

The logo features a stylized green plant icon on the left, composed of three leaves and a central stem. To its right, the word "OLAM" is written in a large, bold, green, sans-serif font.

The Brand Behind The Brands

Olam International Limited

9M FY2007 Results Briefing

15th May 2007

Singapore





This presentation should be read in conjunction with Olam International Limited's Third Quarter, FY2007 (Q3 FY2007) and Nine Months FY2007 (9M FY2007) Financial Results for the period ended 31st March 2007 statement lodged on SGXNET on 15th May 2007.



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

- ❖ Results: 9M FY2007 - Consolidated P&L Analysis
- ❖ Results: 9M FY2007 - Balance Sheet Analysis
- ❖ Results: 9M FY2007 - Segmental Analysis
- ❖ M&A Update
- ❖ Shareholding Structure Change
- ❖ Outlook & prospects
- ❖ Q&A



Results: 9M FY2007

Consolidated P&L Analysis



Consolidated P&L Analysis: 9M FY2007

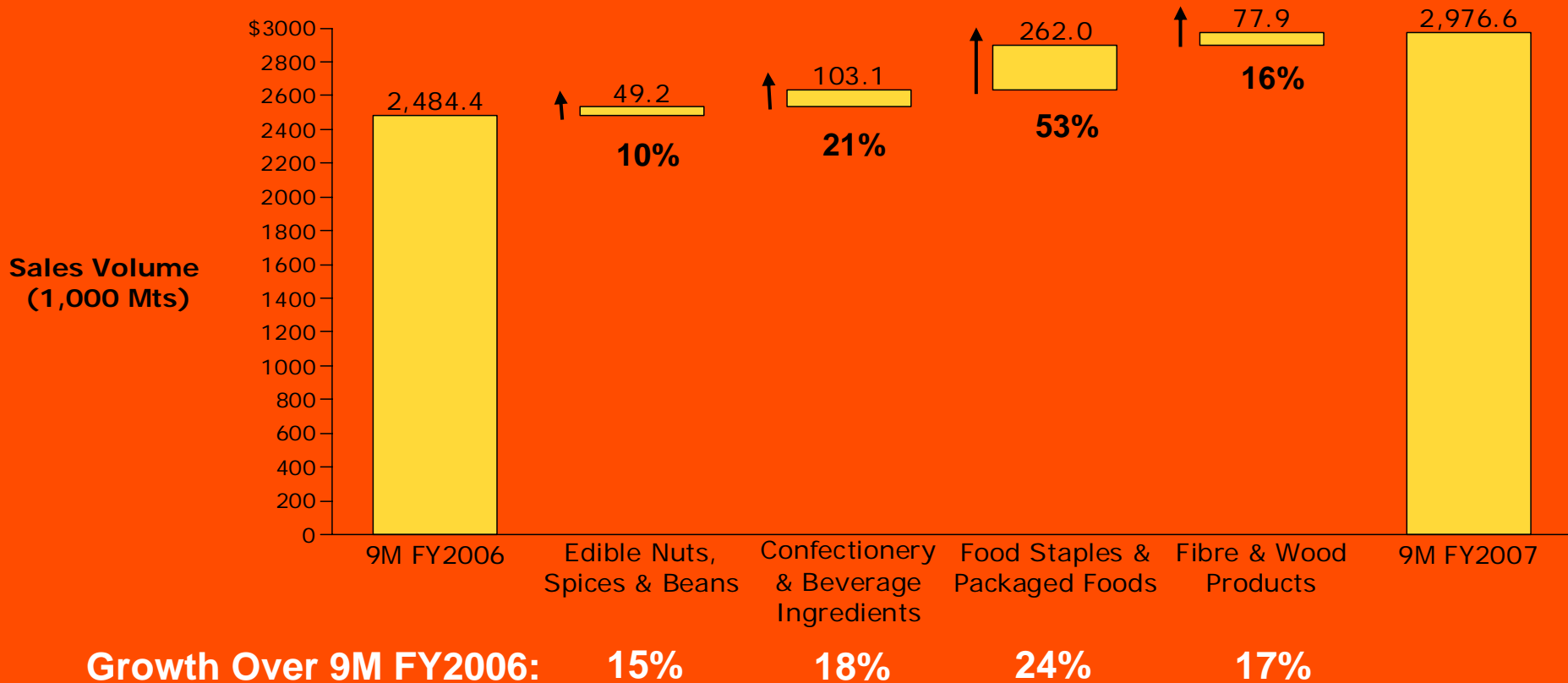
❖ **Sales Volume: 2.977 million metric tons**

