

WILMAR INTERNATIONAL LIMITED

2Q09 RESULTS BRIEFING

14 AUGUST 2009



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PRESENTATION OVERVIEW

- **2Q09 Financial Performance**
- **Risk Management**
- **Business Update**
- **Questions & Answers**

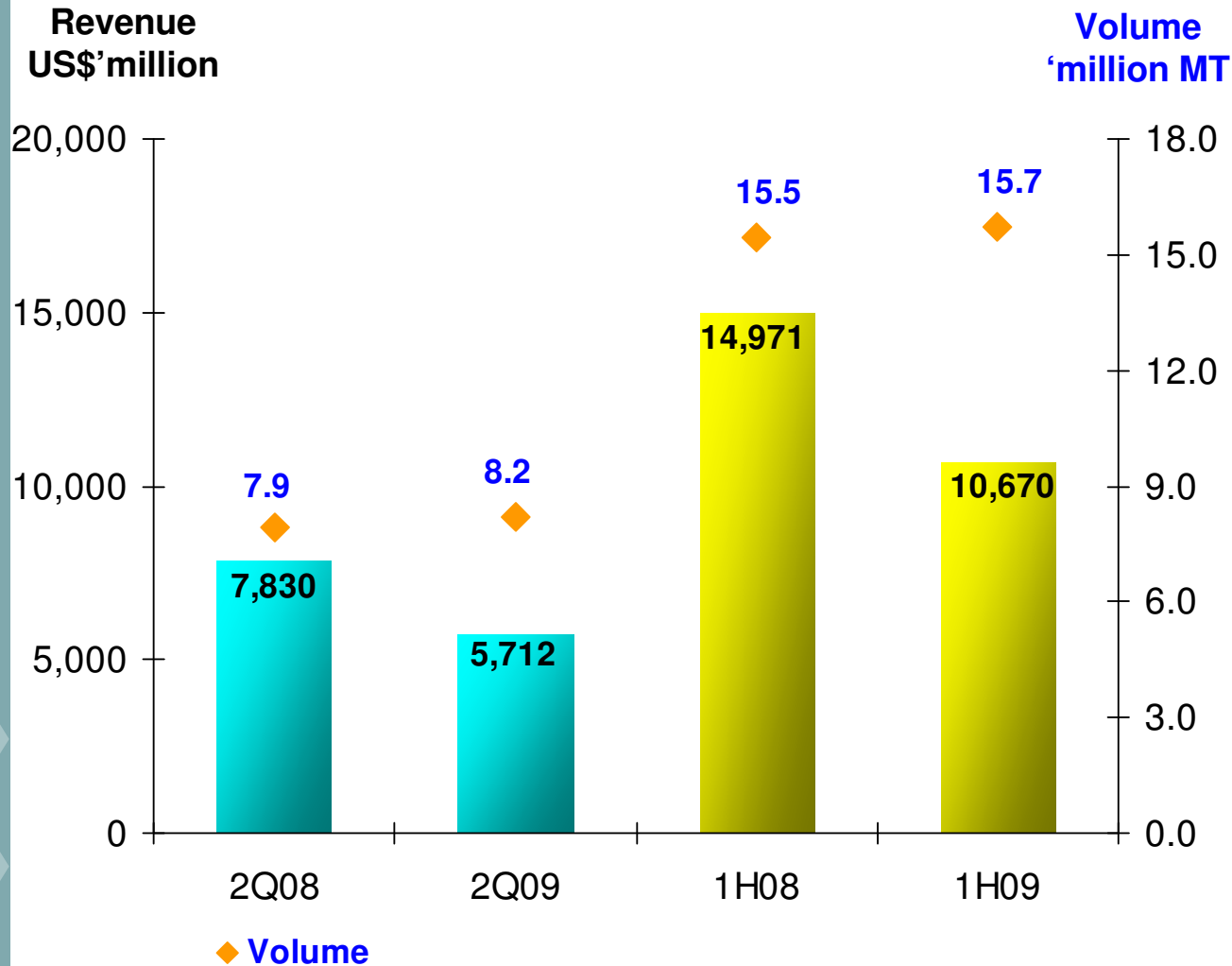
2Q09 Financial Performance



