



Barry Callebaut

Roadshow presentation - FY 2009/2010

November 2010



Quality Cocoa
for a Better Life
Quality Partner Program

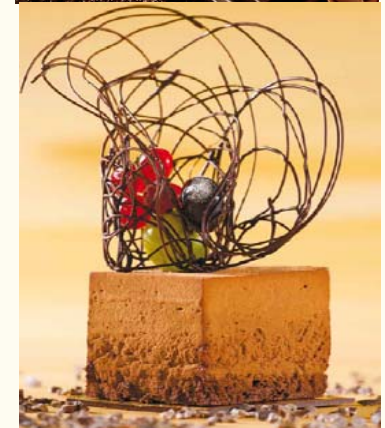
BARRY CALLEBAUT

The heart and engine of the chocolate industry



Agenda

- ▶ **BC at a glance**
- ▶ Highlights FY 2009/10
- ▶ Financial and operational performance
- ▶ Strategy & Outlook
- ▶ Q & A

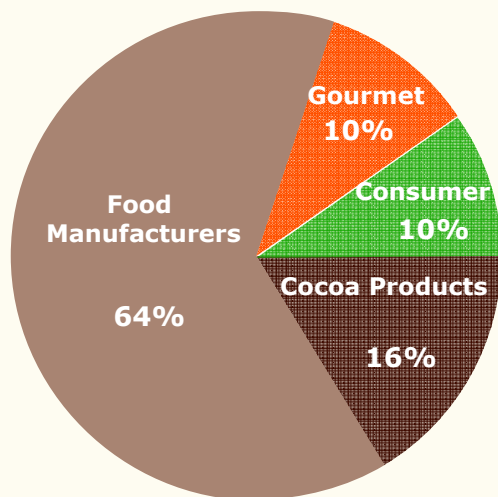




Barry Callebaut at a glance

FY 2009/10

Sales volume = 1,305,280 tonnes



Sales revenue = CHF 5,213.8 m

EBIT = CHF 370.4 m

Net Profit = CHF 251.7 m

- ▶ **World leader** in high-quality cocoa and chocolate products and **outsourcing partner** of choice, with over **40% share** in the open industrial chocolate market
- ▶ World's **largest supplier of Gourmet & Specialties chocolate** for artisanal customers
- ▶ **Global service and production** network, employing about more than **7,500 people** worldwide, over 40 production factories
- ▶ **Fully integrated** with a strong position in the countries of origin
- ▶ **Close to 1,700 recipes** to cater for a large variety of individual customer needs
- ▶ **Low cost production** with large number of focused chocolate & cocoa factories
- ▶ Achieved **consistent earnings stream**

Barry Callebaut as the heart and engine of the chocolate industry



Cocoa Plantations

Cocoa beans

80%

Cocoa liquor

Cocoa powder

Cocoa butter

+ Sugar, Milk, others

+ Sugar, Milk, fats, others

+ Sugar, Milk, others

Powder mixes

Compound/Fillings

Chocolate couverture

BC core activity

Customers:
Food Manufactures
Chocolatiers,
Bakeries,
Vending Dist.
Etc





Main raw materials and business model

Main raw materials

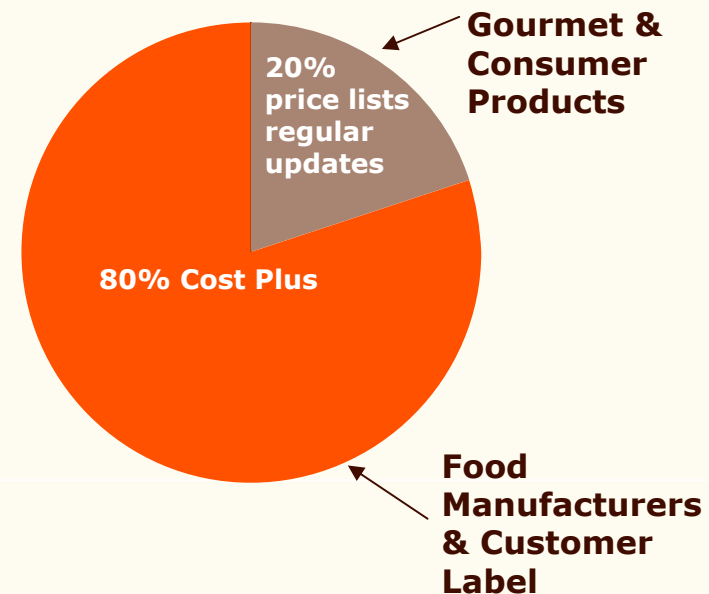
| BC sourced in 09/10: | | % of total raw material value |
|----------------------|--------|-------------------------------|
| Cocoa | 570 KT | 51% |
| Dairy | 125 KT | 10% |
| Sugar | 480 KT | 8% |
| Oils and Fats | 82 KT | 4% |
| Other | | 27% |

100g chocolate tablet contains:

| |
|--------------|
| Cocoa liquor |
| Cocoa butter |
| Milk powder |
| Sugar |
| Other |

| | Milk | Dark |
|--------------|------|------|
| Cocoa liquor | 11 g | 44 g |
| Cocoa butter | 24g | 12 g |
| Milk powder | 22 g | - |
| Sugar | 42 g | 43 g |
| Other | 1 g | 1 g |

Barry Callebaut business model



Through our cost plus model, we are able to pass on the higher raw material prices to customers

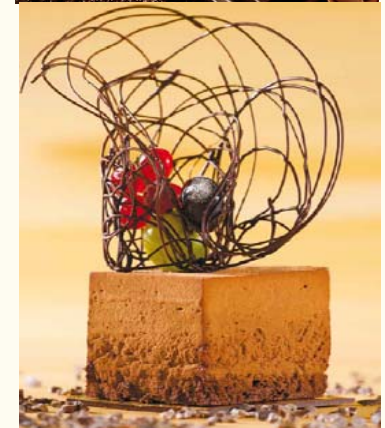
Our manufacturing footprint with more than 40 factories worldwide





Agenda

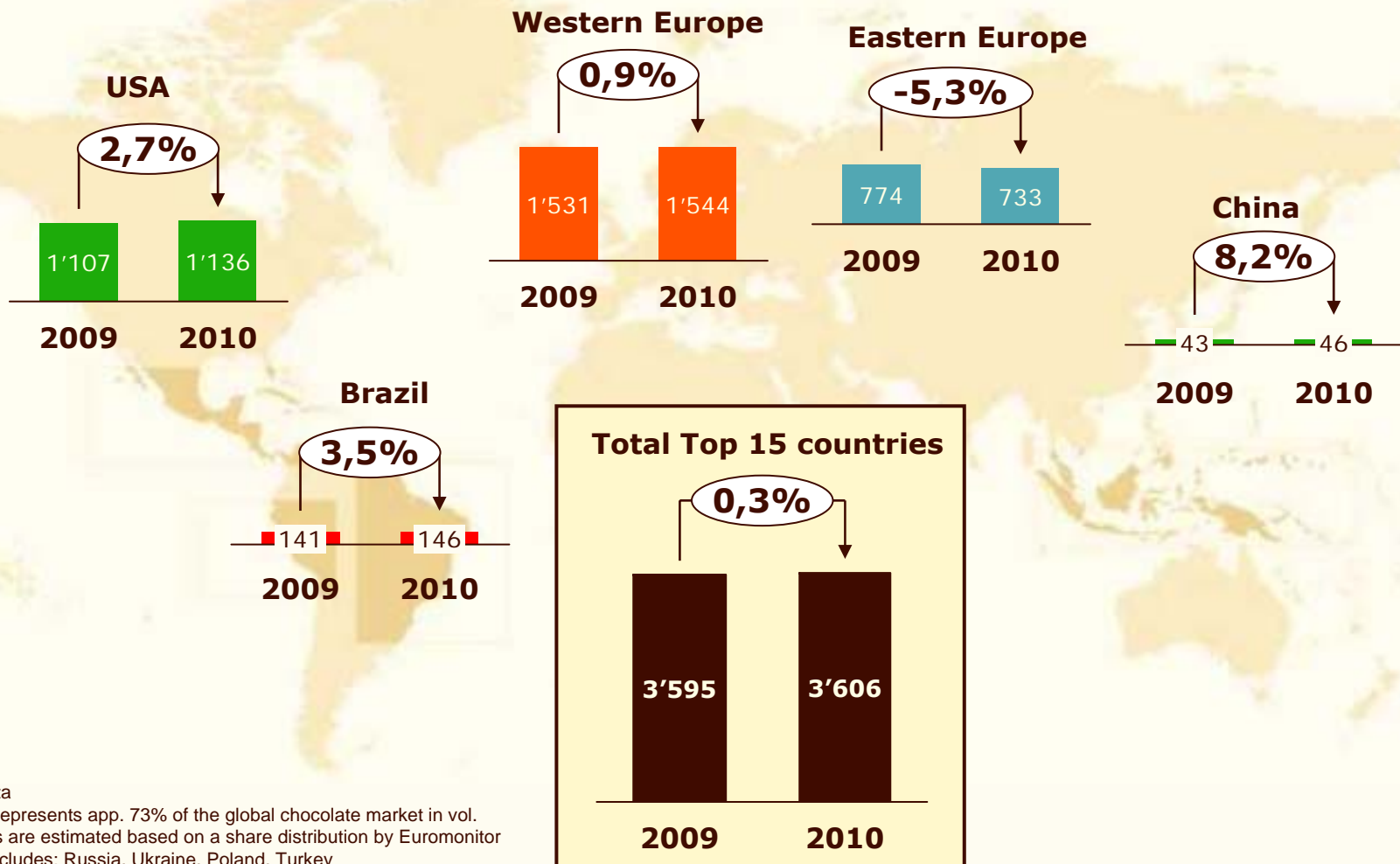
- ▶ BC at a glance
- ▶ **Highlights FY 2009/10**
- ▶ Financial and operational performance
- ▶ Strategy & Outlook
- ▶ Q & A



