

OLAM INTERNATIONAL LIMITED

Financial Statements for the Third Quarter Ended 31st March 2005

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 – Third Quarter and 9 Months FY2005 : Group

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 05	31 Mar 04	% change	31 Mar 05	31 Mar 04	% change
Revenue						
Sales of goods	2,556,151	1,750,675		1,099,557	701,866	
Other revenue	8,503	9,527		4,794	5,330	
Total Revenue	2,564,654	1,760,202	46%	1,104,351	707,196	56%
Costs and expenses						
Costs of goods sold	2,054,843	1,354,809		943,153	559,348	
Shipping and Logistics	309,737	247,732		81,477	80,821	
Commission and Claims	19,405	19,900		4,059	6,492	
Staff costs	27,976	20,482		10,099	6,682	
Depreciation	4,889	3,242		1,723	1,346	
Gain on foreign exchange	(5,291)	(4,126)		(3,553)	(1,347)	
Other operating expenses	61,790	44,544		24,191	16,066	
Total Costs & Expenses	2,473,349	1,686,583		1,061,149	669,408	
Profit from operating activities	91,305	73,619	24%	43,202	37,788	14%
Finance Costs	(36,554)	(32,045)	14%	(14,199)	(13,393)	6%
Share of loss of jointly controlled entity	(62)	(43)		-	(21)	
Profit before taxation	54,689	41,531	32%	29,003	24,374	19%
Taxation	(6,563)	(6,236)		(3,480)	(3,662)	
Profit for the financial period	48,126	35,295	36%	25,523	20,712	23%
Notes:						
(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 05	31 Mar 04	% change	31 Mar 05	31 Mar 04	% change
Other operating expenses include bank charges of:	14,768	12,094		4,227	8,041	
other revenue includes interest income of:	754	5,564		461	1,919	

- 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 2005	30 Jun 2004	31 Mar 2005	30 Jun 2004
Fixed assets	30,517	21,195	675	672
Subsidiary companies	-	-	41,903	40,418
Deferred tax assets	940	829	1,156	1,196
Investments	1,371	74	1,550	196
Current assets				
Amounts due from subsidiary companies	-	-	149,897	83,746
Amounts due from a related party	-	3,000	-	3,000
Trade debtors	572,784	464,944	505,430	387,771
Margin accounts with brokers	40,092	5,317	40,092	5,317
Stocks	722,343	473,063	158,176	136,098
Advance payment to supplier	163,287	90,090	125,033	63,257
Advance payment to subsidiary companies	-	-	431,314	293,260
Other debtors	94,855	82,835	63,673	46,146
Fixed deposits	10,573	11,922	5,486	9,674
Cash & bank balances	95,486	88,450	55,993	41,671
	1,699,420	1,219,621	1,535,094	1,069,940
Current liabilities				
Amount due to a corporate shareholder	-	1,403	-	1,403
Trade creditors and accruals	98,107	154,976	39,184	112,718
Other creditors	5,360	5,388	4,392	2,582
Amount due to bankers	899,160	672,706	824,561	600,676
Medium term notes	260,242	177,000	260,242	177,000
Provision for taxation	7,995	5,915	5,498	3,616
	1,270,864	1,017,388	1,133,877	897,995
Net Current Assets	428,556	202,233	401,217	171,945
Long term loan from a corporate shareholder	-	(8,600)	-	(8,600)
Long term loans from banks	-	(266)	-	-
Convertible redeemable shares	-	(25,602)	-	(25,602)
	461,384	189,863	446,501	180,225
Share capital	155,459	100,791	155,459	100,791
Reserves	305,925	89,072	291,042	79,434
	461,384	189,863	446,501	180,225

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

Amount repayable in one year or less, or on demand

(in S\$'000)	As at 31 Mar 2005		As at 30 Jun 2004	
	Secured	Unsecured	Secured	Unsecured
Overdraft	19,602	8,557	32,261	35,455
Loans	421,408	709,835	306,001	475,989

Amount repayable after one year

(in S\$'000)	As at 31 Mar 2005		As at 30 Jun 2004	
	Secured	Unsecured	Secured	Unsecured
Loans	-	-	266	-

Details of any collateral

Certain bank loans are secured by the underlying stocks and receivables of specific transactions for which funding was obtained from the lending banks.

