

CHAIRMAN'S STATEMENT



Financial Year in Review

Wilmar performed well in 2008, despite volatile commodity prices and the global financial crisis. Net profit rose 163.8% to a record US\$1.5 billion in FY2008 compared to US\$580.4 million in FY2007. Revenue increased by 77.0% to US\$29.1 billion. All business segments of the Group and joint ventures performed well. Our focus and continued investments in building a resilient integrated business in staple agricultural commodities, coupled with prudent risk management and a strong financial position, have enabled us to do well in difficult market conditions.

Earnings per share increased by 87.3% to 23.98 US cents in FY2008 compared to 12.80 US cents a year ago. The strong financial performance continued to improve the Group's balance sheet. Total assets grew 15.2% to US\$17.9 billion while shareholders' funds increased by US\$1.8 billion to US\$9.6 billion, as at 31 December 2008. Net gearing reduced sharply to 0.25x at the end of FY2008 compared to 0.52x the year before.

Dividends

A final dividend of S\$0.045 per share has been proposed for FY2008. Together with the interim dividend of S\$0.028 per share paid on 12 December 2008, the total dividend for FY2008 will be S\$0.073 per share.

Investing In Growth

In 2008, we continued to invest and broaden our manufacturing infrastructure to capture long term growth opportunities, particularly in Asia. Collectively, there are some 2.7 billion people or 40% of the world's population in China, India and Indonesia. With their continued economic development, these countries are poised to grow from their low consumption bases into large markets for processed agricultural commodities.

In China, we expanded our manufacturing capacities to meet increased demand. The higher production volume together with additional investments to our existing infrastructure for origination, manufacturing and distribution, helped to further enhance scale and cost efficiencies.

In India, our joint ventures continued to perform well. We expanded our crushing and refining operations in existing and new locations to meet increased demand for edible oils, specialty fats and other processed agricultural products.

Our increased processing capacities in palm oil milling, palm kernel crushing, refining and fertiliser manufacturing have enabled Wilmar to benefit from the rise in crude palm oil output in Indonesia. We continued to expand our oil palm planted acreage to approximately 223,000 hectares.



In addition, we have about 33,000 hectares under the smallholders scheme.

Beyond Asia, we expanded our capacities in The Netherlands and Germany to meet growing palm oil demand for food and non-food uses. We increased our investment in Africa, where our joint venture continued to develop its palm plantations, processing and merchandising businesses. The Group's joint venture in Russia and Ukraine continued to grow in its markets.

Sustainable Development

In December 2008, the Group was awarded the Roundtable on Sustainable Palm Oil (RSPO) certification for three palm oil mills, with a supply base of four plantations. This achievement is an important milestone in our sustainable development roadmap.

We are committed towards achieving full certification for all our plantations and mills, in accordance with the rigorous standards of the RSPO Principles and Criteria.

Outlook and Prospects

Amid uncertainties in the global economic environment, we will persist with ongoing efforts to drive cost efficiencies through greater integration and economies of scale. The relative resilience in the demand for staple food commodities together with the strengths of our

balance sheet and integrated business model will enable us to weather the challenges ahead. Longer term prospects remain bullish given the rising demand for our key products in existing markets as well as opportunities in newer markets.

In Appreciation and Welcome

On behalf of the Board, I would like to thank Mr Kwok Kian Hai, who retired from the Board on 30 September 2008, for his many years of service and contribution to the Group. I would also like to extend a warm welcome to Mr Kuok Khoon Ho, who was appointed to our Board on 10 November 2008.

The strong financial results achieved during the year and continued success of the Group would not be possible without the steadfast support of our employees, customers, business partners and bankers. To each and everyone, I wish to express my heartfelt thanks.

To our shareholders, I would like to thank you for your unfailing support and continued confidence.

Kuok Khoon Hong

Chairman & Chief Executive Officer
18 March 2009