

WILMAR INTERNATIONAL LIMITED

4Q2014 Results Briefing

February 13, 2015




wilmar

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4Q2014 Financial Performance – Key Takeaways



Earnings Highlights

	4Q14 (US\$m)	vs 4Q13 △	FY14 (US\$m)	vs FY13 △
Revenue	10,778	-7%	43,085	-2%
EBITDA	703	1%	2,148	-12%
Net profit	401	9%	1,156	-12%
Core profit after tax	412	17%	1,220	-6%
Earnings per share in US cents (fully diluted)	6.3	9%	18.1	-12%
Dividends per share in SGD cents (fully diluted)	5.5	0%	7.5	-6%

Earnings Highlights – Segment Results (PBT US\$m)

	4Q14	4Q13	Δ	FY14	FY13	Δ
Palm & Laurics	218.3	200.6	9%	588.1	855.7	-31%
Oilseeds & Grains	39.4	115.6	-66%	86.7	231.7	-63%
Consumer Products	78.2	74.7	5%	261.8	219.4	19%
Plantations & Palm Oil Mills	77.2	87.0	-11%	381.1	269.7	41%
➤ <i>Plantations & Palm Oil Mills</i>	➤ 85.2	➤ 95.5	➤ -11%	➤ 389.1	➤ 278.3	➤ 40%
➤ <i>FV (losses)/gains in biological assets</i>	➤ (8.0)	➤ (8.6)	➤ 7%	➤ (8.0)	➤ (8.6)	➤ 7%
Sugar	53.6	19.3	>100%	134.4	126.6	6%
➤ <i>Milling</i>	➤ 21.3	➤ (1.1)	➤ n.m.	➤ (13.7)	➤ 18.5	➤ n.m.
➤ <i>Merchandising & Processing</i>	➤ 32.4	➤ 20.4	➤ 58%	➤ 148.1	➤ 108.1	➤ 37%
Others	39.5	(1.3)	n.m.	20.0	(21.3)	n.m.
Associates	35.8	17.6	>100%	80.7	103.8	-22%
Unallocated income/ (expenses)	(0.1)	(3.2)	98%	(15.2)	(10.2)	-49%
Profit Before Tax	542.0	510.2	6%	1,537.6	1,775.5	-13%

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.*

Gearing

US\$ million	As at Dec 31, 2014	As at Dec 31, 2013
Debt/Equity (x)	0.78	0.83
- Net Debt *	12,056	12,446
- Shareholders' funds	15,495	15,005
Adjusted Debt/Equity (x)	0.37	0.36
- Liquid working capital **	6,264	7,109
- Adjusted Net Debt	5,792	5,338
Interest coverage (x) ***	n.m.	36.4
Adjusted interest coverage (x) ****	5.1	6.0
Net debt/EBITDA (X)	5.6	5.1

* Net Debt = Total borrowings – Cash and bank balances – Other deposits with financial institutions.

** Liquid working capital = Inventories (excl. consumables) + Trade receivables – Current liabilities (excl. borrowings)

*** Interest coverage for the period = EBIT (excluding share of results of associates) / Net interest expense

Net interest expense = Interest expense – Interest income (include interest income from other deposits with financial institutions)

**** Adjusted Interest coverage = EBIT (excluding share of results of associates) / Adjusted Gross Interest expenses

Adjusted Gross Interest expenses = Net Debt * effective interest rate

- Net debt to equity ratio decreased to 0.78X as net debt declined in line with the lower commodity prices.
- Adjusted debt to equity ratio remained low at 0.37X.

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 ha¹
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)
Total	683.8	13,739.5	5.0%

(1) Land hectarage as at Dec 31, 2014

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.

