

 [Print this page](#)**FIRST QUARTER 2012 RESULTS - ANNOUNCEMENT \* 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	10-May-2012 07:09:56
Announcement No.	00008

**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2012
Description	Please refer to attached announcement.

**Attachments** [Wilmar\\_1Q12\\_Results\\_Announcement.pdf](#)Total size = **253K**  
(2048K size limit recommended)[Close Window](#)

**Unaudited Financial Statements for the First Quarter ended 31 March 2012****FINANCIAL HIGHLIGHTS**

	<b>1Q2012 US\$'000</b>	<b>1Q2011 US\$'000</b>	<b>Change</b>
<b>Revenue</b>	<b>10,470,944</b>	<b>9,535,714</b>	<b>9.8%</b>
<b>Net Profit</b>	<b>255,852</b>	<b>386,701</b>	<b>-33.8%</b>
<b>EBITDA</b>	<b>622,485</b>	<b>659,848</b>	<b>-5.7%</b>
<b>EPS - Basic (US cents per share)</b>	<b>4.0</b>	<b>6.0</b>	<b>-33.3%</b>
<b>EPS - Fully diluted (US cents per share)</b>	<b>4.0</b>	<b>6.0</b>	<b>-33.3%</b>
	<b>31.03.2012</b>	<b>31.12.2011</b>	<b>Change</b>
<b>Net Tangible Asset (US\$'000)</b>	<b>9,113,938</b>	<b>8,960,251</b>	<b>1.7%</b>
<b>Net Asset per share (US\$ per share)</b>	<b>2.12</b>	<b>2.09</b>	<b>1.4%</b>
<b>Net Tangible Asset per share (US\$ per share)</b>	<b>1.42</b>	<b>1.40</b>	<b>1.4%</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(a)(i) Consolidated Income Statement**

	<b>Group</b>		
	<b>Three months ended</b>		
	<b>31.03.2012</b> <b>US\$'000</b>	<b>31.03.2011</b> <b>US\$'000</b>	<b>Change</b>
<b>Revenue</b>	10,470,944	9,535,714	9.8%
Cost of sales	(9,567,345)	(8,566,469)	11.7%
<b>Gross profit</b>	<b>903,599</b>	<b>969,245</b>	<b>-6.8%</b>
<b>Other items of income</b>			
Interest income	57,761	49,017	17.8%
Other operating income	108,978	172,177	-36.7%
<b>Other items of expenses</b>			
Selling and distribution expenses	(428,826)	(465,504)	-7.9%
Administrative expenses	(145,858)	(137,562)	6.0%
Other operating expenses	(21,516)	(25,589)	-15.9%
Finance costs	(157,984)	(92,166)	71.4%
Non-operating items	50,710	(22,157)	n.m.
Share of results of associates	21,642	54,409	-60.2%
<b>Profit before tax</b>	<b>388,506</b>	<b>501,870</b>	<b>-22.6%</b>
Income tax expense	(112,449)	(82,293)	36.6%
<b>Profit after tax</b>	<b>276,057</b>	<b>419,577</b>	<b>-34.2%</b>

**Attributable to:**

Owners of the Company	255,852	386,701	-33.8%
Non-controlling interests	20,205	32,876	-38.5%
	276,057	419,577	-34.2%

n.m. - not meaningful

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(a)(ii) Consolidated Statement of Comprehensive Income**

	Group		
	Three months ended		
	31.03.2012 US\$'000	31.03.2011 US\$'000	Inc/(Dec) US\$'000
<b>Profit after tax</b>	276,057	419,577	(143,520)
<b>Other comprehensive income</b>			
Foreign currency translation	99,180	80,810	18,370
Fair value adjustment on cash flow hedges	(61,607)	43,064	(104,671)
Fair value adjustment on available-for-sale financial assets	25,261	(4,957)	30,218
Total other comprehensive income, net of tax	62,834	118,917	(56,083)
<b>Total comprehensive income</b>	<b>338,891</b>	<b>538,494</b>	<b>(199,603)</b>

**Attributable to:**

Owners of the Company	317,533	497,162	(179,629)
Non-controlling interests	21,358	41,332	(19,974)
	338,891	538,494	(199,603)

