

SECOND QUARTER 2012 RESULTS - ANNOUNCEMENT * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

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* 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
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2012
Description	Please refer to attached announcement.
Attachments	 Wilmar_2Q12_Results_Announcement.pdf Total size = 345K (2048K size limit recommended)

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
FINANCIAL HIGHLIGHTS

	2Q2012 US\$'000	2Q2011 US\$'000	Change	1H2012 US\$'000	1H2011 US\$'000	Change
Revenue	11,019,737	10,560,806	4.3%	21,490,681	20,096,520	6.9%
Net Profit	117,139	393,084	-70.2%	372,991	779,785	-52.2%
EBITDA	329,455	629,765	-47.7%	897,125	1,283,596	-30.1%
EPS - Basic (US cents per share)	1.8	6.1	-70.5%	5.8	12.2	-52.5%
EPS - Fully diluted (US cents per share)	1.8	6.1	-70.5%	5.8	12.2	-52.5%
				30.06.2012	31.12.2011	Change
Net Tangible Assets (US\$'000)				8,949,381	8,960,251	-0.1%
Net Assets per share (US\$ per share)				2.09	2.09	-
Net Tangible Assets per share (US\$ per share)				1.40	1.40	-

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
1(a)(i) Consolidated Income Statement

	Group			Group		
	Three months ended			Six months ended		
	30.06.2012 US\$'000	30.06.2011 US\$'000	Change	30.06.2012 US\$'000	30.06.2011 US\$'000	Change
Revenue	11,019,737	10,560,806	4.3%	21,490,681	20,096,520	6.9%
Cost of sales	(10,159,413)	(9,592,126)	5.9%	(19,726,758)	(18,158,595)	8.6%
Gross profit	860,324	968,680	-11.2%	1,763,923	1,937,925	-9.0%
Other items of income						
Interest income	78,423	58,747	33.5%	136,184	107,764	26.4%
Other operating income	86,436	172,373	-49.9%	195,414	344,550	-43.3%
Other items of expenses						
Selling and distribution expenses	(436,723)	(499,426)	-12.6%	(865,549)	(964,930)	-10.3%
Administrative expenses	(173,152)	(143,780)	20.4%	(319,010)	(281,342)	13.4%
Other operating expenses	(77,823)	(30,453)	155.6%	(99,339)	(56,042)	77.3%
Finance costs	(164,837)	(117,593)	40.2%	(322,821)	(209,759)	53.9%
Non-operating items	(54,230)	6,890	n.m.	(3,520)	(15,267)	-76.9%
Share of results of associates	30,725	47,826	-35.8%	52,367	102,235	-48.8%
Profit before tax	149,143	463,264	-67.8%	537,649	965,134	-44.3%
Income tax expense	(23,310)	(57,994)	-59.8%	(135,759)	(140,287)	-3.2%
Profit after tax	125,833	405,270	-69.0%	401,890	824,847	-51.3%

Attributable to:

Owners of the Company	117,139	393,084	-70.2%	372,991	779,785	-52.2%
Non-controlling interests	8,694	12,186	-28.7%	28,899	45,062	-35.9%
	125,833	405,270	-69.0%	401,890	824,847	-51.3%

n.m. - not meaningful

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
1(a)(ii) Consolidated Statement of Comprehensive Income

	Group			Group		
	Three months ended			Six months ended		
	30.06.2012 US\$'000	30.06.2011 US\$'000	Inc/(Dec) US\$'000	30.06.2012 US\$'000	30.06.2011 US\$'000	Inc/(Dec) US\$'000
Profit after tax	125,833	405,270	(279,437)	401,890	824,847	(422,957)
Other comprehensive income						
Foreign currency translation	(139,929)	86,186	(226,115)	(40,749)	166,997	(207,746)
Fair value adjustment on cash flow hedges	54,918	(4,495)	59,413	(6,689)	38,568	(45,257)
Fair value adjustment on available-for-sale financial assets	(32,193)	(3,706)	(28,487)	(6,932)	(8,663)	1,731
Total other comprehensive income, net of tax	(117,204)	77,985	(195,189)	(54,370)	196,902	(251,272)
Total comprehensive income	8,629	483,255	(474,626)	347,520	1,021,749	(674,229)

Attributable to:

Owners of the Company	6,452	466,486	(460,034)	323,985	963,648	(639,663)
Non-controlling interests	2,177	16,769	(14,592)	23,535	58,101	(34,566)
	8,629	483,255	(474,626)	347,520	1,021,749	(674,229)

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
1(b)(i) Balance Sheets

	Group		Company	
	30.06.2012 US\$'000	31.12.2011 US\$'000	30.06.2012 US\$'000	31.12.2011 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	8,030,949	7,468,889	1,186	1,278
Biological assets	1,881,159	1,845,982	-	-
Plasma investments	14,563	8,499	-	-
Intangible assets	4,437,429	4,409,939	265	397
Investment in subsidiaries	-	-	8,704,737	8,697,067
Investment in associates	1,612,879	1,578,746	194,028	201,698
Available-for-sale financial assets	353,094	193,843	36,000	36,000
Deferred tax assets	256,235	226,865	-	-
Derivative financial instruments	17,282	23,660	-	-
Other financial receivables	237,790	80,101	291,364	129,473
Other non-financial assets	41,640	38,504	-	-
	16,883,020	15,875,028	9,227,580	9,065,913
Current assets				
Inventories	7,605,620	7,265,300	-	-
Trade receivables	3,395,774	3,502,925	-	-
Other financial receivables	2,157,444	3,156,123	1,904,866	1,791,780
Other non-financial assets	1,596,849	1,368,955	12,058	1,667
Derivative financial instruments	257,958	239,354	270	330
Financial assets held for trading	306,449	333,715	-	-
Other bank deposits	4,316,538	6,521,570	-	-
Cash and bank balances	1,198,569	1,376,783	321	3,243
	20,835,201	23,764,725	1,917,515	1,797,020
TOTAL ASSETS	37,718,221	39,639,753	11,145,095	10,862,933

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
1(b)(i) Balance Sheets (continued)

