



OLAM



The Brand Behind The Brands

Team Introduction

- ❖ **Sunny Verghese**
Group Managing Director & CEO (Executive Director)
- ❖ **K. Ravikumar**
Chief Financial Officer
- ❖ **S. Suresh**
General Manager, Corporate Affairs & Investor Relations
- ❖ **Chow Hung Hoeng**
Manager, Investor Relations



Olam International Limited

FY2006

9M FY2006 Results Briefing

15th May 2006





This presentation should be read in conjunction with Olam International Limited's Third Quarter, FY2006 (Q3 FY2006) and Nine Months FY2006 (9M FY2006) Financial Results for the period ended 31st March 2006 statement lodged on SGXNET on 15th May 2006.



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 9M FY2006 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.



Results Presentation: Outline

- ❖ Market Review & Analysis
- ❖ Results: 9M FY2006 - Consolidated P&L Analysis
- ❖ Results: 9M FY2006 - Segmental Analysis
- ❖ Results: 9M FY2006 - Balance Sheet Analysis
- ❖ M&A Update
- ❖ Shareholding Structure Change
- ❖ Outlook & prospects
- ❖ Q&A



Market: Review & Analysis



Trading Conditions: Performance of Commodity Indices

	1 Jul 2005	31 Mar 2006	% Change
GSCI (softs)	574.13	596.67	3.93
Reuters CRB (softs)	354.44	463.81	30.86
RICI (softs)	1,026	1,007	(1.87)
DOW JONES-AIG (softs)	71.13	81.33	14.34
OLAM'S BASKET			11.66

Farm commodity prices today are at its lowest relative to energy prices in the last 200 years.

Source: Bloomberg



Major Commodity Indices & their Component weightings

(All figures in %)	RICI	GSCI	DOW JONES-AIG	CRB
Energy	44.00	73.89	36.00	17.60
Precious Metals	7.00	1.92	7.00	17.60
Industrial Metals	14.00	6.75	18.00	11.80
Livestock	3.00	5.78	9.00	11.80
Agriculture	32.00	11.65	30.00	41.20
Total	100.00	100.00	100.00	100.00
No. of underlying Commodities	39	25	20	17

- ❖ Commodity indices are unleveraged, fully collateralized exchange traded long only investments in commodity futures that is broadly diversified across multiple commodities.

Source: Bloomberg

Olam's Basket: (Volume weighted)

US\$/mt

	1 Jul 2005	31 Mar 2006	% Change
Rice	285.0	302.0	5.96
Sugar	267.6	474.7	77.13
Cocoa	853.0	918.0	7.62
Coffee	1,239.0	1,112.0	(10.25)
Cotton	54.47	54.60	0.24
Cashew Kernel	2.40	1.95	(18.75)
Sesame	679.0	685.00	0.88
Timber	485.0	550.0	13.40
Olam Basket Avg			11.66%

Source: Company



Market Review: Confectionery & Beverage ingredients

■ Cocoa

❖ 2 key changes in consumption choices:

- from milk to dark chocolate
- from enrobed to filled & solid products

resulting in rising grindings with prices for liquor quality & flavour beans rising

❖ Crop balance sheet:

Cocoa ('000 tons)	2004-05	2005-06	2006-07
Production	3,385	3,395	3,411
Consumption	3,391	3,467	3,576
Surplus/(deficit)	(28)	(95)	(188)

Market Review: Confectionery & Beverage ingredients

■ Coffee

- ❖ 2 consecutive years of deficit coupled with a projected deficit for the next year will support prices. Further changes expected in the composition of blends due to changes in availability (less arabicas), differentials & the arbitrage (narrowing).
- ❖ Crop balance sheet:

Coffee ('m bags)	2004-05	2005-06	2006-07
Production	111.1	117.0	117.2
Consumption	117.9	120.2	122.6
Surplus/(deficit)	(6.8)	(3.2)	(5.4)

Market Review: Edible Nuts, Spices & Beans

■ Almonds

- ❖ After 3 straight almond crops that exceeded 1 billion pounds, US almond production declined to roughly 900 million pounds in 2005. However, possibility of a large 2006 almond crop of 1.1 billion pound estimate. Prices sharply lower from the 2005 peak.

■ Peanuts

- ❖ Reports of frost damage to the Argentinean peanuts crop & estimated reduction in yields of up to 20% buoying up market.
- ❖ Strong Chinese domestic demand limiting exports.
- ❖ American prices firmer in support.

Market Review: Edible Nuts, Spices & Beans

■ Cashews

- ❖ Short crops in Vietnam, West Africa & India for the current season.
- ❖ Demand / Supply equilibrium, prices expected to trade flat.
- ❖ Crop balance sheet:

Cashews ('000 tons)	2004-05	2005-06	2006-07
Production	1,246.0	1,534.0	1,442.0
Consumption	1,331.0	1,411.0	1,455.0
Surplus/(deficit)	(85.3)	123.0	(13.3)

Market Review: Food Staples & Packaged Food

■ Rice

- ❖ International rice prices were particularly buoyant in the 1st quarter of 2006. The FAO All Rice Price Index (ARPI), stable at 101 from June to December 2005, rose to 103 in January 2006, to 105 in February and to 106 in March 2006.
- ❖ World prices expected to weaken in the 2nd half.
- ❖ Crop balance sheet:

Rice ('m tons)	2004-05	2005-06	2006-07
World Production	611.3	627.7	634.0
World Imports	26.7	29.0	27.8

Market Review: Food Staples & Packaged Food

■ Sugar

- ❖ Fundamentally the market is still monitoring the progress of the harvest of the main Brazilian crop and looking for indications of what the split will be between sugar and ethanol production. If more sugar cane is diverted to ethanol production, then less sugar will be available, which should push up prices further.
- ❖ The elimination of EU sugar supports for its farmers is also likely to give markets a boost in the next few months.
- ❖ Crop balance sheet:

Sugar ('m tons)	2004-05	2005-06	2006-07
Production	143.4	144.7	148.9
Consumption	142.8	145.0	147.3
Surplus/(deficit)	0.6	(0.3)	1.6

Market Review: Food Staples & Packaged Food

■ Dairy Products

- ❖ Global SMP prices remain around the US\$2,100/tonne range whereas these were expected to drop further in the New Year.
- ❖ Relatively stable demand and moreover, tight supplies have kept prices high and all of this against a background of limited stocks.
- ❖ WMP prices have been fairly stable, keeping track with SMP prices
- ❖ Finally, whey prices have remained strong especially given the fact that the EU is substantially increasing cheese and subsequent whey production. Subsequently, EU whey exports have grown by more than 10% compared to 2005.

Market Review: Fibre & Wood Products

■ Cotton

- ❖ USDA forecast 2006-07 world production to increase 1.6 million bales, up to 115 million bales.
- ❖ However world consumption is forecast to grow to 122 million bales, an increase of 4.8 million bales.
- ❖ China's consumption is expected to climb to 51 million bales according to USDA, but do not be surprised to see it at 52.5 million bales a year from now.
- ❖ World ending carryover was forecast at 47.4 million bales, a reduction of five million bales from the current year's 52.4 million.

