



Barry Callebaut

Roadshow Presentation– Nine-month key sales figures 2011/12

July 2012

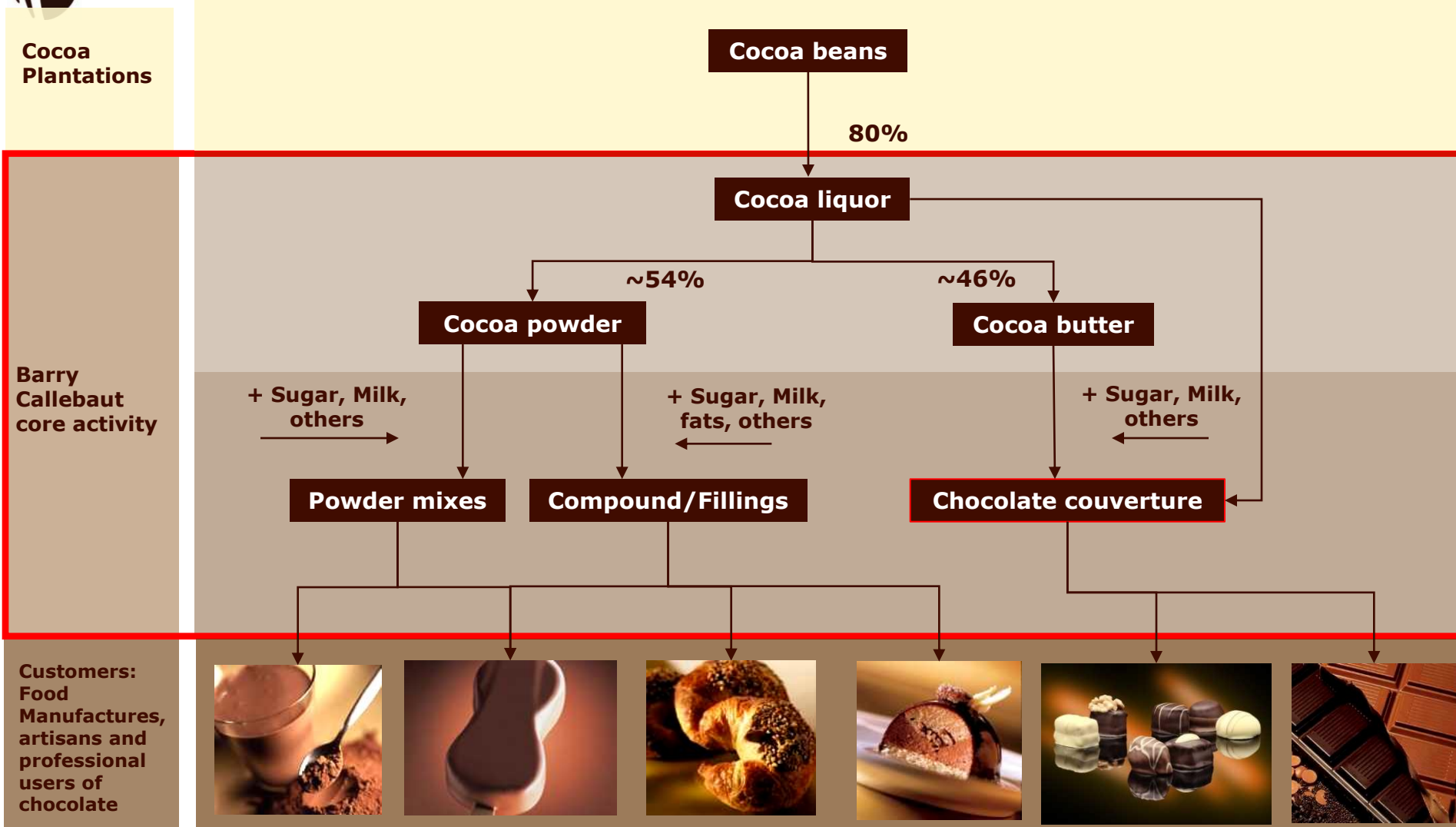




Agenda

- ▶ **BC at a glance**
- ▶ Highlights 9 months- 2011/12
- ▶ Strategy and guidance

Barry Callebaut is present in all stages of the industrial chocolate value chain

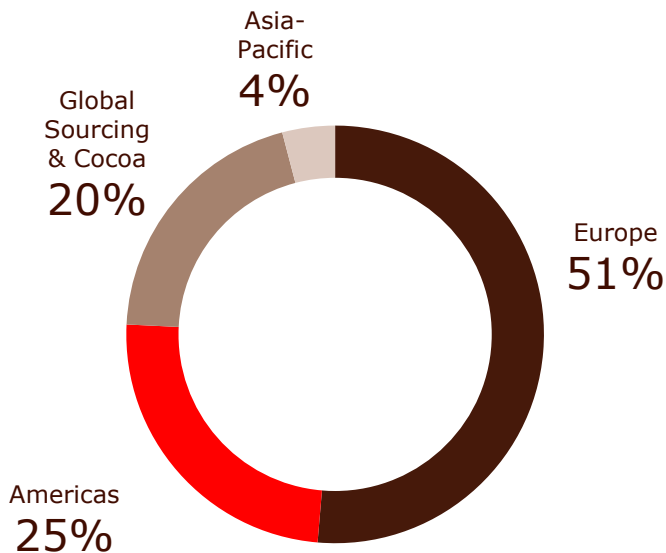




Barry Callebaut at a glance

FY 2010/11

Sales volume = 1,296,438 tonnes



Sales revenue = CHF 4,554 m

EBIT = CHF 360.6 m

Net Profit * = CHF 258.9 m

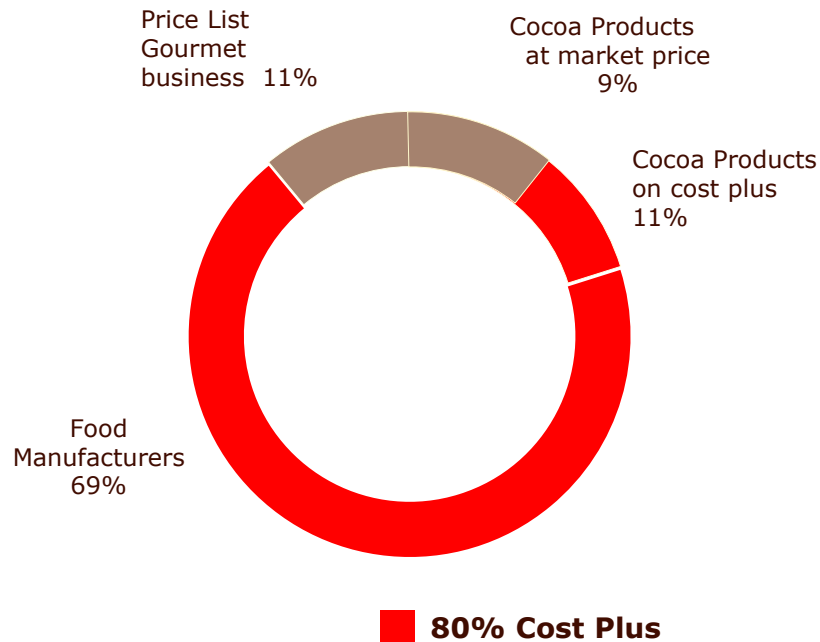
* From continuing operations

- ▶ **World leader** in high-quality cocoa and chocolate products and **outsourcing/ strategic partner** of choice
- ▶ World's **largest supplier of Gourmet & Specialties chocolate** for artisanal customers
- ▶ **6,000 people** worldwide, around **40 production facilities**
- ▶ **Fully integrated** with a strong position in cocoa-origin countries
- ▶ **Close to 2,000 recipes** to cater for a broad range of individual customer needs
- ▶ We serve the entire food industry, from **industrial food manufacturers to artisans and professional users**

