

Olam International Limited

Acquisition of vegetable dehydrates business (Gilroy Foods) from ConAgra
Foods Food Ingredients Company, Inc.

8 June 2010



Investing for Value



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Presentation Outline

Transaction Overview & Investment Rationale

Shekhar Anantharaman – Executive Director, Olam International Limited

Overview of Assets

Greg Estep – President & General Manager, Gilroy Foods & Flavors

Business & Strategic Fit

Ashok Krishen – Managing Director & Global Head, Spices & Dehydrates

Q&A

Transaction Overview & Investment Rationale



Transaction Overview

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|-----------------------------|---|
| Transaction | <ul style="list-style-type: none">❖ Acquisition of operating assets of Gilroy Foods (“Gilroy”) including dehydrated onion, garlic, and capsicum operations, as well as proprietary products consisting of Controlled Moisture™ vegetables, GardenFrost® purees, and RediMade™ shelf stable purees from ConAgra Foods, Inc. (“ConAgra”) |
| Transaction Triggers | <ul style="list-style-type: none">❖ Existing long-standing supplier relationship with ConAgra❖ ConAgra decision to focus on core businesses❖ Unique opportunity to expand in to new product segments and strengthen Olam Spices & Dehydrates portfolio, as well as build a long term partnership with a valuable customer |
| Consideration | <ul style="list-style-type: none">❖ US\$ 250 million subject to final working capital adjustments at closing |
| Financing | <ul style="list-style-type: none">❖ All cash transaction❖ Fully funded through internal accruals and borrowings |
| Closing | <ul style="list-style-type: none">❖ Transaction expected to close by July 2010 subject to customary closing conditions and other regulatory approvals |

Investment Rationale

Build Scale & Industry leadership

- ✦ Gilroy is the largest processor of onions, garlic, and capsicums in North America, which enables Olam to build substantial scale and industry leadership in its Spices and Dehydrates business

Strong strategic fit

- ✦ Enhances the Spices & Dehydrates portfolio to further strengthen Olam's position as a broad based ingredients supplier to food manufacturers
- ✦ Expands Olam's customer portfolio both in the US and globally
- ✦ Builds scale in Olam's US operations
- ✦ Strengthens Olam's relationship with a key customer

Attractive industry structure

- ✦ Vertically integrated industry with processors having built long standing relationships with their growers and customers, which is difficult to replicate

Asset quality

- ✦ Well **established, operational assets** with 50 year operating track record and a strong brand franchise

Management team

- ✦ Brings in a strong management team with deep industry experience, strengthening Olam's existing bench strength

Overview of Assets



Key Highlights

Ideal Asset Configuration

- ❖ Plants spread across 6 locations in USA, which provides further scale to Olam's existing operations in the US
- ❖ Geographical presence and overlap with Olam's existing operations facilitating smooth integration
- ❖ Fully operational and integrated assets located in proximity to crop growing regions
- ❖ "Gilroy Foods" brand with strong 50 year track record and established industry leadership

Attractive Business Portfolio

- ❖ Product portfolio consisting of onions, garlic, capsicum, and vegetables in a variety of specifications, which can meet a wide variety of customer requirements
- ❖ Proprietary, high solid content onion seed program, which can enable increase in yields and hence lower raw material costs
- ❖ Key customer relationships, including 15 of the top 20 food manufacturers and 4 of the top 5 food service companies
- ❖ Strong management team with deep industry experience, which can be leveraged across Olam portfolio

Plant Locations



Plant Details

| Location | Products | Facilities | Plant Details |
|---------------------|---|--|---|
| Gilroy, California | Onions Garlic | Dehydration Milling Packing | <ul style="list-style-type: none"> 62 acres, total 925,000 sq. ft. built-up including 543,000 sq. ft. dry storage area |
| Modesto, California | Vegetables Parsley | Controlled moisture Dehydration | <ul style="list-style-type: none"> 38 acres, 271,185 sq. ft. built-up |
| Hanford, California | Vegetables Onions Garlic Capsicums | Agricultural and Harvesting Operations | <ul style="list-style-type: none"> 60 acres, total 162,090 sq. ft. |

Plant Details (contd.)

| Location | Products | Facilities | Plant Details |
|------------------------|----------|--------------------------|--|
| Fernley, Nevada | Onions | Dehydration Milling | <ul style="list-style-type: none"> 160 acres, total 53,752 sq. ft built-up |
| Las Cruces, New Mexico | Capsicum | Dehydration Packaging | <ul style="list-style-type: none"> 24 acres, 350,000 sq. ft. built-up |
| Umatilla, Oregon | Onions | Dehydration | <ul style="list-style-type: none"> 71,732 sq. ft under roof, including stand alone temperature controlled storage of 41,134 sq. ft. |

Key Industry Segments

Dehydrated Onions

- ❖ Estimated US segment size of about 220 to 230 million pounds
- ❖ Estimated segment size of US\$ 300 million
- ❖ Category growth rate of about 1-2%

Dehydrated Garlic

- ❖ Estimated US segment size of about 140 to 150 million pounds
- ❖ Estimated segment size of about US\$ 200 million
- ❖ Category growth rate of about 3-5%

Dehydrated capsicums

- ❖ Estimated US segment size of about 100 to 110 million pounds
- ❖ Estimated segment size of about US\$ 150 million
- ❖ Category growth rate of about 4-6%

Specialty Frozen & Controlled Moisture Vegetables

- ❖ Specialty frozen vegetables estimated at about US\$ 100 million or 10% of total frozen vegetables segment
- ❖ Category growth rate estimated at 15% to 20%

Business & Strategic Fit



Business & Strategic Fit

| | |
|--------------------------------------|--|
| Products | <ul style="list-style-type: none">✦ Enables expansion of our existing product portfolio consisting of onion, garlic, and tomatoes to include capsicum, other vegetables, and purees✦ Builds a leading & differentiated industry position because of the ability to cross-sell a range of basic ingredients from multiple origins to major food companies globally |
| Customers | <ul style="list-style-type: none">✦ Expands our customer portfolio bringing in several top players in the food manufacturing and food service businesses |
| Grower relationships | <ul style="list-style-type: none">✦ Gilroy's high solid content seed can help strengthen our relationship with existing growers |
| Integration & Synergies | <ul style="list-style-type: none">✦ Three of Gilroy's units in the US are situated in California's Central Valley where we have existing onion, garlic, and tomato operations✦ Gilroy units form a cohesive cluster along with our existing units and will enable seamless integration |
| Partnership with key customer | <ul style="list-style-type: none">✦ Current transaction helps strengthen existing relationship with a key customer positioning us well to participate in their future growth |

Financial Highlights

- ❖ **Value and earnings accretive transaction from year 1**
- ❖ **On combining with Olam's existing US dehydrated vegetable operations, forecasted annual revenue of about US\$ 300 to 350 million and EBITDA margin of about 14% to 15%**
- ❖ **Total investment is US\$ 250 million, subject to final working capital adjustments at closing**
- ❖ **Transaction in line with Olam strategy to increase portfolio margins**

Summary

- ✿ **Access to industry leadership position and differentiated product portfolio**
- ✿ **Strong strategic and business fit with Olam Spices & Dehydrates business unit**
- ✿ **Attractive operational assets with a proven track record**
- ✿ **Access to strong management team with deep industry experience**
- ✿ **Builds a strong partnership with a key customer**

Q&A



Thank You