Results Overview

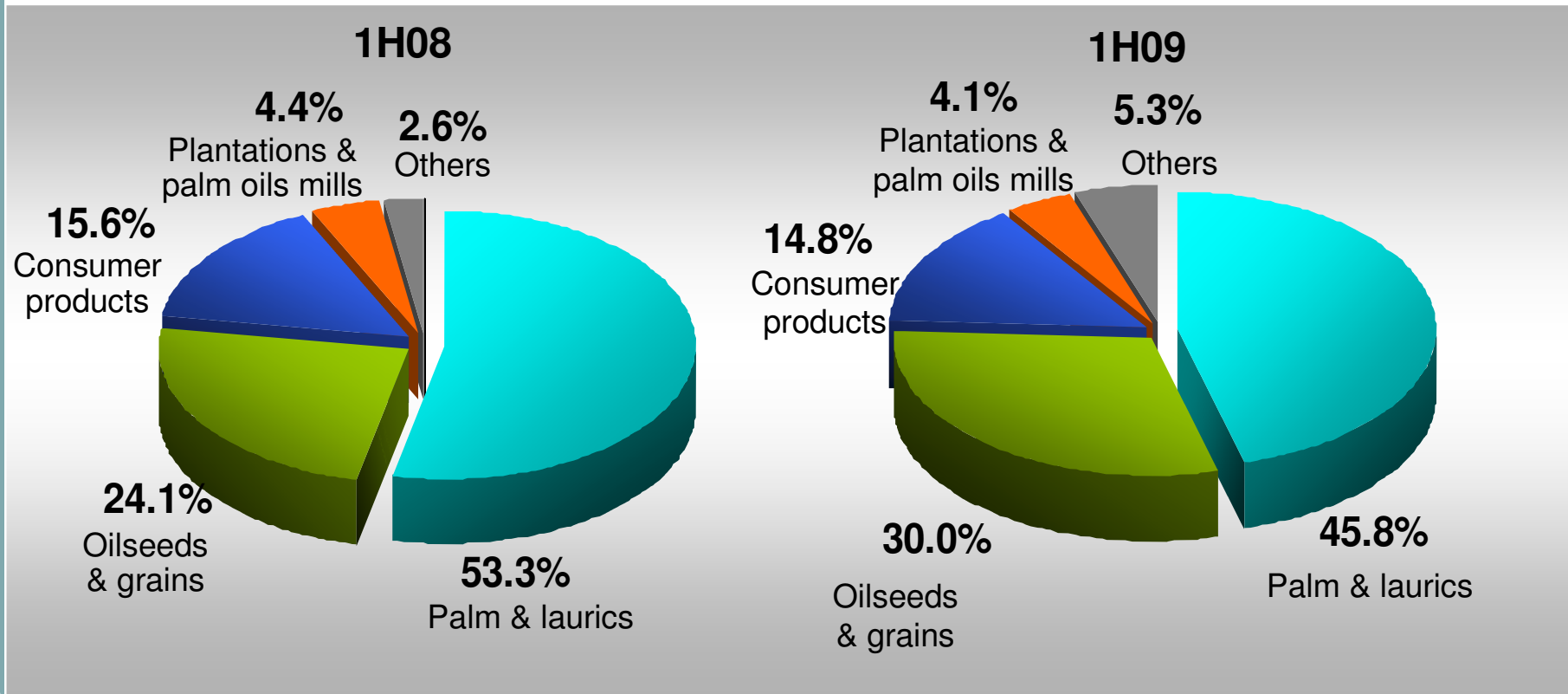
	2Q09	vs 2Q08
	US\$m	△
Revenue	5,712	-27%
Net profit	407	23%
Earnings per share in US cents <i>(fully diluted)</i>	6.4	23%
	1H09	vs 1H08
	US\$m	△
Revenue	10,670	-29%
Net profit	787	17%
Earnings per share in US cents <i>(fully diluted)</i>	12.3	17%

