# Letter to Investors 2010/11

BARRY CALLEBAUT

## Barry Callebaut

With annual sales of about CHF 4.6 billion (EUR 3.6 billion/USD 5.0 billion) for fiscal year 2010/11, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished chocolate product.

Barry Callebaut is present in 27 countries, operates around 40 production facilities and employs a diverse and dedicated workforce of about 6,000 people. Barry Callebaut serves the entire food industry focusing on industrial food manufacturers, artisans and professional users of chocolate (such as chocolatiers, pastry chefs or bakers), the latter with its two global brands Cacao Barry® and Callebaut®. Barry Callebaut is the global leader in cocoa and chocolate innovations and provides a comprehensive range of services in the fields of product development, processing, training and marketing. Cost leadership is another important reason why global as well as local food manufacturers work together with Barry Callebaut. Through its broad range of sustainability initiatives and research activities, the company works with farmers, farmer organizations and other partners to help ensure future supplies of cocoa and improve farmer livelihoods.

*Solid and profitable growth:*
*sales volume +7.2%*
*EBIT +15.3%*[1]
*net profit +19.8%*[1]

*Main growth drivers:*
*Emerging markets,*
*Gourmet and*
*strategic partnerships*

*New strategic pillar*
*"Sustainable Cocoa"*

*Financial targets confirmed*[2]

*1 In local currencies; from continuing operations.*
*2 Four-year growth targets for 2009/10–2012/13: On average 6–8% volume growth and average EBIT growth in local currencies at least in line with volume growth – barring any unforeseen events.*

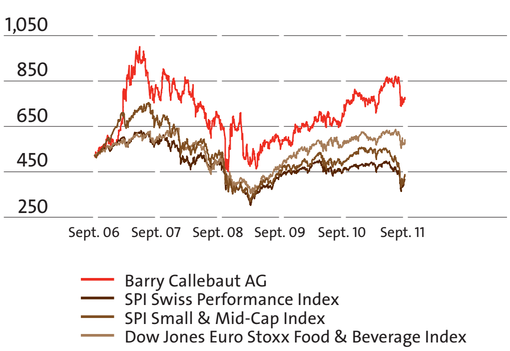
# Barry Callebaut at a glance

Barry Callebaut is organized into different regions: Region Europe (incl. Western and Eastern Europe), Region Americas and Region Asia-Pacific. The globally managed Global Sourcing & Cocoa business is reported as a separate segment like a Region. There are three different Product Groups: Cocoa Products, Food Manufacturers Products and Gourmet & Specialties Products.

| | Europe | Americas | Asia-Pacific | Global Sourcing & Cocoa |
|---|---|---|---|---|
| | Food Manufacturers, Gourmet | Food Manufacturers, Gourmet | Food Manufacturers, Gourmet | Cocoa |
| | **52 % of consolidated sales volume** | **24% of consolidated sales volume** | **4% of consolidated sales volume** | **20% of consolidated sales volume** |
| **Volume growth vs. prior year** | +1.8% | +8.2% | +10.4% | +21.7% |
| **EBIT growth vs. prior year** (in local currencies) | +10.0% | (11.6%) | +33.0% | +57.2% |

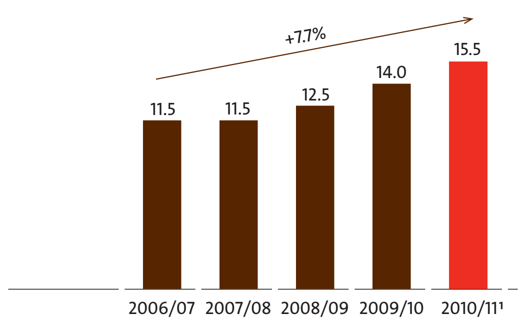
## Share price development Barry Callebaut vs. Indices

Rebased (in CHF)




## Dividend per share

in CHF




| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11[1] |
|---|---|---|---|---|---|
| Dividend yield[2] | 1.3% | 1.6% | 2.2% | 2.0% | 2.0% |
| Payout ratio | 29% | 28% | 28% | 29% | 31% |

1 As proposed by the Board of Directors to the Annual General Meeting
2 Dividend yield based on share price at year-end; 2009/10 and before in the form of a per share reduction

