

[Print this page](#)[FIRST QUARTER 2011 RESULTS](#) \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

\* Asterisks denote mandatory information


Name of Announcer *	WILMAR INTERNATIONAL LIMITED
Company Registration No.	199904785Z
Announcement submitted on behalf of	WILMAR INTERNATIONAL LIMITED
Announcement is submitted with respect to *	WILMAR INTERNATIONAL LIMITED
Announcement is submitted by *	COLIN TAN TIANG SOON
Designation *	COMPANY SECRETARY
Date & Time of Broadcast	13-May-2011 07:18:46
Announcement No.	00009

>> [ANNOUNCEMENT DETAILS](#)

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2011
Description	Please refer to the attached.

## Attachments

 Wilmar\_1Q11\_Results\_Announcement.pdf Wilmar\_1Q11\_Results\_News\_Release.pdf

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**Unaudited Financial Statements for the First Quarter ended 31 March 2011****FINANCIAL HIGHLIGHTS**

	<b>1Q2011 US\$'000</b>	<b>1Q2010 US\$'000</b>	<b>Change</b>
<b>Revenue</b>	<b>9,535,714</b>	<b>6,764,132</b>	<b>41.0%</b>
<b>Net Profit</b>	<b>386,701</b>	<b>401,390</b>	<b>-3.7%</b>
<b>EPS - Basic (US cents per share)</b>	<b>6.0</b>	<b>6.3</b>	<b>-4.8%</b>
<b>EPS - Fully diluted (US cents per share)</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0%</b>
	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>Change</b>
<b>Net Tangible Asset (US\$'000)</b>	<b>7,944,734</b>	<b>7,455,290</b>	<b>6.6%</b>
<b>Net Asset per share (US\$ per share)</b>	<b>1.93</b>	<b>1.85</b>	<b>4.3%</b>
<b>Net Tangible Asset per share (US\$ per share)</b>	<b>1.24</b>	<b>1.17</b>	<b>6.0%</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(a)(i) Consolidated Income Statement**

	<b>Group</b>		
	<b>Three months ended</b>		
	<b>31.03.2011 US\$'000</b>	<b>31.03.2010 US\$'000</b>	<b>%</b>
<b>Revenue</b>	9,535,714	6,764,132	41.0%
Cost of sales	(8,536,371)	(5,941,776)	43.7%
<b>Gross profit</b>	<b>999,343</b>	<b>822,356</b>	<b>21.5%</b>
<b>Other items of income</b>			
Interest income	49,017	32,449	51.1%
Other operating income	170,911	34,497	395.4%
<b>Other items of expenses</b>			
Selling and distribution expenses	(464,700)	(263,858)	76.1%
Administrative expenses	(137,562)	(90,078)	52.7%
Other operating expenses	(69,298)	(28,160)	146.1%
Finance costs	(100,250)	(42,237)	137.4%
Share of results of associates	54,409	33,952	60.3%
<b>Profit before tax</b>	<b>501,870</b>	<b>498,921</b>	<b>0.6%</b>
Income tax expense	(82,293)	(76,555)	7.5%
<b>Profit after tax</b>	<b>419,577</b>	<b>422,366</b>	<b>-0.7%</b>
<b>Attributable to:</b>			
<b>Owners of the parent</b>	<b>386,701</b>	<b>401,390</b>	<b>-3.7%</b>
Non-controlling interests	32,876	20,976	56.7%
	419,577	422,366	-0.7%

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(a)(ii) Consolidated Statement of Comprehensive Income**

	<b>Group</b>		
	<b>Three months ended</b>		
	<b>31.03.2011 US\$'000</b>	<b>31.03.2010 US\$'000</b>	<b>Inc/(Dec) US\$'000</b>
<b>Profit after tax</b>	419,577	422,366	(2,789)
<b>Other comprehensive income</b>			
Foreign currency translation	80,810	38,525	42,285
Fair value adjustment on cash flow hedges	43,064	(27,207)	70,271
Fair value adjustment on available-for-sale financial assets	(4,957)	22,966	(27,923)
Total other comprehensive income, net of tax	118,917	34,284	84,633
<b>Total comprehensive income</b>	<b>538,494</b>	<b>456,650</b>	<b>81,844</b>
<b>Attributable to:</b>			
<b>Owners of the parent</b>	<b>497,162</b>	<b>434,890</b>	<b>62,272</b>
Non-controlling interests	41,332	21,760	19,572
	538,494	456,650	81,844