- 19.8% growth over 9M FY2006
- Volume growth across all 4 segments



Sales Volume Growth: Segmental Contribution

Sales Volume growth 19.8%, 492,243 mts



Consolidated P&L analysis: 9M FY2007

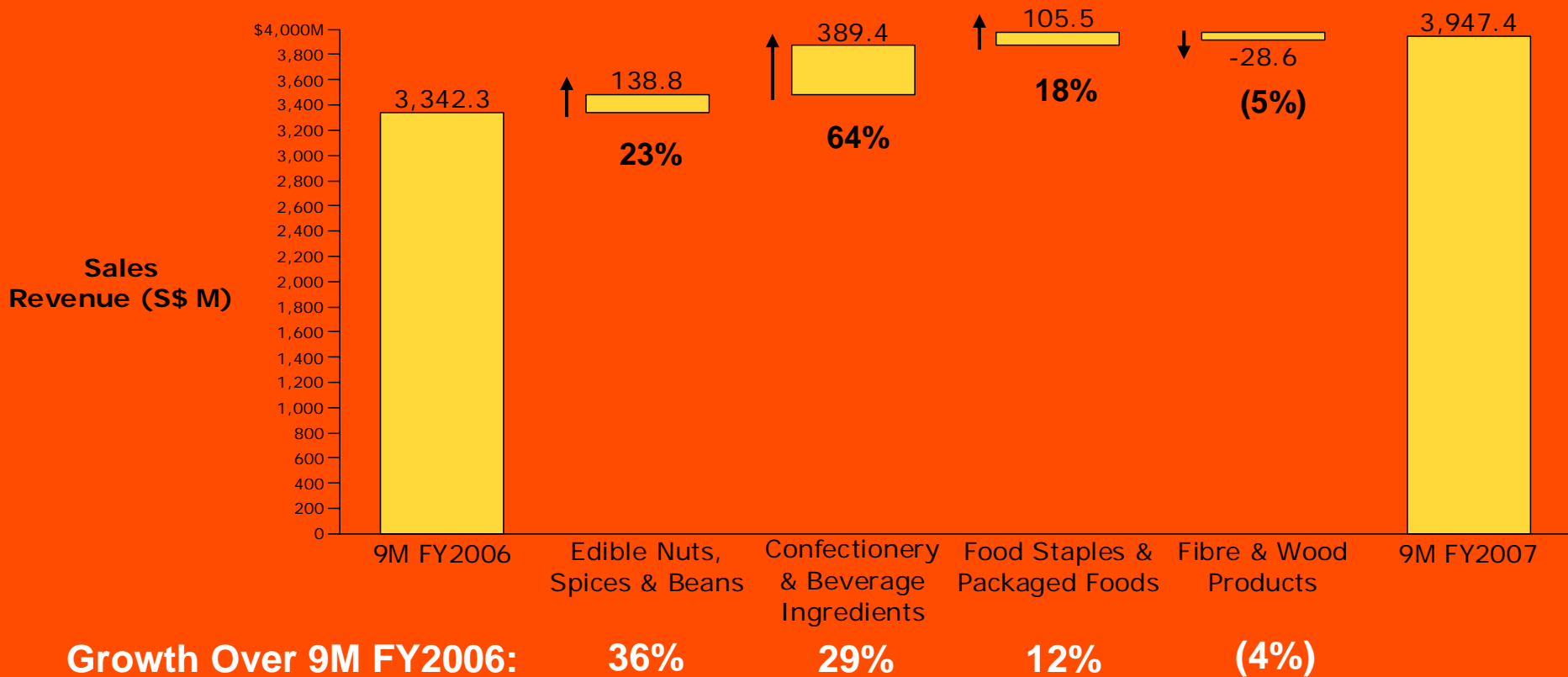
❖ **Total Revenue: S\$3,947.4 million**

- 18.1% growth over 9M FY2006
- Revenue growth in 3 out of 4 segments



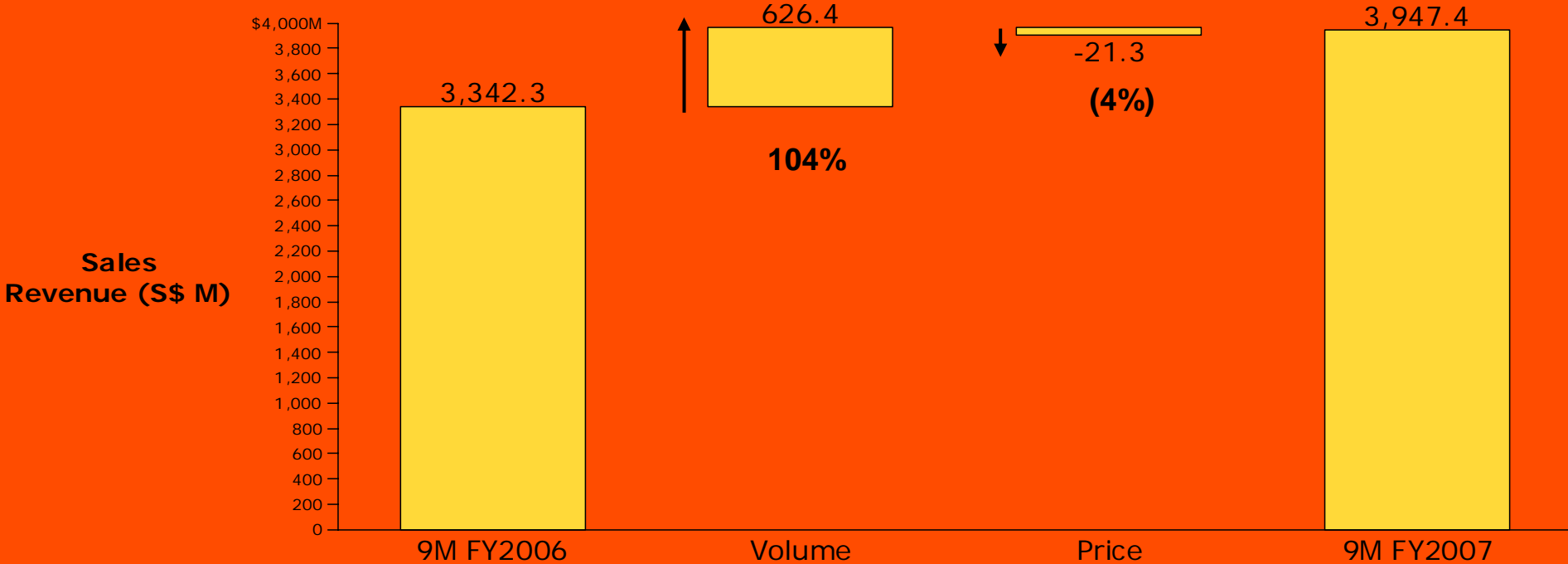
Sales Revenue Growth: Segmental Contribution

Sales revenue growth 18.1%, S\$605.1 million



Sales Revenue Growth: Sources

Sales revenue growth 18.1%, S\$605.1 million



Consolidated P&L Analysis: 9M FY2007

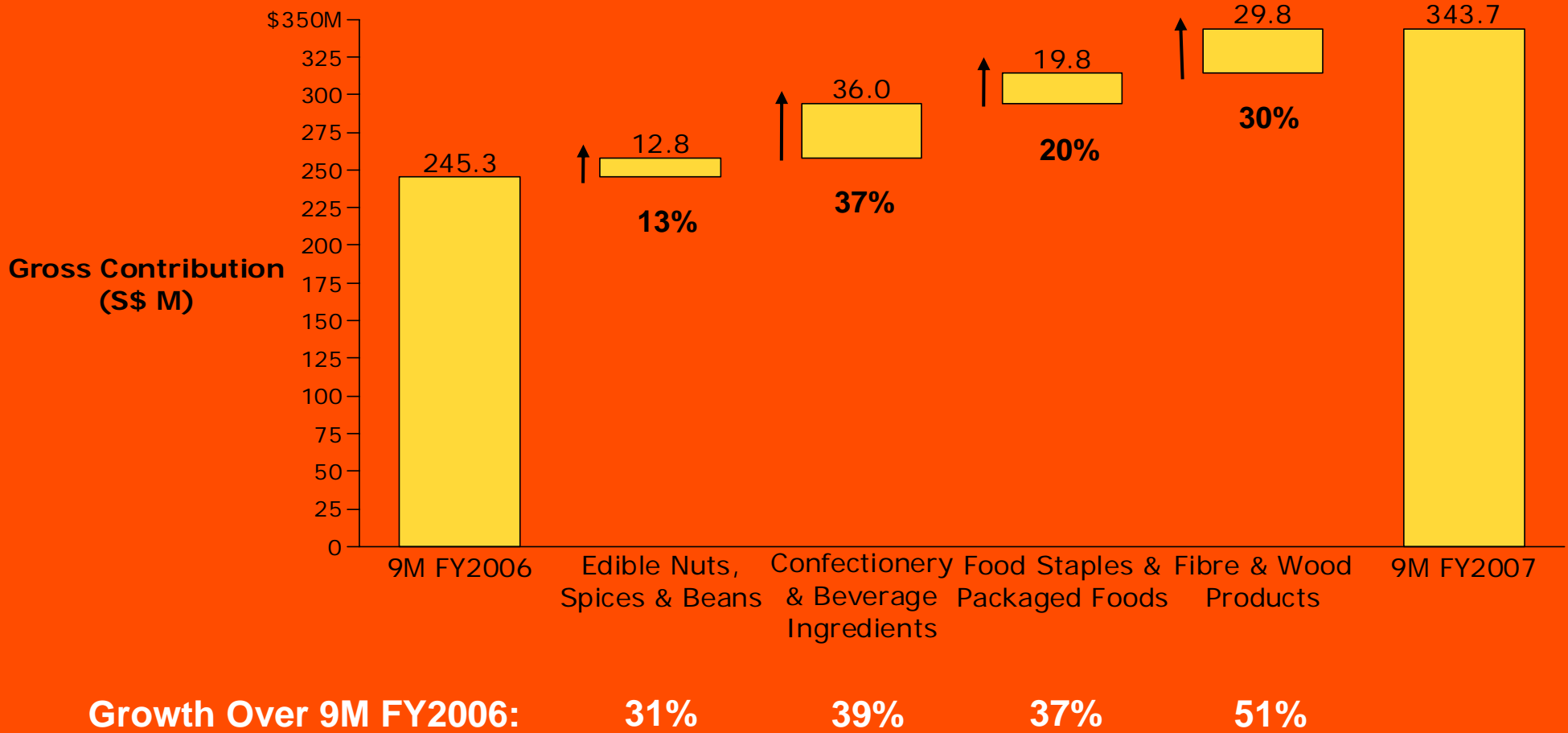
❖ **Gross Contribution (GC) : S\$343.7 million**

