



PERFORMANCE REVIEW HALF YEAR (JAN-JUNE 06)

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OVERVIEW
Jan-June '05

VS
Jan-June '06



SALES GROWTH

FOODS: Value up 47%

SOAPS: Value up 29%

DETERGENTS: Value up 38%

TOTAL SALES: Value up 38%

Tonnage up 46%

Tonnage up 21%

Tonnage up 31%

Tonnage up 28%

MANUFACTURING TONNAGE GROWTH

FOODS: 37% SOAPS: 16% DETERGENTS: 47%

TOTAL PRODUCTION: 22%

KEY PERFORMANCE INDICATORS

- **17% Saving in Power Consumption**
- **5% Saving in Steam Consumption**
- **11% Saving in Man-hours/Ton**
- **Zero Accident Rate in Plant between Jan-June 06**

Production Tonnage Comparison

PRODN (TONS)	ACHIEVED JAN/JUNE 2005	ORIGINAL TARGET 2006	ACHIEVED JAN/JUNE 2006	BALANCE TO BE ACHIEVED	REVISED TARGET JULY/DEC	REVISED TOTAL 2006
BONA	513	2000	1194	806	1310	2504
B.BAND	1503	6885	1889	4996	4996	6885
OIL	3426	10560	4375	6185	6185	10560
FOODS	5,442	19,445	7,458	11,987	12,491	19,949
LE COQ	1663	5100	3850	1250	4780	8630
ELEPHANT	4902	13200	4113	9087	4050	8163
BRILLANT	1604	4320	1490	2830	3424	4914
M'GANGA	2173	7500	2593	4907	4907	7500
FAMILIA	4211	9500	4813	4687	5600	10413
SOAPS	14,553	39,620	16,859	22,761	22,761	39,620
OMO	560	2580	784	1796	1796	2580
S'MOUSSE	31	250	75	175	195	270
NGUVU	0	125	11	114	120	131
DETERGENT	591	2,955	870	2,085	2,111	2,981
GRAND TOTAL	20,586	62,020	25,187	36,833	37,363	62,550

**Increase in production volumes
(Jan/June 05 vs. Jan/June 06)**

	JAN/JUNE 2005	JAN/JUNE 2006	Increase (Tons)	Increase (%)
FOODS	5,442	7,458	2016	37%
SOAPS	14,553	16,859	2306	16%
DETERGENTS	591	870	279	47%
TOTAL	20,586	25,187	4601	22%

Production Analysis

Reasons For Production Shortfall Against Target (Jan-June 2006)

- **FOODS** - No production for 35 days (maintenance shutdown plus oil shortage)
- **SOAPS** – No production for 35 days plus additional production loss due to shortage of Artisanal oil.
- **OMO** – No powder for 8 weeks (April & May 06: weeks 15 - 22).

Reasons For Revising Targets For Second Half (July-Dec 2006)

- **Increased Demand for Fats:** BONA increased by 504 tons due to increased demand from bakeries.
- **Focus on Higher Contribution Soaps:** Trying to make up tonnage lost in first half and maintain total tonnage but focus shifted to soaps giving higher contribution. Le Coq increased by 3530 tons, Brillant by 594 tons & Familia by 913 tons while Elephant has been reduced by 5051 tons.

ENGINEERING MAINTENANCE

Improvements in Key Performance Indicators (KPI)

**17% SAVING IN
POWER
CONSUMPTION
FROM
167 to 138
KWH/TON**

**5% SAVING IN
STEAM
CONSUMPTION
FROM
1.42 TO 1.35
TON/TON**

**11% SAVING IN
PER TON COST
OF LABOR FROM
18 TO 16
MAN HOURS/TON**

**ZERO ACCIDENT
RATE IN PLANT
BETWEEN
JAN - JUNE 06**

**We are the
warm heart
of the plant**

SOAP PLANT IMPROVEMENTS

- New vacuum system being installed to reduce steam consumption and improve soap quality.
- New rollers to improve soap engraving

