OLAM INTERNATIONAL LIMITED

Financial Statements for the Third Quarter Ended 31st March 2006

PART I: **Information required for announcements of Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Results.**

1(a) An income statement [for the ("Group") - Olam International Limited ("Company") and its subsidiaries] together with a comparative statement for the corresponding period of the immediately preceding financial year.

Profit & Loss Statement – Nine Months FY2006: Group

(in S$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 06	31 Mar 05	%	31 Mar 06	31 Mar 05	%
Revenue						
Sales of goods	3,342,300	2,556,151		1,425,315	1,099,557	
Other revenue	12,324	8,503		2,766	4,794	
	3,354,624	**2,564,654**	**31%**	**1,428,081**	**1,104,351**	**29%**
Costs and expenses						
Cost of goods sold	2,661,478	2,054,843		1,171,760	943,153	
Shipping and logistics	401,574	309,737		157,582	81,477	
Commission and claims	34,330	19,405		4,867	4,059	
Staff costs	38,035	27,976		12,763	10,099	
Share-based compensation	1,070	616		229	616	
Depreciation	8,321	4,889		2,966	1,723	
Measurement of derivative instruments	2,153	-		(530)	-	
Gain on foreign exchange	(6,515)	(5,291)		(10,342)	(3,553)	
Other operating expenses	71,928	61,790		29,751	24,191	
	3,212,374	**2,473,965**		**1,369,046**	**1,061,765**	
Profit from operating activities	**142,250**	**90,689**	**57%**	**59,035**	**42,586**	**39%**
Finance costs	(72,595)	(36,554)	**99%**	(23,587)	(14,199)	**66%**
Share of gain/(loss) of jointly controlled entities	288	(62)		251	-	
Profit before taxation	**69,943**	**54,073**	**29%**	**35,699**	**28,387**	**26%**
Taxation	(8,044)	(6,563)		(4,448)	(3,480)	
Profit for the financial period	**61,899**	**47,510**	**30%**	**31,251**	**24,907**	**25%**

Notes:

(in S$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 06	31 Mar 05	%	31 Mar 06	31 Mar 05	%
Other operating expenses include bank charges of	12,499	14,768		3,614	4,227	
Other revenue includes interest income of	4,062	754		1,020	461	
Gross Contribution	245,331	170,376	**44%**	100,361	74,527	**35%**
Net Contribution	176,798	134,576	**31%**	77,794	60,789	**28%**

1(b)(i) A Balance Sheet (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet: Group & Company

(in S$'000)	Group		Company	
	31 Mar 2006	30 Jun 2005	31 Mar 2006	30 Jun 2005
Fixed assets	60,910	39,166	1,872	665
Subsidiary companies	-	-	39,327	50,120
Deferred tax assets	2,584	860	2,365	717
Investments	2,283	1,484	2,275	1,606
Current assets				
Amounts due from subsidiary companies	-	-	253,393	200,314
Amounts due from a corporate shareholder	2	-	2	-
Trade debtors	605,166	649,179	499,511	531,810
Margin accounts with brokers	40,506	57,335	40,506	57,079
Stocks	1,055,876	1,019,025	268,322	314,035
Advance payment to suppliers	217,016	90,881	143,629	51,940
Advance payment to subsidiary companies	-	-	837,489	619,878
Other debtors	233,188	119,143	108,238	54,776
Fixed deposits	24,588	61,655	2,433	60,897
Cash & bank balances	139,323	103,712	41,664	21,082
	2,315,665	**2,100,930**	**2,195,187**	**1,911,811**
Current liabilities				
Trade creditors and accruals	163,385	175,026	94,352	130,395
Other creditors	75,698	9,789	75,141	7,368
Amount due to bankers	920,801	1,187,967	854,969	1,075,752
Medium term notes	384,796	262,780	384,796	262,780
Provision for taxation	10,950	8,627	1,304	4,817
	1,555,630	**1,644,189**	**1,410,562**	**1,481,112**
Net current assets	760,035	456,741	784,625	430,699
Term loans from banks	(217,742)	-	(217,742)	-
Long term medium term notes	(130,321)	-	(130,321)	-
	477,749	**498,251**	**482,401**	**483,807**
Share capital	396,954	155,459	396,954	155,459
Reserves	112,525	340,151	120,079	325,707
Fair value adjustment reserves	(34,614)	-	(37,516)	-
Share-based compensation reserves	2,884	2,641	2,884	2,641
	477,749	**498,251**	**482,401**	**483,807**

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31/03/2006		As at 30/06/2005	
	Secured	Unsecured	Secured	Unsecured
	(in S$'000)	(in S$'000)	(in S$'000)	(in S$'000)
Overdrafts	-	3,754	-	77,558
Loans	-	917,047	-	1,110,409
Medium term notes	-	384,796	-	262,780
Total	**-**	**1,305,597**	**-**	**1,450,747**