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(b)(i) Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2012 US\$'000</b>	<b>31.12.2011 US\$'000</b>	<b>31.03.2012 US\$'000</b>	<b>31.12.2011 US\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7,807,615	7,468,889	1,174	1,278
Biological assets	1,890,808	1,845,982	-	-
Plasma investments	12,462	8,499	-	-
Intangible assets	4,427,457	4,409,939	331	397
Investment in subsidiaries	-	-	8,704,737	8,697,067
Investment in associates	1,605,566	1,578,746	194,028	201,698
Available-for-sale financial assets	323,290	193,843	36,000	36,000
Deferred tax assets	229,595	226,865	-	-
Derivative financial instruments	17,499	23,660	-	-
Other financial receivables	151,455	80,101	283,079	129,473
Other non-financial assets	40,936	38,504	-	-
	<b>16,506,683</b>	<b>15,875,028</b>	<b>9,219,349</b>	<b>9,065,913</b>
<b>Current assets</b>				
Inventories	7,757,597	7,265,300	-	-
Trade receivables	3,402,790	3,502,925	-	-
Other financial receivables	3,448,848	3,156,123	1,909,296	1,791,780
Other non-financial assets	1,476,722	1,368,955	4,488	1,667
Derivative financial instruments	195,591	239,354	-	330
Financial assets held for trading	273,861	333,715	-	-
Other bank deposits	5,329,419	6,521,570	-	-
Cash and bank balances	1,553,618	1,376,783	4,961	3,243
	<b>23,438,446</b>	<b>23,764,725</b>	<b>1,918,745</b>	<b>1,797,020</b>
<b>TOTAL ASSETS</b>	<b>39,945,129</b>	<b>39,639,753</b>	<b>11,138,094</b>	<b>10,862,933</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(b)(i) Balance Sheets (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2012 US\$'000</b>	<b>31.12.2011 US\$'000</b>	<b>31.03.2012 US\$'000</b>	<b>31.12.2011 US\$'000</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	1,190,424	1,710,004	-	-
Other financial payables	1,148,862	1,131,337	21,971	24,448
Other non-financial liabilities	453,030	469,834	-	-
Derivative financial instruments	340,752	263,402	-	-
Loans and borrowings	17,628,846	18,409,070	561,948	558,417
Tax payables	172,343	146,086	371	760
	<b>20,934,257</b>	<b>22,129,733</b>	<b>584,290</b>	<b>583,625</b>
<b>NET CURRENT ASSETS</b>	<b>2,504,189</b>	<b>1,634,992</b>	<b>1,334,455</b>	<b>1,213,395</b>
<b>Non-current liabilities</b>				
Other financial payables	5,173	4,691	-	-
Other non-financial liabilities	94,861	94,612	-	-
Derivative financial instruments	33,976	43,057	-	-
Loans and borrowings	3,854,110	2,479,873	278,153	-
Deferred tax liabilities	660,911	639,422	-	-
	<b>4,649,031</b>	<b>3,261,655</b>	<b>278,153</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>25,583,288</b>	<b>25,391,388</b>	<b>862,443</b>	<b>583,625</b>
<b>NET ASSETS</b>	<b>14,361,841</b>	<b>14,248,365</b>	<b>10,275,651</b>	<b>10,279,308</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	8,453,866	8,451,521	8,890,005	8,887,660
Retained earnings	6,267,451	6,011,599	1,182,334	1,191,918
Other reserves	(1,179,922)	(1,092,930)	203,312	199,730
	13,541,395	13,370,190	10,275,651	10,279,308
Non-controlling interests	820,446	878,175	-	-
<b>Total equity</b>	<b>14,361,841</b>	<b>14,248,365</b>	<b>10,275,651</b>	<b>10,279,308</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,945,129</b>	<b>39,639,753</b>	<b>11,138,094</b>	<b>10,862,933</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(b)(ii) Group's borrowings and debt securities**

	<b>Group</b>		<b>Group</b>	
	<b>31.03.2012</b>		<b>31.12.2011</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>	5,529,747	12,099,099	6,269,512	12,139,558
<b>(b) Amount repayable after one year</b>	1,115,772	2,738,338	384,455	2,095,418
	6,645,519	14,837,437	6,653,967	14,234,976

**Details of any collateral**

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

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(c) Consolidated Cash Flow Statement**

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2012</b> <b>US\$'000</b>	<b>31.03.2011</b> <b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	388,506	501,870
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	125,670	106,642
Amortisation of intangible assets	130	103
Loss on disposal of property, plant and equipment	3,393	198
Gain on liquidation of a subsidiary	-	(10)
Gain on disposal of financial assets held for trading	-	(397)
Grant of share options to employees	4,381	8,918
Net gain on the fair value of derivative financial instruments	(29,014)	(39,501)
Net fair value (gain)/loss on financial assets held for trading	(42,345)	749
Foreign exchange differences arising from translation	(4,064)	(59,808)
Interest expense	165,940	100,250
Interest income	(57,761)	(49,017)
Share of results of associates	(21,642)	(54,409)
Operating cash flows before working capital changes	533,194	515,588
Changes in working capital:		
(Increase)/decrease in inventories	(402,104)	105,498
Decrease/(increase) in receivables and other assets	22,184	(38,254)
Decrease in payables	(543,754)	(321,050)
Cash flows (used in)/generated from operations	(390,480)	261,782
Interest paid	(128,961)	(97,276)
Interest received	70,059	49,017
Income taxes paid	(80,577)	(69,421)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(529,959)</b>	<b>144,102</b>



