Wilmar International Limited
Co. Reg. No. 199904785Z

56 Neil Road, Singapore 088830
Tel (65) 6216 0244
www.wilmar-international.com

NEWS RELEASE

WILMAR 2Q2018 NET EARNINGS INCREASES FIVEFOLD TO US$316 MILLION

- **Core net profit increases tenfold to US$352 million**
- **Higher crush volumes and margins for Oilseeds & Grains**
- **Healthy performance for Consumer Products**
- **Tropical Oils boosted by midstream and downstream businesses**
- **Improved performance for Sugar merchandising and processing**
- **Proposed interim tax-exempt dividend of S$0.035 per share, 17% increase from 1H2017 dividend**

Highlights

In US$ million	2Q2018	2Q2017*	*Change*	1H2018	1H2017*	*Change*
Revenue	10,797.6	10,599.4	*1.9%*	21,966.8	21,169.4	*3.8%*
EBITDA	699.5	321.7	*117.5%*	1,258.3	1,007.9	*24.8%*
Profit before taxation	419.7	62.1	*575.8%*	729.0	500.7	*45.6%*
Net profit	316.4	59.0	*436.6%*	519.7	400.9	*29.6%*
Core net profit	351.8	36.1	*875.0%*	535.3	329.1	*62.7%*
Earnings per share – fully diluted (US cents)	5.0	0.9	*455.6%*	8.2	6.3	*30.2%*

** Prior period figures were restated upon adoption of SFRS (I) 9 Financial Instruments and IFRS Convergence*

Singapore, August 13, 2018 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported an almost tenfold increase in core net profit to US$351.8 million for the quarter ended June 30, 2018 ("2Q2018") (2Q2017: US$36.1 million). The improvement was driven by stronger performance from the Oilseeds & Grains and Tropical Oils segments, as well as enhanced contributions from the Group's associates. Net profit increased fivefold to US$316.4 million (2Q2017: US$59.0 million).

Revenue for the quarter increased marginally by 2% to US$10.80 billion (2Q2017: US$10.60 billion), due to higher sales volume and commodity prices from the Oilseeds

& Grains businesses. This was partially offset by lower commodity prices in both the Tropical Oils and Sugar segments.

For the half year ended June 30, 2018 (“1H2018”), core net profit improved by 63% to US$535.3 million (1H2017: US$329.1 million) while net profit increased 30% to US$519.7 million (1H2017: US$400.9 million). Revenue increased 4% to US$21.97 billion (1H2017: US$21.17 billion).

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) reported a 165% increase in pretax profit to US$154.9 million in 2Q2018 (2Q2017: US$58.5 million), due to better performances from the midstream and downstream businesses. While higher crude oil prices benefitted the oleochemicals and biodiesel businesses, the specialty fats business also contributed positively as a result of an increase in global demand during the quarter.

Sales volume from Tropical Oils Manufacturing & Merchandising was marginally lower at 5.6 million metric tonnes (“MT”) in 2Q2018 (2Q2017: 5.8 million MT). Production yield for plantations improved 11% to 5.8 MT per hectare in 2Q2018 (2Q2017: 5.2 MT per hectare) due to more favourable weather conditions. Production of fresh fruit bunches increased 5% to 1,081,425 MT (2Q2017: 1,031,475 MT).

Oilseeds & Grains (Manufacturing & Consumer Products) registered a more than fourfold increase in pretax profit to US$290.2 million in 2Q2018 (2Q2017: US$60.3 million), benefiting from higher volume and good crush margins and a good performance from the Consumer Products business.

Sales volume for Oilseeds & Grains Manufacturing increased 12% to 7.5 million MT (2Q2017: 6.7 million MT) and grew 7% to 1.2 million MT for Consumer Products in 2Q2018 (2Q2017: 1.1million MT).

Sugar (Milling, Merchandising, Refining & Consumer Products) reported a smaller pretax loss of US$46.2 million in 2Q2018 (2Q2017: US$106.8 million loss) due to better performance by the Group’s merchandising and processing operations.

Sales volume for Sugar decreased 11% to 2.8 million MT from lower activities in the merchandising and processing businesses (2Q2017: 3.1 million MT).

The **Others** segment recorded a pretax loss of US$26.3 million (2Q2017: US$28.8 million profit), mainly due to losses arising from the Group's investment securities.

Joint Ventures & Associates recorded positive contributions of US$49.6 million during the quarter (2Q2017: US$23.2 million), mainly from the Group's associates in China and Europe.

Dividend

The Board has proposed an interim tax exempt (one-tier) dividend for 1H2018 of S$0.035 per share, a 17% increase from the 1H2017 dividend. The proposed dividend for 1H2018 will be payable on August 31, 2018.

Strong Balance Sheet

As at June 30, 2018, total assets stood at US$45.53 billion while shareholders' funds was US$15.99 billion.

Net debt increased by US$593.5 million to US$13.19 billion, mainly due to the first-time consolidation of debt from Shree Renuka Sugars Limited which became a subsidiary at the end of 2Q2018. Correspondingly, net gearing ratio increased to 0.82x in 1H2018 (FY2017: 0.79x).

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO, said, "The trade tensions between the US and China improved crush margins in the short term, thus benefitting our oilseeds crushing business. However, a prolonged dispute between the two countries will have a negative impact on crush margins due to lower plant utilisation. Nevertheless, we expect our other businesses such as consumer products, rice and flour milling to perform reasonably well in the coming quarters. While sustained low palm oil prices will affect our plantation business, our downstream businesses will benefit from increased demand and better margins for its products. Sugar performance should also improve in the second half of the year, with the commencement of crushing season in June.

"Overall, we are cautiously optimistic that performance for the rest of the year will 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 90,000 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

August 13, 2018