## Key figures Barry Callebaut Group

| for the fiscal year ended August 31, | | Change (%) in local currencies | Change (%) in reporting currency | 2010/11 | 2009/10[1] |
|---|---|---|---|---|---|
| **Consolidated Income Statement** | | | | | |
| Sales volume | Tonnes | | 7.2% | 1,296,438 | 1,209,654 |
| Sales revenue | CHF m | 13.3% | 0.7% | 4,554.4 | 4,524.5 |
| Gross profit | CHF m | 11.4% | 1.5% | 659.0 | 649.5 |
| EBITDA[2] | CHF m | 14.3% | 4.2% | 432.1 | 414.6 |
| Operating profit (EBIT) | CHF m | 15.3% | 5.7% | 360.6 | 341.1 |
| Net profit from continuing operations[3] | CHF m | 19.8% | 9.0% | 258.9 | 237.5 |
| Net profit for the year | CHF m | (22.0%) | (29.8%) | 176.8 | 251.7 |
| Cash flow[4] | CHF m | | (1.6%) | 450.7 | 457.8 |
| EBIT per tonne[5] | CHF | 7.6% | (1.4%) | 278.1 | 282.0 |
| as of | | | | August 31, 2011 | August 31, 2010 |
| **Consolidated Balance Sheet** | | | | | |
| Total assets | CHF m | | (8.6%) | 3,263.1 | 3,570.8 |
| Net working capital[6] | 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[7] | CHF m | | (6.5%) | 1,217.1 | 1,302.3 |
| **Ratios** | | | | | |
| Economic value added (EVA) | CHF m | | 5.8% | 156.2 | 147.7 |
| Return on invested capital (ROIC) | % | | 4.5% | 15.5% | 14.8% |
| Return on equity (ROE) | % | | 4.9% | 20.6% | 19.6% |
| Debt to equity ratio | % | | (2.9%) | 64.9% | 66.9% |
| **Shares** | | | | | |
| Share price end of reporting period | CHF | | 8.8% | 765.0 | 703.0 |
| EBIT per share[8] | CHF | | 5.8% | 69.8 | 66.0 |
| Basic earnings per share[9] | CHF | | 9.7% | 50.3 | 45.9 |
| Cash earnings per share[10] | CHF | | (1.5%) | 87.3 | 88.6 |
| Payout per share[11] | CHF | | 10.7% | 15.5 | 14.0 |
| **Other** | | | | | |
| Employees | | | | 5,972 | 7,550 |

1 Due to the discontinuation of the European Consumer Products business certain comparatives related to the Income Statement have been restated to conform with the current period's presentation. Balance Sheet and Cash Flow Statement related values incl. key figures based on those and the number of employees have not been restated
2 EBIT + depreciation of property, plant and equipment + amortization of intangibles (all excluding discontinued operations)
3 Net profit from continuing operations (including non-controlling interest)
4 Operating cash flow before working capital changes
5 EBIT/sales volume of the continuing operations
6 Includes current assets and liabilities related to commercial activities and current provisions
7 Total equity attributable to the shareholders of the parent company
8 Based on EBIT/basic shares outstanding
9 Based on the net profit for the year attributable to the shareholders of the parent company excl. net result from discontinued operations/basic shares outstanding
10 Operating cash flow before working capital changes/basic shares outstanding
11 2010/11 dividend out of paid in capital reserves as proposed by the Board of Directors to the Annual General Meeting; 2009/10 par value reduction instead of a dividend

# Dear Shareholders

**Andreas Jacobs**
Chairman of the Board

**Juergen Steinemann**
Chief Executive Officer

We saw another year where we delivered on our targets. Despite market conditions that were increasingly challenging in the second half of this fiscal year, we were able to grow more than twice as fast as the global chocolate market[1] with sales volume up 7.2%. All our Regions and Product Groups contributed to this top-line growth. Sales revenue rose strongly by 13.3% in local currencies. Operating profit (EBIT) significantly increased by 15.3% in local currencies. As we want to share this good result with you, our dear shareholders, the Board of Directors propose to the Annual General Meeting of Shareholders an increase of the dividend by 10.7% to CHF 15.50.

Our positive results are even more impressive given the recent crisis situation in Côte d'Ivoire, where, due to political conflicts following the presidential elections, cocoa and semi-finished products couldn't leave the country from January until the end of April 2011. We are extremely proud of how our local colleagues handled the crisis. With the tireless help of our Global Sourcing & Cocoa team and thanks to our worldwide network we were able to honor all customer contracts.