Amount repayable after one year

	As at 31/03/2006		As at 30/06/2005	
	Secured	Unsecured	Secured	Unsecured
	(in S$'000)	(in S$'000)	(in S$'000)	(in S$'000)
Long term loans from banks	-	217,742	-	-
Long term medium term notes	-	130,321	-	-
Total	**-**	**348,063**	**-**	**-**

Details of any Collateral

N/A

1(c) A Cash Flow Statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(in S$'000)	Group		Group	
	Nine Months Ended		Three Months Ended	
	31 Mar 2006	31 Mar 2005	31 Mar 2006	31 Mar 2005
Cashflows from operating activities				
Operating profit before taxation	69,943	54,073	35,699	28,387
Adjustments for:				
Share of (gain)/loss of jointly controlled entities	(288)	62	(251)	-
Depreciation of fixed assets	8,321	4,889	2,966	1,723
Gain on disposal of assets	(4)	-	(4)	-
Measurement of derivative instruments	2,153	-	(530)	-
Share-based payment expense	1,070	616	229	616
Interest income	(4,062)	(754)	(1,020)	(461)
Interest expense	72,595	36,554	23,587	14,199
Operating profit before reinvestment in working capital	**149,728**	**95,440**	**60,676**	**44,464**
Decrease in amount due from a related party	-	3,000	-	-
Increase in stocks	(36,851)	(244,285)	(14,838)	(108,453)
Increase in debtors	(24,230)	(159,630)	(117,973)	(179,317)
(Increase) / decrease in advance payment to suppliers	(126,135)	(73,197)	38,168	21,119
(Decrease) / increase in creditors	(13,907)	(56,897)	50,331	7,122
Cashflows (used in) / generated from operations	**(51,395)**	**(435,569)**	**16,364**	**(215,065)**
Interest expenses paid	(67,542)	(36,554)	(29,778)	(14,199)
Interest income received	4,062	754	1,020	461
Tax paid	(5,576)	(4,594)	(1,834)	(3,174)
Net cashflows used in operating activities	**(120,451)**	**(475,963)**	**(14,228)**	**(231,977)**
Cashflows from investing activities				
Proceeds from disposal of fixed assets	444	-	21	-
Purchase of fixed assets	(32,421)	(14,211)	(11,506)	(5,619)
Advances to jointly controlled entity	(578)	(1,363)	(181)	(1,363)
Net cashflows used in investing activities	**(32,555)**	**(15,574)**	**(11,666)**	**(6,982)**
Cashflows from financing activities				
Dividends paid on ordinary shares by the Company	(33,579)	(24,272)	-	-
Increase in amount due to a corporate shareholder	(2)	(1,403)	(2)	-
Proceeds from issue of ordinary shares at premium	-	234,882	-	217,882
Repayment of term loan from banks	-	(266)	-	(187)
Increase in medium term notes	252,337	83,242	35,971	10,600
Repayment of long term loan from a corporate shareholder	-	(8,600)	-	-
Increase / (decrease) in loans from banks	24,380	266,011	(54,338)	43,662
Net cashflows provided by / (used in) financing activities	**243,136**	**549,594**	**(18,369)**	**271,957**
Net effect of exchange rate changes on cash and cash equivalents	(17,782)	(12,813)	(19,883)	(2,494)
Net increase / (decrease) in cash & cash equivalents	72,348	45,244	(64,146)	30,504
Cash & cash equivalents at beginning of period	87,809	32,656	224,303	47,396
Cash & cash equivalents at end of period	**160,157**	**77,900**	**160,157**	**77,900**