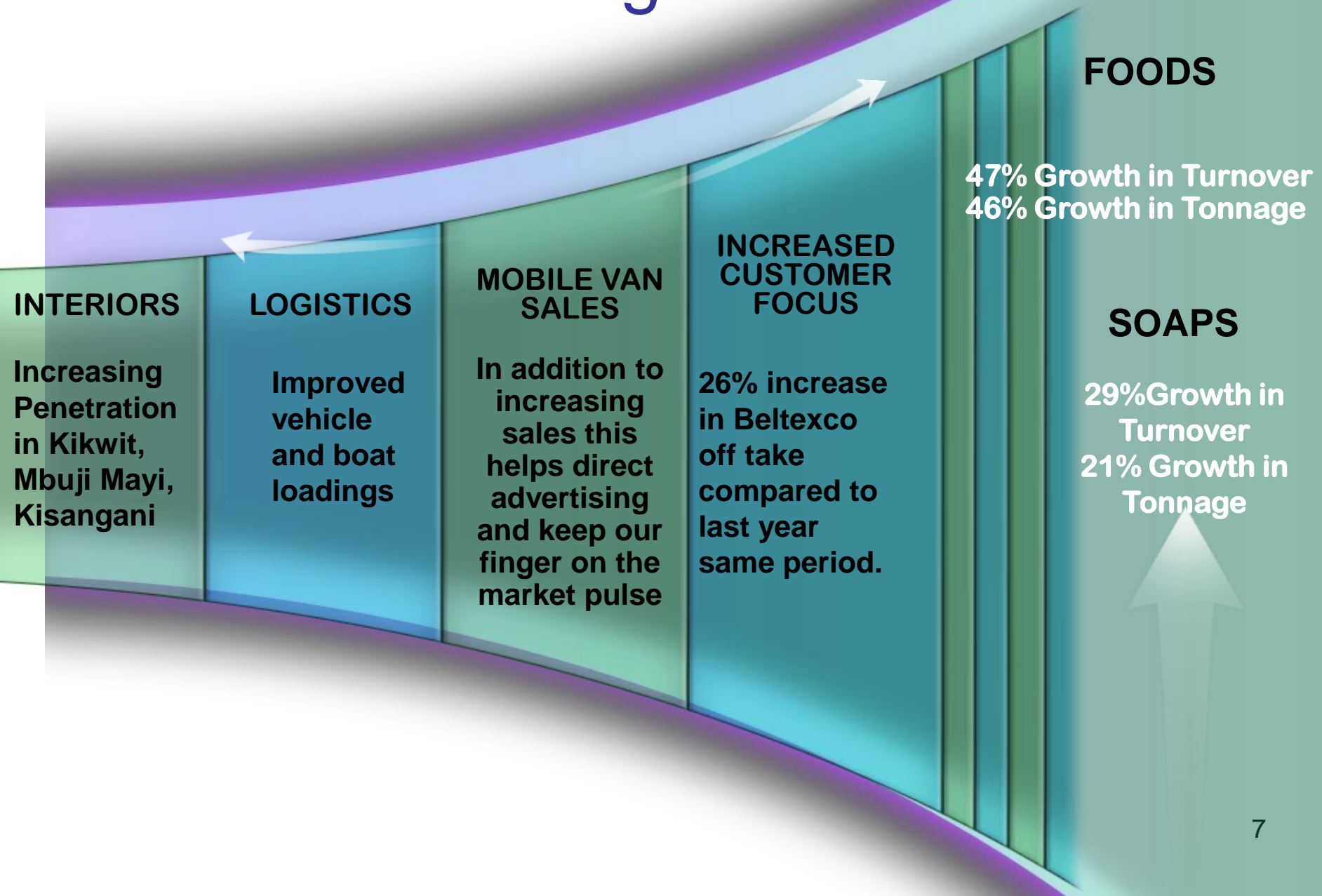
REFINERY IMPROVEMENTS

- Increased oil yield by fractionation improvement all agglomerators have been reconditioned.
- Improved Lurgi performance by booster nozzle modification.
- New Fatty acid pump for better PFAD extraction

