

OLAM INTERNATIONAL LIMITED

Financial Statements for the Third Quarter Ended 31 March 2007

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 FY2007: Group

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 07	31 Mar 06	%	31 Mar 07	31 Mar 06	%
Revenue						
Sale of goods	3,947,425	3,342,300		1,579,937	1,425,315	
Other revenue	14,306	12,324		7,604	2,766	
	3,961,731	3,354,624	18.1%	1,587,541	1,428,081	11.2%
Costs and expenses						
Cost of goods sold	3,074,058	2,661,478		1,247,199	1,171,760	
Shipping and logistics	491,588	401,574		177,982	157,582	
Commission and claims	32,425	34,330		13,754	4,867	
Employee benefit expense	56,969	38,035		20,568	12,763	
Share based expense	4,360	1,070		1,406	229	
Depreciation	10,557	8,321		2,859	2,966	
Net measurement of derivative instruments	(200)	2,153		(2,696)	(530)	
Loss/(gain) on foreign exchange	605	(6,515)		(1,443)	(10,342)	
Other operating expenses	85,378	71,928		34,552	29,751	
Finance costs	118,297	72,595		48,422	23,587	
Share of loss/(gain) from jointly controlled entities	9	(288)		(144)	(251)	
	3,874,046	3,284,681	17.9%	1,542,459	1,392,382	10.8%
Profit before taxation	87,685	69,943	25.4%	45,082	35,699	26.3%
Taxation	(9,211)	(8,044)		(4,747)	(4,448)	
Profit for the financial period	78,474	61,899	26.8%	40,335	31,251	29.1%
Attributable to:						
Equity holders of the Company	78,511	61,899		40,342	31,251	
Minority interest	(37)			(7)		
	78,474	61,899		40,335	31,251	

Notes:

(in S\$'000)	Group			Group		
	Nine Months Ended			Three Months Ended		
	31 Mar 07	31 Mar 06	%	31 Mar 07	31 Mar 06	%
Other operating expenses include bank charges of	13,377	12,499		4,436	3,614	
Other revenue includes interest income of	6,255	4,062		2,181	1,020	
Gross Contribution	343,652	245,331	40.1%	146,278	100,361	45.8%
Net Contribution	231,610	176,798	31.0%	100,038	77,794	28.6%

- 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 2007	30 Jun 2006	31 Mar 2007	30 Jun 2006
Non-current assets				
Property, plant and equipment	89,568	72,518	1,422	1,130
Subsidiary companies			49,685	42,072
Deferred tax assets	8,466	4,608	6,148	2,652
Investments	2,737	1,611	3,127	1,512
Other receivables	516	453	516	453
Current assets				
Amounts due from subsidiary companies			330,348	255,095
Trade receivables	608,620	426,778	411,739	263,317
Margin accounts with brokers	137,151	43,147	137,151	41,382
Inventories	1,180,121	1,013,904	268,820	237,379
Advance payments to suppliers	230,141	160,669	88,272	63,128
Advance payments to subsidiary companies			971,115	902,625
Other receivables	206,440	138,622	77,986	26,554
Fixed deposits	46,921	133,885	42,047	125,306
Cash and bank balances	189,245	162,356	63,218	36,487
Fair value of derivative financial instruments	239,297	199,614	238,330	195,412
	2,837,936	2,278,975	2,629,026	2,146,685
Current liabilities				
Trade payables and accruals	224,122	134,874	143,965	88,823
Other payables	35,906	31,712	26,696	26,256
Amount due to bankers	631,388	783,312	496,530	698,962
Medium term notes	450,000	352,508	450,000	352,508
Provision for taxation	15,628	13,251	7,021	7,214
Fair value of derivative financial instruments	326,953	213,458	321,967	208,211
	1,683,997	1,529,115	1,446,179	1,381,974
Net current assets	1,153,939	749,860	1,182,847	764,711
Non-current liabilities				
Term loans from banks	(475,839)	(213,330)	(475,839)	(213,330)
Medium term notes	(340,760)	(127,681)	(340,760)	(127,681)
Net assets	438,627	488,039	427,146	471,519
Equity attributable to equity holders of the Company				
Share capital	396,954	396,954	396,954	396,954
Reserves	41,657	91,032	30,192	74,565
	438,611	487,986	427,146	471,519
Minority interest	16	53		
Total equity	438,627	488,039	427,146	471,519