**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(c) Consolidated Cash Flow Statement (continued)**

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2012</b> <b>US\$'000</b>	<b>31.03.2011</b> <b>US\$'000</b>
<b>Cash flows from investing activities</b>		
Proceeds from dilution of interest in subsidiaries	6,685	-
Net cash flow on acquisition of subsidiaries	(8,243)	-
Payments for acquisition of additional interest in a subsidiary	(179,295)	-
(Increase)/decrease in plasma investments	(3,970)	1,092
Decrease in financial assets held for trading	102,299	15,357
Increase in other non-financial assets	(15,386)	(218)
Payments for property, plant and equipment	(404,424)	(224,641)
Payments for biological assets	(8,005)	(11,429)
Increase in available-for-sale financial assets	(101,453)	(4,262)
Payments for investment in associates	-	(126,604)
Payments for intangibles	(94)	-
Dividends received from associates	3,322	5,103
Proceeds from disposal of property, plant and equipment	10,312	1,628
Proceeds from disposal of biological assets	186	278
<b>Net cash flows used in investing activities</b>	<b>(598,066)</b>	<b>(343,696)</b>
<b>Cash flows from financing activities</b>		
Decrease in net amount due from related parties	550	335
Increase in net amount due from associates	(6,721)	(74,334)
(Decrease)/increase in advances from non-controlling shareholders	(2,910)	9,534
Proceeds from bank loans	532,760	1,640,047
Decrease/(increase) in fixed deposits pledged with financial institutions for bank facilities	1,244,069	(1,339,488)
Repayments of finance lease liabilities	(7)	(8)
Increase in other deposits with maturity more than 3 months	(51,918)	(22,712)
Interest paid	(10,109)	(2,134)
(Increase)/decrease in other financial receivables	(430,790)	323,154
Dividends paid to non-controlling shareholders by subsidiaries	(7,396)	(3,423)
Proceeds from issue of shares by the Company	1,546	7,413
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	10,581	4,408
<b>Net cash flows generated from financing activities</b>	<b>1,279,655</b>	<b>542,792</b>
Net increase in cash and cash equivalents	151,630	343,198
Cash and cash equivalents at the beginning of the financial period	1,279,658	400,475
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,431,288</b>	<b>743,673</b>
Represented by:		
Total cash and bank balances	6,883,037	8,044,715
Less: Fixed deposits pledged with financial institutions for bank facilities	(5,197,027)	(7,047,376)
Less: Other deposits with maturity more than 3 months	(132,392)	(210,138)
Bank overdrafts	(122,330)	(43,528)
<b>Total cash and cash equivalents</b>	<b>1,431,288</b>	<b>743,673</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(d)(i) Statements of Changes in Equity**

	Attributable to owners of the Company				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the Company, total		
For the period From 01.01.2012 to 31.03.2012	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 January 2012	8,451,521	6,011,599	(1,092,930)	13,370,190	878,175	14,248,365
Profit for the period	-	255,852	-	255,852	20,205	276,057
Other comprehensive income	-	-	61,681	61,681	1,153	62,834
<b>Total comprehensive income</b>	-	255,852	61,681	317,533	21,358	338,891
Grant of equity-settled share options	-	-	4,381	4,381	-	4,381
Issue of shares pursuant to exercise of share options	2,345	-	(799)	1,546	-	1,546
Share capital contributed by non-controlling shareholders	-	-	-	-	10,581	10,581
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(7,396)	(7,396)
<b>Total contributions by and distributions to owners</b>	2,345	-	3,582	5,927	3,185	9,112
Acquisition of subsidiaries	-	-	-	-	7,686	7,686
Acquisition of additional interest in a subsidiary	-	-	-	-	(95,906)	(95,906)
Premium paid for acquisition of additional interest in a subsidiary	-	-	(152,992)	(152,992)	-	(152,992)
Dilution of interest in subsidiaries	-	-	-	-	5,937	5,937
Gain on dilution of interest in subsidiaries	-	-	737	737	11	748
<b>Total changes in ownership interests in subsidiaries</b>	-	-	(152,255)	(152,255)	(82,272)	(234,527)
<b>Closing balance at 31 March 2012</b>	<b>8,453,866</b>	<b>6,267,451</b>	<b>(1,179,922)</b>	<b>13,541,395</b>	<b>820,446</b>	<b>14,361,841</b>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the Company				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the Company, total		
<b>For the period</b>						
<b>From 01.01.2011 to 31.03.2011</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<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
Profit for the period	-	386,701	-	386,701	32,876	419,577
Other comprehensive income	-	-	110,461	110,461	8,456	118,917
<b>Total comprehensive income</b>	-	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>Total contributions by and distributions to owners</b>	10,997	(7,532)	12,866	16,331	985	17,316
<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>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**1(d)(i) Statements of Changes in Equity (continued)**