- 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 2005	31 Mar 2004	31 Mar 2005	31 Mar 2004
Cash flow from operating activities				
Operating profit before taxation	54,689	41,531	29,003	24,374
Adjustments for:				
Share of loss in jointly controlled entity	62	43	-	21
Depreciation of fixed assets	4,889	3,242	1,723	1,346
Interest income	(754)	(5,564)	(461)	(1,919)
Interest expense	36,554	32,045	14,199	13,393
Operating profit before reinvestment in working capital	95,440	71,297	44,464	37,215
Decrease in amount due from a related party	3,000	1,235	-	3
Increase in stocks	(249,280)	(183,093)	(108,453)	(63,806)
(Increase)/decrease in debtors	(154,635)	32,778	(179,317)	(29,239)
(Increase)/decrease in advance payment to supplier	(73,197)	(119,047)	21,119	10,807
(Decrease)/increase in creditors	(56,897)	(24,438)	7,122	(5,333)
Cash used in operations	(435,569)	(221,268)	(215,065)	(50,353)
Interest expenses paid	(36,554)	(32,045)	(14,199)	(13,393)
Interest income received	754	5,564	461	1,919
Income tax paid	(4,594)	-	(3,174)	(179)
Net Cash used in operating activities	(475,963)	(247,749)	(231,977)	(62,006)
Cash flow from investing activities				
Purchase of fixed assets	(14,211)	(5,293)	(5,619)	(2,346)
Investment in jointly controlled entity	(1,363)	-	(1,363)	-
Net cash used in investing activities	(15,574)	(5,293)	(6,982)	(2,346)
Cash flow from financing activities				
Dividends paid on ordinary shares during the period	(24,272)	(22,730)	-	-
(Decrease)/increase in amt due to corporate shareholder	(1,403)	122	-	-
Proceeds from issue of ordinary shares at premium	234,882	43,799	217,882	8,558
Proceeds from issue of convertible redeemable shares at premium	-	25,602	-	-
Repayment from term loan from banks	(266)	(68)	(187)	-
Proceeds from issue of medium term notes	83,242	90,000	10,600	90,000
Repayment of long term loan from a corporate shareholder	(8,600)	(186)	-	(6)
Increase in loans from banks	266,011	167,092	43,662	(33,218)
Net cash provided by financing activities	549,594	303,631	271,957	65,334
Net effect of exchange rate changes in consolidating subsidiary companies	(12,813)	(2,389)	(2,494)	(351)
Net increase in Cash & Cash Equivalent	45,244	48,200	30,504	631
Cash & cash equivalents at beginning of period	32,656	(33,516)	47,396	14,053
Cash & cash equivalents at end of period	77,900	14,684	77,900	14,684

- 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 To	1 Jul 04 31 Mar 05	1 Jul 03 31 Mar 04	1 Jul 04 31 Mar 05	1 Jul 03 31 Mar 04	1 Jan 05 31 Mar 05	1 Jan 04 31 Mar 04	1 Jan 05 31 Mar 05	1 Jan 04 31 Mar 04
Issued Capital									
Balance at the beginning		100,791	81,496	100,791	81,496	118,615	96,937	118,615	96,937
Increased during the period		54,668	19,295	54,668	19,295	36,844	3,854	36,844	3,854
Balance at end		155,459	100,791	155,459	100,791	155,459	100,791	155,459	100,791
Share Premium									
Balance at the beginning		36,035	11,531	36,035	11,531	60,813	31,331	60,813	31,331
Increased during the period		205,816	24,504	205,816	24,504	181,038	4,704	181,038	4,704
Balance at end		241,851	36,035	241,851	36,035	241,851	36,035	241,851	36,035
Currency realignment									
Balance at the beginning		(4,005)	(1,744)	3,079	5,459	(14,332)	(3,783)	(6,886)	3,420
Foreign currency translation adjustment		(12,817)	(2,388)	(14,107)	(2,388)	(2,489)	(349)	(4,142)	(349)
Balance at end		(16,822)	(4,132)	(11,028)	3,071	(16,821)	(4,132)	(11,028)	3,071
Revenue Reserves									
Balance at the beginning		57,042	26,947	40,320	17,866	55,372	23,530	35,686	12,262
Profit for the period		48,126	35,295	44,171	30,000	25,523	20,712	24,533	17,604
Bonus Issue during the period		-	-	-	-	-	-	-	-
Dividends paid		(24,272)	(18,000)	(24,272)	(18,000)	-	-	-	-
Balance at end		80,896	44,242	60,219	29,866	80,895	44,242	60,219	29,866
Total Reserves		305,925	76,145	291,042	68,972	305,925	76,145	291,042	68,972
Total Equity		461,384	176,936	446,501	169,763	461,384	176,936	446,501	169,763