	Group		Company	
	30.06.2012 US\$'000	31.12.2011 US\$'000	30.06.2012 US\$'000	31.12.2011 US\$'000
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	1,357,042	1,710,004	-	-
Other financial payables	1,111,759	1,131,337	17,741	24,448
Other non-financial liabilities	372,779	469,834	-	-
Derivative financial instruments	271,647	263,402	-	-
Loans and borrowings	15,494,123	18,409,070	565,632	558,417
Tax payables	88,947	146,086	304	760
	18,696,297	22,129,733	583,677	583,625
NET CURRENT ASSETS	2,138,904	1,634,992	1,333,838	1,213,395
Non-current liabilities				
Other financial payables	10,548	4,691	-	-
Other non-financial liabilities	92,167	94,612	-	-
Derivative financial instruments	15,210	43,057	-	-
Loans and borrowings	4,041,566	2,479,873	275,634	-
Deferred tax liabilities	667,329	639,422	-	-
	4,826,820	3,261,655	275,634	-
TOTAL LIABILITIES	23,523,117	25,391,388	859,311	583,625
NET ASSETS	14,195,104	14,248,365	10,285,784	10,279,308
Equity attributable to owners of the Company				
Share capital	8,455,621	8,451,521	8,891,760	8,887,660
Retained earnings	6,218,985	6,011,599	1,190,991	1,191,918
Other reserves	(1,287,796)	(1,092,930)	203,033	199,730
	13,386,810	13,370,190	10,285,784	10,279,308
Non-controlling interests	808,294	878,175	-	-
Total equity	14,195,104	14,248,365	10,285,784	10,279,308
TOTAL EQUITY AND LIABILITIES	37,718,221	39,639,753	11,145,095	10,862,933

Unaudited Financial Statements for the Second Quarter ended 30 June 2012**1(b)(ii) Group's borrowings and debt securities**

	Group		Group	
	30.06.2012		31.12.2011	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
(a) Amount repayable in one year or less, or on demand	3,928,046	11,566,077	6,269,512	12,139,558
(b) Amount repayable after one year	1,287,821	2,753,745	384,455	2,095,418
	5,215,867	14,319,822	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.

The Group's loans and borrowings, bank deposits and other deposits with financial institutions amounting to approximately US\$4,205,394,000, having same maturity terms, are disclosed off balance sheet as at 30 June 2012. Both these loans and deposits are placed with reputable banks.

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
1(c) Consolidated Cash Flow Statement

	Group		Group	
	Three months ended		Six months ended	
	30.06.2012 US\$'000	30.06.2011 US\$'000	30.06.2012 US\$'000	30.06.2011 US\$'000
Cash flows from operating activities				
Profit before tax	149,143	463,264	537,649	965,134
Adjustments for:				
Depreciation of property, plant and equipment	130,807	102,567	256,477	209,209
Loss on liquidation of an associate	-	13	-	13
Amortisation of intangible assets	129	104	259	207
Loss on disposal of property, plant and equipment	967	1,465	4,360	1,663
Gain on liquidation of subsidiaries	(990)	-	(990)	(10)
Gain on disposal of financial assets held for trading	(3,801)	(10,406)	(3,801)	(10,803)
Grant of share options to employees	329	5,383	4,710	14,301
Net fair value (gain)/loss on derivative financial instruments	(47,234)	46,596	(76,248)	7,095
Net fair value loss/(gain) on financial assets held for trading	25,327	13,990	(17,018)	14,739
Foreign exchange differences arising from translation	(20,399)	(2,027)	(24,463)	(61,834)
Interest expense	172,399	129,256	338,339	229,506
Interest income	(78,423)	(58,747)	(136,184)	(107,764)
Share of results of associates	(30,725)	(47,826)	(52,367)	(102,235)
Operating cash flows before working capital changes	297,529	643,632	830,723	1,159,221
Changes in working capital:				
Decrease/(increase) in inventories	134,225	(780,751)	(267,879)	(675,253)
Increase in receivables and other assets	(26,657)	(709,660)	(4,473)	(747,914)
Increase/(decrease) in payables	14,776	386,869	(528,978)	65,819
Cash flows generated from/(used in) operations	419,873	(459,910)	29,393	(198,127)
Interest paid	(135,659)	(126,151)	(264,620)	(223,427)
Interest received	87,662	58,747	157,721	107,764
Income taxes paid	(141,613)	(102,581)	(222,190)	(172,002)
Net cash flows generated from/(used in) operating activities	230,263	(629,895)	(299,696)	(485,792)

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
1(c) Consolidated Cash Flow Statement (continued)

	Group		Group	
	Three months ended		Six months ended	
	30.06.2012 US\$'000	30.06.2011 US\$'000	30.06.2012 US\$'000	30.06.2011 US\$'000
Cash flows from investing activities				
Proceeds from dilution of interest in subsidiaries	9,319	-	16,004	-
Net cash flow on acquisition of subsidiaries	(15,308)	(17,138)	(23,551)	(17,138)
Payments for acquisition of additional interest in subsidiaries	(1,075)	(19,510)	(180,370)	(19,510)
(Increase)/decrease in plasma investments	(2,116)	385	(6,086)	1,477
(Increase)/decrease in financial assets held for trading	(54,609)	(1,227)	47,690	14,130
Decrease/(increase) in other non-financial assets	2,522	(10,464)	(12,864)	(10,464)
Payments for property, plant and equipment	(463,786)	(396,899)	(868,210)	(621,540)
Payments for biological assets	(10,389)	(29,798)	(18,394)	(41,227)
Increase in available-for-sale financial assets	(62,332)	(16,189)	(163,785)	(20,451)
Payments for investment in associates	(11,833)	(18,648)	(11,833)	(145,470)
Payments for intangibles	(325)	(500)	(419)	(500)
Dividends received from associates	10,649	6,983	13,971	12,086
Proceeds from disposal of property, plant and equipment	5,881	11,791	16,193	13,419
Proceeds from disposal of biological assets	1,375	875	1,561	1,153
Net cash flows used in investing activities	(592,027)	(490,339)	(1,190,093)	(834,035)
Cash flows from financing activities				
Decrease in net amount due from related parties	34	1,576	584	1,911
(Increase)/decrease in net amount due from associates	(29,297)	4,722	(36,018)	(69,612)
(Decrease)/increase in advances from non-controlling shareholders	(48)	(1,059)	(2,958)	8,475
Proceeds from bank loans	2,283,957	2,806,822	2,816,717	4,446,869
Increase in fixed deposits pledged with financial institutions for bank facilities	(1,284,663)	(1,165,171)	(40,594)	(2,504,659)
Repayments of finance lease liabilities	(4)	(8)	(11)	(16)
(Increase)/decrease in other deposits with maturity more than 3 months	(62,708)	22,883	(114,626)	171
Interest paid	(10,508)	(3,456)	(20,617)	(5,590)
(Increase)/decrease in other financial receivables	(703,331)	(49,142)	(1,134,121)	274,012
Dividends paid by the Company	(160,602)	(120,152)	(160,602)	(120,152)
Dividends paid to non-controlling shareholders by subsidiaries	(1,998)	(1,483)	(9,394)	(4,906)
Proceeds from issue of shares by the Company	1,147	1,578	2,693	8,991
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	4,246	2,021	14,827	6,429
Net cash flows generated from financing activities	36,225	1,499,131	1,315,880	2,041,923
Net (decrease)/increase in cash and cash equivalents	(325,539)	378,897	(173,909)	722,096
Cash and cash equivalents at the beginning of the financial period	1,431,288	743,674	1,279,658	400,475
Cash and cash equivalents at the end of the financial period	1,105,749	1,122,571	1,105,749	1,122,571
Represented by:				
Total cash and bank balances	5,515,107	9,574,243	5,515,107	9,574,243
Less: Fixed deposits pledged with financial institutions for bank facilities	(4,121,438)	(8,212,547)	(4,121,438)	(8,212,547)
Less: Other deposits with maturity more than 3 months	(195,100)	(187,255)	(195,100)	(187,255)
Bank overdrafts	(92,820)	(51,870)	(92,820)	(51,870)
Total cash and cash equivalents	1,105,749	1,122,571	1,105,749	1,122,571