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(in S$'000)	GROUP		COMPANY		GROUP		COMPANY	
	For the period		For the period		For the period		For the period	
From	1 Jul 05	1 Jul 04	1 Jul 05	1 Jul 04	1 Jan 06	1 Jan 05	1 Jan 06	1 Jan 05
To	31 Mar 06	31 Mar 05	31 Mar 06	31 Mar 05	31 Mar 06	31 Mar 05	31 Mar 06	31 Mar 05
Share Capital								
Balance at beginning	155,459	100,791	155,459	100,791	155,459	118,615	155,459	118,615
Issuance of ordinary shares	-	54,668	-	54,668	-	36,844	-	36,844
Transfer from share premium (Note 1)	241,495	-	241,495	-	241,495	-	241,495	-
Balance at end	396,954	155,459	396,954	155,459	396,954	155,459	396,954	155,459
Reserves								
Share Premium								
Balance at beginning	241,495	36,035	241,495	36,035	241,495	60,813	241,495	60,813
Issuance of ordinary shares	-	205,816	-	205,816	-	181,038	-	181,038
Transfer to share capital (Note 1)	(241,495)		(241,495)		(241,495)	-	(241,495)	-
Balance at end	-	241,851	-	241,851	-	241,851	-	241,851
Foreign Currency Translation Reserves								
Balance at beginning	(24)	(4,005)	5,834	3,079	2,528	(14,332)	8,316	(6,886)
Foreign currency translation adjustment	(16,841)	(12,817)	(16,993)	(14,107)	(19,393)	(2,490)	(19,475)	(4,142)
Balance at end	(16,865)	(16,822)	(11,159)	(11,028)	(16,865)	(16,822)	(11,159)	(11,028)
Revenue Reserves								
Balance at beginning, as previously reported	99,795	57,042	79,493	40,320	98,139	55,373	85,092	35,686
Adjustment for change in accounting policy	1,275	-	1,515	-	-	-	-	-
Balance at beginning, as restated	101,070	57,042	81,008	40,320	98,139	55,373	85,092	35,686
Profit for the financial period	61,899	47,510	83,809	44,171	31,251	24,907	46,146	24,533
Dividends paid during the period	(33,579)	(24,272)	(33,579)	(24,272)	-	-	-	-
Balance at end	129,390	80,280	131,238	60,219	129,390	80,280	131,238	60,219
Total Reserves	112,525	305,309	120,079	291,042	112,525	305,309	120,079	291,042
Fair Value Adjustment Reserves								
Balance at beginning	-	-	-	-	(56,003)	-	(56,217)	-
Adjustment for change in accounting policy	(31,941)	-	(31,969)	-	-	-	-	-
Fair Value adjustment during the period	(2,673)	-	(5,547)	-	21,389	-	18,701	-
Balance at end	(34,614)	-	(37,516)	-	(34,614)	-	(37,516)	-
Share-based Compensation Reserves								
Balance at beginning, as previously reported	-	-	-	-	2,825	-	2,825	-
Adjustment for change in accounting policy	2,641	-	2,641	-	-	-	-	-
Balance at beginning, as restated	2,641	-	2,641	-	2,825	-	2,825	-
Share-based payment during the period	243	2,549	243	2,549	59	2,549	59	2,549
Balance at end	2,884	2,549	2,884	2,549	2,884	2,549	2,884	2,549
Total Equity	**477,749**	**463,317**	**482,401**	**449,050**	**477,749**	**463,317**	**482,401**	**449,050**

Note 1 : Pursuant to the Companies (Amendment) Act 2005 effective 30 January 2006, the concept of authorized share capital and par value has been abolished. The credit in the share premium account has been transferred to the share capital account as at that date.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	MAR 2006	MAR 2005
Issued, fully paid share capital		
Balance no. of shares as at 1st July	1,554,584,400	503,954,686
Conversion of redeemable preference shares each on 21-Oct-04		52,161,689
Issue of ordinary shares on 02-Dec-04		29,835,700
Issue of ordinary shares on 14-Dec-04		7,120,822
Sub Total of above Shares	**1,554,584,400**	**593,072,897**
Above Shares sub divided on 04-Jan-05	**1,554,584,400**	**1,186,145,794**
Issue of further ordinary shares through an IPO on 11-Feb-05		312,188,606
Issue of further ordinary shares through exercise of over allotment option on 04-Mar-05		56,250,000
Total No. of Shares outstanding as at 31st March	**1,554,584,400**	**1,554,584,400**

Note:

The number of ordinary shares shown above as at 1st July 2004 are before sub division. Each share was sub-divided into 2 ordinary shares on 4th January 2005.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.
The financial statements presented above have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N/A

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under Note 5, the same accounting policies and methods of computation have been followed as in our last audited financial statements dated 30th June 2005.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 30th June 2005, except for the adoption of the following new Financial Reporting Standards (FRS), that are mandatory for the financial year beginning 1st July 2005

FRS 39	Financial Instruments: Recognition and Measurement
FRS 102	Share-based Payment

FRS 39

In accordance with the transitional provisions of FRS 39, there has been no restatement of results for the period ended 30th June 2005. The impact of the transitional adjustments on the group on 1st July 2005 and adjustments as on 31st March 2006 are detailed below:

(in S$'000)	Current Asset	Current Liabilities	Deferred taxation	Foreign Exchange Translation Reserves	Fair Value Adjustment Reserves	Profit & Loss Account	Revenue Reserves
Transitional adjustments as on 1 July 2005							
Measurement of derivative instruments	136,774	(168,177)	1,681	-	31,941	-	(2,219)
Measurement of financial instruments at amortised cost	171	-	-	-	-	-	(171)

(in S$'000)	Current Asset	Current Liabilities	Deferred taxation	Foreign Exchange Translation Reserves	Fair Value Adjustment Reserves	Profit & Loss Account	Revenue Reserves
Measurement for the period ended 31 March 2006							
Measurement of derivative instruments	(107,145)	105,053	(4)	(2,730)	2,673	2,153	-
Measurement of financial instruments at amortised cost	1,694	-	-	55	-	(1,749)	-

As a result of the adoption of FRS 39, we have introduced a new line “Fair Value Adjustment Reserve” in the Balance Sheet to capture the changes to the equity. The Equity on 1st July 2005 was reduced by S$29.6 million as a result of these adjustments. For the nine months ended 31st March 2006, the effect of adopting FRS 39 was a reduction in profits of S$0.4 million.