Market Review: Fibre & Wood Products

■ Cotton (*con't*)

- ✿ This significant reduction in world carryover will be supportive of prices going forward into the 2006/07 marketing year.
- ✿ Crop balance sheet:

Cotton ('m bales)	2004-05	2005-06	2006-07
Production	120.4	113.4	115.0
Consumption	108.7	117.2	122.0
Surplus/(deficit)	11.7	(3.8)	(7.0)

Market Review: Fibre & Wood Products

■ Wood Products

- ❖ Strong demand from China and India is holding Central & West African prices firm in spite of a comparatively less active European market.
- ❖ Rising latex prices are undercutting the profitability of rubberwood logging, forcing Malaysian furniture manufacturers to import raw materials.
- ❖ Indonesia scrapped plans for a 1.8 million ha oil palm plantation project in Borneo and initiated discussions with the USA to curb illegal logging as part of their trade talks.
- ❖ A World Bank report says India will face a record 39 mil m³ timber supply deficit in 2006.

Results:
9M FY2006
Consolidated P&L Analysis



Consolidated P&L Analysis: 9M FY2006

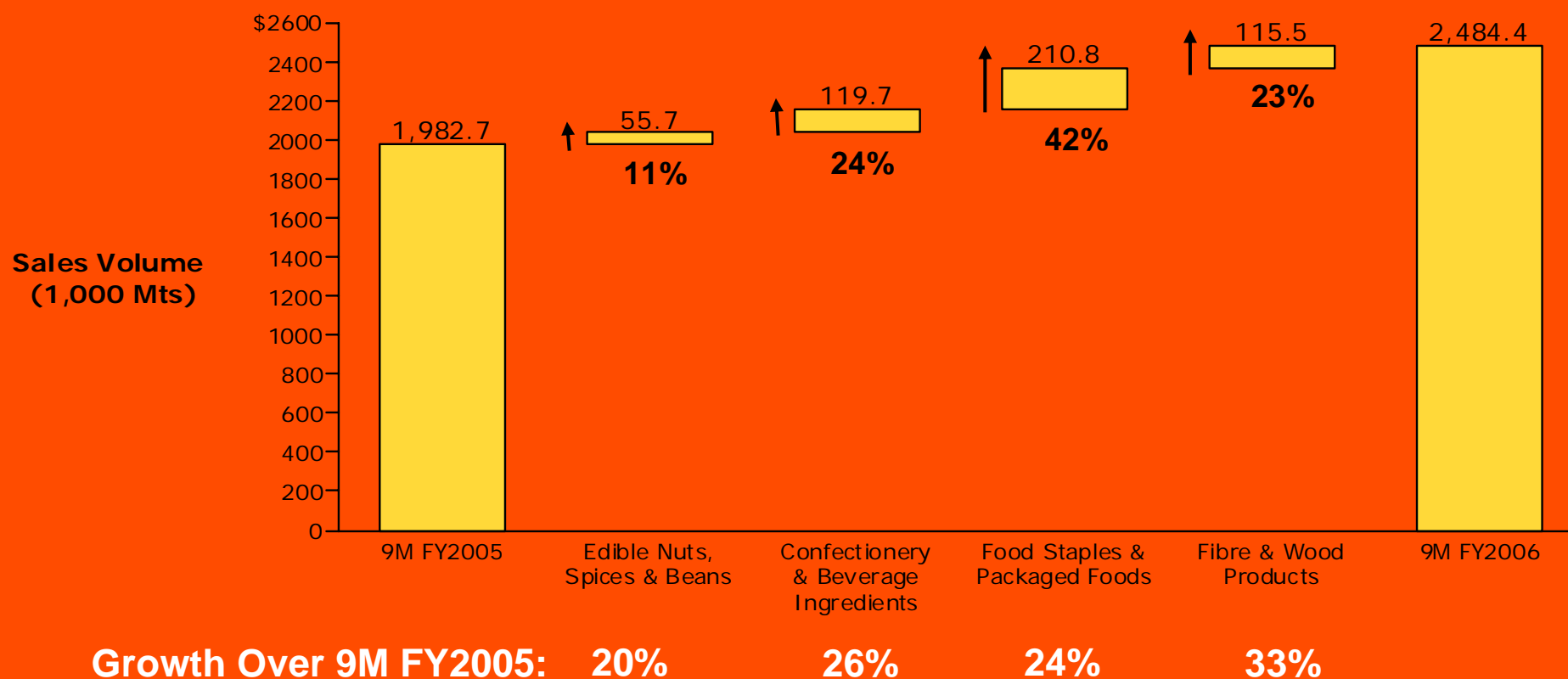
 **Sales Volume: 2.484 million metric tons**