Unaudited Financial Statements for the Second Quarter ended 30 June 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 01.04.2012 to 30.06.2012	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
Opening balance at 1 April 2012	8,453,866	6,267,451	(1,179,922)	13,541,395	820,446	14,361,841
Profit for the period	-	117,139	-	117,139	8,694	125,833
Other comprehensive income	-	-	(110,687)	(110,687)	(6,517)	(117,204)
Total comprehensive income	-	117,139	(110,687)	6,452	2,177	8,629
Grant of equity-settled share options	-	-	329	329	-	329
Issue of shares pursuant to exercise of share options	1,755	-	(608)	1,147	-	1,147
Share capital contributed by non-controlling shareholders	-	-	-	-	4,246	4,246
Dividends on ordinary shares	-	(160,602)	-	(160,602)	-	(160,602)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(1,998)	(1,998)
Net transfer to other reserves	-	(5,003)	5,003	-	-	-
Total contributions by and distributions to owners	1,755	(165,605)	4,724	(159,126)	2,248	(156,878)
Acquisition of additional interest in subsidiaries	-	-	-	-	(24,748)	(24,748)
Premium paid for acquisition of additional interest in subsidiaries	-	-	(3,059)	(3,059)	-	(3,059)
Dilution of interest in subsidiaries	-	-	-	-	8,171	8,171
Gain on dilution of interest in subsidiaries	-	-	1,148	1,148	-	1,148
Total changes in ownership interests in subsidiaries	-	-	(1,911)	(1,911)	(16,577)	(18,488)
Closing balance at 30 June 2012	8,455,621	6,218,985	(1,287,796)	13,386,810	808,294	14,195,104

Unaudited Financial Statements for the Second Quarter ended 30 June 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		
For the period From 01.04.2011 to 30.06.2011	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
Opening balance at 1 April 2011	8,445,765	5,108,721	(1,185,159)	12,369,327	744,345	13,113,672
Profit for the period	-	393,084	-	393,084	12,186	405,270
Other comprehensive income	-	-	73,402	73,402	4,583	77,985
Total comprehensive income	-	393,084	73,402	466,486	16,769	483,255
Grant of equity-settled share options	-	-	5,383	5,383	-	5,383
Issue of shares pursuant to exercise of share options	2,465	-	(887)	1,578	-	1,578
Share capital contributed by non-controlling shareholders	-	-	-	-	2,021	2,021
Dividends on ordinary shares	-	(120,152)	-	(120,152)	-	(120,152)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(1,483)	(1,483)
Net transfer to other reserves	-	(5,287)	5,287	-	-	-
Total contribution by and distributions to owners	2,465	(125,439)	9,783	(113,191)	538	(112,653)
Acquisition of subsidiaries	-	-	-	-	40,002	40,002
Acquisition of additional interest in subsidiaries	-	-	-	-	(38,255)	(38,255)
Total changes in ownership interests in subsidiaries	-	-	-	-	1,747	1,747
Closing balance at 30 June 2011	8,448,230	5,376,366	(1,101,974)	12,722,622	763,399	13,486,021

Unaudited Financial Statements for the Second Quarter ended 30 June 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
For the period				
From 01.04.2012 to 30.06.2012				
Company				
Opening balance at 1 April 2012	8,890,005	1,182,334	203,312	10,275,651
Profit for the period	-	169,259	-	169,259
Total comprehensive income	-	169,259	-	169,259
Grant of equity-settled share options	-	-	329	329
Issue of shares pursuant to exercise of share options	1,755	-	(608)	1,147
Dividends on ordinary shares	-	(160,602)	-	(160,602)
Total transactions with owners in their capacity as owners	1,755	(160,602)	(279)	(159,126)
Closing balance at 30 June 2012	8,891,760	1,190,991	203,033	10,285,784

	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
For the period				
From 01.04.2011 to 30.06.2011				
Company				
Opening balance at 1 April 2011	8,881,904	1,358,552	190,700	10,431,156
Loss for the period	-	(46,708)	-	(46,708)
Total comprehensive income	-	(46,708)	-	(46,708)
Grant of equity-settled share options	-	-	5,383	5,383
Issue of shares pursuant to exercise of share options	2,465	-	(887)	1,578
Dividends on ordinary shares	-	(120,152)	-	(120,152)
Total transactions with owners in their capacity as owners	2,465	(120,152)	4,496	(113,191)
Closing balance at 30 June 2011	8,884,369	1,191,692	195,196	10,271,257