Robust business model



Barry Callebaut business model



- ▶ Raw materials represent about 80% of operating costs

Cost Plus model – pass-on the cost of raw materials to customers



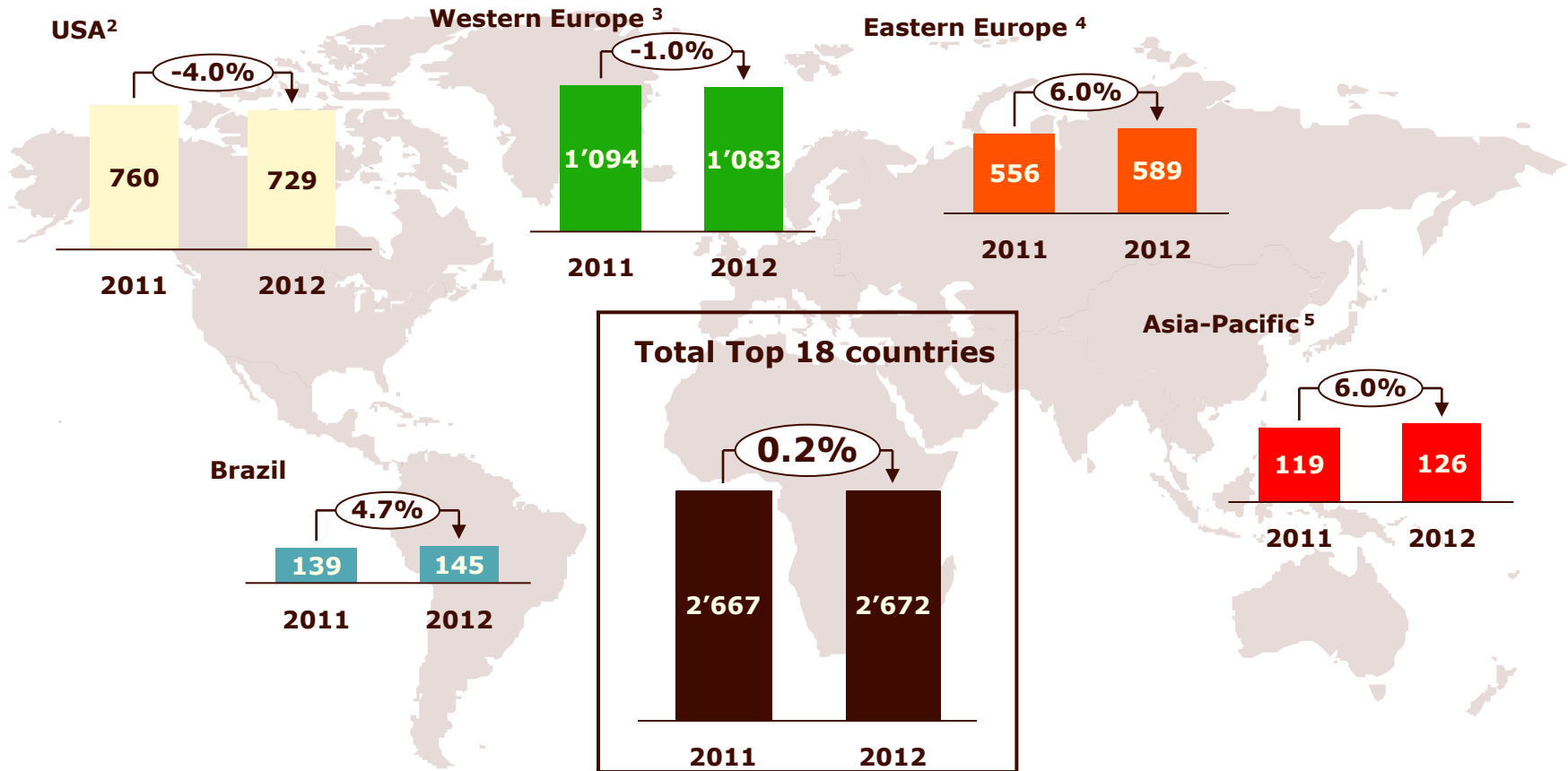
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Global chocolate confectionery volume was flat

8 Months Sep-April 2012 (in 1,000 tonnes)¹



1 Source: Nielsen data (Sep 2011- April 2012) Top 16 countries represent app. 73% of the global chocolate market in volume

2 USA 3 months only 55% coverage and total volumes are estimated based on a share distribution by Euromonitor

3 Western Europe includes: Belgium, France, Germany, Italy, Netherlands, Spain, Switzerland, and UK

4 Eastern Europe includes: Russia, Ukraine, Poland, Turkey

5 Asia-Pacific includes: China, India, Indonesia and Japan

6 BC estimates - Gourmet team



Growth driven by Emerging markets and FM

Sales Volume per Region – 9 months 2011/12



Europe +3.7%

- Overall chocolate confectionery market grew 1.7%. Growth driven by FM business from both Western Europe and Eastern Europe, the latter with double digit growth.
- Higher demand for Chocolate Specialties
- Gourmet and Specialties mainly affected by Southern countries and Beverages



Americas +15.0%

- Overall chocolate confectionery market -4%. FM business achieved double-digit growth in FM (Corporate and National accounts). Strong growth from Mexico and South America
- Gourmet showed double-digit growth, due to more distribution points and first signs of market recovery



Asia-Pacific +12.3%

- Overall market +6.3%; Broad-based growth accross countries and customers. Gourmet developed well with local and global brands. Chocolate production capacities extensions to be concluded shortly



Global Sourcing & Cocoa +3.3%

- BC continued to invest in grinding capacity, which partly limited sales. Sales positively impacted by volume from strategic partnerships



Other highlights /developments

Barry Callebaut and Morinaga to extend partnership in Japan



Renewal and extension of a 10-year supply agreement between Barry Callebaut and Morinaga for up to 16,000 tonnes of chocolate and compound deliveries a year. In January 2008, Barry Callebaut and Morinaga closed a 10-year supply agreement for 9,000 tonnes a year.

Barry Callebaut to build a new chocolate and compound factory near Tokyo

During the next 12 months, Barry Callebaut will invest a total of CHF 18.5 million (EUR 15.4 million / USD 19.4 million).

Barry Callebaut undertakes expansion projects for North America

Plans for additional investments in the core chocolate molding capacity in its facility in St Albans, Vermont. Purchase the assets of the Chatham, Ontario facility of Batory Industries Company. Expanding liquid and chocolate molding capacity in Northeast. This will add approx. 60,000 tonnes capacity, investing a total of CHF 26.8 million (EUR 22.5 million / USD 27.9 million).



Establishing a Cocoa Center of Excellence

To promote advanced agricultural techniques in Côte d'Ivoire. The Center will include training facilities for farmers and a 30-hectare "showcase farm" to demonstrate state-of-the-art intercropping techniques and other yield enhancement practices and double farm productivity (Investment CHF 1 million).