This year was marked by several milestones: After the sale of our European Consumer Products business, Stollwerck, our Group is now – in line with earlier announcements – focusing on its core business serving the food industry and the Gourmet business, consisting of artisans and other professional users of chocolate. With the sale of Stollwerck to the Belgian Baronie Group, we believe we found a very good new home for our former colleagues. At the same time, these colleagues became an outsourcing partner through a long-term supply agreement: We supply the new owner with liquid chocolate as well as with cocoa beans and semi-finished products. We are also very proud of the signing of a long-term global master product agreement with Kraft Foods at the very beginning of this fiscal year. Furthermore, we expanded our supply agreement with Hershey. After securing our first outsourcing volumes with Hershey in 2007, we couldn't receive a better compliment. In addition, we closed a new outsourcing agreement with Chocolates Turín in Mexico, including the acquisition of a chocolate production facility in Toluca, further enhancing our presence in the promising Mexican market.

1 The global chocolate market grew by 3.1% per annum in volume. Source: Nielsen, September 2010–August 2011

Consumer demand for chocolate in general and for responsibly grown cocoa is on the rise – the average long-term growth rate of the world chocolate consumption is 2–3% per annum. Although, we just saw a bumper crop in season 2010/11, we expect significant challenges ahead in securing sufficient supplies of high quality, responsibly grown cocoa to meet future chocolate demand. Our answer to this dilemma is the addition of a new, fourth strategic pillar "Sustainable Cocoa" to our current three pillars of Expansion, Innovation, and Cost Leadership. Sustainable Cocoa stands for more volumes and better quality, aiming to secure our future growth ambitions. With this we will also scale up our certified volumes. In order to get this done, we have launched a dedicated initiative that consists of three action areas: Improving Farmer Practices with so-called yield enhancement services, Farmer Education through the set-up and implementation of an education curriculum for secondary schools and Farmer Health to improve the livelihood of farmer communities with which we work directly. Additionally, we will increase our activities with the installation of various Farmer Academies and the implementation of a series of showcase farms.

For the fiscal year ahead of us, our main focus is on the successful implementation of the recently gained outsourcing and long-term partnership agreements as well as on the completion of the measures to support the acceleration of the growth of our Gourmet & Specialties Products business. After the sale of our European Consumer Products business, we will continue to work on simplifying organizational structures in order to further gain speed and become more efficient and customer-focused. Recently, we worked out a new growth strategy for Region Asia-Pacific, defining the next steps in this growth region. In fiscal year 2011/12, we will implement it and start a similar process focusing on Eastern Europe. Last but not least, we are keeping the pace of our R&D organization. Against this background, we remain confident that we will achieve our mid-term financial goals and are therefore confirming our guidance.[1]

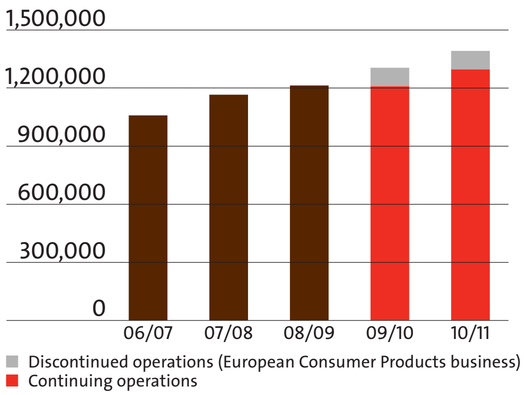
November 10, 2011

**Andreas Jacobs**
Chairman of the Board

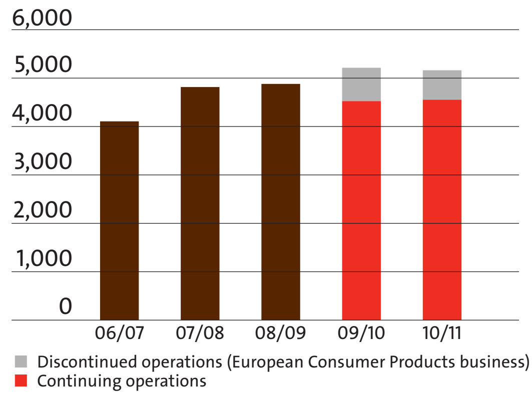
**Juergen Steinemann**
Chief Executive Officer

1 Four-year growth targets for 2009/10–2012/13: On average 6–8% volume growth and average EBIT growth in local currencies at least in line with volume growth – barring any unforeseen events