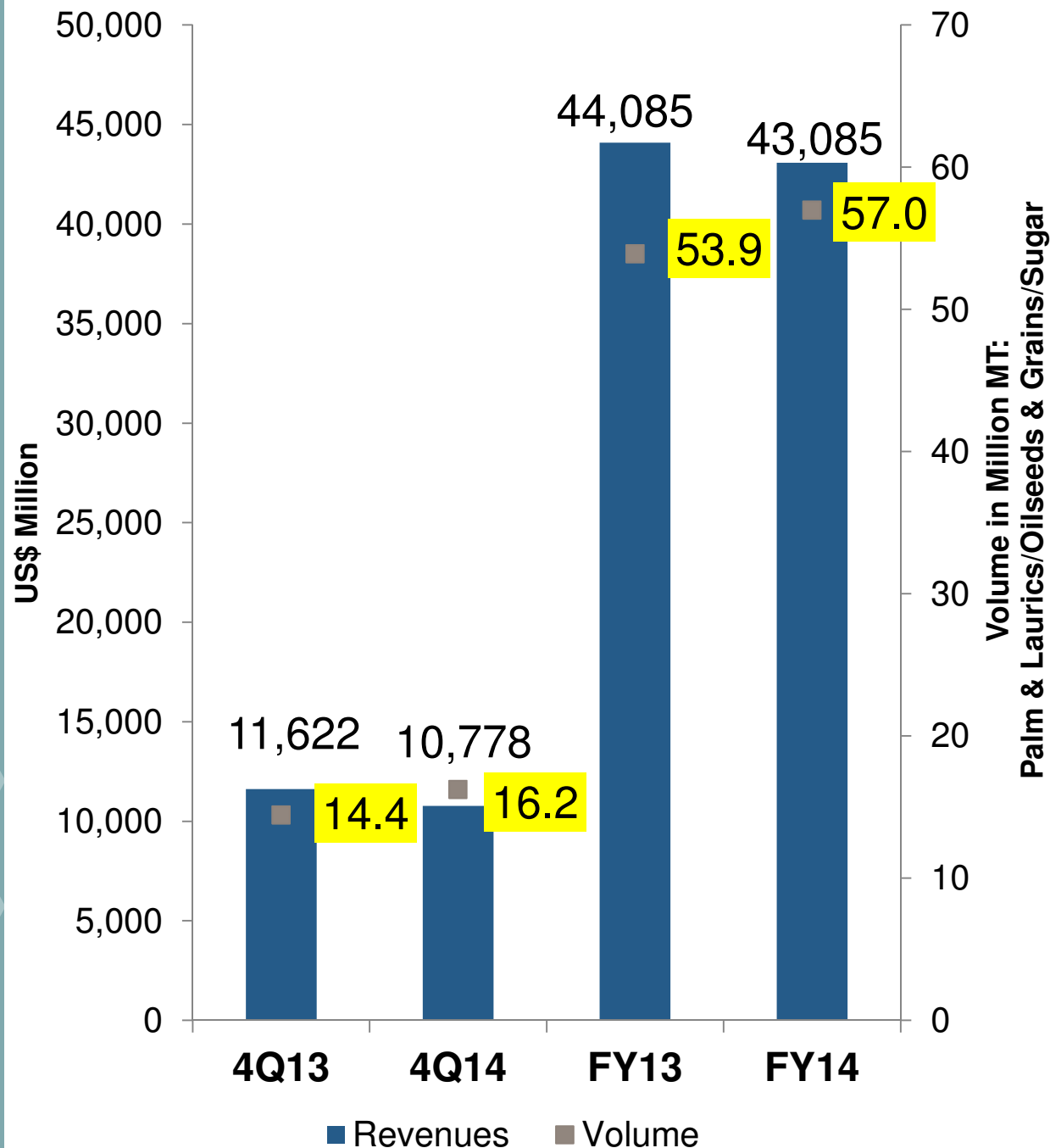
Questions & Answers



Appendix



Revenues



4Q14 Key Highlights

Palm & Laurics revenue decreased 11% mainly due to lower palm prices.