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(b)(i) Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2011</b> <b>US\$'000</b>	<b>31.12.2010</b> <b>US\$'000</b>	<b>31.03.2011</b> <b>US\$'000</b>	<b>31.12.2010</b> <b>US\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6,271,736	6,111,927	382	144
Biological assets	1,537,501	1,512,209	-	-
Plasma investments	4,326	5,418	-	-
Intangible assets	4,424,593	4,400,544	595	661
Investment in subsidiaries	-	-	8,680,782	8,680,663
Investment in associates	1,457,679	1,269,656	200,849	200,849
Available-for-sale financial assets	143,762	143,825	36,000	36,000
Deferred tax assets	180,510	211,882	-	-
Derivative financial instruments	82,270	131,111	42,858	85,014
Other financial receivables	106,533	106,810	35,691	104,854
Other non-financial assets	31,687	50,030	-	-
	<b>14,240,597</b>	<b>13,943,412</b>	<b>8,997,157</b>	<b>9,108,185</b>
<b>Current assets</b>				
Inventories	6,574,043	6,737,369	-	-
Trade receivables	2,911,346	3,125,919	-	-
Other financial receivables	1,000,395	1,310,707	2,207,645	2,893,968
Other non-financial assets	1,787,881	1,394,778	1,528	1,286
Derivative financial instruments	324,387	350,091	257	-
Available-for-sale financial assets	2,995	3,010	-	-
Financial assets held for trading	300,897	316,301	-	-
Other bank deposits	7,257,514	5,895,314	-	-
Cash and bank balances	787,201	892,498	4,074	3,450
	<b>20,946,659</b>	<b>20,025,987</b>	<b>2,213,504</b>	<b>2,898,704</b>
<b>TOTAL ASSETS</b>	<b>35,187,256</b>	<b>33,969,399</b>	<b>11,210,661</b>	<b>12,006,889</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(b)(i) Balance Sheets** *(continued)*

	Group		Company	
	31.03.2011 US\$'000	31.12.2010 US\$'000	31.03.2011 US\$'000	31.12.2010 US\$'000
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	1,177,149	1,447,188	-	-
Other financial payables	811,864	789,729	228,073	588,807
Other non-financial liabilities	332,030	393,334	-	-
Derivative financial instruments	388,210	629,534	-	-
Loans and borrowings	15,516,643	14,903,631	-	508,500
Tax payables	105,059	105,876	2,742	-
	<b>18,330,955</b>	<b>18,269,292</b>	<b>230,815</b>	<b>1,097,307</b>
<b>NET CURRENT ASSETS</b>	<b>2,615,704</b>	<b>1,756,695</b>	<b>1,982,689</b>	<b>1,801,397</b>
<b>Non-current liabilities</b>				
Other financial payables	4,939	4,274	-	-
Other non-financial liabilities	76,138	66,228	-	-
Derivative financial instruments	65,337	75,234	-	-
Loans and borrowings	3,103,062	2,521,556	548,690	545,716
Deferred tax liabilities	493,153	474,953	-	-
	<b>3,742,629</b>	<b>3,142,245</b>	<b>548,690</b>	<b>545,716</b>
<b>TOTAL LIABILITIES</b>	<b>22,073,584</b>	<b>21,411,537</b>	<b>779,505</b>	<b>1,643,023</b>
<b>NET ASSETS</b>	<b>13,113,672</b>	<b>12,557,862</b>	<b>10,431,156</b>	<b>10,363,866</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	8,445,765	8,434,768	8,881,904	8,870,907
Retained earnings	5,108,721	4,729,552	1,358,552	1,307,593
Other reserves	(1,185,159)	(1,308,486)	190,700	185,366
	12,369,327	11,855,834	10,431,156	10,363,866
Non-controlling interests	744,345	702,028	-	-
<b>Total equity</b>	<b>13,113,672</b>	<b>12,557,862</b>	<b>10,431,156</b>	<b>10,363,866</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,187,256</b>	<b>33,969,399</b>	<b>11,210,661</b>	<b>12,006,889</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2011****1(b)(ii) Group's borrowings and debt securities**