FRS 102

During the half year the company also adopted FRS 102. There has been two schemes that have been covered under the provision of FRS 102 :

1. Employee Share Subscription Scheme (ESSS)
2. Employee Share Options Scheme (ESOS)

Since both these schemes where launched prior to the IPO and considering the performance of the shares post IPO, we have revised our computations of perquisite value under these above schemes. The details are as under:

	Prior Year Adjustment S$'000	**9 Months FY 2006 S$'000**	**4th Qtr FY 2006 S$'000**	**Balance Carried Forward S$'000**	**Total S$'000**
ESSS	931	827	184	515	2,457
ESOS	184	243	64	246	737
Total	1,115	1,070	248	761	3,194

The relevant adjustments have been incorporated in the financial statements presented herewith.

The following balance sheet comparative figures have been adjusted due to the adoption of FRS 102:

	GROUP			COMPANY		
	As Restated S$'000	Adjustment S$'000	As previously stated in 2005 Annual Report S$'000	As Restated S$'000	Adjustment S$'000	As previously stated in 2005 Annual Report S$'000
Other Debtors	119,143	1,526	117,617	54,776	1,526	53,250
Share based payment reserves	2,641	2,641	-	2,641	2,641	-

6. Earnings per ordinary share of the Group for the current financial period reported and for the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	Nine Months Ended		Three Months Ended	
	31 Mar 2006	31 Mar 2005	31 Mar 2006	31 Mar 2005
(a) Based on weighted average no. of shares (Cents/share)	3.98	3.95	2.01	1.83
(b) Based on fully diluted basis (Cents/share)	3.96	3.88	2.00	1.82
Weighted average no. of shares applicable to basic earnings per share	1,554,584,400	1,203,215,125	1,554,584,400	1,360,990,097
Weighted average no. of shares based on fully diluted basis	1,562,796,079	1,224,809,750	1,563,771,900	1,364,918,668

7. Net asset value (for the Issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:

(a) Current financial period reported on; and

(b) Immediately preceding financial year.

(In Cents per Share)	Group		Company	
	As at 31 Mar 06	As at 30 Jun 05	As at 31 Mar 06	As at 30 Jun 05
Net asset value per ordinary share based on issued share capital as at end of the period	30.73	32.05	31.03	31.12

Note: For comparison with NAV of June 05, the revised Net Asset Value per share after removing the impact of change in accounting policy due to the adoption of FRS 39 as at 31 March 2006 would be 32.96 cents per share for Group (32.05 cents as of Jun'05) and 33.44 cents per share for Company (31.12 cents as of Jun'05).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Introduction

Olam is a leading, global, integrated supply chain manager of agricultural products and food ingredients with operations in 41 countries. Since the establishment of our business in 1989, we have evolved from a single country, single, product trader to a multi country, multi product supply chain manager. Today, we manage an integrated supply chain for over 14 agricultural products. As supply chain managers, we are engaged in the sourcing, processing, warehousing, transportation, shipping, distribution and marketing of these products from the farm gate in the producing countries to the factory gate of our customers in the destination markets while managing the risks at each stage of the supply chain. We organize the 14 products that we supply into 4 business segments as given below:

Business Segment	Products
Edible Nuts, Spices & Beans	Cashews, Other Edible Nuts (Peanuts, Almonds, Hazelnuts) Spices (Pepper, Cloves, and other spices) Sesame Beans (Pulses, Lentils & Peas)
Confectionery & Beverage ingredients	Cocoa Coffee Sheanuts
Food Staples & Packaged Foods	Rice Sugar Dairy Products Packaged Foods
Fibre & Wood Products	Cotton Timber

Background to analysing our Financial Statements

Profitability

a. ***Gross and Net Contribution:*** We measure and track our profitability in terms of Gross Contribution (GC) and Net Contribution (NC) per ton of product supplied. GC is calculated as total revenue less cost of goods sold (raw material costs plus other direct costs, including packing costs etc.), shipping and logistics expenses, claims and commission, bank charges, fair value adjustment, gain / loss on foreign exchange and share of profit/loss from jointly controlled entity. For the purposes of determining Net Contribution, we deduct the net interest expense from the GC. We consider interest expense to be a variable cost and is a function of our inventory holding periods. We mainly use short term, transactional, self liquidating, working capital funding to finance our short term inventories and debtors. For every transaction, we target a minimum net contribution per ton of product supplied based on the risks, complexities, and value added services that we provide to our customers to meet their specific requirements. We are focused on enhancing these margins through providing value added services including vendor managed inventory services (VMI), organic certification, fair trade produce certification (FTP), customized grades and quality, proprietary market intelligence and risk management solutions to our customers.

b. ***Volumes:*** The second key driver to our profitability is the volume of products supplied. Given our integration and end-to-end supply chain capabilities, we seek to match the supply of our products with demand from our customers. The volume of agricultural products that we supply are largely within our control and is a function of the extent of our supply chain infrastructure in the origins (producing countries) and the markets (consuming countries).