Unaudited Financial Statements for the Second Quarter ended 30 June 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		
For the period From 01.01.2012 to 30.06.2012	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
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	-	372,991	-	372,991	28,899	401,890
Other comprehensive income	-	-	(49,006)	(49,006)	(5,364)	(54,370)
Total comprehensive income	-	372,991	(49,006)	323,985	23,535	347,520
Grant of equity-settled share options	-	-	4,710	4,710	-	4,710
Issue of shares pursuant to exercise of share options	4,100	-	(1,407)	2,693	-	2,693
Share capital contributed by non-controlling shareholders	-	-	-	-	14,827	14,827
Dividends on ordinary shares	-	(160,602)	-	(160,602)	-	(160,602)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(9,394)	(9,394)
Net transfer to other reserves	-	(5,003)	5,003	-	-	-
Total contributions by and distributions to owners	4,100	(165,605)	8,306	(153,199)	5,433	(147,766)
Acquisition of subsidiaries	-	-	-	-	7,686	7,686
Acquisition of additional interest in subsidiaries	-	-	-	-	(120,654)	(120,654)
Premium paid for acquisition of additional interest in subsidiaries	-	-	(156,051)	(156,051)	-	(156,051)
Dilution of interest in subsidiaries	-	-	-	-	14,108	14,108
Gain on dilution of interest in subsidiaries	-	-	1,885	1,885	11	1,896
Total changes in ownership interests in subsidiaries	-	-	(154,166)	(154,166)	(98,849)	(253,015)
Closing balance at 30 June 2012	8,455,621	6,218,985	(1,287,796)	13,386,810	808,294	14,195,104

Unaudited Financial Statements for the Second Quarter ended 30 June 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		
For the period						
From 01.01.2011 to 30.06.2011	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
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	-	779,785	-	779,785	45,062	824,847
Other comprehensive income	-	-	183,863	183,863	13,039	196,902
Total comprehensive income	-	779,785	183,863	963,648	58,101	1,021,749
Grant of equity-settled share options	-	-	14,301	14,301	-	14,301
Issue of shares pursuant to exercise of share options	13,462	-	(4,471)	8,991	-	8,991
Share capital contributed by non-controlling shareholders	-	-	-	-	6,429	6,429
Dividends on ordinary shares	-	(120,152)	-	(120,152)	-	(120,152)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(4,906)	(4,906)
Net transfer to other reserves	-	(12,819)	12,819	-	-	-
Total contributions by and distributions to owners	13,462	(132,971)	22,649	(96,860)	1,523	(95,337)
Acquisition of subsidiaries	-	-	-	-	40,002	40,002
Acquisition of additional interest in subsidiaries	-	-	-	-	(38,255)	(38,255)
Total changes in ownership interests in subsidiaries	-	-	-	-	1,747	1,747
Closing balance at 30 June 2011	8,448,230	5,376,366	(1,101,974)	12,722,622	763,399	13,486,021

Unaudited Financial Statements for the Second Quarter ended 30 June 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
For the period				
From 01.01.2012 to 30.06.2012	US\$'000	US\$'000	US\$'000	US\$'000
Company				
Opening balance at 1 January 2012	8,887,660	1,191,918	199,730	10,279,308
Profit for the period	-	159,675	-	159,675
Total comprehensive income	-	159,675	-	159,675
Grant of equity-settled share options	-	-	4,710	4,710
Issue of shares pursuant to exercise of share options	4,100	-	(1,407)	2,693
Dividends on ordinary shares	-	(160,602)	-	(160,602)
Total transactions with owners in their capacity as owners	4,100	(160,602)	3,303	(153,199)
Closing balance at 30 June 2012	8,891,760	1,190,991	203,033	10,285,784

	Attributable to owners of the Company			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the Company, total
For the period				
From 01.01.2011 to 30.06.2011	US\$'000	US\$'000	US\$'000	US\$'000
Company				
Opening balance at 1 January 2011	8,870,907	1,307,593	185,366	10,363,866
Profit for the period	-	4,251	-	4,251
Total comprehensive income	-	4,251	-	4,251
Grant of equity-settled share options	-	-	14,301	14,301
Issue of shares pursuant to exercise of share options	13,462	-	(4,471)	8,991
Dividends on ordinary shares	-	(120,152)	-	(120,152)
Total transactions with owners in their capacity as owners	13,462	(120,152)	9,830	(96,860)
Closing balance at 30 June 2011	8,884,369	1,191,692	195,196	10,271,257

Unaudited Financial Statements for the Second Quarter ended 30 June 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	
	30.06.2012	30.06.2011
Issued and fully paid ordinary shares		
Balance at the beginning of the financial period	6,402,006,092	6,399,543,092
Issue of shares pursuant to exercise of share options	584,000	801,000
Balance at the end of financial period	6,402,590,092	6,400,344,092
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	29,944,000	33,200,000

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 30 June 2012 and 31 December 2011.

The Company's total number of issued shares excluding treasury shares as at 30 June 2012 and 31 December 2011 were 6,402,590,092 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 Second Quarter ended 30 June 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)

	Group		Group	
	Three months ended		Six months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
(a) Based on weighted average number of shares (US cents per share)	1.8	6.1	5.8	12.2
(b) Based on fully diluted basis (US cents per share) #	1.8	6.1	5.8	12.2
Weighted average number of shares applicable to basic earnings per share ('000)	6,401,999	6,398,355	6,401,793	6,398,127
Weighted average number of shares based on fully diluted basis ('000) #	6,403,392	6,401,766	6,403,661	6,402,317

The fair value adjustments on embedded derivatives and accretion of interest on convertible bonds were not included in above computation of diluted earnings per share as the conversion of convertible bonds was anti-dilutive.

7. Net Asset Value Per Ordinary Share (NAV)

	Group		Company	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	209.1	208.9	160.7	160.6

Unaudited Financial Statements for the Second Quarter ended 30 June 2012**8. Review of Group Performance*****Overview***

The Group registered a 70.2% decline in net profit to US\$117.1 million for 2Q2012 and a 52.2% decline to US\$373.0 million for 1H2012. Excluding non-operating items, the Group would have recorded a 55.2% drop in net profit to US\$172.3 million for 2Q2012 (2Q2011 : US\$384.5 million) and a 52.8% drop to US\$378.0 million for 1H2012 (1H2011 : US\$801.1 million). The poorer performance was largely due to losses at Oilseeds and Grains from a continued difficult operating environment in China and lower plantation profits reflecting lower prices, a drop in production yield and higher production cost. In addition, Sugar posted higher losses on wet weather disruptions and lower merchandising profits while associates also recorded lower contributions. Nevertheless, Palm and Laurics continued to benefit from increased volume and the revised Indonesian export duty structure, and Consumer Products enjoyed margin expansion over the same period last year when there was a price increase restriction in China.