- 25.3% growth over 9M FY2005
- Volume growth across all 4 segments



Sales Volume Growth: Segmental Contribution

Sales Volume growth 25.3%, 501,768 mts



Consolidated P&L analysis: 9M FY2006

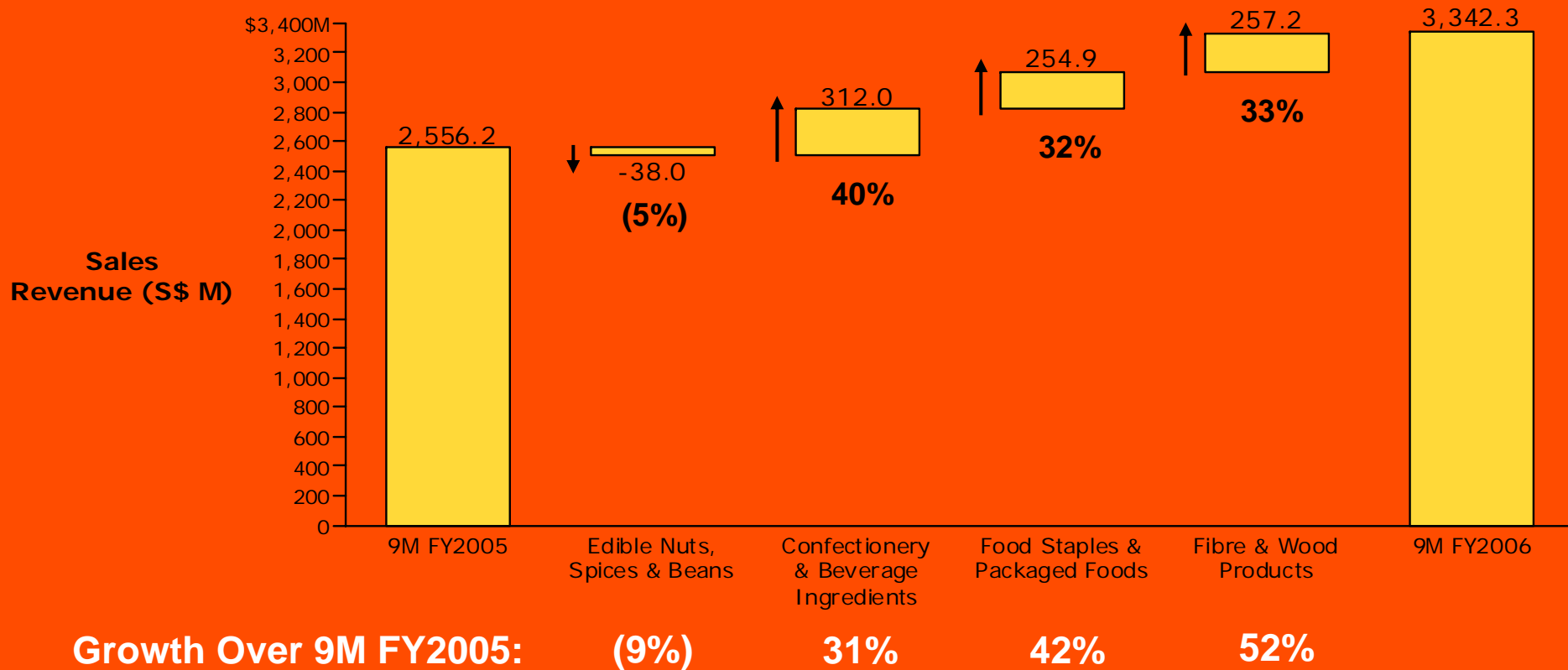
❖ **Total Revenue: S\$3,342.3 million**

- 30.8% growth over 9M FY2005
- Revenue growth in 3 out of 4 segments



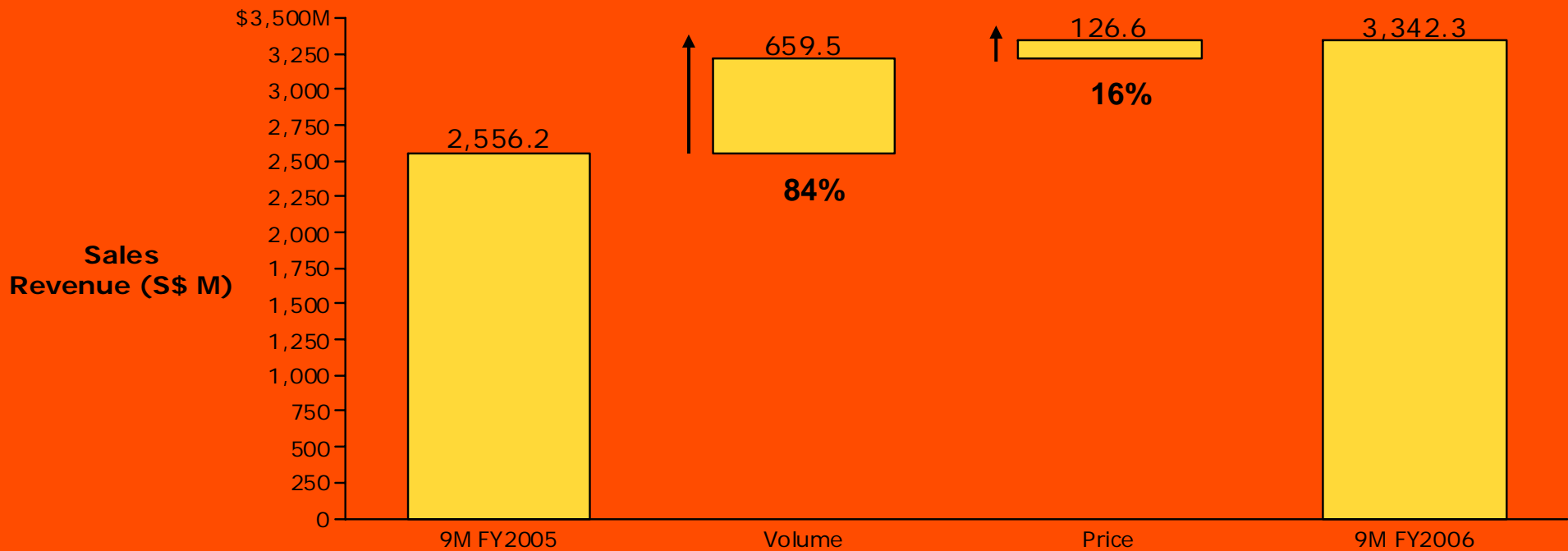
Sales Revenue Growth: Segmental Contribution

Sales revenue growth 30.8%, S\$786.1 million



Sales Revenue Growth: Sources

Sales revenue growth 30.8%, S\$786.1 million



Consolidated P&L Analysis: 9M FY2006

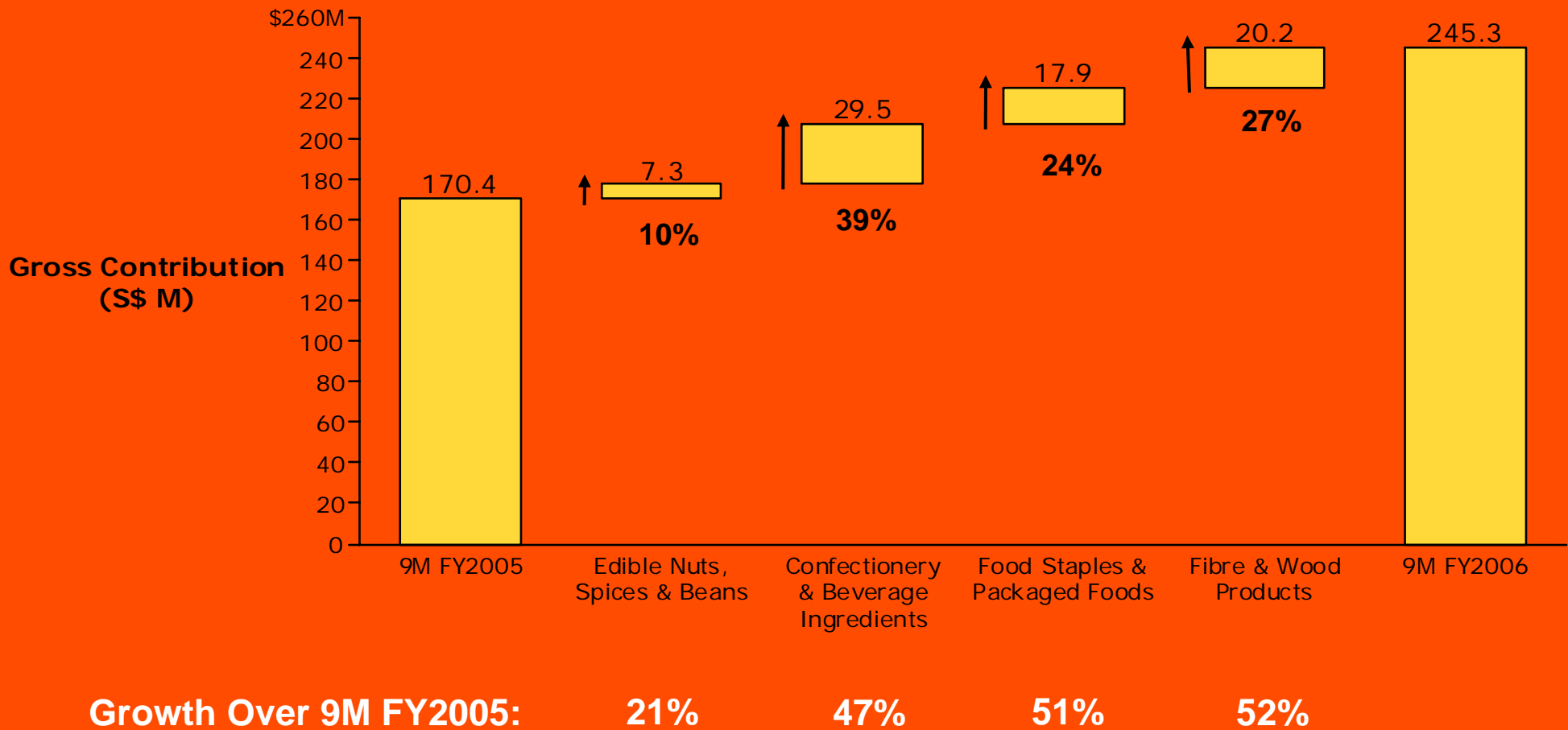
❖ **Gross Contribution (GC) : S\$245.3 million**