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

Amount repayable in one year or less or on demand

	As at 31/03/2007		As at 30/06/2006	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts		7,098		28,840
Loans		624,290		754,472
Medium Term Notes		450,000		352,508
Total		1,081,388		1,135,820

Amount repayable after one year

	As at 31/03/2007		As at 30/06/2006	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Long Term Loans		475,839		213,330
Long Term Medium Term Notes		340,760		127,681
Total		816,599		341,011

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 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
Cash flow from operating activities				
Operating profit before taxation	87,685	69,943	45,082	35,699
Adjustments for:				
Share of loss/(gain) of jointly controlled entities	9	(288)	(144)	(251)
Depreciation of property, plant and equipment	10,557	8,321	2,859	2,966
Loss/(gain) on disposal of property, plant and equipment	6	(4)	6	(4)
Net measurement of derivative instruments	(200)	2,153	(2,696)	(530)
Cost of share-based payments	4,360	1,070	1,406	229
Interest income	(6,255)	(4,062)	(2,181)	(1,020)
Interest expense	118,297	72,595	48,422	23,587
Operating profit before reinvestment in working capital	214,459	149,728	92,754	60,676
(Increase)/decrease in inventories	(166,217)	(36,851)	2,729	(14,838)
Increase in receivables	(336,091)	(24,230)	(193,633)	(117,973)
(Increase)/decrease in advance payments to suppliers	(69,472)	(126,135)	(15,529)	38,168
Increase/(decrease) in payables	93,154	(13,907)	76,121	50,331
Cash flow (used in)/generated from operations	(264,167)	(51,395)	(37,558)	16,364
Interest income received	6,255	4,062	2,181	1,020
Interest expenses paid	(125,366)	(67,542)	(62,048)	(29,778)
Taxes paid	(7,204)	(5,576)	(1,249)	(1,834)
Net cash flow used in operating activities	(390,482)	(120,451)	(98,674)	(14,228)
Cash flow from investing activities				
Proceeds from disposal of property, plant and equipment	1,233	444	(61)	21
Purchase of property, plant and equipment	(30,162)	(32,421)	(10,229)	(11,506)
Investment in a jointly controlled entity	(1,076)		(944)	
(Loan to)/Repayment from a jointly controlled entity	(63)	(578)	46	(181)
Net cash flow used in investing activities	(30,068)	(32,555)	(11,188)	(11,666)
Cash flow from financing activities				
Increase in/(repayment of) loans from banks	132,327	24,380	(70,361)	(54,338)
Decrease in amount due to a corporate shareholder		(2)		(2)
Dividends paid on ordinary shares by the Company	(46,638)	(33,579)		
Increase in medium term notes	310,571	252,337	168,040	35,971
Net cash flow provided by/(used in) financing activities	396,260	243,136	97,679	(18,369)
Net effect of exchange rate changes on cash and cash equivalents	(14,044)	(17,782)	(1,349)	(19,883)
Net (decrease)/increase in cash and cash equivalents	(38,334)	72,348	(13,532)	(64,146)
Cash and cash equivalents at the beginning of the period	267,401	87,809	242,599	224,303
Cash and cash equivalents at the end of the period	229,067	160,157	229,067	160,157

- 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.

GROUP 9 MONTHS - 31 MARCH 2007

At 31 March 2007 Group	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2006	396,954	(25,091)	(41,978)	3,378	154,723	91,032	53	488,039
Net loss on fair value changes during the period			(28,752)			(28,752)		(28,752)
Recognised in the profit and loss account on occurrence of hedged transactions			(42,311)			(42,311)		(42,311)
Foreign currency translation adjustment		(14,219)				(14,219)		(14,219)
Net income and expense recognised directly in equity		(14,219)	(71,063)			(85,282)		(85,282)
Profit for the period					78,511	78,511	(37)	78,474
Total recognised income and expenses for the period		(14,219)	(71,063)		78,511	(6,771)	(37)	(6,808)
Dividends on ordinary shares					(46,638)	(46,638)		(46,638)
Share-based expense				4,034		4,034		4,034
At 31 March 2007	396,954	(39,310)	(113,041)	7,412	186,596	41,657	16	438,627