	Attributable to owners of the Company			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the Company, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b>				
<b>From 01.01.2012 to 31.03.2012</b>				
<b>Company</b>				
Opening balance at 1 January 2012	8,887,660	1,191,918	199,730	10,279,308
Loss for the period	-	(9,584)	-	(9,584)
<b>Total comprehensive income</b>	-	(9,584)	-	(9,584)
Grant of equity-settled share options	-	-	4,381	4,381
Issue of shares pursuant to exercise of share options	2,345	-	(799)	1,546
<b>Total transactions with owners in their capacity as owners</b>	2,345	-	3,582	5,927
<b>Closing balance at 31 March 2012</b>	<b>8,890,005</b>	<b>1,182,334</b>	<b>203,312</b>	<b>10,275,651</b>

	Attributable to owners of the Company			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the Company, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b>				
<b>From 01.01.2011 to 31.03.2011</b>				
Opening balance at 1 January 2011	8,870,907	1,307,593	185,366	10,363,866
Profit for the period	-	50,959	-	50,959
<b>Total comprehensive income</b>	-	50,959	-	50,959
Grant of equity-settled share options	-	-	8,918	8,918
Issue of shares pursuant to exercise of share options	10,997	-	(3,584)	7,413
<b>Total transactions with owners in their capacity as owners</b>	10,997	-	5,334	16,331
<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>

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**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	
	31.03.2012	31.03.2011
<b>Issued and fully paid ordinary shares</b>		
Balance at the beginning of the financial period	6,401,428,092	6,396,925,092
Issue of shares pursuant to exercise of share options	578,000	2,618,000
<b>Balance at the end of financial period</b>	<b>6,402,006,092</b>	<b>6,399,543,092</b>
The number of shares that may be issued on conversion of outstanding convertible bonds at the end of the period	154,045,513	154,045,513
The number of shares that may be issued on exercise of share options outstanding at the end of the period	31,128,000	34,001,000

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

The Company did not hold any treasury shares as at 31 March 2012 and 31 December 2011.

The Company's total number of issued shares excluding treasury shares as at 31 March 2012 and 31 December 2011 were 6,402,006,092 and 6,401,428,092 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 reported 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 2012**
**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 consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2011 except for the adoption of new or revised FRS and INT FRS that are mandatory for financial years beginning on or after 1 January 2012. The adoption of these FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

**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>31.03.2012</b>	<b>31.03.2011</b>
(a) Based on weighted average number of shares (US cents per share)	4.0	6.0
(b) Based on fully diluted basis (US cents per share)	4.0	6.0
Weighted average number of shares applicable to basic earnings per share ('000)	6,401,587	6,397,896
Weighted average number of shares based on fully diluted basis ('000)	6,404,143	6,401,913

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

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2012</b>	<b>31.12.2011</b>	<b>31.03.2012</b>	<b>31.12.2011</b>
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	211.5	208.9	160.5	160.6

**Unaudited Financial Statements for the First Quarter ended 31 March 2012****8. Review of Group Performance*****Overview***

The Group reported a 33.8% decline in net profit to US\$255.9 million in 1Q2012 due to lower Oilseeds and Grains margins. However, the Group achieved strong volume growth across all key business segments. In addition, robust earnings growth were generated by Palm and Laurics which benefited from the revised Indonesian export duty structure, and Consumer Products which enjoyed margin expansion over the same period last year when there was a price increase restriction in China. Plantations and Palm Oils Mills also reported stronger earnings from increased production and higher realised CPO price. Oilseeds and Grains, the main contributor to the decline in earnings, was affected mainly by the continued difficult operating environment in China. Similarly, associates also recorded lower contributions.

Excluding non-operating items, the Group would have registered a 50.6% drop in net profit to US\$205.6 million, (1Q2011 : US\$416.6 million). The non-operating items comprise foreign exchange differences from intercompany loans to subsidiaries, gains or losses from investment securities, fair value changes on embedded derivatives of the Group's convertible bonds, interest expense on borrowings which are directly attributable to the funding of the Sucrogen acquisition and an accounting profit within the Sugar segment relating to pre-acquisition hedging reserves.