- 44.0% growth over 9M FY2005
- GC growth across all segments



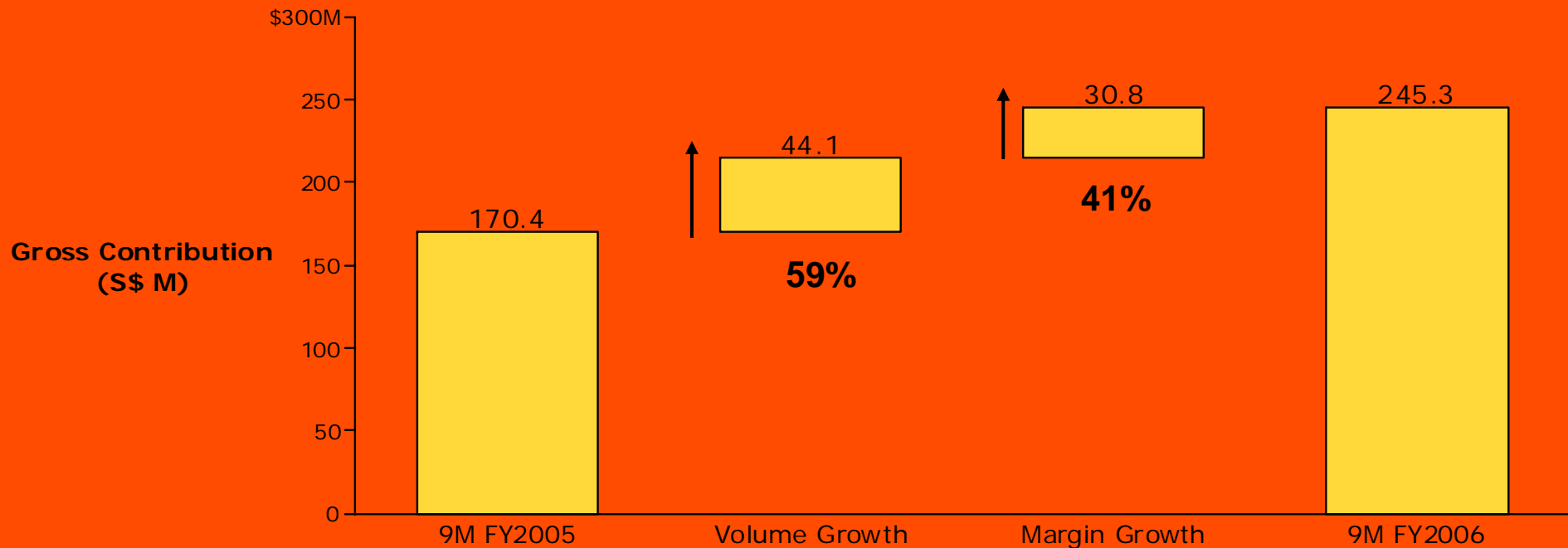
Gross Contribution Growth: Segmental Share

GC growth 44.0%, S\$74.9 million



Gross Contribution Growth: Sources

GC growth 44.0%, S\$74.9 million



Interest Costs

❖ Total increase in interest costs S\$32.7 million or 91.4%.

	9M FY2006 (S\$'000)	9M FY2005 (S\$'000)	Increase (S\$'000)	% Increase
Interest Expenses	68,532	35,800	32,732	91.4%
Sales	3,342,300	2,556,151	786,149	30.8%
Interest Rate	5.85%	4.84%	1.01%	20.8%
Interest variance due to interest rate increase				11,787
Interest variance due to working capital increase				20,945
Total Net Increase in Interest				32,732



Consolidated P&L Analysis: 9M FY2006

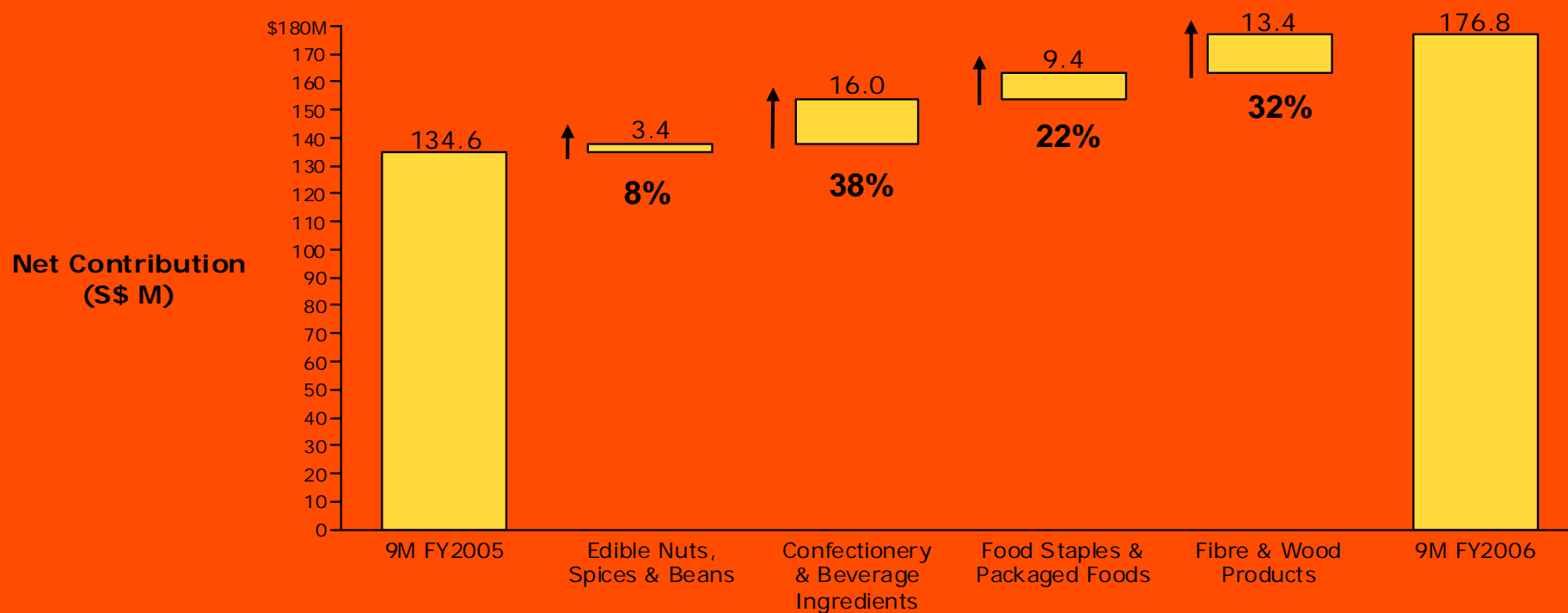
✿ **Net Contribution (NC) : S\$176.8 million**

- 31.4% growth over 9M FY2005
- NC growth across all segments



Net Contribution Growth: Segmental Share

NC growth 31.4%, S\$42.2 million



Growth Over 9M FY2005:

12%

34%

35%

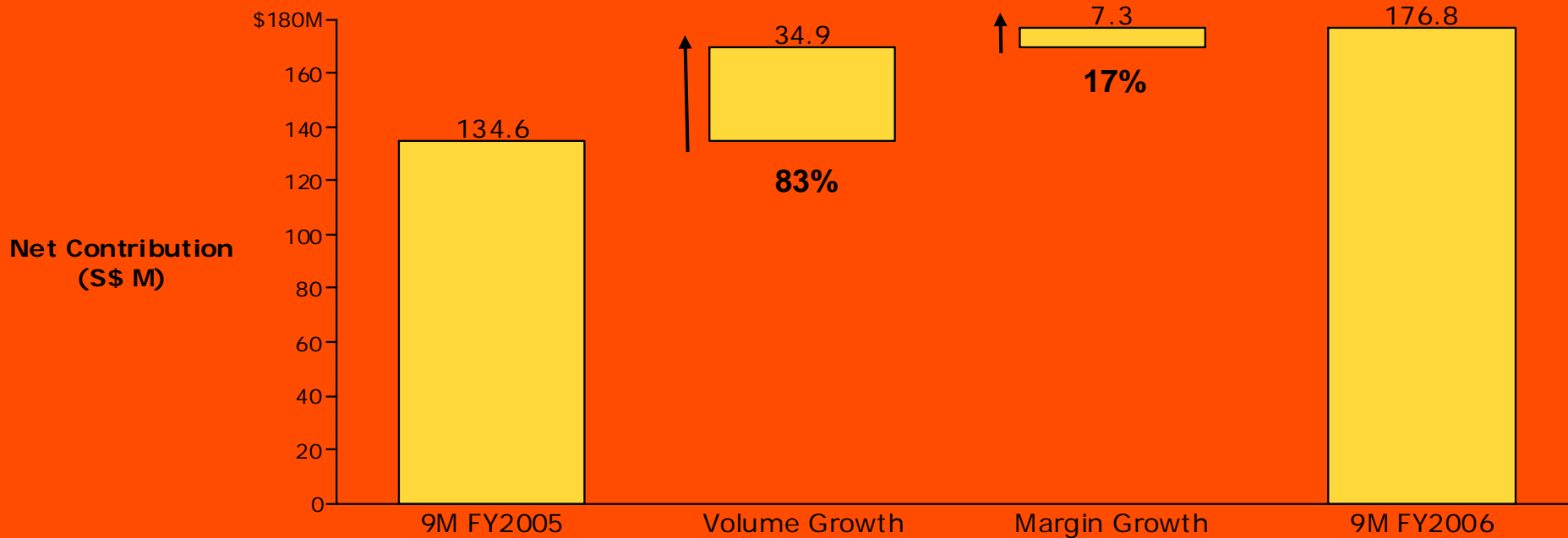
41%

✿ Net Contribution Margin 5.29% in 9M FY2006 vs 5.26% in 9M FY2005

✿ Net Contribution per ton S\$71/ton in 9M FY2006 vs S\$68/ton in 9M FY2005

Net Contribution Growth: Sources

NC growth 31.4%, S\$42.2 million



Impact of FRS 102

- ❖ The following two Schemes under the ambit of FRS 102:
 - Employee Share Subscription Scheme (ESSS)
 - Employee Share Options Scheme (ESOS)
- ❖ The impact of FRS 102 on the Financial Statements is as follows:

S\$'000	Prior Year Adjustment	9M FY2006	Balance C/F	Total
ESSS	931	827	699	2,457
ESOS	184	243	310	737

Consolidated P&L Analysis: 9M FY2006

- ❖ **SG&A** increased by 32.7% to S\$106.9 million in 9M FY2006.

	9M FY2006	9M FY2005	Change
SG&A (S\$ million)	106.9	80.5	(32.7%)
SG&A / Sales ratio	3.20	3.15	



Consolidated P&L Analysis: 9M FY2006

❖ **Net Profit After Tax (NPAT): S\$61.9 million**

- 30.3% growth over 9M FY2005

❖ **Earnings per Share (EPS)**

- 3.98 cents/share in 9M FY2006 vs 3.95 cents/share in 9M FY2005 (based on weighted average no. of shares)



Results: 9M FY2006
Segmental Analysis



Segmental Analysis 9M FY2006: Summary

Olam Consolidated

- Turnover **S\$3,342.3 million**
- Volume **2.484 mmts**
- NC **S\$176.8 m**
- NPAT **S\$61.9 m**

Edible Nuts, Spices & Beans

- Turnover **\$389.5 m**
- Volume **0.338mmts**
- NC **\$32.2 m**

• NC Share **18.2%**



Confectionery & Beverage Ingredients

- Turnover **\$1,333.9 m**
- Volume **0.578mmts**
- NC **\$62.8 m**

• NC Share **35.5%**



Food Staples & Packaged Foods

- Turnover **\$864.4 m**
- Volume **1.103mmts**
- NC **\$35.9 m**

• NC Share **20.3%**



Fibre & Wood Products

- Turnover **\$754.5 m**
- Volume **0.465mmts**
- NC **\$45.9 m**

• NC Share **26.0%**



Segmental Analysis: Edible Nuts, Spices & Beans

Description	9M FY2006		9M FY2005		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	338,498		282,772		↑ 19.7%
Revenue (S\$'000)	389,460	1,151	427,483	1,512	↓ (8.9%)
Net Contribution (S\$'000)	32,247	95	28,831	102	↑ 11.8%



Segmental Analysis: Confectionary & Beverage Ingredients

Description	9M FY2006		9M FY2005		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	577,667		457,956		↑ 26.1%
Revenue (S\$'000)	1,333,933	2,309	1,021,893	2,231	↑ 30.5%
Net Contribution (S\$'000)	62,789	109	46,815	102	↑ 34.1%



Segmental Analysis: Food Staples & Packaged Foods

Description	9M FY2006		9M FY2005		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	1,102,665		891,826		↑ 23.6%
Revenue (S\$'000)	864,399	784	609,476	683	↑ 41.8%
Net Contribution (S\$'000)	35,871	33	26,477	30	↑ 35.5%



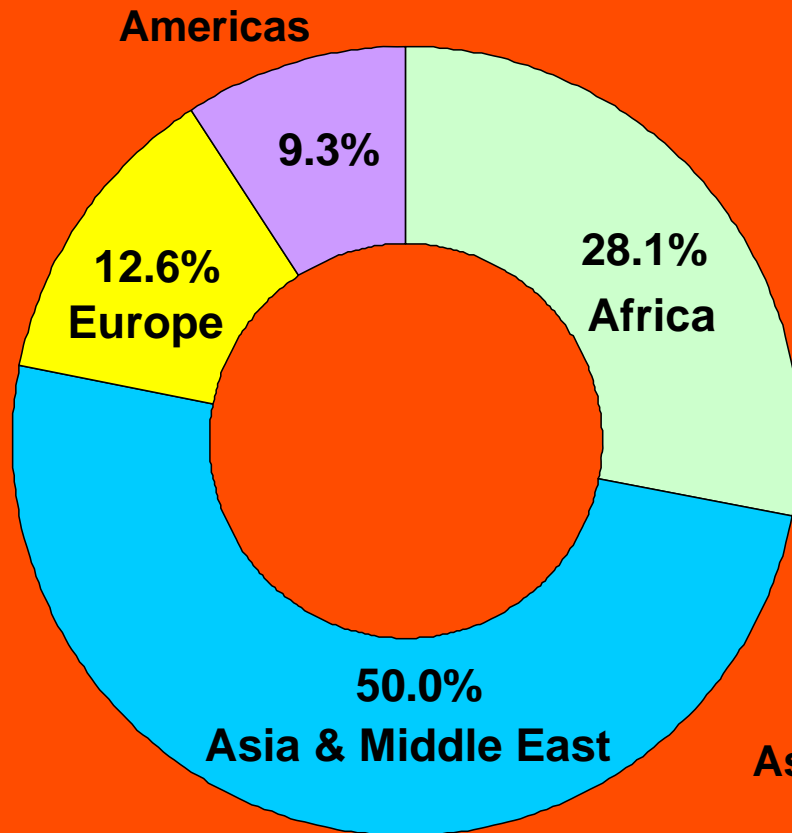
Segmental Analysis: Fibre & Wood products