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 increased by 4.3% to US\$11.0 billion for 2Q2012 and 6.9% to US\$21.5 billion for 1H2012. During the quarter, Palm and Laurics, Consumer Products and Sugar reported revenue growth, attributed primarily to volume increase. Oilseeds and Grains also recorded increased revenue for the quarter led by higher selling price while revenue for the six-month period was higher from increased demand in the first quarter of the year.

Reflecting higher sales volume and an overall margin contraction, cost of sales was up by a higher rate of 5.9% to US\$10.2 billion for 2Q2012 and 8.6% to US\$19.7 billion for 1H2012.

Interest Income

Interest income climbed 33.5% to US\$78.4 million for the quarter and 26.4% to US\$136.2 million for the first half due to higher deposit rates.

Other Operating Income

Other operating income was down 49.9% to US\$86.4 million for 2Q2012 and down 43.3% to US\$195.4 million for 1H2012, largely due to the absence of foreign exchange gains as RMB depreciated during the period. The decline was partially offset by an increase in income from other deposits with financial institutions.

Selling and Distribution Expenses

The decrease in selling and distribution expenses by 12.6% to US\$436.7 million for 2Q2012 and 10.3% to US\$865.5 million for 1H2012 was attributed to lower export duty while freight and transportation costs were higher.

Export duty expenses dropped along with 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

Unaudited Financial Statements for the Second Quarter ended 30 June 2012

palm oil and refined palm olein. The average monthly rates for the quarter and half year period were as follows :

	2Q2012	2Q2011	1H2012	1H2011
CPO	19.0%	19.2%	17.5%	21.3%
Refined palm oil	7.7%	17.7%	6.7%	19.6%
Refined palm olein	9.7%	19.2%	8.7%	21.3%

Freight and transportation costs were higher in line with an overall increase in sales volume and higher fuel costs over the same period last year. In addition, there were increases in advertising and promotional expenses to boost the Group's Consumer Products sales.

Administrative Expenses

Administrative expenses were up 20.4% to US\$173.2 million for the quarter and 13.4% to US\$319.0 million for the half year period, on higher personnel related costs partly from increased headcount (30 June 2012 : 90,568, 30 June 2011 : 87,684). Additionally, for 1H2012, there was also an increase in bank charges incurred for increased credit facilities to meet the Group's working capital and expansion needs.

Other Operating Expenses

Other operating expenses include foreign exchange losses, share option expenses, inventory write-off, loss on 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.

The increase in other operating expenses by 155.6% to US\$77.8 million for 2Q2012 and 77.3% to US\$99.3 million for 1H2012 was contributed by higher foreign exchange losses from a stronger USD and for 1H2012, there was also a loss on the disposal of vessels. These increases were partially offset by lower share option expenses during the period.

Finance Costs

The increase in finance costs by 40.2% to US\$164.8 million for 2Q2012 and 53.9% to US\$322.8 million for 1H2012 resulted primarily from an increase in effective borrowing rate while average borrowings were marginally higher.

Non-operating Items

Non-operating items for the quarter was an expense of US\$54.2 million, compared to an income of US\$6.9 million for the same period last year due to :

- an increase in realised and unrealised losses from investment securities to US\$26.5 million for 2Q2012 (2Q2011 : US\$3.7 million loss) on the back of weaker global equity markets during the quarter;
- foreign exchange loss of US\$19.7 million in 2Q2012, compared to a gain of US\$42.2 million in 2Q2011, arising from intercompany loans to the Group's subsidiaries in various jurisdictions. The losses during the quarter arose from a stronger USD against the Renminbi and Indonesian Rupiah; and
- an accounting loss of US\$0.4 million for 2Q2012 (2Q2011 : US\$12.4 million profit) within the Sugar segment, relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves.

Unaudited Financial Statements for the Second Quarter ended 30 June 2012

The increase in expenses above were partially offset by lower fair value loss on embedded derivatives of convertible bonds (2Q2012 : nil; 2Q2011 : US\$32.3 million) and lower interest expense on borrowings directly attributable to the funding of the Sucrogen acquisition (2Q2012 : US\$7.6 million; 2Q2011 : US\$11.7 million).

For the half year period, non-operating items dropped by 76.9% to US\$3.5 million expense owing to :

- a decrease in fair value loss on embedded derivatives of convertible bonds to US\$0.3 million for 1H2012 (1H2011 : US\$74.4 million);
- realised and unrealised gains from investment securities of US\$19.2 million (1H2011 : US\$3.9 million loss) which was recorded mainly in 1Q2012 when Asian equity markets improved;
- a decrease in interest expense on borrowings directly attributable to the funding of the Sucrogen acquisition to US\$15.5 million for 1H2012 (1H2011 : US\$19.7 million);

partially offset by :

- foreign exchange loss of US\$13.7 million in 1H2012, compared to a gain of US\$40.3 million in 1H2011, arising from intercompany loans to the Group's subsidiaries in various jurisdictions; and
- a drop in accounting profit to US\$6.8 million for 1H2012 (1H2011 : US\$42.5 million profit) within the Sugar segment, relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves.

Share of Results of Associates

Share of results of associates was down 35.8% to US\$30.7 million for the quarter and down 48.8% to US\$52.4 million for the half year mainly due to lower contribution from the Group's associates in China and India, consistent with a more challenging operating environment there. The declines were partially offset by stronger contribution from Russia.

Profit Before Tax

Profit before tax was down 67.8% to US\$149.1 million for the quarter and down 44.3% to US\$537.6 million for the half year. Excluding non-operating items, profit before tax from operation dropped by 55.4% to US\$203.4 million for 2Q2012 and 44.8% to US\$541.2 million for 1H2012. The poorer performance was due to losses at the Oilseeds and Grains segment, lower profits from Plantations and Palm Oil Mills, higher seasonal losses at the Sugar segment and lower contribution from associates. These were partially offset by increased profits from Palm and Laurics and Consumer Products.

Income Tax Expense

Income tax expense dropped along with the decrease in profit before tax. However, effective tax rate increased to 19.7% for 2Q2012 (2Q2011 : 14.0%) and 28.0% for 1H2012 (1H2011 : 16.3%), in line with higher profits posted by entities in high tax jurisdictions.