- 40.1% growth over 9M FY2006
- GC growth across all segments



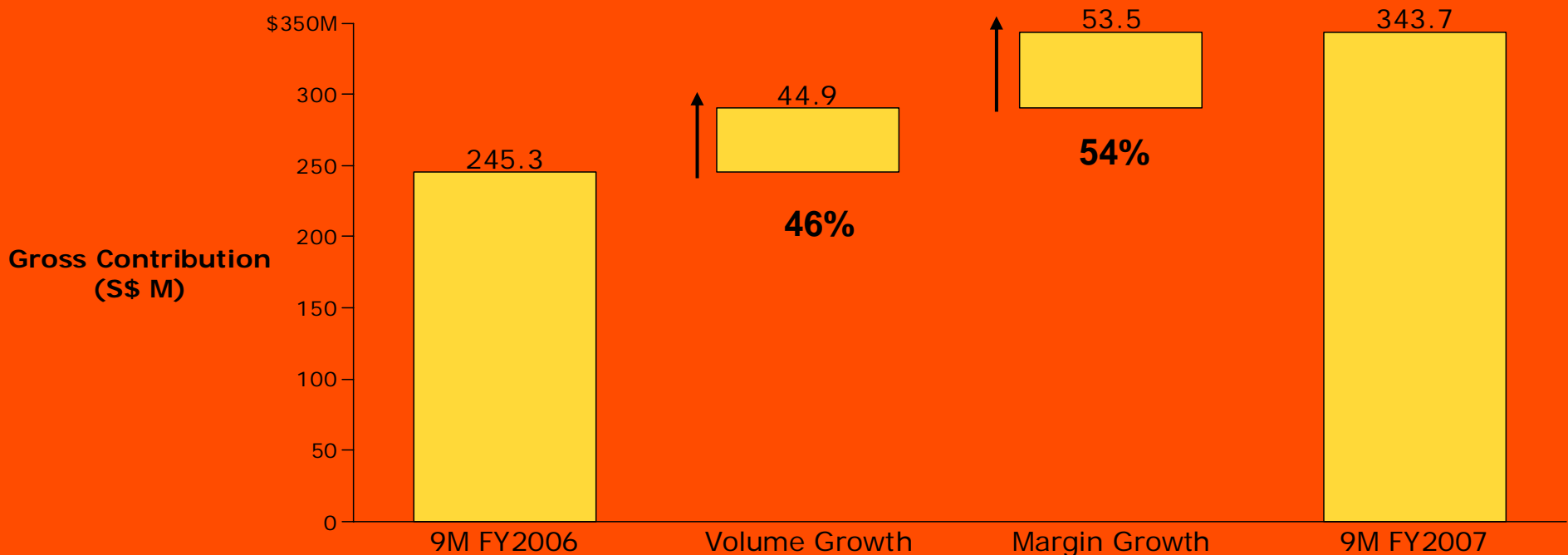
Gross Contribution Growth: Segmental Share

GC growth 40.1%, S\$98.4 million



Gross Contribution Growth: Sources

GC growth 40.1%, S\$98.4 million



Interest Costs

❖ Total increase in interest costs S\$43.5 million or 63.5%.

	9M FY2007 (S\$'000)	9M FY2006 (S\$'000)	Increase (S\$'000)	% Increase
Interest Expenses	112,042	68,532	43,510	63.5%
Sales	3,947,425	3,342,300	605,124	18.1%
Interest Rate	7.20%	5.85%	1.35%	23.1%
Interest variance due to interest rate increase				21,043
Interest variance due to working capital increase				22,466
Total Net Increase in Interest				43,510