Revenue



- 2Q09 vs 2Q08**
 - revenue down 27% on lower commodities prices
 - volume up 4%, marginal drop in palm & laurics while oilseeds & grains volume increased
- 1H09 vs 1H08**
 - revenue down 29% on lower commodities prices
 - volume up 2%, growth in oilseeds & grains offset by lower palm & laurics volume

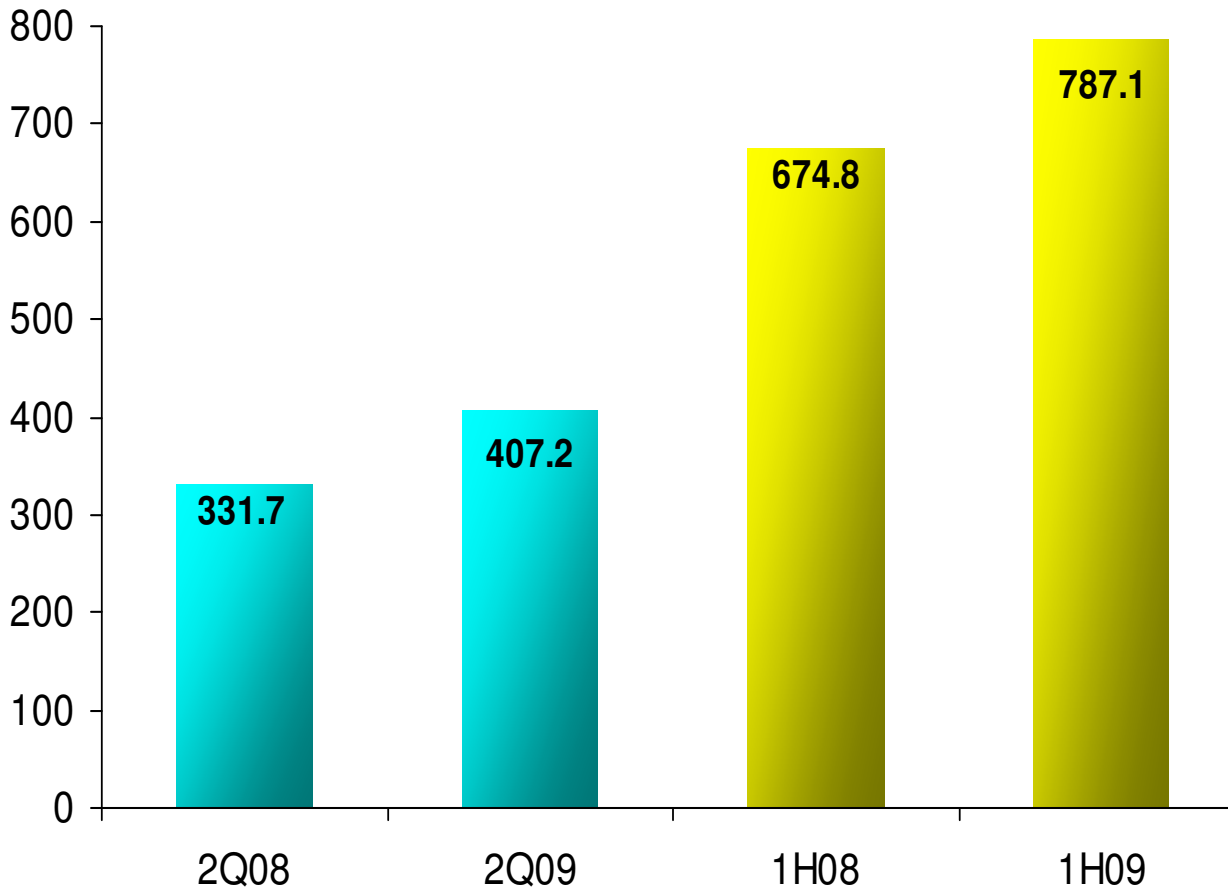
Revenue by Business Segment



** Before elimination of inter-segment sales*

Net Profit

US\$'million



- **2Q09 vs 2Q08**
 - up 23%
 - better margins for palm & laurics and consumer products as well as stronger plantation profit
- **1H09 vs 1H08**
 - up 17%
 - better margins for palm & laurics and consumer products