Global chocolate confectionery growth flat last year



12 months Sep 2009 - Aug 2010 ('000 tonnes)



Source: Nielsen data

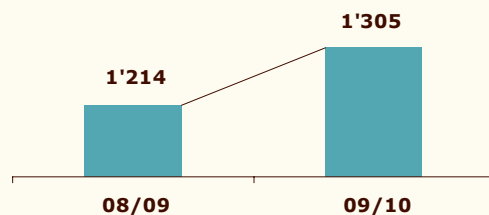
1. Top 15 countries represents app. 73% of the global chocolate market in vol.
2. USA total volumes are estimated based on a share distribution by Euromonitor
3. Eastern Europe includes: Russia, Ukraine, Poland, Turkey



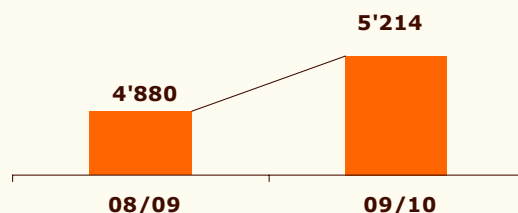
Financial summary FY 2009/10

Strong year - dynamic growth

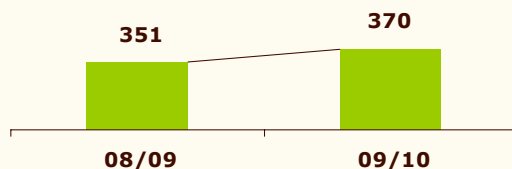
Sales Volume
('000 Tonnes)



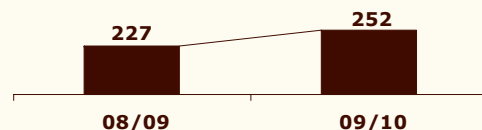
Sales Revenue
(CHF m)



Operating Profit
(EBIT) (CHF m)



Net Profit (CHF m)







- ▶ Ongoing strong sales volume growth in a flat global market: up 7.6%
- ▶ Gourmet & Specialties: excellent sales volume growth of 17.3%
- ▶ Sales revenue up 11.3% in local currencies (+6.8% in CHF)
- ▶ Very favorable operational improvements: EBIT up 7.9% in local currencies (+5.6% in CHF)
- ▶ Net profit for the year: up 13.5% in local currencies (+10.9% in CHF)



Financial summary FY 2009/10

Substantial growth achieved in all Regions

| | Europe | Americas | Asia-Pacific | Global Sourcing & Cocoa |
|-------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| |  |  |  |  |
| | Food Manufacturers, Gourmet and Consumer 57.7% of sales volume | Food Manufacturers & Gourmet 22.3% of sales volume | Food Manufacturers & Gourmet 3.7% of sales volume | Cocoa semi-finished products 16.3% sales volume |
| Vol. growth vs. PY | +4.1% | +15.6% | +15.5% | +8.2% |
| EBIT growth vs. PY (in local currencies) | +8.3% | +6.3% | +87.6%⁽¹⁾ | +5.4% |

(1) Excluding one-off gain on the sale of the Asian Consumer business in prior year

Raw material price development

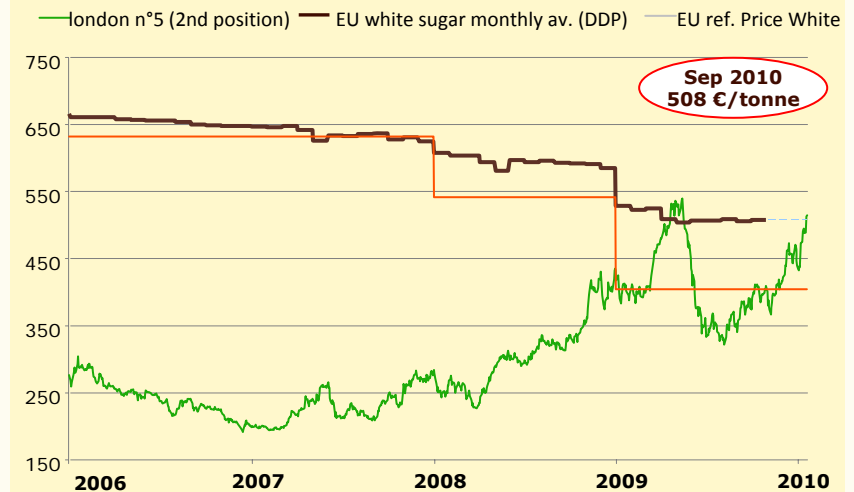
Raw materials at high levels, volatility increased



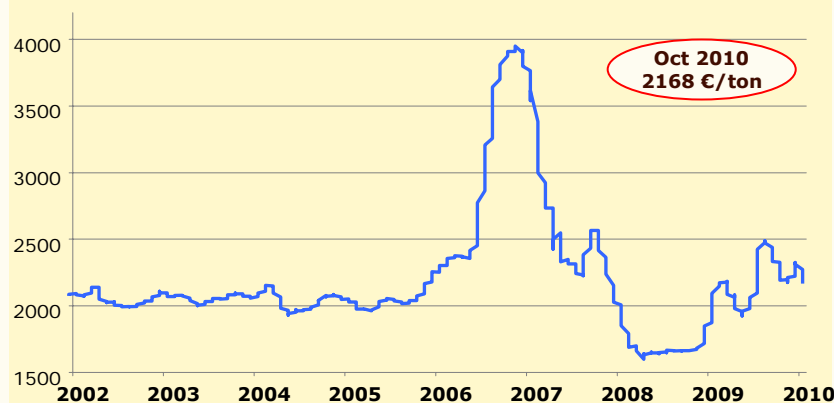
London Cocoa 2nd Position in GBP/tonne



Average price for white sugar EUR/tonne



Skimmed milk powder prices EUR/tonne



- ▶ BC through its "cost plus" model passes on the cost of raw materials to customers (80% of the business)
- ▶ Cocoa price reached 33-year high in July 2010, came down, but still at high levels
- ▶ World sugar price increased. BC mainly sources locally, EU prices were stable, somewhat declining
- ▶ Milk powder prices volatile

Highlights FY 2009/10

Focus on Expansion, Gourmet and Sustainability



Barry Callebaut joins UTZ Certified cocoa program aiming to ensure sustainable practices in cocoa production.

October 2009



Launch of multiple certification project – UTZ, Rainforest Alliance and others – with cocoa farmers in Ivory Coast.

January 2010



From May until October, Barry Callebaut acts as the unique supplier to Godiva, Neuhaus and Guylian during the World Exhibition in Shanghai.

May 2010



Barry Callebaut extends the successful Quality Partner Program (QPP) to cocoa farming regions in Cameroon.

August 2010



June 2009

Barry Callebaut acquires Danish Vending mix company Eurogran to further strengthen its Vending business.



December 2009

Barry Callebaut completes the acquisition of the Spanish chocolate maker Chocovic, S.A., specializing in chocolate products for industrial and artisanal customers.



March 2010

Barry Callebaut and the Malaysian Cocoa Board sign a collaborative research agreement on Controlled Fermentation.



May 2010

Barry Callebaut inaugurates its first chocolate factory in South America in Extrema, Brazil.