Consolidated P&L Analysis: 9M FY2007

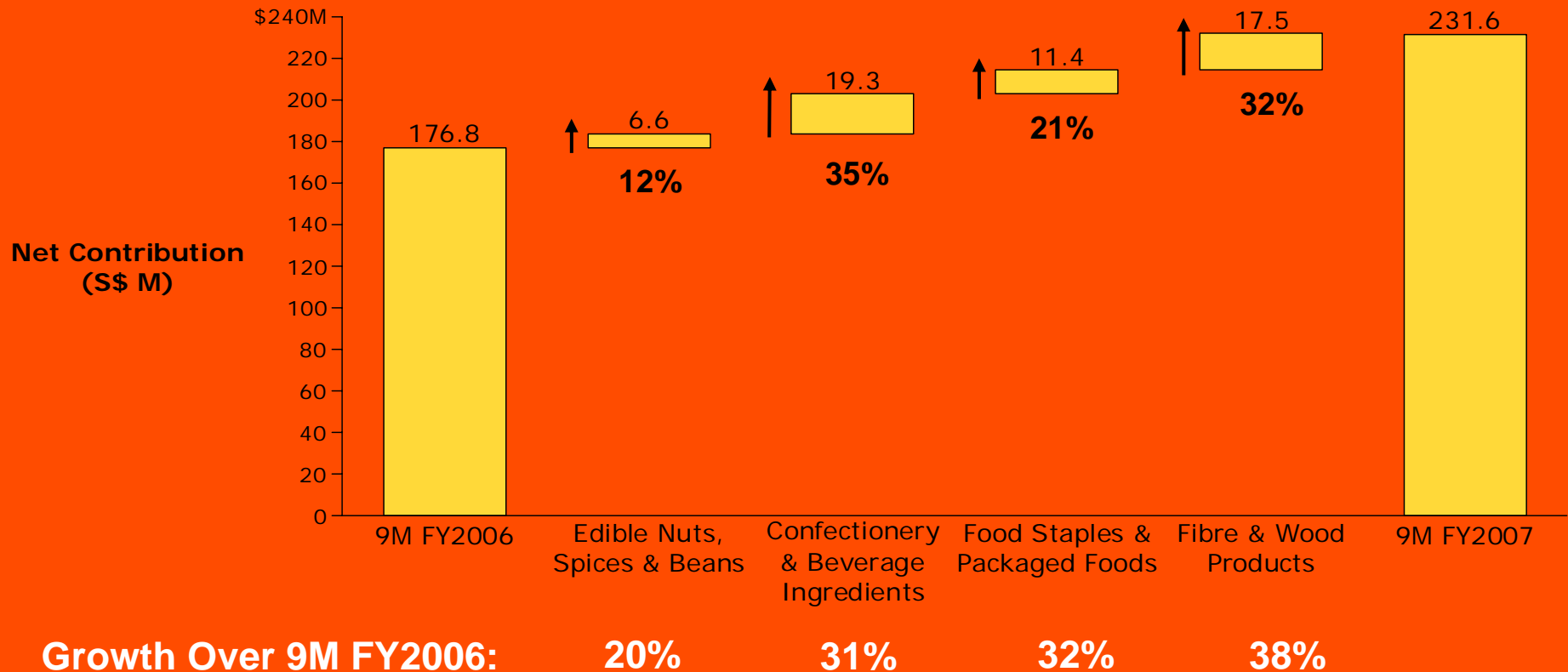
❖ **Net Contribution (NC) : S\$231.6 million**

- 31.0% growth over 9M FY2006
- NC growth across all segments



Net Contribution Growth: Segmental Share

NC growth 31.0%, S\$54.8 million

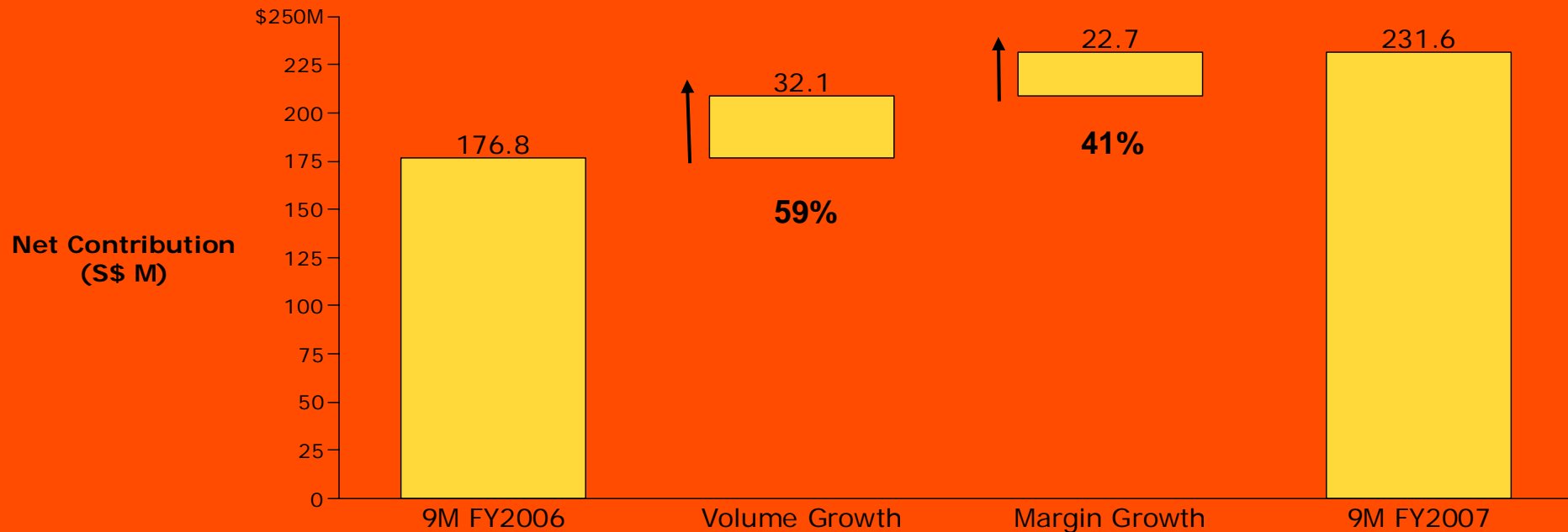


❖ Net Contribution Margin 5.87% in 9M FY2007 vs 5.29% in 9M FY2006

❖ Net Contribution per ton S\$78/ton in 9M FY2007 vs S\$71/ton in 9M FY2006

Net Contribution Growth: Sources

NC growth 31.0%, S\$54.8 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	1,913	326	218	2,457
ESOS	921	4,034	5,850	10,805
TOTAL	2,834	4,360	6,068	13,262

Consolidated P&L Analysis: 9M FY2007

- ❖ **SG&A** increased by 34.7% to S\$143.9 million in 9M FY2007.

	9M FY2007	9M FY2006	Change
SG&A (S\$ million)	143.9	106.9	(34.7%)
SG&A / Sales ratio	3.65	3.20	



Consolidated P&L Analysis: 9M FY2007

❖ **Net Profit After Tax (NPAT): S\$78.5 million**

- 26.8% growth over 9M FY2006

❖ **Earnings per Share (EPS)**

- 5.05 cents/share in 9M FY2007 vs 3.98 cents/share in 9M FY2006 (based on weighted average no. of shares)



Results: 9M FY2007

Balance Sheet Analysis



Balance Sheet Analysis: Summary

(Figures in S\$'000)	31 Mar 2007	30 Jun 2006	% Change
Fixed Assets & Investments	92,304	74,129	24.5%
Current Assets			
Debtors	608,620	426,778	42.6%
Stocks	1,180,121	1,013,904	16.4%
Cash & Cash Equivalents	236,166	296,241	(20.3)%
Advances to Suppliers	230,141	160,669	43.2%
Fair Value of Derivatives	239,297	199,614	19.9%
Margin Account Balances	137,151	43,147	217.9%
Other Current Assets	215,422	143,683	49.9%
Total Assets	2,939,222	2,358,165	24.6%
Trade Creditors	224,122	134,874	66.2%
Borrowings	1,897,987	1,476,831	28.5%
Fair Value of Derivatives	326,953	213,458	53.2%
Other Liabilities	51,534	44,963	14.6%
Net Assets	438,627	488,039	(10.1)%
Minority Interest	16	53	(70.2)%
Equity & Reserves	438,611	487,986	(10.1)%

