Olam International Limited

H1 2016 Results Briefing
August 12, 2016

Presenters

Sunny Verghese,
Co-Founder and Group CEO

A. Shekhar,
Executive Director and Group COO

N. Muthukumar,
President and Group CFO

Notice

This presentation should be read in conjunction with Olam International Limited's Financial Results statement for the Second Quarter and First-Half ended June 30, 2016, and Management Discussion and Analysis lodged on SGXNET on August 12, 2016.

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 Second Quarter and First-Half ended June 30, 2016 results report and filings on SGXNET. 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.

Agenda

- H1 2016 highlights
- Financial performance
- Key takeaways

H1 2016 highlights

H1 2016 highlights

- PATMI grew 73.0% to S$228.6 million on lower exceptional losses
  - S$12.4 million exceptional charge in H1 2016 vs S$97.7 million charge in H1 2015, incurred on buyback of high priced bonds to reduce interest costs
  - 20.0% PATMI growth year-on-year in Q2 2016 on improved performance in the overall Food Category

- Operational PATMI increased 4.9%
  - S$241.0 million vs S$229.8 million in H1 2015
  - 19.2% Operational PATMI growth year-on-year in Q2 2016
  - Steady growth from Confectionery & Beverage Ingredients and Food Staples & Packaged Foods segments

- Continued to optimise tenure, mix and cost of debt
  - Reduced net finance costs from S$224.3 million in H1 2015 to S$191.1 million in H1 2016, despite higher invested capital
  - Completed repurchase and cancellation of entire US$500.0 million of outstanding 6.0% Convertible Bonds

- Board declares interim ordinary dividend of 3.0 cents per share

H1 2016 highlights (cont'd)

- Balance sheet and cash flow
  - Net gearing of 1.98 times as at June 30, 2016; in line with 2016 objective of at or below 2.0 times
  - Proforma net gearing of approx. 1.62 times post issuance of US$500.0 million perpetual securities* in Jul 2016
  - Generated higher FCFF of S$191.2 in H1 2016 (H1 2015: S$135.0 million)

- Strategic plan update
  - Under the 2013 strategic plan, completed 22 initiatives to date: Total cash released S$1.2 billion, P&L gain of S$150.3 million and addition of S$154.6 million to capital reserves

- 30:70 Japan JV MC Agri Alliance
  - On track to commence operations by Oct 1, 2016
  - JV will import and distribute coffee, cocoa, sesame, edible nuts, spices, vegetable ingredients and tomato products in the Japanese market

* Note: Perpetual securities of US$500.0 million will be treated as equity under capital securities.

H1 2016 highlights (cont'd)

- Continued to invest mainly in prioritised platforms
  - US$150.0 million investment in animal feed, poultry breeding farms and hatchery in Nigeria
  - Acquisition of Brooks Peanut Company for US$85.0 million
  - Acquisition of SIAT Gabon's palm and palm oil assets for US$24.6 million by 60:40 JV Olam Palm Gabon post Q2 2016
  - Acquisition of remaining 50.0% interest in Acacia Investments (palm refining assets in Mozambique) for US$24.0 million

- Changes to accounting standards from Jan 1, 2016
  - Amendments to SFRS 16 (Property, Plant and Equipment) and SFRS 41 (Agriculture)
  - Early adoption of SFRS 109 (Financial Instruments)

