

ACQUISITION OF SUCROGEN LIMITED

1. INTRODUCTION

Wilmar International Limited ("**Wilmar**" or the "**Company**") wishes to announce that Wilmar Australia Pty Ltd, a wholly-owned subsidiary of the Company, has entered into a Share Sale Agreement with CSR Limited ("**CSR**") to acquire 100% of the ordinary share capital (the "**Shares**") of Sucrogen Limited ("**Sucrogen**"), CSR's sugar and renewable energy business (the "**Acquisition**").

2. BACKGROUND INFORMATION ON THE ACQUISITION

Sucrogen is a company incorporated in the state of Queensland, Australia and is wholly-owned by CSR.

Sucrogen operates sugar and renewable energy businesses and participates across all aspects of the sugar value chain including:

- **Cane Products:** Largest Australian raw sugar producer and second largest exporter of raw sugar globally, with seven mills capable of producing 2.1 million metric tonnes ("**MT**") of raw sugar per year, located in Queensland. Sucrogen, through Queensland Sugar Limited ("**QSL**") is a market-leading exporter to the Asian region. It is the largest renewable energy generator from biomass using cane bagasse, a waste by-product of cane sugar production, and maintains electricity cogeneration capacity of 171 megawatts ("**MW**"), with surplus sold to Queensland's electricity grid.
- **Sweeteners:** Largest sugar refiner in Australia and New Zealand, with annual production capacity of 970,000 MT of refined sugar from three refineries. In addition to supplying the domestic markets, substantial tonnage is exported to Asia. The business supplies a broad range of industrial and consumer end-markets and is supported by a leading brand portfolio including CSR and Chelsea. In addition, Sucrogen, in its joint venture with Mackay Sugar Limited, holds the exclusive Australian and New Zealand distribution licenses for Equal, an artificial sweetener; and
- **Bioethanol:** The second largest Australian producer of fuel bioethanol and the largest supplier of industrial ethanol to the Australian market for over 100 years.

Sucrogen has strategic shareholdings and interests in industry bodies that provide essential marketing and export services to Australia's canegrowers and millers. These are Sugar Terminals Limited, QSL and Australian Molasses Trading Pty Ltd. In addition, Sucrogen has a shareholding interest in Czarnikow Ltd, a leading sugar broker and consultant.

For the year ended 31 March 2010, Sucrogen generated revenue of A\$1,737 million (US\$1,461 million) and net profit after tax and minority interests of A\$79 million (US\$66 million). As at 31 March 2010 Sucrogen's Net Tangible Assets stood at A\$581 million (US\$489 million), while Net Asset Value was A\$697 million (US\$586 million).

3. SALIENT TERMS OF THE SHARE SALE AGREEMENT (the “Agreement”)

3.1 Consideration and Adjustments

The aggregate consideration in enterprise value of A\$1,750 million (US\$1,472 million) comprises A\$1,347 million (US\$1,133 million) equity value plus Sucrogen's indebtedness (net of cash) of A\$403 million (US\$339 million) due to CSR as at 31 March 2010 (the “**Consideration**”). The Agreement requires Wilmar to settle any additional indebtedness incurred by Sucrogen and due to CSR between 1 April 2010 and the completion date. The Consideration for the Acquisition was arrived at pursuant to negotiations between the parties on an arm's length, “willing-buyer, willing-seller” basis, taking into account the rationale described in Section 5.

3.2 Completion

Completion of the Acquisition is expected to take place around 30 September 2010 or shortly thereafter (the “**Completion**”), upon which, Wilmar shall pay the Consideration.

Completion is subject to:

- (i) Approval by Australia's Foreign Investment Review Board;
- (ii) Approval of New Zealand's Overseas Investment Office; and
- (iii) Other customary sale conditions.

3.3 No Funding Charge on Indebtedness

The on-going Sucrogen indebtedness incurred and wholly funded by and due to CSR will be interest-free and will not be subject to any funding charge from 1 April 2010 through to Completion.

4. SOURCE OF FUNDS

The Consideration will be funded by bank borrowings and internal sources of funds.

5. RATIONALE

1. Strong fundamentals behind Wilmar's move into the sugar business

Similar to the other agri-products that are part of Wilmar's integrated agribusiness model, there are strong economic and demographic fundamentals driving demand for sugar in countries where Wilmar has leading market positions. In these fast-growing emerging economies, where the current per capita sugar consumption is low relative to developed countries, demand is expected to increase substantially in the future due to rising affluence and a corresponding increase in per capita consumption.

2. Wilmar's aspirations in sugar

Wilmar intends to build a significant sugar business, utilising its proven integrated agribusiness model to replicate its success in other agri-commodities. The acquisition of Sucrogen will jump-start this strategy to expand into sugar.

Wilmar aims to work with Sucrogen's management to realise these synergies and also to pursue growth strategies in Asian markets.