IMPROVEMENTS IN OTHER AREAS

- New Lab, Engineering Offices, Engineering Workshop and new 500sqm Packing Material Warehouse all completed.
- Matadi storage capacity increased from 9050 Tons to 13500 Tons. Circulation facility incorporated in tanks.
- Separate pipeline & pump for artisanal oil pumping & racklage
- New Cerpelli 90TPH Pump installed - faster oil pumping at beach.
- Weighbridge automation & tanker offloading pipeline under construction.
- BENHIL M/C for 225gm Margarine packing commissioned (160 pots per minute or 2.16 tons/hour).
- CHERRY BURREL Votator with PLC commissioned (3.1 tons/hour)

Sales & Marketing



SALES PERFORMANCE

ITEM	ACHIEVED JAN/JUNE 2005		TARGET JAN/JUNE 2006		ACHIEVED JAN/JUNE 2006		INCREASE 2005/2006 TONS VAL	PROPOSED TARGET JULY/DEC 2006	
	TONS	VAL	TONS	VAL	TONS	VAL		TONS	VAL
BONA	483	0.480	1,014	1.010	1,211	1.178		1,200	1.167
B.BAND	1,309	2.468	2,527	3.983	1,873	3.412		4,314	7.759
OIL	3,198	3.352	4,633	5.010	4,200	4.711		5,908	6.640
FOODS	4,990	6.300	8,174	10.003	7,284	9.301	46% 47%	11,422	15.566
LE COQ	1,902	1.547	2,647	2.188	3,852	3.093		4,200	3.372
ELEPHAN	5,022	2.416	6,260	3.018	4,099	2.132		4,050	2.106
BRILLANT	1,350	1.259	1,937	1.788	1,532	1.404		2,400	2.200
MON'GA	1,979	2.191	3,489	3.812	2,891	3.146		4,608	5.014
FAMILIA	3,959	2.608	4,774	3.123	4,846	3.162		5,295	3.442
SOAPS	14,212	10.02	19,107	13.929	17,220	12.937	21% 29%	20,553	16.134
OMO	687	1.380	1,232	2.522	833	1.748		1,329	2.803
S'MOUSSE	17	0.012	127	0.125	72	0.056		178	0.147
NGUVU	--	--	60	0.060	21	0.031		104	0.155
D'GENTS	704	1.392	1419	2.707	926	1.835	31% 38%	1,611	3.105
TOTAL	19,906	17.71	28,700	26.611	25,590	24.517	28% 38%	33,586	34.805

PROPOSED REVISION IN SALES BUDGET

SALES (TONS)	ACHIEVED JAN/JUNE 2005	TARGET FULL YEAR 2006	ACHIEVED JAN/JUNE	BALANCE TO BE ACHIEVED	REVISED TARGET JULY/DEC	REVISED TARGET 2006
BONA	483	2000	1211	789	1200	2411
B.BAND /AXA	1309	6885	1873	5012	4314	6187
OIL	3198	10,560	4200	6360	5908	10,108
FOODS TOTAL	4,990	19,445	7,284	12,161	11,422	18,706
LE COQ	1902	5100	3852	1248	4200	8052
ELEPHANT	5022	13200	4099	9101	4050	8149
BRILLANT	1350	4320	1532	2788	2400	3932
M'GANGA	1979	7500	2891	4609	4608	7499
FAMILIA	3959	9500	4846	4654	5295	10,141
SOAPS TOTAL	14,213	39,620	17,220	22,400	20,553	37,773
OMO	687	2580	833	1747	1329	2162
S'MOUSSE	17	250	72	178	178	250
NGUVU	----	125	21	104	104	125
TOTAL DETERGENTS	704	2955	926	2029	1611	2537
GRAND TOTAL	19,907	62,020	25,430	36,590	33,586	59,176

Reasons For Revision:

Increased Demand for Fats: BONA increased by 411 tons (increased demand from bakeries).