GROUP 9 MONTHS - 31 MARCH 2006

At 31 March 2006 Group	Attributable to equity holders of the Company							Total Equity
	Share Capital	Share Premium	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2005	155,459	241,495	(24)			99,795	341,266	496,725
Cumulative effect of adopting FRS 102					2,641	(1,115)	1,526	1,526
At 30 June 2005 as restated	155,459	241,495	(24)		2,641	98,680	342,792	498,251
Effects of adopting FRS 39				(31,941)		2,390	(29,551)	(29,551)
At 1 July 2005 as restated	155,459	241,495	(24)	(31,941)	2,641	101,070	313,241	468,700
Net loss on fair value changes during the period				(2,297)			(2,297)	(2,297)
Recognised in the profit and loss account on occurrence of hedged transactions				(376)			(376)	(376)
Foreign currency translation adjustment			(16,841)				(16,841)	(16,841)
Net income and expense recognised directly in equity			(16,841)	(2,673)			(19,514)	(19,514)
Profit for the period						61,899	61,899	61,899
Total recognised income and expenses for the period			(16,841)	(2,673)		61,899	42,385	42,385
Transfer of share premium to share capital account	241,495	(241,495)					(241,495)	
Dividends on ordinary shares						(33,579)	(33,579)	(33,579)
Share-based expense					243		243	243
At 31 March 2006	396,954		(16,865)	(34,614)	2,884	129,390	80,795	477,749

COMPANY 9 MONTHS - 31 MARCH 2007

At 31 March 2007 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
At 30 June 2006	396,954	(19,545)	(41,046)	3,378	131,778	74,565	471,519
Net loss on fair value changes during the period			(32,808)			(32,808)	(32,808)
Recognised in the profit and loss account on occurrence of hedged transactions			(35,425)			(35,425)	(35,425)
Foreign currency translation adjustment		(17,409)				(17,409)	(17,409)
Net income and expense recognised directly in equity		(17,409)	(68,233)			(85,642)	(85,642)
Profit for the period					83,873	83,873	83,873
Total recognised income and expenses for the period		(17,409)	(68,233)		83,873	(1,769)	(1,769)
Dividends on ordinary shares					(46,638)	(46,638)	(46,638)
Share-based expense				4,034		4,034	4,034
At 31 March 2007	396,954	(36,954)	(109,279)	7,412	169,013	30,192	427,146

COMPANY 9 MONTHS - 31 MARCH 2006

At 31 March 2006 Company	Attributable to equity holders of the Company							Total Equity \$'000
	Share Capital \$'000	Share Premium \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
At 30 June 2005	155,459	241,495	5,834			79,493	326,822	482,281
Cumulative effects of adopting FRS 102					2,641	(573)	2,068	2,068
At 30 June 2005 as restated	155,459	241,495	5,834		2,641	78,920	328,890	484,349
Effects of adopting FRS 39				(31,969)		2,630	(29,339)	(29,339)
At 1 July 2005 as restated	155,459	241,495	5,834	(31,969)	2,641	81,550	299,551	455,010
Net loss on fair value changes during the period				(3,875)			(3,875)	(3,875)
Recognised in the profit and loss account on occurrence of hedged transactions				(1,672)			(1,672)	(1,672)
Foreign currency translation adjustment			(16,993)				(16,993)	(16,993)
Net income and expense recognised directly in equity			(16,993)	(5,547)			(22,540)	(22,540)
Profit for the period						83,809	83,809	83,809
Total recognised income and expenses for the period			(16,993)	(5,547)		83,809	61,269	61,269
Transfer of share premium to share capital account	241,495	(241,495)					(241,495)	
Dividends on ordinary shares						(33,579)	(33,579)	(33,579)
Share-based expense					243		243	243
At 31 March 2006	396,954		(11,159)	(37,516)	2,884	131,780	85,989	482,943

