

## WILMAR INTERNATIONAL LIMITED

### 1Q07 RESULTS BRIEFING

15 MAY 2007



## IMPORTANT NOTICE

*Information in this presentation may contain projections and forward looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected.*

*This presentation does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to purchase or subscribe for, any shares nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision.*



## PRESENTATION OVERVIEW

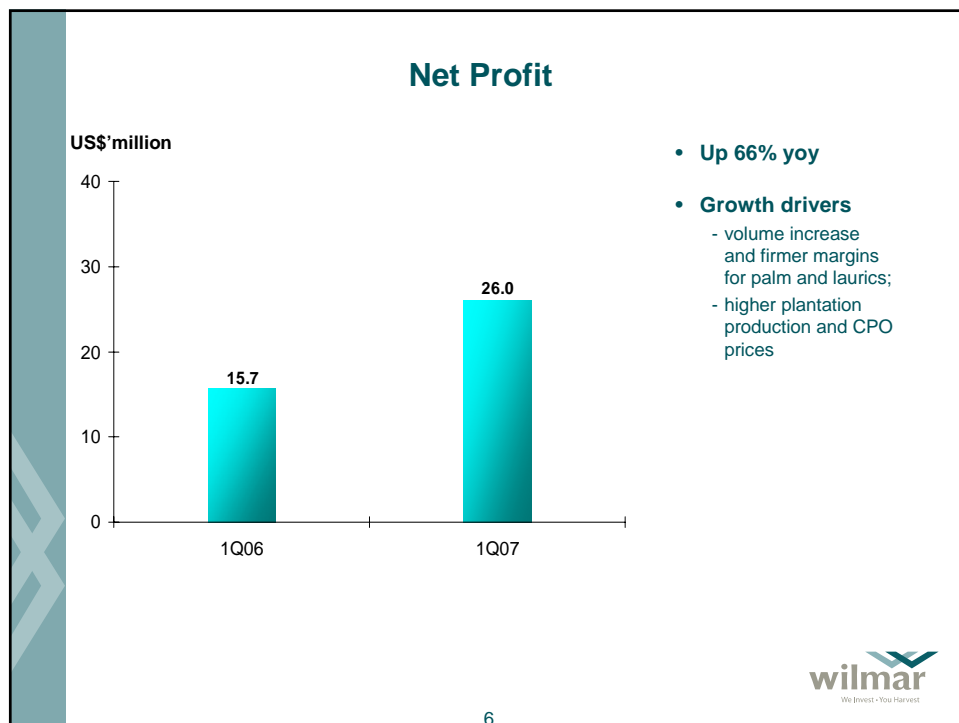
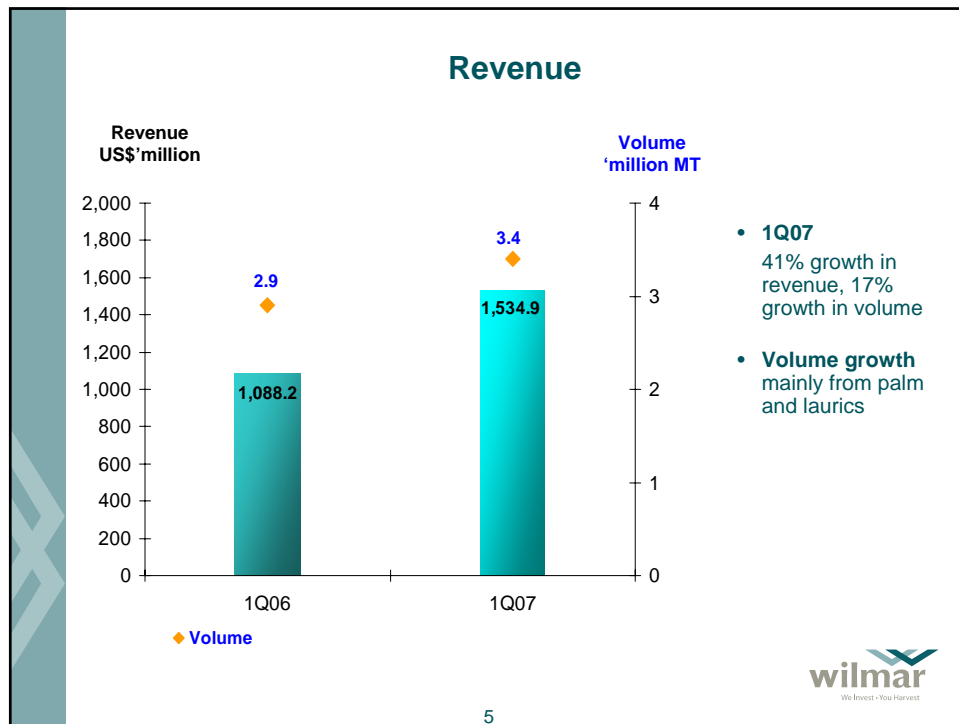
- 1Q07 Financial Highlights
- Merger & Restructuring Update
- Prospects & Future Plans
- Questions & Answers
- Appendix – Background information