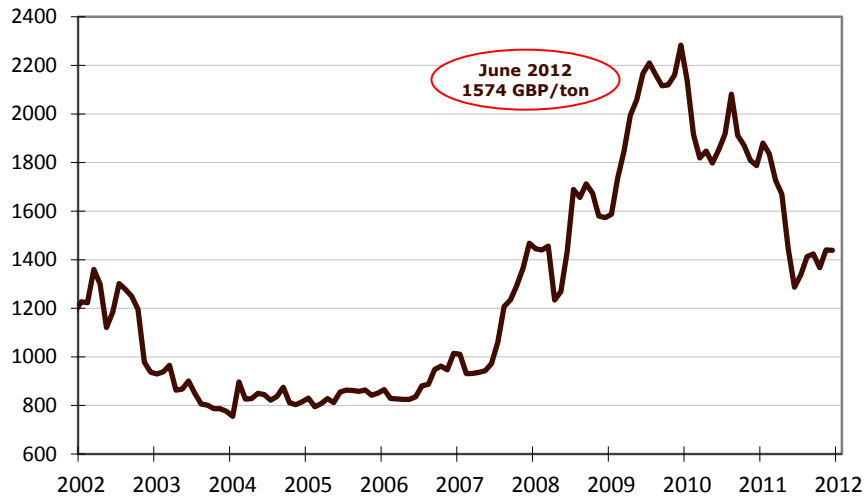




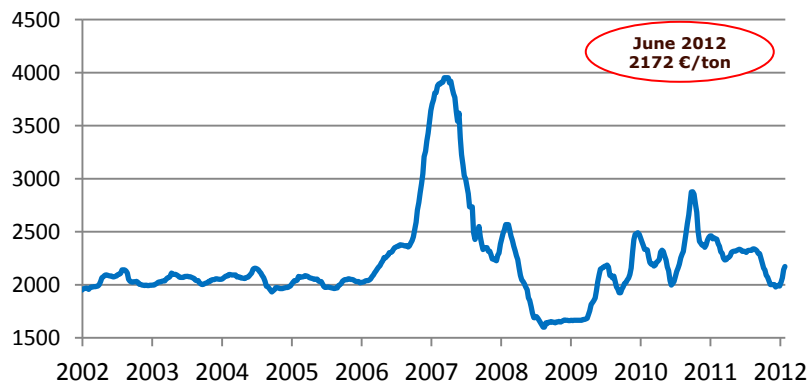
Raw material price development

Main raw material prices down

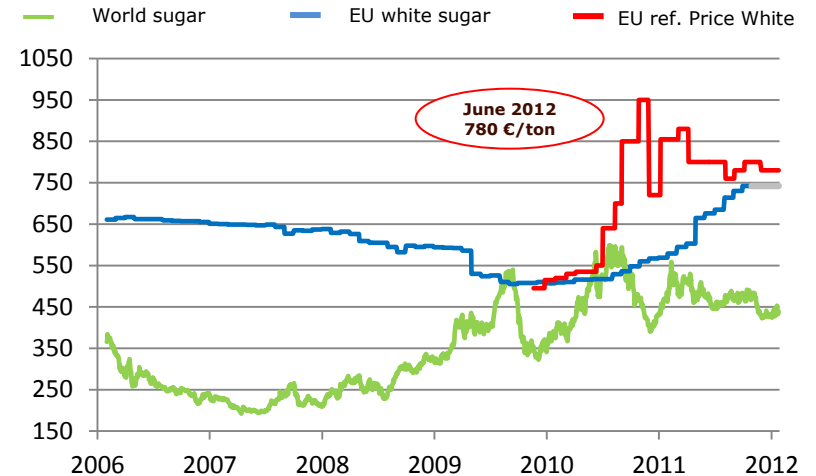
Cocoa bean price (GBP/tonne)



Skimmed milk powder price (EUR/tonne)



White Sugar average price (EUR/tonne)



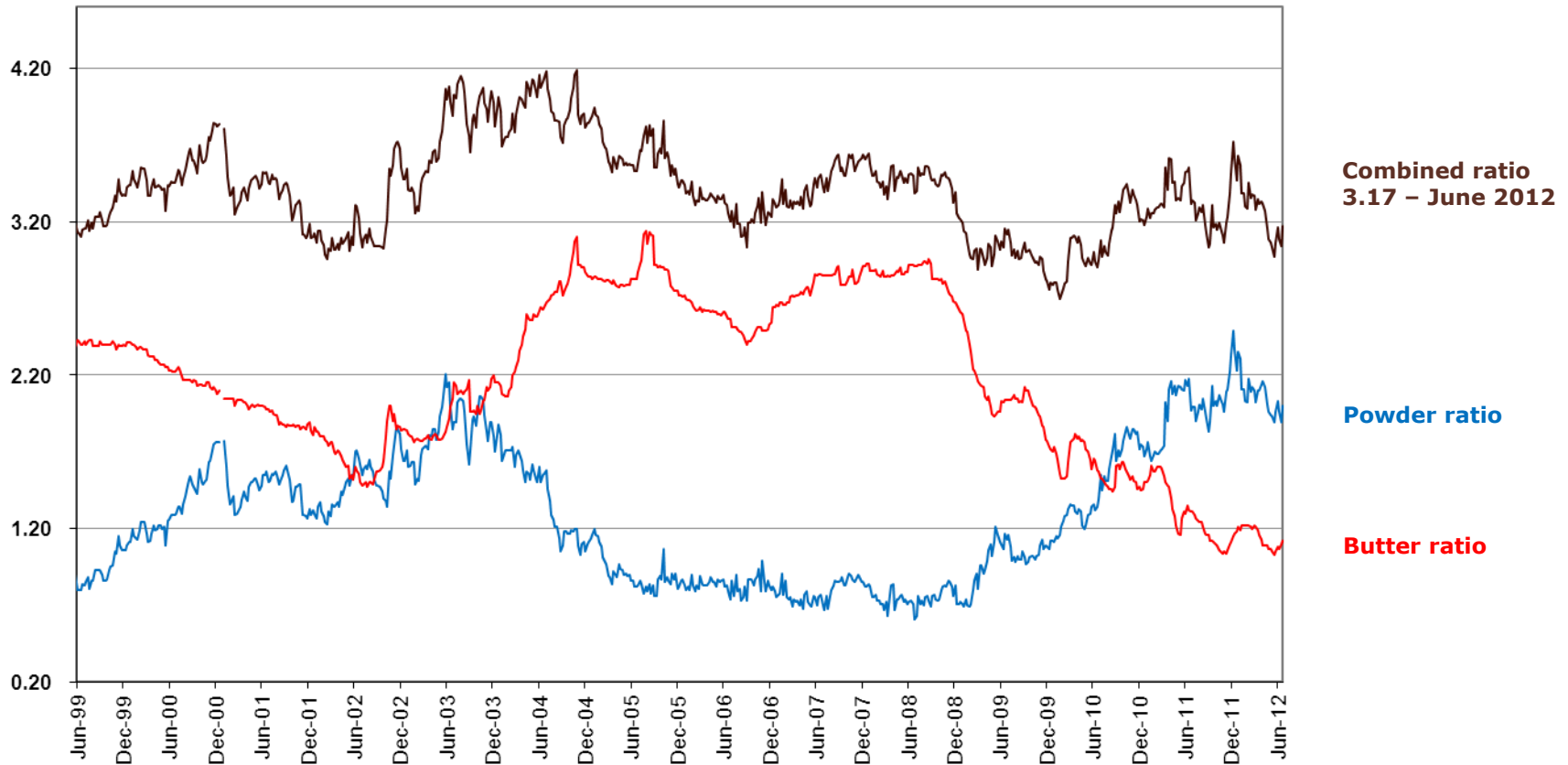
- ▶ BC, through its "cost plus" model, passes on the cost of raw materials to customers (80% of our business).
- ▶ **Cocoa price** down 20% vs. a year ago, industry is still well covered. No change vs last quarter, but intense intraday volatility.
- ▶ **Sugar price** moved sideways. Good crops globally but stock levels are still rather low. No significant price decline to be expected in the EU.
- ▶ **Milk powder price** down due to good production levels and slow consumption. Recently spiked up.



Cocoa processing activity

Combined cocoa ratio consolidating at lower levels

Cocoa powder-butter combined ratio* – European ratios 6 months forward against LIFFE



- ▶ Combined ratio under pressure. Butter ratios continue tend down. Powder also slightly down, but still at high level
- ▶ Low combined cocoa ratios = negative impact on BC cocoa (semi-finished products) business