GROUP QUARTER - 31 MARCH 2007

At 31 March 2007 Group	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2006	396,954	(37,945)	(38,392)	6,087	146,254	76,004	23	472,981
Net loss on fair value changes during the period			(88,221)			(88,221)		(88,221)
Recognised in the profit and loss account on occurrence of hedged transactions			13,572			13,572		13,572
Foreign currency translation adjustment		(1,365)				(1,365)		(1,365)
Net income and expense recognised directly in equity		(1,365)	(74,649)			(76,014)		(76,014)
Profit for the period					40,342	40,342	(7)	40,335
Total recognised income and expenses for the period		(1,365)	(74,649)		40,342	(35,672)	(7)	(35,679)
Share-based expense				1,325		1,325		1,325
At 31 March 2007	396,954	(39,310)	(113,041)	7,412	186,596	41,657	16	438,627

GROUP QUARTER - 31 MARCH 2006

At 31 March 2006 Group	Attributable to equity holders of the Company							Total Equity
	Share Capital	Share Premium	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2005	155,459	241,495	2,528	(56,003)	2,825	98,139	288,984	444,443
Net loss on fair value changes during the period				(4,756)			(4,756)	(4,756)
Recognised in the profit and loss account on occurrence of hedged transactions				26,145			26,145	26,145
Foreign currency translation adjustment			(19,393)				(19,393)	(19,393)
Net income and expense recognised directly in equity			(19,393)	21,389			1,996	1,996
Profit for the period						31,251	31,251	31,251
Total recognised income and expenses for the period			(19,393)	21,389		31,251	33,247	33,247
Transfer of share premium to share capital account	241,495	(241,495)					(241,495)	
Share-based expense					59		59	59
At 31 March 2006	396,954		(16,865)	(34,614)	2,884	129,390	80,795	477,749

COMPANY QUARTER - 31 MARCH 2007

At 31 March 2007 Company	Attributable to equity holders of the Company						Total Equity \$'000
	Share Capital	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 December 2006	396,954	(33,749)	(41,636)	6,087	122,500	53,202	450,156
Net loss on fair value changes during the period			(83,658)			(83,658)	(83,658)
Recognised in the profit and loss account on occurrence of hedged transactions			16,015			16,015	16,015
Foreign currency translation adjustment		(3,205)				(3,205)	(3,205)
Net income and expense recognised directly in equity		(3,205)	(67,643)			(70,848)	(70,848)
Profit for the period					46,513	46,513	46,513
Total recognised income and expenses for the period		(3,205)	(67,643)		46,513	(24,335)	(24,335)
Share-based expense				1,325		1,325	1,325
At 31 March 2007	396,954	(36,954)	(109,279)	7,412	169,013	30,192	427,146

COMPANY QUARTER - 31 MARCH 2006

At 31 March 2006 Company	Attributable to equity holders of the Company							Total Equity \$'000
	Share Capital	Share Premium	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 December 2005	155,459	241,495	8,316	(56,217)	2,825	85,634	282,053	437,512
Net loss on fair value changes during the period				(2,580)			(2,580)	(2,580)
Recognised in the profit and loss account on occurrence of hedged transactions				21,281			21,281	21,281
Foreign currency translation adjustment			(19,475)				(19,475)	(19,475)
Net income and expense recognised directly in equity			(19,475)	18,701			(774)	(774)
Profit for the period						46,146	46,146	46,146
Total recognised income and expenses for the period			(19,475)	18,701		46,146	45,372	45,372
Transfer of share premium to share capital account	241,495	(241,495)					(241,495)	
Share-based expense					59		59	59
At 31 March 2006	396,954		(11,159)	(37,516)	2,884	131,780	85,989	482,943

- 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 2007	MAR 2006
Issued, fully paid share capital		
Balance no. of shares	1,554,584,400	1,554,584,400
Total no. of shares outstanding as at 31 Mar'07	1,554,584,400	1,554,584,400

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 adoption of the new and revised accounting standards that became applicable from 1 July 2006 did not result in substantial changes to the Group accounting policies, which are consistent with those used in the audited financial statements as at 30 June 2006.

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 changes.

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 30 June 2006.

