

News Release

Barry Callebaut Group – 3-Month Key Sales Figures, Fiscal Year 2016/17 Steady start, consistent above-market growth

- Sales volume flat (-0.4%), driven by above-market growth in chocolate (+2.3%) and the nearly completed phase-out of less profitable contracts in cocoa (-8.6%)
- Sales revenue of CHF 1.9 billion, up 3.2% in local currencies (+4.2% in CHF)
- Gourmet & Specialties continues to perform strongly, up +14.3%

Zurich/Switzerland, January 25, 2017 – Antoine de Saint-Affrique, CEO of the Barry Callebaut Group, said: “We had a steady start to the year with the Cocoa Leadership project on track, all chocolate regions delivering solid growth above the market and Gourmet and Specialties performing very strongly. Our ‘smart growth’ strategy is proving to be the right recipe for a continued challenging market environment.”

Group Key Sales Figures

for the first 3 months of Fiscal Year 2016/17				3 months up to Nov. 30, 2016	3 months up to Nov. 30, 2015
				Change in %	
				in local currencies	in CHF
Sales volume	Tonnes		(0.4%)	492,931	494,873
Sales revenue	CHF m	3.2%	4.2%	1,885.8	1,809.3

The Barry Callebaut Group, the world’s leading manufacturer of high-quality chocolate and cocoa products, registered flat sales volume growth (-0.4%) to 492,931 tonnes during the first three months of fiscal year 2016/17 (ended on November 30, 2016), against a strong base from the prior year. Overall volume growth was consistently above the declining global chocolate confectionery market (-2.3 %) ¹ in volume. A good performance in the chocolate business of 2.3% was balanced out by the ongoing and now almost completed intentional discontinuation of less profitable cocoa contracts (-8.6%). Gourmet & Specialties showed outstanding volume growth of 14.3% supported by the acquisition of the beverage powder mixes business from FrieslandCampina Kievit. Sales revenue for Barry Callebaut increased by +3.2% in local currencies (+4.2% in CHF) to CHF 1,885.8 million.

Outlook: Good visibility on volume growth, on track to deliver on ‘smart growth’ strategy

Looking ahead, CEO Antoine de Saint-Affrique said: “We have good visibility on volume growth and expect acceleration in the second half of the fiscal year. We are on track to deliver improved profitability in our cocoa business. The ‘smart growth’ strategy will provide us with the right balance to focus on consistent above-market volume growth, enhanced profitability and free cash flow generation. We confirm our mid-term guidance through 2017/18 of on average: 4-6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events.”

¹ Source: Nielsen, September-November 2016

Strategic milestones in the first three months of fiscal year 2016/2017

- **Expansion:** In September, Barry Callebaut announced its intention to acquire and integrate the chocolate production facility of Mondelez International in Halle, Belgium, in its network. In addition, Mondelez International will enter into a long-term agreement for the supply of an additional 30,000 tonnes of liquid chocolate per year. The transaction was closed on December 31, 2016. Furthermore, chocolate capacity expansions were announced in California, US, and in Singapore. The opening of the first chocolate factory in Indonesia was also an important milestone for the Group.
- **Innovation:** Together with a high tech partner in the Netherlands, Barry Callebaut developed a revolutionary 3D chocolate printing capability. With 3D chocolate printing, Barry Callebaut can combine its rich legacy in chocolate making with the technologies of tomorrow, creating new experiences in enjoying chocolate.
- **Sustainability:** In November Barry Callebaut launched its new sustainability strategy Forever Chocolate, targeting 100% sustainable chocolate by 2025. In order to make sustainable chocolate the norm, Forever Chocolate includes four targets that the company expects to achieve by 2025 and that address the biggest sustainability challenges in the chocolate supply chain: child labor, farmer poverty, its carbon and forest footprint and sustainable sourcing. See also: <https://www.barry-callebaut.com/new-sustainability-strategy>.

Regional/Segment performance**Region EMEA – Good volume growth in developed markets**

The European chocolate confectionery market volumes declined by 3.1%.²

Barry Callebaut's sales volume in Region EMEA (Europe, Middle East, Africa) recorded volume growth of 2.2% to 225,087 tonnes in a still challenging market. All product groups contributed to this result, in particular Gourmet & Specialties, supported by the acquisition of the beverage powder mixes business from FrieslandCampina Kievit.

Western Europe had strong volume growth in both Food Manufacturers and Gourmet, while Eastern Europe faced a more challenging environment.

Sales revenue in Region EMEA increased by 3.3% in local currencies (+3.0% in CHF) to CHF 772.7 million as a result of good volume growth and increased sales of Specialties products.

