

WILMAR INTERNATIONAL LIMITED

1HFY06 RESULTS BRIEFING

29 AUGUST 2006



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Presentation Overview

- Introduction - Who We Are
- Our Competitive Edge
- Strategies & Expansion Plans
- 1HFY06 Results Highlights
- Questions & Answers



Introduction

Presenter: Mr KUOK Khoon Hong



Who We Are

- Established in 1991 and headquartered in Singapore
- One of Asia's Largest Integrated Agribusiness Groups
- Our business activities:
 - Manufacturing
 - Merchandising
 - Shipping
 - Plantation



Our Manufacturing Facilities

Activities	No. of Plants	As at 31 July 2006		Under construction	
		No. of Locations	Capacity (MT/annum)	No. of Plants	Capacity (MT/annum)
Refining	19	10	5,365,800	-	-
Fractionation	18	10	5,204,100	-	-
Palm Kernel & Copra Crushing	13	10	1,584,000	6	330,000
Palm Oil Milling	18	18	6,690,000	1	120,000
Specialty Fats *	3	3	166,320	-	-
Fertiliser	1	1	118,800	1	330,000
Biodiesel	-	-	-	3	1,050,000
Total	72			11	

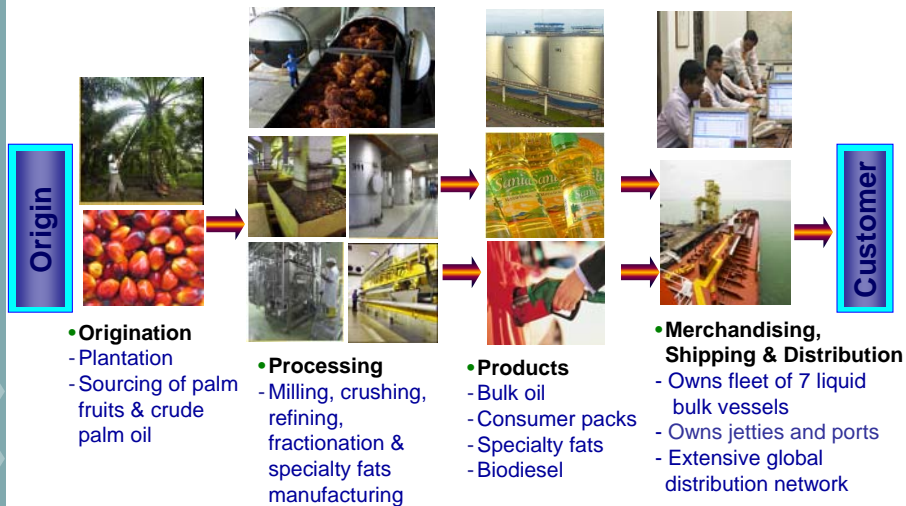
* Exclude hydrogenation process

** We are also constructing a palm oil refinery plant (2,000MT per day), a fractionation plant (2,000MT per day) and a crushing plant (600MT per day) in East Malaysia in a joint-venture

*** All plants (except biodiesel plants) under construction are expected to be completed by end 2006. The three biodiesel plants with capacity of 350,000MT p.a. each will be completed in Jan 07, 2Q07 and 3Q07

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We Invest • You Harvest

Capturing the Entire Value Chain of the Palm Oil Business - from Origin to Customer



7

Who We Are

Merchandising

- Leading global palm & lauric oils merchandiser
 - Quantity merchandised in 2005 – 6,042,600 MT
- One of the major soya bean buyers in the world
 - Traded 6,663,200 MT in 2005
- One of Indonesia's largest fertiliser distributors

Shipping

- Own 2 ports & jetties
- Own 7 vessels
- Operate numerous vessels on time charter

Plantation

- Sizeable oil palm plantation owner
- Total Planted Area: 82,910ha (includes Plasma: 32,082 ha)
- Acquiring 110,000 ha of plantation land – total land bank to increase to approx. 180,000ha



8

Location of Our Operations



Global Marketing Network



Blue Chip Customer Base

- The Procter & Gamble Company
- Cargill, Incorporated
- Cognis Deutschland GmbH & Co. KG
- Unilever N.V.
- Alfred C. Toepfer International GmbH
- Hindustan Lever Limited
- Nirma Limited
- VVF Limited
- China Grains & Oils Group Corporation
- Beijing Heyirong Cereal & Oil Co. Ltd
- Nestle S.A.