	<b>Group</b>		<b>Group</b>	
	<b>31.03.2011</b>		<b>31.12.2010</b>	
	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
<b>(a) Amount repayable in one year or less, or on demand</b>	6,737,073	8,779,570	7,862,459	7,041,172
<b>(b) Amount repayable after one year</b>	813,209	2,289,853	529,131	1,992,425
	7,550,282	11,069,423	8,391,590	9,033,597

**Details of any collateral**

A portion of the bank term loans, short term working capital loans and bank overdrafts is secured by a pledge over property, plant and equipment, fixed deposits, trade receivables, inventories and corporate guarantees from the Company and certain subsidiaries.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(c) Consolidated Cash Flow Statement**

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2011 US\$'000</b>	<b>31.03.2010 US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	501,870	498,921
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	106,642	72,368
Amortisation of intangible assets	103	31
Interest income from available-for-sale financial assets	-	(2,734)
Loss/(gain) on disposal of property, plant and equipment	198	(3,203)
Gain on liquidation of a subsidiary	(10)	-
Gain on disposal of financial assets held for trading	(397)	(2,984)
Grant of share options to employees	8,918	4,217
Net gain on the fair value of derivative financial instruments	(39,501)	(76,712)
Net fair value loss on financial assets held for trading	749	4,193
Foreign exchange arising from translation	(59,808)	24,054
Interest expense	100,250	42,237
Interest income	(49,017)	(32,449)
Share of results of associates	(54,409)	(33,952)
Operating cash flows before working capital changes	515,588	493,987
Changes in working capital:		
Decrease in inventories	105,498	17,190
Increase in receivables and other assets	(38,254)	(267,238)
Decrease in payables	(321,050)	(316,527)
Cash flows generated from/(used in) operations	261,782	(72,588)
Interest paid	(97,276)	(42,237)
Interest received	49,017	32,449
Income taxes paid	(69,421)	(65,924)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>144,102</b>	<b>(148,300)</b>



**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(c) Consolidated Cash Flow Statement (continued)**

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2011 US\$'000</b>	<b>31.03.2010 US\$'000</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of additional interest in subsidiaries	-	(7,446)
Decrease/(increase) in plasma investments	1,092	(124)
Increase in other non-financial assets	(218)	-
Payments for property, plant and equipment	(224,641)	(184,882)
Payments for biological assets	(11,429)	(16,298)
Payments for available-for-sale financial assets	(4,262)	(240,264)
Payments for financial assets held for trading	(16,776)	(24,047)
Payments for investment in associates	(126,604)	(9,904)
Dividends received from associates	5,103	6,000
Interest received from available-for-sale financial assets	-	1,790
Proceeds from disposal of property, plant and equipment	1,628	38,255
Proceeds from disposal of biological assets	278	-
Proceeds from disposal of available-for-sale financial assets	-	13,869
Proceeds from disposal of financial assets held for trading	32,133	60,260
<b>Net cash flows used in investing activities</b>	<b>(343,696)</b>	<b>(362,791)</b>
<b>Cash flows from financing activities</b>		
Decrease in net amount due from related parties	335	53
(Increase)/decrease in net amount due from associates	(74,334)	13,863
Increase /(decrease) in advances from non-controlling shareholders	9,534	(3,433)
Proceeds from bank loans	1,640,047	1,236,178
Increase in fixed deposits pledged with financial institutions for bank facilities	(1,339,488)	(846,171)
Repayments of finance lease liabilities	(8)	(9)
(Increase)/decrease in other deposits with maturity more than 3 months	(22,712)	237,922
Interest paid	(2,134)	1,118
Decrease/(increase) in other financial receivables	323,154	(27,649)
Dividends paid to non-controlling shareholders by subsidiaries	(3,423)	(2,167)
Proceeds from issue of shares by the Company	7,413	3,721
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	4,408	903
<b>Net cash flows generated from financing activities</b>	<b>542,792</b>	<b>614,329</b>
Net increase in cash held	343,198	103,238
Cash and cash equivalents at beginning of the financial year	400,475	392,263
<b>Cash and cash equivalents at the end of the financial period</b>	<b>743,673</b>	<b>495,501</b>
Represented by:		
Total cash and bank balances	8,044,715	5,854,089
Less: Fixed deposits pledged with financial institutions for bank facilities	(7,047,376)	(4,724,229)
Less: Other deposits with maturity more than 3 months	(210,138)	(196,344)
Bank overdrafts	(43,528)	(438,015)
<b>Total cash and cash equivalents</b>	<b>743,673</b>	<b>495,501</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(d)(i) Statements of Changes in Equity**