Financial performance

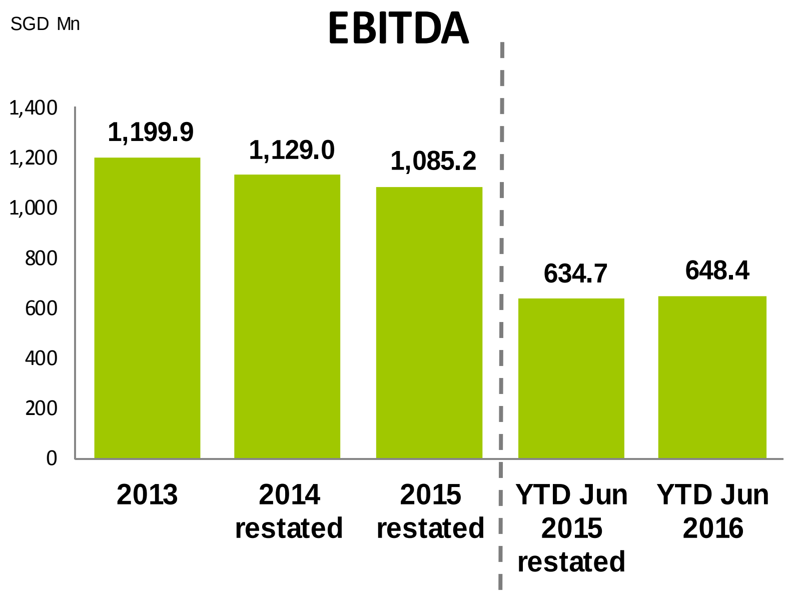
P&L Analysis

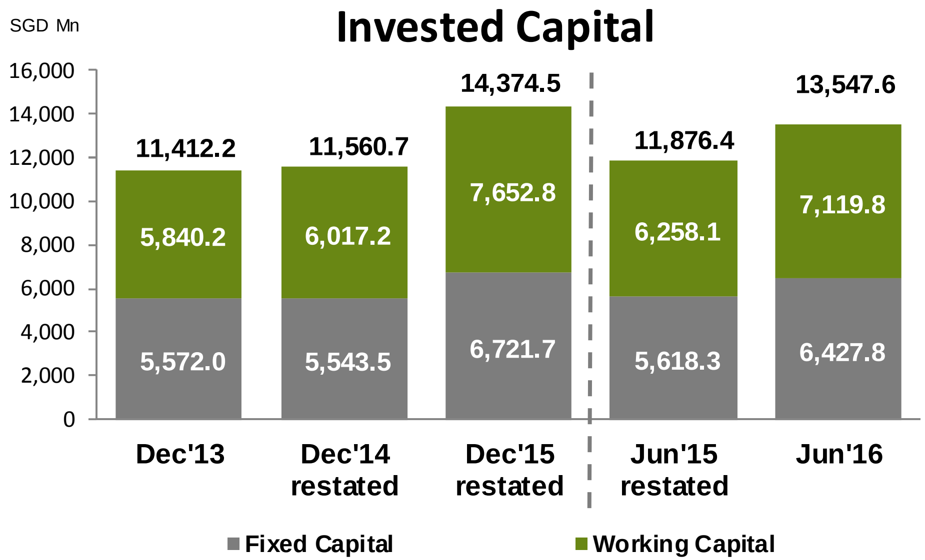
SGD Mn

	H1 2016	H1 2015 Restated	% Change
Volume ('000 MT)	6,447.5	5,586.6	15.4
Revenue	9,742.8	9,132.7	6.7
Net loss in fair value of biological assets	(6.5)	(14.3)	(54.4)
EBITDA	**648.4**	**634.7**	**2.1**
Depreciation & Amortisation	(164.3)	(124.7)	31.7
Net Finance costs	(191.1)	(224.3)	(14.8)
Taxation	(59.8)	(63.5)	(5.8)
Exceptional items	(12.4)	(97.7)	n.m.
PAT	220.9	124.5	77.5
PATMI	**228.6**	**132.1**	**73.0**
Operational PATMI	**241.0**	**229.8**	**4.9**

- Volume up 15.4% with growth from all segments except Edible Nuts, Spices & Vegetable Ingredients
- EBITDA grew 2.1% with growth from Confectionery & Beverage Ingredients and Food Staples & Packaged Foods segments partly offset by lower contribution from the other three segments
- Lower net finance costs, higher depreciation and amortisation
- PATMI up 73.0% on lower exceptional losses; Operational PATMI up 4.9%