September 2010

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



Highlights FY 2009/10

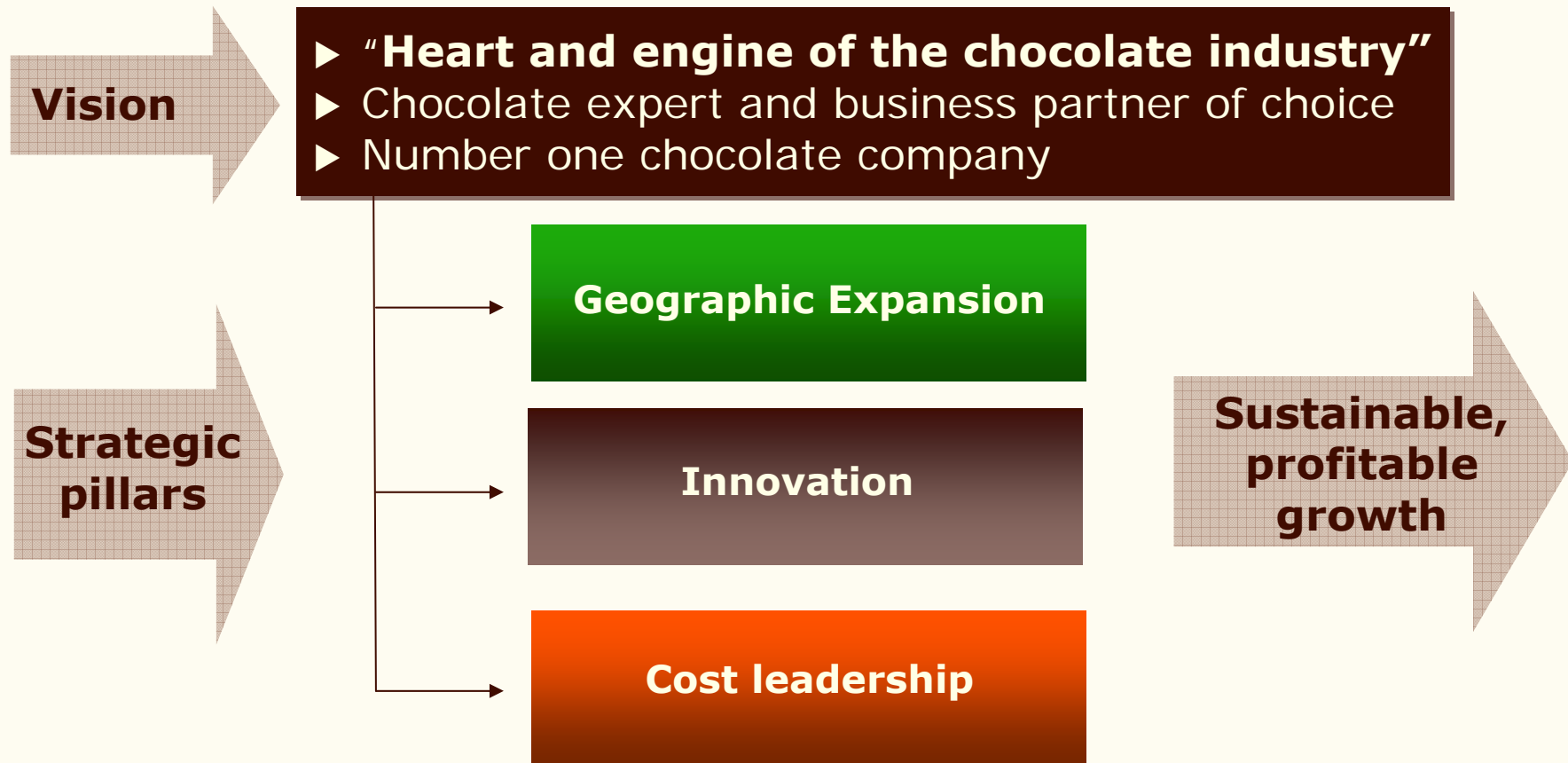
Global partnership agreement with Kraft Foods

- ▶ Long-term global partnership between two leading companies in their field
- ▶ Amongst the largest strategic deals BC has ever signed, and the first truly global agreement
- ▶ Barry Callebaut expects to more than double current supplies to Kraft Foods
- ▶ Delivery of cocoa products and industrial chocolate
- ▶ Ramp-up period: 3 years, starting immediately
- ▶ Total investment of CHF 66m