3. How Sucrogen will contribute

Sucrogen is the largest producer of raw sugar in Australia and through QSL the second largest exporter of raw sugar globally. In Australia, it owns and operates high-quality infrastructural

assets, which include the largest holding of sugar mills in the country (located in the highest yielding cane-growing regions) and a unique network of 1,250km of cane rail stretching from farm-gate to mill and mill to port, providing it with significant logistical cost advantages. As a result, Sucrogen is one of the world's lowest cost producers of sugar and is competitive with producers in Brazil's central south region on a delivered basis. Furthermore, because of its proximity to Asia (which is a net importer of sugar) and the high quality of Australian sugar, Sucrogen via QSL has been able to achieve a "Far East premium" over global sugar prices.

Sucrogen owns leading consumer brands associated with quality. The CSR brand is Australia's leading consumer sweetener brand and the Chelsea brand is a New Zealand icon.

Sucrogen is also the leading producer of ethanol and renewable energy in Australia, as the second largest renewable fuel ethanol producer and with cogeneration capacity of 171 MW.

The company is led by an experienced and capable management team with deep industry knowledge. It employs world-class agronomists, possesses advanced cane-related R&D, and is the global market leader in sugar-related technology. Sucrogen also has extensive technical knowledge and the ability to design, build and operate state-of-the-art mills and refineries.

Investment Summary

In summary, Wilmar's acquisition of Sucrogen is based on the following investment highlights:

- Wilmar is well-placed to expand into the sugar business due to:
 - Its well-established processing and merchandising infrastructure and distribution networks in countries with sugar supply deficits like Indonesia where per capita consumption will continue to increase; and
 - Its experience in building winning businesses in high-growth developing markets.
- Sucrogen is Australia's premier sugar company;
- It is a scale sugar exporter;
 - It is Australia's largest exporter of refined sugar and, through QSL, the world's second largest exporter of raw sugar in 2007.
- It is one of the world's lowest cost sugar producers, owing to:
 - Cane located adjacent to rail and port infrastructure.
 - High quality infrastructure assets (mills, cane rail) that make it globally competitive with lowest cost producers.
- In its joint venture with Mackay Sugar Limited, it is the largest producer of refined sugars in Australia and New Zealand;
- Owns a portfolio of Australia's and New Zealand's leading consumer brands across the sweeteners (refining) market;
 - The CSR brand is Australia's leading consumer sweetener brand and the Chelsea brand is a New Zealand icon.
- Is the leading producer of ethanol and renewable energy in Australia;
 - Australia's second largest renewable fuel ethanol producer.
 - Cogeneration capacity of 171 MW with 105 MW available for export.
- Managed by an experienced and capable management team with a strong track record; and
- Possesses world-leading technical capabilities in sugar (developing plantations, mills and refineries).

6. FINANCIAL EFFECTS OF THE ACQUISITION

The effective date of Acquisition is 1 April 2010 and the Acquisition is expected to be earnings accretive from the first year of consolidation, subject to Completion taking place.

The proforma financial effects of the Acquisition are purely for illustrative purposes only and do not reflect the future actual financial position of Wilmar after completion of the Acquisition.

The following proforma financial effects have been prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2009, and assuming that the Acquisition had been completed at the beginning of the financial year for the computation of the effect on the earnings per share, and at the end of the financial year for the computation of the effect on the net tangible assets per share.

Net Tangible Assets ("NTA") Per Share

	As at 31 December 2009	Proforma after the Acquisition
NTA (US\$'000)	6,902,693	6,256,835
Number of shares ('000)	6,390,121	6,390,121
NTA per share (US\$)	1.08	0.98

Earnings Per Share ("EPS")

	Financial year ended 31 December 2009	Proforma after the Acquisition
Net Profit (US\$'000)	1,882,040	1,914,999
Weighted average number of shares ('000)	6,385,960	6,385,960
EPS (US cents) – basic	29.5	30.0
EPS (US cents) – fully diluted	27.4	27.9

Assumptions:

1. Proforma NTA after the Acquisition is based on Wilmar's NTA as at 31 December 2009 less goodwill from the Acquisition calculated using Sucrogen's unadjusted carrying value of identifiable assets and liabilities as at 31 March 2010. On Completion, it is anticipated that Sucrogen will undertake an asset revaluation to reflect the fair market value of certain fixed assets that are presently recorded at their carrying value.
2. Proforma Net Profit after the acquisition is based on Wilmar's net profit for the financial year ended 31 December 2009, Sucrogen's net profit for the financial year ended 31 March 2010 and imputed after tax interest expense incurred in funding the Acquisition.

7. DISCLOSEABLE TRANSACTION

For the purposes of Chapter 10 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual, the applicable relative figures under Rule 1006 of the SGX-ST Listing Manual based on the latest announced full year results of the Company (i.e. the audited full year results for the financial year ended 31 December 2009) are as follows:

Listing Rule		Relative Figure
1006 (b)	Net profits attributable to the assets acquired compared with the group's net profits.	4.47%
1006 (c)	Aggregate value of the consideration given, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares.	5.64%

Pursuant to the tests for Rule 1006 above, the Acquisition constitutes a discloseable transaction pursuant to Part VI of Chapter 10 of the SGX-ST Listing Manual.

8. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

Save for their interests in the shares of the Company, none of the Directors and so far as the Directors are aware, none of the controlling shareholders has any interest, direct or indirect, in the Acquisition.

By order of the Board

Issued by
WILMAR INTERNATIONAL LIMITED

5 July 2010