Description	9M FY2006		9M FY2005		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume	465,599		350,107		↑ 33.0%
Turnover	754,508	1,621	497,299	1,420	↑ 51.7%
Net Contribution	45,891	99	32,453	93	↑ 41.4%

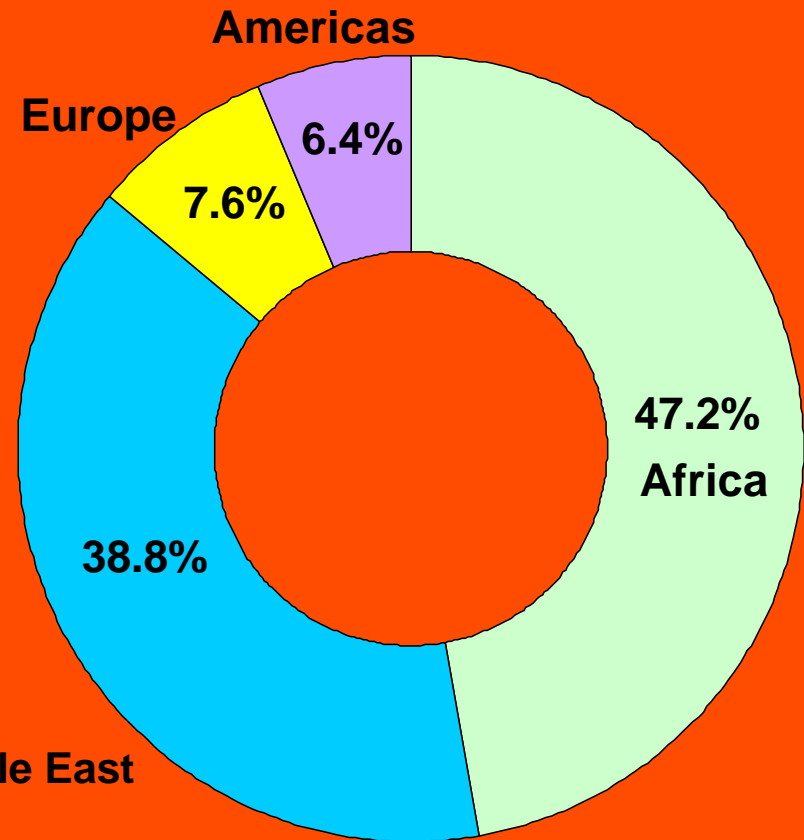


Well Diversified Sourcing: Origins

Sourcing Volume 9M FY2006

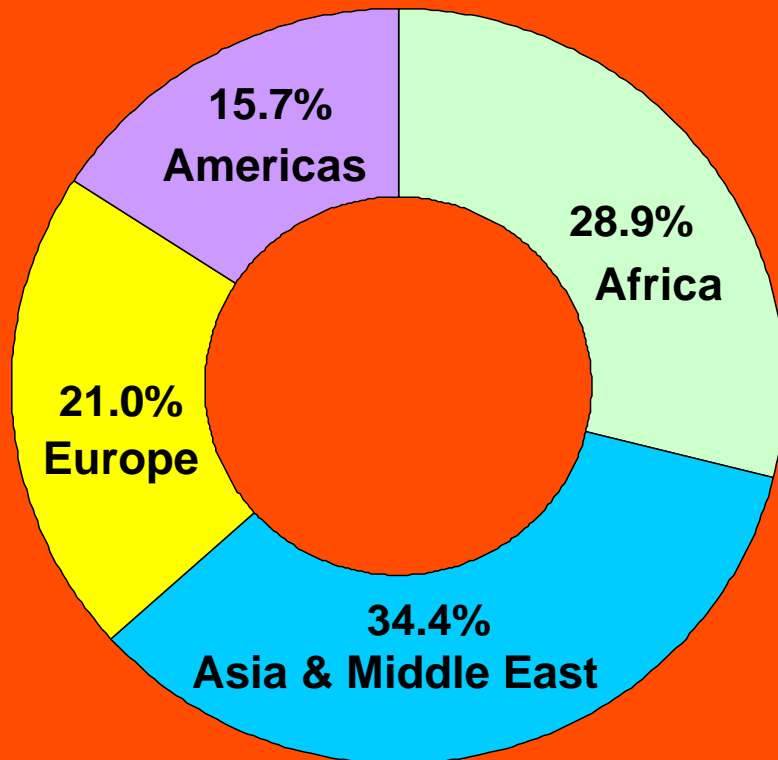


Sourcing Volume 9M FY2005

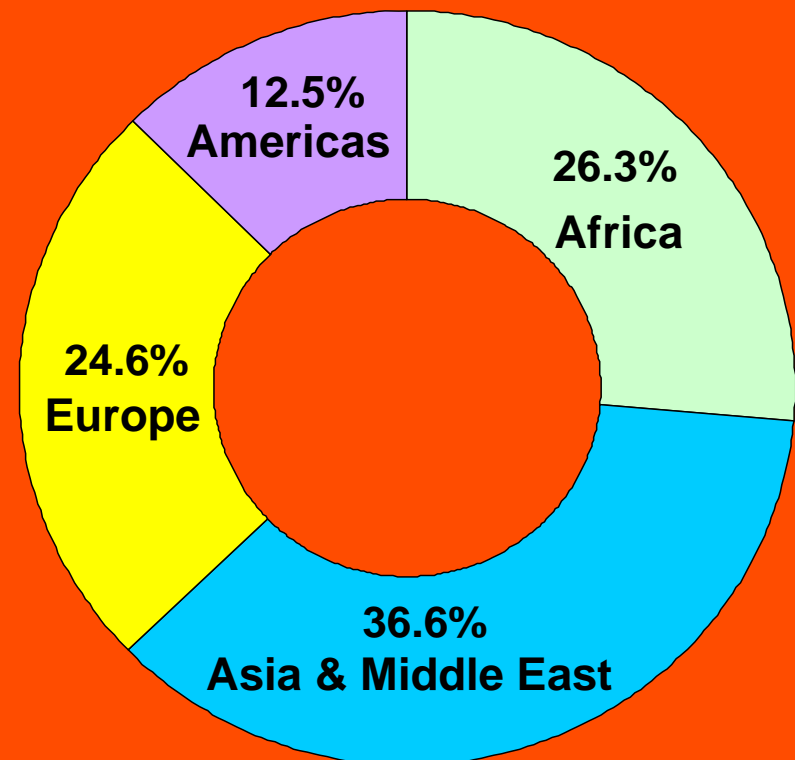


Well Diversified Sales: Markets

Sales Turnover 9M FY2006



Sales Turnover 9M FY2005



Well diversified: **Customers**

Segment	Top 5 Customer Share of Total Sales
Edible Nuts, Spices & Beans	2.4%
Confectionery & Beverage Ingredients	11.4%
Food Staples & Packaged Foods	2.7%
Fibre & Wood Products	3.6%

❖ **No customer accounts for more than 5% of our sales.**



Results: 9M FY2006
Balance Sheet Analysis



Balance Sheet Analysis: Summary

(Figures in S\$'000)	31 Mar 2006	30 Jun 2005	% Change
Fixed Assets & Investments	63,194	40,649	55.5%
Current Assets			
Debtors	605,166	649,179	(6.8%)
Stocks	1,055,876	1,019,025	3.6%
Cash & Cash Equivalents	163,911	165,367	(0.9%)
Other Current Assets	493,296	266,219	83.9%
Total Assets	2,381,443	2,142,440	11.2%
Trade Creditors	163,385	175,026	(6.7%)
Borrowings	1,653,660	1,450,747	14.0%
Other Liabilities	86,648	18,416	370.5%
Net Assets	477,749	498,251	(4.1%)
Equity & Reserves	477,749	498,251	(4.1%)