Unaudited Financial Statements for the Second Quarter ended 30 June 2012
Group Financial Performance by Business Segment
Sales Volume of Key Segments

	Sales Volume					
	2Q2012 MT'000	2Q2011 MT'000	Inc/(Dec) %	1H2012 MT'000	1H2011 MT'000	Inc/(Dec) %
Merchandising & Processing						
- Palm and laurics	5,623	4,824	16.6%	10,792	9,116	18.4%
- Oilseeds and grains	4,588	4,620	-0.7%	8,996	8,130	10.7%
	10,211	9,444	8.1%	19,788	17,246	14.7%
Consumer Products	897	837	7.2%	2,103	1,959	7.4%
Sugar						
- Milling	257	264	-2.7%	342	344	-0.6%
- Merchandising & Processing	1,039	557	86.5%	1,534	916	67.5%

Three Months Ended 30 June

	2Q2012		2Q2011		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
Revenue						
- Merchandising & Processing	9,094,097	82.5%	8,807,589	83.4%	286,508	3.3%
<i>Palm and laurics</i>	6,007,628	54.5%	5,798,400	54.9%	209,228	3.6%
<i>Oilseeds and grains</i>	3,086,469	28.0%	3,009,189	28.5%	77,280	2.6%
- Consumer Products	1,380,488	12.5%	1,277,757	12.1%	102,731	8.0%
- Plantation and Palm Oil Mills	416,051	3.8%	524,472	5.0%	(108,421)	-20.7%
- Sugar	840,879	7.6%	652,726	6.2%	188,153	28.8%
<i>Milling</i>	112,441	1.0%	183,738	1.7%	(71,297)	-38.8%
<i>Merchandising & Processing</i>	728,438	6.6%	468,988	4.5%	259,450	55.3%
- Others	670,696	6.1%	648,978	6.1%	21,718	3.3%
- Eliminations	(1,382,474)	-12.5%	(1,350,716)	-12.8%	(31,758)	2.4%
Total revenue	11,019,737	100.0%	10,560,806	100.0%	458,931	4.3%

Six Months Ended 30 June

	1H2012		1H2011		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
Revenue						
- Merchandising & Processing	17,214,808	80.1%	16,227,050	80.7%	987,758	6.1%
<i>Palm and laurics</i>	11,438,772	53.2%	10,891,288	54.2%	547,484	5.0%
<i>Oilseeds and grains</i>	5,776,036	26.9%	5,335,762	26.5%	440,274	8.3%
- Consumer Products	3,271,371	15.2%	3,007,024	15.0%	264,347	8.8%
- Plantation and Palm Oil Mills	849,822	4.0%	921,286	4.6%	(71,464)	-7.8%
- Sugar	1,298,188	6.1%	1,020,853	5.1%	277,335	27.2%
<i>Milling</i>	162,911	0.8%	225,931	1.1%	(63,020)	-27.9%
<i>Merchandising & Processing</i>	1,135,277	5.3%	794,922	4.0%	340,355	42.8%
- Others	1,481,038	6.8%	1,213,864	6.0%	267,174	22.0%
- Eliminations	(2,624,546)	-12.2%	(2,293,557)	-11.4%	(330,989)	14.4%
Total revenue	21,490,681	100.0%	20,096,520	100.0%	1,394,161	6.9%

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Three Months Ended 30 June

	2Q2012		2Q2011		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
Profit before tax						
- Merchandising & Processing	120,093	80.5%	282,472	60.9%	(162,379)	-57.5%
<i>Palm and laurics</i>	160,073	107.3%	153,054	33.0%	7,019	4.6%
<i>Oilseeds and grains</i>	(39,980)	-26.8%	129,418	27.9%	(169,398)	n.m.
- Consumer Products	17,960	12.0%	1,024	0.2%	16,936	1653.9%
- Plantation and Palm Oil Mills	79,239	53.1%	144,951	31.3%	(65,712)	-45.3%
- Sugar	(60,282)	-40.5%	(7,141)	-1.5%	(53,141)	744.2%
<i>Milling</i>	(79,148)	-53.1%	(49,570)	-10.7%	(29,578)	59.7%
<i>Merchandising & Processing</i>	18,866	12.6%	42,429	9.2%	(23,563)	-55.5%
- Others	(34,578)	-23.0%	34,879	7.6%	(69,457)	n.m.
- Share of results of associates	30,725	20.6%	47,826	10.3%	(17,101)	-35.8%
- Unallocated expenses #	(4,014)	-2.7%	(40,747)	-8.8%	36,733	-90.1%
Total profit before tax	149,143	100.0%	463,264	100.0%	(314,121)	-67.8%

Six Months Ended 30 June

	1H2012		1H2011		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
Profit before tax						
- Merchandising & Processing	302,524	56.3%	628,069	65.1%	(325,545)	-51.8%
<i>Palm and laurics</i>	395,022	73.5%	306,573	31.8%	88,449	28.9%
<i>Oilseeds and grains</i>	(92,498)	-17.2%	321,496	33.3%	(413,994)	n.m.
- Consumer Products	68,223	12.7%	37,779	3.9%	30,444	80.6%
- Plantation and Palm Oil Mills	177,984	33.1%	226,785	23.5%	(48,801)	-21.5%
- Sugar	(108,163)	-20.1%	(14,382)	-1.5%	(93,781)	652.1%
<i>Milling</i>	(137,144)	-25.5%	(72,220)	-7.5%	(64,924)	89.9%
<i>Merchandising & Processing</i>	28,981	5.4%	57,838	6.0%	(28,857)	-49.9%
- Others	56,969	10.6%	79,443	8.2%	(22,474)	-28.3%
- Share of results of associates	52,367	9.7%	102,235	10.6%	(49,868)	-48.8%
- Unallocated expenses #	(12,255)	-2.3%	(94,795)	-9.8%	82,540	-87.1%
Total profit before tax	537,649	100.0%	965,134	100.0%	(427,485)	-44.3%

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 Second Quarter ended 30 June 2012***Merchandising and Processing – Palm and Laurics***

Revenue was up 3.6% to US\$6.0 billion for the quarter and 5.0% to US\$11.4 billion for the first half due primarily to higher sales volume while average selling price was lower than the same period last year. Sales volume grew by 16.6% to 5.6 million MT for 2Q2012 and 18.4% to 10.8 million MT for 1H2012.