	Attributable to owners of the parent				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total		
For the period From 01.01.2011 to 31.03.2011	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 January 2011	8,434,768	4,729,552	(1,308,486)	11,855,834	702,028	12,557,862
Total comprehensive income	-	386,701	110,461	497,162	41,332	538,494
Grant of equity-settled share options	-	-	8,918	8,918	-	8,918
Issue of shares pursuant to exercise of share options	10,997	-	(3,584)	7,413	-	7,413
Share capital contributed by non-controlling shareholders	-	-	-	-	4,408	4,408
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(3,423)	(3,423)
Net transfer to other reserves	-	(7,532)	7,532	-	-	-
<b>Closing balance at 31 March 2011</b>	<b>8,445,765</b>	<b>5,108,721</b>	<b>(1,185,159)</b>	<b>12,369,327</b>	<b>744,345</b>	<b>13,113,672</b>

	Attributable to owners of the parent				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total		
For the period From 01.01.2010 to 31.03.2010	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 January 2010	8,414,355	3,821,552	(1,304,778)	10,931,129	480,500	11,411,629
Total comprehensive income	-	401,390	33,500	434,890	21,760	456,650
Grant of equity-settled share options	-	-	4,217	4,217	-	4,217
Issue of shares pursuant to exercise of share options	5,598	-	(1,877)	3,721	-	3,721
Issue of shares pursuant to conversion of convertible bonds	108	-	(14)	94	-	94
Share capital contributed by non-controlling shareholders	-	-	-	-	903	903
Acquisition of additional interest in subsidiaries	-	-	-	-	(5,987)	(5,987)
Premium paid for acquisition of additional interest in subsidiaries	-	-	(1,453)	(1,453)	(5)	(1,458)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(2,167)	(2,167)
Net transfer to other reserves	-	(5,681)	5,681	-	-	-
<b>Closing balance at 31 March 2010</b>	<b>8,420,061</b>	<b>4,217,261</b>	<b>(1,264,724)</b>	<b>11,372,598</b>	<b>495,004</b>	<b>11,867,602</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the parent			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b> <b>From 01.01.2011 to 31.03.2011</b>				
<b>Company</b>				
Opening balance at 1 January 2011	8,870,907	1,307,593	185,366	10,363,866
Total comprehensive income	-	50,959	-	50,959
Grant of equity-settled share options	-	-	8,918	8,918
Issue of shares pursuant to exercise share options	10,997	-	(3,584)	7,413
<b>Closing balance at 31 March 2011</b>	<b>8,881,904</b>	<b>1,358,552</b>	<b>190,700</b>	<b>10,431,156</b>

	Attributable to owners of the parent			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b> <b>From 01.01.2010 to 31.03.2010</b>				
<b>Company</b>				
Opening balance at 1 January 2010	8,850,494	1,146,072	171,008	10,167,574
Total comprehensive income	-	113,697	9,544	123,241
Grant of equity-settled share options	-	-	4,217	4,217
Issue of shares pursuant to exercise share options	5,598	-	(1,877)	3,721
Issue of shares pursuant to conversion of convertible bonds	108	-	(14)	94
<b>Closing balance at 31 March 2010</b>	<b>8,856,200</b>	<b>1,259,769</b>	<b>182,878</b>	<b>10,298,847</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2011****1(d)(ii) Share Capital**

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	
	31.03.2011	31.03.2010
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning of period	6,396,925,092	6,390,121,045
Issue of shares pursuant to conversion of convertible bonds	-	26,860
Issue of shares pursuant to exercise of share options	2,618,000	2,131,000
<b>Balance at end of period</b>	<b>6,399,543,092</b>	<b>6,392,278,905</b>
The number of shares that may be issued on conversion of outstanding convertible bonds at the end of the period	154,045,513	154,394,700
The number of shares that may be issued on exercise of share options outstanding at the end of the period	34,001,000	41,376,000

**1(d)(iii) The total number of issue shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company did not hold any treasury shares as at 31 March 2011 and 31 December 2010.