c. ***Seasonality :*** Production of agricultural products is seasonal in nature. The seasonality of the products in our portfolio depends on the location of the producing country. The harvesting season for most of the agricultural products for countries situated in the northern hemisphere generally falls between October to March. Countries in the southern hemisphere have harvesting seasons between April to September. It is also not unusual to experience both some delay as well as early start to the harvesting seasons in these countries based on actual weather patterns in that particular year. In addition to an early or delayed harvesting season, the precise timing and size of arrivals of these products can also vary based on the farmer's selling decisions, which is mainly a function of his view on prices and his inventory holding capacity. The majority of our Origins are located in the northern hemisphere. Consequently, our earnings tend to be relatively higher in the Second Half of the Financial Year (January to June) compared to the First Half of the Financial Year (July to December).

Based on this seasonality, we expect the phasing of our earnings to be as follows:

Q1 July - Sept	Q2 Oct - Dec	**1st Half July - Dec**	Q3 Jan - March	Q4 Apr - June	**2nd Half Jan - June**
5 – 10%	25 – 30%	**30 – 40%**	35 – 40%	25 – 30%	**60 – 70%**

Profit and Loss Statement

Volumes:

The Group recorded a 23.6% growth in Sales Volumes to 0.986 million tons for the 3rd quarter ended 31st March 2006 (Q3 FY2006) compared to 0.797 million tons for the previous corresponding quarter ended 31st March 2005 (Q3 FY2005). Strong Volume growth was registered across all four business segments.

The Group achieved a 25.3% growth in Sales Volumes to 2.484 million tons for the nine months ended 31st March 2006 (9M FY2006) compared to 1.983 million tons for the corresponding nine months of previous year ended 31st March 2005 (9M FY2005). Strong Volume growth was registered across all four business segments.

Sales revenues:

Sales Revenues for Q3 FY2006 increased by 29.6% to S$1,425.3 million from S$1,099.6 million in Q3 FY2005. Sales revenues registered increases across 3 out of 4 business segments. 84% of the increase in sales revenues was contributed by increase in volumes and 16% of the revenue increase was contributed by increase in prices.

Sales Revenues for 9M FY2006 increased by 30.8% to S$3,342.3 million from S$2,556.2 million in 9M FY2005. Sales revenues registered increases across 3 out of 4 business segments. Sales revenues in the edible nuts, spices and beans segment were lower by 8.9% in 9M FY2006 compared to 9M FY2005 despite a 19.7% growth in sales volumes. This is due to sharp price fall across the range of edible nut including cashew and almond during this period. 84% of the increase in sales revenues was contributed by increase in volumes and 16% of the revenue increase was contributed by increase in prices.

Gross Contribution:

Gross Contribution (GC) increased by 34.7% to S$100.4 million for Q3 FY2006 compared to S$74.5 million in Q3 FY2005. GC increased across all 4 business segments during the quarter.

Gross Contribution (GC) increased by 44.0% to S$245.3 million for 9M FY2006 compared to S$170.4 million in 9M FY2005. GC increased across all 4 business segments during the year. In 9M FY2006, we adopted FRS 39 and as a result have fair valued the derivative instruments and re-measured the financial instruments. The net impact in the profit and loss account due to this has been a reduction of profits of S$0.40 million for this period.

Interest and Net Contribution:

Total net interest cost increased by 64.3% to S$22.6 million in Q3 FY 2006. The interest cost per ton increased to S$23 per ton from S$17 during the corresponding period last year. Net Contribution per ton improved to S$79 per ton in Q3 FY2006 compared to S$76 in Q3 FY2005. Increased volumes and margin improvement initiatives resulted in total Net Contribution growing by 28.0% to S$77.8 million in Q3 FY2006 as compared to S$60.8 million during the corresponding period last year.

Total net interest cost increased by 91.4% or S$32.7 million to S$68.5 million in 9M FY2006. The interest cost per ton increased to S$28 per ton from S$18 during the corresponding period last year. Increase of 64.0% in interest cost has been due to increased level of working capital employed to support the enhanced volumes while 36.0% increase was due to the increase in the LIBOR rates. In line with FRS 39, we have deferred discounting charges and as a result interest cost has gone down by S$0.01 million. Most of the increase in interest cost was passed on to either our customers or suppliers as the case may be. As a result Net Contribution per ton improved to S$71 per ton in 9M FY2006 compared to S$68 in 9M FY2005. Increased volumes and margin improvement initiatives resulted in total Net Contribution growing by 31.4% to S$176.8 million in 9M FY2006 as compared to S$134.6 million during the corresponding period last year.

Total NC improved across all 4 business segments. Increased volumes accounted for 83% of this increase and the balance 17% was on account of margin improvement initiatives.

The following table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the three months ended 31st March 2006 (Q3 FY2006) and 31st March 2005 (Q3 FY2005).