Focus on Higher Contribution to achieve same turnover with 3000 tons less: Le Coq increased by 3530 tons (58%), Elephant has been reduced by 5051 tons (38%).

REVISED SALES FORECAST FOR 2006

ITEM	ORIGINAL TARGET JAN/DEC 2006		ACHIEVED JAN/JUNE 2006		PROPOSED TARGET JULY/DEC 2006		REVISED TARGET JAN/DEC 2006	
	TONS	VAL	TONS	VAL	TONS	VAL	TONS	VAL
BONA	2,000	1.992	1,211	1.178	1,200	1.167	2,411	2.345
B.BAND AXA	6,135 750	10.842 1. 125	1,873 -----	3.412 -----	4,314 -----	7.759 -----	6,187 -----	11.171 -----
OIL	10,560	11.103	4,200	4.711	5,908	6.640	10,108	11.351
FOODS	19,445	25.063	7,284	9.301	11,422	15.566	18,706	24.867
LE COQ	5,100	4.212	3,852	3.093	4,200	3.372	8,052	6.465
ELEPHANT	13,200	6.362	4,099	2.132	4,050	2.106	8,149	4.238
BRILLANT	4,320	3.987	1,532	1.404	2,400	2.200	3,932	3.604
MON'GA	7,500	8.197	2,891	3.146	4,608	5.014	7,499	8.160
FAMILIA	9,500	6.213	4,846	3.162	5,295	3.442	10,141	6.604
SOAPS	39,620	28.971	17,220	12.937	20,553	16.134	37,773	29.071
OMO	2580	5.282	833	1.748	1,329	2.803	2,162	4.551
S'MOUSSE	250	0.195	72	0.056	178	0.147	250	0.203
NGUVU	125	0.126	21	0.031	104	0.155	125	0.186
D'GENTS	2,955	5.603	926	1.835	1,611	3.105	2,537	4.940
TOTAL	62,020	59.639	25,430	24.517	33,586	34.805	59,176	59.322

Ongoing Projects: Workflow

TOILET SOAP LINE

Crutchers are up and pipeline work is on next container held up at Point Noire, expected end Aug. Completion end Nov.

LUBUMBASHI

Detergent packing machines Installed awaiting SNEL line to transformer (end August).

FOOD PACKING

New Cherry Burrel Votator 3.1 TPH commissioned.
Benhil Margarine packing Machine commissioned.

300TPD DESMET REFINERY

- Project site buildings demolished and site cleared/Soil testing completed.
- New Engineering office fully operational at new location.
- New Lab fully operational at new location.
- Engineering Workshop moved to new location.

Shipment of Deodorizer/Refinery equipment & Structures – Sept 06

Mobile Crane arrival – Oct 06

Foundation work- Sept/Oct 06

Structure & Machinery installation - Nov/Dec 06; Piping till Feb 07

Expected commissioning – April/May 07.

New Product Development

SOAPS

1. **LAUNDRY: SUNLIGHT** Trials are scheduled for end of July and if approved we manufacture 500gm bar laundry soap.
2. **TOILET:** After the new toilet soap line is operative by early next year we plan to launch:

Range of 75gm soaps

MONGANGA ++

MONGANGA BEBE

REVE DE PARIS

Range of 100-125 gm soaps

LUX (Madonna)

Range of 50gm soaps for Hotels & Monganga Mini for Hospitals

FOODS

AXA Margarine & BONA Baking Fat with butter flavor - trials in August 06

Developing Palm oil based: Mayonnaise & Coco Butter Equivalent (CBE)

NEW PROJECTS TO TAKE CARE OF INCREASE IN OIL OUTPUT

With new refinery on line the daily oil filling capacity would have to increase to 180tons/day. Approximate breakdown of filling per day:

PET BOTTLES – 25,000 per day

500 ml = 5tons (11,000 bottles)

1000ml = 10tons (11,000 bottles)

HDPE JERRY CANS – 23,300 per day

3ltr = 10tons (3700 J/Cans)

