

# WILMAR INTERNATIONAL LIMITED

## ANNUAL GENERAL MEETING

24 April 2015



  
**wilmar**

We Invest • You Harvest

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# Agenda

<b>1</b>	Business Segments - Update
<b>2</b>	2014 Financials
<b>3</b>	Prospects
<b>4</b>	AGM

# 1. Business Segments - Update

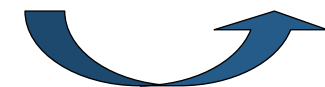
By Ho Kiam Kong  
Chief Financial Officer



# Vertically Integrated Across Business Segments



Plantations and Palm Oil Mills	Palm & Laurics	Oilseeds & Grains	Consumer Products	Sugar	Others
One of the largest listed palm plantation companies in the World	Largest global processor and merchandiser of palm and lauric oils with distribution network in more than 50 countries	Largest soybean crusher in China with leading brands of soybean oil and soybean meal, which is used in animal feed	World's largest producer of consumer pack edible oils	Largest raw sugar producer and refiner in Australia and leading sugar refiner in Indonesia	Fertilizer Shipping



Almost 100% of output is supplied to Palm and Laurics



Almost 100% of edible oil is supplied to Consumer Products

## Strong Volumes and Profitability Across All Segments (FY2014)

<ul style="list-style-type: none"> <li>• FFB: 4.3 mm MT</li> <li>• Revenue: US\$1.5 bn</li> <li>• PBT: US\$381.1 mm</li> </ul>	<ul style="list-style-type: none"> <li>• Volume: 24.6mm MT</li> <li>• Revenue: US\$20.3 bn</li> <li>• PBT: US\$588.1 mm</li> </ul>	<ul style="list-style-type: none"> <li>• Volume: 22.7 mm MT</li> <li>• Revenue: US\$14.5 bn</li> <li>• PBT: US\$86.7 mm</li> </ul>	<ul style="list-style-type: none"> <li>• Volume: 5.6 mm MT</li> <li>• Revenue: US\$7.0 bn</li> <li>• PBT: US\$261.8 mm</li> </ul>	<ul style="list-style-type: none"> <li>• Volume: 9.7 mm MT</li> <li>• Revenue: US\$4.1 bn</li> <li>• PBT: US\$134.4 mm</li> </ul>	
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# Continue to Invest in Our Businesses

Oleochemicals	<ul style="list-style-type: none"><li>• Commissioned a state of art Fatty Alcohol Plant in Rotterdam</li><li>• Acquired and successfully integrated Huntsman Corporation's European commodity surfactant business.</li><li>• Expanded range of Specialty Chemicals products</li><li>• Acquired Nexsol (Malaysia) Sdn Bhd glycerine plant in Pasir Gudang</li></ul>
Biodiesel	<ul style="list-style-type: none"><li>• Expanded one new plant in Indonesia</li><li>• Added by-product to biodiesel capabilities in Indonesia</li><li>• Acquired Nexsol (Malaysia) Sdn Bhd biodiesel plant in Pasir Gudang</li></ul>
Specialty Fats	<ul style="list-style-type: none"><li>• One new plant in Randfontein, South Africa and one new plant in Ho Chi Minh City, Vietnam</li></ul>



# Continue to Invest in Our Businesses

Flour Milling	<ul style="list-style-type: none"> <li>• Three new plants in China – Sichuan, Shandong, Heilongjiang</li> <li>• One new plant in Riau, Indonesia</li> </ul>
Consumer Products	<ul style="list-style-type: none"> <li>• Acquired Goodman Fielder via a 50:50 joint venture with First Pacific Company Limited. Acquisition completed in March 2015.</li> <li>• Closer alliance with Kellogg in China with another 50:50 joint venture established in Kunshan to produce breakfast cereals and snacks.</li> </ul>