***Revenue and Cost of Sales***

Revenue was up 9.8% to US\$10.5 billion for 1Q2012, contributed primarily by strong volume growth across all key business segments, which resulted from consumption growth and market share gains. Average selling prices were generally lower, reflecting a drop in prices of agricultural commodities over the same period last year.

Consistent with an increase in sales volume, cost of sales was 11.7% higher at US\$9.6 billion for the quarter.

***Interest Income***

Interest income grew by 17.8% to US\$57.8 million primarily from an increase in deposit rates while average cash and bank balances was fairly stable over the same period last year.

***Other Operating Income***

The 36.7% decline in other operating income to US\$109.0 million was largely due to the absence of foreign exchange gains, in line with the marginal appreciation of RMB against US\$ during the quarter. This was partially offset by an increase in income from other deposits and financial products with financial institutions, along with higher deposits and financial products held over the same period last year.

***Selling and Distribution Expenses***

Selling and distribution expenses dropped by 7.9% to US\$428.8 million for 1Q2012, mainly from a decline in export duty. However, the effect was somewhat muted by higher freight and transportation costs during the quarter.

Export duty expenses declined on the back of lower duty rates in Indonesia and lower prices of palm products over the same period last year. In addition, the revision in the export duty structure with effect from mid-September 2011 has also resulted in lower rates for refined products such as refined palm oil and refined palm olein. For 1Q2012, the average monthly rates were :

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**

- 16.0% for CPO (1Q2011 : 23.3%)
- 5.7% for refined palm oil (1Q2011 : 21.5%)
- 7.7% for refined palm olein (1Q2011 : 23.3%)

Freight and transportation costs were higher mainly from an increase in liquid bulk freight rates over the same quarter last year coupled with higher sales volume and fuel costs.

***Administrative Expenses***

Administrative expenses was up 6.0% to US\$145.9 million for the quarter mainly from higher bank charges incurred for increased credit facilities to meet the Group's working capital and expansion needs.

***Other Operating Expenses***

Other operating expenses declined by 15.9% to US\$21.5 million for 1Q2012. Included here are share option expenses, inventory write-off, loss on the disposal of property, plant and equipment, pre-operating expenses write-off and project related expenses, among others. These items tend to be more volatile and do not necessarily move in tandem with the Group's business operation.

During the quarter, there was a decline in share option expenses, partly offset by loss on the disposal of a vessel and foreign exchange losses which arose from the appreciation of Singapore Dollar.

***Finance Costs***

The 71.4% increase in finance costs to US\$158.0 million for the quarter was attributed to increases in both average borrowings and effective borrowing rate over the same period last year. Average borrowings was higher compared to 1Q2011 due to additional facilities taken to meet capital expenditure and working capital requirements, and to fund the acquisition of subsidiaries and associates.

***Non-operating Items***

From an expense of US\$22.2 million in 1Q2011, non-operating items turned into an income of US\$50.7 million for 1Q2012 owing to :

- lower fair value loss on embedded derivatives of convertible bonds (1Q2012 : US\$0.3 million, 1Q2011 : US\$42.2 million);
- realised and unrealised gains from investment securities of US\$45.7 million in 1Q2012 given improved Asian equity markets, as compared to a loss of US\$0.2 million for 1Q2011;
- foreign exchange gain of US\$6.0 million for 1Q2012 from a loss of US\$1.8 million for 1Q2011, arising from intercompany loans to the Group's subsidiaries in various jurisdictions. The gain in 1Q2012 resulted from the depreciation of US\$ and appreciation of Euro during the quarter;

partially offset by lower accounting profit of US\$7.3 million within the Sugar segment, relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves (1Q2011 : US\$30.1 million).

Non-operating items net of tax amounted to an income of US\$50.2 million for 1Q2012 (1Q2011 : US\$29.9 million expense).



**Unaudited Financial Statements for the First Quarter ended 31 March 2012**

***Share of Results of Associates***

Share of result of associates dropped 60.2% to US\$21.6 million due primarily to lower profits generated by the Group's associates in China, consistent with a more challenging operating environment there.

***Profit Before Tax***

Profit before tax declined by 22.6% to US\$388.5 million for 1Q2012. Profit before tax and non-operating items was down 35.5% to US\$337.8 million for 1Q2012 due to a loss at the Oilseeds and Grains segment and lower contribution from associates, partially offset by stronger profits posted by Palm and Laurics, Consumer Products and Plantations and Palm Oil Mills.

***Income Tax Expense***

Income tax expense increased by 36.6% to US\$112.4 million for 1Q2012 despite a decline in profit before tax as effective tax rate increased to 30.7% for 1Q2012 from 18.4% for 1Q2011. The rise in effective tax rate was attributed to higher profits posted by entities in high tax jurisdictions.