11

Our Competitive Edge

- **Capturing Margin across Value Chain**
 - lower manufacturing cost, energy cost savings, logistics cost reduction, lower marketing cost & lower freight cost
- **Global Market Intelligence**
 - through large scale origination of CPO & PK, worldwide merchandising network and access to shareholders' information network
- **Proven Management Team**
 - identify & develop new business opportunities, capable merchandising, technical and plantation team
- **Strong Shareholder Base**
 - WHPL & ADM, providing global market intelligence and access to technical and R&D expertise



12

Strategies & Expansion Plans



Strategies & Expansion Plans

Biodiesel expansion plans

- **First biodiesel plant – expand capacity** from 250,000MT/pa to 350,000MT/pa
 - Cost - about US\$20m, completion – Jan 2007
- **2 more plants** – capacity of 350,000MT/pa each
 - Cost - about US\$35m, completion – 2Q07 & 3Q07
- **Total capacity of 1,050,000 MT p.a.** - One of the world's largest palm biodiesel producers
- **Location** – integrated manufacturing complex with own port facility in Riau, Indonesia. Will result in low cost of production from economies of scale and integration.
- **Early mover advantage** – aim to be a significant global player



Strategies & Expansion Plans

Expansion of oil palm plantation acreage

- Acquisition of 5 plantation companies – land bank of about 85,000 ha in Kalimantan, total cost US\$5.8m
- Acquisition of 25,000 ha land bank by 2 existing subsidiaries
- Total plantation land bank to increase to 180,000 ha
- Planting programme – 15,000 ha p.a.

Expansion of processing capacity in line with growth of Indonesian palm oil production

- Expand refining, crushing, milling and fertiliser manufacturing operations in Indonesia & Malaysia

Capex for expansion plans – US\$150-200 million up to end 2007

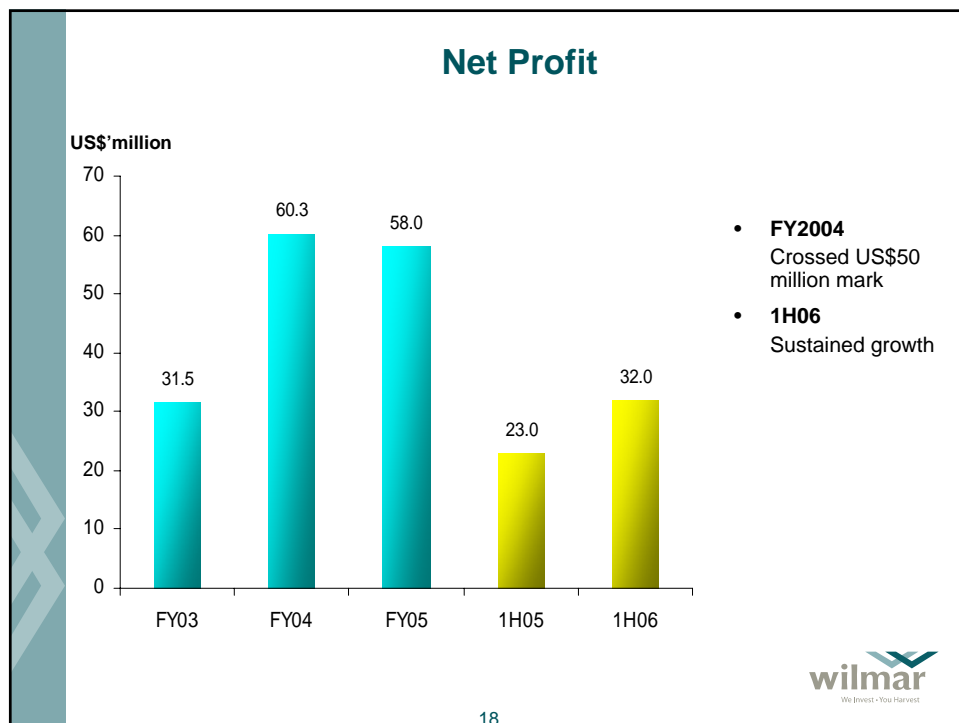
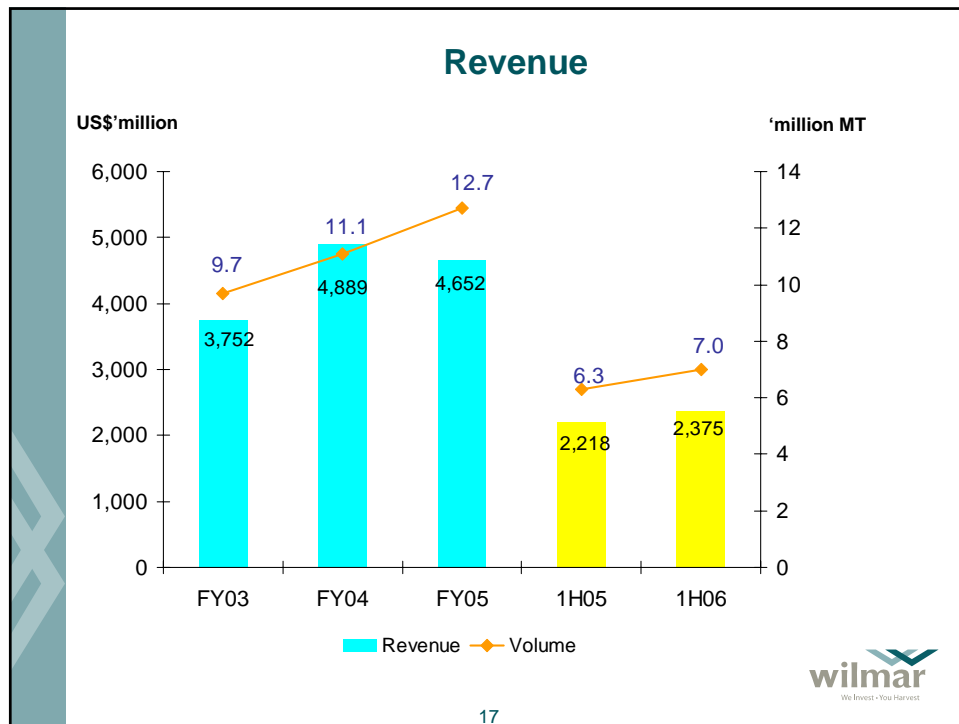