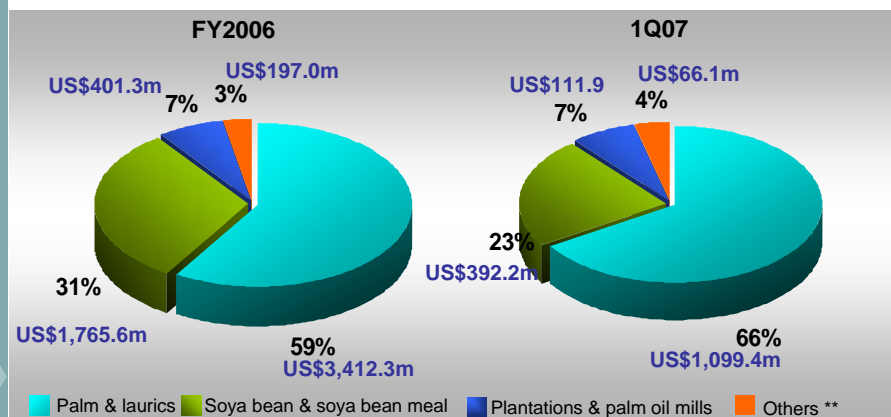
## 1Q07 FINANCIAL HIGHLIGHTS

Presenter: Mr CHUA Phuay Hee





## Revenue By Business Segment \*



\* Before elimination of inter-segment sales

\*\* Comprises fertiliser, ship chartering and other miscellaneous businesses



7

## Profit Before Tax by Business Segment

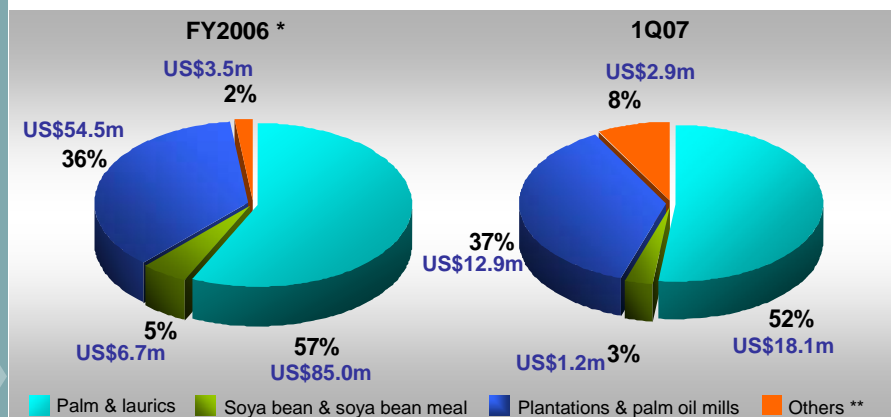
US\$ million	1Q06	1Q07
Merchandising & Refinery	14.0	19.3
Palm & laurics	12.6	18.1
Soya bean & meal	1.4	1.2
Plantations & Palm Oil Mills	6.4	12.9
Others	2.1	2.9
<b>Total profit before tax</b>	<b>22.5</b>	<b>35.1</b>

- **Key contributors** – Palm & Laurics and Plantations & POMs
- **Palm and laurics** – 44% growth due to higher production volume and improved margins
- **Plantation & POMs** – profit before tax doubled on higher CPO prices and increase in production from plantations acquired



8

## Profit Before Tax by Business Segment



\* Exclude unallocated expenses of US\$14.3million representing goodwill write-off