5ltr = 65tons (14,500 J/Cans)

10lt = 15tons (1700 J/Cans)

20ltr = 45tons (2500 J/Cans)

25ltr = 20tons (900 J/Cans)

So we need to go in for following new projects:

1. 2 Automatic Oil Filling Lines for PET Bottles (500ML & 1 LIT).
2. 2 Automatic Oil Filling Lines for Jerry Cans
3. PET Bottle & HDPE Jerry Can Manufacturing Plant
4. Carton Manufacturing Plant
5. Integrated Oil offloading network

NEW PROJECTS

1. AUTOMATIC OIL FILLING LINES

(automatic filling, capping & labeling of PET bottles & HDPE Jerry cans)



2. PLASTICS MFG.

PET BOTTLES & CAPS

(100,000 bottles per day:
500ml & 1lit for oil /
Soumaousse)

HDPE JERRY CANS & LIDS

(25,000 Jerry cans per day:
3, 5, 10, 20 & 25 lit)



3. CORRUGATED CARTON MFG. PLANT (Capacity 4tons /day)

4. WASTE PAPER RECYCLING PLANT (2tons/day)

5. Tanker Offloading at Weighbridge & additional oil pipelines

6. New quay for Beltexco at Rafi

7. Additional Warehouses at Rafi

SUMMARY OF NEW PROJECTS

Project Description	Time Frame	Estimated Cost
1. OIL FILLING: Four Automatic Oil Filling Lines – with Capping, Labeling and counting suitable for Oil Bottles & Jerry Cans.	Delivery – 4 months. Orders to be placed in August 06 for Feb/March 2007 commissioning	Equipment cost India – \$300,000 Italy/France - \$800,000 Installation/Piping/tanks - \$200,000
2. (a) PET BOTTLE MAKING PLANT: Suitable for 100,000 bottles & caps per day with pre-form and cap injection and bottle blowing plus all accessories	Delivery – 3 months. Orders to be placed in August 2006 for Feb/March 2007 commissioning	China - \$400,000
2 (b) JERRY CAN MANUFACTURING PLANT: Suitable for making 25,000 Jerry Cans per day.	Delivery – 3 months. Order to be placed in August 2006 for Feb/March 2007 commissioning	SMC Thailand (PLC control machines) \$ 1.12 million China (no PLC) \$1.05 million
2(c) Building /Installation/Piping/Electricals for 2 (a) & 2 (b)		\$500,000

NEW PROJECTS (Contd)

Project Description	Time Frame	Estimated Cost
Corrugated Carton Plant: 4 Tons per day corrugation & carton making plant with 2 color printer	Delivery 3 months. Order in August to be operational by Feb/March 2006	Micro M/C India – \$100,000 Building, Electricals & Installation \$500,000
Inbound Oil Terminal: This shall comprise of following 1. Tanker offloading bay at weighbridge with new KSB 60 tons/hr pump and 6" line for pumping imported CPO to tank yard. 2. Second CerPELLi 90tons/hr pump at beach for local industrial CPO with additional 6" line to tank yard. 3. Separate offloading point for Artisanal oil with smaller pump and separate pipeline to weigh tank.	Estimated completion of entire work by Dec 06	 \$ 75,000 \$150,000 \$ 75,000 <hr/> \$300,000 <hr/>
PRELIMINARY ESTIMATE OF TOTAL CAPITAL OUTLAY ON ALL THE ABOVE NEW PROJECTS: US\$ 4 Million		

Manpower Requirement

TECHNICAL (EXPAT)

1. Refinery Head – Oil Technologist with experience in oils & fats to take overall charge of new refinery including control of entire oil planning & oil logistics.
2. Instrumentation Engineer – Thorough knowledge of PLC's preferably SIEMENS and WIN-SCADA supervisory data acquisition program with process industry experience.
3. Project Engineer – Hands-on experience in project management to take charge of planning, installation & commissioning of all new projects.

