



Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE : FINANCIAL RESULTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2011

MEWAH REPORTS US\$12.7 MILLION PROFIT FOR Q4

- *Net profit doubled on QOQ basis*
- *Improved performance under uncertain economic and financial conditions*
- *Final exempt dividend of S\$0.005 per share*
- *Balance sheet continues to be strong to support growth plans*

Results Highlights

	Q4 2011	Q3 2011	Change	Q4 2010	Change	FY 2011	FY 2010	Change
Sales Volume (MT'000)	918.8	893.5	2.8%	993.8	-7.5%	3,649.9	3,851.5	-5.2%
Revenue (US\$million)	1,014.6	1,090.6	-7.0%	1,060.1	-4.3%	4,467.9	3,533.1	26.5%
Operating Margin (US\$million)	34.0	25.8	31.6%	66.5	-48.9%	119.0	184.4	-35.4%
Operating Margin per MT (US\$)	37.0	28.9	28.0%	66.9	-44.7%	32.6	47.9	-31.9%
Profit after tax * (US\$million)	12.7	6.5	94.2%	36.1	-64.9%	42.2	92.4	-54.3%

* Profit after tax attributable to equity holders of the Company ("Net profit")

Singapore, February 28, 2012 – Mainboard-listed **Mewah International Inc.** ("Mewah", "the Group" or "the Company"), an integrated agri-business group that is one of the largest palm oil processors in the world by capacity, today announced results for its fourth quarter and full year ended 31 December 2011.

The company reported net profit of US\$12.7 million, an increase of 94.2% on quarter-on-quarter ("QOQ") basis but a decline of 64.9% on year-over-year ("YOY") basis. For the full year, net profit was down by 54.3% to US\$42.2 million from US\$92.4 million a year earlier.

During the quarter, the company wrote back US\$4.7 million on account of lower tax rate approved under Global Trader Programme this year impacting income tax relating to last year and also impaired goodwill relating to Molly Foods bvba by US\$2.7 million. Excluding these two items, net profit for the quarter and the year was US\$10.7 million and US\$40.2 million respectively.

The Group achieved sales volume of 918.8 thousand metric tonne (“MT”) for the quarter, an increase of 2.8% on QOQ basis but a decrease of 7.5% on YOY basis. For full year, sales volume of 3,649.9 thousand MT was lower by 5.2%.

Revenue of US\$1,014.6 million for the quarter was down by 7.0% and 4.3% on QOQ and YOY basis respectively. For the full year, revenue increased by 26.5% to US\$4,467.9 million on the back of higher average selling prices this year.

Improved operating margin of US\$37.0 per MT for the quarter compared to US\$28.9 in the last quarter helped to improve total operating margin by 31.6% to US\$34.0 million. However on YOY basis, total operating margin was 48.9% lower. For the full year, lower operating margin of US\$32.6 per MT, compared to US\$47.9 last year resulted in total operating margin declining by 35.4% to US\$119.0 million.

The Company attributed below-par performance for the year to macro-economic and financial conditions and the uncertainty in the palm oil industry due to change in export duties by Indonesian Government. The Company said in the results announcement, “High crude palm oil (“CPO”) production in Indonesia and Malaysia combined with slow demand from destination markets due to uncertain global economic conditions and resultant high levels of inventories in origin countries continued to push CPO prices down for Q4 2011... Under depressed economic conditions and falling prices, the buyers continued to keep their inventories level low and press hard for prices. Uncertainty in the palm oil industry continued due to Indonesian government’s decision to reduce export duties for refined oil compared to CPO, and lack of clarity about Malaysian Government’s expected response to help the refiners in Malaysia”.

Ms Michelle Cheo, Chief Executive Officer commented, “We are very pleased with the improved performance for the quarter amidst challenging and uncertain economic, financial and industry conditions. Our cautious approach and willingness to scale down our volume while focusing on cost controls, operational efficiencies and operating margins helped us to sail through tough times and deliver improved performance for the quarter”.

Segmental Performance for the quarter

Bulk segment

	Q4 2011	Q3 2011	Change	Q4 2010	Change
Sales Volume (MT'000)	684.5	663.8	3.1%	747.1	-8.4%
Revenue (US\$'million)	700.6	757.8	-7.5%	756.4	-7.4%
Operating Margin (US\$'million)	23.6	18.1	30.4%	36.5	-35.4%
Operating Margin per MT (US\$)	34.5	27.3	26.4%	48.9	-29.4%

Bulk segment recorded sales volume of 684.5 thousand MT, 3.1% higher on QOQ basis but 8.4% lower on YOY basis. Revenue of US\$700.6 million was lower by 7.5% and 7.4% on QOQ and YOY basis respectively. The segment contributed 74.5% and 69.1% of total sales volume and total revenue respectively.