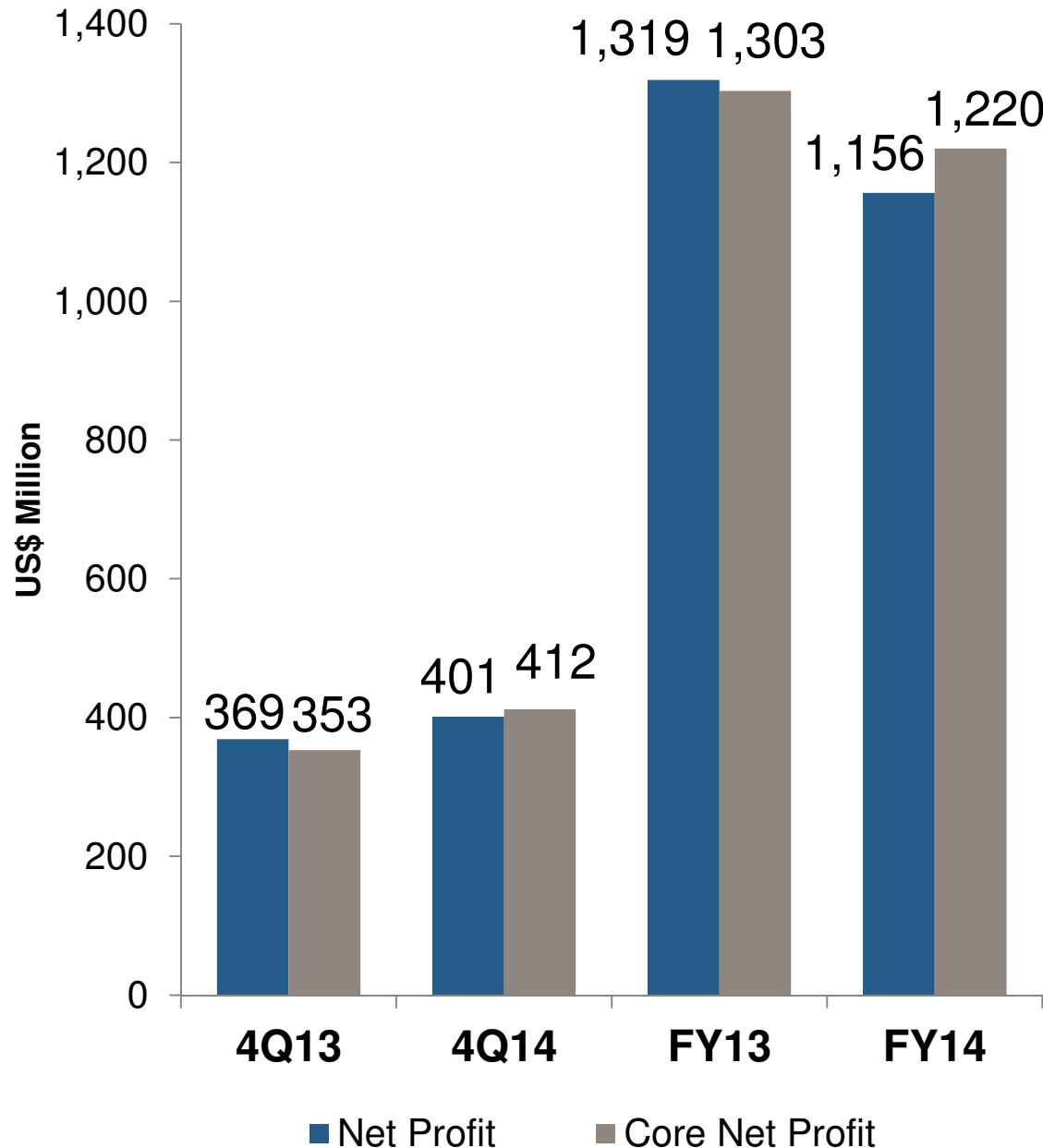
Oilseeds & Grains volume up 11% on higher demand for soybean products and flour.

Consumer Products revenue down 18% on price adjustments made to reflect lower feedstock cost.

Sugar volume increased 68% on higher milling and merchandising and processing activities.

Plantations revenue decreased 22% due to lower sales volumes as well as lower CPO prices in late 2014.

Net Profit



4Q14 Key Highlights

Net profit up 9%;
core net profit up 17%.

Palm & Laurics recorded strong margin expansion due to a combination of lower feedstock cost and stable growth in the Group's downstream businesses.

Oilseeds & Grains margin remained positive.

Consumer Products profit improved on margin expansion.

Sugar profit increased with higher profit contribution from both milling and merchandising and processing businesses.

Plantations profit decreased on lower sales volumes and prices.

Business Segment results: Palm and Laurics

	4Q14	4Q13	Δ	FY14	FY13	Δ
Revenue (US\$ million)	4,782	5,382	-11%	20,268	19,926	2%
Sales volume ('000 MT)	6,538	6,677	-2%	24,607	24,506	0%
Profit before tax (US\$ million)	218.3	200.6	9%	588.1	855.7	-31%

- Marginal decline in volume and lower palm prices led to decline in revenue in 4Q14.
- Increase in volume in FY14 resulted in the increase in revenue to US\$20.3 billion.
- Improvement in 4Q14 PBT was due to strong margin expansion from a combination of lower feedstock costs and stable growth in the Group's downstream businesses.
- Decline in FY14 PBT was driven by compressed refining margins resulting from excess refining capacity in the industry.

