

## NEWS RELEASE

### WILMAR'S 9MFY06 EARNINGS UP 56% TO US\$68.3 MILLION (S\$106.5 MILLION)

- Fuelled by 76% Jump in 3QFY06 Earnings to US\$36.3 Million (S\$56.6 Million)
- Strong earnings growth driven by higher volume and improved margins

#### 9MFY06 Highlights

In US\$ million	9MFY06	9MFY05	% Change
Revenue	3,674.5	3,408.2	7.8%
Profit from operations	123.8	88.9	39.2%
Profit before taxation	85.0	53.1	60.1%
Net profit	68.3	43.6	56.4%

#### 3QFY06 Highlights

In US\$ million	3QFY06	3QFY05	% Change
Revenue	1,299.6	1,190.4	9.2%
Profit from operations	59.3	39.1	51.7%
Profit before taxation	42.9	25.2	70.1%
Net profit	36.3	20.6	76.1%

*Singapore, 9 November 2006* – Wilmar International Limited (“Wilmar” or “the Group”), one of Asia’s largest integrated agribusiness groups, today announced a strong set of results for the nine months ended 30 September 2006 (“9MFY06”). Net profit for 9MFY06 increased by 56.4% to US\$68.3 million (S\$106.5 million) on the back of a 7.8% increase in revenue to US\$3.7 billion (S\$5.8 billion). This robust performance was fuelled by a significant 76.1% improvement in net profit to US\$36.3 million on the back of a 9.2% rise in revenue to US\$1.3 billion for its third quarter ended 30 September 2006 (“3QFY06”).

Mr Kuok Khoon Hong, Wilmar's Chairman and CEO said, "We are pleased that Wilmar continues to deliver strong earnings growth following the successful completion of the reverse takeover and equity placement exercise in August 2006. The improved performance in 3QFY06 was driven by volume expansion across major business segments and better processing margins for palm and laurics."

## SEGMENTAL HIGHLIGHTS

### 9MFY06

In US\$ million	Revenue			Profit Before Tax		
	9MFY06	9MFY05	Change	9MFY06	9MFY05	Change
Merchandising & refinery	3,581.0	3,392.5	5.6%	53.0	33.9	56.1%
<i>Palm &amp; laurics and others</i>	2,372.9	1,989.0	19.3%	48.3	32.7	47.4%
<i>Soya bean &amp; soya bean meal</i>	1,208.1	1,403.5	-13.9%	4.7	1.2	297.9%
Plantations & Palm Oil Mills	268.7	195.4	37.5%	28.9	18.8	54.3%
Others *	151.4	144.8	4.5%	3.1	0.4	623.6%
Less : inter-segment sales	(326.6)	(324.5)	0.6%	-	-	-
<b>Total</b>	<b>3,674.5</b>	<b>3,408.2</b>	<b>7.8%</b>	<b>85.0</b>	<b>53.1</b>	<b>60.1%</b>

### 3QFY06

In US\$ million	Revenue			Profit Before Tax		
	3QFY06	3QFY05	Change	3QFY06	3QFY05	Change
Merchandising & refinery	1,251.7	1,168.7	7.1%	28.6	13.7	108.9%
<i>Palm &amp; laurics and others</i>	906.4	643.8	40.8%	27.2	13.3	105.5%
<i>Soya bean &amp; soya bean meal</i>	345.3	524.9	-34.2%	1.4	0.4	211.8%
Plantations & Palm Oil Mills	111.7	79.8	39.9%	13.2	12.5	4.9%
Others *	58.9	45.7	29.0%	1.1	(1.0)	n.m.
Less : inter-segment sales	(122.7)	(103.8)	18.2%	-	-	-
<b>Total</b>	<b>1,299.6</b>	<b>1,190.4</b>	<b>9.2%</b>	<b>42.9</b>	<b>25.2</b>	<b>70.0%</b>

