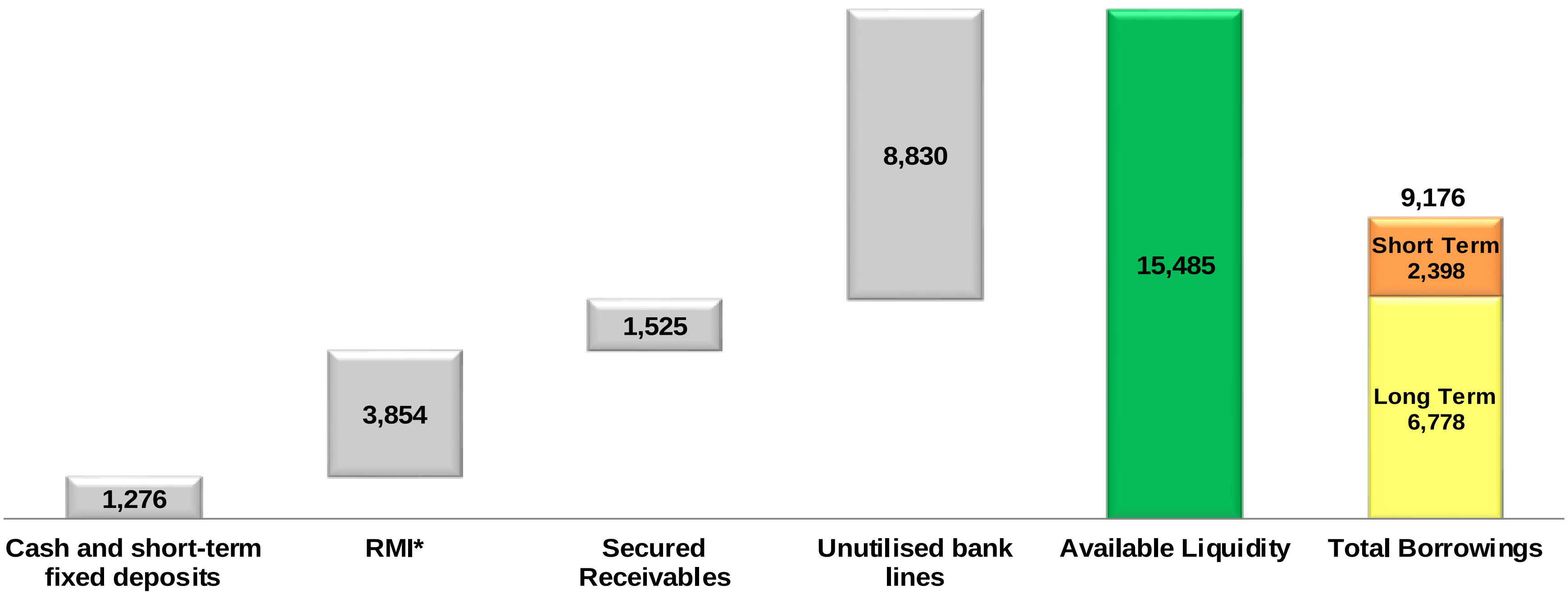
	30-Sep-15	31-Dec-14	Change vs Dec 14
Gross debt	9,175.7	9,840.7	(665.0)
Less: Cash	1,276.0	1,845.8	(569.8)
Net debt	7,899.7	7,994.9	(95.2)
Less: Readily marketable inventory	3,854.1	3,947.9	(93.8)
Less: Secured receivables	1,525.3	1,030.4	494.9
Adjusted net debt	2,520.3	3,016.6	(496.3)
Equity (before FV adj reserves)	5,509.0	4,320.1	1,188.9
Net debt / Equity (Basic)	**1.43**	**1.85**	**(0.42)**
Net debt / Equity (Adjusted)	**0.46**	**0.70**	**(0.24)**

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

- Net gearing of **1.43x** at end-Sep 2015 was **significantly lower** than 1.85 times as at end-Dec 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**

Ample liquidity

S$ Mn as on 30 Sep 2015



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

- **Available liquidity sufficient** to cover all repayment and Capex obligations
- **Borrowing mix** currently weighted towards medium and long term
- Continue to **optimise debt tenor and cos**t

Key Takeaways

Coffee harvesting in Brazil

Key Takeaways

- Taken **significant steps** this quarter toward realising our long term strategy
  - With **Mitsubishi Corporation** as a new long term strategic shareholder, we are in a much stronger position to **accelerate growth** in **prioritised platforms**
  - The acquisition of **ADM Cocoa** makes us one of the top 3 integrated cocoa beans and products suppliers in the world
- Continued **improvement in operational performance** across most of our business segments, while we work on restructuring the upstream Dairy operations in Uruguay
- **Sustained focus** on **capital management** has helped reduce gearing and borrowing costs
- Remain **on track** to achieve our strategic plan objectives of profitable growth and free cash flow generation by 2016

Thank You

Update on strategic plan execution

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**