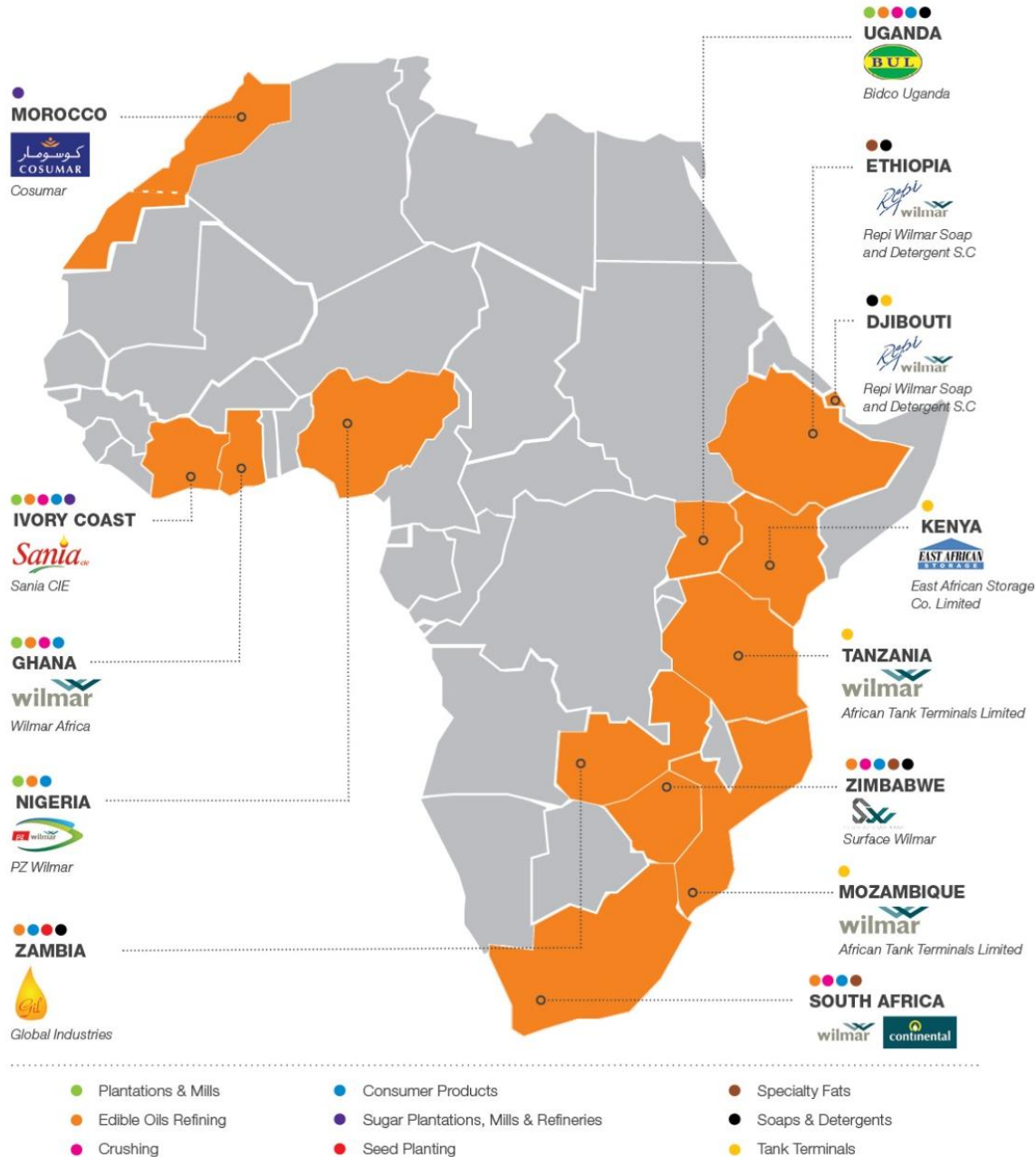
# Continue to Invest in Our Businesses

Sugar	<ul style="list-style-type: none"><li>• Acquired a strategic stake in Mumbai-based Shree Renuka Sugars Limited</li><li>• Formed joint venture with Great Wall Food Stuff Industry Company Limited in Myanmar to produce and sell sugar and its by-products</li></ul>
New Markets	<ul style="list-style-type: none"><li>• Entered the Ethiopian market via a joint venture with Repi Soap and Detergent S. Co. The JV will build a new integrated manufacturing complex.</li><li>• Entered Zimbabwe market via a joint venture with Surface Investments. The JV will have capabilities to crush soybeans and cottonseeds as well as refine and package edible oils.</li></ul>