Highlights Fiscal Year 2009/10

Growth Strategy

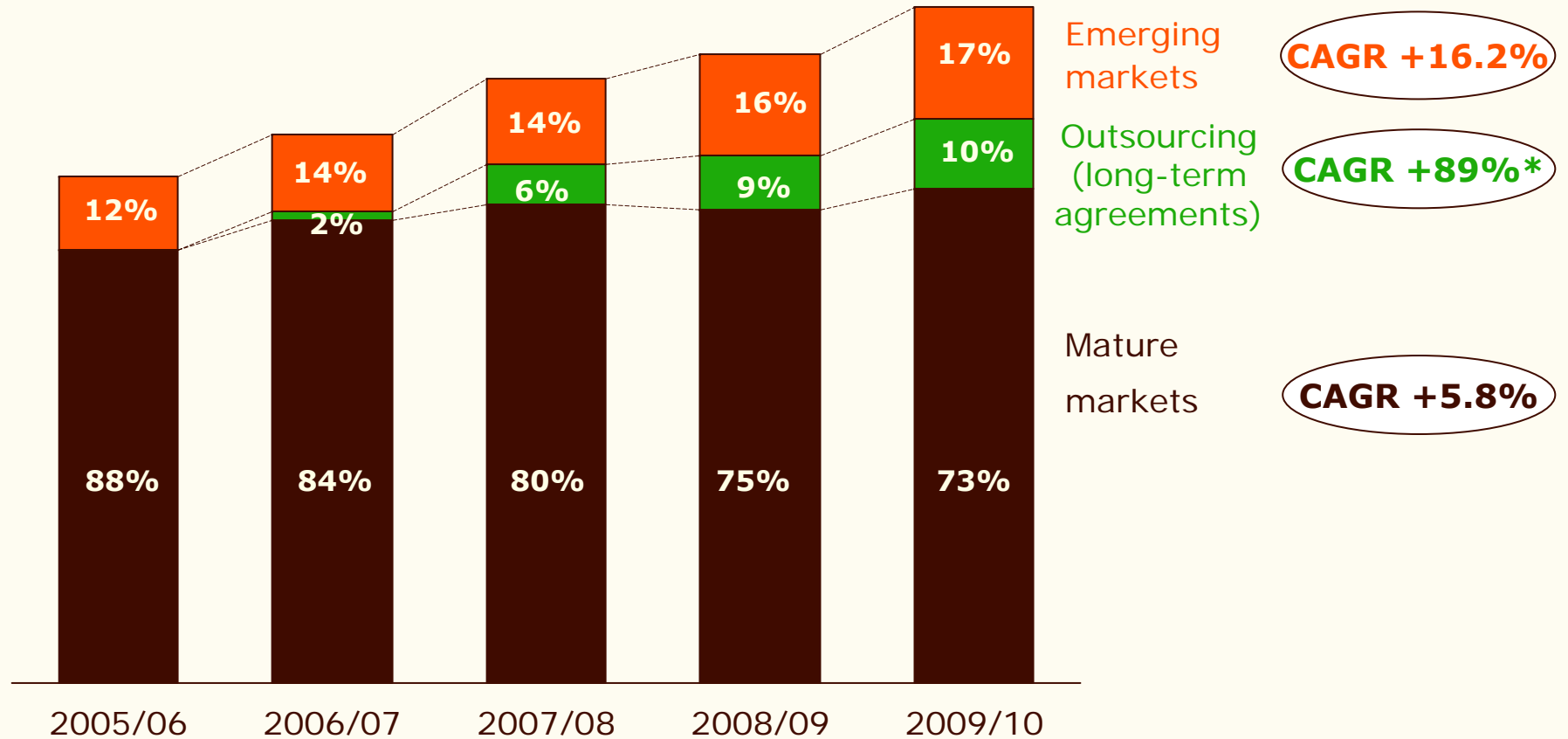




Geographic Expansion: Increased importance of emerging markets and outsourcing

Expansion

% of total consolidated sales volume

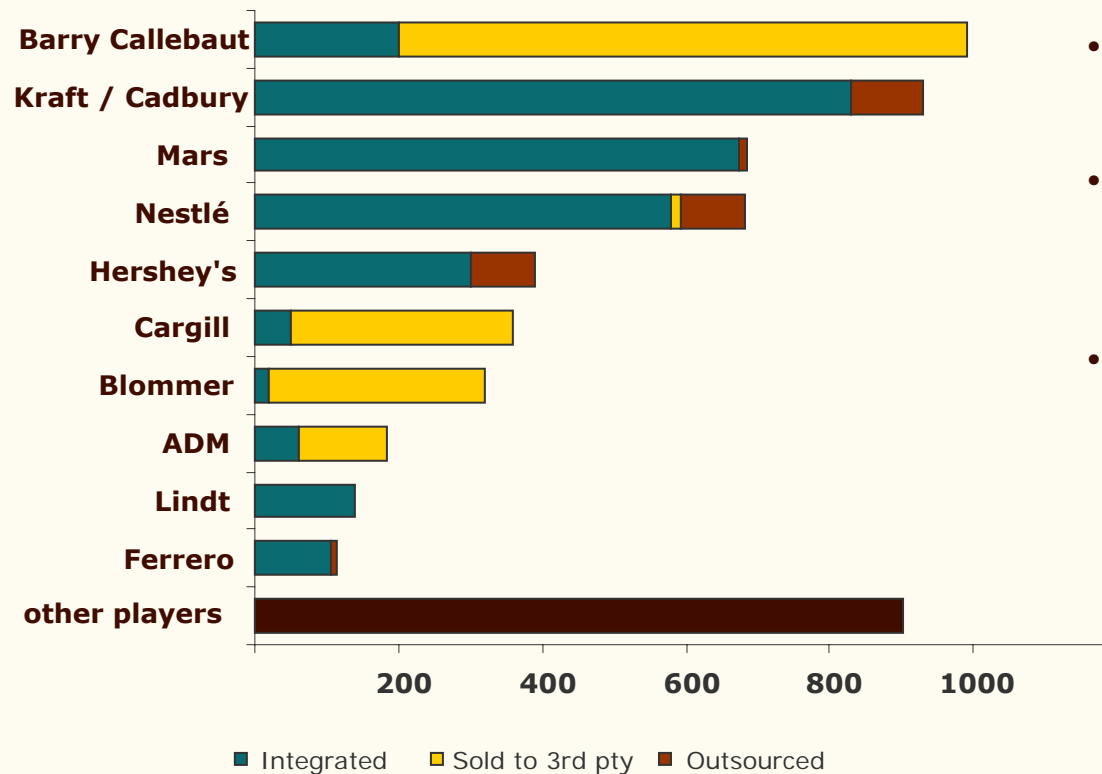


*CAGR 2006/07 -2009/10



Further potential for outsourcing

Global Industrial Chocolate market in 2009 = 5,400,000 tonnes*



- BC only player with the biggest market share in the open market
- Only company with long-term agreements with the major chocolate companies
- Local/Regional chocolate manufacturers with potential to outsource or competitors potential to acquire

*BC estimates Oct 2010

Innovation at Barry Callebaut

Key market trends drive our R&D efforts



Cost Focus

- Same quality, lower costs
- Growing interest for compounds and fillings



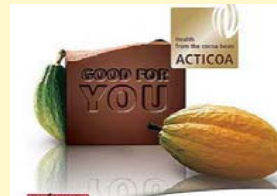
Indulgence

- Increasing interest for inclusions, texture elements, decorations, fillings, special blends



Permissibility

- Demand for healthier alternatives
- All natural, no additives
- Higher content of polyphenols
- Probiotics



Regulatory pressure

- Chocolate alternatives with fewer calories
- Rebalanced chocolate



Sustainability

- QPP
- UTZ, Rainforest Alliance, Fair Trade, Organic, Fair for Life





Cost leadership Operational efficiency further improved

- ▶ Costs per tonne down by 5% in fiscal year 2009/10 through:
 - ▶ Maintenance costs down by 4%* per tonne
 - ▶ Optimized product flows and inventory management
 - ▶ Transport optimization
 - ▶ Reduced energy consumption
 - ▶ Higher capacity utilization for liquid chocolate up from 79.4% to 82.6%

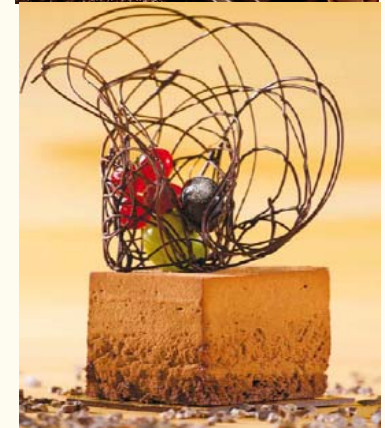
- ▶ Upgraded Continuous improvement program
 - ▶ Long term and structured approached
 - ▶ To be implemented in the next 3 years
 - ▶ With the help of an external consultant





Agenda

- ▶ BC at a glance
- ▶ Highlights FY 2009/10
- ▶ **Financial and operational performance**
- ▶ Strategy & Outlook
- ▶ Q & A





Key Figures 2009/10

Strong year with significant growth

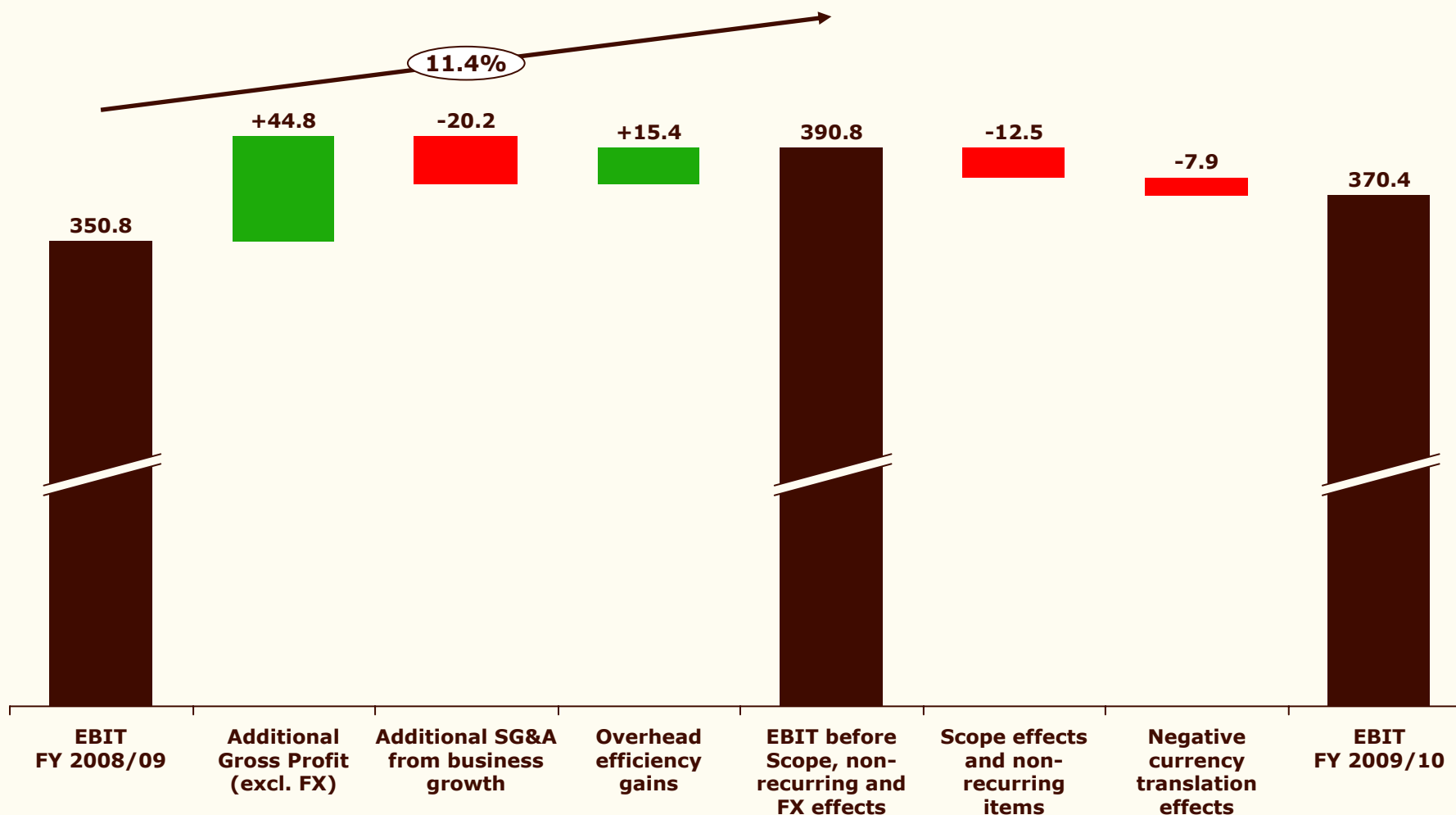
| | Change in % In local currencies | Change in % | FY 2009/10 | FY 2008/09 |
|----------------------------------------|---------------------------------------|--------------|------------------|------------------|
| Sales volume [in tonnes] | | 7.6% | 1'305'280 | 1'213'610 |
| Sales revenue [CHF m] | 11.3% | 6.8% | 5'213.8 | 4'880.2 |
| <i>CHF per tonne</i> | <i>3.5%</i> | <i>-0.7%</i> | <i>3'994</i> | <i>4'021</i> |
| Gross profit [CHF m] | 6.3% | 4.0% | 736.2 | 707.8 |
| <i>CHF per tonne</i> | <i>-1.2%</i> | <i>-3.3%</i> | <i>564</i> | <i>583</i> |
| EBITDA [CHF m] | 5.8% | 3.2% | 470.7 | 456.1 |
| <i>CHF per tonne</i> | <i>-1.6%</i> | <i>-4.0%</i> | <i>361</i> | <i>376</i> |
| Operating profit (EBIT) [CHF m] | 7.9% | 5.6% | 370.4 | 350.8 |
| <i>CHF per tonne</i> | <i>0.3%</i> | <i>-1.8%</i> | <i>284</i> | <i>289</i> |
| Net profit of the year [CHF m] | 13.5% | 10.9% | 251.7 | 226.9 |
| <i>CHF per tonne</i> | <i>5.5%</i> | <i>3.1%</i> | <i>193</i> | <i>187</i> |