EBITDA and Invested Capital



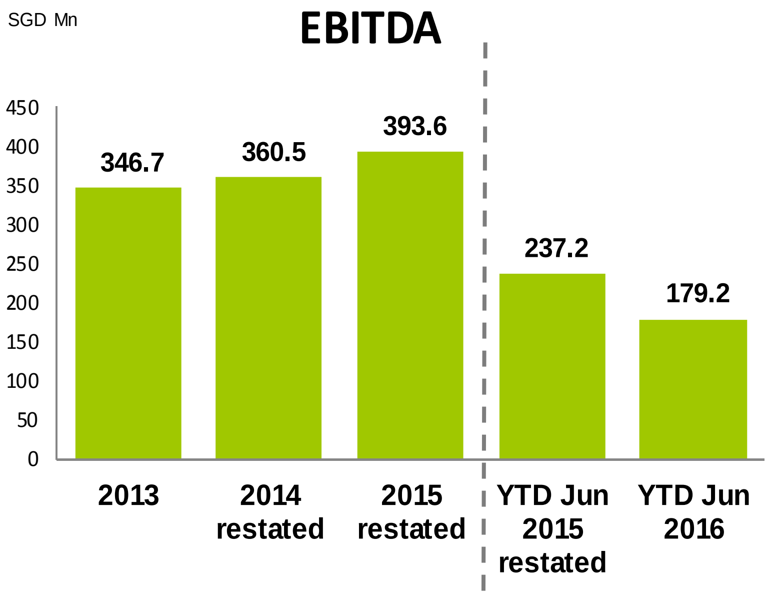


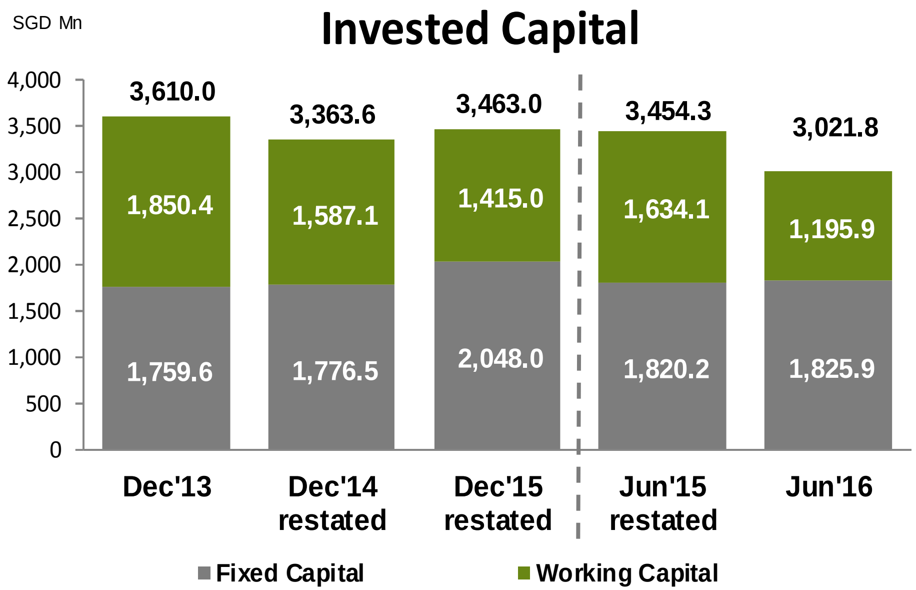
- Compared to H1 2015, Fixed Capital increased due to acquisition of Cocoa Processing and wheat milling assets while Working Capital increased primarily due to higher inventory levels post acquisition of these assets.
- Compared to end-2015, Fixed Capital came down with higher depreciation and amortisation as well as the impact of depreciation of the Nigerian Naira; Working Capital eased on reduced inventory and increased payables.

