



Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE : FINANCIAL RESULTS FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

MEWAH REPORTS US\$4.1 MILLION PROFIT FOR Q2

- *Improved sales volume for Consumer Pack segment*
- *Strong operating cash flows for Q2 2013 and H1 2013*
- *Strong balance sheet with low net debt to equity ratio of 0.44*
- *Interim exempt dividend of S\$0.0012 per share*
- *Group remains cautious on near-term outlook*

Results Highlights

	Q2 2013	Q2 2012	Change	Q1 2013	Change	H1 2013	H1 2012	Change
Sales volume (MT'000)	849.1	894.6	-5.1%	980.2	-13.4%	1,829.2	1,792.6	2.0%
Revenue (US\$million)	707.3	1,012.3	-30.1%	859.2	-17.7%	1,566.6	2,008.5	-22.0%
Operating margin (US\$million)	28.3	29.5	-4.1%	29.7	-4.7%	58.0	60.3	-3.8%
Operating margin per MT (US\$)	33.3	33.0	0.9%	30.3	9.9%	31.7	33.6	-5.7%
Net profit * (US\$million)	4.1	6.3	-35.2%	4.0	2.7%	8.0	14.6	-44.9%

* Profit after tax attributable to equity holders of the Company

Singapore, Aug 12, 2013 – 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 second quarter and half year ended 30 June 2013.

For the quarter, the Group reported net profit of US\$4.1 million, 35.2% lower than US\$6.3 million for the corresponding quarter last year (Q2 2012) but 2.7% higher than US\$4.0 million for the previous quarter (Q1 2013). For the first half of the year, net profit was US\$8.0 million, 44.9% lower than US\$14.6 million for the corresponding period last year (“H1 2012”).

The Group achieved sales volume of 849,100 metric tonne (“MT”) for the quarter, decrease of 5.1% on Year-over-Year (“YOY”) basis and 13.4% on Quarter-on-Quarter (“QOQ”) basis. For the first half of the year, sales volume was 1,829,200 MT, up 2.0% from last year.

Revenue for the quarter was US\$707.3 million, a decrease of 30.1% and 17.7% on YOY and QOQ basis respectively due to lower sales volume and lower average selling prices. For the first half of the year, revenue declined by 22.0% to US\$1,566.6 million from US\$2,008.5 million a year ago.

Operating margin for the quarter improved to US\$33.3 per MT, but due to lower sales volume, total operating margin decreased by 4.1% to US\$28.3 million. For the first half of the year, higher sales volume but lower operating margin of US\$31.7 per MT resulted in total operating margin decreasing by 3.8% to US\$58.0 million.

Segmental Performance

Bulk segment

	Q2 2013	Q2 2012	Change	Q1 2013	Change	H1 2013	H1 2012	Change
Sales volume (MT'000)	574.6	688.7	-16.6%	735.6	-21.9%	1,310.2	1,367.0	-4.2%
Revenue (US\$'million)	457.2	767.0	-40.4%	618.1	-26.0%	1,075.4	1,499.8	-28.3%
Average selling prices (US\$)	795.7	1,113.7	-28.6%	840.3	-5.3%	820.8	1,097.1	-25.2%
Operating margin (US\$'million)	15.0	19.5	-23.1%	19.3	-22.3%	34.4	36.8	-6.5%
Operating margin per MT (US\$)	26.1	28.3	-7.8%	26.2	-0.4%	26.3	26.9	-2.2%

Palm oil prices remained low during the quarter and the Group witnessed weaker demand, particularly from Middle East for its Bulk segment. As a result, sales volume for the Bulk segment dropped to 574,600, down 16.6% and 21.9% on YOY and QOQ basis respectively. For the first half of the year, sales volume declined by 4.2% to 1,310,200 MT.

Lower sales volumes and lower average selling prices resulted in revenue declining by 40.4% and 26.0% on YOY and QOQ basis respectively to US\$457.2 million for the quarter and by 28.3% to US\$1,075.4 million for the six-month period.

Operating margin per MT was US\$26.1 for the quarter and US\$26.3 for the first half of the year. Lower sales volume and lower operating margin per MT reduced the total operating margin by 23.1% to US\$15.0 million for the quarter and by 6.5% to US\$34.4 million for the six-month period.

The segment contributed 67.7% of total sales volume, 64.6% of total revenue and 53.0% of total operating margin of the Group for the quarter. For the first half of year, the segment's contributions were 71.6%, 68.6% and 59.3% of total sales volume, total revenue and total operating margin of the Group respectively.

Consumer Pack segment

	Q2 2013	Q2 2012	Change	Q1 2013	Change	H1 2013	H1 2012	Change
Sales volume (MT'000)	274.5	205.9	33.3%	244.6	12.2%	519.0	425.6	21.9%
Revenue (US\$'million)	250.1	245.3	2.0%	241.2	3.7%	491.2	508.7	-3.4%
Average selling prices (US\$)	911.1	1,191.4	-23.5%	986.1	-7.6%	946.4	1,195.3	-20.8%
Operating margin (US\$'million)	13.3	10.0	33.0%	10.4	27.9%	23.6	23.5	0.4%
Operating margin per MT (US\$)	48.5	48.6	-0.2%	42.5	14.1%	45.5	55.2	-17.6%

Consumer Pack segment registered an impressive growth of 33.3% and 12.2% in the sales volume for YOY and QOQ basis respectively, due to improvement in destination demand, registering sales volume of 274,500 MT for the quarter. For the first half of the year, sales volume improved by 21.9% to 519,000 MT. The segment was also supported by 65.2% growth in sales volume for rice.

Revenue increased by 2.0% and 3.7% to US\$250.1 million on YOY and QOQ basis respectively due to higher sales volume despite lower average selling prices. For the first half of the year, sales revenue declined by 3.4% to US\$491.2 on account of lower average selling prices.

Operating margin improved by 33.0% and 27.9% on YOY and QOQ basis respectively, to US\$13.3 million on account of higher sales volume despite lower operating margin of US\$48.5 per MT. For the first half of the year, operating margin improved marginally to US\$23.6 million.

The segment contributed 32.3% of total sales volume, 35.4% of total revenue and 47.0% of total operating margin of the Group for the quarter. For the first half of the year, contributions were 28.4%, 31.4% and 40.7% of total sales volume, total revenue and total operating margin of the Group respectively.

Balance Sheet

Mewah group generated strong operating cash flows of US\$143.2 million and US\$120.1 million for the quarter and for the first half of the year respectively.

The Group's balance sheet remained strong with debt to equity ratio of 0.55 or net debt to equity ratio of 0.44.

The Group continued to maintain operational efficiency reflected in cycle time (inventories days add trade receivables days less trade payables days) of 50.9 days.

Dividends

To show appreciation for the support of the shareholders, the Board of Directors has proposed an interim exempt dividend of S\$0.0012 per ordinary share, for the first half of the year.

Future Outlook

In view of current macroeconomic factors, weak destination demand, low palm oil prices and bearish outlook for the palm oil industry, the Group remains cautious for near term. Meanwhile the Group continues to focus on consolidating its position by investing in additional refining capacity and a dairy plant in Malaysia.

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 America 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 “Oki”, “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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Issued by
MEWAH INTERNATIONAL INC.
12 Aug 2013