Five areas of recent additional investments in order to cope with future growth

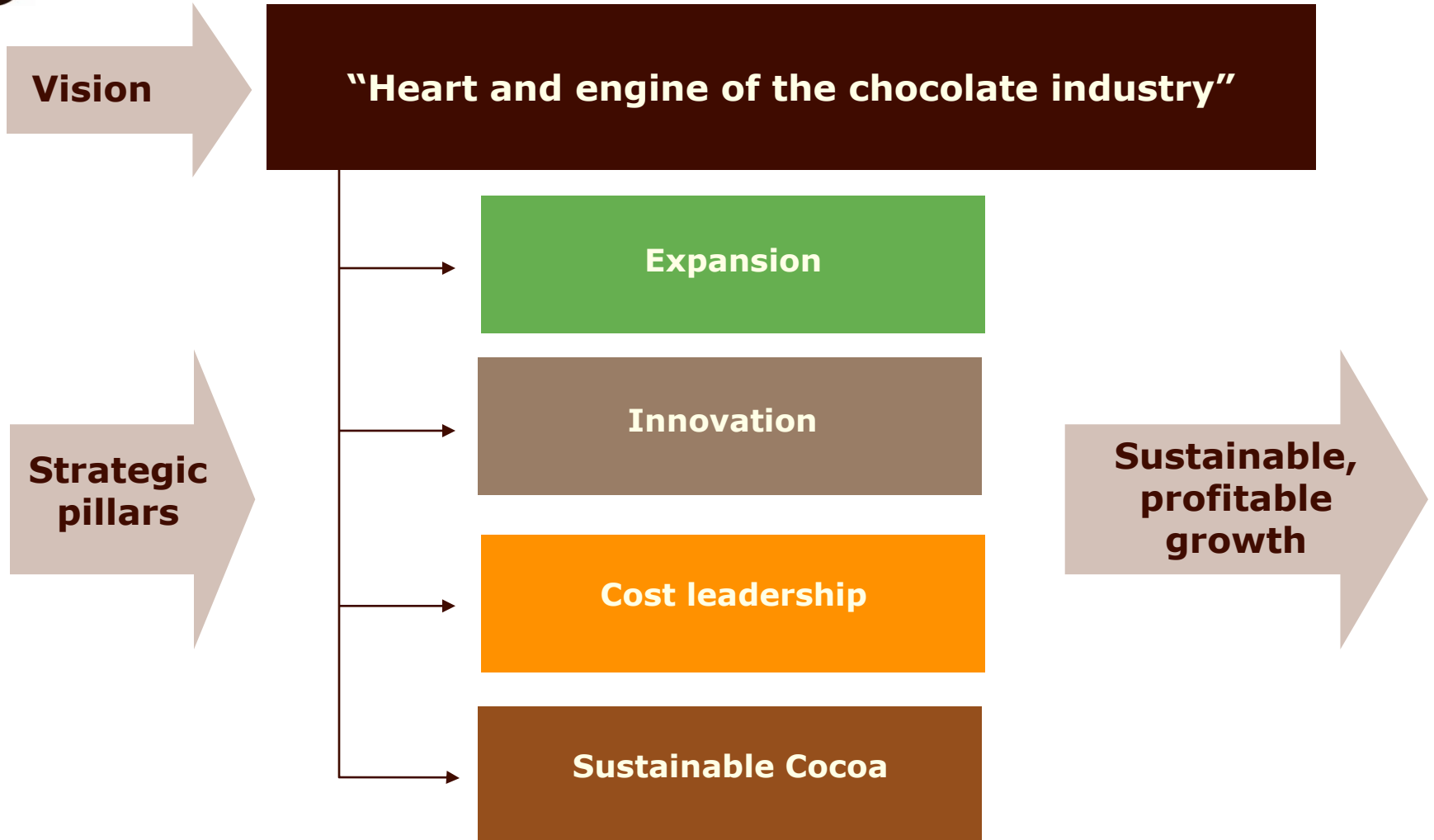
1. Investments in structures (HR, Q&A, IT, Supply Chain, Customer Service)
2. Ramp-up of outsourcing deals
3. Investments in Gourmet
4. Factory expansions
5. Investments in Sustainable Cocoa



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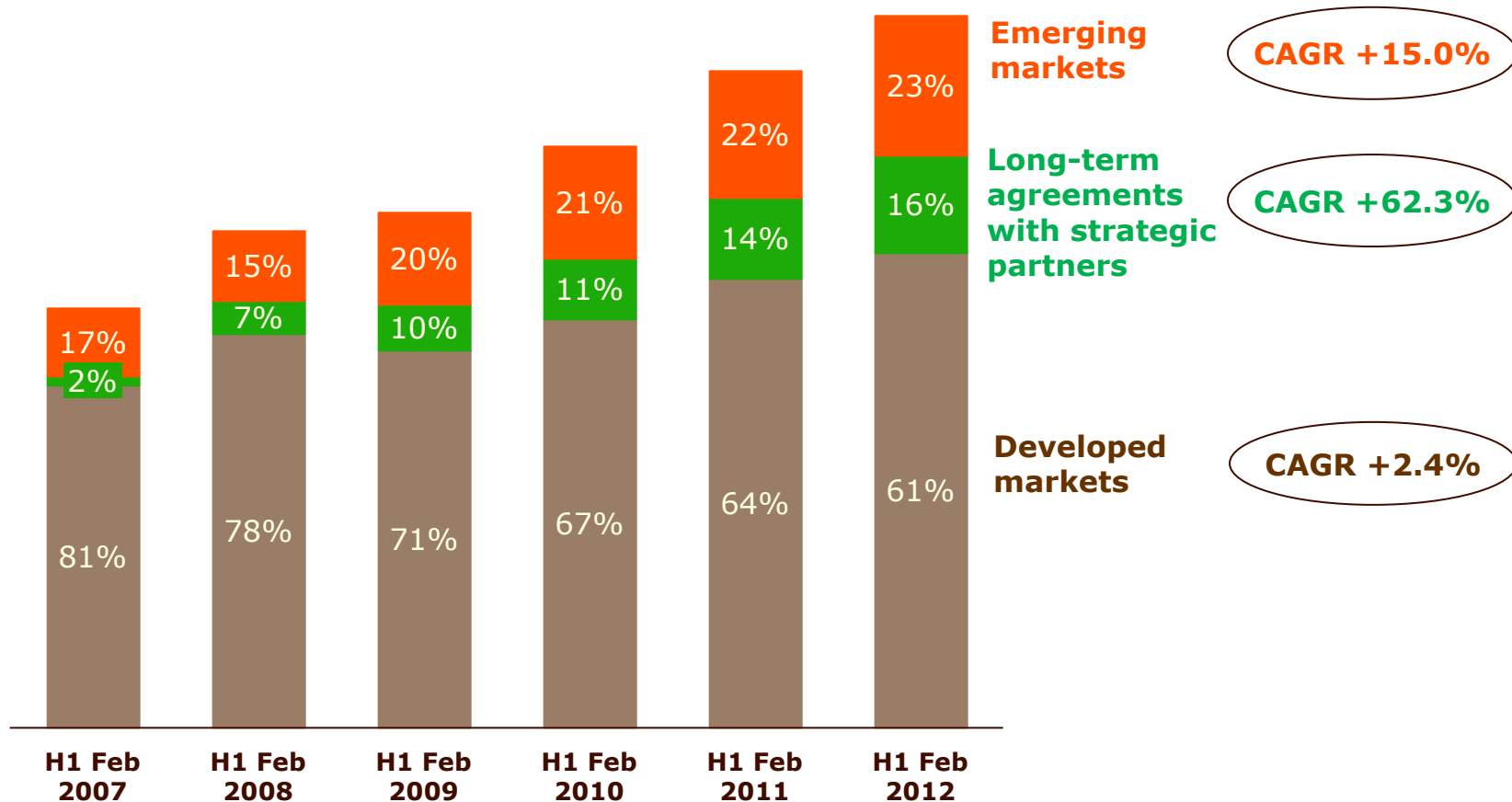
Our Strategy