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**Group Financial Performance by Business Segment**
**Sales Volume of Key Segments**

	1Q2012 MT'000	1Q2011 MT'000	Inc %
<b>Merchandising &amp; Processing</b>			
- Palm and laurics	5,169	4,292	20.4%
- Oilseeds and grains	4,408	3,510	25.6%
	9,577	7,802	22.8%
<b>Consumer Products</b>	1,206	1,122	7.5%
<b>Sugar</b>			
- Milling	85	80	6.3%
- Merchandising & Processing	495	359	37.9%

**Three Months Ended 31 March**

	1Q2012		1Q2011		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
<b>Revenue</b>						
- Merchandising & Processing	8,120,711	77.6%	7,419,461	77.8%	701,250	9.5%
<i>Palm and laurics</i>	5,431,144	51.9%	5,092,888	53.4%	338,256	6.6%
<i>Oilseeds and grains</i>	2,689,567	25.7%	2,326,573	24.4%	362,994	15.6%
- Consumer Products	1,890,883	18.1%	1,729,267	18.1%	161,616	9.3%
- Plantations and Palm Oil Mills	433,771	4.1%	396,814	4.2%	36,957	9.3%
- Sugar	457,309	4.4%	368,127	3.8%	89,182	24.2%
<i>Milling</i>	50,470	0.5%	42,193	0.4%	8,277	19.6%
<i>Merchandising &amp; Processing</i>	406,839	3.9%	325,934	3.4%	80,905	24.8%
- Others	810,342	7.7%	564,886	6.0%	245,456	43.5%
- Elimination	(1,242,072)	-11.9%	(942,841)	-9.9%	(299,231)	31.7%
<b>Total revenue</b>	<b>10,470,944</b>	<b>100.0%</b>	<b>9,535,714</b>	<b>100.0%</b>	<b>935,230</b>	<b>9.8%</b>

**Three Months Ended 31 March**

	1Q2012		1Q2011		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
<b>Profit before tax</b>						
- Merchandising & Processing	182,431	47.0%	345,597	68.9%	(163,166)	-47.2%
<i>Palm and laurics</i>	234,949	60.5%	153,519	30.6%	81,430	53.0%
<i>Oilseeds and grains</i>	(52,518)	-13.5%	192,078	38.3%	(244,596)	n.m.
- Consumer Products	50,263	12.9%	36,755	7.3%	13,508	36.8%
- Plantations and Palm Oil Mills	98,745	25.4%	81,834	16.3%	16,911	20.7%
- Sugar	(47,881)	-12.3%	(7,241)	-1.4%	(40,640)	561.2%
<i>Milling</i>	(57,996)	-14.9%	(22,650)	-4.5%	(35,346)	156.1%
<i>Merchandising &amp; Processing</i>	10,115	2.6%	15,409	3.1%	(5,294)	-34.4%
- Others	91,547	23.5%	44,564	8.9%	46,983	105.4%
- Share of results of associates	21,642	5.6%	54,409	10.8%	(32,767)	-60.2%
- Unallocated expenses #	(8,241)	-2.1%	(54,048)	-10.8%	45,807	-84.8%
<b>Total profit before tax</b>	<b>388,506</b>	<b>100.0%</b>	<b>501,870</b>	<b>100.0%</b>	<b>(113,364)</b>	<b>-22.6%</b>

# Unallocated expenses refer to expenses in relation to grant of share options to employees, 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 2012*****Merchandising and Processing – Palm and Laurics***

Revenue for the quarter was up 6.6% to US\$5.4 billion, contributed primarily by volume growth while average selling price was lower than the same period last year. Sales volume grew by 20.4% to 5.2 million MT for 1Q2012 owing to stronger demand.

Margins improved significantly as the Group maximised its capacity utilisation in Indonesia to benefit from the revised Indonesian export duty structure which came into effect in mid-September 2011, favouring domestic refiners. The combined effect of higher volume and stronger margins resulted in a 53.0% growth in profit before tax to US\$234.9 million for the quarter.

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

Revenue increased by 15.6% to US\$2.7 billion for 1Q2012, driven mainly by a 25.6% growth in sales volume to 4.4 million MT while average selling price was lower than the same period last year. Volume growth was achieved through increased demand for the Group's products, including flour and rice, as well as an expanded capacity over 1Q2011.

During the quarter, the operating environment in China continued to be challenging and hence, crush margins remained weak. Together with the poor timing of purchases, the Group recorded a loss before tax of US\$52.5 million for 1Q2012.