Pretax Profit Growth by Business Segment

US\$' million	2Q09	2Q08	Δ	1H09	1H08	Δ
Merchandising & Processing	286.5	287.1	0%	671.8	617.7	9%
<i>Palm & laurics</i>	187.6	140.0	34%	403.8	265.7	52%
<i>Oilseeds & grains</i>	98.9	147.1	-33%	268.0	352.0	-24%
Consumer Products	61.8	12.2	407%	139.9	28.2	397%
Plantations & Palm Oil Mills	100.7	79.6	26%	163.3	164.8	-1%
Others	46.2	30.5	52%	31.9	61.6	-48%
Associates	2.2	29.1	-92%	15.0	56.6	-74%
Unallocated income	26.3	0.7	3560%	20.4	5.2	290%
Total	523.7	439.2	19%	1,042.3	934.1	12%

- **Merchandising & processing** – higher margins for palm & laurics partially offset by weaker margins at oilseeds & grains, which reported forex gains in 2Q08 and 1H08. Palm & laurics volume was lower while oilseeds & grains volume increased
- **Consumer Products** – 2Q09 and 1H09 margins were sharply higher as the previous year's margins were affected by sharp increase in raw material costs and temporary price intervention measures. 1H08 volume was boosted by sale of subsidized edible oils
- **Plantation and Palm Oil Mills** – 2Q09 boosted by higher CPO selling prices and production volume
- **Others** – Contribution from Raffles Shipping was offset by weaker fertilisers' performance. 1H08 incl. US\$11.8m gains from sales of vessels
- **Associates** – Weaker performance in China, Africa & Ukraine
- **Unallocated expense** – incl. change in fair value of CBs' embedded derivatives

Pretax Profit Breakdown – By Business Segment

US\$' million	2Q09	2Q08	1H09	1H08
Merchandising & Processing	57.7%	65.5%	65.7%	66.5%
<i>Palm & laurics</i>	37.8%	31.9%	39.5%	28.6%
<i>Oilseeds & grains</i>	19.9%	33.6%	26.2%	37.9%
Consumer Products	12.4%	2.8%	13.7%	3.0%
Plantations & Palm Oil Mills	20.2%	18.2%	16.0%	17.8%
Others	9.3%	6.9%	3.1%	6.6%
Associates	0.4%	6.6%	1.5%	6.1%
Total	100.0%	100.0%	100.0%	100.0%

* Excluding unallocated expenses/income

- **Diversified agribusiness segments** provide strong earnings base
- **Leadership position** in merchandising & processing, and consumer products
- **Large scale integrated business model**

(A) Plantations & Palm Oil Mills

US\$ million	2Q09	2Q08	Δ	1H09	1H08	Δ
Revenue	289.4	371.8	-22%	500.4	729.5	-31%
Profit before tax	100.7	79.6	26%	163.3	164.8	-1%
Planted area (ha)	229,439	215,371	7%	229,439	215,371	7%
Mature area harvested (ha)	151,877	137,730	10%	151,877	137,730	10%
FFB production (MT)	760,500	686,776	11%	1,442,698	1,381,461	4%
FFB Yield (MT/ha)	5.0	5.0	0%	9.5	10.0	-5%
Mill Production						
Crude Palm Oil (MT)	381,092	353,874	8%	714,897	691,305	3%
Palm Kernel (MT)	88,205	81,820	8%	167,852	160,258	5%
Extraction Rate						
Crude Palm Oil	20.9%	20.9%	0%	20.9%	21.0%	-1%
Palm Kernel	4.8%	4.8%	0%	4.9%	4.9%	0%

- 2Q09 pretax profit rose 26% due higher CPO selling prices and stronger production volume
- Higher production volume due to increased mature hectarage with FFB production increased by 11% in 2Q09
- CPO & PK extraction rate – unchanged.
- Contributed 16% to 1H09 Group pretax profit.