TECHNICAL (LOCAL)

QA: Food Technologist (1), Micro Biologist (1), Lab Chemist (3).

Tank Yard & Oil Pumping: Pumpers / Operators (3).

Toilet soap line: Dryer operators (3), Crutcher operators (3).

FINANCE

Accountant – with knowledge of ERP & internal audit functions preferably with oil & soap experience.

SALES & MARKETING

Sales person with Marketing and Institutional Sales background and with “Fire in the belly”.

SCM

Dynamic local person for Artisanal oil procurement.

OIL REQUIREMENT JULY – DEC 2006

PROCESS		RBD	Stearine	Industrial Crude oil	Fatty Acid	PKO	Artisanal oil
Fractionation		10,308		11,084			
Bona		655	655	704			
Margarine		2,998	500	3,223		600	
for RBD		13,961	1,155	15,012		600	
Lecoq			1,398	1,427		311	
Elephant				517	203	101	1,253
Brillant			894	912		199	
Monganga				1,302	319	319	1,315
Familia			650	2,320		325	
for Soaps		0	2,941	6,477	521	1,254	2,568
Total Qty (MT)		13,961	4,096	21,489	521	1,854	2,568
TOTAL ANNUAL OIL REQUIREMENT: 48,000 tons CPO + 4000 tons PKO							

- We need to provide for importation of minimum 15,000 MT crude palm oil & 1000 MT palm kernel oil between now and October 2006.
- Due to non availability of local artisanal oil we shall have to mix 50% industrial CPO in Monganga & Elephant. Even then we have to arrange for procurement of 2500 MT artisanal oil in next 3 - 4 months which will be near impossible.

OUR PRESENT ANNUAL OIL REQUIREMENT: 48,000 Tons CPO
AFTER 2007 WITH THE NEW REFINERY ON LINE THIS WILL GO UP:
MONTHLY - 6000 FOR REFINERY + 2000 FOR SOAP = 8000 TONS
ANNUAL – 100,000 TONS
PRESENT LOCAL CPO MADE AVAILABLE TO US BY:
GAP + PLC: 20,000 TONS/YEAR
IMPORT NEED WOULD GO UP TO: 80,000 TONS OF CPO/YEAR
CONSIDERING AVERAGE PRICE DIFFERENCE - \$120/TON
TOTAL SAVINGS - LOCAL OIL AGAINST IMPORTED OIL