Q3 FY2006: Segmentals

	Sales Volume (in Metric Tons)		Sales Revenue (in S$'000)		Gross Contribution (GC) (in S$'000)		Net Contribution (NC) (in S$'000)	
Segment	**Mar 06**	**Mar 05**	**Mar 06**	**Mar 05**	**Mar 06**	**Mar 05**	**Mar 06**	**Mar 05**
Edible Nuts, Spices & Beans	150,851	122,728	153,166	180,174	18,495	15,375	16,311	13,832
Per ton (S$)			**1,015**	**1,468**	**123**	**125**	**108**	**113**
Confectionery & Beverage Ingredients	274,657	218,882	651,060	507,394	40,278	27,759	27,849	20,732
Per ton (S$)			**2,370**	**2,318**	**147**	**127**	**101**	**95**
Food Staples & Packaged Foods	322,026	269,783	219,174	156,574	13,994	11,505	9,718	8,672
Per ton (S$)			**681**	**580**	**43**	**43**	**30**	**32**
Fibre & Wood Products*	238,005	185,812	401,915	255,415	27,594	19,888	23,916	17,553
Per ton (S$)			**1,689**	**1,375**	**116**	**107**	**100**	**94**
Total	**985,539**	**797,205**	**1,425,315**	**1,099,557**	**100,361**	**74,527**	**77,794**	**60,789**
Per ton (S$)					**102**	**93**	**79**	**76**

* Measured in cubic metres.

The following table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the nine months ended 31st March 2006 (9M FY2006) and 31st March 2005 (9M FY2005).

9M FY2006: Segmentals

	Sales Volume (in Metric Tons)		Sales Revenue (in S$'000)		Gross Contribution (GC) (in S$'000)		Net Contribution (NC) (in S$'000)	
Segment	**Mar 06**	**Mar 05**	**Mar 06**	**Mar 05**	**Mar 06**	**Mar 05**	**Mar 06**	**Mar 05**
Edible Nuts, Spices & Beans	338,498	282,772	389,460	427,483	41,188	33,911	32,247	28,831
Per ton (S$)			**1,151**	**1,512**	**122**	**120**	**95**	**102**
Confectionery & Beverage Ingredients	577,667	457,956	1,333,933	1,021,893	92,292	62,780	62,789	46,815
Per ton (S$)			**2,309**	**2,231**	**160**	**137**	**109**	**102**
Food Staples & Packaged Foods	1,102,665	891,826	864,399	609,476	52,923	34,964	35,871	26,477
Per ton (S$)			**784**	**683**	**48**	**39**	**33**	**30**
Fibre & Wood Products*	465,599	350,107	754,508	497,299	58,928	38,721	45,891	32,453
Per ton (S$)			**1,621**	**1,420**	**127**	**111**	**99**	**93**
Total	**2,484,429**	**1,982,661**	**3,342,300**	**2,556,151**	**245,331**	**170,376**	**176,798**	**134,576**
Per ton (S$)					**99**	**86**	**71**	**68**

* Measured in cubic metres.

We continue to make good progress in executing our strategy in Q3 FY2006 across all our four business segments. Some of the specific progress made segment wise in this quarter is highlighted below:

- **Edible nuts, Spices and Beans** segment grew both underlying sales volumes and NC by 22.9% and 17.9% respectively in Q3 FY2006 compared to Q3 FY 2005. While for 9M FY2006 Sales volumes and NC grew by 19.7% and 11.8% respectively as compared to 9M FY2005.

  As mentioned in the previous announcements, the trading condition for the Edible Nuts segment remained difficult due to sharp drop in the prices. This is reflected in revenues for this segment falling by 8.9% in 9M FY2006 despite a 19.7% growth in the underlying volumes. The procurement season in the Southern Hemisphere crops in Tanzania, Mozambique, Madagascar and Indonesia went off as per plans. While the East African season has been very good, the Brazilian trading conditions have been difficult on account of a strengthening currency and drop in sales prices. We are now focused on the Northern Hemisphere crops and there are mixed reports on the crop size in some key origins like Vietnam, India etc. The trial production commenced in our Peanuts processing facility in China during this quarter. Sesame and Spices business continue to perform strongly while the Pulses & Beans segment performed as expected during 9M FY2006.

- **Confectionery & Beverage Ingredients** segment had a particularly strong quarter with sales volume and NC growing by 25.5% and 34.3% respectively in Q3 FY2006 compared to Q3 FY2005. While for 9M FY2006 Sales volumes and NC grew by 26.1% and 34.1% respectively, as compared to 9M FY2005.

  Overall the Coffee business has shown strong growth in Q3. We continue to build on our position as the dominant Robusta Coffee supplier out of Asia and Africa. Trading conditions in Coffee in Vietnam continued to be difficult. Coffee has also witnessed above average volatility during this period. Our Arabica expansion in Brazil continues to make strong progress. We have had good growth in volumes from Cote d'Ivoire, Indonesia, India and Uganda. Our marketing investments in the US, Middle East, North Africa and Eastern Europe continue to yield benefits in diversifying our customer base and offering us better liquidity and value.