Balance Sheet Analysis: Ratios

	31 Mar 2006	30 Jun 2005	Change
Current Asset Ratios			
Debtors (days)	50	70	20
Stock (days)	93	119	26
Advance to Suppliers (days)	19	11	(8)
Trade Creditors (days)	14	20	(6)
Current Ratio (x)	1.49	1.28	

Balance Sheet Analysis: Debtors

- 63.3% of Debtors secured by Letter of Credit / Docs of Title.
- Debtor quality good. No additional provisions created over June 2005



Balance Sheet Analysis: **Stock**

(in S\$ Millions)	Mar 2006	Jun 2005	Increase
Edible Nuts, Spices & Beans	170.2	148.7	14.5%
Confectionery & Beverage Ingredients	466.3	510.6	(8.7%)
Food Staples & Packaged Foods	252.9	304.2	(16.9%)
Fibre & Wood Products	166.5	55.5	199.9%
Total	1,055.9	1,019.0	3.6%

- 85.5% of stocks sold forward or hedged.
- The increase in inventory value is entirely on account of volume increases. \$78.4 m of the inventory value increase is due to an increase in volume of the stock carried.
- \$41.5 m of stock value reduced due to a reduction in prices of the underlying products.

Balance Sheet Analysis: **Fixed Assets**

Fixed assets

- Investment in fixed assets amounted to S\$32.4 million in 9M FY2006 as compared to S\$14.2 million in 9M FY2005.
- Investments in fixed assets grew 55.7% to S\$63.28 million as at end Q3FY2006 compared to S\$40.65 million as at the end of 30th June 2005.
- The fixed asset investment is mainly on account of processing facilities in China, Uganda, Gabon and Vietnam and various warehousing related investments in Cote d'Ivoire, Nigeria and Gabon.

Balance Sheet Analysis: Cash & Borrowings

- ❖ **Cash and Fixed Deposits** decreased by 0.9% to S\$163.9 million
- ❖ **Borrowings:**
 - ❖ Only 57.7% of our total credit facilities were used as of 31st Mar.

(in S\$ million)	31 Mar 2006	% Share
Short Term Banking Facilities	1,508.5	52.7%
Committed Banking Facilities	485.7	17.0%
Islamic Financing	137.6	4.8%
MTN / Medium Term Loan	708.6	24.7%
Long Term Loan	24.3	0.8%
Total	2,864.7	100.0%

Update on US\$ 300 million Syndicated Term Loan

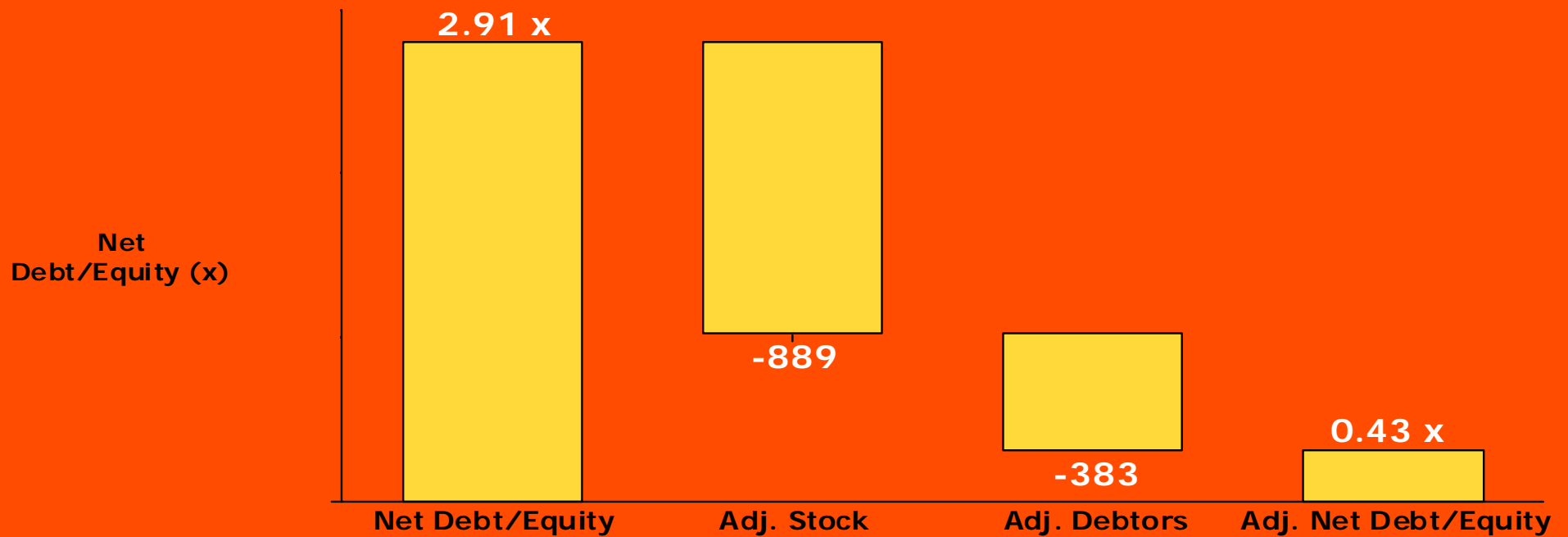
- ❖ 5 year unsecured, unrated, term loan.
- ❖ Mandated Lead Arrangers are SCB, HSBC, DBS and Rabo Bank.
- ❖ In the final stages of completion.
- ❖ Purpose of loan – Capex, M&A and Long Term Working Capital.

Balance Sheet Analysis: Gearing

	31 Mar 2006		30 Jun 2005	Change
Leverage (x)	Before Fair Value Adj. Reserve	After Fair Value Adj. Reserve		Vis-à-vis before Fair Value Adj. Reserve
Gross Debt to Equity (x)	3.23	3.46	2.91	(0.32)
Net Debt to Equity (x)	2.91	3.12	2.58	(0.33)
Interest Coverage (x)	2.02		2.52	(0.5)
Liquidity				
Cash to Sales (%)	3.68		3.08	0.60
Cash & Cash Equivalents	163.9 m		165.4 m	(1.5 m)

Balance Sheet: Analysis of Gearing

Adjusting: hedged, liquid inventory



Impact of FRS 39

- ❖ Impact on P&L is reduction in profits of S\$0.4 million.
- ❖ Reduction in equity as of 31 March 2006 is S\$34.6 million.
- ❖ FRS 39 allows for hedge accounting to be applied when strict effectiveness criteria are met.
- ❖ We have assessed the effectiveness of our hedging instruments and have concluded that the majority of the derivatives qualifies for hedge accounting. Hence, adjustment due to adoption of FRS 39 has mainly flown to equity.
- ❖ We do not expect any adverse impact of these measurements to the results of the Company.

M&A Update:

- ❖ Team has been further strengthened.
- ❖ Deal pipeline healthy and growing.
- ❖ Making progress in evaluation of the prospects.