- 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.

	FY 2005	FY 2004
Issued, fully paid share capital		
Balance no. of shares as at 1 st July of par value S\$0.20 each	503,954,686	407,480,803
No. of shares from reinvestment through dividend on 23-Sep-03	-	39,433,905
Issue of ordinary shares of par value S\$0.20 each on 02-Dec-04	29,835,700	
Issue of ordinary shares of par value S\$0.20 each on 14-Dec-04	7,120,822	
Issue of ordinary shares of par value S\$0.20 each on 10-Oct-03		37,771,106
Issue of ordinary shares of par value S\$0.20 each on 24-Feb-04		19,268,872
Conversion of redeemable preference shares of par value S\$0.20 each on 21-Oct-04	52,161,689	
Sub Total of above Shares of Par Value S\$0.20 each	593,072,897	503,954,686
Above Shares sub divided into shares of S\$0.10 each on 04-Jan-05	1,186,145,794	
Issue of further ordinary shares of par value S\$0.10 each through an IPO on 11-Feb-05	312,188,606	
Issue of further ordinary shares of par value S\$0.10 each through exercise of over allotment option on 04-Mar-05	56,250,000	
Total No. of Shares outstanding as at 31st March of par value \$0.10 each (2004 \$0.20 each)	1,554,584,400	503,954,686

Note:

The number of ordinary shares shown above as at 31st March 2004 is before sub division and having a par value of S\$0.20 per each ordinary share. Each share of S\$0.20 was sub-divided into 2 ordinary shares with par value of S\$0.10 per each ordinary share 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.

The same accounting policies and methods of computation have been followed as in our last audited financial statements dated 30th June 2004.

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.

N/A

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 2005	31 Mar 2004	31 Mar 2005	31 Mar 2004
(a) Based on weighted average no. of shares (Cents/share)	4.14	3.84	1.88	2.11
(b) Based on fully diluted basis (Cents/share)	4.00	3.68	1.87	1.91
Weighted average no. of shares applicable to basic earnings per share	1,162,003,021	917,986,805	1,360,990,097	982,217,547
Weighted average no. of shares based on fully diluted basis	1,203,882,747	958,557,008	1,364,918,668	1,086,540,925

Note:

The number of shares and EPS for the period ended 31st March 2004 have been adjusted to reflect the share split done in January 2005. Each share of S\$0.20 was split into two shares of S\$0.10 each in Jan 2005.

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 05	As at 30 Jun 04	As at 31 Mar 05	As at 30 Jun 04
Net asset value per ordinary share based on issued share capital as at end of the period	29.68	18.84	28.72	17.88

Note:

The NAV figures for the group and company for the year ended 30th June 2004 have been adjusted to reflect the share split done in January 2005. Each share of S\$0.20 was split into two shares of S\$0.10 each in Jan 2005.

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 38 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 analyzing 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 and bank charges. 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 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 produced certification (FTP), customized grades and quality 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).

Profit and Loss Statement

Volumes:

The Group achieved a 44.3% growth in Sales Volumes to 0.80 million tons for the 3rd Quarter ended 31st March 2005 (Q3 FY2005) compared to 0.55 million tons for the previous corresponding quarter ended 31st March 2004 (Q3 FY2004).

For the 9 months ended 31st March 2005 (9M FY2005), Sales Volumes increased by 29% to 1.98 million tons compared to 1.54 million tons in the previous corresponding 9 months ended 31st March 2004 (9M FY2004). Sales Volumes has increased across all business segments for 9M FY2005 compared to the corresponding period of the previous year (9M FY2004).