The Company's total number of issued shares excluding treasury shares as at 31 March 2011 and 31 December 2010 is 6,399,543,092 and 6,396,925,092 respectively.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period on.**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements presented above have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011****4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2010 except for the adoption of new or revised FRS and INT FRS that are mandatory for financial years beginning on or after 1 January 2011. The adoption of these FRS and INT FRS has no significant impact to the Group.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.

**6. Earnings Per Ordinary Share (EPS)**

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>
(a) Based on weighted average number of shares (US cents per share)	6.0	6.3
(b) Based on fully diluted basis (US cents per share) #	6.0	6.0
Weighted average number of shares applicable to basic earnings per share ('000)	6,397,896	6,391,691
Weighted average number of shares based on fully diluted basis ('000) #	6,401,913	6,553,322

# The fair value and accretion of interest on convertible bonds were not included in the computation of diluted earnings per share for the period ended 31 March 2011 as the convertible bonds are anti-dilutive.

**7. Net Asset Value Per Ordinary Share (NAV)**

	<b>Group</b>		<b>Company</b>	
	<b>Period ended</b>		<b>Period ended</b>	
	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>31.03.2011</b>	<b>31.12.2010</b>
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	193.3	185.3	163.0	162.0

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**

**8. Review of Group Performance**

***Overview***

The Group posted a 3.7% decline in net profit to US\$386.7 million in 1Q2011 due primarily to the fair value loss on embedded derivatives of its convertible bonds, partially offset by a profit within the Sugar segment relating to pre-acquisition hedging reserves. Excluding these items, the Group would have recorded a 3.4% growth in net profit to US\$407.8 million (1Q2010 : US\$394.2 million). While the growth was modest, the Group's performance has improved significantly over preceding quarters.

Improved performance was achieved across most business segments through stronger margins and higher prices of crude palm oil. However, Consumer Products registered lower margins from a price increase restriction while Sugar posted losses due to off-harvesting season in the Milling segment.

***Revenue and Cost of Sales***

Revenue was up 41.0% to US\$9.5 billion, driven primarily by higher prices of agricultural commodities while bulk sales volume was lower. Sales volume declined for Palm and Laurics due to some demand rationing at high price levels and for Oilseeds and Grains due to a difficult operating environment. However, Consumer Products reported volume growth through stronger volumes at China, Indonesia and Vietnam.

Reflecting higher prices of agricultural commodities, cost of sales grew by 43.7% to US\$8.6 billion.

***Interest Income***

Interest income grew by 51.1% to US\$49.0 million from increased average cash and bank balances and higher deposit rates over 1Q2010.

***Other Operating Income***

The increase in other operating income to US\$170.9 million (1Q2010 : US\$34.5 million) was largely attributable to foreign exchange gain from the depreciation of US\$ against regional currencies, partially offset by the absence of fair value gain on embedded derivatives of convertible bonds (1Q2010 : US\$7.2 million).

***Selling and Distribution Expenses***

Selling and distribution expenses amounted to US\$464.7 million for 1Q2011, a growth of 76.1% over the same period last year. During the quarter, there was an increase in export duty and advertising and promotional expenses while freight and transportation costs were lower.

In Indonesia, export duties rose along with the sharp increase in prices of palm products. For example, export duty for crude palm oil ("CPO") averaged 23.3% per month in 1Q2011, compared to an average of only 3.0% per month in 1Q2010. Advertising and promotional expenses was also higher in line with increased promotional activities for Consumer Products.

However, freight and transportation costs dropped in line with higher usage of inhouse shipping services and a decrease in sales volume, while average liquid bulk freight rates increased over the same quarter last year.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011*****Administrative Expenses***

Administrative expenses was up 52.7% to US\$137.6 million for the quarter resulting mainly from higher personnel and related costs as well as bank charges. Personnel and related costs increased on the back of a higher headcount (31 March 2011 : 87,629, 31 March 2010 : 80,605) for the Group's expanded operations as well as from acquisitions completed in late FY2010. In addition, bank charges have also risen from increased credit facilities as well as trade financing facilities for the Group's working capital requirements.

***Other Operating Expenses***

Other operating expenses include items such as fair value loss on embedded derivatives of convertible bonds, foreign exchange losses, share option expenses, and loss on other investments, among others. The increase in other operating expenses to US\$69.3 million for 1Q2011 was largely due to US\$42.2 million fair value loss on embedded derivatives of convertible bonds while increases in share option and other expenses were offset by lower losses on other investments and the absence of foreign exchange losses.