EBIT – August 2010

Double digit EBIT growth before scope and negative currency effects

in mCHF





From EBIT to PAT Lower financial expenses contributed to record Net Profit

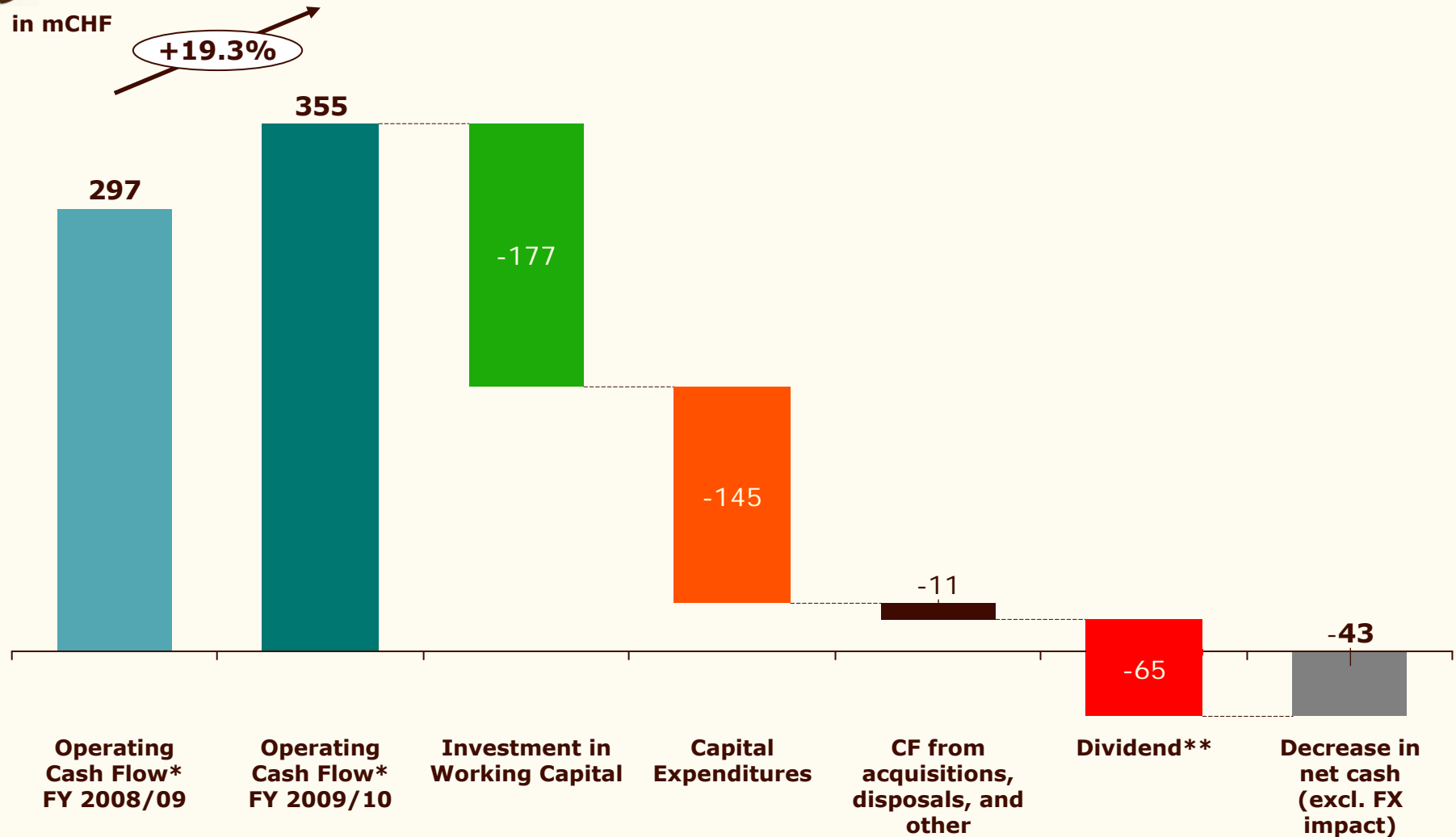
| | Change in % In local currencies | Change in % | FY 2009/10 | FY 2008/09 |
|---------------------------------------------------------------------|---------------------------------------|----------------|---------------|---------------|
| Operating profit (EBIT) [CHF m] | 7.9% | 5.6% | 370.4 | 350.8 |
| Financial items [CHF m] | -9.4% | -11.5% | (81.1) | (91.6) |
| Result from investments in associates and joint ventures [CHF m] | | | (0.3) | 0.4 |
| Income taxes [CHF m] | 15.1% | 14.1% | (37.3) | (32.7) |
| <i>Tax rate [in %]</i> | | | <i>-12.9%</i> | <i>-12.6%</i> |
| Net Profit for the year [CHF m] | 13.5% | 10.9% | 251.7 | 226.9 |

Cash Flow FY 2009/10

Improved Cash Flow key to support the speed of our growth



in mCHF



* Before WC changes, after interest and tax

** Paid by way of nominal share value repayment



Balance Sheet

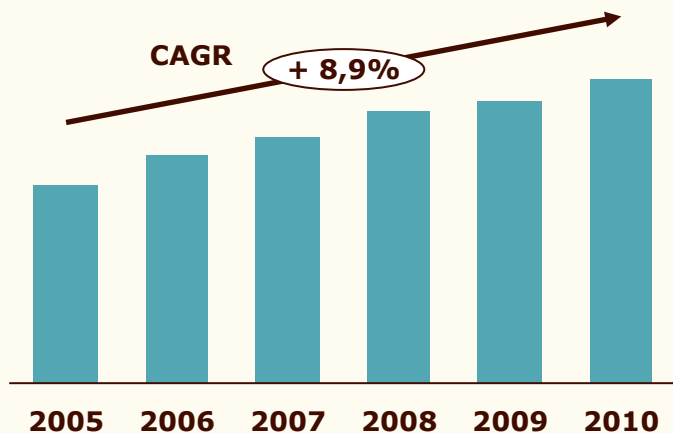
Solid Financials with improvement of all key ratios

| | Change in % | August 2010 | August 2009 |
|-------------------------------------|----------------|-------------|-------------|
| Total Assets [CHF m] | 1.6% | 3'570.8 | 3'514.8 |
| Net Working Capital [CHF m] | -4.5% | 964.9 | 1'010.1 |
| Non-Current Assets [CHF m] | -1.8% | 1'405.8 | 1'432.2 |
| Net Debt [CHF m] | -7.6% | 870.8 | 942.7 |
| Shareholders' Equity [CHF m] | 3.7% | 1'302.3 | 1'255.6 |
| Debt/Equity ratio | | 66.9% | 75.1% |
| Solvency ratio | | 36.5% | 35.7% |
| Net debt / EBITDA | | 1.9x | 2.1x |
| Interest cover ratio | | 5.8x | 5.0x |
| ROIC | | 14.8% | 13.9% |
| ROE | | 19.6% | 18.1% |

