



## NEWS RELEASE

### WILMAR 1Q2017 NET EARNINGS UP 51% TO US\$362 MILLION

- Core net profit increased 40% to US\$313 million
- Good performance from Oilseeds & Grains and Tropical Oils
- Seasonal losses in Sugar
- Restructuring China operations and evaluating separate listing

#### Highlights

In US\$ million	1Q2017	1Q2016	Change
Revenue	10,570.0	9,002.7	17.4%
Profit before taxation	467.2	321.3	45.4%
Net profit	361.6	239.4	51.0%
Core net profit	312.6	222.4	40.5%
Earnings per share – fully diluted (US cents)	5.7	3.8	50.0%

Singapore, May 11, 2017 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, reported a 40% increase in core net profit to US\$312.6 million for the quarter ended March 31, 2017 (“1Q2017”) (1Q2016: US\$222.4 million). The strong result reflected good performance from Oilseeds & Grains and Tropical Oils as well as higher contributions from the Group’s associates. Gains from the Group’s portfolio of investment securities, due to improved conditions in equities markets, led to a 51% improvement in net profit to US\$361.6 million for the quarter (1Q2016: US\$239.4 million).

Revenue increased 17% to US\$10.57 billion in 1Q2017 (1Q2016: US\$9.0 billion) mainly driven by higher commodity prices and stronger sales volumes for Tropical Oils and Sugar businesses.

## **Business Segment Performance**

**Tropical Oils (Plantation, Manufacturing & Merchandising)** achieved a 20% increase in pretax profit to US\$178.6 million in 1Q2017 (1Q2016: US\$149.3 million) mainly attributable to better performance from both the refinery and plantation businesses, with the latter benefitting from higher crude palm oil (“CPO”) prices.

Production yield in 1Q2017 improved 8% to 4.6 metric tonnes (“MT”) per hectare (1Q2016: 4.3 MT per hectare), resulting in a 4% increase in the production of fresh fruit bunches to 938,771 MT (1Q2016: 902,035 MT).

Sales volume for Tropical Oils Manufacturing and Merchandising grew 2% to 5.7 million MT in 1Q2017 (1Q2016: 5.6 million MT).

**Oilseeds & Grains (Manufacturing & Consumer Products)** continued its positive performance from the second half of 2016 and posted a 27% increase in pretax profit to US\$213.7 million in 1Q2017 (1Q2016: US\$168.8 million). The strong result was achieved on the back of higher soybean volume crushed and stable crushing margins. This was partially offset by weaker seasonal sales volume from the Consumer Products business, which was affected by the early Chinese Spring Festival in 2017.

Overall sales volume for Oilseeds & Grains declined marginally by 0.1 million MT to 7.1 million MT (1Q2016: 7.2 million MT).

**Sugar (Milling, Merchandising, Refining and Consumer Products)** reported a pretax loss of US\$34.5 million in 1Q2017 (1Q2016: US\$18.2 million loss), mainly due to seasonal maintenance in the first half of the year by the Australian Milling business and weaker performances from both the Merchandising and Refining businesses.

Sales volume for Sugar increased 27% to 2.5 million MT in 1Q2017 (1Q2016: 2.0 million MT) due to higher merchandising activities.

The **Others** segment recorded a pretax profit of US\$69.5 million in 1Q2017 (1Q2016: US\$12.1 million) mainly from the Shipping and Fertiliser businesses and gains from investment securities.

Share of results of **Joint Ventures & Associates** increased US\$29.2 million to US\$42.0 million in 1Q2017 (1Q2016: US\$12.8 million). This was due to higher contributions from the Group's China associates and absence of losses from its sugar associate in India.

### **Strong Balance Sheet**

As at March 31, 2017, total assets stood at US\$37.36 billion while shareholders' funds was US\$15.04 billion.

Net debt increased marginally by US\$191.3 million to US\$11.9 billion due to higher borrowings. However, net gearing ratio improved to 0.79x from 0.81x in December 31, 2016 due to strong quarter performances.

### **Prospects**

Mr. Kuok Khoon Hong, Chairman and CEO, said, "The Group has shown strong results in the first quarter, particularly from our Tropical Oils and Oilseeds & Grains segments. We expect our Flour business to continue its growth, while volume for Consumer Products is expected to recover from the seasonal reduction in 1Q2017. Although lower CPO prices will impact our Plantation and Palm Oil Mills operations, we believe that this will be partially offset by anticipated higher palm oil production. Recent volatility in sugar prices is expected to impact our Sugar operations. Overall, we are cautiously optimistic that the next quarter's performance will be satisfactory.

"We also wish to announce that the Group is carrying out an internal restructuring of its China operations with the possibility of a separate listing. As the proposed listing is still at evaluation stage, shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the listing proposal will be carried out."

## **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	:	<a href="mailto:lim.lichuen@wilmar.com.sg">lim.lichuen@wilmar.com.sg</a> / <a href="mailto:iris.chan@wilmar.com.sg">iris.chan@wilmar.com.sg</a>

---

May 11, 2017