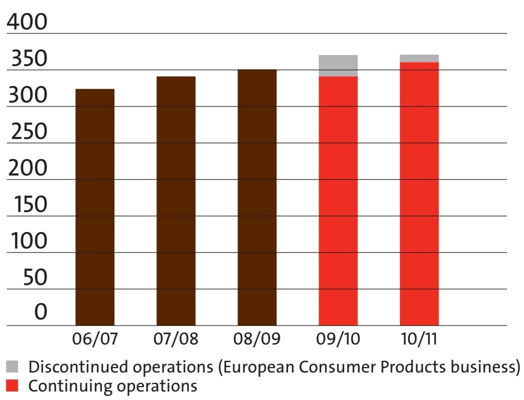
## Sales volume
in tonnes



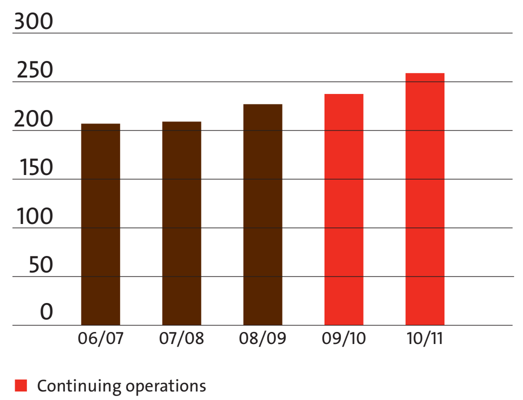

## Sales revenue
in CHF million



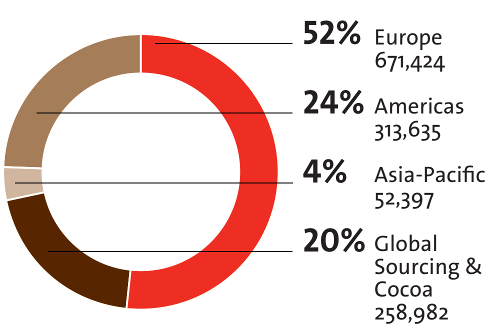

## EBIT
in CHF million




## Net profit
in CHF million

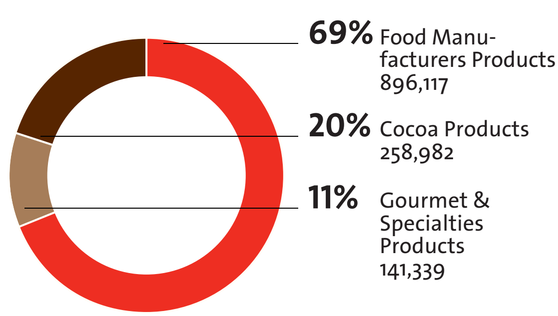



## Sales volume by Region*
in tonnes




* Continuing operations

## Sales volume by Product Group*
in tonnes




* Continuing operations

## Key figures by Region and Product Group – from continuing operations

| for the fiscal year ended August 31, | | Change (%) in local currencies | Change (%) in reporting currency | 2010/11 | 2009/10[1] |
|---|---|---|---|---|---|
| **By Region** | | | | | |
| **Europe** | | | | | |
| Sales volume | Tonnes | | 1.8% | 671,424 | 659,331 |
| Sales revenue | CHF m | 7.5% | (5.3%) | 2,241.3 | 2,366.9 |
| EBITDA | CHF m | 10.6% | 2.5% | 272.5 | 265.8 |
| EBIT | CHF m | 10.0% | 2.6% | 243.0 | 236.8 |
| **Americas** | | | | | |
| Sales volume | Tonnes | | 8.2% | 313,635 | 289,970 |
| Sales revenue | CHF m | 13.8% | (0.9%) | 978.9 | 987.6 |
| EBITDA | CHF m | (10.2%) | (18.7%) | 85.4 | 105.0 |
| EBIT | CHF m | (11.6%) | (19.5%) | 71.9 | 89.3 |
| **Asia-Pacific** | | | | | |
| Sales volume | Tonnes | | 10.4% | 52,397 | 47,466 |
| Sales revenue | CHF m | 15.3% | 6.9% | 221.9 | 207.5 |
| EBITDA | CHF m | 26.4% | 16.9% | 29.8 | 25.5 |
| EBIT | CHF m | 33.0% | 22.7% | 24.9 | 20.3 |
| **Global Sourcing & Cocoa** | | | | | |
| Sales volume | Tonnes | | 21.7% | 258,982 | 212,886 |
| Sales revenue | CHF m | 26.5% | 15.6% | 1,112.3 | 962.5 |
| EBITDA | CHF m | 46.0% | 30.3% | 98.0 | 75.2 |
| EBIT | CHF m | 57.2% | 40.6% | 76.6 | 54.5 |
| **By Product Group** | | | | | |
| **Sales volume** | | | | | |
| Cocoa Products | Tonnes | | 21.7% | 258,982 | 212,886 |
| Food Manufacturer Products | Tonnes | | 3.8% | 896,117 | 863,720 |
| Gourmet & Specialties Products | Tonnes | | 6.2% | 141,339 | 133,048 |
| **Sales revenue** | | | | | |
| Cocoa Products | CHF m | 26.5% | 15.6% | 1,112.3 | 962.5 |
| Food Manufacturer Products | CHF m | 8.6% | (4.4%) | 2,728.3 | 2,854.4 |
| Gourmet & Specialties Products | CHF m | 13.9% | 0.9% | 713.8 | 707.6 |