\*\* Comprises fertiliser, ship chartering and other miscellaneous businesses



9

## Merchandising & Refinery - Palm & Laurics

	1Q06	1Q07
Revenue (US\$ million)	670.6	1,099.4
Sales volume ('000 MT)	1,457	2,166
Production volume ('000 MT)	1,300	1,487
Profit before tax (US\$ million)	12.6	18.1
Profit before tax per MT (US\$/MT) *	9.68	12.18

\* Profit before tax/MT is calculated based on production volume

- Margins vary throughout the year in line with supply of CPO and demand of refined products
- Seasonality factor – stronger 2H due to higher demand for festive season and higher CPO supply
- Average pretax margins of approx. US\$10 per MT p.a.
- Our first biodiesel plant started operating in 1Q07, with negligible contribution to the quarter as US\$9.5 million profit was booked in FY06



10

## Merchandising & Refinery - Soya Bean Business

	1Q06	1Q07
Revenue (US\$ million)	384.7	392.2
Sales volume ('000 MT)	1,442	1,212
Profit before tax (US\$ million)	1.4	1.2
Profit before tax per MT (US\$/MT)	1.00	1.00

- Profit - function of sales volume and fee per MT
- Volume – in line with shipment to China



11

## Plantation Statistics

	1Q06	1Q07
Total planted area (hectare)	49,575	71,085
Total mature area harvested (hectare)	44,576	56,729
FFB production (tonnes)	212,749	239,983
Yield per mature hectare (tonnes)	4.8	4.2
<b>Mill production</b>		
Crude Palm Oil (tonnes)	161,979	182,930
Palm Kernel (tonnes)	38,175	43,991
<b>Extraction Rate</b>		
Crude Palm Oil	21.2%	20.7%
Palm Kernel	5.0%	5.0%



12

## Plantation Statistics

- Higher 1Q07 FFB production due to new plantations acquired towards end-2006
- Decline in 1Q07 yield to 4.2MT/ha (1Q06 : 4.8MT/ha) due to impact from drought in South Sumatra in 2H06 and lower yield of plantations acquired
- CPO and PK extraction rate – fairly constant
- Own plantations supply approx. 27% of mill production



13

## Plantation – Age Profile

31 Dec 2006 (hectares)	Average age of oil palm					Total
	Up to 3 yrs	4 – 6 yrs	7 – 14 yrs	15 - 18 yrs	> 18 yrs	
Land rights	9,574	6,388	34,081	14,556	1,768	66,367
Plasma Programme	549	528	23,314	7,741	-	32,132
<b>Total</b>	<b>10,123</b>	<b>6,916</b>	<b>57,395</b>	<b>22,297</b>	<b>1,768</b>	<b>98,499</b>
% of total area planted	10.3%	7.0%	58.3%	22.6%	1.8%	100.0%
31 Mar 2007						
	Up to 3 yrs	4 – 6 yrs	7 – 14 yrs	15 - 18 yrs	> 18 yrs	
Land rights	12,904	4,247	30,966	14,870	8,098	71,085
Plasma Programme	454	438	21,563	9,649	-	32,104
<b>Total</b>	<b>13,358</b>	<b>4,685</b>	<b>52,529</b>	<b>24,519</b>	<b>8,098</b>	<b>103,089</b>
% of total area planted	13.0%	4.5%	50.9%	23.8%	7.8%	100.0%



14

## Balance Sheet Highlights

US\$ million	31 Dec 06	31 Mar 07
<b>Equity</b>	<b>606.7</b>	<b>617.3</b>
- Net placement proceeds	172.9	-
<b>Long Term Assets</b>	<b>779.7</b>	<b>820.6</b>
<b>Net Gearing Ratio</b>	<b>1.2x</b>	<b>1.3x</b>
- Total Borrowings	759.6	897.9
- Total S/H Funds	584.8	589.5
<b>Turnover Days</b>		
- Inventory	25	25
- Trade Receivables	33	33
- Trade Payables	18	18

- Balance sheet remains strong
- Net gearing ratio at a comfortable level of 1.3x
- Consistent short working capital cycle