# Wilmar in Africa Today



- Present in 13 countries
- > 4,000 employees
- > 59,000 ha of oil palm planted area
- Top producer of consumer pack oils

# Recognised for its Leading Brands and Quality Products

China: <b>Arawana</b>	<ul style="list-style-type: none"> <li>No. 1 in Sales of Cooking Oil and Rice recently awarded by China Industrial Information Center</li> <li>Most Trusted Consumer Brand of Cooking Oil and Rice recently awarded by China Industrial Information Center</li> </ul>
China: <b>Wonder Farm</b>	<ul style="list-style-type: none"> <li>No. 1 in Sales of Flour recently awarded by China Industrial Information Center</li> </ul>
Indonesia: <b>Fortune</b>	<ul style="list-style-type: none"> <li>Largest Market Share in Pillowpack Cooking Oil awarded by Rekor Bisnis</li> </ul>
Ghana: <b>Frytol</b>	<ul style="list-style-type: none"> <li>Overall Best Ghana-Made Product of the Year awarded by Ghana Made Awards, Entrepreneur Foundation of Ghana</li> <li>Premier Brand: Ghana's Greatest Brands 2013-2014 awarded by Brand Excellence Awards, Ghana's Favourite Brands</li> </ul>
Vietnam: <b>Simply</b>	<ul style="list-style-type: none"> <li>"Trust &amp; Use" Award awarded by Vietnam Economic Times</li> </ul>
Sri Lanka: <b>Fortune Cooking Oil</b>	<ul style="list-style-type: none"> <li>No. 1 Edible Oil Brand awarded by Lanka Market Research Bureau</li> </ul>
Australia: <b>Goodman Fielder</b>	<ul style="list-style-type: none"> <li>Foodbank Leadership Award for Outstanding Service 2013</li> <li>Baking Supplier of the Year 2014 awarded by Countdown</li> </ul>
New Zealand: <b>NZ Sugar</b>	<ul style="list-style-type: none"> <li>Silver, Chelsea Golden Syrup 1kg Tin – Collector's Edition awarded by NZ Design Awards</li> </ul>



# Corporate awards in 2014

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|---|--|
| ▪ Fortune Global 500 (ranked 239 <sup>th</sup> )  | Fortune Magazine   |
| ▪ Forbes Global 2000 (ranked 316 <sup>th</sup> )  | Forbes Magazine  |
| ▪ Most Improved Company 2013-2014 in the Agricultural Products Sector for Corporate Action on Deforestation | Carbon Disclosure Project                                      |
| ▪ Top 100 Singapore Brands (ranked 3 <sup>rd</sup> )  | BrandFinance®  |
| ▪ Most Transparent Company Award – Runner-up in Food & Beverages category                                   | Securities Investors Association (Singapore)                   |
| ▪ Oleochemicals Company of the Year   | Frost & Sullivan Indonesia Excellence Awards                   |
| ▪ Certificate of Excellence in Investor Relations (Nominee in Consumer Staples sector)                      | IR Magazine South-East Asia Awards                             |
| ▪ Joint Value Creation  | Unilever Partner to Win Awards                                 |
| ▪ Top Importer of U.S. soybeans in South East Asia  | South East Asia U.S. Agricultural Co-operators Conference 2014 |
| ▪ GLOBOIL Diamond – Outstanding Performance in the category of Palm Oil Export to India                     | GLOBOIL India  |