Sales revenues:

Sales Revenues for Q3 FY2005 increased by 56.7% to S\$1.10 billion from S\$0.70 billion in the corresponding period of Q3 FY2004. Sales revenues registered increases across all 4 business segments. 81% of the increase in sales revenues was contributed by increase in sales volumes and 19% of the revenue increase was contributed by increase in sales prices in the various products across the 4 business segments.

For the 9 months ended 31st March 2005, sales revenues increased by 46% to S\$2.56 billion as compared to S\$1.75 billion for 9M FY2004. Increased volumes accounted for 62% of this growth and the balance 38% was on account of increase in prices of the underlying products in our portfolio.

Gross Contribution:

Gross Contribution (GC) increased by 40.3% to S\$71.0 million for Q3 FY2005 compared to S\$ 50.6 million in Q3 FY2004. GC increased across all 4 business segments during the quarter.

For the 9 months ended 31st March 2005, GC increased by 37.5% to S\$165.1 million as compared to S\$120.1 million for the 9M FY2004. Increased volumes accounted for 75% of this growth and the balance 25% was on account of margin improvements initiatives.

Interest and Net Contribution:

Total net interest cost increased by 19.7% to S\$13.7 million in Q3 FY 2005. However the interest cost per ton came down to S\$17 per ton from S\$ 21 during the corresponding period last year. This decrease was partly due to interest savings resulting from raising of additional equity in February 2005. This combined with increased volumes and other margin improvement initiatives resulted in Net Contribution growing by 46.4% to S\$57.2 million in Q3 FY2005 as compared to S\$39.1 million during the corresponding period last year.

For the 9 months ended 31st March 2005, NC increased by 38.2% to S\$129.3 million as compared to S\$93.6 million in the previous year. Total NC and NC per ton improved across all 4 business segments. Increased volumes accounted for 75% of this increase and the balance 25% was on account of margin improvements 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 2005 (Q3-FY2005) and 31st March 2004 (Q3-FY2004).

3Q FY2005: Segmentals

Segment	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
	Mar 05	Mar 04	Mar 05	Mar 04	Mar 05	Mar 04	Mar 05	Mar 04
Edible Nuts, Spices & Beans	122,728	72,162	180,174	83,656	13,689	9,002	12,144	7,617
Per ton (S\$)					112	125	99	106
Confectionery & Beverage Ingredients	218,882	162,394	507,394	298,730	27,300	23,581	20,273	16,269
Per ton (S\$)					125	145	93	100
Food Staples & Packaged Foods	269,783	201,507	156,574	112,360	10,519	5,631	8,326	5,033
Per ton (S\$)					39	28	31	25
Fibre & Wood Products*	185,812	116,572	255,415	207,120	19,466	12,361	16,493	10,182
Per ton (S\$)					105	106	89	87
Total	797,205	552,635	1,099,557	701,866	70,974	50,575	57,236	39,101
Per ton (S\$)					89	92	72	71

* Measured in cubic metres.

The next table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the nine months ended 31st March 2005 (9M-FY2005) and 31st March 2004 (9M-FY2004).

9M FY2005: Segmentals

Segment	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
	Mar 05	Mar 04	Mar 05	Mar 04	Mar 05	Mar 04	Mar 05	Mar 04
Edible Nuts, Spices & Beans	282,772	212,188	427,483	250,677	31,740	21,040	26,659	17,152
Per ton (S\$)					112	99	94	81
Confectionery & Beverage Ingredients	457,956	380,468	1,021,893	710,372	62,030	51,843	46,065	35,810
Per ton (S\$)					135	136	101	94
Food Staples & Packaged Foods	891,826	690,591	609,476	364,073	33,639	21,251	25,152	18,309
Per ton (S\$)					38	31	28	27
Fibre & Wood Products*	350,107	252,419	497,299	425,553	37,738	25,969	31,471	22,351
Per ton (S\$)					108	103	90	89
Total	1,982,661	1,535,666	2,556,151	1,750,675	165,147	120,103	129,347	93,622
Per ton (S\$)					83	78	65	61

* Measured in cubic metres.