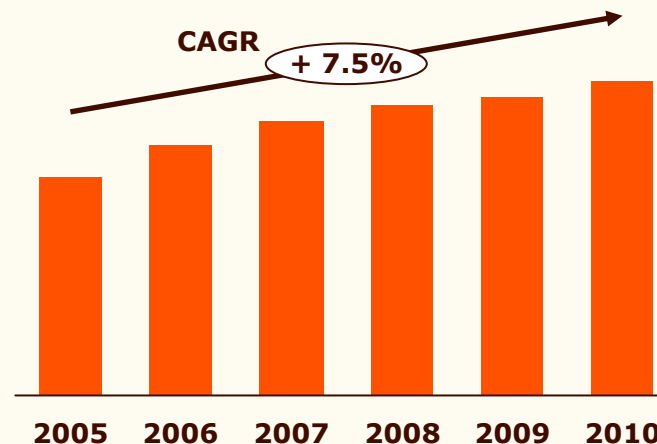


BC's sustainable and solid top-line and bottom-line growth over the last 5 years

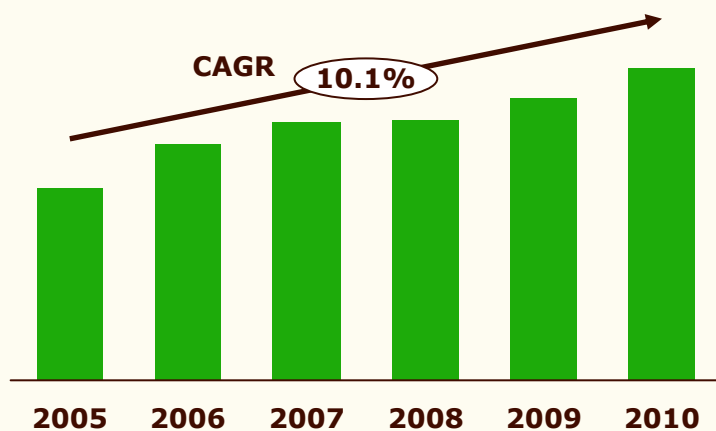
Sales Volume



EBIT in CHF

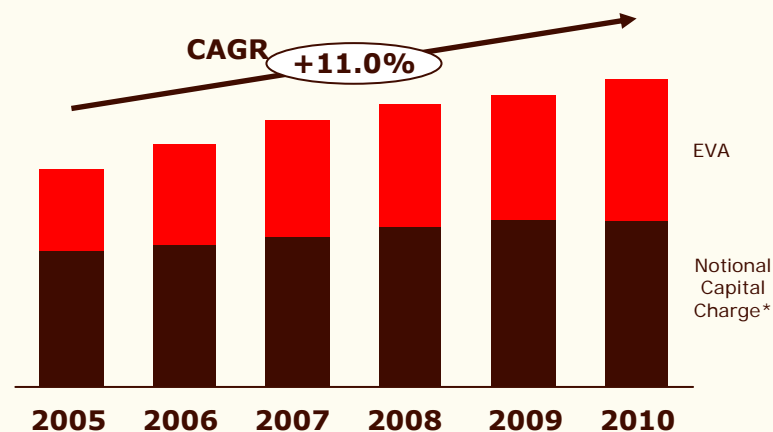


Net profit in CHF *



* Continuing operations

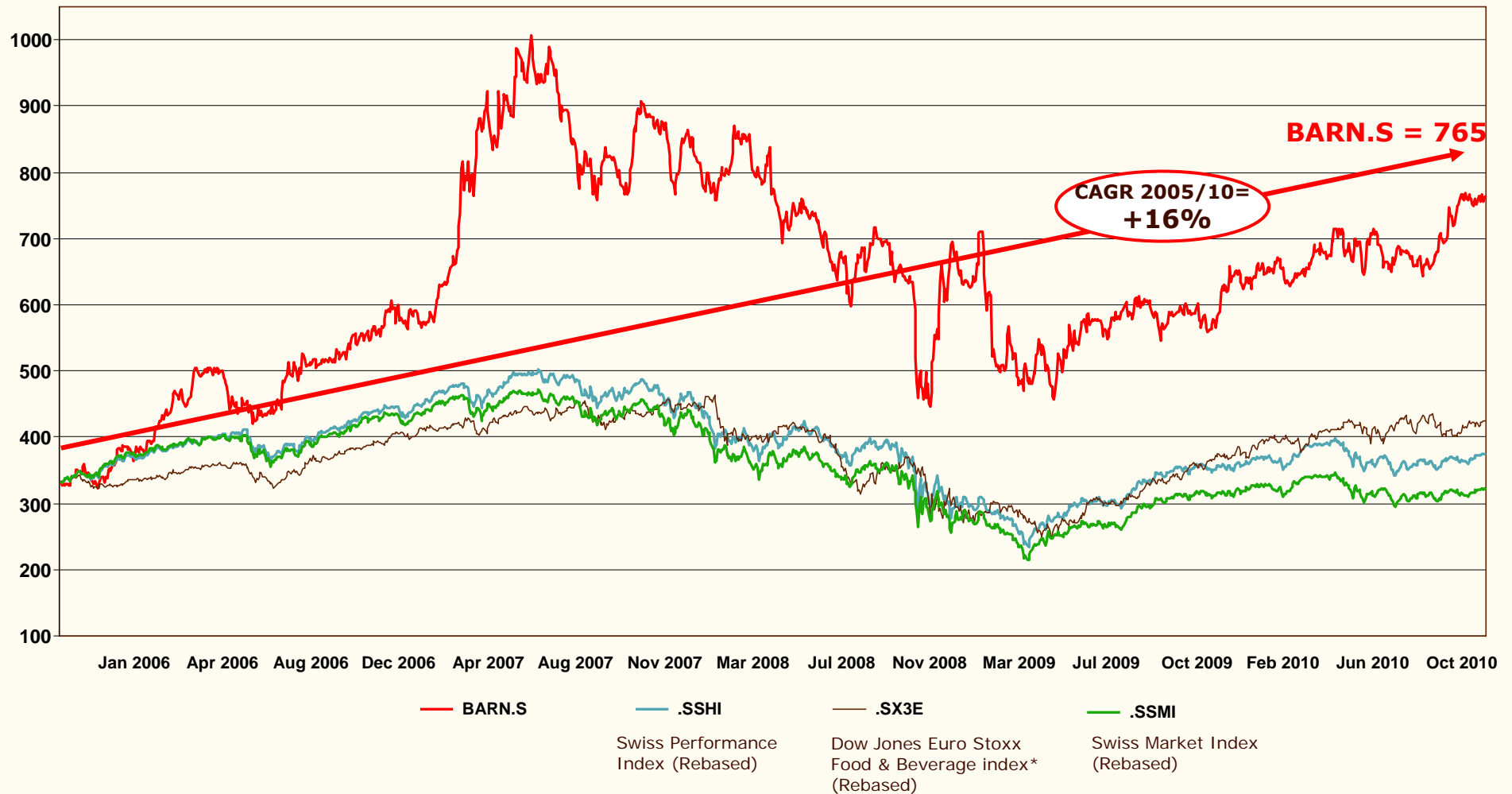
Economic Value Added in CHF



* WACC = 8%



BC share price development over last 5 years vs. relevant indexes





Proposed pay-out: Increase of 12% to CHF 14.0 per share

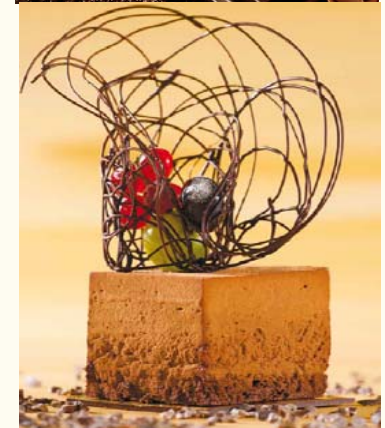
| CHF per share | Change in % | FY 2009/10 | FY 2008/09 |
|---------------------------------------------|--------------------|-------------------|-------------------|
| Profit from continuing operations | 10.5% | 48.6 | 44.0 |
| Proposed payout | 12.0% | 14.0 | 12.5 |
| Payout ratio (continuing operations) | | 28.8% | 28.4% |
| Total proposed payment [CHF m] | 12.0% | 72.4 | 64.6 |

- Reduction of nominal value of Barry Callebaut share by CHF 14.0 proposed by the Board of Directors
- Reduction of nominal value of share instead of dividend is usually tax free for private Swiss shareholders