***Finance Costs***

The 137.4% increase in finance costs to US\$100.3 million for 1Q2011 was attributable to a 76.6% increase in average borrowings over 1Q2010, coupled with an increase in effective borrowing rate.

***Share of Results of Associates***

Share of results of associates increased by a significant 60.3% to US\$54.4 million, generated mainly by the Group's associates in China as well as contribution from new associates of the Group.

***Profit Before Tax***

Profit before tax increased by a marginal 0.6% to US\$501.9 million for the quarter. Included in profit before tax were the following non-operating items :

- fair value gain or loss on embedded derivatives of convertible bonds (1Q2011 : US\$42.2m loss, 1Q2010 : US\$7.2 million gain), and
- accounting profit of US\$30.1m within Sugar segment relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves.

Excluding the above items, the Group would have achieved a 4.5% increase in profit before tax to US\$513.9 million for 1Q2011 (1Q2010 : US\$491.7 million). The improved performance was due to margin expansion for Palm and Laurics and Oilseeds and Grains, higher CPO prices for Plantations and Palm Oil Mills as well as stronger contribution from fertiliser and associates. However, Consumer Products registered lower margins from a price increase restriction while Sugar posted losses due to off-harvesting season in the Milling segment.

***Income Tax Expense***

Income tax expense rose along with an increase in effective tax rate to 18.4% (1Q2010 : 16.5%) due to higher profits posted by entities in high tax jurisdictions.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**
**Group Financial Performance by Business Segment**
**Sales Volume of Key Segments**

	Sales Volume		
	1Q2011 MT'000	1Q2010 MT'000	Inc %
<b>Merchandising &amp; Processing</b>			
- Palm and laurics	4,292	5,038	-14.8%
- Oilseeds and grains	3,510	4,032	-12.9%
	7,802	9,070	-14.0%
<b>Consumer products</b>	1,122	849	32.2%
<b>Sugar</b>			
- Refining	359	-	n.m.

**Three Months Period Ended 31 March**

	1Q2011		1Q2010		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
<b>Revenue</b>						
- Merchandising & Processing	7,419,461	77.8%	5,846,224	86.5%	1,573,237	26.9%
<i>Palm and laurics</i>	5,092,888	53.4%	3,670,350	54.3%	1,422,538	38.8%
<i>Oilseeds and grains</i>	2,326,573	24.4%	2,175,874	32.2%	150,699	6.9%
- Consumer products	1,729,267	18.1%	1,073,516	15.9%	655,751	61.1%
- Plantations and Palm Oil Mills	396,814	4.2%	272,356	4.0%	124,458	45.7%
- Sugar	368,127	3.8%	-	0.0%	368,127	n.m.
<i>Milling</i>	42,193	0.4%	-	0.0%	42,193	n.m.
<i>Refining</i>	325,934	3.4%	-	0.0%	325,934	n.m.
- Others	564,886	6.0%	414,841	6.1%	150,045	36.2%
Elimination	(942,841)	-9.9%	(842,805)	-12.5%	(100,036)	11.9%
<b>Total revenue</b>	<b>9,535,714</b>	<b>100.0%</b>	<b>6,764,132</b>	<b>100.0%</b>	<b>2,771,582</b>	<b>41.0%</b>

**Three Months Period Ended 31 March**

	1Q2011		1Q2010		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
<b>Profit before tax</b>						
- Merchandising & Processing	345,597	68.9%	332,899	66.8%	12,698	3.8%
<i>Palm and laurics</i>	153,519	30.6%	150,942	30.3%	2,577	1.7%
<i>Oilseeds and grains</i>	192,078	38.3%	181,957	36.5%	10,121	5.6%
- Consumer products	36,755	7.3%	46,453	9.3%	(9,698)	-20.9%
- Plantations and Palm Oil Mills	81,834	16.3%	65,063	13.0%	16,771	25.8%
- Sugar	(7,241)	-1.4%	-	0.0%	(7,241)	n.m.
<i>Milling</i>	(22,650)	-4.5%	-	0.0%	(22,650)	n.m.
<i>Refining</i>	15,409	3.1%	-	0.0%	15,409	n.m.
- Others	44,564	8.9%	19,736	3.9%	24,828	125.8%
- Share of results of associates	54,409	10.8%	33,952	6.8%	20,457	60.3%
- Unallocated (expenses)/income #	(54,048)	-10.8%	818	0.2%	(54,866)	n.m.
<b>Total profit before tax</b>	<b>501,870</b>	<b>100.0%</b>	<b>498,921</b>	<b>100.0%</b>	<b>2,949</b>	<b>0.6%</b>