Expansion Growth driven by emerging markets and long-term agreements

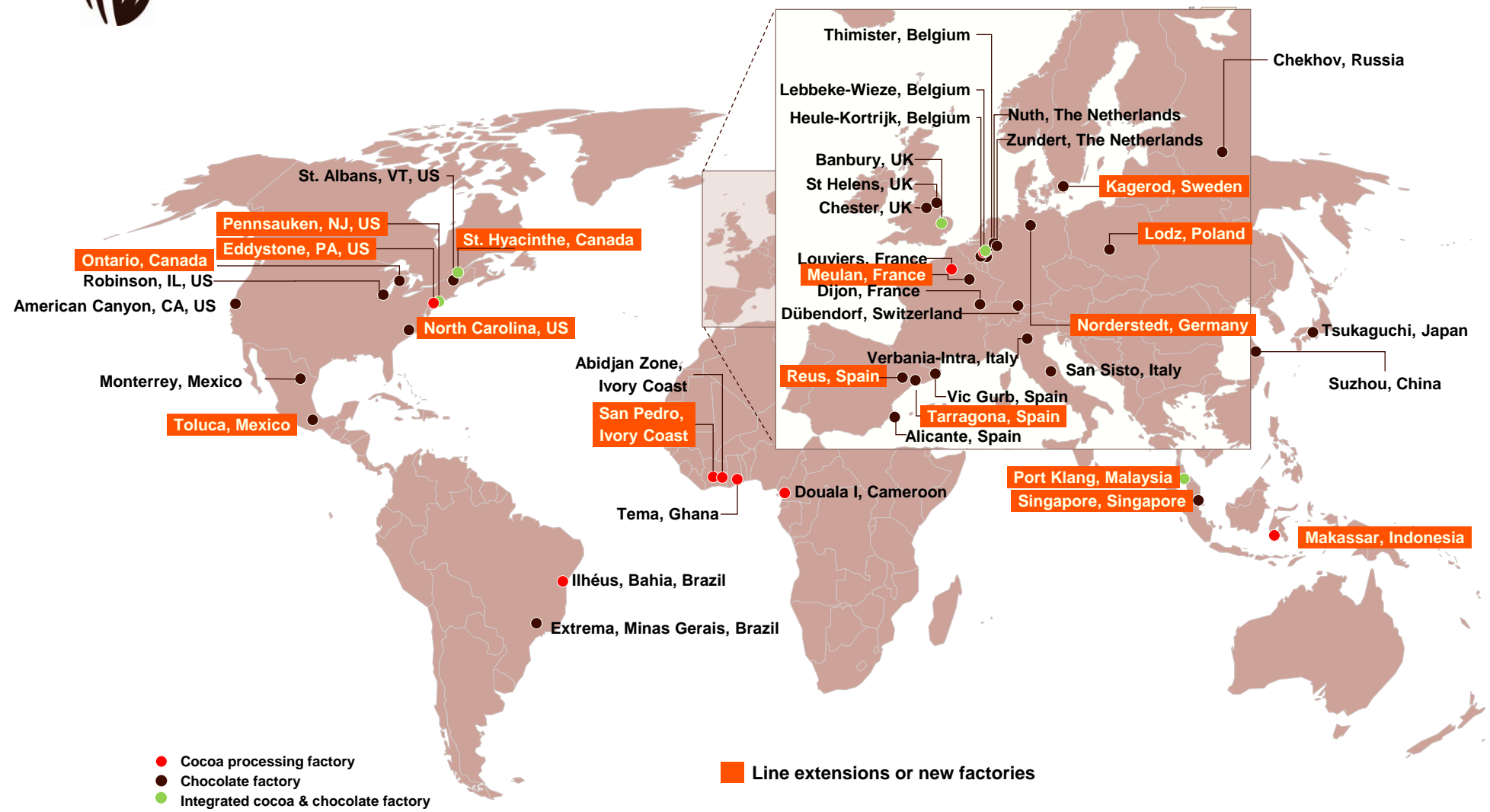


% of total consolidated sales volume* - 5 year development



* Excluding Consumer Business

Expansion of our manufacturing footprint in the last 12 months



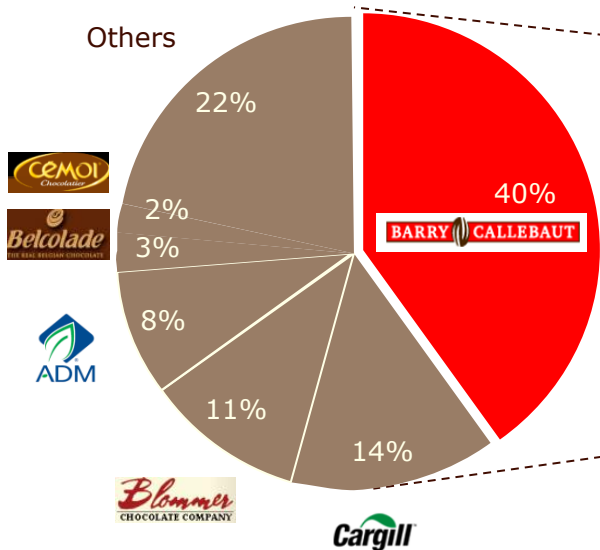


BC market leader in the open market

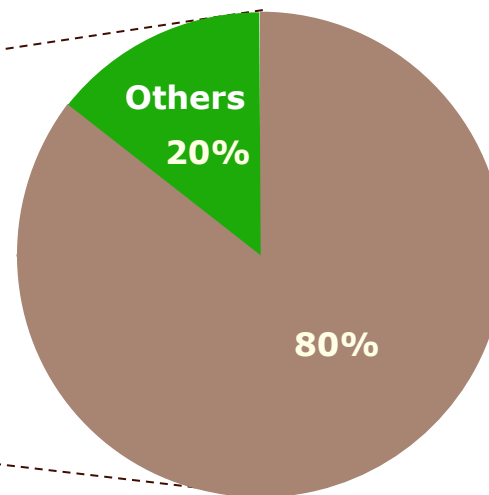
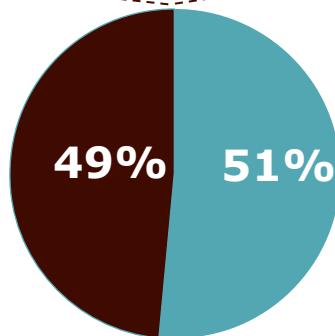
Global Industrial Chocolate market in 2010/11 = 6,000,000 tonnes*

Open market

Competitors



Integrated market



Big 4 chocolate confectionary players



*BC estimates

Expansion

Outsourcing and Strategic Partner of choice



2006-07



Nestlé
(February 2007)



**Cadbury
Schweppes**
(June 2007)



Hershey
(April 2007)



Morinaga
(September 2007)

2010-11



Kraft Foods
(September 2010)



**Green Mountain
Coffee Roasters**
(Oct 2010)



Hershey Extension
(May 2011)



Chocolates Turín
(June 2011)



Baronie Group
(July 2011)

2011-12



Bimbo
(Jan 2012)



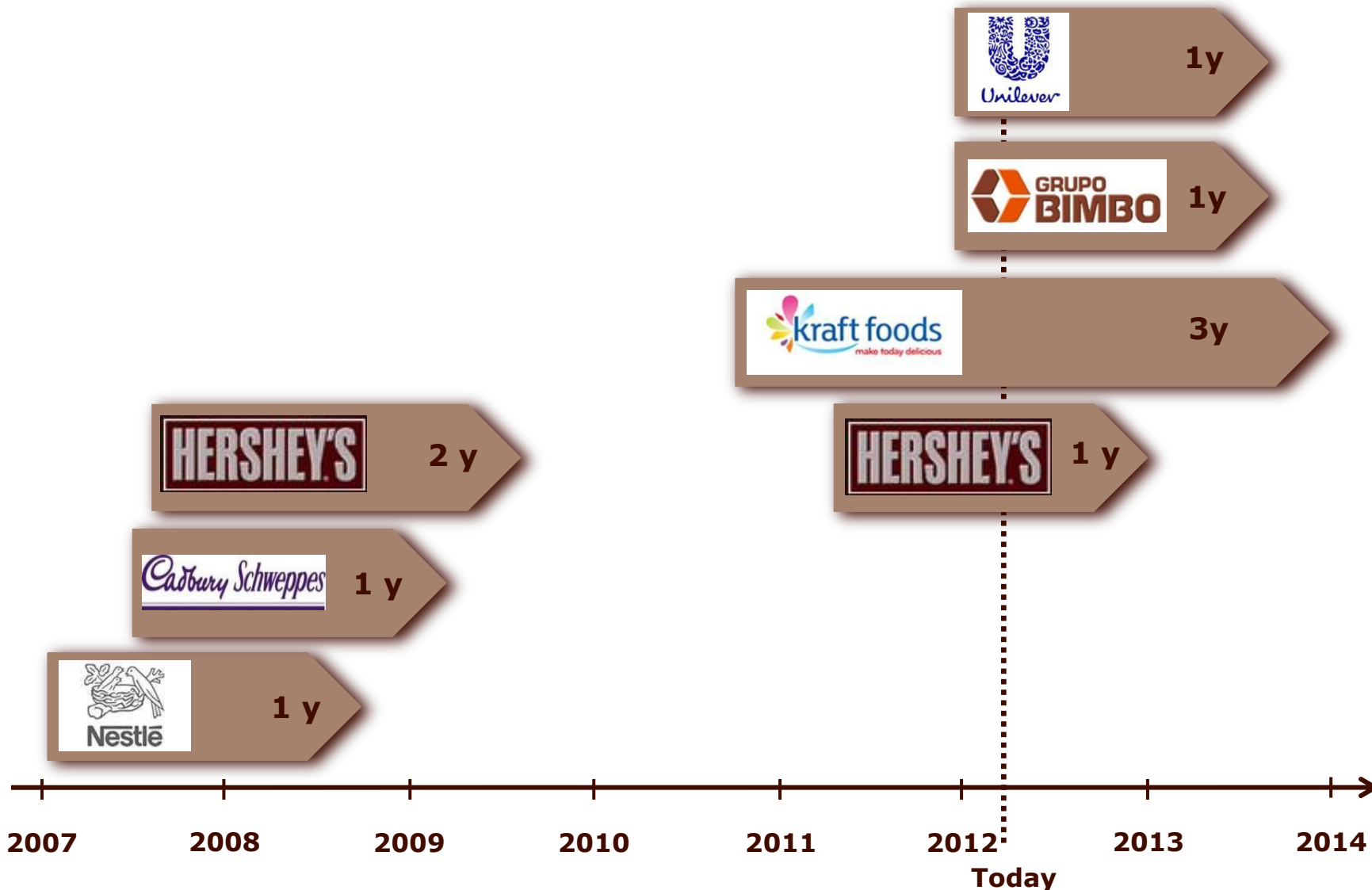
Unilever
(Jan 2012)