Plantation Age Profile

in hectares	Average Age of Palm					
30 June 2009	0 to 3 yrs	4-6 yrs	7 - 14 yrs	15 - 18 yrs	>18 yrs	Total
Indonesia	65,326	35,652	35,292	19,343	11,560	167,173
Malaysia	3,001	7,766	25,687	17,906	7,906	62,266
Total planted area	68,327	43,418	60,979	37,249	19,466	229,439
<i>% of total planted area</i>	<i>29.8%</i>	<i>18.9%</i>	<i>26.6%</i>	<i>16.2%</i>	<i>8.5%</i>	<i>100.0%</i>
Included YTD new plantings of :	7,212					
Plasma Programme	1,324	2,094	17,661	9,484	3,461	34,024
<i>% of planted area</i>	<i>3.9%</i>	<i>6.1%</i>	<i>51.9%</i>	<i>27.9%</i>	<i>10.2%</i>	<i>100.0%</i>
31 Dec 2008						
Indonesia	75,911	21,356	38,183	15,980	9,375	160,805
Malaysia	4,379	9,176	26,185	18,382	4,331	62,453
Total planted area	80,290	30,532	64,368	34,362	13,706	223,258
<i>% of total planted area</i>	<i>36.0%</i>	<i>13.7%</i>	<i>28.8%</i>	<i>15.4%</i>	<i>6.1%</i>	<i>100.0%</i>
Included YTD new plantings of :	19,434					
Plasma Programme	1,661	1,726	19,807	10,144	529	33,867
<i>% of planted area</i>	<i>4.9%</i>	<i>5.1%</i>	<i>58.5%</i>	<i>29.9%</i>	<i>1.6%</i>	<i>100.0%</i>

- Weighted average age of our plantations is approximately 9 years.

(B) Merchandising & Processing - Palm & Laurics

	2Q09	2Q08	Δ	1H09	1H08	Δ
Revenue (US\$ million)	3,174	4,786	-34%	5,534	8,909	-38%
Sales volume ('000 MT)	4,609	4,645	-1%	8,530	9,286	-8%
Profit before tax (US\$ million)	187.6	140.0	34%	403.8	265.7	52%
Profit before tax per MT (US\$/MT)	40.7	30.1	35%	47.3	28.6	65%

- Pretax profit for 2Q09 and 1H09 grew 34% and 52% respectively on stronger margins.
- Margins – Expanded due to timely purchases of raw materials and sales of products
- Volume – marginally lower for 2Q09 but fell 8% for 1H09 due to a more cautious risk management stance in 1Q09.

(C) Merchandising & Processing – Oilseeds & Grains

	2Q09	2Q08	Δ	1H09	1H08	Δ
Revenue (US\$ million)	1,837	2,174	-16%	3,625	4,027	-10%
Sales volume ('000 MT)	3,607	3,297	9%	7,202	6,181	17%
Profit before tax (US\$ million)	98.9	147.1	-33%	268.0	352.0	-24%
Profit before tax per MT (US\$/MT)	27.4	44.6	-39%	37.2	56.9	-35%

- Pretax profit for 2Q09 and 1H09 dropped 33% and 24% respectively on weaker margins
- Margins – Weaker due to forex gains recorded in 2Q08 and 1H08
- Volume – Higher due to strong demand for oilseeds products

(D) Consumer Products

	2Q09	2Q08	Δ	1H09	1H08	Δ
Revenue (US\$ million)	861	1,148	-25%	1,787	2,602	-31%
Sales volume ('000 MT)	704	694	1%	1,438	1,562	-8%
Profit before tax (US\$ million)	61.8	12.2	407%	139.9	28.2	397%
Profit before tax per MT (US\$/MT)	87.8	17.6	399%	97.3	18.0	440%

- Pretax profit for 2Q09 and 1H09 surged 407% and 397% respectively on stronger margins
- Margins – Last year was affected by sharp increase in raw material costs and temporary price intervention measures implemented by the Chinese Government
- Volume – Marginally higher in 2Q09 but dropped 8% in 1H09 due to sale of subsidized edible oils by the Chinese government in 1H08