Balance Sheet Analysis: Ratios

	31 Mar 2007	30 Jun 2006	Change
Current Asset Ratios			
Debtors (days)	42	36	(6)
Stock (days)	90	92	2
Advance to Suppliers (days)	17	15	(2)
Trade Creditors (days)	17	12	5
Current Ratio (x)	1.69	1.49	

Balance Sheet Analysis: Debtors

- 68.9% of Debtors secured by Letter of Credit / Docs of Title.
- Debtor quality good. No additional provisions created over June 2006



Balance Sheet Analysis: **Stock**

(in S\$ Millions)	Mar 2007	Jun 2006	Increase
Edible Nuts, Spices & Beans	151.5	151.1	0.3%
Confectionery & Beverage Ingredients	617.6	509.1	21.3%
Food Staples & Packaged Foods	282.6	277.7	1.8%
Fibre & Wood Products	128.4	76.0	68.9%
Total	1,180.1	1,013.9	16.4%

- 83.1% of stocks sold forward or hedged.
- S\$132.0 m increase in inventory value is on account of price increases while \$34.2 m of the inventory value increase is due to increase in volume of the stock carried.

Balance Sheet Analysis: **Fixed Assets**

Fixed assets

- Investment in fixed assets amounted to S\$30.2 million in 9M FY2007 as compared to S\$32.4 million in 9M FY2006.
- Investments in fixed assets grew 23.5% to S\$89.6 million as at end Q3FY2007 compared to S\$72.5 million as at the end of 30th June 2006.
- The investments were mainly in processing facilities, packaging plants, warehousing and logistics in Brazil, China, Tanzania, Gabon, Vietnam, Zimbabwe and Nigeria.

Balance Sheet Analysis: Cash & Borrowings

- ❖ **Cash and Fixed Deposits** decreased by 20.3% to S\$236.2 million
- ❖ **Borrowings:**
 - ❖ Only 51.6% of our total credit facilities were used as of 31st Mar.

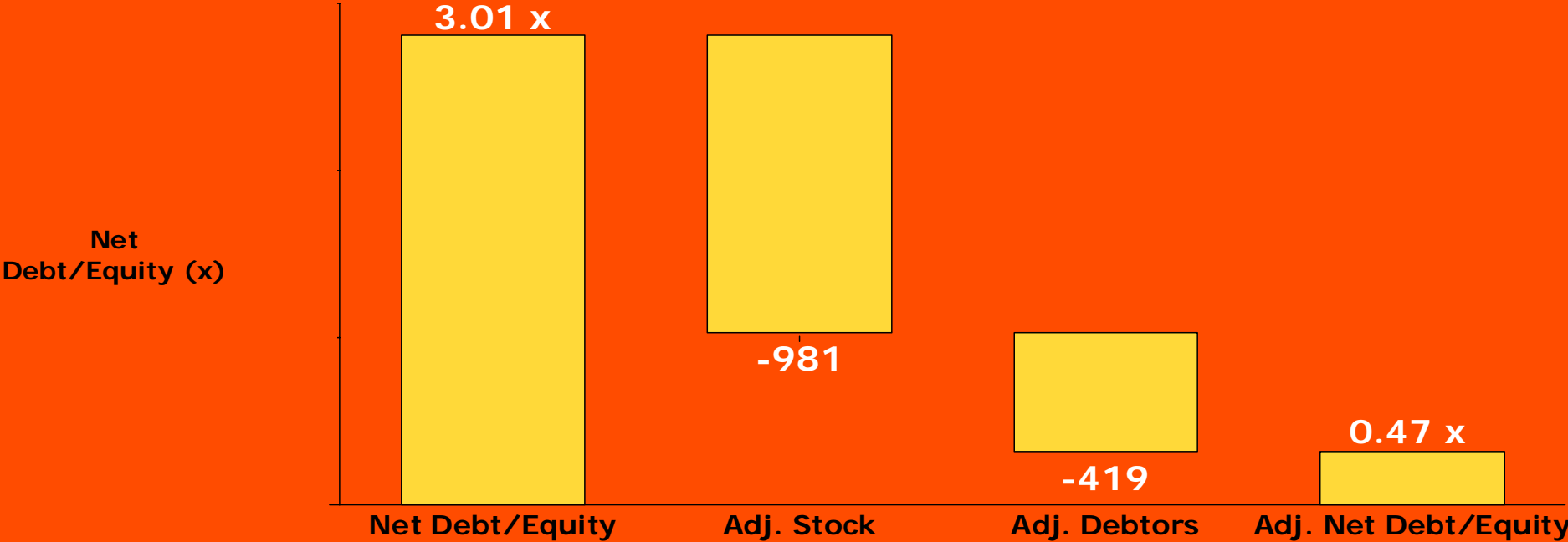
(in S\$ million)	31 Mar 2007	% Share
Short Term Banking Facilities	1,791.7	48.8%
Committed Banking Facilities	611.5	16.6%
MTN / Medium Term Loan	790.8	21.5%
Long Term Loan	481.6	13.1%
Total	3,675.6	100.0%

Balance Sheet Analysis: Gearing

	31 March 2007		30 June 2006		Change
	Before Fair Value Adj. Reserve	After Fair Value Adj. Reserve	Before Fair Value Adj. Reserve	After Fair Value Adj. Reserve	Vis-à-vis before Fair Value Adj. Reserve
Leverage (x)					
Gross Debt to Equity (x)	3.44	4.33	2.79	3.03	(0.65)
Net Debt to Equity (x)	3.01	3.79	2.23	2.42	(0.78)
Interest Coverage (x)	1.78		2.29		(0.51)
Liquidity					
Cash to Sales (%)	4.49		6.79		(2.30)
Cash & Cash Equivalents	236.2 m		296.2 m		(60.0 m)

Balance Sheet: Analysis of Gearing

Adjusting: hedged, liquid inventory



Impact of FRS 39

- ❖ Impact on P&L is increased in profits of S\$0.2 million.
- ❖ Reduction in equity as of 31 March 2007 is S\$113.0 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.