We continue to make good progress in executing our strategy in Q3-FY2005 across all our four business segments. Some of the specific progress made in this quarter is highlighted below:

- Edible nuts, spices and beans business continued to record significant growth in both volumes (70% volume growth over 3Q FY2004) and margins (59% NC growth). This improved performance was partly on account of continued execution of our strategy for deeper value chain integration in the Cashew business, both in the existing processing centres in Vietnam and Brazil as well as the new processing centres in the origins including, Tanzania (where we expanded capacity during this quarter), Cote d'Ivoire and Nigeria (where we commenced processing during this quarter). In Brazil we acquired one of the factories where we were hitherto operating on a lease basis in this quarter. This acquisition is expected to further strengthen our cashew processing operations in Brazil. We expect to commence trial cashew processing operations in Mozambique in 4Q FY2005. Our expansion into new Edible Nut adjacencies namely Almonds and Hazelnuts continue to gain strength. We are in the process of completing a feasibility study on sourcing, processing and exports of Peanuts from Argentina, as part of our strategy to be present in all key origins producing and exporting peanuts. During this 3rd Quarter, we have also identified and finalized a site for setting up a Peanut processing and export facility in China. The sesame hulling facility in Nigeria has been commissioned and we are confident of realizing improved margins from this initiative. During the quarter we also enhanced our pepper processing facilities in Vietnam and Brazil as well as opened up a spice sourcing and export operation out of Medan in Indonesia.
- The volume and net contribution in the confectionery & beverage ingredients business grew impressively by 35% and 25% respectively during Q3-FY2005 compared to Q3 FY2004. The ongoing season for Cocoa in West Africa has been successfully run with our market share improving across the board in all the major origins. The key development during the 3rd Quarter has been the quality issues with the crop in Ghana as well as change in Government policy on commission structure that resulted in lower than expected volumes and margins in Ghana. Despite the political uncertainty in Cote d'Ivoire, the operating environment remained relatively normal and we were able to procure more than 100,000 tons from there during the season. During this quarter, we also set up a Joint Venture operation in Spain for processing of Cocoa cake into cocoa powder. Coffee has made significant progress in its Arabica business expansion initiatives in Brazil, the world's largest producer and exporter of Arabica coffees, exceeding our initial expectations. The procurement season in West Africa is currently under way and is progressing well. Rising coffee prices have delayed arrivals in India as the planters are speculating on further rises in prices. There are uncertainties about the size of the forthcoming Vietnamese coffee crop due to lack of rains. We have had good coffee seasons in Uganda and Indonesia.
- The volume in Food Staple and Packaged Foods increased by 33.9% in Q3 FY2005 as compared to Q3 FY2004. Net contribution increased by 65.4% to S\$8.3 million in Q3 FY2005 compared to S\$ 5.0 million in Q3 FY2004. The strong growth in Net Contribution was underpinned by (a) continued growth in volumes in the Rice distribution business in Africa, (b) enhanced volumes in Milk Powder sourcing from Eastern Europe and (c) enhanced margins from Sugar distribution operations in Indonesia. The installation of our new rice-milling project in Nigeria has been successfully completed in this quarter and trial production commenced in April 2005. We have successfully expanded our milk powder sourcing operations from Ukraine and West-Europe with 2 new offices in these 2 locations. We have also completed a feasibility study for setting up of a sugar refinery in one of the large refined sugar market.
- The volumes for Fibre & Wood Products segment sharply rose as anticipated by 59.4% in Q3 FY2005 compared to Q3 FY2004. Net Contribution increased by 62 % to S\$ 16.5 million in Q3 FY2005 compared to S\$ 10.2 million in Q3 FY2004. Cotton shipments from CIS, West Africa and America increased significantly. Significant headway was made in cotton sales to textile mills in China, India and Bangladesh during this period. Wood Products continued its impressive performance with increased shipments from West and East Africa, as well as our new origin, Brazil. We continue to gain market share in wood product distribution in China. We have completed feasibility studies for setting up saw mill in Gabon and Congo (DRC). We are developing the market for value added wood products and furniture components in various markets in Europe.