Low Gearing

US\$ million	As at 30 Jun 09	As at 31 Dec 08
Debt/Equity (x)	0.39	0.25
- Net Debt	3,948	2,390
- Shareholders' funds	10,032	9,606
Adjusted Debt/Equity (x)	0.10	0.10
- Liquid working capital *	2,978	1,407
- Adjusted Net Debt	970	983
Interest coverage (x) #	15.0	7.6

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

Interest coverage ratio is calculated for the 6 mths ended 30 June 09 and year ended 31 Dec 08

- Debt to equity ratio increased to 0.39x on higher short-term borrowing due to higher working capital requirement.
- A large proportion of debt is used to finance very liquid working capital items (near cash) – inventories.
- Excluding liquid working capital financing, adjusted debt to equity was only 0.10x.
- Strengthened interest coverage.

Robust Funding & Strong Liquidity

US\$ million	As at 30 Jun 09		Balance
	Available	Utilised	
Credit facilities :			
<i>Committed</i>	1,750	1,606	144
<i>Trade finance</i>	10,823	5,844	4,979
<i>Short term</i>	764	235	529
Total credit facilities	13,337	7,685	5,652
Available cash (not pledged)			1,603
Total liquidity			7,255

- 76% of utilised facilities were trade financing lines, backed by inventories and receivables.
- 58% of total facilities were utilised at 30 June 09, up from 47% at 31 Dec 08.
- US\$7.3bn total liquidity available at 30 June 09, slightly higher than US\$7.2bn at 31 Dec 08.

Strong Cashflow

	6 mths ended 30 Jun 09	Year ended 31 Dec 08
Operating cashflow (US\$ million)	(745)	3,231
Turnover days		
- Inventory	61	43
- Trade Receivables	24	16
- Trade Payables	20	14

- Negative operating cashflow due to higher working capital requirement
- Inventories rose US\$1.1b due to rising commodities prices and higher stockholding.
- Cash conversion cycle increased due to higher inventory turnover days

Key Indicators

	6 mths ended 30 Jun 09 *	Year ended 31 Dec 08
Return on Average Equity	16.0%	17.5%
Return on Average Capital Employed	14.6%	15.7%
Return on Average Assets	8.2%	9.2%
in US cents		
EPS <i>(fully diluted)</i>	6.4	24.0
NTA per share	95.0	88.7
NAV per share	157.1	150.4
in Singapore cents		
Dividends <i>(interim & final)</i>	3.0^	7.3