Invested Capital excludes
(a) Gabon Fertiliser Project (30 Jun 2016: S$212.1 million; 31 Dec 2015: S$209.8 million, 30 Jun 2015: S$180.5 million); and
(b) Long-term Investments (30 Jun 2016: S$172.5 million; 31 Dec 2015: S$269.2 million, 30 Jun 2015: S$270.8.5 million)

Segmental analysis

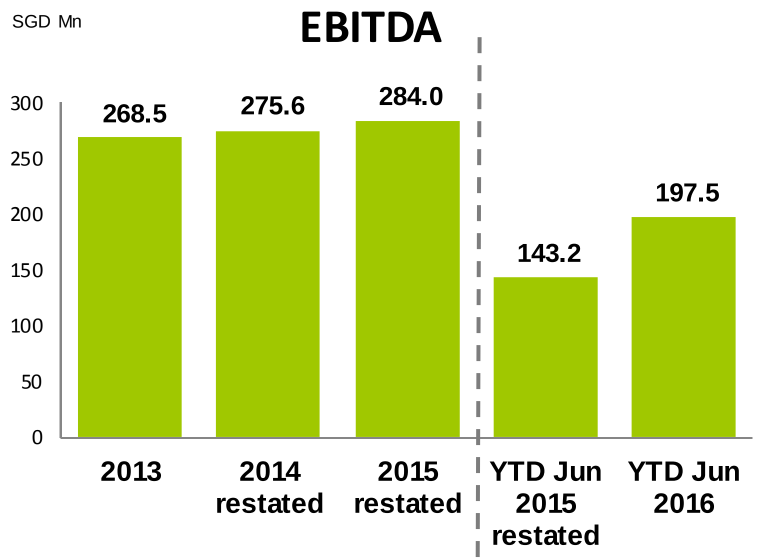
Edible Nuts, Spices & Vegetable Ingredients

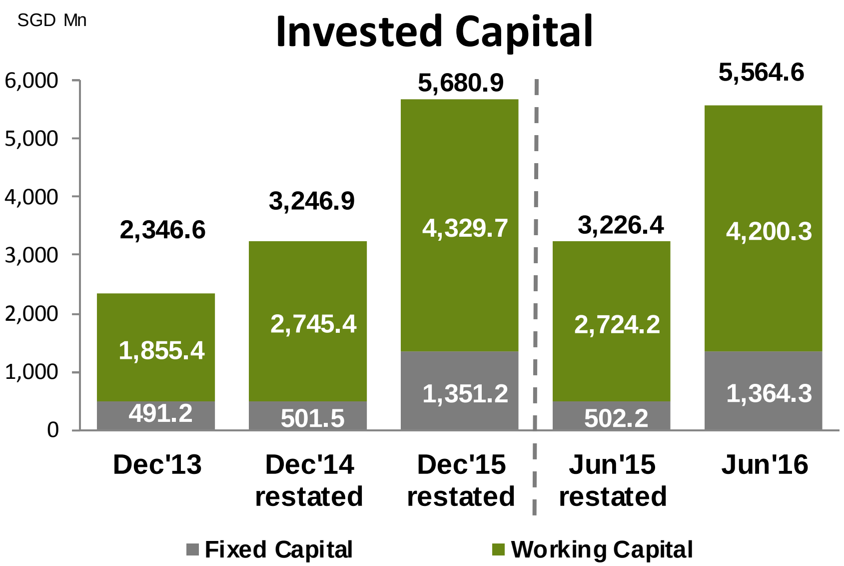




- EBITDA declined by 24.5% mainly due to lower contribution from the almonds and tomato processing businesses; other businesses performed better than H1 2015
- Invested Capital declined by S$432.5 million as compared to end-Jun 2015 due to lower working capital as a result of lower almond and tomato paste prices