***Consumer Products***

The Group achieved a 9.3% growth in revenue to US\$1.9 billion for 1Q2012 from higher sales volume and average selling price over the same period last year. Sales volume grew by 7.5% to 1.2 million MT on the back of consumption growth of edible oils, flour and rice. In addition, the Group benefited from an increase in market share and an expanded capacity for both flour and rice. Average selling price was higher than 1Q2011 following a price increase in August 2011 for edible oils. From November 2010 to July 2011, China had a price increase restriction in place.

Margins improved over the same period last year following the August 2011 price increase and the time lag effect of declining feedstock cost in 4Q2011. As a result, profit before tax climbed 36.8% to US\$50.3 million for 1Q2012.

***Plantations and Palm Oil Mills***

Revenue, which is generated from CPO and palm kernel produced from its own fruits and third party fruits, was up 9.3% to US\$433.8 million for the quarter given higher sales volume, partially offset by lower average CPO price over the same period last year.

Profit for the segment is generated primarily by CPO and palm kernel produced from the Group's own fruits. Profit before tax grew by 20.7% to US\$98.7 million due to increased CPO production and higher prices realised by the Group's own plantations. This was partially offset by higher unit production cost due to increased prices of fertiliser.

During the quarter, the Group's own fresh fruit bunches ("FFB") production was 12.0% higher at 945,760 MT for 1Q2012, reflecting an increase in mature hectareage and a 2.1% improvement in production yield to 4.4 MT per hectare. Average market prices of CPO in 1Q2012 was lower than 1Q2011. However, the Group's realised CPO price in 1Q2012 for its own fruits was higher than 1Q2011, where the Group's realised price was lower than the market due to forward sales at lower prices.

**Unaudited Financial Statements for the First Quarter ended 31 March 2012*****Sugar***

The segment recorded a 24.2% increase in revenue to US\$457.3 million and a loss before tax of US\$47.9 million for 1Q2012. Excluding non-operating items, loss before tax for the segment would have amounted to US\$47.6 million, an increase of 17.2% over the same quarter last year (1Q2011 : US\$40.6 million loss before tax and non-operating items).

The sugar milling season in Australia normally commences in May/June and for the first two quarters of the year, plant maintenance takes place and it is normal for the Milling business to incur losses during this period. The business reported a loss before tax of US\$58.0 million, an increase of 156.1% over 1Q2011.

Included in the Milling results were :

- an accounting profit of US\$8.1 million (1Q2011 : US\$30.1 million) relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves;
- foreign exchange gain of US\$0.2 million (1Q2011 : US\$5.7 million) arising from US\$ intercompany loan; and
- interest expense on borrowings directly attributable to the funding of the Sucrogen acquisition of US\$6.4 million (1Q2011 : US\$4.1 million)

Excluding these items, loss before tax would have amounted to US\$59.9 million for 1Q2012, an increase of 10.3% over 1Q2011 (US\$54.3 million loss before tax). The increase was due to higher maintenance expenses in 1Q2012 as maintenance activities in 1Q2011 were hampered by the cyclone. Revenue was up 19.6% to US\$50.5 million, on the back of a 6.3% increase in sales volume to 85,000 MT.

Merchandising and Processing reported a 24.8% growth in revenue to US\$406.8 million for 1Q2012, led by a 37.9% increase in sales volume to 495,000 MT. Volume growth was achieved through increased merchandising activities and the acquisition of a new subsidiary, PT Duta Sugar International, which was completed in 3Q2011.

Profit before tax dropped by 34.4% to US\$10.1 million. Included in profit before tax were the following non-operating items :

- an accounting loss of US\$0.8 million (1Q2011 : nil) relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves;
- foreign exchange gain of US\$0.2 million (1Q2011 : US\$5.7 million) arising from US\$ intercompany loan; and
- interest expense on borrowings directly attributable to the funding of the Sucrogen acquisition of US\$1.6 million (1Q2011 : US\$4.0 million)

Excluding these items, the Merchandising and Processing business would have recorded a 10.3% decline in profit before tax to US\$12.3 million for 1Q2012 (1Q2011 : US\$13.8 million). The decline in profit before tax was attributed to lower refining margin as the Group's Indonesian subsidiary incurred raw sugar import duty as well as higher maintenance and energy costs.

***Others***

Revenue jumped 43.5% to US\$810.3 million for 1Q2012 on increased shipping and fertiliser revenue. Shipping revenue increased significantly from the Group's strong volume growth and higher usage of inhouse shipping services. Fertiliser revenue was also higher on increased demand from plantations.

Profit before tax more than doubled to US\$91.5 million largely from an increase in gains from investment securities.

**Unaudited Financial Statements for the First Quarter ended 31 March 2012*****Review of Balance Sheet and Cash Flows***

Property, plant and equipment amounted to US\$7.8 billion as at 31 March 2012. During the period, the Group incurred capital expenditure of US\$385.5 million for plant expansion in China and Indonesia, as well as for the construction of new vessels.