Despite strong volume growth, profit before tax for the quarter was up by only 4.6% to US\$160.1 million due to margins contraction. The drop in margins came from the high value-added downstream products, especially oleochemicals and biodiesel, in an environment of lower selling prices in 2Q2012.

For 1H2012, profit before tax was up by a much stronger 28.9% to US\$395.0 million, led by increased volume and higher margins. Margins for the first half were held up by the significant jump in the first quarter of the year, benefiting from the Indonesian export duty structure.

Merchandising and Processing – Oilseeds and Grains

Revenue increased by 2.6% to US\$3.1 billion for 2Q2012 due to higher average selling price. Volume was down marginally to 4.6 million MT on the back of a difficult operating environment for oilseeds while flour and rice continued to record significant growth in volume. For the six-month period, revenue was 8.3% higher at US\$5.8 billion from a 10.7% growth in volume to 9.0 million MT. Increased demand for the Group's products, particularly in the first quarter, and an expanded capacity led to the growth in volume for 1H2012.

During the period, crush margin was negative and this was exacerbated by losses from the depreciation of Renminbi against USD. Consequently, the Group recorded a loss before tax of US\$40.0 million for 2Q2012 and US\$92.5 million for 1H2012.

Consumer Products

The 8.0% growth in revenue to US\$1.4 billion for the quarter and 8.8% growth to US\$3.3 billion for the first half was attributed primarily to volume growth. Volume was up 7.2% to 0.9 million MT for 2Q2012 and 7.4% to 2.1 million MT for 1H2012 on the back of stronger demand for edible oils, flour and rice.

Margins improved over the same period last year following the price increase in August 2011 and late March 2012 (groundnut and rapeseed oils only) in China while a price increase restriction was in effect in 1H2011. As a result, profit before tax surged to US\$18.0 million for 2Q2012 (2Q2011 : US\$1.0 million) and 80.6% to US\$68.2 million for 1H2012.

Plantations and Palm Oil Mills

Revenue, which is generated from CPO and palm kernel produced from its own fruits and third party fruits, was down 20.7% to US\$416.1 million for 2Q2012 and down 7.8% to US\$849.8 million for 1H2012. The decline was attributed to lower selling price and additionally for 2Q2012, lower sales volume over the same period last year.

Profit before tax for the segment, is generated primarily by CPO and palm kernel produced from the Group's own fruits. Profit before tax dropped by 45.3% to US\$79.2 million for 2Q2012 due to lower prices realised by the Group's own plantations which was in line with market trend, higher unit production cost and a drop in production yield. For 1H2012, profit before tax was 21.5% lower at US\$178.0 million largely from higher unit production cost, lower production yield and lower prices of palm kernel which reflected the drop in market prices, while CPO price was quite flat. The realised CPO price in 1H2012 was similar to 1H2011 despite lower average market prices. This is due to forward sales in 1Q2011 at lower prices.

Unaudited Financial Statements for the Second Quarter ended 30 June 2012

Unit production cost rose, partly due to lower production yield for the period. Production yield was down 14.5% to 4.43 MT per hectare in 2Q2012 and down 5.8% to 8.89 MT per hectare in 1H2012 as a result of low crop trend in Sabah and Sarawak and also the after-effects of dry weather in mid-2010 in Sabah and Sumatra and mid-2011 in Kalimantan and Sumatra. However, as mature hectareage was higher than last year, total fresh fruit bunches production was down by a lower 8.5% to 938,397 MT for 2Q2012 and up 0.8% to 1,884,156 MT for 1H2012.

Sugar

The segment recorded a 28.8% increase in revenue to US\$840.9 million for the quarter and a 27.2% increase to US\$1.3 billion for the first half achieved through higher merchandising activities and contribution from a new refining subsidiary, partially offset by lower milling sales. However, the seasonality of the Milling business resulted in a loss before tax for the segment. Loss before tax increased to US\$60.3 million for 2Q2012 and US\$108.2 million for 1H2012. Excluding non-operating items, loss before tax from operation grew by 40.8% to US\$50.2 million for 2Q2012 (2Q2011 : US\$35.7 million loss before tax) and 28.3% to US\$97.8 million for 1H2012 (1H2011 : US\$76.2 million loss before tax) as merchandising profit was lower and wet weather affected Milling results.

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 Milling business reported an increase in loss before tax by 59.7% to US\$79.1 million for 2Q2012 and 89.9% to US\$137.1 million for 1H2012. Excluding non-operating items, loss before tax from operations increased by 4.4% to US\$71.9 million for 2Q2012 (2Q2011 : US\$68.9 million loss before tax) and 7.0% to US\$131.8 million for 1H2012 (1H2011 : US\$123.2 million loss before tax). The increase was due to wet weather across all cane regions in Australia which delayed the crushing season and resulted in lower sugar production. In addition, higher maintenance cost was incurred relating to Proserpine which was acquired in December 2011, and additional maintenance was performed during wet weather stops. Reflecting the bad weather, revenue was down 38.8% to US\$112.4 million in 2Q2012 and down 27.9% to US\$162.9 million for 1H2012. However, sales volume dropped by only 2.7% to 257,000 MT for 2Q2012 and 0.6% to 342,000 MT for 1H2012 due to an increase in the sale of molasses from prior season.

Revenue for Merchandising and Processing increased by 55.3% to US\$728.4 million for 2Q2012 and 42.8% to US\$1.1 billion for 1H2012, led by volume growth while average selling price was lower than a year ago. Sales volume was up 86.5% to 1.0 million MT for the quarter and 67.5% to 1.5 million MT for the first half. Volume growth was achieved through higher merchandising activities and the acquisition of a new subsidiary, PT Duta Sugar International, which was completed in 3Q2011.

Profit before tax dropped by 55.5% to US\$18.9 million in 2Q2012 and 49.9% to US\$29.0 million in 1H2012. Excluding non-operating items, profit before tax from operations for the Merchandising and Processing business was down 34.7% to US\$21.7 million for 2Q2012 (2Q2011 : US\$33.2 million) and down 27.6% to US\$34.0 million for 1H2012 (1H2011 : US\$47.0 million). The decline in profit before tax was attributed to lower merchandising profit during the period.