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

## This fiscal year was marked by milestones that set the stage for superior performance and growth in the future.

**September 2010**

Barry Callebaut signed a long-term global supply agreement with Kraft Foods Inc., making Barry Callebaut the key cocoa and industrial chocolate supplier to the world's second largest food company.

**April 2011**

Barry Callebaut launched an extensive agronomic research program in Malaysia aimed at developing new cocoa cultivation techniques.

Barry Callebaut acquired the remaining 40% stake in Barry Callebaut Malaysia Sdn Bhd, formerly operating under the name of KLK Cocoa.

**May 2011**

The Hershey Company, North America's leading manufacturer of chocolate and confectionery products, awarded Barry Callebaut with additional volume on a long-term basis, expanding the agreement signed in 2007.

Moody's Investor Service assigned a Baa3 corporate rating to Barry Callebaut, up from Ba1. The rating's outlook is stable.

**June 2011**

Barry Callebaut successfully placed a long-term bond and renewed and amended the terms and conditions of its existing long-term revolving credit facility.

Barry Callebaut signed a long-term outsourcing agreement with Mexican Chocolates Turín, and acquired a production facility from Turín. At the same time, Turín was appointed for the distribution of Barry Callebaut's global Gourmet brands Cacao Barry® and Callebaut® in Mexico.

**July 2011**

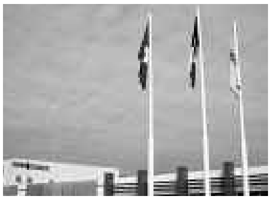
Barry Callebaut sold its European Consumer Products business to the Belgian Baronie Group. The transaction includes a long-term supply agreement for the delivery of liquid chocolate, cocoa and semi-finished products to the Baronie Group.