Business Segment results: Oilseeds and Grains

	4Q14	4Q13	Δ	FY14	FY13	Δ
Revenue (US\$ million)	3,992	3,759	6%	14,481	13,632	6%
Sales volume ('000 MT)	6,457	5,834	11%	22,670	20,619	10%
Profit before tax (US\$ million)	39.4	115.6	-66%	86.7	231.7	-63%

- Higher volume recorded in 4Q14 and FY14 was driven by increased demand for soybean products and flour.
- PBT declined in 4Q14 compared to 4Q13, when delayed soybean shipments in the local market resulted in exceptional margin.
- FY14 PBT remained positive despite industry headwind.

Business Segment results: Consumer Products

	4Q14	4Q13	Δ	FY14	FY13	Δ
Revenue (US\$ million)	1,594	1,942	-18%	6,968	7,555	-8%
Sales volume ('000 MT)	1,415	1,499	-6%	5,619	5,423	4%
Profit before tax (US\$ million)	78.2	74.7	5%	261.8	219.4	19%

- Volume increase in FY14 reported on the back of stronger demand for the Group's flour and rice businesses as well as overall strong growth outside China.
- Revenue in 4Q14 and FY14 declined as a result of price adjustments to reflect lower feedstock cost.
- Margin expansion contributed to the higher PBT in 4Q14.
- Record PBT in FY14 achieved.

Business Segment results: Plantations & Palm Oil Mills

	4Q14	4Q13	Δ	FY14	FY13	Δ
Revenue (US\$ million)	338	431	-22%	1,508	1,432	5%
Profit before tax (US\$ million)	77.2	87.0	-11%	381.1	269.7	41%
Profit before tax – Excluding FV (losses)/gains from biological assets	85.2	95.5	-11%	389.1	278.3	40%
Planted area (ha)	238,287	241,048	-1%	238,287	241,048	-1%
Mature area harvested (ha)	210,063	215,257	-2%	210,063	215,257	-2%
FFB production (MT)	1,082,495	1,162,400	-7%	4,323,960	4,040,785	7%
FFB Yield (MT/ha)	5.2	5.4	-5%	20.6	18.8	10%
Mill Production						
➤ Crude Palm Oil (MT)	472,143	541,060	-13%	1,909,355	1,848,148	3%
➤ Palm Kernel (MT)	108,907	122,779	-11%	437,776	423,481	3%
Extraction Rate						
➤ Crude Palm Oil	20.9%	20.5%	2%	20.6%	20.4%	1%
➤ Palm Kernel	4.8%	4.6%	4%	4.7%	4.7%	1%

- Excluding FV losses from biological assets of US\$8.0 million, 4Q14 PBT from operations decreased to US\$85.2 million on lower sales volumes and prices.
- However, FY14 PBT from operations surged 40% due to higher production yield, depreciation in regional currencies and lower manuring cost.

Plantation Age Profile

31 Dec 2014	0 - 3 yrs	4 - 6 yrs	7 - 14 yrs	15 - 18 yrs	>18 yrs	Total
Indonesia	11,091	25,141	88,233	17,932	24,079	166,476
Malaysia	7,176	2,264	14,678	9,031	24,820	57,969
Africa	6,118	621	5,809	535	759	13,842
Total planted area	24,385	28,026	108,720	27,498	49,658	238,287
% of total planted area	10.2%	11.8%	45.7%	11.5%	20.8%	100.0%
Included YTD new plantings of :	3,089					
Plasma Programme	319	1,959	6,900	7,303	15,185	31,666
% of planted area	1.0%	6.2%	21.8%	23.0%	48.0%	100.0%
31 Dec 2013						
Indonesia	8,643	39,463	81,179	17,822	22,877	169,984
Malaysia	4,622	2,096	16,582	11,890	23,436	58,626
Africa	3,082	346	6,971	302	1,737	12,438
Total planted area	16,347	41,905	104,732	30,014	48,050	241,048
% of total planted area	6.8%	17.4%	43.4%	12.5%	19.9%	100.0%
Included YTD new plantings of :	2,770					
Plasma Programme	492	1,714	12,360	13,526	12,945	41,037
% of planted area	1.2%	4.2%	30.1%	33.0%	31.5%	100.0%

- Weighted average age of our plantations is approximately 12 years.