\$9.6 MILLION / YEAR

Oil Palm Plantation



*Path to
Success*

We need to seriously consider acquiring the PLC Plantation

PHC Present Max Yield – 30,000 tons/year

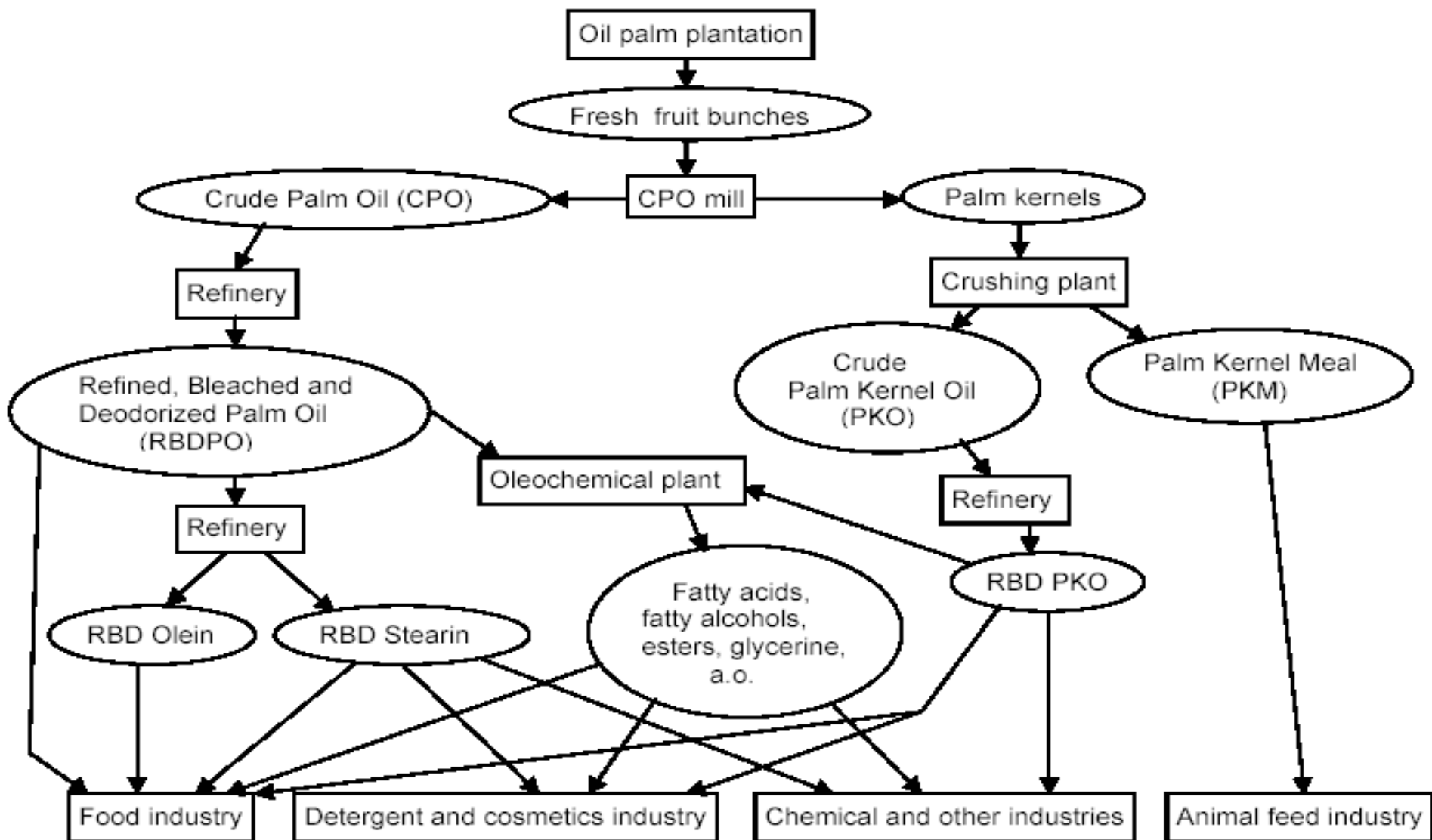
**Increase the yield to 40,000 tons/year by Equipment Balancing & Renovation (cost \$ 1 million) and injecting dynamic management (MARSAVCO style).
Increase to 100,000 tons by 2010. All financing will be internally generated.**

We cannot go wrong.....



- World consumption of palm oil is 28 million tons per year.
- Increasing demand due to higher vegetable oil consumption in developing economies like India and China.
- Prices firm as world stocks are limited.
- Edible oil usage in the European Union increased by 20% since 1995 but Palm oil usage showed a growth of 90%

Vast growing market for Palm Oil for Foods, Soaps and Oleochemicals



OIL PALM CHARACTERISTICS

- **Requires wet, tropical climate, temp 24-32 deg C**
- **Ideal region – 10 deg north & south of the Equator**
- **Altitude below 700 mtrs.**
- **Tree reaches maturity in 3-4yrs when it is 2 mtrs high then continues to grow @70cm per year to 10 mtrs height.**
- **Economic life: 20-25 years; Peak Production: 6th to 10th yr.**
- **Fresh Fruit Bunch (FFB) contains 1000-3000 fruits**
- **Each tree gives several bunches per year.**
- **Max fruit yield 35 tons/Hectare.**
- **FFB to be processed within 24hrs due to rapid build up of Free Fatty Acid so plantation must have its own CPO mill.**
- **CPO yield 20% or max 7 tons/Hectare highest of all oil crops, Soya bean yield is 0.5 ton/Hectare.**
- **Residue is used for fuel.**

The End