Morinaga
(June 2012)

Expansion

Ramp-up phases of recent long-term strategic agreements/outourcing deals

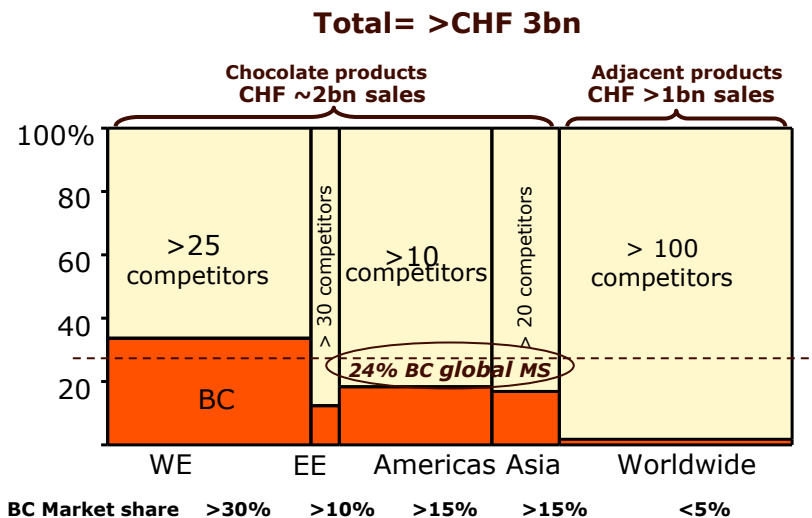


Gourmet

6 actions to accelerate Gourmet growth



Gourmet global market and BC presence



1. Sharpen focus on global brands
2. Independent but Interdependent
3. From product to segment focus
4. Growth through acquisitions
5. Accelerate geographical expansion
6. Increase adjacent product offering



Accelerating Gourmet business

Growth through acquisitions / adjacencies



▶ **La Morella Nuts**

- ▶ Specialist in producing a variety of high quality nut-based ingredients
- ▶ Planned launches as of May 2012:
 - 8 new products under the Cacao Barry® brand
 - 10 new products under the Callebaut® brand
 - 50+ La Morella Nut products



▶ **Mona Lisa**

- ▶ Leader in chocolate decorations products in the U.S.
- ▶ Addition to our existing Center of Excellence for chocolate decorations in Zundert (NL); new, additional foothold in the U.S.



▶ **Fillings extension & renovation**

Innovation: Developed by Barry Callebaut

Award winning products and initiatives



- ▶ Innovation Award for Terra Cacao (FiE Nov 2011)
 - ▶ Most innovative Food Ingredient Award
 - ▶ Confectionery Innovation of the year
 - ▶ Barry Callebaut's most successful specialties launch

- ▶ Innovation Award for Stevia chocolate (ISM Jan 2012)
 - ▶ Belgium-based customer Cavalier

- ▶ Cocoa Industry Award (Nov 2011)
 - ▶ Joint agronomy research program with KLK Selborne Estate in Malaysia
 - ▶ Best plantation in Malaysia; given by Malaysian Cocoa Board



Cost Leadership

Project Spring



Objective: Streamline our internal processes to improve the overall service for our Customers and create competitive cost advantage

Scope: Main focus areas in Western Europe

- Customer Service
- Pricing
- Sales & Operations Planning
- Quality Assurance
- New Product Introduction
- Source to Pay
- Master Data Harmonisation

Spend: EUR 30 mn (CAPEX and OPEX) over 2 years

Process
redesign

IT systems &
solutions

Project Mgt
related costs

Reorganization
costs

Benefits: Increase our speed to the market and adjust our organisation for future growth

Potential annual savings of at least EUR 10 mn fully effective as of year 3



Sustainable Cocoa

Cocoa Horizons / Sourcing diversification



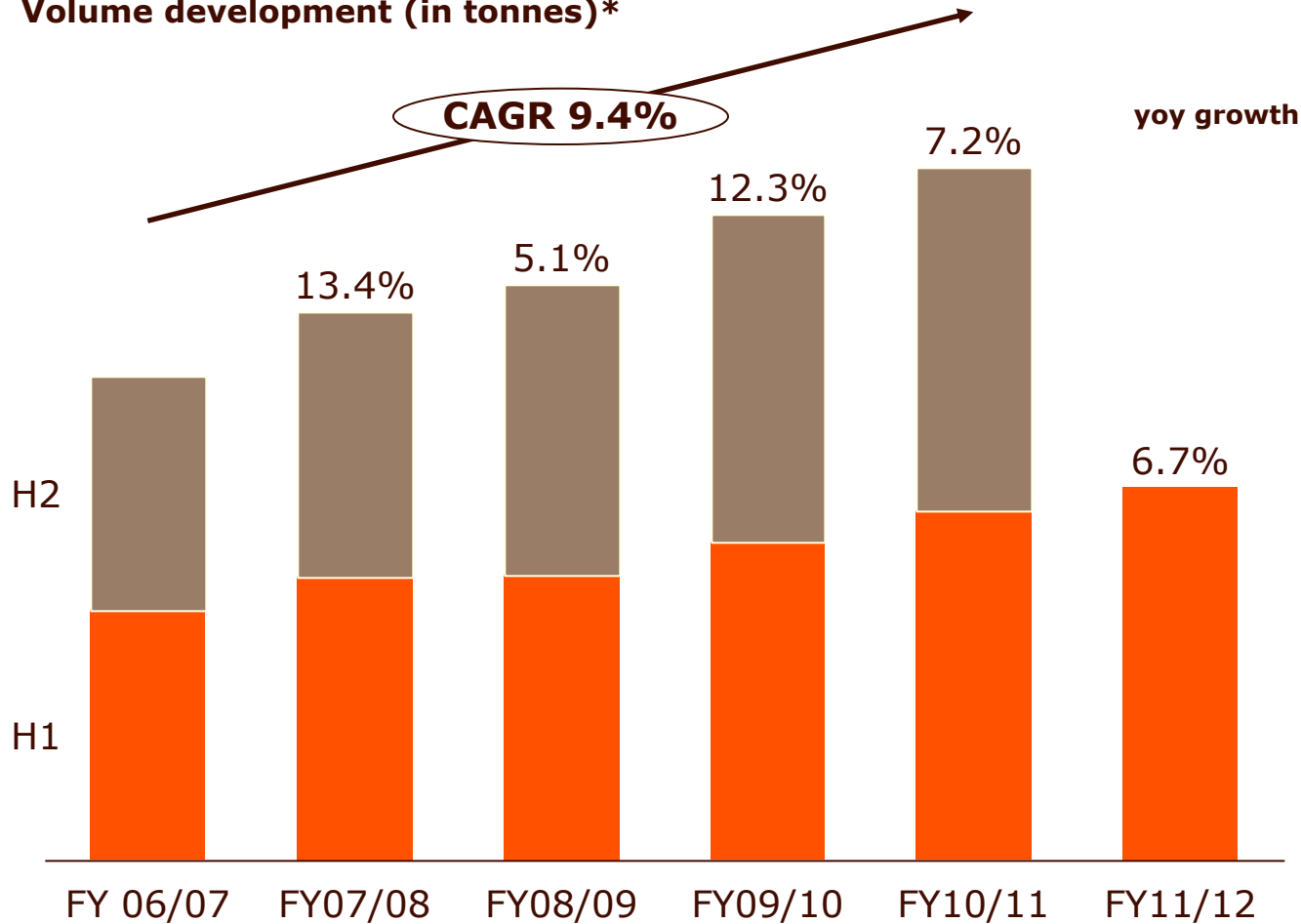
- ▶ Cocoa Horizons: CHF 40 Million to be invested in 10 years in origin countries; largest program in Barry Callebaut's history
 - ▶ Goals:
 - Increase cocoa farms productivity
 - Increase amount of certified cocoa
 - Improve livelihoods in cocoa communities
 - ▶ Focus:
 - Farmer Practices
 - Farmer Health
 - Farmer Education
 - Establish a Center of Excellence and Farmer Academies
- ▶ JV with PT Comextra Majora
 - ▶ New cocoa processing factory in Indonesia (sourcing diversification)
 - ▶ Helps to satisfy the increasing demand for cocoa products in the fast-growing Asia-Pacific region