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			
	Period Ended		Three Months Ended	
	31 Mar 2007	31 Mar 2006	31 Mar 2007	31 Mar 2006
(a) Based on weighted average no. of shares (cents/share)	5.05	3.98	2.60	2.01
(b) Based on fully diluted basis (cents/share)	4.99	3.96	2.55	2.00
Weighted average no. of shares applicable to basic earnings per share	1,554,584,400	1,554,584,400	1,554,584,400	1,554,584,400
Weighted average no. of shares based on fully diluted basis	1,574,491,477	1,562,796,079	1,581,858,308	1,563,771,900

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:
- current financial period reported on; and
 - immediately preceding financial year.

(In cents per share)	Group		Company	
	As at 31 Mar 07	As at 30 Jun 06	As at 31 Mar 07	As at 30 Jun 06
Net asset value per ordinary share based on issued share capital as at end of the period	28.21	31.39	27.48	30.33

The decrease in NAV per share is due to impact of fair value adjustment reserve. The NAV for the group before fair value adjustment went up from 34.09 cents/share in June 2006 to 35.49 cents/share in March 2007.

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:
- 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
 - 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 over 52 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, Nutmeg, Cassia, Ginger, Desiccated Coconut 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, net measurement of derivative instruments, 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 a function of our inventory holding periods. 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 value added services such as 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 is largely within our control and is a function of the strength 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 delays as well as early starts to the harvesting seasons in these countries based on actual weather patterns in a 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	1 st Half July - Dec	Q3 Jan - March	Q4 Apr - June	2 nd Half Jan - June
5 – 10%	25 – 30%	30 – 40%	35 – 40%	25 – 30%	60 – 70%

Profit and Loss Statement

Volumes:

Q3FY2007: Sales Volume grew by 0.175 million tons or 17.7% to 1.160 million tons in Q3FY2007 compared to Q3FY2006 with volume growth being registered across all 4 product segments. Edible Nuts, Spices & Beans segment grew by 7.4%, Confectionery & Beverage ingredients by 7.9%, Food Staples & Packaged Foods by 36.9%, and Fibre & Wood Products by 9.7% over Q3FY2006.

9MFY2007 Sales volume grew by 0.492 million tons or 19.8% to 2.977 million tons in 9MFY2007 compared to 9MFY2006 with strong volume growth registered across all 4 product segments. Edible Nuts, Spices & Beans segment grew by 14.5%, Confectionery & Beverage ingredients by 17.8%, Food Staples & Packaged Foods by 23.8%, and Fibre & Wood Products by 16.7% over 9MFY2006.

Sales Revenue:

Q3FY2007: Sales Revenue grew by 10.8% to S\$1.580 billion in Q3FY2007 compared to Q3FY2006, anchored by a 17.7% growth in volumes.

9MFY2007 Sales Revenue grew by 18.1% to S\$3.947 billion in 9MFY2007 compared to 9MFY2006, anchored by a 19.8% growth in volumes. The entire sales revenue growth can be attributed to the underlying volume growth.

Gross Contribution:

Q3FY2007: GC grew by 45.8% to S\$146.3 million in Q3FY2007 compared to Q3FY2006. All the four product segments registered an increase in GC. GC increased in Edible Nuts, Spices & Beans by 38.7%, Confectionery & Beverage ingredients by 40.7%, Food Staples & Packaged Foods by 43.3% and Fibre & Wood Products by 59.0% over FY2006. Commission and claims increased S\$8.9 million for the quarter. The increase was mainly on account of purchase commission paid to agents in Argentina and Eastern Europe for Dairy Products and commission paid to futures brokers.

9MFY2007: GC grew by 40.1% to S\$343.7 million in 9MFY2007 compared to 9MFY2006. All the four product segments registered an increase in GC. GC increased in Edible Nuts, Spices & Beans by 31.1%, Confectionery & Beverage ingredients by 38.9%, Food Staples & Packaged Foods by 37.3% and Fibre & Wood Products by 50.6% over FY2006.

Interest and Net Contribution:

Q3FY2007: Total net interest cost increased by 104.9% to S\$46.2 million in Q3FY2007. The interest cost per ton went up to S\$40 per ton from S\$23 per ton during the corresponding period last year.

