



NEWS RELEASE

WILMAR 1Q2016 NET EARNINGS UP 3% TO US\$239 MILLION

- **Steady performance from Tropical Oils and Oilseeds & Grains**
- **Improved results from Sugar**
- **Weaker contributions from joint ventures & associates and one-off provisions for non-cash impairment of US\$23 million**
- **Core net profit decreased 12% to US\$222 million**
- **Strong cash flow from operating activities of US\$1.33 billion**

Highlights

In US\$ million	1Q2016	1Q2015*	Change
Revenue	9,002.7	9,411.3	-4.3%
Profit before taxation	321.3	296.6	8.3%
Net profit	239.4	232.0	3.2%
Core net profit	222.4	254.1	-12.5%
Earnings per share – fully diluted (US cents)	3.8	3.6	5.6%

* Prior period figures were restated upon adoption of Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants

Singapore, May 10, 2016 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, registered a 3% increase in net profit to US\$239.4 million for the quarter ended March 31, 2016 (“1Q2016”).

The higher net profit in 1Q2016 reflected steady performance from Tropical Oils and Oilseeds & Grains and an improved showing from Sugar. However, weaker contributions from joint ventures and associates as well as one-off provisions for impairment of US\$22.7 million made during the quarter resulted in lower overall core net profit. The Group’s core net profit (i.e. excluding non-operating items) declined 12% to US\$222.4 million in 1Q2016.

Revenue declined 4% US\$9.0 billion due to lower commodity prices.

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) achieved an 8% increase in pretax profit to US\$149.3 million in 1Q2016 due to improved performance from the Group's downstream operations, which benefited from lower commodity prices. As part of a restructuring exercise in Europe, the Group also made a one-off impairment for property, plant and equipment of US\$11.0 million during the quarter.

Production yield in 1Q2016, affected by the El Nino effect, declined 5% to 4.3 MT per hectare as production of fresh fruit bunches fell 6% to 902,035 metric tonnes ("MT").

Sales volume for Tropical Oils Manufacturing and Merchandising remained flat at 5.6 million MT in 1Q2016, supported by steady demand from the Group's downstream businesses.

Oilseeds & Grains (Manufacturing & Consumer Products) saw pretax profit increase 2% to US\$168.8 million in 1Q2016. The increase was achieved on the back of volume and margin growth in Consumer Products and continued improvements from the Group's rice and flour operations. This was partially offset by lower crush margins due to excessive arrival of soybeans, despite an increase in crush volume.

Sales volume for Oilseeds & Grains Manufacturing registered a 13% increase to 5.5 million MT. Consumer Products sales volume grew 13% to 1.7 million MT.

Sugar (Milling, Merchandising, Refining and Consumer Products) reported a significantly smaller pretax loss of US\$18.2 million in 1Q2016 compared to a pretax loss of US\$68.0 million in 1Q2015. Losses in Sugar were primarily due to seasonal plant maintenance in the first half of the year for the Australian Milling business as the crops are only harvested in the second half of the year. The stronger performances from the Group's merchandising business, coupled with higher sales volume from the Indonesian refineries mitigated the losses.

Sales volume for Sugar increased 8% to 2.0 million MT.

The **Others** segment recorded a pretax profit of US\$12.1 million in 1Q2016 (1Q2015: US\$21.9 million) mainly from mark-to-market gains in investment securities as well as positive contributions from the Shipping and Fertiliser businesses. This was partially offset by the one-off impairment of US\$11.7 million on a shareholders' loan to an associate.

Share of results of **Joint Ventures & Associates** declined 67% to US\$12.8 million in 1Q2016. This was due to lower contributions from the Group's China associates and sugar associate in India.

Strong Balance Sheet

As at March 31, 2016, total assets stood at US\$35.13 billion while shareholders' funds was US\$14.74 billion. Due to the adoption of new and revised accounting standards relating to biological assets, the Group's assets and shareholders' funds saw a downward adjustment of US\$752.0 million in 1Q2016.

Net debt decreased by US\$1.27 billion to US\$10.54 billion. As a result, net gearing ratio improved to 0.72x from 0.82x in December 31, 2015. The Group generated US\$1.33 billion in net cash flow from operating activities, resulting in strong free cash flow of US\$1.24 billion.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO, said, "We expect the recent improvements in CPO prices to benefit our Plantation business. However, this will be partially offset by lower margins in our downstream businesses due to higher feedstock costs. Consumer Products will continue to achieve healthy growth although crush margins are expected to come under pressure as a result of excessive soybean arrivals into China in the coming months and amidst volatile markets. Recent volatility in sugar prices will also have an effect on our Sugar operations. Operating conditions in the second quarter are expected to be challenging."

About Wilmar

Wilmar International Limited, founded in 1991 and headquartered in Singapore, is today Asia's leading agribusiness group. Wilmar is ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange.

Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemicals, biodiesel and fertiliser manufacturing as well as rice and flour milling. At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation, processing, merchandising to manufacturing of a wide range of branded agricultural products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group has a multinational workforce of about 92,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of consumers and the food manufacturing industry. Its consumer-packed products have a leading share in many Asian and African markets. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies. Wilmar is a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

ISSUED BY	:	Wilmar International Limited
CONTACT	:	Ms LIM Li Chuen (Investor Relations)/ Ms Iris CHAN (Corporate Communications)
TELEPHONE	:	+(65) 6507-0592 / +(65) 6216-0870
EMAIL	:	lim.lichuen@wilmar.com.sg / iris.chan@wilmar.com.sg

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