## 2. 2014 Financials



## 2014 Results at a Glance

Net Profit	US\$ 1.16 billion	(12.3%)
Core Net Profit	US\$ 1.22 billion	(6.4%)
Total Revenue	US\$ 43.08 billion	(2.3%)
EBITDA	US\$ 2.15 billion	(11.6%)
Earnings per share	US\$ 0.181	(12.1%)
Dividends per share	S\$ 0.075	(6.3%)
Net Debt/Equity	0.78x	vs 0.83X
Net Cash Flow from Operating Activities	US\$1.97 billion	vs US\$1.61 billion



# Key Segment Results

US\$ Millions unless otherwise stated		2014	2013	2012
Plantations and Palm Oil Mills	Volume (M MT)	1.9	1.8	1.9
	Revenue	1,508	1,432	1,728
	PBT (excluding Revaluation of Biological Assets)	389.1	278.3	382.0
Palm and Laurics	Volume (M MT)	24.6	24.5	23.1
	Revenue	20,268	19,926	22,748
	PBT	588.1	855.7	771.1
Oilseeds and Grains	Volume (M MT)	22.7	20.6	19.6
	Revenue	14,481	13,632	12,936
	PBT	86.7	231.7	14.1
Consumer Products	Volume (M MT)	5.6	5.4	4.6
	Revenue	6,968	7,555	7,096
	PBT	261.8	219.4	157.2
Sugar (Milling, Merchandising and Processing)	Volume (M MT)	9.7	8.8	6.5
	Revenue	4,060	4,031	3,642
	PBT	134.4	126.6	99.8

# Biological Assets and Biological Gain

- Carrying value of biological assets at Dec 31, 2014: US\$1.86 billion (including fair value gains/(losses) in biological assets)
- Total land hectarage: 238,287 ha<sup>1</sup>  
58% of our matured plantation is between 4 to 14 years.
- Average value per hectare: approximately US\$7,800/ha
- Key Assumption used in discounted cash flow: price of FFB, discount rates, growth rates, age profile of plantation, average yield

	Biological Gain/(Loss) (Pre tax - US\$ Million)	PBT US\$ Million	% of PBT
2006	17.4	135.4	12.8%
2007	123.5	829.8	14.9%
2008	-	1,789.3	-
2009	17.0	2,294.4	0.7%
2010	251.0	1,644.2	15.3%
2011	262.7	2,078.7	12.6%
2012	28.8	1,654.6	1.7%
2013	(8.6)	1,775.5	(0.5)
2014	(8.0)	1,537.6	(0.5)
<b>Total</b>	<b>683.8</b>	<b>13,739.5</b>	<b>5.0%</b>