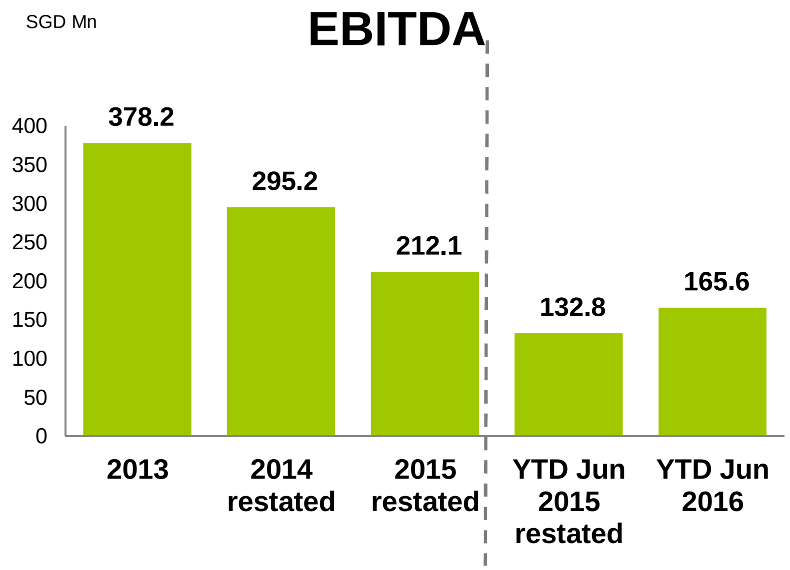
Confectionery & Beverage Ingredients

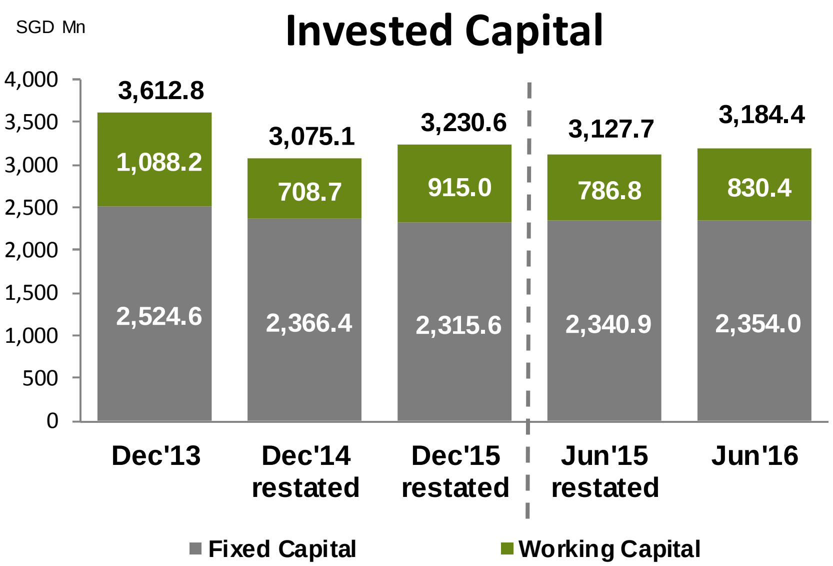




- EBITDA rose 37.9% with strong contribution from both Cocoa and Coffee
- Cocoa's overall results increased due to contribution from the acquired Cocoa Processing assets, although some of it was offset by lower contribution from supply chain business; Coffee performed well due to better results from both the green and soluble coffee businesses
- Invested Capital increased by S$2,338.2 million as compared to end-Jun 2015 primarily due to acquisition of Cocoa Processing assets, higher inventory levels and cocoa prices