15

## Funding Structure

US\$ million	31 Dec 06	31 Mar 07
Current Assets	1,063.9	1,121.1
Current Liabilities	1,110.6	1,189.1
<b>Net current assets</b>	<b>(46.7)</b>	<b>(68.0)</b>
<b>Borrowings structure :</b>		
Long term borrowings	43.2	50.7
Short term borrowings	716.4	847.2
<b>Long Term Assets Funding</b>		
<b>Long term assets</b>	<b>779.7</b>	<b>820.6</b>
<b>Financed by :</b>		
Equity	606.7	617.3
Long term borrowings	43.2	50.7
Shortfall funded by short term borrowings	129.8	152.6

- Negative net current assets and long term assets funded by short term borrowings have increased
- Funding structure will be reviewed in conjunction with the proposed merger & restructuring



16



## Key Ratios

	Year ended 31 Dec 06	3 mths ended 31 Mar 07
Shareholders' Funds (US\$ million)	584.8	589.5
Return on Average Equity	24.6%	17.7%
Return on Average Capital Employed #	22.9%	16.5%
Return on Average Assets	6.6%	5.5%
EPS (US cents)	4.51	1.03
Net tangible assets per share (US cents)	22.59	23.01

# Adjusted for working capital borrowings



17

## MERGER & RESTRUCTURING UPDATE



## Merger & Restructuring Update

### Merger with Kuok Group's palm plantation, edible oils, grains and related businesses (Kuok Group Merger)

- **All regulatory and shareholders' approvals** – obtained
- **PGEO Acquisition** – completed on 8 May 2007
- **PPBOP Takeover Offer** – secured >90% acceptance, to commence compulsory acquisition procedure upon close on offer on 18 May 07
- **KOG Acquisition** – in the process of completion
- **Target completion** – June 07

### Restructuring exercise to acquire WHPL's edible oils, grains and related businesses, including interests held by ADM (IPT Acquisition)

- **S & P Agreement** – signed with WHPL and ADM
- **Regulatory approvals** – in progress
- **Target completion** – June 07



19

## Merger & Restructuring Update

### Accounting Treatment

- **Earnings of entities under the merger and restructuring**
  - **Kuok Group Merger** – using purchase method accounting, earnings to be included from completion date
  - **IPT Acquisition** – using pooling of interest method
- **Merger related expenses** – professional fees and regulatory costs to be expensed off; amount not expected to be significant
- **Goodwill** – amount to be determined at point of completion; subject to impairment test at year end



20

## PROSPECTS & FUTURE PLANS

Presenter: Mr KUOK Khoon Hong



### Industry Prospects

- **Tremendous opportunities in the processing and merchandising of palm oil** – rapid expansion of palm oil production; 32m MT palm oil production by Malaysia and Indonesia in 2006, potential to grow to > 60m MT in 10 years.
- **Palm oil prices to remain favourable** – to be driven by the growing demand for edible use and energy globally.
- **Vast potential for agricultural products in China/India** – due to its large population base (China : 1.3 billion, India : 1.1 billion), economic expansion & low per capita consumption of agricultural products.



## Growth Strategy – Post-Merger

### Merger & restructuring exercise to create Asia's Leading Agribusiness Group

- **Palm oil merchandising & processing activities**

- largest processor & merchandiser of palm oil globally
- cost savings/synergy by combining shipment, supplying from best location and enhanced market intelligence
- expand refining, crushing and milling operations in line with growth in palm oil production

- **Plantation**

- one of the largest plantation companies in Malaysia/Indonesia, combined planted acreage of approx. 217,000 ha (Inti : 184,000 ha, Plasma : 33,000 ha of which Indonesia : 155,000 ha, Malaysia : 62,000 ha) and total landbank of approx. 570,000 ha
- combination of PPBOP's agro-expertise and Wilmar's local knowledge will result in faster and more efficient expansion of acreage in Indonesia
- target combined planting of 40,000 ha p.a.