  The cocoa business has maintained its position as one of the major exporters from Africa and Asia during 9M FY2006. During this period, the market has traded in a narrow price range. Our earlier internal estimates for a modest deficit for the 2005-06 season has been revised upwards given the lower than expected size in arrival of the West African Crops, particularly, Cote d'Ivoire, Nigeria and Cameroon. A major trend that we have seen in Q3 is the continuing shift in customer demand from milk chocolate to dark chocolate that has increased demand for beans. This is also reflected in the robust grinding numbers reported this quarter in both Europe and the US. The business in the destination markets continue to develop as we continue our strategy of market penetration and deployment of additional marketing and trading resources in Western Europe, Eastern Europe and the U.S. to meet the increased demand in cocoa from our customers in these markets.

Both in cocoa and in coffee, we continue to develop our business in the supply of traceable raw materials by sourcing directly from co-operatives and farmer groups. We have also launched an awareness campaign for this purpose in some select countries in which we operate.

- **Food Staples & Packaged Food** segment registered a volume increase of 19.4% and an NC increase of 12.1% in the Q3 FY2006 compared to Q3 FY2005. While for 9M FY2006 Sales volumes and NC grew by 23.6% and 35.5% respectively as compared to 9M FY2005.

  The key contributor to the strong growth in this segment was our rice business in Nigeria. Although trading conditions in Q3 FY2006 deteriorated in Nigeria due to excess stocks in the country, we were able to make our budgeted margins due to our increased distribution reach. The quality from our rice milling operations has now stabilized and we are getting better realizations as a result. During this period, the white rice business has consolidated its distribution operations in the key markets of Ghana, Cameroon and Cote d'Ivoire, while we are establishing similar distribution strengths in other key markets. This is expected to generate increased off take over the rest of the year. Our strategy of expanding into the premium rice segments is paying dividends in most markets where we have made an entry.

  Sugar prices continue to remain strong and has increased by 77% during this period, primarily driven by an increasing rate of conversion of sugar into ethanol as crude oil prices has continued to remain firm. The sugar business has got off to a good start with the establishing of sourcing operations out of West and East Europe and marketing operations in Russia. Our sourcing operations in Poland have been particularly successful, where we had reported having built a sourcing book in excess of 100,000 mts from which we continue to ship in 3Q FY2006. The sourcing operations in Brazil continue to grow in strength with the increased vendor base from the major growing regions of Brazil. The business is also planning strategic investments in Sugar Refining and milling operations in Africa.

  We have decided to broaden the Dairy Products business by entering into the cheese business in Q4 FY2006 after completing a feasibility in Q3 FY2006 for the same and having identified an experienced industry resource, who is expected to join the team towards the end of Q4 FY2006. The standoff between Russia and Ukraine continues which affects Milk Powder trade from Ukraine into Russia. Sales of 'Pearl' Milk Powder in consumer packs stabilized in E. Africa and we have now launched 'Pearl' in Congo and Cote d'Ivoire. We have also developed plans to participate in the Sweet Condensed Milk and Evaporated Milk markets in Africa. We are pleased to report that our Milk Powder distribution operation in China has started in Q3 FY2006 and we expect to scale this up in Q4 FY2006 and beyond.

  The Packaged Foods Business continues to gain traction with increased depth and width of distribution in our principal market, Russia for our 3-in-1 coffee brands (Enrista and DelCafe). We have set up a factory for local manufacturing of 3-in-1s and expect to commence local production of 3-in-1 coffees in Russia in Q4 FY2006. The launched of our salted, roasted Edible Nuts line in Russia under the brand name 'Ponchos', has shown early promise and we intend to ramp up our distribution in this regard. We have also launched a range of 3-in-1 coffees in selected African markets, particularly in South Africa and Nigeria, where we have an established distribution presence. The initial results are very encouraging. We have recently launched tomato powder in the Nigerian market under the brand name 'Tasty Tom' and will be scaling up the operations in Q4 FY2006.

Fibre & Wood Products segment grew sales volume by 28.1% and NC by 36.3% in Q3 FY2006 compared to Q3 FY2005. While for 9M FY2006 Sales volumes and NC grew by 33.0% and 41.4% respectively as compared to 9M FY2005.

There has been a slow down in cotton demand in China in Q3 FY2006 primarily as a result of overstocking in the first half of this year. We expect Chinese demand to again pick up in Q4 FY2006. We have had a strong season in India and have become one of the leading exporters of Cotton from that country this year. We have also had a very strong year in East Africa across Tanzania, Uganda, Malawi, Zimbabwe, Sudan and Mozambique. We have gained market share in Bangladesh, Indonesia, Thailand and Taiwan markets during the quarter. Our sourcing operations in the CIS countries have expanded in Turkmenistan, Kazakhstan and Tajikistan, while we maintain our market shares in Uzbekistan. The US has witnessed sharply accelerated cotton shipments as exporters try and maximize Step 2 incentive benefits, which are being phased out from 1st July 2006. We are also participating in this opportunity quite successfully. We have now identified an experienced team to join us in Brazil to kick start our cotton operations in this origin that is becoming a significant cotton player.

