



## NEWS RELEASE

### WILMAR POSTS 6% GROWTH IN EARNINGS TO US\$401 MILLION FOR 1Q2010

- Significant increase in sales volume for Merchandising & Processing and Consumer Products
- Margins were lower but satisfactory
- Net gearing ratio remains conservative at 0.44x
- EPS unchanged at 6.0 US cents
- Remains positive on the prospects of Asian economies

### Highlights

In US\$ million	1Q2010	1Q2009	% Change
Revenue	6,764.1	4,958.1	36.4%
Profit before taxation	498.9	518.6	-3.8%
Net profit	401.4	380.0	5.6%
Earnings per share (US cents)*	6.0	6.0	-

\* fully diluted

Singapore, May 12, 2010 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, posted a 6% growth in net profit to US\$401.4 million for the quarter ended March 31, 2010 (“1Q2010”). Margins were lower but satisfactory across most business segments as the Group enjoyed significant margin enhancement after the global financial crisis in 1Q2009. Nevertheless, the Group reported robust growth in overall sales volume due to stronger demand as well as further expansion in its manufacturing presence and distribution network in major consuming markets.

Revenue was up 36% to US\$6.8 billion on the back of increased sales volume and higher average selling prices.

## **Business Segment Performance**

**Merchandising & Processing** - Despite a 29% increase in sales volume to 5 million metric tonnes ("MT"), Palm & Laurics recorded a 30% drop in pretax profit to US\$150.9 million as margins contracted due to tight supply and relatively less competitive pricing of palm oil compared to other edible oils. Conversely, Oilseeds & Grains registered an 8% improvement in pretax profit to US\$182.0 million as sales volume rose by 12% to 4 million MT. Margins were slightly lower but remained satisfactory.

**Consumer Products** did exceptionally well in 1Q2009 as it benefited from the sharp decline in feedstock cost during the global financial crisis at end-2008. Therefore, on a year-on-year comparison, this segment recorded a significant drop of 41% in pretax profit to US\$46.5 million. Margins were also affected by new consumer products like rice and flour that have yet to achieve economies of scale in production. However, sales volume increased by 16% to 849,000 MT due to stronger edible oils consumption in China and sales of new consumer products.

**Plantations & Palm Oil Mills** saw a 4% increase in pretax profit to US\$65.1 million. Crude palm oil ("CPO") production from the Group's own plantations was higher but this was partially offset by lower CPO prices realised compared to 1Q2009.

**Others segment** delivered significant increase in pretax profit to US\$19.7 million due to stronger fertiliser performance on rising price trend.

## **Strong Balance Sheet**

As at March 31, 2010, total assets stood at US\$24.9 billion while shareholders' funds amounted to US\$11.4 billion. Net gearing ratio increased marginally to 0.44x from 0.41x as at December 31, 2009.

Mr Kuok Khoon Hong, Chairman and CEO of Wilmar said, “Wilmar has performed reasonably well in the first three months of the year, underpinned by its integrated business model and favourable market positioning in the growing consuming markets of Asia. While the global economic recovery is gaining momentum, credit tightening in some countries to restrain inflation has started. Nevertheless, the Group is positive on the prospects of Asian economies, especially China, India and Indonesia, and will continue to leverage on its well-established presence in these markets for growth”.

## **About Wilmar**

Wilmar International Limited, founded in 1991, is today Asia's leading agribusiness group. It ranks amongst the largest listed companies by market capitalisation on the Singapore Exchange.

Its business activities include oil palm cultivation, edible oils refining, oilseeds crushing, consumer pack edible oils processing and merchandising, specialty fats, oleochemicals and biodiesel manufacturing, and grains processing and merchandising. Headquartered in Singapore, its operations are located in more than 20 countries across four continents, with a primary focus on Indonesia, Malaysia, China, India and Europe. Backed by a multi-national staff force of more than 80,000 people, over 300 processing plants and an extensive distribution network, its products are sold to more than 50 countries globally.

Over the years, it has established a resilient integrated agribusiness model that captures the entire value chain of the agricultural commodity processing business, from origination and processing to the branding, merchandising and distribution of a wide range of agricultural products. Through scale, integration and the logistical advantages of its business model, it is able to extract margins at every step of the value chain, resulting in significant operational synergies and cost efficiencies.

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May 12, 2010