Inventories were up by 6.8% to US\$7.8 billion due to increased prices of agricultural commodities since end FY2011 and the purchase of domestic oilseeds and grains, partially offset by lower stockholding of consumer products after the festive season. Due to the seasonality of sales, turnover of 71 days for 1Q2012 was higher than the average for FY2011 of 64 days. Nevertheless, it remained in line with the 71 days recorded for 1Q2011 and the Group's historical range of 56 to 72 days. The general increase in turnover days in recent years is also attributed to the Group's further expansion into downstream products like oleochemicals and specialty fats with longer stockholding period, as well as flour and rice which require raw materials stock-up during harvesting season.

Trade receivables declined by 2.9% to US\$3.4 billion as it is off-milling season for Sucrogen. However, turnover days increased to 30 days for 1Q2012 from 28 days for FY2011. The increase is seasonal in nature as there remained some receivables for the Sugar milling business when little sales were reported for the quarter. Hence, the turnover days was comparable with the 29 days reported for 1Q2011.

Available-for-sale financial assets increased by 66.8% to US\$323.3 million, mainly from the Group's strategic investment in Goodman Fielder Limited during the quarter.

Other financial receivables (non-current and current combined) increased by 11.3% to US\$3.6 billion primarily from an increase in other deposits and financial products with financial institutions. These instruments earn higher interest rates than regular bank deposits and some have also been pledged for bank borrowings.

Other non-financial assets (current) increased by 7.9% to US\$1.5 billion along with an increase in advances to suppliers for the purchase of domestic oilseeds and grains in China.

Financial assets held for trading dropped 17.9% to US\$273.9 million due to the disposals of investments, partially offset by gains from the improvement in equity markets.

Trade payables was down 30.4% to US\$1.2 billion due to lower purchases towards end-1Q2012. Turnover period has been fairly stable at 13 days (FY2011 : 12 days, 1Q2011 : 13 days).

During the period, the Group raised a total of US\$532.8 million from loans and borrowings, which included S\$350.0 million under a Medium Term Note Programme, and withdrew US\$1.2 billion of fixed deposits pledged for bank facilities. The proceeds were utilised to fund a US\$530.0 million outflow from operating activities resulting from higher working capital requirements, US\$412.4 million of capital expenditure (including advances paid), US\$422.9 million of other deposits and financial products with financial institutions, US\$187.5 million of investment in subsidiaries and US\$102.3 million of other investments, with a balance of US\$151.6 million increase in cash and cash equivalents.

Total cash and bank balances (including other bank deposits) decreased by 12.9% to US\$6.9 billion due to the withdrawal of fixed deposits mentioned above. Net loans and borrowings (net of other bank deposits and cash and bank balances) increased by 12.4% to US\$14.6 billion, resulting in an increase in net gearing to 1.08x (31 December 2011 : 0.97x).

*Note : Turnover days are calculated by averaging the monthly turnover days to better reflect the true turnover period in view of the seasonality of the Group's business. Monthly turnover days are computed using revenue and cost of sales for the month.*

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**

- 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**

All the other key business segments of the Group, especially Palm and Laurics, are expected to perform satisfactorily for the rest of the year while oilseeds crushing margin in China is expected to remain challenging due to excess capacity.

**11. Dividend**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended)?

None.

- (b) Amount of Interim (final) ordinary dividend

Not applicable.

- (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 2012.

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**
**13. Interested Person Transactions**

<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 2012 US\$'000</b>	<b>1Q 2012 US\$'000</b>
Archer Daniels Midland Group	NIL	1,134,717
Associates of Kuok Khoon Hong & Martua Sitorus	NIL	NIL
Kuok Khoon Ean's Associates #	NIL	5,904
Martua Sitorus' Associates	NIL	20,652
Kuok Khoon Hong's Associates	NIL	335
PPB Group Bhd	28,894 <sup>(1)</sup>	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.

(1) The PPB Group IPT mainly relates to joint venture in Vietnam flour mills, shipping services provided as well as trade transactions.

BY ORDER OF THE BOARD

.....  
**KUOK KHOON HONG**  
 Chief Executive Officer

10 May 2012

**Unaudited Financial Statements for the First Quarter ended 31 March 2012**

**CONFIRMATION BY THE BOARD**

We, Kuok Khoon Hong and Martua Sitorus, being two of the 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 2012 financial results to be false or misleading in any material respect.

On behalf of the Board,

.....  
**KUOK KHOON HONG**  
Chief Executive Officer

.....  
**MARTUA SITORUS**  
Chief Operating Officer

10 May 2012