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NEWS RELEASE

WILMAR REPORTS 2Q2019 CORE NET EARNINGS OF US$177 MILLION; NET EARNINGS OF US$151 MILLION

- **Strong performance in Tropical Oils (Manufacturing & Merchandising) and Consumer Products**
- **Rice and flour milling continued to make good progress**
- **Lower soybean crush margins**
- **Weaker performance from Associates and Sugar**
- **Generated net cash flows from operating activities of US$2.39 billion in 1H2019**
- **Proposed interim tax-exempt dividend of S$0.03 per share**

Highlights

In US$ million	2Q2019	2Q2018*	*Change*	1H2019	1H2018*	*Change*
Revenue	9,782.1	10,751.1	*-9.0%*	20,226.5	21,888.6	*-7.6%*
EBITDA	541.7	699.5	*-22.6%*	1,187.1	1,258.3	*-5.7%*
Net profit	150.9	316.4	*-52.3%*	407.9	519.7	*-21.5%*
Net profit from continuing operations	170.6	316.4	*-46.1%*	440.3	519.7	*-15.3%*
Core net profit	176.8	351.8	*-49.7%*	427.1	535.3	*-20.2%*
Earnings per share – fully diluted (US cents)	2.4	5.0	*-52.0%*	6.4	8.2	*-22.0%*
Earnings per share from continuing operations – fully diluted (US cents)	2.7	5.0	*-46.0%*	7.0	8.2	*-14.6%*

** Prior period figures were restated upon adoption of SFRS (I) 15 Revenue from Contracts with Customers*

Singapore, August 13, 2019 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported a 50% decrease in core net profit to US$176.8 million for the quarter ended June 30, 2019 ("2Q2019") (2Q2018: US$351.8 million). The weaker performance was mainly due to lower crush margin for the quarter as the impact of the African swine fever outbreak on soybean meal demand was greater than previously expected. This was partially offset by strong performances from Consumer Products and Oleochemicals.

Revenue for the quarter decreased by 9% to US$9.78 billion (2Q2018: US$10.75 billion) due to lower commodity prices, partially offset by a 4% increase in sales volume.

For the half year ended June 30, 2019 ("1H2019"), net profit decreased by 22% to US$407.9 million (1H2018: US$519.7 million) while core net profit declined 20% to US$427.1 million (1H2018: US$535.3 million). Revenue declined 8% to US$20.23 billion (1H2018: US$21.89 billion).

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) reported a 15% increase in pretax profit to US$177.3 million in 2Q2019 (2Q2018: US$154.9 million) boosted by stronger performance from the manufacturing and merchandising business, on the back of higher sales volume during the quarter. This was partially offset by lower crude palm oil (CPO) prices and production yields, which reduced contributions from the plantation business.

Sales volume from Tropical Oils Manufacturing & Merchandising increased 10% to 6.2 million metric tonnes ("MT") in 2Q2019 (2Q2018: 5.6 million MT). Production yield for plantations declined 10% to 5.2 MT per hectare in 2Q2019 (2Q2018: 5.8 MT per hectare) as a result of unfavourable weather conditions. Production of fresh fruit bunches decreased 8% to 993,454 MT (2Q2018: 1,081,425 MT).

Oilseeds & Grains (Manufacturing & Consumer Products) registered a lower pretax profit of US$59.2 million in 2Q2019 (2Q2018: US$290.2 million), mainly due to the absence of strong crush volume and margins experienced in 2Q2018. While crush margins improved from 1Q2019, crushing operations in 2Q2019 continued to be affected by the African swine fever outbreak. Consumer Products maintained its strong performance while rice and flour milling continued to make good progress during the quarter.

Sales volume for Oilseeds & Grains increased 2% to 8.9 million MT (2Q2018: 8.7 million MT).

Sugar (Milling, Merchandising, Refining & Consumer Products) reported a pretax loss of US$69.4 million in 2Q2019 (2Q2018: US$46.2 million loss). The weaker result was mainly due to the consolidation of Shree Renuka Sugars Limited which became a subsidiary in June 2018. The Australian and Indonesian operations performed better.

Sales volume for Sugar decreased 3% to 2.7 million MT from lower sales activities in the merchandising and processing businesses (2Q2018: 2.8 million MT), partially offset by an increase in milling sales volume.

The **Others** segment recorded a pretax profit of US$6.2 million (2Q2018: US$26.3 million loss), mainly from positive contributions from Shipping and Fertiliser businesses.

Joint Ventures & Associates recorded lower contributions of US$21.9 million for the quarter (2Q2018: US$49.6 million), mainly due to weaker performance from the Group's China associates.

Dividend

The Board has proposed an interim tax exempt (one-tier) dividend for 1H2019 of S$0.03 per share. The proposed dividend for 1H2019 will be payable on August 30, 2019.

Strong Balance Sheet

As at June 30, 2019, total assets stood at US$46.18 billion while shareholders' funds was US$16.22 billion.

Net debt decreased by US$1.01 billion to US$12.45 billion. Correspondingly, net gearing ratio improved to 0.77x in 1H2019 (FY2018: 0.84x).

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO, said, "We have submitted our application to list our China operations on the Shenzhen Stock Exchange. With the disclosure of our China operations in the Prospectus, there is now a better understanding and appreciation of the Group's China operations. In China, the Group has more than 300 plants in 62 locations with many top brands and a vast marketing and distribution network. We believe such an operation is not easily replicated and will cost significantly more to build today. We have built similar operations in many countries including Indonesia, India, Vietnam and in many African countries. We strongly believe that these operations, when fully mature, will enjoy similar good returns in the future. We will continue to expand our operations in our core businesses as we believe the future for food demand is in Asia and Africa.

He added, "Barring any unforeseen circumstances, we expect the margins of our crushing business and other segments to perform better in the remaining half of the year."

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 and regions. 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.

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