



NEWS RELEASE

WILMAR POSTS EARNINGS OF US\$162 MILLION FOR 1Q2014

- Core net profit excluding non-operating items down 32% to US\$215 million
- Strong performance from Plantations & Palm Oil Mills and Consumer Products
- Palm & Laurics margins remained healthy, supported by margin enhancement from higher value-added downstream products
- Oilseeds & Grains affected by negative crush margins in the industry
- Seasonal losses in Sugar

Highlights

In US\$ million	1Q2014	1Q2013	Change
Revenue	10,268.6	10,200.5	0.7%
Profit before taxation	205.8	416.8	-50.6%
Net profit	161.8	315.4	-48.7%
Core net profit excluding non-operating items	214.6	313.7	-31.6%
Earnings per share (US cents)*	2.5	4.9	-49.0%

* fully diluted

Singapore, May 8, 2014 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, posted a 49% decrease in net profit to US\$161.8 million for the quarter ended March 31, 2014 (“1Q2014”). Excluding non-operating items, the Group’s core net profit registered a 32% decline to US\$214.6 million in 1Q2014.

The lower net profit in 1Q2014 reflected seasonal losses in Sugar, negative soybean crushing margins as well as tougher operating conditions for Palm & Laurics. Associates also recorded lower contributions. However, the Group’s Plantations & Palm Oil Mills and Consumer Products segments performed strongly.

The Group registered strong volume growth of 17% in Consumer Products during the quarter. Despite higher palm prices in 1Q2014, revenue increased only marginally to US\$10.27 billion due to lower average selling prices of sugar and consumer pack oils.

Business Segment Performance

Palm & Laurics recorded slightly higher sales volume of 5.6 million metric tonnes (“MT”) in 1Q2014. Margins contracted on the back of compressed refining margins from tighter supply of CPO and increased industry capacity, but segment performance was bolstered by contributions from the Group’s higher value-added downstream products. As a result, pretax profit declined 26% to US\$162.0 million.

Oilseeds & Grains registered an increase of 6% in sales volume to 5.0 million MT due to the completed capacity expansion in the Group’s grains operations, especially flour. Crush margin was very poor due to excessive import of soybeans and lower demand for soybean meal because of bird flu and the slower economy. This resulted in a pretax loss of US\$57.4 million in 1Q2014 (1Q2013: pretax profit US\$47.2 million).

Consumer Products recorded a 17% increase in sales volume to 1.5 million MT on the back of growing demand for good quality consumer products, especially in the Group’s consumer pack oils and rice in China, as well as stronger sales volume in Vietnam and Indonesia. Reflecting the higher sales volume and stronger margins due to lower feedstock cost, pretax profit increased 26% to US\$71.0 million.

Plantations & Palm Oil Mills achieved a 53% increase in pretax profit to US\$110.4 million due to higher average selling prices of CPO and palm kernel from the Group’s own fruits as well as improved production yields. The segment also benefited from lower fertiliser costs and depreciation of the Indonesian Rupiah during the quarter. Production yield was higher by 11% to 4.9 MT per hectare as a result of better crop trend in Indonesia and Malaysia as well as younger palm to maturity in Sabah. Total production of fresh fruit bunches increased by 7% to 1,057,172 MT for 1Q2014.

Sugar reported a higher pretax loss of US\$54.0 million in 1Q2014 compared to a pretax loss of US\$13.6 million in 1Q2013. This was due to higher seasonal losses in Milling and lower profit in Merchandising & Processing.

Milling reported a pretax loss of US\$79.2 million compared to a pretax loss of US\$55.7 million in 1Q2013, mainly due to the seasonal impact pending commencement of the milling season in June, as well as negative timing effects of unrealised sugar hedges.

Merchandising & Processing registered a 12% increase in sales volume to 1.4 million MT in 1Q2014. Despite the volume growth, pretax profit decreased by 40% to US\$25.1 million as a result of lower Indonesian refinery margins and weaker merchandising performance.

The **Others** segment recorded a pretax loss of US\$36.6 million in 1Q2014 (1Q2013: pretax loss US\$13.6 million) primarily due to higher investment losses, partially offset by better performance from the fertiliser business.

Associates recorded a 70% decrease to US\$16.2 million mainly due to lower contributions by the Group's associates in China and India. This was partially offset by the Group's share of profits from its Moroccan associate, Cosumar S.A., and higher contributions from the Group's Russian associates.

Strong Balance Sheet

As at March 31, 2014, total assets stood at US\$43.61 billion while shareholders' funds grew to US\$15.19 billion. Net gearing ratio of 0.83x was unchanged compared to December 31, 2013.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO, said, "In 1Q 2014, the Group encountered difficult operating conditions arising from lower palm refining margins and negative crush margins in China worsened by a combination of exceptional factors. We believe that lower palm refining margins will continue to be alleviated by improved plantation earnings, as well as continually strong contributions from high margin palm and lauric products such as oleochemicals, specialty fats and biodiesel. Whilst current crushing conditions in China are tough, we believe that such conditions are not sustainable long term and the resultant consolidation in the industry will ultimately benefit us. In the meantime, we are encouraged by the continual growth in our consumer product sales volumes, especially in rice, flour and in emerging markets like Vietnam and Indonesia."

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, oilseeds crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemicals, biodiesel and fertilisers manufacturing and grains processing. At the core of Wilmar's strategy is a resilient integrated agribusiness model that encompasses the entire value chain of the agricultural commodity processing business, from origination and processing to branding, merchandising and distribution of a wide range of agricultural products. It has over 450 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group is backed by a multinational workforce of about 90,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of the food manufacturing industry, as well as the industrial and consumer food businesses. Its consumer-packed products occupy a leading share in its targeted 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 remains a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

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