23

## Growth Strategy – Post-Merger

- **China operations**

- combined market share will make us the leading merchandiser of consumer pack edible oils as well as the leading oilseeds crusher, edible oils refiner and specialty fats & oleochemical manufacturer;
- tap on synergy from expanded geographical network and from combining WHPL's upstream capabilities with Kuok Group's downstream capabilities
- leverage on our manufacturing and origination expertise, and enlarged distribution network to expand into the manufacturing of related products (e.g. flour milling and rice milling), grain merchandising and other agricultural products
- very well-positioned to capture growth opportunities in China to become a major processor and merchandiser of bulk and branded agricultural products

- **Expand into growth markets like Europe, India and Africa by building on our existing operation**

- **Expand into the renewable energy business like green power plant**



24

## QUESTIONS & ANSWERS



## APPENDIX

### - Background information



## Who We Are

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



## Our Manufacturing Facilities

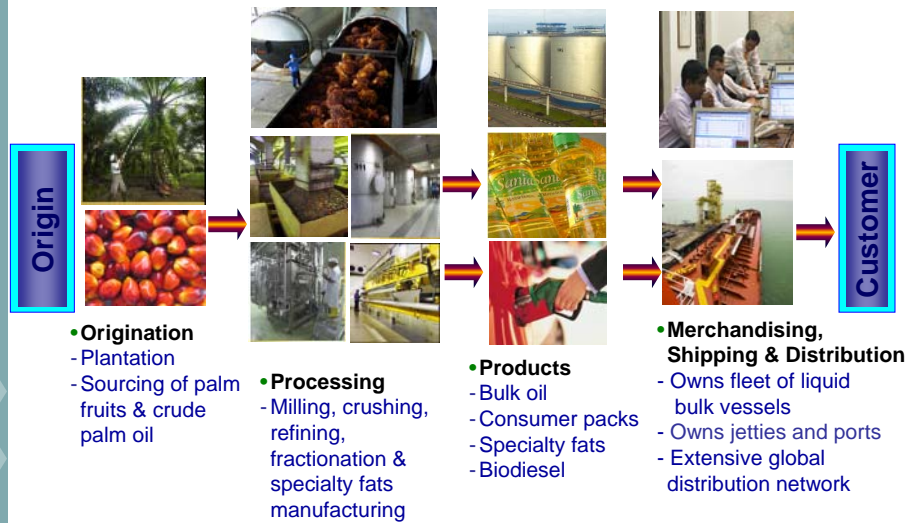
Activities	No. of Plants	As at 31 March 2007		Under construction	
		No. of Locations	Capacity (MT/annum)	No. of Plants	Capacity (MT/annum)
Refining	19	10	5,421,900	-	-
Fractionation	18	10	5,260,600	1	66,000
Palm Kernel & Copra Crushing	17	12	1,894,200	1	33,000
Palm Oil Milling	20	20	7,080,000	-	-
Specialty Fats	3	3	166,320	-	-
Fertiliser	2	1	448,800	-	-
Biodiesel	1	1	350,000	2	700,000
<b>Total</b>	<b>80</b>			<b>4</b>	

\* Joint venture in East Malaysia – completed construction of a palm oil refining plant (2,500MT per day) and a fractionation plant (2,000MT per day) in Dec 06. Crushing plant (500MT per day) was completed in March 07.

\*\* First biodiesel plant completed in Jan 07, remaining 2 plants on track for completion in 2Q07 and 3Q07



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



29

## Who We Are

### Merchandising

- Leading global palm & lauric oils merchandiser
  - Quantity merchandised in 2006 – 7,557,800 MT
  - Quantity merchandised in 1Q07 – 1,840,600 MT
- One of the major soya bean buyers in the world
  - Traded 6,687,400 MT in 2006
  - Traded 1,211,700 MT in 1Q07
- One of Indonesia's largest fertiliser distributors

### Plantation

- Sizeable oil palm plantation owner
- Total land bank of approximately 210,000ha
- Total planted area : 103,189 ha (includes Plasma: 32,104 ha)



30

## 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



31

## Merger & Restructuring Overview

- Proposed merger with Kuok Group's plantation, edible oils, grains and related businesses worth up to US\$2.7 billion :
  - Voluntary general offer of Bursa Malaysia-listed PPB Oil Palms Berhad (“**PPBOP**”)
  - 65.8% stake in PGEO Group Sdn Bhd (“**PGEO**”)
  - 100.0% stake in Kuok Oils & Grains Pte Ltd (“**KOG**”)
- Restructuring exercise to acquire the edible oils, grains and related businesses owned by WHPL, including interests held by ADM, for US\$1.6 billion
- Proposed Merger and Restructuring will create Asia's leading agribusiness group and one of the largest listed companies on SGX-ST by market capitalisation



32