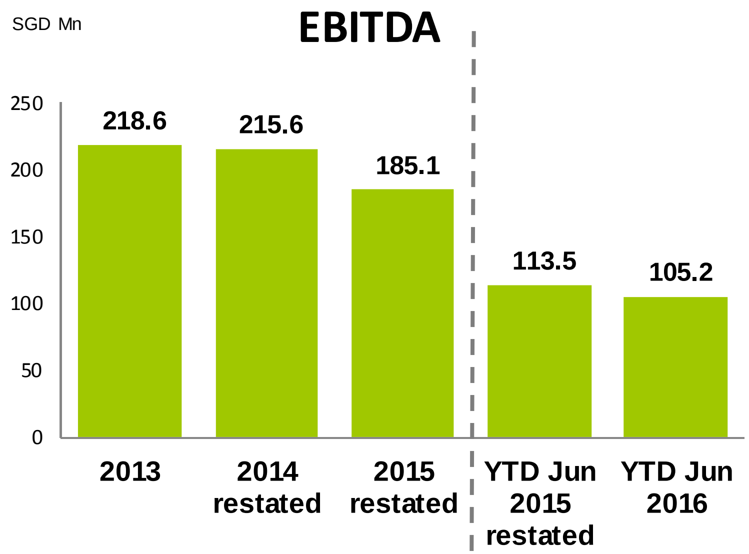
Food Staples & Packaged Foods

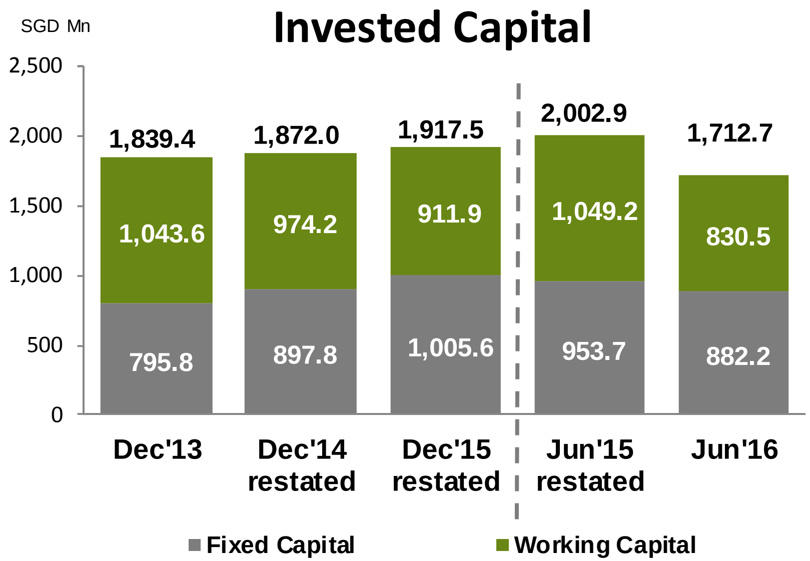




- EBITDA grew 24.7% with most platforms improving over H1 2015; Packaged Foods underperformed due to continued currency volatility and disruption of its dairy and juices factory after a plant fire in Nigeria
- Invested Capital increased by S$56.7 million as compared to end-Jun 2015 as increase in Fixed Capital due to acquisition of wheat milling assets in Nigeria was offset by the depreciation impact of the Naira

Industrial Raw Materials





- EBITDA dropped 7.3% as a result of lower margins from Cotton
- Invested Capital declined by S$290.3 million as compared to end-Jun 2015 on lower Working Capital in Cotton and Fixed Capital in Gabon SEZ

Balance sheet and cash flow

Balance sheet

Optimising tenure and borrowing mix

SGD Mn

	30-Jun-16	31-Dec-15 Restated	Change vs Dec 15	30-Jun-15 Restated	Change vs Jun 15
Uses of Capital					
Fixed Capital	6,245.4	6,674.7	(429.3)	6,076.3	169.1
Working Capital	7,693.6	8,317.2	(623.6)	6,504.7	1,188.9
Cash	2,152.0	2,143.2	8.8	1,383.6	768.4
Others	738.4	478.4	260.0	(188.0)	926.4
Total	**16,829.4**	**17,613.5**	**(784.1)**	**13,776.6**	**3,052.8**
Sources of Capital					
Equity & Reserves	4,941.0	5,187.0	(246.0)	4,423.9	517.1
Non-controlling interests	224.7	240.6	(15.9)	225.6	(0.9)
Short term debt	4,542.6	5,512.2	(969.6)	2,915.7	1,626.9
Long term debt	7,399.6	6,781.7	617.9	6,487.9	911.7
Fair value reserve	(278.5)	(107.9)	(170.6)	(276.5)	(2.0)
Total	**16,829.4**	**17,613.5**	**(784.1)**	**13,776.6**	**3,052.8**