All four product segments grew NC in Q3FY2007 compared to FY2006. 42% of the growth in NC came from volume increases while 58% came from margin improvements. NC increased in Edible Nuts, Spices & Beans by 18.8%, Confectionery & Beverage Ingredients by 23.4%, Food Staple and Packaged Foods by 40.7% and in Fibre & Wood Products by 36.4%.

9MFY2007: Total net interest cost increased by 63.5% to S\$112.0 million in 9MFY2007. The interest cost per ton went up to S\$38 per ton from S\$28 per ton during the corresponding period last year. The increase due to interest rate increases accounted for 48.3% of this increase and the balance was on account of higher working capital usage during 9MFY2007.

All four product segments grew NC in 9MFY2007 compared to FY2006. 59% of the growth in NC came from volume increases while 41% came from margin improvements. NC increased in Edible Nuts, Spices & Beans by 20.4%, Confectionery & Beverage Ingredients by 30.7%, Food Staple and Packaged Foods by 31.8% and in Fibre & Wood Products by 38.3%.

Q3: Segmentals

The following table provides segmental breakdown on Sales Volume, Sales Revenue, Gross Contribution (GC) and Net Contribution (NC) for the third quarter ended 31 March 2007 and comparison with the corresponding period ended 31 March 2006.

Quarter

	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Mar 07	Mar 06	Mar 07	Mar 06	Mar 07	Mar 06	Mar 07	Mar 06
Edible Nuts, Spices & Beans	161,968	150,851	193,183	153,166	25,651	18,495	19,377	16,311
Per ton (S\$)			1,193	1,015	158	123	120	108
Confectionery & Beverage Ingredients	296,326	274,657	830,779	651,060	56,688	40,278	34,372	27,849
Per ton (S\$)			2,804	2,370	191	147	116	101
Food Staples & Packaged Foods	440,937	322,026	260,870	219,174	20,058	13,994	13,676	9,718
Per ton (S\$)			592	681	45	43	31	30
Fibre & Wood Products*	261,023	238,005	295,105	401,915	43,881	27,594	32,613	23,916
Per ton (S\$)			1,131	1,689	168	116	125	100
Total	1,160,254	985,539	1,579,937	1,425,315	146,278	100,361	100,038	77,794
Per ton (S\$)					126	102	86	79

* 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 31 March 2007 and comparison with the nine months ended 31 March 2006.

Cumulative

	Sales Volume (in Metric Tons)		Sales Revenue (in S\$'000)		Gross Contribution (GC) (in S\$'000)		Net Contribution (NC) (in S\$'000)	
Segment	Mar 07	Mar 06	Mar 07	Mar 06	Mar 07	Mar 06	Mar 07	Mar 06
Edible Nuts, Spices & Beans	387,741	338,498	528,294	389,460	54,014	41,188	38,812	32,247
Per ton (S\$)			1,362	1,151	139	122	100	95
Confectionery & Beverage Ingredients	680,769	577,667	1,723,291	1,333,933	128,224	92,292	82,082	62,789
Per ton (S\$)			2,531	2,309	188	160	121	109
Food Staples & Packaged Foods	1,364,653	1,102,665	969,912	864,399	72,665	52,923	47,270	35,871
Per ton (S\$)			711	784	53	48	35	33
Fibre & Wood Products*	543,509	465,599	725,928	754,508	88,749	58,928	63,446	45,891
Per ton (S\$)			1,336	1,621	163	127	117	99
Total	2,976,672	2,484,429	3,947,425	3,342,300	343,652	245,331	231,610	176,798
Per ton (S\$)					115	99	78	71

We continued to make good progress in executing our strategy in FY2007 across all our four business segments. The progress made during FY2007 is highlighted below:

➤ **Edible Nuts, Spices & Beans**

The Edible Nuts, Spices & Beans segment recorded a volume growth of 7.4% in Q3 FY2007 and 14.5% in 9M FY2007. Net Contribution also recorded a strong 18.8% growth to S\$19.4 million in Q3 FY2007 and a 20.4% growth to S\$38.8 million for 9M FY2007.