Business segment results: Sugar Milling

	4Q14	4Q13	Δ	FY14	FY13	Δ
Revenue (US\$ million)	301	196	54%	938	1,067	-12%
Sales volume ('000 MT)	1,241	668	86%	3,089	3,080	0%
Profit before tax (US\$ million)	21.3	(1.1)	<i>n.m.</i>	(13.7)	18.5	<i>n.m.</i>
<i>Operating statistics:</i>						
Commercial cane sugar (CCS) (%)	15.0	15.5	-3%	14.4	14.5	-1%
Cane crushed (m MT)	5.4	2.4	>100%	15.3	14.1	9%

- Extended crushing season in Australia, due to the higher rainfall in early 3Q14, resulted in more sugar cane being harvested in 4Q14.
- The loss before tax of US\$13.7 million for FY14 was due to the lower prices and negative mark-to-market effects of the ongoing sugar hedges as well as the inclusion of the Myanmar milling operations which commenced crushing in late December 2014.

Business segment results: Sugar Merchandising and Processing

	4Q14	4Q13	Δ	FY14	FY13	Δ
Revenue (US\$ million)	901	618	46%	3,122	2,964	5%
Sales volume ('000 MT)	2,009	1,265	59%	6,625	5,712	16%
Profit before tax (US\$ million)	32.4	20.4	58%	148.1	108.1	37%

- Increase in volume was driven by higher merchandising activities in 4Q14 and FY14.
- Revenue growth was offset by lower commodity prices in 4Q14 and FY14 .
- 4Q14 and FY14 PBT improved on the back of volume growth.

Non-Operating Items

In US\$ million	4Q14	4Q13	FY14	FY13
Profit before tax - reported	542.0	510.2	1,537.6	1,775.5
Foreign exchange (loss)/gain arising from intercompany loans to subsidiaries	(16.6)	13.4	(43.1)	16.0
Net gain from investment securities - HFT	14.9	16.4	2.7	18.1
Net gain/(loss) from investment securities – AFS	1.4	(1.0)	2.3	17.5
Interest expense directly attributable to the funding of the Wilmar Sugar Australia acquisition	(6.5)	(8.6)	(27.8)	(28.8)
Sugar - accounting profit from reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves	-	2.1	1.0	7.9
Non-operating items (loss)/gain (pre-tax impact)	(6.8)	22.3	(64.9)	30.7
Net loss from biological assets	(8.0)	(8.5)	(8.0)	(8.5)
Profit before tax - excl non-operating items gain	556.8	496.4	1,610.5	1,753.3
Net profit - reported	401.2	369.1	1,156.2	1,318.9
Non-operating items (loss)/gain (post-tax impact)	(11.3)	16.2	(63.7)	16.1
Net profit - excl non-operating items gains	412.5	352.9	1,219.9	1,302.9

Cash Flow

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
Turnover days		
- Inventory	63	61
- Trade Receivables	33	32
- Trade Payables	12	12

- Inventories declined 9% reflecting lower commodity prices. Inventory turnover days was stable at 63 days.
- Trade receivables turnover days remained comparable at 33 days.
- Although trade payables increased as at Dec 31, 2014 on higher purchases made in preparation for the late Chinese Spring Festival in 2015, trade payables turnover days remained stable at 12 days.

Funding and Liquidity

US\$ million	As at Dec 31, 2014		Balance
	Available	Utilised	
Credit facilities :			
Committed	11,358	8,924	2,434
Trade finance	25,503	12,817	12,686
Short term	1,161	621	540
Total credit facilities	38,021	22,362	15,660
Cash & cash equivalents			1,701
Total liquidity			17,361

- 57% of utilised facilities were trade financing lines, backed by inventories and receivables
- 59% of total facilities were utilised at Dec 31, 2014
- US\$17.4 billion total liquidity available at Dec 31, 2014

Key Indicators

	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Return on Average Equity*	7.6%	9.0%
Return on Average Capital Employed**	4.1%	5.0%
Return on Invested Capital***	4.7%	5.5%
in US cents		
EPS (fully diluted)	18.1	20.6
NTA per share	173.5	165.4
NAV per share	242.3	234.5
in Singapore cents		
Dividends (interim & final)	7.5	8.0

* *Return on Average Equity = Net profit ÷ Average equity*

** *Return on Average Capital Employed = EBIT x (1 – tax rate) ÷ (Average equity + Average minority interest + Average net debt)*

*** *Return on Invested Capital = Net Operating Profit After Tax ÷ (Average long term assets excl intangibles + Average net working capital excl cash and borrowings)*