- Secured US$650.0 million Revolving Credit Facility
- Signed 5-year US$175.0 million loan agreement with IFC
- Issued ¥5,500,000,000 (US$50.0 million) 5-year notes due 2021 at a fixed yen coupon rate of 1.427%
- Issued US$500.0 million Perpetual Capital Securities bearing a distribution rate of 5.35% post Q2 2016

Cash flow analysis

SGD Mn

Cash Flow Summary	H1 2016	H1 2015	Y-o-Y	2015	2014	2013	2012
Operating Cash flow (before Interest & Tax)	661.3	654.5	6.8	1,150.8	1,148.3	1,144.9	969.3
Changes in Working Capital	130.0	(275.0)	405.0	(995.9)	(766.2)	(98.2)	(55.0)
Net interest paid	(196.2)	(250.1)	53.9	(478.4)	(411.5)	(485.0)	(434.6)
Tax paid	(44.7)	(35.9)	(8.8)	(127.8)	(65.6)	(64.3)	(44.1)
Cash from divestments	65.9	237.8	(171.9)	249.8	468.4	95.6	90.4
Free cash flow before capex/ investments	**616.3**	**331.3**	**285.0**	**(201.5)**	**373.4**	**593.1**	**525.9**
Capex/ Investments	(621.4)	(446.4)	(175.0)	(2,339.5)	(455.7)	(913.2)	(1,553.3)
Free cash flow to equity (FCFE)	**(5.0)**	**(115.1)**	**110.1**	**(2,540.9)**	**(82.3)**	**(320.1)**	**(1,027.4)**

- Generated positive cash flow before Capex/investments for above periods except 2015 due to higher inventory levels carried post acquisition of Cocoa Processing assets
- FCFE improved year-on-year in H1 2016