n.m. - not meaningful

\* Comprises fertiliser sales and ship chartering income

### **Merchandising and Refinery Segment**

Revenue from the Merchandising and Refinery segment, the Group's key revenue contributor, saw an increase of 7.1% to US\$1,251.7 million for 3QFY06. Within this segment, palm and laurics recorded a 40.8% growth in revenue, steered by additional production capacity, higher demand and firmer weighted average selling price. Sales volume for palm and laurics rose 35.6% to 2,140,000 MT for 3QFY06 while weighted average selling price was up 6.7% year-on-year. For 9MFY06, an 18.9% volume growth for palm and laurics contributed to a 5.6% increase in revenue to US\$3,581.0 million for the Merchandising and Refinery segment.

The lower revenue from soya bean and soya bean meal was attributed to a volume decrease, coupled with a lower weighted average selling price, compared to the corresponding period last year. Sales volume decreased by 21.9% to 1,373,000 MT for 3QFY06. For the cumulative nine-month period, sales volume declined by a marginal 0.5% but weighted average selling price dropped by 13.5%.

Profit before tax for this business segment more than doubled (up 108.9%) to US\$28.6 million in 3QFY06. Cumulatively, it increased 56.1% to US\$53.0 million for 9MFY06. Higher sales volume and margin improvements for palm and laurics resulted in the robust performance of this business segment.

### **Plantations and Palm Oil Mills Segment**

The Plantations and Palm Oil Mills segment recorded a revenue increase of 39.9% to US\$111.7 million for 3QFY06, owing mainly to higher milling capacity while plantation yield improved by 7.0% compared to the same period last year. The 37.5% growth in revenue for 9MFY06 was also the result of better yield and higher milling capacity. Plantation yield increased from 12.9 MT per hectare for 9MFY05 to 16.6 MT per hectare for 9MFY06.

The growth in profit before tax of 4.9% for 3QFY06 was achieved through yield improvement, partially offset by higher staff costs. The Group's nine-month figures reflected a sharper increase of 54.3% in profit before tax to US\$28.9 million.

**Other Products**

Revenue from this segment, which comprises mainly fertiliser sales, grew by 29.0% to US\$58.9 million for 3QFY06. The increase was in line with higher weighted average selling prices of fertilisers. For 9MFY06, revenue saw an increase of only 4.5% due to poorer performance in the first six months, resulting from inventory stock-up by customers last year. Profit before tax improved to US\$1.1 million for 3QFY06 and US\$3.1 million for 9MFY06.

**Balance Sheet**

The Group's balance sheet has strengthened following the completion of its equity placement exercise in August 2006, which raised net proceeds of US\$172.9 million. As at 30 September 2006, it has total assets of US\$1.6 billion and shareholders' funds of US\$522.3 million.

**Prospects and Future Plans**

Barring any unforeseen circumstances, the Group remains optimistic of its overall business prospects going forward.

"Our major capacity expansion in refining, crushing, palm oil milling and fertiliser manufacturing in Indonesia and our joint venture plant in East Malaysia will be completed by the end of the year and will enlarge our earnings base. Our biodiesel plants will be completed progressively over the next 12 months, with the first plant commissioning in January next year. We have also recently acquired a number of plantation companies, which will significantly enlarge our landbank for plantation development.

Through these initiatives, we will continue to ride on the growth in Indonesia's palm oil industry, demand growth from China and other emerging markets as well as the increasing use of biodiesel globally", added Mr Kuok.

## **About Wilmar**

Wilmar International Limited, listed on the Singapore Exchange, is one of Asia's largest integrated agribusiness groups and one of Asia's largest palm oil refiners and crushers of palm kernel and copra. It 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 also plans to be a leader in the palm biodiesel industry through its rapid expansion plans.

Headquartered in Singapore, the Group's operations are strategically located in Indonesia and Malaysia, the major edible oil producing countries in Asia. The large scale of these strategically located integrated plants allows Wilmar to enjoy significant operational synergies and cost efficiencies.

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

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