



Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE : FINANCIAL RESULTS FOR THE 1ST QUARTER ENDED 31 MARCH 2012

MEWAH REPORTS A LOWER PROFIT OF US\$8.3 MILLION FOR Q1

- *Group remains cautious on short-term outlook*
- *Balance sheet continues to be strong to support growth plans*

Results Highlights

	Q1 2012	Q1 2011	Change	Q4 2011	Change
Sales Volume (MT'000)	898.0	856.4	4.9%	918.8	-2.3%
Revenue (US\$million)	996.2	1,115.3	-10.7%	1,014.6	-1.8%
Operating Margin (US\$million)	30.8	36.6	-15.9%	34.0	-9.5%
Operating Margin per MT (US\$)	34.2	42.6	-19.7%	37.0	-7.6%
Net Profit * (US\$million)	8.3	17.0	-51.2%	12.7	-34.4%

* Profit after tax attributable to equity holders of the Company

Singapore, May 11, 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 first quarter ended 31 March 2012.

Due to lower operating margin and higher administrative costs, net profit declined by 51.2% to US\$8.3 million for the quarter from US\$17.0 million for the corresponding quarter last year (“Q1 2011”).

Compared to the previous quarter (“Q4 2011”), the profit declined by 34.4% from US\$12.7 million that included exceptional gains of US\$2.0 million resulting from tax write back and goodwill impairment. The company usually experiences weaker demand for its products in the first half of the year compared to second half of the year which is supported by festive seasons.

The group achieved sales volume of 898.0 thousand metric tonne (“MT”), 4.9% higher than Q1 2011. However, lower prices resulted in revenue declining by 10.7% to US\$996.2 million. Compared to Q4 2011, sales volume and revenue declined by 2.3% and 1.8% respectively.

Global economic concerns, tough industry conditions particularly for Malaysian refiners, high inventory levels at origin countries and low inventories at destinations confirming cautious approach of buyers kept the operating margin under pressure for both Bulk and Consumer Pack segments. A drop in operating margin from US\$42.6 per MT in Q1 2011 to US\$34.2 per MT this quarter resulted in operating margin declining by 15.9% to US\$30.8 million. Compared to Q4 2011, operating margin declined by 9.5%.

The Company said in the results announcement, “2011 witnessed falling CPO prices throughout the year due to bumper CPO production, destocking at destination markets and built up of inventories in Indonesia and Malaysia. Global economic concerns and tough financial conditions continued during the first quarter of 2012 and the buyers at destinations remained cautious in rebuilding their inventories. Consequently, the operating margins achieved during the quarter remained lower compared to strong operating margins achieved in the first quarter last year”.

Mr. Rajesh Chopra, Group CFO commented, “The palm oil midstream industry is going through a tough phase and the margins, particularly for Malaysian refiners, have been squeezed. We take solace in the fact that under tough industry conditions over the last one year, we have been able to deliver reasonable earnings. Our strategically-located cost-efficient large scale integrated plants supported by our strong brands and distribution network have helped us to keep our heads above the water”.

Segmental Performance for the quarter

Bulk segment

	Q1 2012	Q1 2011	Change	Q4 2011	Change
Sales Volume (MT'000)	678.3	660.0	2.8%	684.5	-0.9%
Revenue (US\$'million)	732.7	824.2	-11.1%	700.6	4.6%
Operating Margin (US\$'million)	17.3	21.5	-19.5%	23.6	-26.7%
Operating Margin per MT (US\$)	25.5	32.6	-21.8%	34.5	-26.1%

Bulk segment recorded sales volume of 678.3 thousand MT, 2.8% higher than Q1 2011 but 0.9% lower than Q4 2011. Revenue of US\$732.7 million was 11.1% lower than Q1 2011, but 4.6% higher than Q4 2011. The segment contributed 75.5% and 73.5% of total sales volume and total revenue respectively.

Operating margin decreased to US\$25.5 per MT from US\$32.6 per MT in Q1 2011 resulting in total operating margin of US\$17.3 million, 19.5% lower than Q1 2011 and 26.7% lower than Q4 2011. The segment contributed 56.2% of total operating margin for the quarter.

Consumer Pack segment

	Q1 2012	Q1 2011	Change	Q4 2011	Change
Sales Volume (MT'000)	219.7	196.4	11.9%	234.3	-6.2%
Revenue (US\$'million)	263.5	291.1	-9.5%	314.0	-16.1%
Operating Margin (US\$'million)	13.5	15.0	-10.0%	10.4	29.8%
Operating Margin per MT (US\$)	61.4	76.4	-19.6%	44.4	38.3%

Consumer Pack segment recorded sales volume of 219.7 thousand MT, 11.9% higher than Q1 2011 on the back of newly started rice business. Excluding rice volume, Consumer Pack volume was 174.8 thousand MT, 11.0% lower than Q1 2011 due to continued slow demand from destination customers. Compared to Q4 2011, the sales volume declined by 6.2%. Revenue of US\$263.5 million was 9.5% lower than Q1 2011 and 16.1% lower than Q4 2011. The segment contributed 24.5% and 26.5% of total sales volume and total revenue respectively.

Operating margin dropped to US\$61.4 per MT from US\$76.4 per MT in Q1 2011 resulting in total operating margin of US\$13.5 million, 10.0% lower than Q1 2011 but 29.8% higher than Q4 2011. The segment contributed 43.8% of total operating margin for the quarter.

Balance Sheet

Mewah's Balance Sheet remained strong with debt to equity ratio of 0.96 or net debt to equity ratio of 0.77. Cash and cash equivalents remained healthy at US\$103.1 million.

The Group continued to maintain operational efficiency reflected in cycle time (inventories days add trade receivables days less trade payables days) of 60.4 days.

Future Outlook

The Group's remained cautious for the short-term. The Company said in the results announcement, "Group's outlook remains cautious for rest of 2012 in view of continuing weak global macro situation but remains confident for its future prospects as the market conditions improve".

Mr. Chopra added, "While conditions for Malaysian refiners continue to be challenging, we are of the opinion that current situation will consolidate the industry and benefit strong players in the long run. Meanwhile, we continue to consolidate our position by adding more refining capacity while diversifying our manufacturing base to Indonesia, adding more products to our portfolio and strengthening our distribution network".

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 “Okki”, “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.

Issued by
MEWAH INTERNATIONAL INC.
11 May 2012