



NEWS RELEASE

WILMAR REPORTS 2Q2016 NET LOSS OF US\$220 MILLION

- Oilseeds & Grains affected by untimely purchases in volatile soybean market
- Weaker performance in Sugar from weather conditions and hedging losses
- Tropical Oils boosted by higher downstream volumes
- Steady growth in Consumer Products
- Proposed interim tax exempt dividend of S\$0.025 per share, unchanged from 1H2015 dividend

Highlights

In US\$ million	2Q2016	2Q2015*	Change	1H2016	1H2015*	Change
Revenue	9,367.5	9,284.8	0.9%	18,370.2	18,696.1	-1.7%
(Loss)/profit before taxation	(186.2)	261.5	<i>n.m.</i>	135.1	558.1	-75.8%
Net (loss)/profit	(220.1)	193.2	<i>n.m.</i>	19.3	425.2	-95.5%
Core net (loss)/profit	(220.3)	185.0	<i>n.m.</i>	2.2	439.1	-99.5%
Earnings per share – fully diluted (US cents)	(3.5)	3.0	<i>n.m.</i>	0.3	6.6	-95.5%

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

Singapore, August 11, 2016 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, reported a net loss of US\$220.1 million for the quarter ended June 30, 2016 (“2Q2016”) (2Q2015: US\$193.2 million profit). Core net loss in 2Q2016 was US\$220.3 million (2Q2015: US\$185.0 million profit).

The loss was largely due to the manufacturing business within Oilseeds & Grains which was a result of untimely purchases of soybeans during the quarter. In addition, the Sugar business also turned in a weaker performance due to unfavourable weather

conditions and mark-to-market losses on sugar hedges. In contrast, the Tropical Oils business continued to perform favourably.

Revenue for the quarter increased marginally by 1% to US\$9.37 billion (2Q2015: US\$9.28 billion), mainly due to the increase in sales volume.

The Group's net profit for the half year ended June 30, 2016 ("1H2016") declined 95% to US\$19.3 million (1H2015: US\$425.2 million), while revenue fell 2% to US\$18.37 billion (1H2015: US\$18.70 billion). Core net profit in 1H2016 declined to US\$2.2 million (1H2015: US\$439.1 million).

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) achieved a 14% increase in pretax profit to US\$186.3 million in 2Q2016 (2Q2015: US\$164.0 million), attributed mainly to the Group's downstream businesses which saw higher volume growth while plantation performance was affected by lower production volume.

Sales volume from Tropical Oils Manufacturing & Merchandising grew 3% to 5.8 million metric tonnes ("MT") in 2Q2016 (2Q2015: 5.6 million MT). Production yield for plantations, which was affected by the El Nino phenomenon, was down by 29% to 3.9 MT per hectare in 2Q2016 (2Q2015: 5.5 MT per hectare). Production of fresh fruit bunches decreased 32% to 783,538 MT (2Q2015: 1,155,431 MT).

Oilseeds & Grains (Manufacturing & Consumer Products) registered a pretax loss of US\$343.8 million in 2Q2016 (2Q2015: US\$115.9 million profit) as a result of untimely purchases of soybeans in a highly volatile market. The loss was mitigated by stable performance from the Consumer Products business.

Sales volume for Oilseeds & Grains Manufacturing and Consumer Products grew marginally to 5.9 million MT and 1.0 million MT respectively in 2Q2016.

Sugar (Milling, Merchandising, Refining & Consumer Products) reported a pretax loss of US\$78.7 million (2Q2015: US\$37.5 million loss). This was because of the delay

in harvesting due to rain in Australia and accounting mark-to-market losses on hedges as a result of higher sugar prices.

Sales volume for Sugar increased 8% to 2.5 million MT from higher merchandising activities.

The **Others** segment recorded a pretax profit of US\$20.6 million (2Q2015: US\$31.9 million), mainly from the Shipping and Fertiliser businesses.

Joint Ventures & Associates recorded strong positive contributions of US\$32.0 million during the quarter (2Q2015: US\$10.5 million loss), mainly from the Group's investments in Adani Wilmar (Indian associate), Cosumar (sugar associate in Morocco) and African associates.

Dividend

The Board has proposed an interim tax exempt (one-tier) dividend for 1H2016 of S\$0.025 per share, unchanged from the 1H2015 dividend. The proposed dividend for 1H2016 will be payable on August 30, 2016.

Strong Balance Sheet

As at June 30, 2016, total assets stood at US\$35.21 billion while shareholders' funds was US\$14.06 billion. Net gearing ratio remained comparable at 0.83x compared to 0.82x as at December 31, 2015.

For 1H2016, the Group generated US\$705.5 million in net cash flow from operating activities, resulting in free cash flow of US\$445.5 million.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO, said, "Notwithstanding the one-time loss in 2Q2016, the Group's integrated agribusiness model remains intact and resilient. The Group continues to execute on its stated growth strategy with emphasis on downstream businesses and focusing on high growth Asian and African markets. Recent developments in joint ventures in Vietnam and India strengthen the long-term prospects in these countries. Barring unforeseen circumstances, the Group's performance for the rest of the year is expected to be satisfactory."

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, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilisers 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.

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August 11, 2016