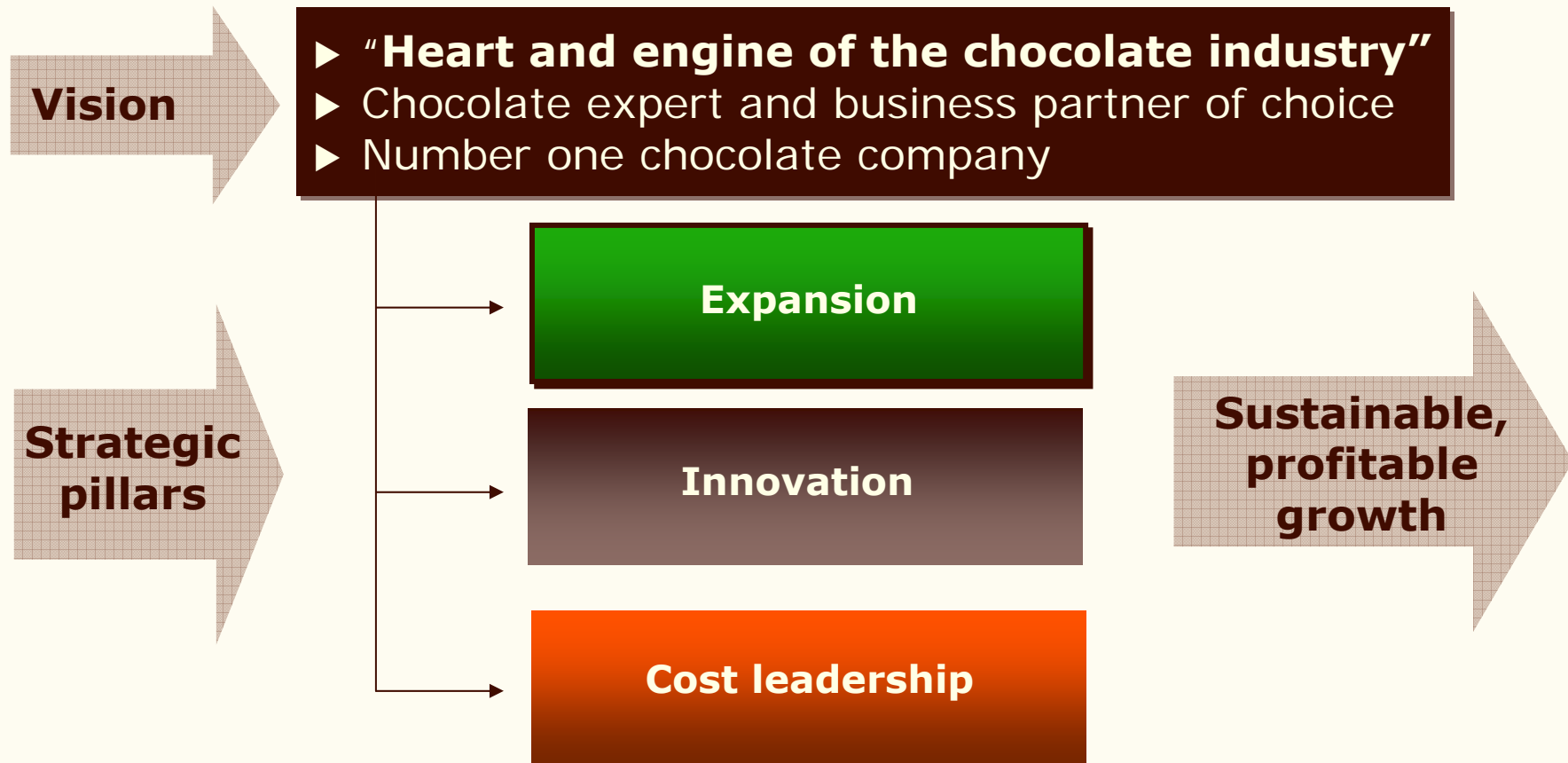
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Fine-tuning our strategy

Growth Strategy



Fine-tuning our strategy
 “Expansion” in different dimensions



Geography

- Drive consolidation and grow profitably in mature FM markets
- Achieve full potential in recently entered emerging markets
- Further expand in new emerging markets



Outsourcing & Strategic Partnerships

- Strengthen our current partnerships
- Implementation of Kraft deal
- New outsourcing deals with local/regional players



Gourmet & Specialties Products

- Accelerate growth of Gourmet & Specialties Products business





Fine-tuning our strategy on Gourmet

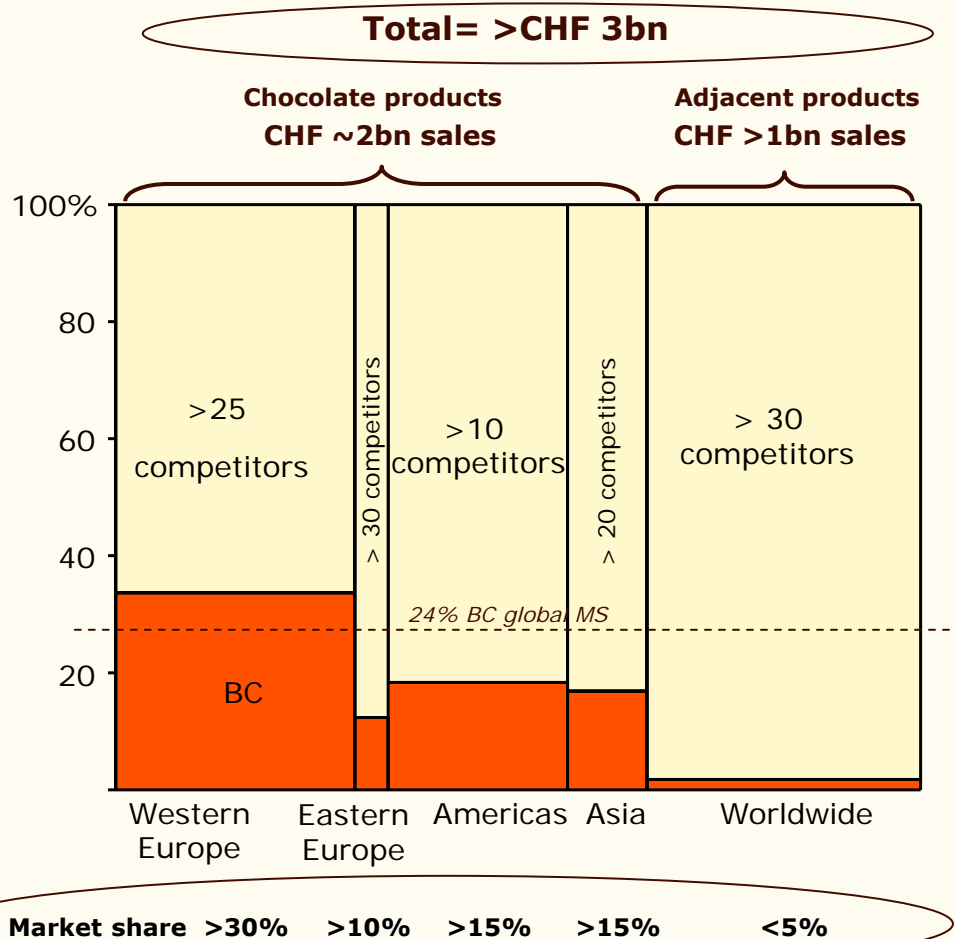
Goal: Strengthen our Global Gourmet Leadership



Fine-tuning our strategy on Gourmet Global Gourmet market



Gourmet global market and BC presence



Market

- ▶ Highly fragmented market with more than 100'000 end-customers
- ▶ Three main segments:
 - ▶ Confectioners: artisanal chocolate shops
 - ▶ BAPA: bakery and pastry shops
 - ▶ HORECA: restaurants, hotels and caterers
- ▶ Main competitors: Valrhona, Felchlin, Belcolade and many local players

Key trends

- ▶ Consolidation (distribution, end-customers)
- ▶ Differentiation
- ▶ Convenience



Fine-tuning our strategy on Gourmet

Our business today

- ▶ Global Market leader
 - ▶ Sales Revenue more than CHF 700 mio (24% market share)
 - ▶ Present in all major markets, through own sales office or agent
 - ▶ We sell via different channels: distributors, wholesalers, cash & carry and directly
- ▶ Brands:
 - ▶ Callebaut: "Finest Belgium chocolate"
 - ▶ Cacao Barry: "French chocolate"
 - ▶ Carma: Global niche Swiss brand
 - ▶ More than ten locally rooted labels
- ▶ Products: >500 recipes in chocolate, plus adjacent products
- ▶ 13 Chocolate academies; ~20,000 people attended our trainings or demos per year



Fine-tuning our strategy on Gourmet

Six actions for accelerated Gourmet growth in the future



1. Sharpen focus on two global brands Cacao Barry and Callebaut
2. Move from a product to a segment focus
3. Increase adjacent product offering
4. Accelerate geographical expansion
5. Growth through acquisitions
6. Dedicated Gourmet organization with own P&L / "Independent but interdependent"