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Others

Revenue grew by 3.3% to US\$670.7 million for the quarter and 22.0% to US\$1.5 billion for the first half from increased fertiliser and shipping revenue, partially offset by lower revenue from other sources in 2Q2012. Fertiliser revenue was higher on increased demand from plantations while the increase in shipping revenue was contributed mainly by higher liquid bulk volume and freight rates.

The segment recorded a loss before tax of US\$34.6 million for 2Q2012 (2Q2011 : US\$34.9 million profit before tax) and a 28.3% decline in profit before tax to US\$57.0 million for 1H2012 due to lower fertiliser and shipping profits and additionally for 2Q2012, higher losses from investment securities.

Unaudited Financial Statements for the Second Quarter ended 30 June 2012***Review of Balance Sheet and Cash Flows***

Property, plant and equipment amounted to US\$8.0 billion as at 30 June 2012. During the period, the Group incurred capital expenditure of US\$837.2 million for plant expansion in China and Indonesia, as well as the construction of new vessels.

Inventories were up by 4.7% to US\$7.6 billion, reflecting higher prices of oilseeds and grains commodities from end-FY2011 as well as higher stockholding from the purchase of domestic oilseeds and grains in China. The increases were partially offset by lower stockholding of palm and laurics and consumer products. Consumer products had higher stockholding as at end-FY2011 to cater to the festive season demand. Due to the seasonality of sales, average inventory holding period of 70 days for 1H2012 was higher than the average for FY2011 of 64 days. Nevertheless, it remained in line with the 70 days recorded for 1H2011 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 3.1% during the six-month period to US\$3.4 billion as at 30 June 2012, reflecting a seasonally slower second quarter for the Group. Turnover days increased to 29 days for 1H2012, slightly higher than the 28 days recorded for FY2011. The increase is seasonal in nature as there remained some receivables for the Sugar milling business when little sales were recorded for the six-month period. Nevertheless, the turnover period is in line with the 29 days reported for 1H2011.

Available-for-sale financial assets increased by 82.2% to US\$353.1 million, mainly from the Group's strategic investment in Goodman Fielder Limited during the first half.

Other financial receivables (current and non-current combined) dropped by 26.0% to US\$2.4 billion due to a decline in other deposits with financial institutions. These deposits and products earn higher interest rates than regular bank deposits and some have been pledged for bank borrowings. During the period, other deposits amounting to US\$1.8 billion was offset against loans and borrowings following the execution of offsetting agreements with the various financial institutions.

Other non-financial assets (current) increased by 16.6% to US\$1.6 billion along with an increase in advances to suppliers for the purchase of domestic oilseeds and grains in China. There was also an increase in advances for property, plant and equipment.

Trade payables was down 20.6% to US\$1.4 billion due to lower purchases on credit terms towards end-June 2012 as the Group increased the purchases of domestic oilseeds and grains in China which are on cash terms. Turnover days has remained fairly stable at about 12 days (FY2011 : 12 days, 1H2011 : 12 days).

During the period, the Group raised net proceeds of approximately US\$2.8 billion from loans and borrowings, which included S\$350.0 million under a Medium Term Note Programme. The proceeds were used mainly to meet US\$299.7 million outflow from operating activities resulting from higher working capital requirements, US\$886.6 million of capital expenditure (including advances paid), US\$215.8 million of investment in subsidiaries and associates, US\$1.0 billion of other deposits with financial institutions, and US\$160.6 million of dividends payment. The resultant effect was a US\$173.9 million decrease in cash and cash equivalents. However, total cash and bank balances dropped by 30.2% to US\$5.5 billion due to a total of US\$2.4 billion that was offset against loans and borrowings following the execution of offsetting agreements with various financial institutions.

Net loans and borrowings (net of other bank deposits, cash and bank balances and other deposits with financial institutions) increased to US\$12.5 billion, contributing to an increase in net gearing to 0.93x (31 December 2011 : 0.79x).

Unaudited Financial Statements for the Second Quarter ended 30 June 2012

Note 1 : 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.

Note 2 : Net loans and borrowings are now calculated by netting off other bank deposits, cash and bank balances and other deposits with financial institutions (included in other financial receivables - current) to better reflect the Group's net loans and borrowings position and the liquid nature of other deposits with financial institutions.

Unaudited Financial Statements for the Second Quarter ended 30 June 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

The Group's business model is sound and long term prospects remain intact as it is well-positioned to capture the growth in demand for agricultural commodities, especially in Asia and emerging markets like Africa. However, in the near term, the operating environment remains challenging, particularly in China, due to excess capacity in oilseeds crushing.

11. Dividend**(a) Whether an interim (final) ordinary dividend has been declared (recommended)?**

Yes.

(b) Interim (final) ordinary dividend

	30.06.2012 S\$ per share	30.06.2011 S\$ per share
Interim ordinary dividend	0.02	0.03

(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)

Dividend is tax exempt and declared in Singapore.

(d) Date Payable

7 September 2012.

(e) Books Closure Date

Notice is hereby given that the Share Transfer Register and Register of Members of the Company will be closed from 24 August 2012 at 5.00 pm to 27 August 2012 (both dates inclusive), for the purpose of determining shareholders' entitlement to the Company's interim tax exempt (one-tier) dividend of S\$ 0.02 per ordinary share for the financial year ending 31 December 2012 ("Interim Dividend") to be paid on 7 September 2012.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road #02-00, Singapore 068898, up to 5.00 pm on 24 August 2012, will be registered to determine shareholders' entitlement to the Interim Dividend.

Depositors whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 pm on 24 August 2012 will be entitled to the Interim Dividend.

Unaudited Financial Statements for the Second Quarter ended 30 June 2012

12. If no dividend has been declared or recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Name of Interested Person	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)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	2Q 2012 US\$'000	2Q 2012 US\$'000
Archer Daniels Midland Group	NIL	1,051,946
Associates of Kuok Khoon Hong & Martua Sitorus	554	2,425
Kuok Khoon Ean's Associates#	160	2,998
Martua Sitorus' Associates	NIL	33,296
Kuok Khoon Hong's Associates	39,481	340
PPB Group Bhd	36,804	NIL
Kuok Brothers Sdn Bhd	123	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.

BY ORDER OF THE BOARD

.....
 KUOK KHOON HONG
 Chief Executive Officer

14 August 2012

Unaudited Financial Statements for the Second Quarter ended 30 June 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 second quarter ended 30 June 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

14 August 2012