## Key Figures Barry Callebaut Group

| | | CAGR (%)[15] | 2010/11 | 2009/10[16] | 2008/09 | 2007/08 | 2006/07 |
|---|---|---|---|---|---|---|---|
| **Consolidated Income Statement** | | | | | | | |
| Sales volume | Tonnes | 5.2% | 1,296,438 | 1,209,654 | 1,213,610 | 1,166,007 | 1,059,200 |
| Sales revenue | CHF m | 2.6% | 4,554.4 | 4,524.5 | 4,880.2 | 4,815.4 | 4,106.8 |
| EBITDA[1] | CHF m | 0.3% | 432.1 | 414.6 | 456.1 | 443.7 | 427.1 |
| Operating profit (EBIT) | CHF m | 2.7% | 360.6 | 341.1 | 350.8 | 341.1 | 324.0 |
| Net profit from continuing operations[2] | CHF m | 5.7% | 258.9 | 237.5 | 226.9 | 209.1 | 207.0 |
| Net profit for the year | CHF m | 9.2% | 176.8 | 251.7 | 226.9 | 205.5 | 124.1 |
| Cash flow[3] | CHF m | 2.6% | 450.7 | 457.8 | 418.1 | 434.3 | 406.8 |
| EBIT/sales revenue | % | 0.1% | 7.9% | 7.5% | 7.2% | 7.1% | 7.9% |
| EBIT per tonne | CHF | (2.4%) | 278.1 | 282.0 | 289.1 | 292.5 | 305.9 |
| **Consolidated Balance Sheet** | | | | | | | |
| Total assets | CHF m | 0.6% | 3,263.1 | 3,570.8 | 3,514.8 | 3,729.5 | 3,186.7 |
| Net working capital[4] | CHF m | 0.1% | 888.1 | 964.9 | 1,010.1 | 1,037.1 | 883.9 |
| Non-current assets | CHF m | (0.1%) | 1,208.4 | 1,405.8 | 1,432.2 | 1,423.7 | 1,211.3 |
| Net debt | CHF m | (4.0%) | 789.8 | 870.8 | 942.7 | 1,041.2 | 930.2 |
| Shareholders' equity[5] | CHF m | 3.5% | 1,217.1 | 1,302.3 | 1,255.6 | 1,175.9 | 1,059.1 |
| Capital expenditure[6] | CHF m | (1.4%) | 144.6 | 145.1 | 144.4 | 249.9 | 153.1 |
| **Ratios** | | | | | | | |
| Economic Value Added (EVA) | CHF m | 6.2% | 156.2 | 147.7 | 129.9 | 126.3 | 122.9 |
| Return on invested capital (ROIC)[7] | % | 2.0% | 15.5% | 14.8% | 13.9% | 14.0% | 14.3% |
| Return on equity (ROE) | % | 1.3% | 20.6% | 19.6% | 18.1% | 17.7% | 19.5% |
| Debt to equity ratio | % | (7.3%) | 64.9% | 66.9% | 75.1% | 88.5% | 87.8% |
| Solvency ratio[8] | % | 2.9% | 37.3% | 36.5% | 35.7% | 31.5% | 33.2% |
| Interest coverage ratio[9] | | 3.7% | 5.9 | 5.8 | 5.0 | 4.8 | 5.1 |
| Net debt/EBITDA | | (4.7%) | 1.8 | 2.1 | 2.1 | 2.3 | 2.2 |
| Capital expenditure/sales revenue | % | (3.8%) | 3.2% | 3.2% | 3.0% | 5.2% | 3.7% |
| **Shares** | | | | | | | |
| Share price at fiscal year-end | CHF | (3.2%) | 765 | 703 | 574 | 724 | 873 |
| EBIT per share[10] | CHF | 2.7% | 69.8 | 66.0 | 67.8 | 66.0 | 62.7 |
| Basic earnings per share[11] | CHF | 5.8% | 50.3 | 45.9 | 44.0 | 40.4 | 40.2 |
| Cash earnings per share[12] | CHF | 2.6% | 87.3 | 88.6 | 81.1 | 83.9 | 78.6 |
| Payout per share[13] | CHF | 7.7% | 15.5 | 14.0 | 12.5 | 11.5 | 11.5 |
| Payout ratio | % | 1.9% | 31% | 29% | 28% | 28% | 29% |
| Price-earnings ratio at year-end[14] | | (8.5%) | 15.2 | 15.3 | 13.0 | 17.9 | 21.7 |
| Market capitalization at year-end | CHF m | (3.2%) | 3,955.1 | 3,631.9 | 2,967.6 | 3,743.1 | 4,510.8 |
| Number of shares issued | | 0.0% | 5,170,000 | 5,170,000 | 5,170,000 | 5,170,000 | 5,170,000 |
| Total capital repayment | CHF m | 7.5% | 72.4 | 64.6 | 59.5 | 59.5 | 54.3 |
| **Other** | | | | | | | |
| Employees | | (5.8%) | 5,972 | 7,550 | 7,525 | 7,281 | 7,592 |
| Beans processed | Tonnes | 5.0% | 537,811 | 569,875 | 541,847 | 471,149 | 442,378 |
| Chocolate & compound production | Tonnes | 3.6% | 1,020,381 | 954,073 | 971,951 | 947,387 | 885,372 |

1 EBIT + depreciation of property, plant and equipment + amortization of intangible assets (for 2009/10 and 2010/11 excluding discontinued operations)
2 Net profit from continuing operations (including non-controlling interest)
3 Operating cash flow before working capital changes
4 Includes current assets and liabilities related to commercial activities and current provisions
5 Total equity attributable to the shareholders of the parent company
6 Capital expenditure for property, plant and equipment and intangible assets (excl. acquisitions)
7 EBIT x (1-effective tax rate)/average capital employed
8 Total equity attributable to the shareholders of the parent company/total assets
9 EBITDA/net financial expense
10 Based on EBIT/basic shares outstanding
11 Based on the net profit for the year attributable to the shareholders of the parent company excluding the net result from discontinued operations/basic shares outstanding
12 Operating cash flow before working capital changes/basic shares outstanding
13 2010/11 dividend out of paid in capital reserves as proposed by the Board of Directors to the Annual General Meeting; 2009/10 and before par value reduction instead of a dividend
14 Share price at year-end/basic earnings per share
15 Compound annual growth rate for the 5-year period
16 Due to the discontinuation of the European Consumer Products business certain comparatives related to the Income Statement have been restated to conform with the current period's presentation. Balance Sheet and Cash Flow Statement related values incl. key figures based on those and the number of employees have not been restated. No restatements were made for any year prior to 2009/10

