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NEWS RELEASE

WILMAR REPORTS HIGHER CORE NET EARNINGS OF US$1.30 BILLION FOR FY2018 AND LOWER CORE NET EARNINGS OF US$335 MILLION FOR 4Q2018

- **FY2018 net profit of US$1.13 billion and US$200.9 million for 4Q2018 was lower due mainly to a provision for impairment on the Australian sugar milling assets**
- **Strong performance in all segments except palm plantation and sugar milling**
- **Growth in sales volume**
- **FY2018 EBITDA up 12% to US$2.94 billion, the highest level since listing, generating cash flow of US$2.11 billion from operations**

Highlights

In US$ million	4Q2018	4Q2017*	*Change*	FY2018	FY2017*	*Change*
Revenue	11,099.9	11,446.7	*-3.0%*	44,497.7	43,573.9	*2.1%*
EBITDA	774.1	841.1	*-8.0%*	2,940.8	2,615.1	*12.5%*
Profit before taxation from continuing operations	303.1	547.3	*-44.6%*	1,617.4	1,562.5	*3.5%*
Net profit	200.9	426.7	*-52.9%*	1,128.0	1,195.7	*-5.7%*
Net profit – excluding discontinued operations	198.7	426.7	*-53.4%*	1,153.3	1,195.7	*-3.5%*
Core net profit	334.7	373.0	*-10.3%*	1,304.8	1,023.8	*27.4%*
Earnings per share – fully diluted (US cents)	3.2	6.7	*-52.2%*	17.8	18.9	*-5.8%*
Earnings per share – excluding discontinued operations - (US cents)	3.1	6.7	*-53.7%*	18.2	18.9	*-3.7*

** Prior period/year figures were restated upon adoption of SFRS (I) 9 Financial Instruments, SFRS (I) 15 Revenue from Contracts with Customers and IFRS Convergence*

Singapore, February 21, 2019 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported a 27% improvement in core net profit to US$1.30 billion for the year ended December 31, 2018 ("FY2018") (FY2017: US$1.02 billion) despite a tough operating environment. The Group achieved better operating performance in all core segments, except the Palm Plantation and Sugar Milling businesses which were affected by low palm oil and sugar prices.

With the continued depressed sugar prices, the Group decided to adopt a conservative approach and made a provision for impairment totaling US$138.6 million on its goodwill and sugar milling assets in Australia, even though the milling operations have been generating positive cashflows since acquisition. Together with losses from the Group's other non-operating items and fair value adjustment on biological assets, the Group's net profit for the year (excluding discontinued operations) decreased marginally by 3.5% to US$1.15 billion in FY2018 (FY2017: US$1.20 billion) while overall net profit (including discontinued operations) decreased by 5.7% to US$1.13 billion (FY2017: US$1.20 billion).

For 4Q2018, core net profit decreased by 10.3% to US$334.7 million (4Q2017: US$373.0 million) mainly due to the African swine fever outbreak in China affecting the Group's Oilseeds and Grains segment, coupled with weaker commodity prices that impacted the upstream operations in Sugar Milling and Palm Plantation. These factors were partially offset by better performances from the Group's downstream operations and continued improved contributions from associates and joint ventures. Non-operating losses mainly arising from the provision for impairment in Sugar Milling saw 4Q2018 net profit (including discontinued operations) decline to US$200.9 million (4Q2017: US$426.7 million).

Revenue increased 2% to US$44.50 billion in FY2018 (FY2017: US$43.57 billion), on the back of higher sales volume recorded across all segments. This increase was partially offset by lower commodity prices during the year.

For 4Q2018, the Group continued to report growth in sales volume for all segments, but lower commodity prices resulted in a 3% decrease in revenue to US$11.10 billion (4Q2017: US$11.45 billion).

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) reported a 37% increase in pretax profit to US$546.1 million in FY2018 (FY2017: US$397.5 million), driven by better performance in the manufacturing and merchandising businesses. Lower commodity prices benefited our downstream businesses through lower feedstock costs. However, this improvement was partially offset by weaker contributions from the plantation business due to lower palm oil prices. Tropical Oils profit for 4Q2018 improved 30% to US$134.1 million (4Q2017: US$103.3 million).

In FY2018, production yield improved by 10% to 21.6 metric tonnes per hectare (“MT/ha”) (FY2017: 19.7 MT/ha) and by 11% to 5.3 MT/ha in 4Q2018 (4Q2017: 4.7 MT/ha) because of favourable weather conditions. Production of fresh fruit bunches (“FFB”) increased 7% to 4,189,728 MT for FY2018 (FY2017: 3,922,904 MT) and 9% to 1,005,625 MT for 4Q2018 (4Q2017: 920,534 MT).

In Tropical Oils (Manufacturing & Merchandising), sales volume increased 5% to 24.3 million MT in FY2018 (FY2017: 23.2 million MT) and by 10% to 6.6 million MT in 4Q2018 (4Q2017: 6.0 million MT). The higher volumes were driven by consistent strong demand for biodiesel and downstream products.