Results: 9M FY2007

Segmental Analysis



Segmental Analysis 9M FY2007: Summary

Olam Consolidated

- Turnover **S\$3,947.4 million**
- Volume **2.977 mmts**
- NC **S\$231.6 m**
- NPAT **S\$78.5 m**

Edible Nuts, Spices & Beans

- Turnover **\$528.3 m**
- Volume **0.388mmts**
- NC **\$38.8 m**

• NC Share **16.8%**



Confectionery & Beverage Ingredients

- Turnover **\$1,723.3 m**
- Volume **0.681mmts**
- NC **\$82.1 m**

• NC Share **35.4%**



Food Staples & Packaged Foods

- Turnover **\$969.9 m**
- Volume **1.365mmts**
- NC **\$47.3 m**

• NC Share **20.4%**



Fibre & Wood Products

- Turnover **\$725.9 m**
- Volume **0.543mmts**
- NC **\$63.4 m**

• NC Share **27.4%**



Segmental Analysis: Edible Nuts, Spices & Beans

Description	9M FY2007		9M FY2006		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	387,741		338,498		↑ 14.5%
Revenue (S\$'000)	528,294	1,362	389,460	1,151	↑ 35.6%
Net Contribution (S\$'000)	38,812	100	32,247	95	↑ 20.4%



Segmental Analysis: Confectionary & Beverage Ingredients

Description	9M FY2007		9M FY2006		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	680,769		577,667		▲ 17.8%
Revenue (S\$'000)	1,723,291	2,531	1,333,933	2,309	▲ 29.2%
Net Contribution (S\$'000)	82,082	121	62,789	109	▲ 30.7%



Segmental Analysis: Food Staples & Packaged Foods

Description	9M FY2007		9M FY2006		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume (metric tons)	1,364,653		1,102,665		↑ 23.8%
Revenue (S\$'000)	969,912	711	864,399	784	↑ 12.2%
Net Contribution (S\$'000)	47,270	35	35,871	33	↑ 31.8%



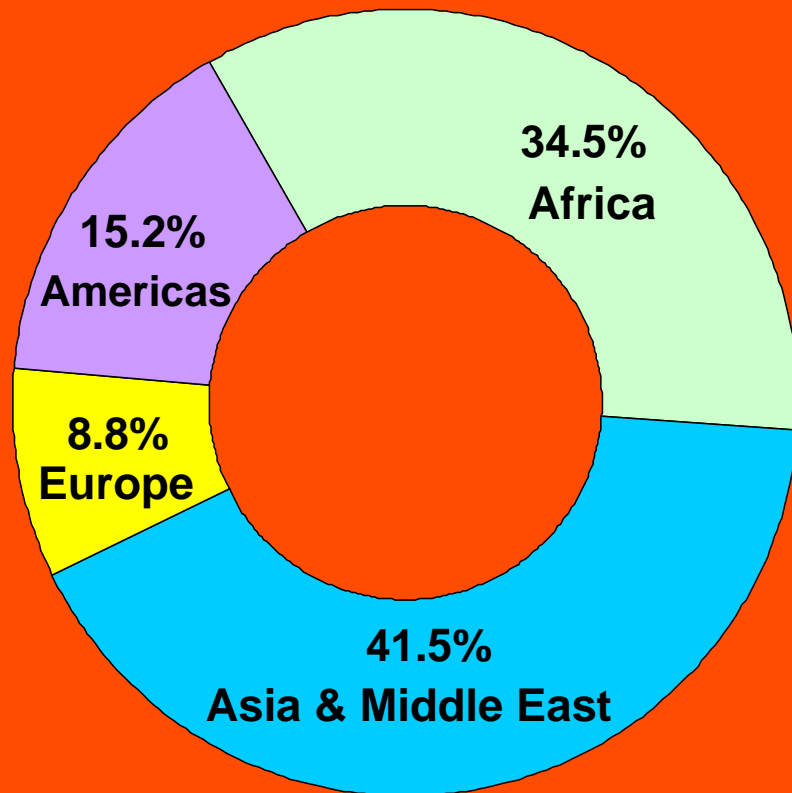
Segmental Analysis: Fibre & Wood products

Description	9M FY2007		9M FY2006		% Change
	Amount	S\$/Ton	Amount	S\$/Ton	
Volume	543,509		465,599		↑ 16.7%
Turnover	725,928	1,336	754,508	1,621	↑ (3.8%)
Net Contribution	63,446	117	45,891	99	↑ 38.3%

