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wilmar

WILMAR'S NET PROFIT FOR 1HFY06 IMPROVES 38.8% TO US$32M

- **Strong earnings growth driven by demand for palm oil and improved operating performance**

1HFY06 Highlights

In US$ million	1HFY06	1HFY05	% Change
Revenue	2,374.9	2,217.7	7.1%
Profit from operations	64.5	49.8	29.4%
Profit before taxation	42.1	27.9	51.2%
Net profit	32.0	23.0	38.8%

Singapore – 28 August 2006 – Wilmar International Limited ("Wilmar" or "the Group"), one of Asia's largest integrated agri-business groups, has posted a set of improved maiden results for the half-year ended 30 June 2006 ("1HFY06") since its reverse takeover of Ezyhealth Asia Pacific Ltd. Net profit for 1HFY06 increased by 38.8% to US$32.0 million on the back of a 7.1% revenue increase to US$2.4 billion.

SEGMENTAL HIGHLIGHTS

In US$ million	Revenue			Profit Before Tax		
	1HFY06	1HFY05	Change	1HFY06	1HFY05	Change
Merchandising & Refinery	2,329.4	2,223.8	4.7%	24.3	20.2	20.4%
Palm & laurics and others	*1,466.5*	*1,345.1*	*9.0%*	*21.0*	*19.5*	*7.9%*
Soya bean & soya bean meal	*862.8*	*878.6*	*-1.8%*	*3.3*	*0.7*	*349.0%*
Plantations & Palm Oil Mills	157.0	115.6	35.8%	15.8	6.2	154.5%
Others	92.4	99.2	-6.8%	2.0	1.5	39.1%
Less: inter-segment sales	(203.9)	(220.7)	-7.6%	-	-	-
Total	**2,374.8**	**2,217.7**	**7.1%**	**42.1**	**27.9**	**51.2%**

Merchandising and Refinery Segment

The Group's Merchandising and Refinery segment, which remains its key revenue contributor, saw an increase of US$105.6 million (or 4.7%) in revenue to US$2,329.4 million in 1HFY06. The revenue increase in this segment was largely driven by higher demand for palm and lauric oils, which saw sales volume growing from 3,319,000 metric tonnes ("MT") in 1HFY05 to 3,683,000 MT in 1HFY06 and higher weighted average selling price which rose 2.8% year-on-year.

Sales volume for soya bean and soya bean meal increased 12.2% to 3,323,000 MT in 1HFY06, but the weighted average selling price of soya bean and soya bean meal decreased by 12.5% for the same corresponding period, resulting in lower revenue contribution.

Profit before tax for this business segment increased by 20.4% to US$24.3 million for 1HFY06. Palm and laurics as well as other products recorded a 7.9% growth from the same period last year, bringing profit before tax to US$21.0 million. Soya bean and soya bean meal added US$3.3 million to the profit before tax for this segment as a result of higher sales volume and higher margin earned.

Plantations and Palm Oil Mills Segment

Revenue from the Plantations and Palm Oil Mills segment increased by 35.8% to US$157.0 million in 1HFY06, mainly due to better crop and higher milling capacity in 1HFY06, compared to the corresponding period the previous year. Plantation yield increased from 8.1 MT per hectare in 1HFY05 to 10.5 MT per hectare in 1HFY06 resulting in a 44.4% increase in the production volume of fresh fruit bunches to 469,780 MT for 1HFY06.

Correspondingly, this improved yield and production volume led to a significant 154.5% jump in pre-tax profit from US$6.2 million in 1HFY05 to US$15.8 million for 1HFY06.

Other Products

Revenue from this segment, which comprises mainly of fertiliser sales, decreased by 6.8% to US$92.4 million in 1HFY06. This is primarily due to lower fertiliser demand as a result of inventory stock-up by customers last year, partially offset by a 9% increase in average selling price.

Notwithstanding the lower revenue, profit before tax increased marginally from US$1.5 million in 1HFY05 to US$2.0 million for 1HFY06, due mainly to improved margins in the fertiliser business.

Strong Operating Cashflow and Balance Sheet

The Group reported a significant increase in net cash generated from operating activities to US$156.1 million, up from an outflow of US$12.4 million in the corresponding period last year.

As at 30 June 2006, Wilmar's total assets and shareholders' funds stood at US$1,410.9 million and US$296.0 million respectively.

Prospects and Future Plans

The Group remains optimistic about its overall business outlook in the second half of FY2006. It expects its key business divisions to benefit from Indonesia's growth in the palm oil industry as well as demand growth from China and other emerging markets. In addition, the move towards biodiesel will drive the demand for palm oil in the longer term.

Wilmar's expansion plans include an increase in its biodiesel capacity and acquisition of plantation land. *Please also refer to the Group's news release "WILMAR EMBARKS ON RAPID EXPANSION PLANS" issued today (28 August 2006) for further details.*

About Wilmar

Headquartered in Singapore, Wilmar is one of Asia's largest integrated agribusiness groups and one of Asia's largest palm oil refiners and crushers of copra and palm kernel. The Group currently employs over 20,000 employees in its integrated operations. These operations are strategically located in Indonesia and Malaysia, the major edible oil producing countries in Asia.

Wilmar has established an integrated agribusiness model that captures the entire value chain of the palm oil business, from origination to the end customer; that is, from the cultivation and sourcing of palm fruits and crude palm oil to the milling, crushing, refining and processing of a wide range of palm and lauric oils, to the merchandising, transportation and distribution of these products.

It owns and operates a total of 72 milling, crushing, refining and processing plants in Indonesia and Malaysia. It is a sizeable oil palm plantation owner with over 70,000 hectares of plantation land in Indonesia. With its recent acquisitions, its plantation land bank is set to increase to approximately 180,000 hectares. It also plans to be a leader in the palm biodiesel industry, with a capacity of 1,050,000 MT per annum, to be completed in 2007.

The large scale of these strategically located integrated plants allows Wilmar to enjoy significant operational synergies and cost efficiencies.

In addition, Wilmar owns and operates its own jetties and ports as well as a fleet of seven liquid bulk vessels, allowing it to maximise operational efficiencies, taking advantage of cost savings arising from economies of scale and efficiencies in logistics and the transportation of its products.

CIMB-GK Securities Pte. Ltd. was the financial adviser to the Group in relation to the acquisition of the Wilmar Group.

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August 28, 2006