Oilseeds & Grains (Manufacturing & Consumer Products) registered a 20% improvement in pre-tax profit to US$875.0 million in FY2018 (FY2017: US$727.2 million). This was driven by stronger performance from Consumer Products as well as good crush margins and volume during the year. Profit in 4Q2018 was lower at US$115.2 million (4Q2017: US$206.4 million) due to weaker crush margins but offset by better performance in Consumer Products. Crush margins were positive but lower than 4Q2017 due to lower meal demand, caused by the African swine fever outbreak in China.

Consumer Products sales improved by 10% to 6.0 million MT during the year (FY2017: 5.4 million MT). Together with stronger sales from the manufacturing businesses in the earlier part of the year, overall sales volume for the segment increased 12% to 37.2 million MT in FY2018 (FY2017: 33.3 million MT). For 4Q2018, sales volume increased 3% to 9.4 million MT (4Q2017: 9.2 million MT), mainly driven by higher demand for consumer products.

Sugar (Milling, Merchandising, Refining & Consumer Products) recorded a pre-tax loss of US$123.0 million in FY2018 (FY2017: US$24.6 million loss), mainly due to an impairment loss of US$138.6 million recognised in 4Q2018 relating to the milling operations in Australia. Despite consistent positive cash flow generated from the Australian milling business, the decline in sugar prices in the past year led the Group to take a prudent stance and impair the goodwill and property, plant and equipment of the milling operations during the quarter. The Sugar results were further impacted by losses from the Group's newly acquired Indian subsidiary, Shree Renuka Sugars Limited (SRSL), whose crushing activities only commenced in late October. These losses were mitigated by stronger performance in the Merchandising business during the year. The segment posted a pre-tax loss of US$114.1 million in 4Q2018 (4Q2017: US$ 41.4 million profit)

Sales volume for the segment increased by 7% to 11.7 million MT in FY2018 (FY2017: 11.0 million MT) and 29% to 3.7 million MT in 4Q2018 (4Q2017: 2.9 million MT).

The **Others** segment recorded a lower pre-tax profit of US$19.9 million in FY2018 (FY2017: US$243.3 million) and US$17.5 million in 4Q2018 (4Q2017: US$87.7 million), mainly due to lower investment income from the Group's investment portfolio reflecting the volatile stock market during the year.

Share of results of **Joint Ventures & Associates** increased by 36% to US$310.3 million in FY2018 (FY2017: US$228.3 million) and increased 37% to US$152.8 million in 4Q2018 (4Q2017: US$111.9 million) on the back of stronger contributions from the Group's investments in China, Europe and Vietnam.

Dividend

The Board has proposed a final tax exempt (one-tier) dividend of S$0.07 per share. Including the interim dividend of S$0.035 per share paid in August 2018, the total dividend paid and proposed for FY2018 is S$0.105 per share. This represents a dividend payout of around 43% for FY2018.

Strong Balance Sheet and Cash Flows

As at December 31, 2018, total assets stood at US$45.68 billion (FY2017: US$40.93 billion) while shareholders' funds amounted to US$16.05 billion (FY2017: US$15.96 billion). Net debt increased by US$864.1 million to US$13.46 billion, partly due to the newly acquired subsidiary, SRSL. Correspondingly, net gearing ratio increased to 0.84x (FY2017: 0.79x). Excluding SRSL, net gearing ratio was 0.82x. The Group recorded a cash inflow of US$160.3 million for the year, bringing cash and cash equivalents to US$1.60 billion.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO of Wilmar said, “The Group performed well in 2018 even though we were affected by low palm oil and sugar prices in our upstream operations and volatile soybean market created by the US/China trade tensions. The Group’s success in its strategy to develop more stable downstream processing and branded consumer products enabled us to achieve growth and maintain profit in this challenging operating environment. With the recent recovery of crude palm oil prices and satisfactory margin in downstream processing, Tropical Oils should continue to do well in 2019. Crush margins for 1Q2019 will be adversely impacted by the sharp decline in meal demand from the outbreak of African swine fever in China and the sharp drop in Brazilian soybean basis, but this is expected to improve in 2Q2019. We also expect our other businesses to perform favourably in the coming year. Looking ahead, we are reasonably optimistic that performance for FY2019 will be satisfactory.

“The Group has recently converted its China holding company into a joint-stock company, with a view to a possible separate listing in China. We would like to emphasize that as work on the proposed listing is still in progress, shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that the listing proposal will be carried out.”

About Wilmar

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

Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilisers as well as rice and flour milling. At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation, processing, merchandising to manufacturing of a wide range of branded agricultural products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries. The Group has a multinational workforce of about 90,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of consumers and the food manufacturing industry. Its consumer-packed products have a leading share in many Asian and African markets. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies. Wilmar is a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

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