# Unallocated income/(expenses) refer to expenses in relation to grant of share options to employees, net gain/(loss) from changes in the fair value of derivatives embedded in convertible bonds and accretion interest of the bonds.

n.m. – not meaningful



**Unaudited Financial Statements for the First Quarter ended 31 March 2011**

***Merchandising and Processing – Palm and Laurics***

Revenue for the quarter climbed 38.8% to US\$5.1 billion, contributed primarily by the surge in prices of palm products which gained momentum in the last quarter of 2010 and early 2011. However, sales volume dropped by 14.8% to 4.3 million MT, resulting from some demand rationing at higher price levels as well as a higher base in 1Q2010 from inventory build-up by customers in anticipation of price increase.

Despite a decline in sales volume, the Group managed to achieve a 1.7% growth in profit before tax to US\$153.5 million for 1Q2011 as margins expanded under an improved operating environment of higher CPO supply compared to 1Q2010.

***Merchandising and Processing – Oilseeds and Grains***

Revenue increased by 6.9% to US\$2.3 billion as a result of higher selling prices over the same period last year. Sales volume of 3.5 million MT was 12.9% lower for the quarter due to a difficult operating environment.

Nevertheless, the Group recorded a 5.6% increase in profit before tax to US\$192.1 million due to prudent hedging of raw material purchases. This segment's performance reflected a sharp turnaround from preceding quarters.

***Consumer Products***

The Group achieved a 61.1% growth in revenue to US\$1.7 billion on the back of higher average selling prices over the same period last year and a 32.2% increase in sales volume to 1.1 million MT. The growth in volume was driven by improved sales in China, Indonesia and Vietnam.

Margins continued to decline during the quarter attributed to rising prices of edible oils feedstock coupled with the price increase restriction in China. As a result, profit before tax dropped by 20.9% to US\$36.8 million.

***Plantations and Palm Oil Mills***

Revenue was up 45.7% to US\$396.8 million for the quarter on the back of higher CPO prices and sales volume.

Profit before tax grew by 25.8% to US\$81.8 million due to increased CPO production coupled with higher prices realised by the Group's own plantations. This was however, partially offset by higher unit production cost from earlier and increased fertiliser application in certain regions, and local currency appreciation.

The Group's own fresh fruit bunches ("FFB") production was 16.6% higher at 844,069 MT, reflecting an increase in mature hectareage and a 3.3% improvement in production yield to 4.3 MT per hectare. In 1Q2010, yield was affected by wet weather in most parts of Sumatra. However, yield remained low compared to historical levels in line with poorer yield in the newly mature hectareage.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**

***Sugar***

Sugar is a new segment following our acquisition of Sucrogen and Jawamanis in FY2010, comprising Milling and Refining businesses.

Milling business generated revenue of US\$42.2 million and sales volume of only 80,000 MT primarily from the Australian domestic market, as it is currently off-harvesting season there. It reported a loss before tax of US\$22.7 million due to general, administrative, repair and maintenance expenses incurred during the period. Excluding an accounting profit of US\$30.1m relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves, the loss before tax would have amounted to US\$52.8 million.

Refining reported revenue of US\$325.9 million and sales volume of 359,000 MT from Australia, New Zealand, Indonesia and some export sales. Favourable refining margins as well as timely purchases and sales contributed to a profit before tax of US\$15.4 million.

***Others***

Revenue grew by 36.2% to US\$564.9 million from increased fertiliser volume and shipping revenue. Fertiliser volume increased from capacity expansion and more competitive pricing by the Group. Shipping revenue grew from higher usage of inhouse services by the Group, partially offset by lower dry bulk freight rates.

Profit before tax more than doubled to US\$44.6 million largely from higher fertiliser profits and other income.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**

***Review of Balance Sheet and Cash Flows***

Property, plant and equipment amounted to US\$6.3 billion as at 31 March 2011. During the period, the Group incurred capital expenditure of US\$207.3 million for plant expansion in China, Indonesia and Australia.