* 30 June 09 returns have been annualised

^ Interim dividend

Results Summary

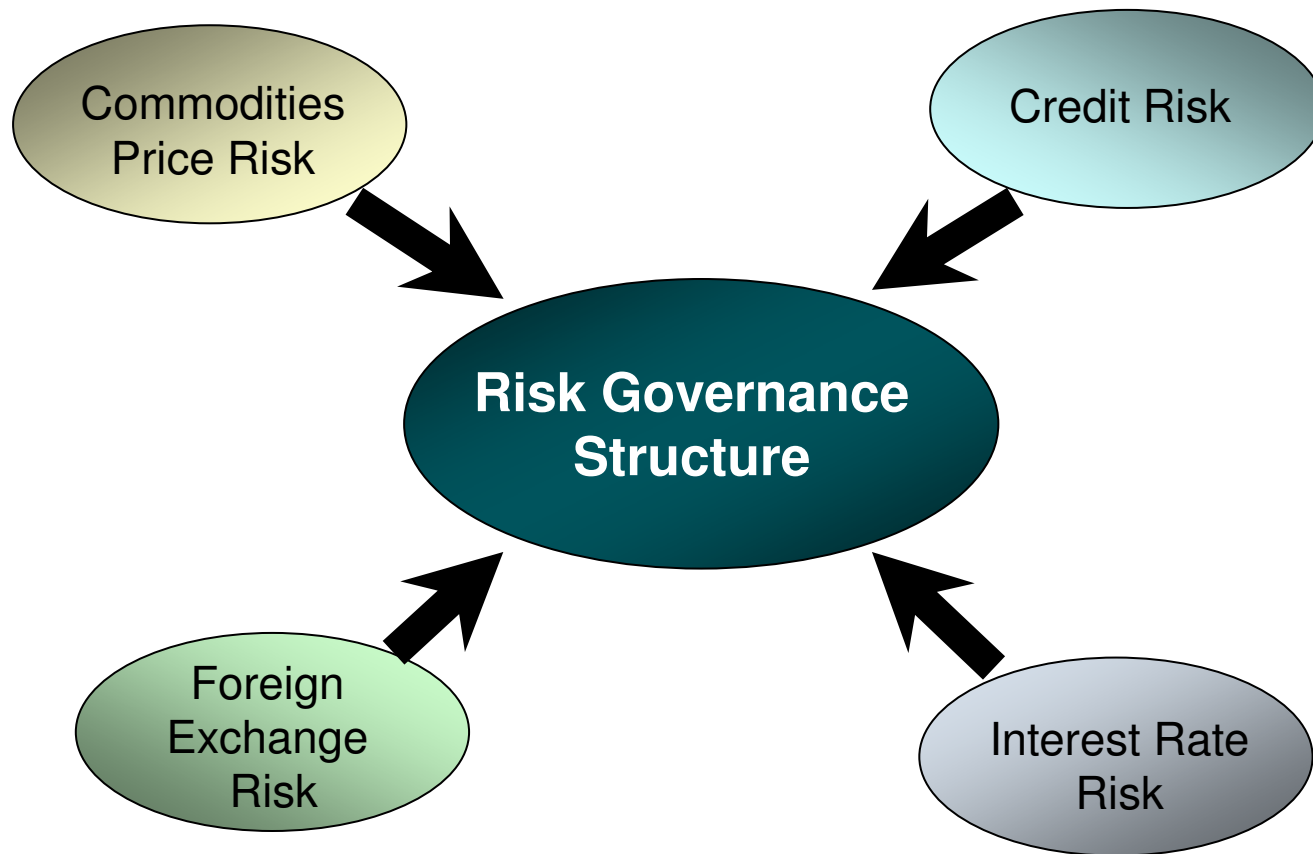
US\$ million	1H09	1H08	△
Revenue	10,670	14,971	-29%
Net Profit	787	675	17%
EPS in US cents <i>(fully diluted)</i>	12.3	10.6	17%

US\$ million	30 Jun 09	31 Dec 08	△
Shareholders' funds	10,032	9,606	4%
NAV per share in US cents	157.1	150.4	4%
Total Assets	20,677	17,869	16%
Gearing	0.39x	0.25x	56%