## The ambitious growth strategy of Barry Callebaut is based on four pillars:



Expansion

### Expansion

Barry Callebaut intends to accelerate the growth of its Gourmet business. With regard to the industrial customers, the company wants to strengthen its position in the main markets of Western Europe and North America. In emerging markets like Russia, China, Poland, Mexico and Brazil, Barry Callebaut aims to develop their full potential. Lastly, the company will carefully evaluate how to enter other emerging markets. Implementing existing outsourcing volumes and strategic partnerships as well as securing further outsourcing deals with regional and local food manufacturers will remain an essential part of the business strategy.

Innovation

### Innovation

Barry Callebaut is recognized as the reference for innovation in the chocolate industry. Dedicated R&D teams around the world focus on two different areas: Fundamental research into preserving the health properties of the cocoa bean and pro-active R&D leading to cutting-edge cocoa and chocolate products. The applied R&D teams, on the other hand, support customers to improve their products and recipes as well as their production processes on their own production lines. In total, Barry Callebaut manages about 2,000 R&D projects, runs almost 7,600 trials and conducts more than 400 technical visits with its customers every year.


Cost Leadership

### Cost Leadership

Cost Leadership is an important reason why for example international customers outsource their chocolate production to Barry Callebaut. The company is continuously improving its operational efficiency by upgrading the technology and achieving higher scale effects through better capacity utilization, by optimizing product flows, logistics and inventory management, as well as by reducing energy consumption and lowering fixed costs. In total, manufacturing costs per tonne in fiscal year 2010/11 were reduced by 2.2% on a like-for-like basis (in local currencies).

Sustainable Cocoa

### Sustainable Cocoa

Securing sufficient supplies of quality-grade, responsibly grown cocoa to meet the specific requirements of its customers is a critical challenge for Barry Callebaut. Sustainable Cocoa stands for more volumes and better quality cocoa, aiming to secure the company's future growth ambitions and scaling up its certified cocoa volumes. Sustainable Cocoa consists mainly of three action areas: Improving Farmer Practices with so-called yield enhancement services, Farmer Education through an education curriculum for schools and Farmer Health. All this is aiming to improve the livelihood of farmer communities with which we work directly.

## Our vision

Barry Callebaut is the heart and engine of the chocolate industry.

Our goal is to be No. 1 in all attractive customer segments and in all major world markets.

Our heritage and our knowledge of the chocolate business – from the cocoa bean to the finished chocolate product – make us the business partner of choice for the entire food industry, from individual artisans to industrial food manufacturers.

We seek to apply our constantly evolving expertise to helping our customers grow their businesses, and we are passionate about creating and bringing to market new, healthy products that taste good, delight all senses, and are fun to enjoy.

Our strength comes from the passion and expertise of our people for whom we strive to create an environment where learning and personal development is ongoing, entrepreneurship is encouraged, and creativity can flourish.

## Our values

Customer focus

By anticipating market trends and investing time and effort to fully understand customer needs, we go to great lengths to provide products and solutions of superior value through a business partnership with every customer that is characterized by professionalism and mutual trust.

Passion

Our pride in what our company does inspires and motivates us to give our best at work. We are eager to learn about our business and to share our know-how and enthusiasm with others.

Entrepreneurship

With the goal to create superior customer value, we constructively challenge the status quo and explore opportunities to innovate: new eating trends, new markets, new ideas for products and services, and new ways of doing business. We are willing to take controlled risks and are determined to persevere.

Team spirit

Whether in the field, on the shop floor or in administration – we are one team, sharing a common purpose and common goals. All members of this team actively engage in open communication and idea sharing and are committed to working together to achieve our common goals across the whole organization.

Integrity

We show respect for our fellow team members and all our stakeholders and are honest, trustworthy, and open-minded in all our business activities and relationships. We live up to high ethical standards that promote fairness, equality, and diversity.