Operating margin per MT improved to US\$34.5 from US\$27.3 last quarter, though lower than US\$48.9 last year resulting in total operating margin of US\$23.6 million, an improvement of 30.4% on QOQ basis but a decline of 35.4% on YOY basis. The segment contributed 69.4% of total operating margin for the quarter.

Consumer Pack Segment

	Q4 2011	Q3 2011	Change	Q4 2010	Change
Sales Volume (MT'000)	234.3	229.7	2.0%	246.7	-5.0%
Revenue (US\$million)	314.0	332.8	-5.6%	303.7	3.4%
Operating Margin (US\$million)	10.4	7.7	35.1%	30.0	-65.3%
Operating Margin per MT (US\$)	44.4	33.5	32.5%	121.5	-63.5%

Consumer Pack segment recorded sales volume of 234.3 thousand MT, 2.0% higher on QOQ basis but 5.0% lower on YOY basis. Revenue of US\$314.0 million was 5.6% lower on QOQ basis but 3.4% higher on YOY basis. The segment contributed 25.5% and 30.9% of total sales volume and total revenue for the quarter respectively.

Operating margin per MT improved to US\$44.4 from US\$33.5 last quarter, though significantly lower than US\$121.5 achieved last year resulting in total operating margin of US\$10.4 million, an improvement of 35.1% on QOQ basis but a decline of 65.3% on YOY basis. The segment contributed 30.6% of total operating margin for the quarter.

Balance Sheet

Mewah's Balance Sheet remained strong with debt to equity ratio of 0.72 or net debt to equity ratio of 0.46. Cash and cash equivalents remained healthy at US\$136.8 million.

The Group continued to maintain operational efficiency reflected in cycle time (inventories days add trade receivables days less trade payables days) of 41.9 days only, compared to 42.9 days in FY 2010.

Mr Rajesh Chopra, Group Chief Financial Officer added, "Our Balance Sheet remains strong with unutilised IPO proceeds of US\$58 million and low debt to equity ratio of 0.72. We have high financial flexibility and adequate scope for additional borrowings to pursue opportunities to position ourselves as a global integrated consumer products business by increasing our value chain participation, diversifying our manufacturing facilities geographically, expanding the range of products-offering and broadening our marketing and distribution network".

Dividends

To show appreciation to the continuing shareholders, the Board of Directors has proposed a final exempt dividend of S\$0.005 per ordinary share, which along with interim dividend of S\$0.0035 paid earlier work out to approximately 24% of total net profit for the year.

Future Outlook

The Group remains cautious on its short term outlook in view of continuing weak global macro factors but remains confident for its future prospects as the market conditions improve. The Company's results announcement said, "In view of continuing weak global macro factors, weakening global growth, tightening financial markets and tough market conditions, our business outlook for the short term remains cautious...However we remain optimistic on long term industry outlook for the palm oil industry and our business prospects as integrated supply chain manager. We expect midstream and downstream players in palm oil industry to benefit from slowing production growth for palm oil, expected drop in soya bean production

in 2012, rising demand for cooking oils particularly from China and India and improvement in end demand as economic conditions improve. Our strong position as integrated palm oil player supported by large scale integrated production facilities, well established brands and strong distribution capabilities places us in good position to embrace the opportunities as and when they arise”.

“We are using this downturn to focus on improving our operational efficiencies, consolidate our position as integrated palm-oil refiner and explore opportunities to position this business as an integrated global food business,” added Ms Cheo.

About Mewah International Inc.

Mewah International Inc. (“Mewah” or the “Group”) has been in operation since the 1950s. The Group has a proven integrated business model throughout the edible oils and fats value chain, spanning from the sourcing and processing of raw materials, to the packing, merchandising, shipping and distribution of its products to reach end customers globally. This allows the Group to enjoy significant operating efficiencies, have better quality control and to extract value and earn margins from each stage of the value chain. Its business model also enables the Group to better manage cyclicity and respond quickly to changes in demand, supply and pricing through its ability to produce a wide variety of value-added products.

Mewah produces a wide range of refined and fractionated vegetable oils and fats principally from palm oil. It has three strategically located refineries and processing plants in Malaysia at Semenyih, Pasir Gudang and Westport; two packing plants in Malaysia and one in Singapore. The Group’s ISO-certified refineries are located near ports along major shipping routes, with its facilities strategically situated to have easy access to raw materials, customers, distribution and transportation facilities.

Mewah’s bulk and consumer pack products are marketed to more than 100 countries in the Asia Pacific, the Indian sub-continent, the Middle East, Africa, Europe and the Americas through a well-established global sales and distribution network. In particular, Mewah’s wide range of consumer pack products are marketed under its house brands such as “Ok!”, “Mona”, “Moi”, “Krispi” and “Cabbage”, and are distributed to consumers worldwide either under Mewah’s own brands or the brands of third parties.

Mewah was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on November 24, 2010

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The initial public offering of the Company was sponsored by Credit Suisse (Singapore) Limited (the “Issue Manager”). The Issue Manager assumes no responsibility for the contents of this announcement.

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