(1) Land hectarage as at Dec 31, 2014

# Cash Flow Highlights

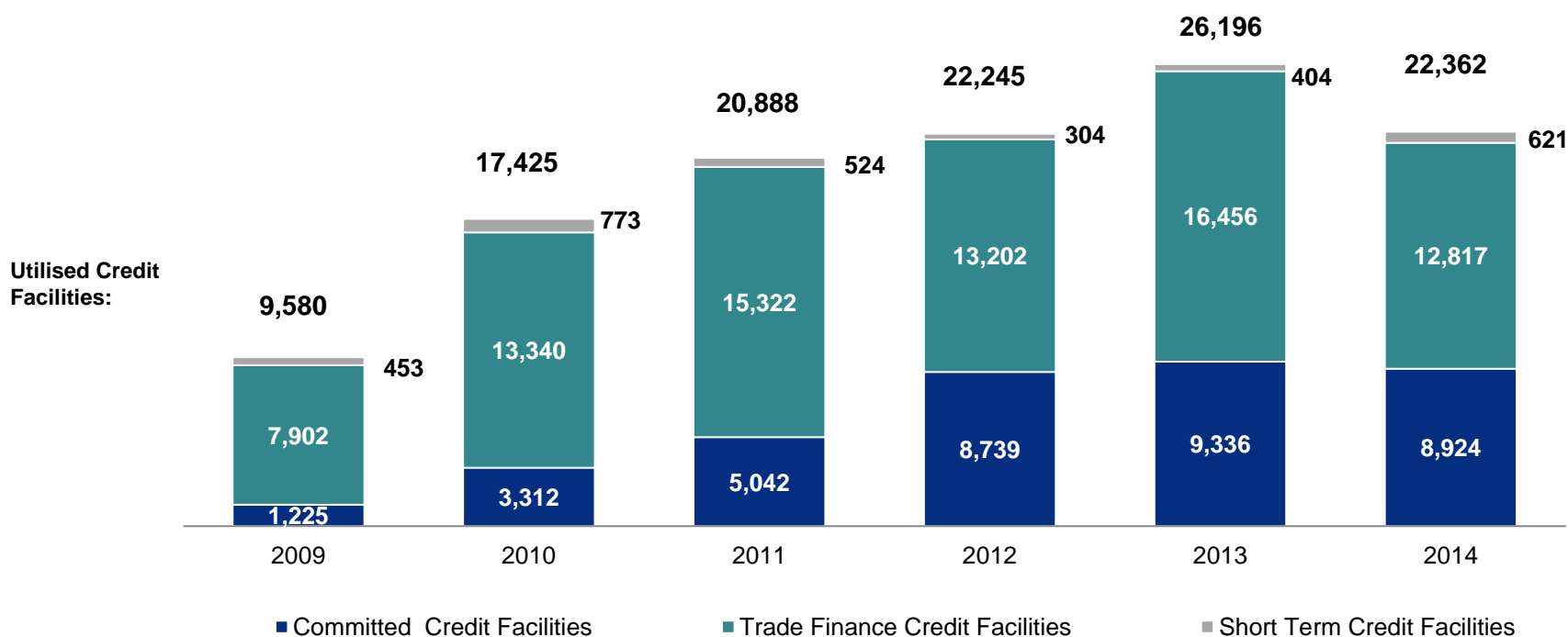
US\$ million	FY14	FY13
Operating cash flow before working capital changes	1,844	2,449
Net cash flow from operating activities	1,973	1,614
Less:		
Investment in subsidiaries and associates	(220)	(362)
Capital expenditure	(1,093)	(1,376)
Net (decrease)/ increase from bank borrowings*	(773)	1,321
Decrease/(increase) in other deposits and financial products with financial institutions	238	(36)
Dividends	(383)	(281)
Others	(278)	(171)
Net cash flow	(536)	709
Free cash flow	993	571

\*Net bank borrowings include proceeds/repayments of loans and borrowings net of fixed deposits pledged with financial institutions for bank facilities.

# Strong Liquidity Profile and Access to Liquidity

US\$ m

<b>Total Credit Facilities:</b>	<b>17,356</b>	<b>24,618</b>	<b>31,044</b>	<b>35,770</b>	<b>41,785</b>	<b>38,021</b>
- Short Term	799	1,007	640	794	1,076	1,161
- Trade Finance	15,196	19,841	24,986	25,597	30,739	25,503
- Committed	1,361	3,770	5,418	9,379	9,970	11,358



<b>Cash &amp; Cash Equivalents:</b>	<b>827</b>	<b>400</b>	<b>1,280</b>	<b>1,528</b>	<b>2,237</b>	<b>1,701</b>
<b>Total Liquidity:</b>	<b>8,603</b>	<b>7,593</b>	<b>11,436</b>	<b>15,053</b>	<b>17,826</b>	<b>17,361</b>



### 3. Business Outlook





# Business Outlook

- While lower palm, crude oil and sugar prices will negatively impact our plantation, palm biodiesel and sugar milling segments, our processing and downstream businesses should benefit from lower feedstock costs, providing a further boost to the trend of stable volume growth and margin expansion experienced in our downstream businesses these past few years. Our biodiesel business should benefit from the recently announced biodiesel policy in Indonesia.
- As a whole, our integrated business model should enable stable and resilient earnings in 2015.

## 4. AGM