Gearing remains in line with 2016 objective

SGD Mn

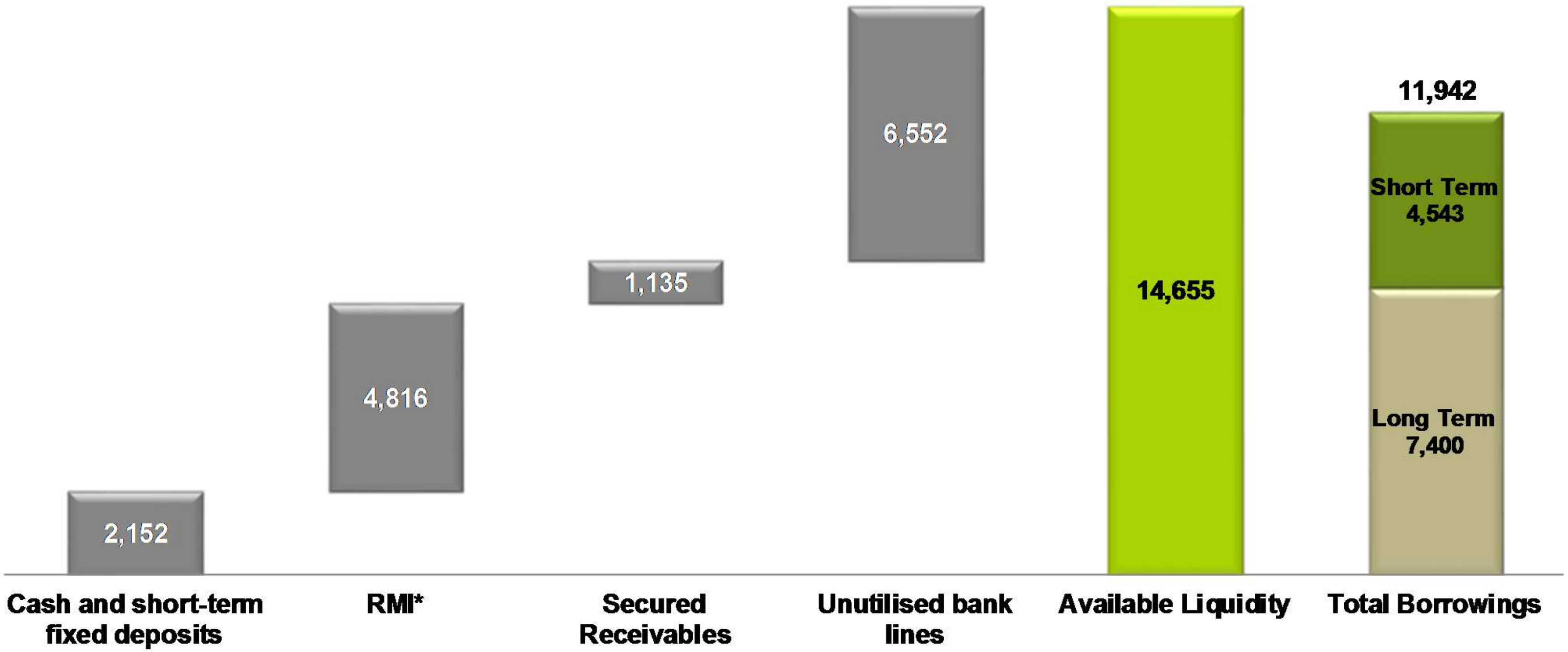
	30-Jun-16	31-Dec-15 Restated	Change vs Dec 15	30-Jun-15 Restated	Change vs Jun 15
Gross debt	11,942.2	12,293.9	(351.7)	9,403.5	2,538.7
Less: Cash	2,152.0	2,143.2	8.8	1,383.6	768.4
Net debt	9,790.2	10,150.7	(360.5)	8,019.9	1,770.3
Less: Readily marketable inventory	4,815.5	5,232.9	(417.4)	3,560.4	1,255.1
Less: Secured receivables	1,134.7	1,155.8	(21.1)	1,288.8	(154.1)
Adjusted net debt	3,840.0	3,762.0	78.0	3,170.7	669.3
Equity (before FV adj reserves)	4,941.0	5,187.0	(246.0)	4,423.9	517.1
Net debt / Equity (Basic)	**1.98**	**1.96**	**0.02**	**1.81**	**0.17**
Net debt / Equity (Adjusted)	**0.78**	**0.73**	**0.05**	**0.72**	**0.06**

- Net debt reduced by S$360.5 million compared to end-Dec 2015 as a result of reduced working capital
- Net gearing at 1.98 times, in line with our 2016 objective of operating at or below 2.0 times
- Proforma net gearing at approx. 1.62 times post issuance of US$500.0 million perpetual securities* in Jul 2016

* Note: Perpetual securities of US$500.0 million will be treated as equity under capital securities.

Liquidity position

S$ million as at 30 Jun 2016



- Available liquidity sufficient to cover all repayment and Capex obligations
- Continue to optimise debt tenure and cost and rebalance borrowing mix of long and short-term debt to match Fixed and Working Capital needs

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

Key takeaways

Key takeaways

- Improved financial and operating performance amid challenging market conditions
- Debt optimisation initiatives have resulted in lower finance costs
- Strong balance sheet and liquidity position to pursue profitable growth
- On track to selectively invest in prioritised platforms, unlock value and release cash as per strategic plan

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Q2 2016 Results Briefing
olamgroup.com/investor-relations/
ir@olamnet.com