Region Americas – Steady start

The chocolate confectionery market volumes in the Americas declined by 2.0%.²

After the outstanding prior-year quarter with double-digit growth, Region Americas had a steady start with 1.4% volume growth to 113,112 tonnes. Strong growth in Gourmet & Specialties, as well as a strong performance in South America, were partly offset by softer growth in Food Manufacturers in North America.

Sales revenue in Region Americas was flat at -0.2% in local currencies (+0.8% in CHF) and came in at CHF 431.7 million, as a result of lower raw material prices.

Asia Pacific – Growth momentum continues

Chocolate confectionery market volumes in Asia Pacific grew by 3.7%.³

² Source: Nielsen, September-November 2016

³ Source: Nielsen, September-November 2016

Barry Callebaut's Region Asia Pacific delivered solid volume growth of +8.8% to 22,544 tonnes with most of the key countries in the Region performing well. Growth was mainly driven by Food Manufacturers.

Sales revenue rose by 10.2% in local currencies (+13.8% in CHF) to CHF 92.9 million as a result of a better product and customer mix.

Global Cocoa – Intentional volume decline continues

In Global Cocoa, sales volume to third parties was down by -8.6%, to 112,188 tonnes. As earlier indicated, the phasing-out of less profitable contracts was continued and is now nearing completion. Sales revenue grew by 4.5% in local currencies (+7.2% in CHF) to CHF 588.5 million, due to a more favorable product mix.

Price developments on the most important raw material spot markets

Cocoa bean prices decreased by 14% in the first 3 months of the current fiscal year, from GBP 2,274/MT to GBP 1,956/MT. The downward move was driven by expectations of a surplus in the crop year 2016/17, mainly of bigger West African crops. 2016/17 follows a crop year that was characterized by a sizable deficit. Until the end of December 2016, cocoa bean prices further dropped to levels below GBP 1,800/MT, based on a strong main crop and continued weak demand. The combined ratio is heading in the right direction, though volatility remains high. After a significant recovery at the end of October 2016, the combined cocoa ratio again experienced a downturn; however, it is still at a higher level compared to the prior year.

After a final surge leading the world **sugar** market to a 4-year high at the end of September 2016, prices heavily reversed, driven by the financial investors, who reduced their record net long positions, and by forecast of a smaller deficit. In Europe, prices kept moving up, still driven by expectations of historically low stocks at the end of the current campaign.

In the period under review, **milk powder** prices, and even more so milk fat prices, continued to climb due to considerably reduced milk production on a worldwide scale.

Financial Calendar for Fiscal Year 2016/17 (September 1, 2016 to August 31, 2017):

Half-year results 2016/17 (news release & conference)	April 12, 2017
9-month key sales figures 2016/17 (news release)	July 13, 2017
Full-year results 2016/17 (news release & conference)	November 8, 2017
Annual General Meeting 2016/17	December 13, 2017

About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 6.7 billion (EUR 6.1 billion / USD 6.8 billion) in fiscal year 2015/16, the Zurich-based Barry Callebaut Group is the world's leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs more than 50 production facilities worldwide and employs a diverse and dedicated global workforce of close to 10,000 people.

The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels,

restaurants or caterers. The two global brands catering to the specific needs of these Gourmet customers are Callebaut® and Cacao Barry®.

The Barry Callebaut Group is committed to make sustainable chocolate the norm by 2025 to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the Cocoa Horizons Foundation in its goal to shape a sustainable cocoa and chocolate future.

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Key Figures					
Sales volume	Tonnes		(0.4%)	492,931	494,873
Sales revenue	CHF m	3.2%	4.2%	1,885.8	1,809.3
By Region					
EMEA					
Sales volume	Tonnes		2.2%	225,087	220,196
Sales revenue	CHF m	3.3%	3.0%	772.7	750.3
Americas					
Sales volume	Tonnes		1.4%	133,112	131,230
Sales revenue	CHF m	(0.2%)	0.8%	431.7	428.4
Asia Pacific					
Sales volume	Tonnes		8.8%	22,544	20,716
Sales revenue	CHF m	10.2%	13.8%	92.9	81.6
Global Cocoa					
Sales volume	Tonnes		(8.6%)	112,188	122,731
Sales revenue	CHF m	4.5%	7.2%	588.5	549.0
By Product Group					
Sales volume	Tonnes		(0.4%)	492,931	494,873
Cocoa Products	Tonnes		(8.6%)	112,188	122,731
Food Manufacturers Products	Tonnes		0.4%	321,233	320,077
Gourmet & Specialties Products	Tonnes		14.3%	59,510	52,065
Sales revenue	CHF m	3.2%	4.2%	1,885.8	1,809.3
Cocoa Products	CHF m	4.5%	7.2%	588.5	549.0
Food Manufacturers Products	CHF m	0.1%	0.5%	1,002.8	997.4
Gourmet & Specialties Products	CHF m	11.8%	12.0%	294.5	262.9