15

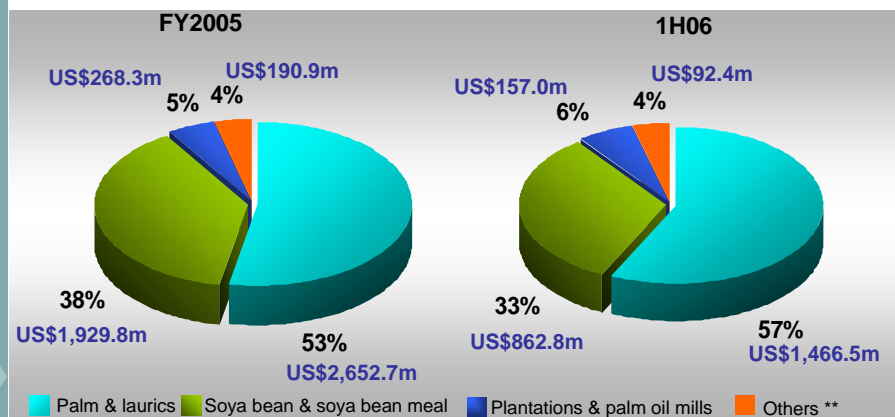
1HFY06 Results Highlights

Presenter: Mr CHUA Phuay Hee





Revenue By Business Activity *



* Before elimination of inter-segment sales

** Comprises fertiliser and ship charter income



19

Segmental Breakdown – Profit Before Tax

US\$ million	FY05	2Q FY05	2Q FY06	1H FY05	1H FY06
Merchandising & Refinery	46.8	10.3	10.3	20.2	24.3
<i>Palm & laurics</i>	45.1	9.9	8.4	19.5	21.0
<i>Soya bean & meal</i>	1.7	0.4	1.9	0.7	3.3
Plantations & Palm Oil Mills	23.5	4.0	9.4	6.2	15.8
Others	3.2	0.5	(0.1)	1.5	2.0
Total profit before tax	73.5	14.7	19.6	27.9	42.1

- **Key contributors** – Palm & Laurics and Plantations & POMs
- **Palm and laurics** – marginally higher for 1H06 but poorer 2Q06 due to lower margins

- **Plantation & POMs** – strong performance driven by improved yield and contribution from plantation acquired in 2005.
- **Others** – poor 2Q due to lower fertiliser sales volume & freight rates.



20

Merchandising & Refinery - Palm & Laurics

	FY05	2Q FY05	2Q FY06	1H FY05	1H FY06
Revenue (US\$ million)	2,653	639	756	1,251	1,427
Sales volume (‘000 MT)	6,043	1,973	2,226	3,319	3,683
Production volume (‘000 MT)	4,280	1,177	1,449	2,365	2,749
Profit before tax (US\$ million)	45.1	9.9	8.4	19.5	21.0
Profit before tax per MT (US\$/MT) *	10.54	8.42	5.80	8.23	7.64

* Calculated based on production volume



21

Merchandising & Refinery - Palm & Laurics

- Margins vary throughout the year in line with demand (of refined products) and supply situation (of CPO)
- Average pretax margins of about US\$10 per MT p.a. in the recent past
- Seasonality factor – 2H margins are usually higher due to higher demand in anticipation of festive season and higher supply of CPO



