

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

CITROFRESH INTERNATIONAL LIMITED

ABN

76 064 551 426

Quarter ended ("current quarter")

30 September 2005

STATEMENT OF CASH FLOWS

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers & GST Refunds	107	107
1.2 Payments for		
(a) staff costs	(84)	(84)
(b) sales and marketing costs	(25)	(25)
(c) corporate costs	(34)	(34)
(d) leased assets	(1)	(1)
(e) Other working capital	-	-
(f) other expenses	(177)	(177)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(213)	(213)
Cash flows related to investing activities		
1.8 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.9 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other -- security deposit	-	-
1.13 Net investing cash flows	-	-
Total operating and investing cash flows	(213)	(213)

Appendix 4C
STATEMENT OF CASH FLOW (CONTINUED)

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	253	253
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs)	-	-
	Net financing cash flows	253	253
Net increase (decrease) in cash held			40
1.20	Cash at beginning of quarter/year to date	92	92
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	132	132

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter SA'000
1.2	Aggregate amount of payments to the parties included in item 1.2	85
1.2	Aggregate amount of loans to the parties included in item 1.11	-

1.2 Explanation necessary for an understanding of the transactions

\$85,250 – remuneration to directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	130	10
4.2 Deposits at call	2	82
4.3 Bank overdraft	-	-
4.4 Other (bank guarantees and terms deposits)	-	-
Total: cash at end of quarter (item 1.22)	132	92

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	NIL	NIL
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Jeffrey Hanlon* Date:31/10/2005.....
(Secretary)

Print name:Jeffrey Hanlon.....

APPENDIX 4C COMMENTARY
STATEMENT OF CASH FLOW FOR FIRST QUARTER 2005/06
(PERIOD UNDER REVIEW 1ST JULY 2005 TO 30TH SEPTEMBER 2005)

OVERALL COMMENTS

During the quarter Citrofresh International Ltd (CTF) signed a three year \$4.5 million distribution expansion agreement with its South African distributor, Citrofresh South Africa Pty Ltd. Citrofresh SA has agreed to purchase minimum sales quantities of Citrofresh products equal to \$1.0m in the first year, increasing to \$1.5m in the second year, and \$2.0m in the third year. The new contract will increase sales to the region with the first commercial shipment to be made in the current quarter. CTF is working with existing distributors and regulatory bodies to establish approvals in each market. Approval in Chile remains a key priority for the Company.

CTF's management is committed to a number of initiatives:

- Expand customer numbers
- Source additional distributors
- Increase the level of sales, and
- Achieve positive cash flow as quickly as possible

OPERATING CASH FLOWS

Net operating cash outflows of \$213,000 for the 1st quarter in 2005/06 were an improvement on net operating cash outflows in the corresponding period in 2004/05.

Cash receipts

During the quarter under review, CTF recorded receipts of \$107,000 compared to nil in the corresponding period in 2004/05 which was the first quarter post shareholders approving the change in the nature and scale of the Company's activities to the marketing and distribution of Citrofresh products.

Payments

Operating cash outflows of \$320,000 for the 1st quarter in 2005/06 were substantially less compared to outflows of \$836,000 in the corresponding period in 2004/05.

During the quarter under review CTF did not make any payments to the manufacturer of Citrofresh products (GDM Technologies) for stock. It instead utilized inventory on hand which was already paid for in previous quarters to satisfy sales made.

FINANCING ACTIVITIES

Cash flows relating to financing activities include proceeds of \$253,150 as a result of the exercise of 1,012,500 May 2008 options at 25 cents per share by entities associated with CTF's directors

For Further enquiries:

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Dated 31 October 2005