Our performance in relation to our mid-term guidance

Volume development (in tonnes)*

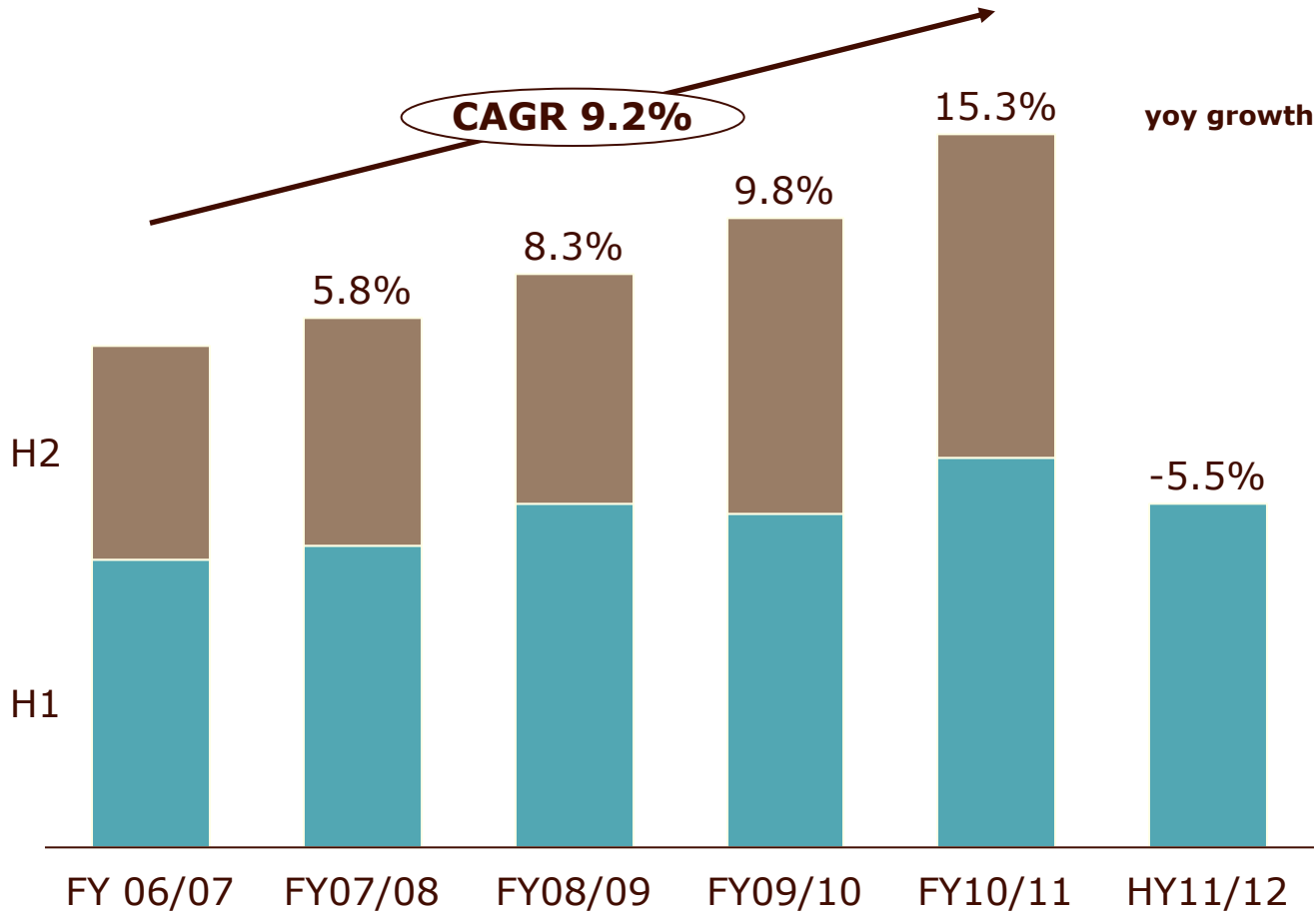


* Excluding consumer business

Our performance in relation to our mid-term guidance



EBIT development (in Local currencies)*



* Excluding consumer business



Confident to reach our mid-term financial targets

- ▶ Four-year average growth targets for 2009/10 –2012/13
 - Volumes: 6-8%
 - EBIT: at least in line with volume growth

* Our view for the 2009-2013 period reflects current economic forecasts for the markets we operate in as well as internal developments and their assumed impact on our performance, barring any major unforeseen events and based on local currencies.



10 Reasons to invest in Barry Callebaut

- ▶ World leader in high-quality cocoa and chocolate products
- ▶ Cost Leadership along the entire value chain with a continuous improvement structure
- ▶ Leader and growing presence in emerging markets
- ▶ World's largest supplier of Gourmet & Specialties chocolate for artisanal customers
- ▶ Proven, focused and long-term oriented strategy
- ▶ Recognized innovation leader
- ▶ Superior growth opportunities through strong positioning in outsourcing and long-term strategic partnerships with major food companies
- ▶ Global chocolate service and production footprint, around 40 production facilities in 27 countries, with a strong footprint and local presence in key cocoa origin countries
- ▶ Strong track record of consistent earnings and cash flow generation
- ▶ Experienced, international and proven Management team





Appendix

Our product offering focuses on cocoa and chocolate



Food Manufacturers



- Standard chocolate
- Specialties
 - Certified
 - Probiotic
 - Re-balanced
 - Tooth-friendly
 - ACTICOA ® chocolate
- Compound
- Fillings
- Inclusions
- Decorations

Gourmet & Specialties



- Chocolate
- Cocoa Products
- Coating
- Fillings
- Decorations
- Chocolate and cocoa vending mixes



Cocoa Products



- Standard Cocoa Products (cocoa powder, butter, liquor)
- Low fat and high fat cocoa powders
- ACTICOA ®
- Certified products
- Specific applications

% of total
volume H1
2011/12

70%

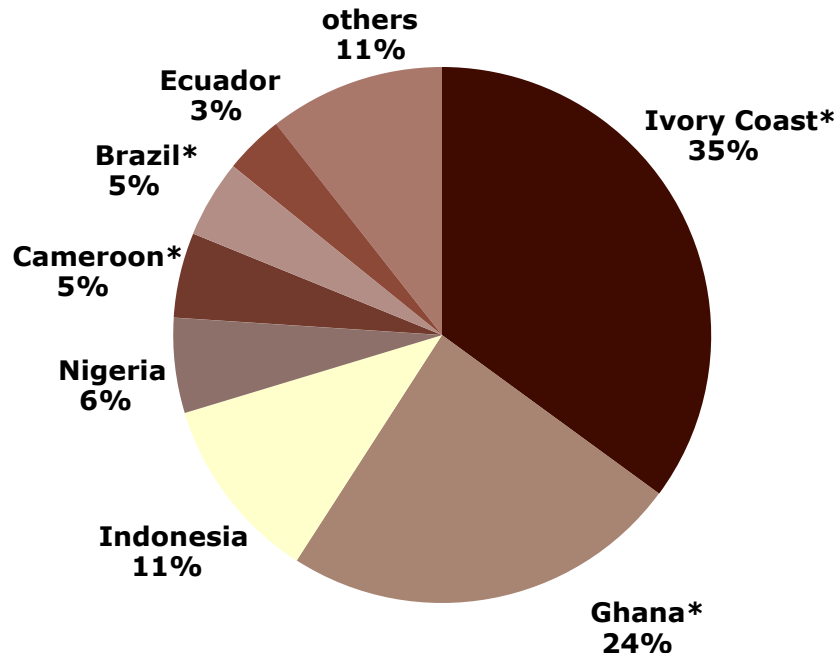
11%

19%



West Africa is the world's largest cocoa producer – BC sources locally

Total world harvest (10/11): 4,195k MT



- ▶ 70% of total cocoa beans come from West Africa
- ▶ BC processed ~540,000 tonnes of cocoa beans or 13% of total world harvest
- ▶ 61% sourced directly from farmers, cooperatives & local trade houses
- ▶ BC has various cocoa processing facilities in origin countries*, in Europe and in the USA