22

Merchandising & Refinery - Soya Bean & Soya Bean Meal

	FY05	2QFY05	2QFY06	1HFY05	1HFY06
Revenue (US\$ million)	1,930	475	478	879	863
Sales volume (‘000 MT)	6,663	1,558	1,881	2,961	3,323
Profit before tax (US\$ million)	1.7	0.4	1.9	0.7	3.3
Profit before tax per MT (US\$/MT)	0.25	0.25	1.00	0.25	1.00

- Profit - function of sales volume and fee per MT
- **Higher volume** in 1Q06/1H06 – in line with higher shipment to China



23

Plantation Statistics

	FY05	2QFY05	2QFY06	1HFY05	1HFY06
Total planted area (hectare)	49,809	44,236	50,828	44,236	50,828
Total mature area harvested (hectare)	44,771	40,192	44,594	40,192	44,594
FFB production (tonne)	816,560	192,063	257,031	325,437	469,780
Yield per mature hectare (tonne)	18.2	4.8	5.8	8.1	10.5
Mill production					
Crude Palm Oil (tonne)	677,033	152,498	208,783	295,095	370,762
Palm Kernel (tonne)	157,798	35,006	48,902	68,086	87,077
Extraction Rate					
Crude Palm Oil	20.7%	19.8%	20.9%	20.4%	21.0%
Palm Kernel	4.8%	4.5%	4.9%	4.7%	4.9%



24

Plantation Statistics

- Increased FFB production due to :
 - Improved yield (1H06 : 10.5MT/ha, 1H05 : 8.1Mt/ha)
 - Full effect from plantations acquired in FY05
- Drought in early 2005 affected FY05 yield
- CPO and PK extraction rate – fairly constant
- Own plantations supply approx. 25% of mill requirements



25

Plantation – Age Profile

31 Dec 2005 (hectares)	Average age of oil palm					Total
	Up to 3 yrs	4 – 6 yrs	7 – 14 yrs	15 - 18 yrs	> 18 yrs	
Land rights	2,426	8,672	34,046	4,165	500	49,809
Plasma Programme	534	6,507	21,624	3,461	-	32,126
Total	2,960	15,179	55,670	7,626	500	81,935
% of total area planted	3.6%	18.5%	68.0%	9.3%	0.6%	100%
30 Jun 2006						Total
	Up to 3 yrs	4 – 6 yrs	7 – 14 yrs	15 - 18 yrs	> 18 yrs	
Land rights	3,897	4,451	33,305	8,401	774	50,828
Plasma Programme	499	528	23,314	7,741	-	32,082
Total	4,396	4,979	56,619	16,142	774	82,910
% of total area planted	5.3%	6.0%	68.3%	19.5%	0.9%	100%



26

Balance Sheet Highlights

US\$ million	31 Dec 05	31 Mar 06	30 June 06
Long Term Assets	589	608	647
Gross Gearing Ratio	2.59x	2.34x	2.40x
- Total Borrowings	690	658	710
- Total S/H Funds	266	281	296
Turnover Days			
- Inventory	26	26	26
- Trade Receivables	28	28	28
- Trade Payables	18	14	16



27

Balance Sheet Highlights

- Well-timed investments at strategic locations
- Gearing reflective of our business model
- Consistent short working capital cycle – receivable and inventory turnover < 30 days
- Gross gearing ratio improves to 1.5x with US\$174m new equity



28

Funding Structure

US\$ million	30 June 06
Current Assets	763.4
Current Liabilities	886.0
Net current assets	(122.6)
Borrowings structure :	
Long term borrowings	86.1
Short term borrowings	624.0
Long Term Assets Funding	
Long term assets	647.5
Financed by :	
Equity	296.0
Long term borrowings	86.1
Shortfall funded by short term borrowings	265.4

Past funding structure :

- managed as part of WHPL Group

Going forward :

- strengthened by US\$174m new equity
- explore optimum funding structure



29

Key Ratios

	Year ended 31 Dec 05	6 mths ended 30 June 06
Shareholders' Funds (US\$ million) **	266.4	296.0
Return on Average Equity	24.0%	* 22.8%
Return on Average Capital Employed #	13.9%	* 11.8%
Return on Average Assets	4.2%	* 4.3%
EPS (US cents)	2.67	1.47
Net tangible assets per share (US cents)	11.26	12.62

* Annualised

** Shareholders' fund exclude net placement proceeds of US\$174m

Adjusted for working capital borrowings



30

Questions & Answers



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