Costs and Expenses

Our Selling, General & Administrative expenses (SG&A) increased by 92% to S\$28.2 million for Q3 FY2005 from S\$14.7 million for Q3 FY2004. Of this, staff costs increased by 51% due to increase in staff strength as well as general wage increases in the origin countries. Foreign currency gains increased to S\$3.5 million for Q3 FY2005 from S\$1.4 million for Q3 FY2004. These are primarily due to translation gains arising from fluctuations in the exchange rate of GBP and Euro to USD. Other operating expenses (net of Bank Charges) increased by 149% to S\$20.0 million in Q3 FY2005 from S\$8.0 million in Q3 FY2004 due to increase in level of business activities.

For the nine months ending 31st March 2005, the total Selling, General & Administrative expenses (net of Bank Charges) (SG&A) increased by 43.3% to S\$74.7 million as compared to S\$52 million during the corresponding period last year. 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 foregoing, profit before tax increased by 19% to S\$29.0 million for the Q3 FY2005 from S\$24.3 million for Q3 FY2004.

For nine months ending 31st March 2005, our Profit before Tax increased by 31.7% to S\$54.7 million compared to S\$ 41.5 million for 9M FY2004.

Taxation

Taxes reduced by 5% to S\$3.5 million for the Q3 FY2005 as compared to S\$3.6 million for Q3 FY2004.

Profit after tax

Profit after tax increased by 23% to S\$25.5 million for Q3 FY2005 as against S\$20.7 million for Q3 FY2004.

For nine months ending 31st March 2005, our Profit after Tax increased by 36.4% to S\$48.1 million as compared to S\$ 35.3 million for 9M FY2004.

Balance Sheet & Cash Flow

Investment in fixed assets amounted to S\$5.6 million during Q3 FY2005 compared to S\$2.3 million during Q3 FY2004. The investment in Q3 FY2005 was mainly on account of investment in purchase of the Cashew factory in Brazil, the rice mill investment in Nigeria and incremental investments in procurement infrastructure and logistics in the existing origins.

The Group's receivables (no. of days of Debtors) increased to 61 days as of end March 2005 compared to 50 days in end March 2004 due to shipments skewed towards the end of the quarter. However, inventory (no. of days of stock) marginally reduced to 81 days from 82 days as compared to the corresponding period of the previous year. Advance to suppliers came down to 19 days as of end March 2005 from 29 days as of end March 2004 due to faster delivery of stocks from the suppliers. Trade Creditors increased marginally to 11 days compared to 10 days in end March 2004.

Borrowings increased by 34% to S\$1,159 million as of end March 2005 from S\$867 million as of end March 2004. The nominal net debt to equity ratio went down to 2.3 times in March 2005 from 4.6 times in March 2004.

A significant highlight of the 3rd Quarter was the successful listing of the Company on the Main Board of the SGX on 11th February 2005. The Company raised gross proceeds of S\$267.4 million through the IPO. Net of Vendor Sale Proceeds of S\$38.9 million and IPO related expenses of S\$10.6 million, total Net Proceeds received by the Company was S\$217.9 million. This combined with our 9M FY2005 strong profit performance, Shareholder Funds increased by 143% from S\$189.9 million as at 30th June 2004, to S\$461.4 million as at 31st March 2005.

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.

We continue to be optimistic on the overall business outlook as we head into Q4 FY2005 and beyond. 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. These structural factors lead us to believe, barring unforeseen circumstances that our company will continue to deliver earnings growth for the full year FY2005 compared to FY2004.

11. Dividend

- (a) Current Financial Period Reported On

NIL. Given the strong earnings growth in 9M FY2005 and if we meet our earnings expectations in Q4 FY2005, and assuming that there are no material adverse developments, the Board will consider a target dividend payout ratio of not less than 25% of our Net Profit After Tax.

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

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	Dividend Type	Dividend Amt per Share (in cents)	Optional: Dividend Rate (in %)	Par value of shares	Tax Rate
Interim Dividend in respect of financial year ended June 2004	Interim Dividend	4.42 cents	22.10%	20 cents	Exempt

Note:

The number of ordinary shares shown above is before sub division with a par value of S\$0.20 per each ordinary share. The shares of the company were later sub-divided into 2 ordinary shares with par value of S\$0.10 per each ordinary share on 4th January 2005.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The dividend issued was exempt from tax.

(d) Date payable

N.A.

(e) Books closure date

N.A.

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

During the current period there is no dividend declared or recommended.

**PART II: 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
11 May 2005