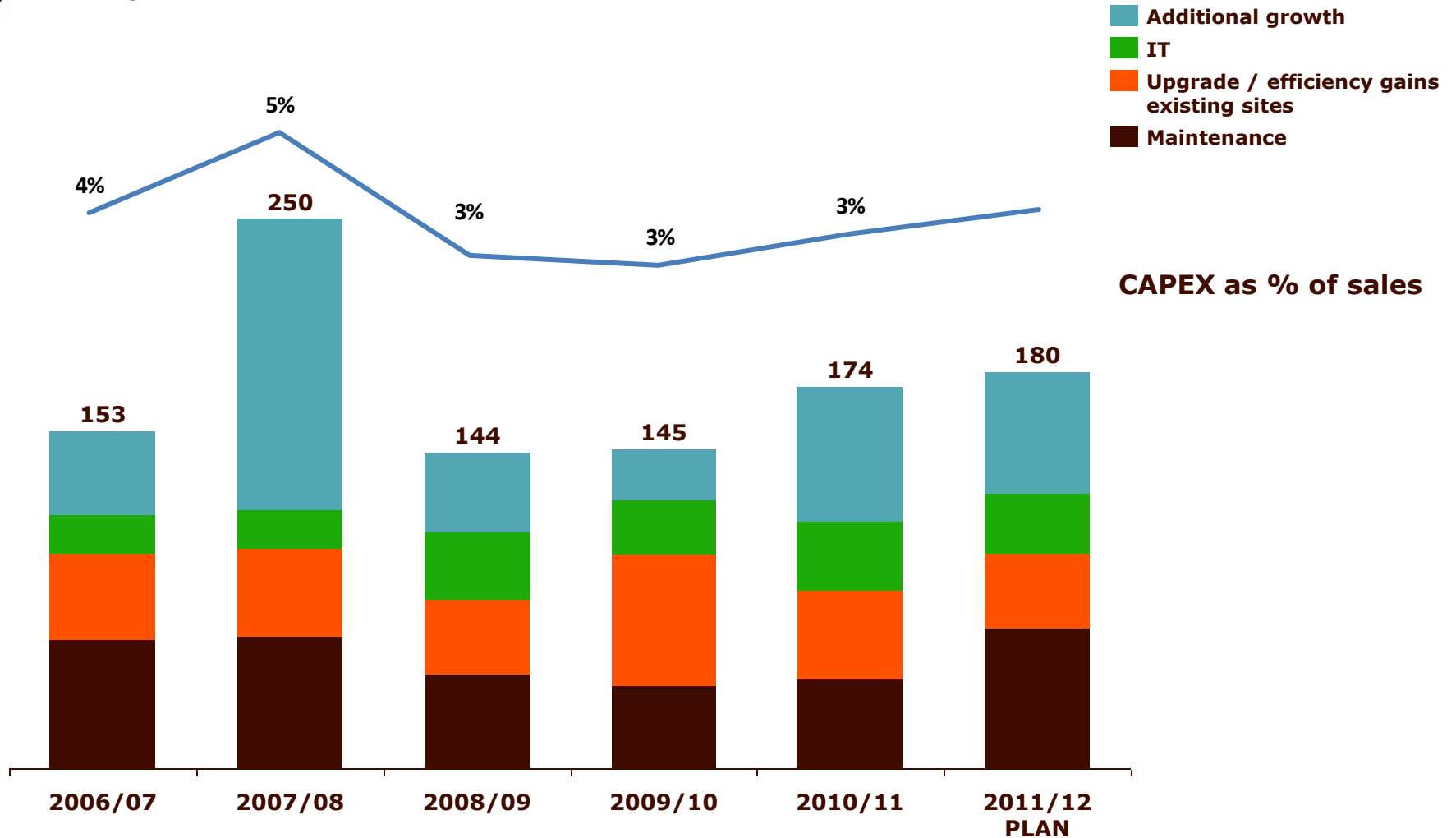
Source: ICCO estimates

CAPEX development

Investments support the growth of our business



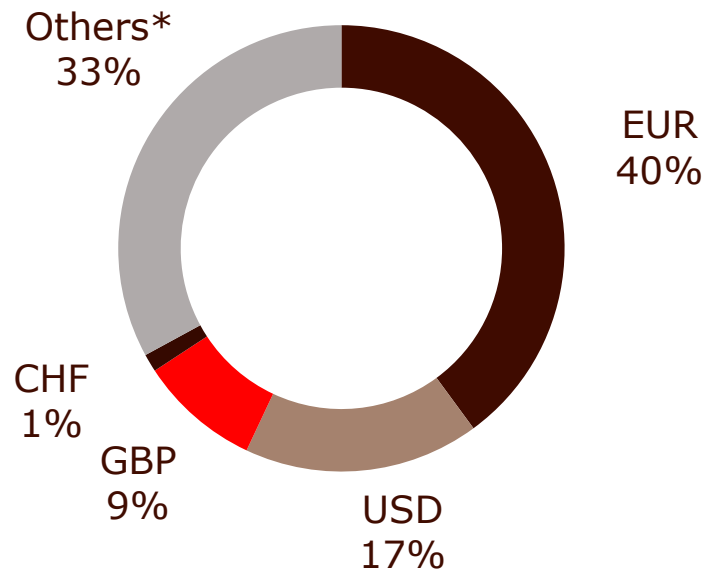
in mCHF





Revenue by currency

FY 2010/11 Sales Revenue



* Others include: Canadian Dollar, Mexican Peso, Brazilian Real, Japanese Yen, Russian Ruble, Australian Dollar, Chinese Yuan, Malaysian Ringgit, Polish Zloty, Czech koruna, Swedish Krona, Indonesian, Rupiah ,etc



Key Figures 2010/11 – from continuing operations

Solid and profitable growth

	Change in % In local currencies	Change in %	FY 2010/11	FY 2009/10 (restated)
Sales volume [in tonnes]		7.2%	1'296'438	1'209'654
Sales revenue [CHF m]	13.3%	0.7%	4'554.4	4'524.5
<i>CHF per tonne</i>	<i>5.7%</i>	<i>-6.1%</i>	<i>3'513</i>	<i>3'740</i>
Gross profit [CHF m]	11.4%	1.5%	659.0	649.5
<i>CHF per tonne</i>	<i>3.9%</i>	<i>-5.3%</i>	<i>508</i>	<i>537</i>
EBITDA [CHF m]	14.3%	4.2%	432.1	414.6
<i>CHF per tonne</i>	<i>6.6%</i>	<i>-2.8%</i>	<i>333</i>	<i>343</i>
Operating profit (EBIT) [CHF m]	15.3%	5.7%	360.6	341.1
<i>CHF per tonne</i>	<i>7.6%</i>	<i>-1.4%</i>	<i>278</i>	<i>282</i>

Note: Due to the discontinuation of the European Consumer Products business certain comparatives have been restated to conform with the current period's presentation.



Balance Sheet

Solid Balance Sheet with improvement of all key ratios

	Change in %	Aug 11	Aug 10
Total Assets [CHF m]	-8.6%	3'263.1	3'570.8
Net Working Capital [CHF m]	-8.0%	888.1	964.9
Non-Current Assets [CHF m]	-14.0%	1'208.4	1'405.8
Net Debt [CHF m]	-9.3%	789.8	870.8
Shareholders' Equity [CHF m]	-6.5%	1'217.1	1'302.3
Debt/Equity ratio		64.9%	66.9%
Solvency ratio		37.3%	36.5%
Net debt / EBITDA		1.8x	2.1x
Interest cover ratio		5.9x	5.8x
ROIC		15.5%	14.8%
ROE		20.6%	19.6%