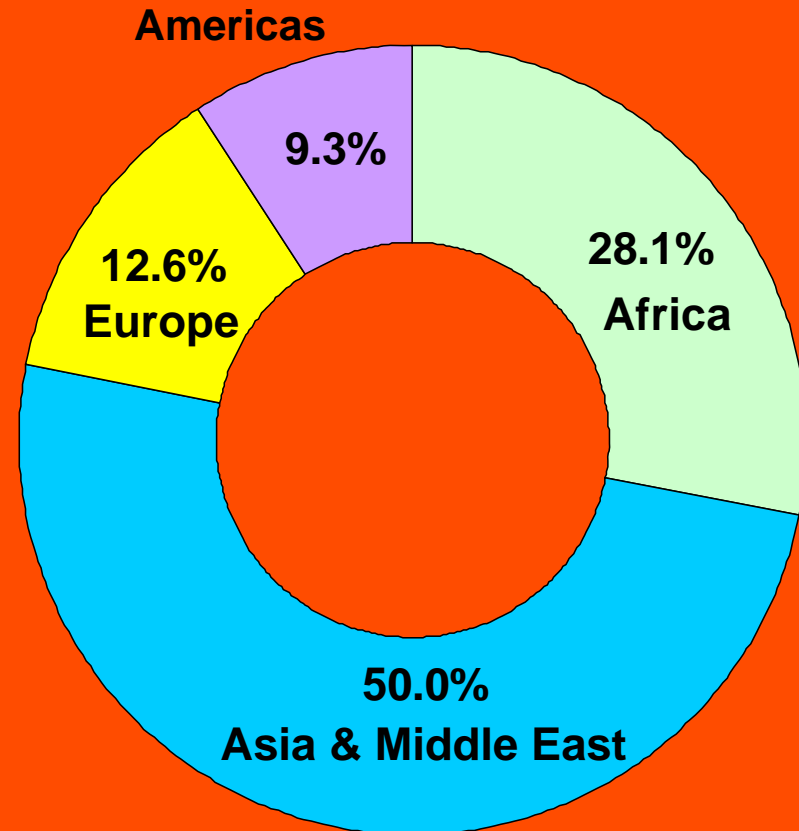


Well Diversified Sourcing: Origins

Sourcing Volume 9M FY2007

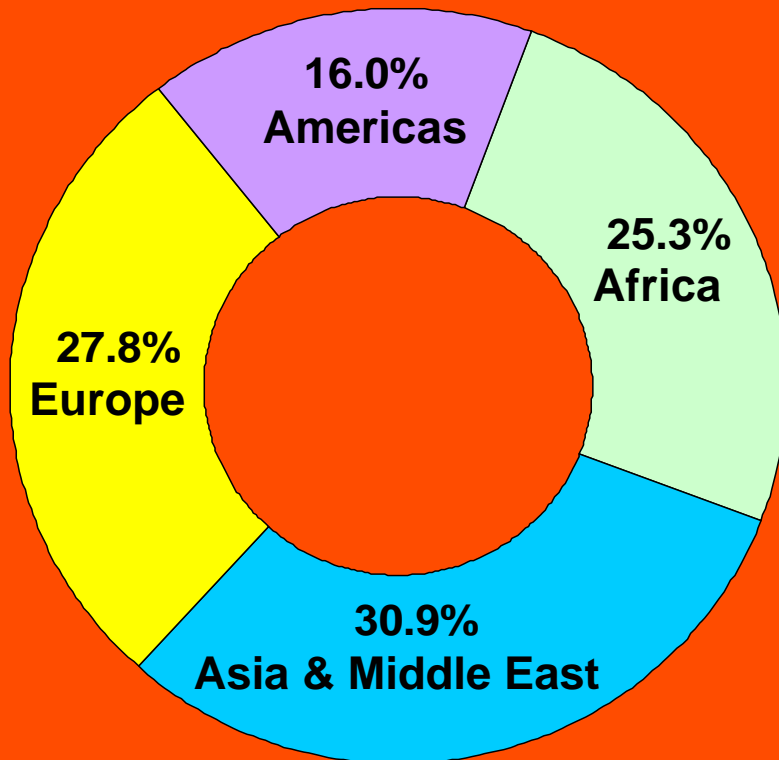


Sourcing Volume 9M FY2006

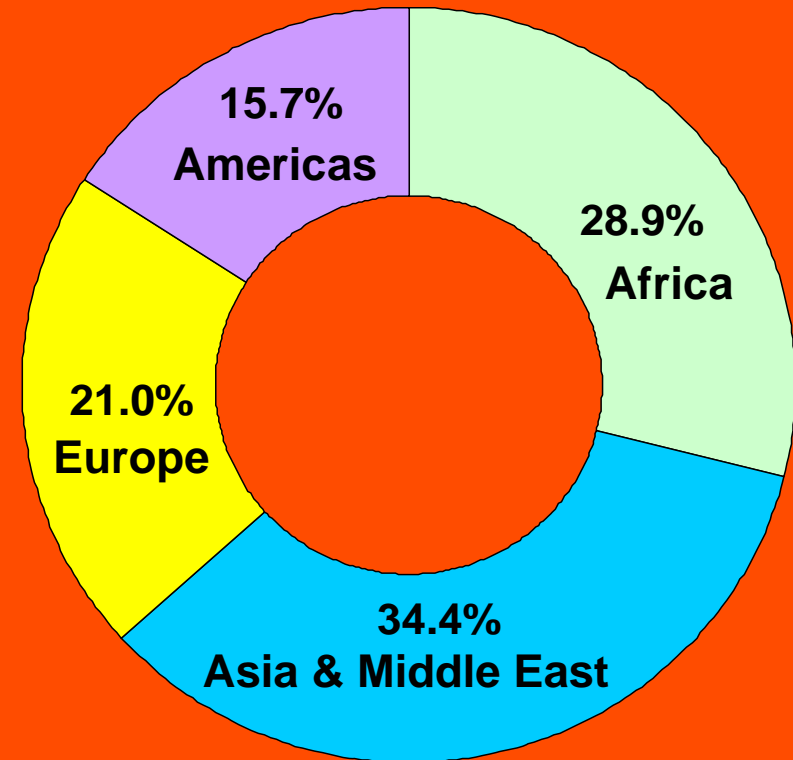


Well Diversified Sales: Markets

Sales Turnover 9M FY2007



Sales Turnover 9M FY2006



Well diversified: Customers

Segment	Top 5 Customer Share of Total Sales
Edible Nuts, Spices & Beans	2.2%
Confectionery & Beverage Ingredients	11.4%
Food Staples & Packaged Foods	3.5%
Fibre & Wood Products	1.8%



M&A Update:

- ❖ 3 transactions announced in February, March and April 2007.
 - February 2007: Chinatex (2 Joint Ventures)
 - March 2007: Queensland Cotton Holdings Limited
 - April 2007: Universal Blanchers
- ❖ Deal pipeline continues to remain strong.
- ❖ Core deal team being further strengthened.



M&A Update: Chinatex

- ❖ In February 2007, Olam announced plans to form two joint ventures in the Oilseeds and Cotton businesses with Chinatex Corporation (Chinatex), a State Owned Enterprise in China.
- ❖ In the Oilseeds joint venture, Olam intends to take an initial 35% stake in Chinatex's Grains & Oil subsidiary for a consideration of US\$13.5 million with an option to increase its stake to 45% within two years at a pre-agreed valuation.
- ❖ The second joint venture with Chinatex is a 50:50 domestic cotton joint venture for developing the domestic cotton business in China, which is the world's largest producer, consumer and importer of cotton.
- ❖ The Group is making good progress in closing this transaction and expects to complete it by August 2007.

M&A Update: Queensland Cotton Holdings

- ❖ In March 2007, Olam made an off-market friendly takeover offer to acquire 100% shares in Queensland Cotton Holdings (QCH) to create the third largest global cotton company in the world.
- ❖ The offer is based on A\$4.75 cash per share for a minimum 50% acceptance level and A\$5.05 cash per share if acceptances reach 90% and subject to receiving the Foreign Investment Review Board's approval, which is still awaited.
- ❖ The first tier pricing offer values QCH at A\$134 million and the second tier price at A\$142 million.
- ❖ The offer is unanimously recommended by the board of directors of Queensland Cotton.
- ❖ The acceptance level as of May 3, 2007 is 15.27%.
- ❖ The offer is open until May 30, 2007 unless otherwise renewed.

M&A Update: Universal Blanchers

- ❖ In April 2007, the Group announced it would acquire 100 per cent of the world's largest independent peanut blancher and ingredient processor, Universal Blanchers for a total cash consideration of US\$77 million as enterprise value (estimated net equity value of US\$72.3 million).
- ❖ This acquisition will enable Olam to expand into peanut blanching and ingredient manufacturing in the US.
- ❖ The requisite waiver from the regulatory authorities in the U.S. with regard to the provisions of the Hart-Scott-Rodino Act (HSR) has subsequently been obtained.
- ❖ Transaction is expected to be completed by 31st May 2007.