Barry Callebaut, headquartered in Switzerland, resulted from the merger between Belgian chocolate producer Callebaut and French chocolate maker Cacao Barry in 1996. The merger combined Cacao Barry's know-how in procurement and initial processing of cocoa beans with Callebaut's extensive experience in producing and marketing chocolate products. Since 1998, Barry Callebaut has been listed on the SIX Swiss Exchange.

| | |
|---|---|
| 1999 | Acquisition of Carma AG in Switzerland |
| 2002 | Acquisition of the Stollwerck Group in Germany |
| 2003 | Acquisition of Dutch Group Graverboom B.V. (including Luijckx B.V.) |
| 2003 | Acquisition of Brach's Confections Holding, Inc. in the U.S. |
| 2004 | Acquisition of the vending mix business of AM Foods in Sweden |
| 2005 | Opening of a chocolate factory in California, U.S. |
| 2007 | Opening of a chocolate factory in Chekhov, Russia |
| 2007 | Divestment of Brach's Confections Holding, Inc. in the U.S. |
| 2007 | Signing of major outsourcing contracts with Nestlé, Hershey and Cadbury |
| 2007 | Acquisition of a cocoa factory in Pennsylvania, U.S. |
| 2008 | Opening of a chocolate factory in Suzhou, China |
| 2008 | Acquisition of a 49% stake in Biolands, Tanzania |
| 2008 | Acquisition of a 60% stake in KLK Cocoa in Malaysia |
| 2008 | Opening of a sales office and Chocolate Academy in Mumbai, India |
| 2008 | Opening of four Chocolate Academies in Suzhou, China; Zundert, the Netherlands; Chekhov, Russia, and Chicago, U.S. |
| 2008 | Acquisition of IBC, specialist in decorations in Kortrijk-Heule, Belgium |
| 2008 | Outsourcing agreement with Morinaga in Japan and start of production in new factory |
| 2009 | Opening of a chocolate factory in Monterrey, Mexico |
| 2009 | Sale of Van Houten Singapore consumer business to Hershey's |
| 2009 | Distribution agreement signed with Bunge Alimentos in Brazil |
| 2009 | Acquisition of Danish vending mix company Eurogran |
| 2009 | Acquisition of Spanish chocolate maker Chocovic, S.A. |
| 2010 | Opening of a chocolate factory in Extrema, Brazil |
| 2010 | Signing of a major outsourcing contract with Kraft Foods Inc. |
| 2011 | Acquisition of remaining 40% stake in Barry Callebaut Malaysia Sdn Bhd, formerly KLK Cocoa |
| 2011 | Expansion of the existing supply and innovation agreement with Hershey |
| 2011 | Signing of a long-term outsourcing agreement with Chocolates Turín, Mexico |
| 2011 | Sale of European Consumer Products business to Belgian Baronie Group |

## Contacts

**Barry Callebaut head office**
Barry Callebaut AG
West-Park
Pfingstweidstrasse 60
8005 Zurich, Switzerland
Phone +41 43 204 04 04
Fax +41 43 204 04 00
www.barry-callebaut.com

**Investor Relations**
Evelyn Nassar
Head of Investor Relations
Phone +41 43 204 04 23
Fax +41 43 204 04 19
investorrelations@
barry-callebaut.com

**Media**
Raphael Wermuth
External Communications
Manager
Phone +41 43 204 04 58
Fax +41 43 204 04 00
media@barry-callebaut.com

**Address changes**
SIX SAG Aktienregister AG
P.O. Box
4609 Olten, Switzerland
Phone +41 62 311 61 11
Fax +41 62 311 61 12

## Financial Calendar

**December 8, 2011**
Annual General Meeting
2010/11, Zurich

**January 17, 2012**
3-month key sales figures
2011/12

**April 2, 2012**
Half-year results 2011/12, Zurich

**July 5, 2012**
9-month key sales figures
2011/12

**November 7, 2012**
Full-year results 2011/12,
Zurich

**December 5, 2012**
Annual General Meeting
2011/12, Zurich

## Forward-looking statement

Certain statements in this Letter to Investors regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as "believe," "estimate," "intend," "may," "will," "expect," "project" and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. The factors that may affect Barry Callebaut's future financial results are discussed in the Annual Report 2010/11. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of today, November 10, 2011. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

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Barry Callebaut AG (head office)
West-Park Pfingstweidstrasse 60 8005 Zurich Switzerland
Phone: +41 43 204 04 04 Fax: +41 43 204 04 00
E-mail: headoffice@barry-callebaut.com