Inventories were down marginally by 2.4% to US\$6.6 billion, primarily from lower stockholding of consumer products and oilseeds. Despite lower inventories, turnover of 72 days was higher than FY2010 (FY2010 : 60 days, 1Q2010 : 62 days) due to lower sales volume in 1Q2011.

While trade receivables declined by 6.9% to US\$2.9 billion, turnover days remained fairly stable at 29 days (FY2010 : 28 days, 1Q2010 : 29 days).

Other financial receivables (current) dropped by 23.7% to US\$1.0 billion from a decline in other short term deposits placed with financial institutions.

Other non-financial assets (current) increased by 28.2% to US\$1.8 billion along with an increase in advances to suppliers. In view of rising prices as well as lower domestic prices, the Group has continued with its purchase of domestic oilseeds and grains, leading to an increase in advances to suppliers.

Trade payables was down 18.7% to US\$1.2 billion. Nevertheless, turnover has been fairly stable at 13 days (FY2010 ; 12 days, 1Q2010 : 14 days).

Other non-financial liabilities (current) was 15.6% lower at US\$332.0 million owing primarily to a decline in advances from customers post-festive season, partially offset by effects of higher selling prices.

During the period, the Group raised a total of US\$1.6 billion from loans and borrowings, withdrawn US\$339.5 million of other short term deposits and generated US\$144.1 million cash flows from operating activities. These funds were applied mainly towards capital expenditure of US\$236.1 million, investment in associates of US\$126.6 million and deposits pledged for bank facilities of US\$1.3 billion, with a balance of US\$343.2 million increase in cash and cash equivalents. As a result, total cash and bank balances (including other bank deposits) increased by 18.5% to US\$8.0 billion.

Net loans and borrowings (net of other bank deposits and cash and bank balances) declined marginally to US\$10.6 billion, contributing to a decline in net gearing to 0.85x (31 December 2010 : 0.90x).

*Note : Turnover days for the current period and all comparatives are now calculated by averaging the monthly turnover days. Monthly turnover days are computed using revenue and cost of sales for the month. In the past, turnover days were calculated based on year-to-date revenue and cost of sales.*

**Unaudited Financial Statements for the First Quarter ended 31 March 2011**

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast was previously disclosed by the Group.

**10. Prospects**

The Group remains positive of its prospects, despite a challenging operating environment in China, due to the strong growth of Asian economies and the strength of its business model.

**11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) Date Payable

Not applicable.

**12. If no dividend has been declared or recommended, a statement to that effect.**

No dividend has been declared for the quarter ended 31 March 2011.

**Unaudited Financial Statements for the First Quarter ended 31 March 2011****13. Interested Person Transactions****Interested Persons Transactions Disclosure**

<b>Name of Interested Person</b>	<b>Aggregate value of all Interested Person Transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)</b>
	<b>1Q 2011 US\$'000</b>	<b>1Q 2011 US\$'000</b>
Archer Daniels Midland Group	NIL	694,060
Wilmar International Holdings Limited	NIL	NIL
Wilmar Holdings Pte Ltd Group	NIL	NIL
Kuok Khoon Ean's Associates#	NIL	4,431
Martua Sitorus' Associates	NIL	20,945
Kuok Khoon Hong's Associates	NIL	334
PPB Group Bhd	137,390	NIL
Kuok Brothers Sdn Bhd	NIL	NIL

# The IP associates for Mr Kuok Khoon Chen and Mr Kuok Khoon Ean are substantially the same, and are not disclosed separately to avoid duplication.

BY ORDER OF THE BOARD

.....  
 KUOK KHOON HONG  
 Chief Executive Officer

13 May 2011

**WILMAR INTERNATIONAL LIMITED** (REG. NO. 199904785Z)



**Unaudited Financial Statements for the First Quarter ended 31 March 2011**

**CONFIRMATION BY THE BOARD**

We, Kuok Khoon Hong and Chua Phuay Hee, being the two directors of Wilmar International Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter ended 31 March 2011 financial results to be false or misleading in any material respect.

On behalf of the Board,

.....  
KUOK KHOON HONG  
Chief Executive Officer

.....  
CHUA PHUAY HEE  
Director

13 May 2011