

[Archer Daniels Midland Company](#) (NYSE: ADM) CEO Juan Luciano said today that further progress on the company's strategic plan of optimizing the core, driving operational efficiencies and growing strategically "coupled with a balanced approach to capital allocation" could drive the company's medium-term earnings power well above the \$3.00 level.

Speaking at BMO's 2015 Farm to Market Conference in New York, Luciano said, "Under normal crop conditions given the investments and cost-reductions we've made, we expect the company to be able to generate ROIC of about 10 percent and an earnings-power range of between \$4.00 and \$4.50 per share in the medium-term."

Luciano noted that ADM was on a three-phase value-creation journey that began in 2011, when the company began intensifying its focus on capital discipline, cost reductions and cash generation. The result was a substantial improvement in returns "the company closed out 2014 with trailing four-quarter-average adjusted ROIC of 9.0 percent, which was up 240 basis points year over year."

He added that ADM has now embarked on the second phase of its journey, in which the company is focused on improving earnings power and returns by:

- **Optimizing the core of the business.** In recent months, Luciano noted, the company's Agricultural Services business unit launched a global merchandising desk that enables ADM to efficiently and cost-effectively link surplus origination areas with destination markets. This platform helped the company drive higher merchandised volumes in the first quarter of 2015. In addition, the Corn business unit sold its lactic acid business, and the Oilseeds business unit acquired a bottled-oil company in Belgium that will help the business' European operations reduce dependence on biodiesel production.
- **Driving operational efficiencies.** At the end of the first quarter of 2015, ADM had identified more than \$200 million in run-rate savings, toward its goal of \$550 million in five years, Luciano noted. The company has also launched an internal campaign to elicit all colleagues' ideas for additional cost-savings and margin-improvement opportunities. The approach is similar to the Billion Dollar Challenge the company issued in 2012, which resulted in the unlocking of \$2 billion in cash in half the time originally allotted to achieve \$1 billion.
- **Expanding strategically.** Luciano also announced that the company was investing to increase export capacity at its port facilities in Puerto San Martin, Santa Fe, Argentina, by approximately 20 percent. Currently, ADM can export 2 million metric tons of grain and meal per year from the facility. Since the beginning of 2015, the company has also made several other strategic growth investments, he noted. It acquired full ownership of corn wet mills in Bulgaria and Turkey as well as a 50 percent stake in a wet mill in Hungary. It acquired full ownership of export facilities at the Black Sea port of Constanta in Romania. And in China, ADM has built one sweetener-production facility, agreed to acquire a second, and is expanding its network of animal-feed premix plants to serve the country's growing demand from livestock producers.

Luciano noted that longer-term, as the company enters the third stage of its value-creation journey, ADM could deliver ROIC above 10 percent, which would exceed its current target of 200 basis points above the company's long-term WACC of 8 percent.

"ADM has a clear, aggressive strategy to drive earnings growth and returns, and we are executing against that strategy," he said. "Our focus on value creation, which began at the top, is now being spearheaded by our teams worldwide. They are leading the charge. And through their efforts, we will continue delivering excellent value to customers and shareholders."

## Forward-Looking Statements

Some of the above statements constitute forward-looking statements. ADM's filings with the SEC provide detailed information on such statements and risks, and should be consulted along with this release. To the extent permitted under applicable law, ADM assumes no obligation to update any forward-looking statements.

## About ADM

For more than a century, the people of [Archer Daniels Midland Company](#) (NYSE: ADM) have transformed crops into products that serve the vital needs of a growing world. Today, we're one of the world's largest agricultural processors and food ingredient providers, with more than 33,000 employees serving customers in more than 140 countries. With a global value chain that includes more than 460 crop procurement locations, 300 ingredient manufacturing facilities, 40 innovation centers and the world's premier crop transportation network, we connect the harvest to the home, making products for food, animal feed, chemical and energy uses. Learn more at [www.adm.com](http://www.adm.com).

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