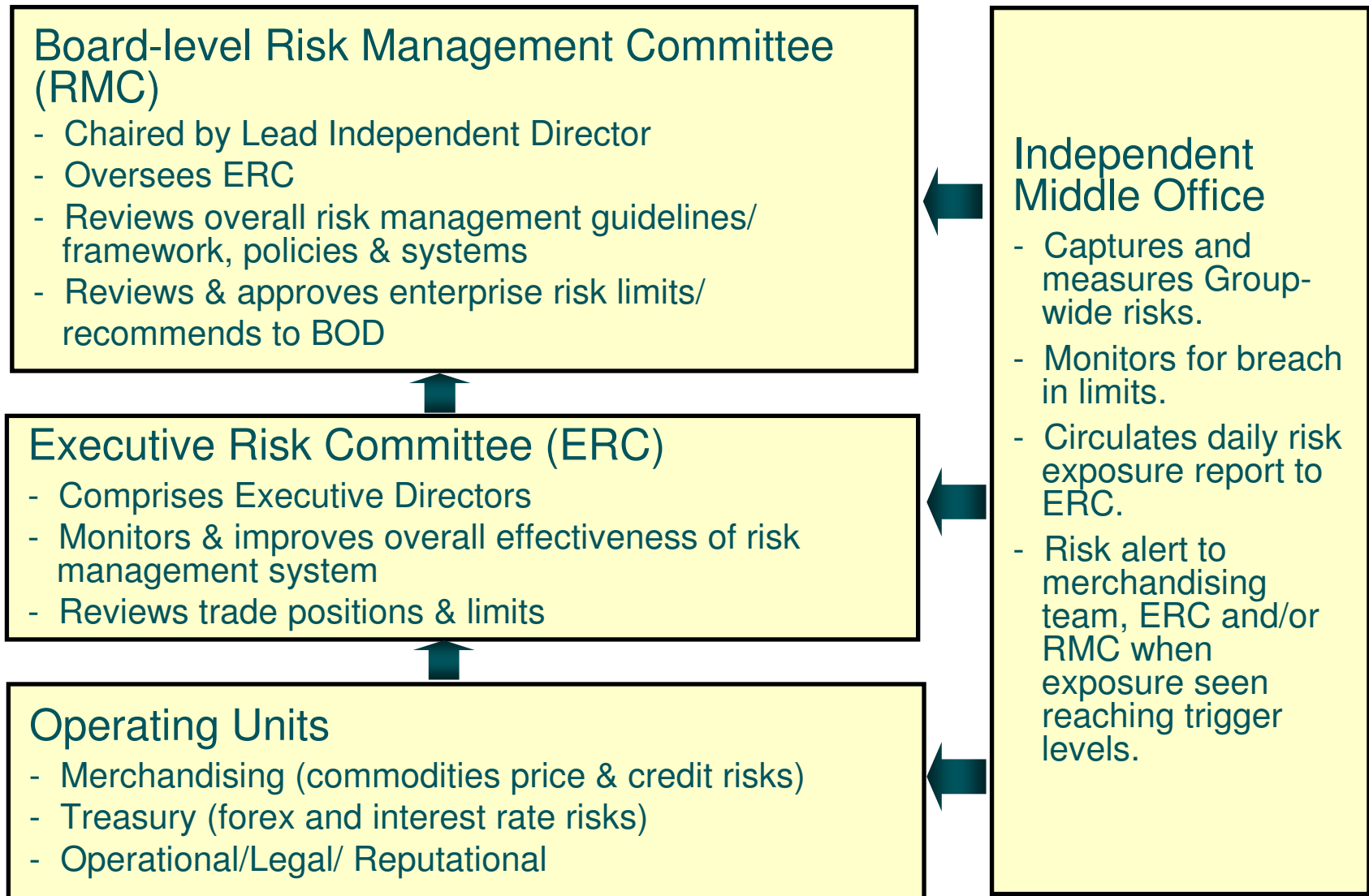
Risk Management



Risk Management



Risk Governance Structure



Business Update



Shareholding Structure (Post WHPL Liquidation)

	As at 30 June 2009	Post Liquidation	
Kuok Group	31.2%	31.2%	The liquidation exercise will increase the liquidity and free float of Wilmar shares. Possible weighting increase in major stock indices. Currently in FTSE STI (2.6%) and MSCI Singapore (2.0%)
WHPL	29.4%	-*	
ADM	10.4%**	16.1%	
Public	17.7%	24.0%	
Non-public	11.3%^	28.7%	
Total	100.0%	100.0%	

* WHPL and its parent company are in the process of liquidation to distribute Wilmar shares to their respective shareholders. 40% of Wilmar shares were distributed to respective shareholders on 1 April 2009. Full distribution by 3Q FY2010 latest.

** Excludes deemed interests currently held through WHPL.

^ Non-Public: Includes interests held by Kuok Khoon Hong (4.8%)**, Martua Sitorus (4.1%)**, COFCO (2.0%), Directors and their associates.

Looking Forward

- Improving global economic environment
- Resilient global demand for food & agri commodities
- Positive growth prospects for emerging markets
- Growing demand for high quality processed agricultural and consumer products due to rising affluence & rapid urbanisation in China
- Wilmar is well-positioned due to:
 - Investment in core businesses and newer markets
 - Emphasis on growth in China, India and Indonesia
 - Strong financial position
 - Constantly looking out for attractive investment opportunities
- Proposed listing of China operations

Questions & Answers