Changes in Shareholding Structure

- ❖ Free float increased to 36.82% due to placement of shares by our three co-sponsors between March and April 2006 post expiry of their moratorium in February 2006

Co-Sponsor	% placed	Placement	Pre-Moratorium
AIF	(21.1)	31,963,000	151,237,471
IFC	(22.7)	23,648,000	104,323,378
Temasek	(100.0)	75,542,216	75,542,216

- ❖ Placements made to a broad base of high quality institutional investors

Our Shareholding Structure

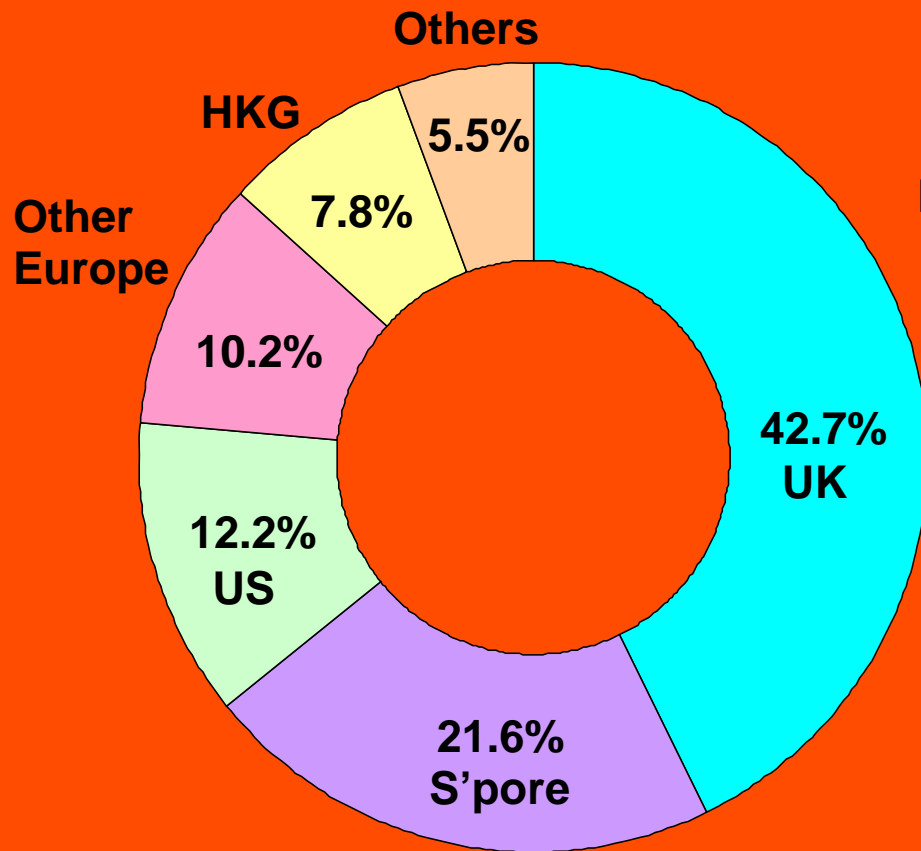
❖ Our shareholding structure today is as follows:

Shareholder	Shares Held	%
Kewalram Chanrai Group (KSL)	508,134,877	32.69
Olam Management	274,150,458	17.63
AIF	119,274,471	7.67
International Finance Corporation (IFC)	80,675,378	5.19
Public	572,349,216	36.82
Total	1,554,584,400	100.00

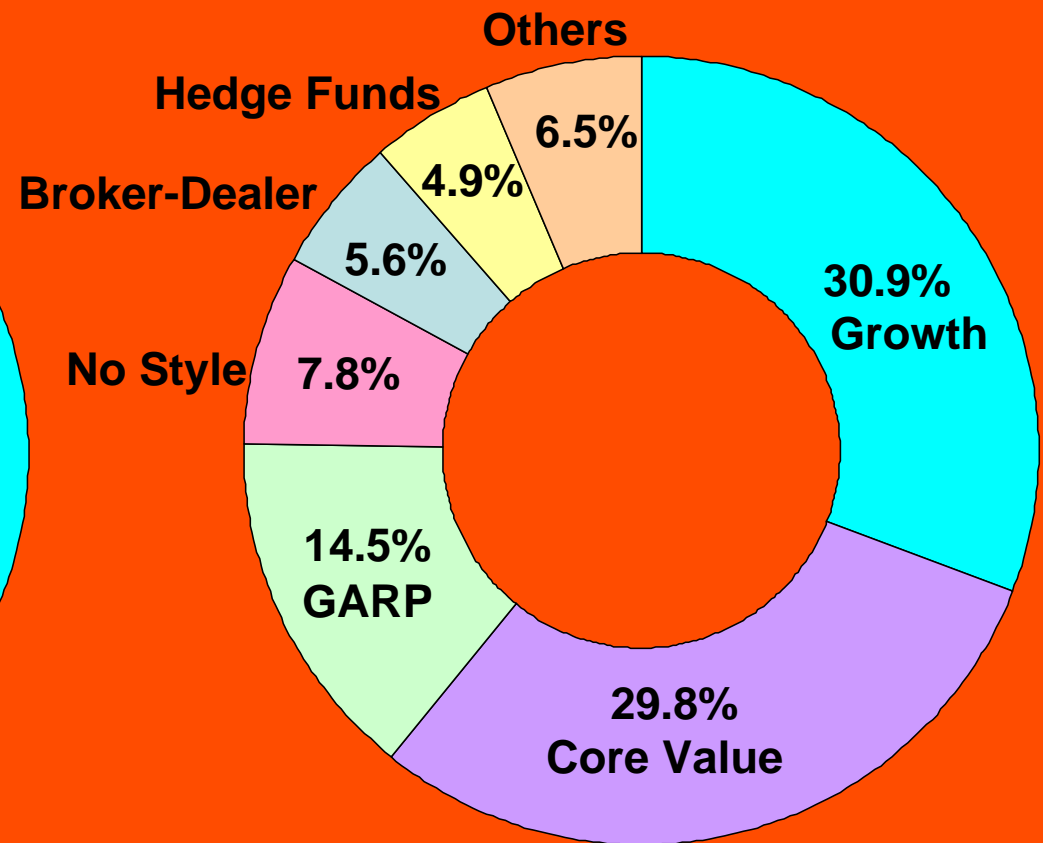
❖ A total of 158 institutional shareholders across 31 regions identified as of end March 2006 (Source: Thomson Financial)

Distribution of Public Institutional Shareholders

By Geography



By Investment Style



Top 20 Public Institutional Shareholders (By Alphabetical Order)

1.	AIG	11.	J.P. Morgan Chase & Co.
2.	Arisaig Partners	12.	Lloyd George Management
3.	Asia Life Assurance	13.	Merrill Lynch & Co.
4.	Barclays Global Investors	14.	Newton Investment Mgmt
5.	Capital Group	15.	Old Mutual
6.	Credit Suisse Group	16.	Penta Investment Advisors
7.	Deutsche Bank	17.	Prudential Asset Mgmt
8.	F&C Asset Management	18.	State Street Corporation
9.	Fidelity	19.	T. Rowe Price
10.	HSBC Group	20.	UBS Global Asset Mgmt

Outlook & Prospects



Outlook & Prospects:

- ❖ Barring any unforeseen circumstances, we continue to be positive on the overall business outlook as we head into Q4 FY2006.
- ❖ The various initiatives that we are executing on to broaden and deepen our business franchise should continue to yield results in the form of both increased volumes and enhanced margins.
- ❖ Please refer particularly to the description of the seasonality of our business under the section “Background to analysing our Financial Statements” on page 10 of SGXNET announcement of this quarter results.



Key Investment Merits

- ❖ Strong financial track record
- ❖ Proven growth model
- ❖ Unique competitive position
- ❖ Well-diversified across businesses, geographies & customers
- ❖ Risk management is a core competence
- ❖ High governance standards & world class investors
- ❖ Strong Management
- ❖ Strong prospects & high growth potential



Thank You