Gabon continues to execute strongly in its forestry operations as well as Delivered In Store (DIS) sourcing of logs. The saw mill project in Gabon is progressing well and is expected to be completed on time. Cote d'Ivoire has performed strongly in 3Q FY2006. European demand had seen a slowdown in Q3 FY2006 whereas Chinese and Indian demand continues to be very strong. Our Marketing operations in Europe have been strengthened through the induction of an additional trader specializing in sawn timber sales. Brazil has invested in a new storage location and has added toll-processing facilities to handle increased volume. This will augment our capacity to place sawn timber from our processing initiatives and will open possibilities of moving further down the destination value chain into areas like redistribution and Vendor Managed Inventory (VMI) services.

Costs and Expenses

Our Selling, General & Administrative expenses (SG&A) increased by 29.9% to S$42.1 million for Q3 FY2006 from S$32.4 million for Q3 FY2005. Of this, staff costs increased by 21.3% due to increase in staff strength as well as general wage increases in the origin countries. Other operating expenses (net of Bank Charges) increased by 30.9% to S$26.1 million in Q3 FY2006 from S$20.0 million in Q3 FY2005 due to increase in level of business activities.

For 9M FY2006 the SG&A increased by 32.7% to S$106.9 million from S$80.5 million in 9M FY 2005. The increase in staff costs for 9M FY2006 was 36.8% to S$39.1 million from S$28.6 million in 9M FY2005, while the increase in other operating expenses (net of bank charges) was 26.4% to S$59.4 million from S$47.0 million in 9M FY2005. These costs are in line with our budgets and are part of our planned investment in enhancing our procurement, logistics and marketing infrastructure in existing origins and markets.

Profit before tax

Based on the foregoing, profit before tax increased by 25.8% to S$35.7 million for the Q3 FY2006 from S$28.4 million for Q3 FY2005.

Profit before tax increased by 29.3% to S$69.9 million for 9M FY2006 from S$54.1 million for 9M FY2005.

Taxation

Taxes increased by 22.6% to S$8.0 million for the 9M FY2006 as compared to S$6.6 million for 9M FY2005.

Profit after tax

Profit after tax increased by 25.5% to S$31.3 million for Q3 FY2006 as against S$24.9 million for Q3 FY2005.

Profit after tax increased by 30.3% to S$61.9 million for 9M FY2006 as against S$47.5 million for 9M FY2005.

Balance Sheet & Cash Flow

Investment in fixed assets amounted to S$11.5 million during Q3 FY2006 compared to S$5.6 million during Q3 FY2005. The investment in Q3 FY2006 is mainly on account of increase in Capital Work-In-Progress as work on various investment proposals relating to warehousing and logistics infrastructure is underway.

The Group's receivables (no. of days of Debtors) reduced to 50 days as of end March 2006 compared to 70 days as of end June 2005. Inventory (no. of days of stock) decreased to 93 days from 119 days as compared to June 2005. Advance to suppliers went up from 11 days as of June 2005 to 19 days as of end March 2006 due to seasonal reasons. Trade Creditors came down from 20 days as at end of June 2005 to 14 days as at March 2006.

Borrowings increased from S$1,451 million as at end of June 2005 to S$1,654 million as at end of end March 2006. The net debt to equity ratio increased to 2.91 times (before fair value adjustment) in March 2006 from 2.58 times in June 2005.

Shareholder Funds decreased by 4.1% from S$498.3 million as at 30th June 2005, to S$477.7 million as at 31st March 2006. The equity decreased by S$34.6 million on account of revaluation of financial instruments under the provisions of FRS 39. The company uses the financial instruments (Futures, Options and Currency Forwards) as a hedge against the underlying physical transactions. As such, the fluctuations arising out of the movement of the prices of the financial instruments are taken to the "Fair Value Adjustment Reserve" and recognised into the P&L when the underlying physical transactions are consummated. We do not expect any material adverse impact of these movements on the results of the company.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast was previously given.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

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 this filing while assessing our prospects.

11. Dividend

(a) Current Financial Period Reported On

NIL

(b) Corresponding Period of the Immediately Preceding Financial Year.

NIL

(d) Date payable

N/A

(e) Books closure date

N/A

12. If no dividend has been declared/recommended, a statement to that effect.

N/A.

<u>PART II</u>: Additional information required for Full Year announcement (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

    N/A

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

    N/A

15. A breakdown of sales.

    N/A

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

    N/A

17. Interested Persons Transactions.

    N/A

BY ORDER OF THE BOARD

Sunny George Verghese
Group Managing Director & Chief Executive Officer
15 May 2006