Shareholding Structure Change



Changes in Shareholding Structure

- ❖ Free float increased from 42.7% to 49.1% post placement of 100m shares by sponsor Kewalram Singapore Limited (KSL) on 26 April 2007

Sponsor	Pre-Placement	Placement	Post-Placement
KSL	513,134,877 (33.0%)	100,000,000 (6.4%)	413,134,877 (26.6%)

- ❖ There was strong demand for these placement shares which were placed overnight to a broad base of high quality institutional investors

Shareholding Structure

❖ Our shareholding structure today is as follows:

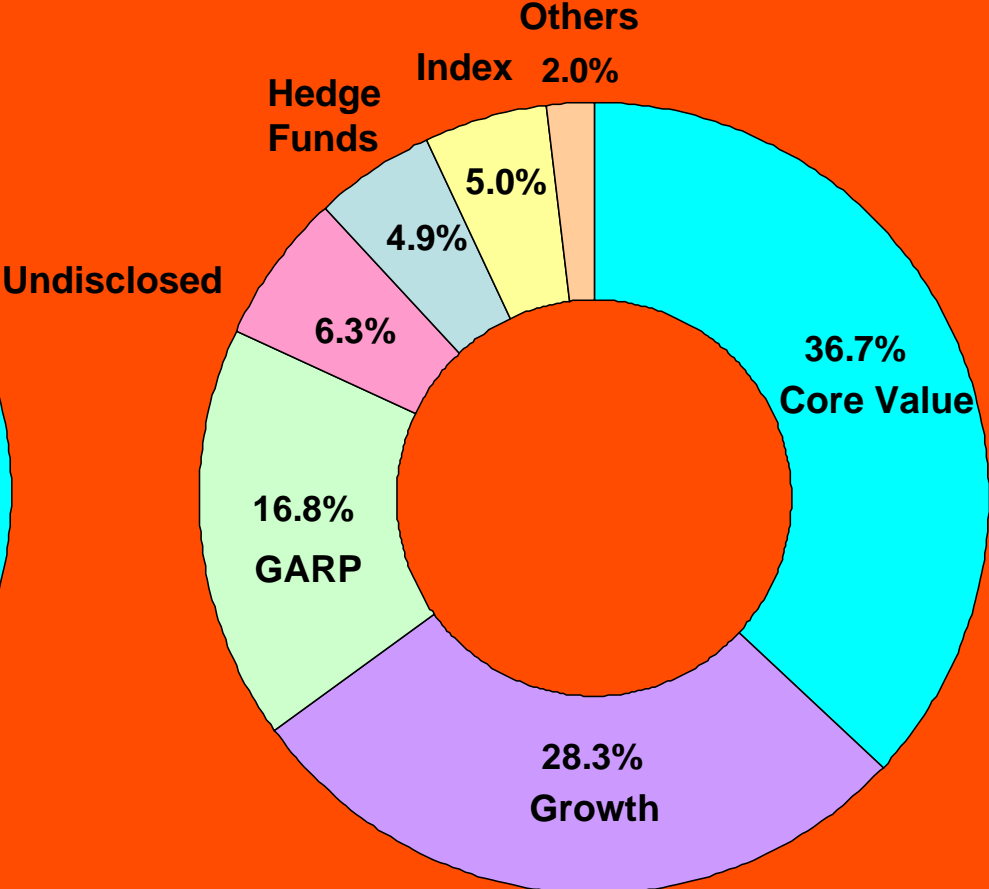
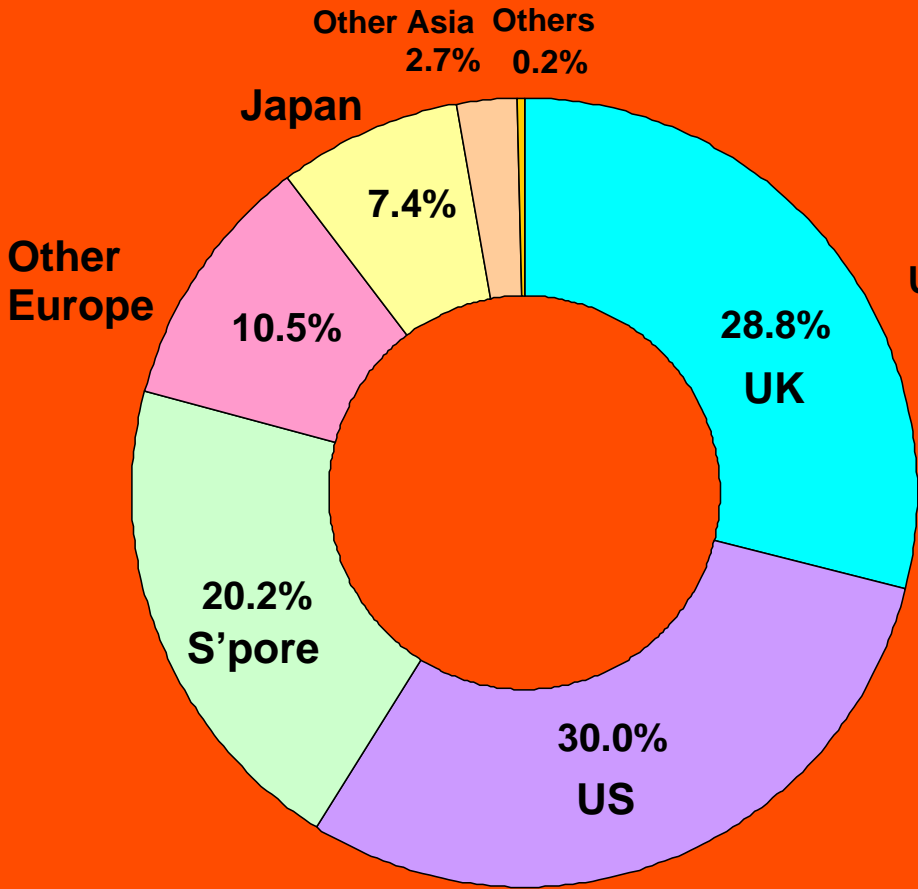
Shareholder	Shares Held	%
Kewalram Chanrai Group (KSL)	413,134,877	26.6
Olam Management	258,678,991	16.6
AIF	119,274,471	7.7
Public	763,496,061	49.1
Total	1,554,584,400	100.00

❖ A total of 185 institutional shareholders across 19 countries identified as of end March 2007 (Source: Thomson Financial)

Distribution of Public Institutional Shareholders

By Geography

By Investment Style



Top 20 Public Institutional Shareholders (By Alphabetical Order)

1.	AIG Global Investment	11.	Old Mutual
2.	Barclays Group	12.	Penta Investment
3.	Capital Group	13.	Prudential Asset Management
4.	Charles Schwab Corporation	14.	Putnam Investment
5.	Deutsche Bank	15.	State Street Global Advisors
6.	F&C Asset Management	16.	T. Rowe Price
7.	Fidelity	17.	UBS Group
8.	JP Morgan Chase & Co	18.	Universities Superannuation
9.	Mellon Financial Corporation	19.	Waddell & Reed
10.	NTUC Income Insurance	20.	William Blair & Co.

Outlook & Prospects



Outlook & Prospects:

- ❖ We are continuing to execute well on our strategic plans and identified growth initiatives in the different businesses.
- ❖ Barring any unforeseen circumstances, we continue to be positive on the overall business outlook as we head into Q4 FY2007.
- ❖ The company has in the recent past announced a number of acquisitions and joint ventures. The completion of these transactions are subject to certain closing conditions/approvals from relevant authorities and the outcome is uncertain till these conditions/approval are met/granted.
- ❖ Please refer particularly to the description of the seasonality of our business under the section “Background to analysing our Financial Statements” on page 11 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