All products under this segment performed well during 9M FY2007. Cashew volumes from most of our origins including India, Vietnam and West Africa were strong while peanut volumes grew as much as 158% due to the Group's presence in all the major peanut producing and exporting countries. The Group's recent acquisition of 100% interest in Universal Blanchers, the world's largest independent peanut blancher and ingredient processor in the US, is expected to enhance peanut growth moving forward. Spices including pepper and sesame performed well in terms of a successful entry into new product, dehydrates sourced from China, as well as improved sesame market share in Turkey and the Middle East and penetration into South Korea, new market. Growth from Pulses and Beans came from wider reach into key origins like the US and China and strong redistribution network in large markets such as India, South Africa and Algeria.

➤ **Confectionery and Beverage Ingredients**

Sales Volume and NC in the Confectionery & Beverage Ingredients segment grew 7.9% and 23.4% respectively in Q3 FY2007. Sales Volume and NC growth during the cumulative first nine months were 17.8% and 30.7% respectively.

Market demand for Arabica coffee was sluggish due to market expectation of a larger crop in South America, resulting in a lower than expected coffee volume growth during Q3 FY2007.

Cocoa volumes continued to grow with increase in Vendor Managed Inventory contracts secured with key customers during Q3 FY2007 and higher market share in the US.

➤ **Food Staples and Packaged Foods Business**

Sales Volume and NC for the Food Staples & Packaged Foods segment grew 36.9% and 40.7% respectively in Q3 FY2007 compared to Q3 FY2006. On an aggregate nine month basis, Sales Volume and NC growth were 23.8% and 31.8% respectively.

The improvement in Sales Volume came largely from Sugar, Dairy Products and Packaged Foods. Sugar volume rose by 89% during 9M FY2007 as a result of higher export from India into Middle East, larger volumes from Brazil arising from the expansion of pre-financing arrangement with sugar mills there and increased sales into Russia and its neighbouring CIS countries.

Dairy Products volume grew 90% during 9M FY2007 in spite of the ban of dairy export by India and supplier default situation in Argentina. This was because of the Group's strong supply arrangements from other origins in Eastern and Western Europe, and the US. On the marketing side, distribution has been enhanced in Russia, Belarus and Egypt.

➤ **Fibre and Wood Products**

The Fibre & Wood Products segment experienced 9.7% growth in Sales Volume and 36.4% in NC in Q3FY2007. For the first nine months, the segment saw 16.7% growth in Sales Volume and 38.3% in NC.

Cotton sales volume grew lower than expected at 15% in 9M FY2007 due to a sharp drop in China imports following a bumper domestic crop and a new sliding scale quota. Volume growth came mainly from market share gains in Turkey, Thailand and Bangladesh during the quarter as well as participation in the domestic cotton distribution in India and Brazil.

In Wood Products, sales volume increased 20% in 9M FY2007 as a result of greater sourcing volumes and market reach. The new facility for manufacturing high value flooring products is being set up in China and is expected to contribute to better margins moving forward.

Costs and Expenses

- Q3FY2007: SG&A increased by 30.5% to S\$54.9 million in Q3FY2007 over the corresponding period in FY2006. Increase in SG&A at 30.5% was higher than our growth in underlying Sales Revenue of 10.8% resulting in our operating leverage coming down. SG&A/Sales ratio increased from 2.95% in Q3 FY2006 to 3.48% in Q3FY2007.
- 9MFY2007: SG&A increased by 34.7% to S\$143.9 million in 9MFY2007 over the corresponding period in FY2006. Bulk of the increase in the SG&A has been contributed by increase in manpower costs of 57% and other operating expenses of 21% due to accelerated expansion in South America, China and Russia. Increase in SG&A at 34.7% was higher than our growth in underlying Sales Revenue of 18.1% resulting in our operating leverage going down. SG&A/Sales ratio increased from 3.20% in 9MFY2006 to 3.65% in 9MFY2007. This has resulted in some unused capacity in the current year and we expect these investments to pay off during the next 2 years.

Profit before tax

- Q3FY2007: For the quarter ended 31 March 2007, Profit before tax increased by 26.3% to S\$45.1 million compared to S\$35.7 million for FY2006.
- 9MFY2007: For the nine months ended 31 March 2007, Profit before tax increased by 25.4% to S\$87.7 million compared to S\$69.9 million for FY2006.

Taxation

- Q3FY2007: Taxes increased to S\$4.7 million for Q3FY2007 as compared to S\$4.4 million for Q3FY2006.
- 9MFY2007: Taxes increased to S\$9.2 million for 9MFY2007 as compared to S\$8.0 million for 9MFY2006.

Profit after tax

- Q3FY2007: Net Profit after Tax increased by 29.1% to S\$40.3 million for Q3FY2007 from S\$31.3 million in Q3FY2006.
- 9MFY2007: Net Profit after Tax increased by 26.8% to S\$78.5 million for 9MFY2007 from S\$61.9 million in 9MFY2006.

Balance Sheet & Cash Flow

Equity and Reserves

Total equity and reserves decreased by 10.1% from S\$488.0 million as of 30 June 2006 to S\$438.6 million as of 31 March 2007.

There has been a net reduction of S\$113.0 million to the equity related to the revaluation of financial derivatives used for hedging purposes, with corresponding impact on both Current Assets and Current Liabilities under "Fair value of derivative financial instruments," under the requirements of FRS 39. The main reason is due to unrealized losses on derivatives because of increasing market value of the underlying commodities (mainly cocoa). Under the requirements of FRS 39, these unrealized losses will flow through the profit & loss statement as and when the sale of physical stocks (being the hedged items) is recognized. These unrealized losses are related to effective hedging instruments and are expected to be offset by equivalent gains from the underlying physical transactions. Therefore, these adjustments are not expected to have any material impact to the profitability of the company.

Fixed Assets

Investments in fixed assets amounted to S\$30.2 million for the nine months ended 31 March 2007. The investments were mainly in processing factories, packaging plants, warehousing and logistics in Brazil, China, Tanzania, Gabon, Vietnam, Zimbabwe and Nigeria.

Current Assets

Debtors Analysis

Debtor days in Q3FY2007 increased by 6 days to 42 days as compared to 36 days as at 30 June 2006. 68.9% of debtors were either against Letters of Credit or against documents with the bank for collection. The quality of debtors remains good and no additional bad debt provision has been made during this quarter.

Stocks

Stock turnover days reduced marginally by 2 days to 90 days as compared to 92 days as of June 2006. There was an increase in stock value by S\$166.2 million to S\$1,180.1 million from S\$1,013.9 million as on 30 June 2006. 83.1% of the stocks were sold forward to customers or hedged using financial derivatives. The price exposure on the balance inventories are actively managed through both volume and tenor limits as per our risk management policies.

Advance to Suppliers

Advances to Suppliers went up by 2 days to 17 days in Q3FY2007 as compared to 15 days as of June 2006. The increase reflects the seasonality of the business, as October to March period is the cropping season for most products in the northern hemisphere countries and advances are provided to the suppliers at the beginning of the season, which are then recovered from the deliveries as the season progresses.

Borrowings

Borrowings increased to S\$1,898 million as of end of March 2007 from S\$1,477 million as of end June 2006. The increase in borrowing to fund additional working capital during this period is normal due to seasonality and increased level of activity across all product segments.

Cash and Fixed Deposits

Cash and Fixed Deposits decreased by 20.3% to S\$236.2 million as on March 2007 from S\$296.2 million as on June 2006.

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

There was no forecast made by the company.

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 are continuing to execute well on our strategic plans and identified growth initiatives in the different businesses. Barring any unforeseen circumstances, we are confident of our prospects going forward into the last quarter of FY2007. In the last two quarters the company has 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.

11. Dividend

- (a) Current Financial Period Reported On

NA

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

NA

- (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)

NA.

- (d) Date payable

N/A

- (e) Books closure date

N/A

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

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

Confirmation of the Board

We refer to the requirement under Rule 705(4) of the Listing Manual.

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for period ended 31 March 2007 to be false or misleading in any material aspects.

On behalf of the Board of Directors

R. Jayachandran
Chairman

Sunny George Verghese
Group Managing Director & CEO

BY ORDER OF THE BOARD

Sunny George Verghese
Group Managing Director & CEO

15 MAY 2007