**Decorations
(Confectioners)**



**Fillings
(BAPA)**

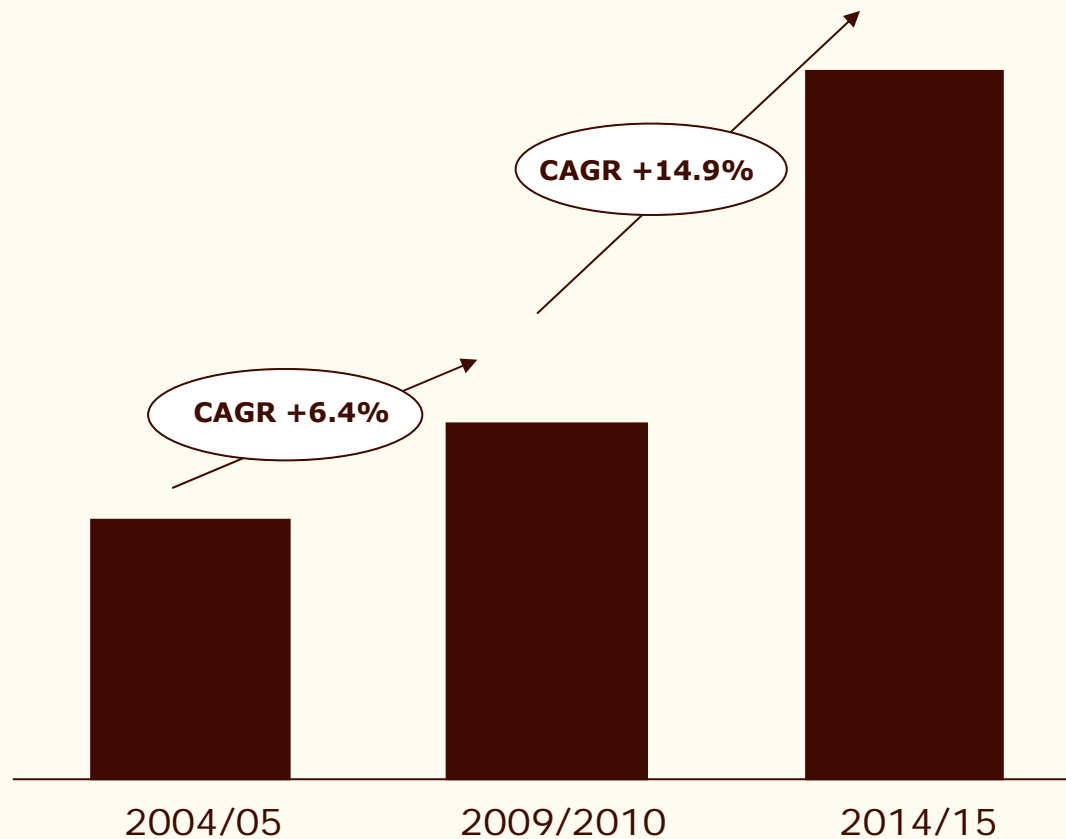


**Frozen
(Foodservice)**

Fine-tuning our strategy on Gourmet Gourmet growth target



- ▶ Double our sales volume by 2014/15
(Combination of organic growth and acquisitions)





Outlook

Financial targets confirmed and extended

- ▶ Three-year growth targets for 2009/10 – 2011/12 extended by one year through 2012/13

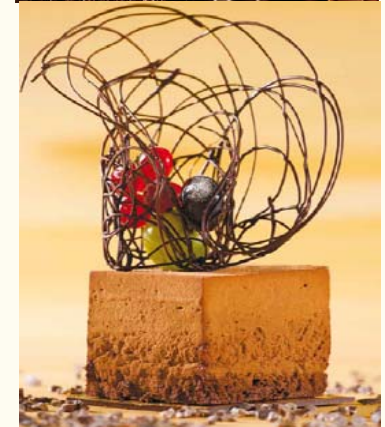
- ▶ Annual growth targets on average* for 2009/10 through 2012/13:
 - Volumes: 6-8%
 - EBIT: at least in line with volume growth

* 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.



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Summary



**Strong year – dynamic growth
Outperforming global chocolate
market**

**Excellent growth in all Regions,
especially in emerging markets
and in Gourmet & Specialties**

Proven growth strategy

**Financial targets confirmed and
extended through 2012/13**





Barry Callebaut Financial Calendar 2010/11

- Annual General Meeting 2009/10 - December 7, 2010
- 3-month key sales figures 2010/11 - January 12, 2011
- Half-year results 2010/11 - April 1, 2011
- 9-month key sales figures 2010/11 - June 30, 2011
- Full-year results 2010/11 - November 10, 2011
- Annual General Meeting 2010/11 - December 8, 2011





Thank you for your attention!



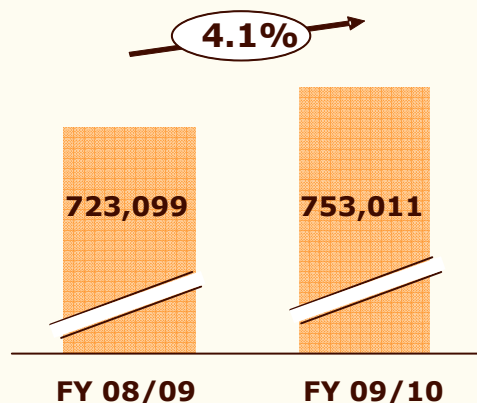


Back-up



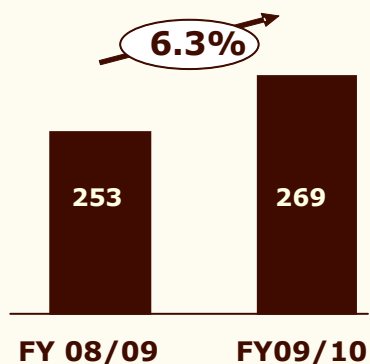
Region Europe Strong performance amidst challenging market conditions

Sales volume (tonnes)



EBIT (CHF million)

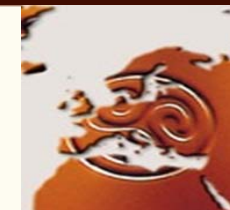
+8.3% in local currencies



Europe

**Food Manufacturers (FM),
Gourmet and Consumer**

57.7% of total sales volume



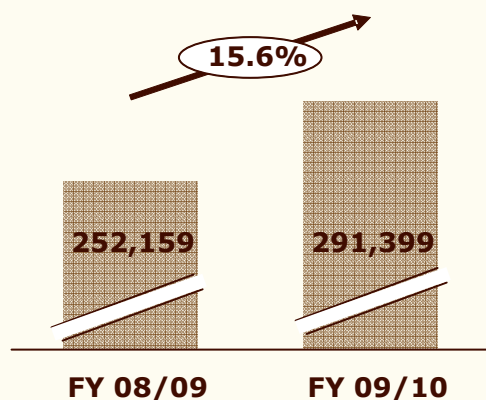
- Market demand in Western Europe recovered, although UK and France are still slightly negative, Eastern Europe market still not yet on a positive growth path
- In FM strong growth of compounds and fillings, as well as our decorations business and an increasing demand for nut and specialties products
- In Gourmet we saw market share gains, as a result of increased focus, organizational optimization and integration of Chocovic and Eurogran
- Volume of our Consumer Products business slightly decreased
- Positive EBIT growth due to efficiency gains, slight margin improvements and strict cost control



Region Americas

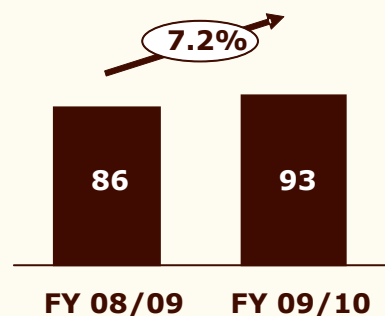
A strong top-line translates into profit improvement

Sales volume (tonnes)



EBIT (CHF million)

+6.3% in local currencies



Americas

Food Manufacturers & Gourmet

22.3% of total sales volume



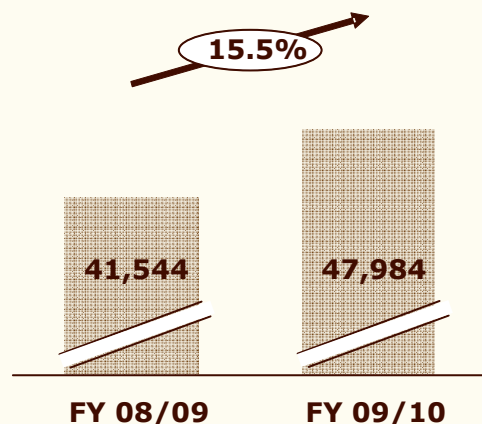
- Chocolate consumption in the US saw low levels in early 2010 and rebounded strongly in last quarter; overall the US chocolate market grew by 2.7%. In Brazil, the chocolate market increased 3.5% vs. prior year
- The foodservice segment showed a modest recovery, at home consumption increased (bakeries), as well as more casual dining.
- Highly competitive market in medium sized national customers
- Food Manufacturers volume grew at double-digit driven by Corporate accounts, leading to an overall gain in market share
- Our Gourmet & Specialties business out-performed due to substantial growth in higher-end import brands such as Cacao Barry and Callebaut



Region Asia - Pacific

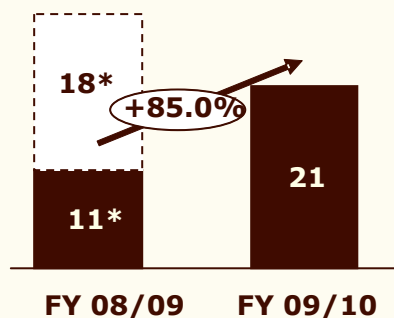
A strong growth story continues

Sales volume (tonnes)



EBIT (CHF million)

+87.6 % in local currencies*



*Excluding one-off gain on sale of Asian Consumer business in prior year

Asia-Pacific

Food Manufacturers & Gourmet

3.7% of total sales volume



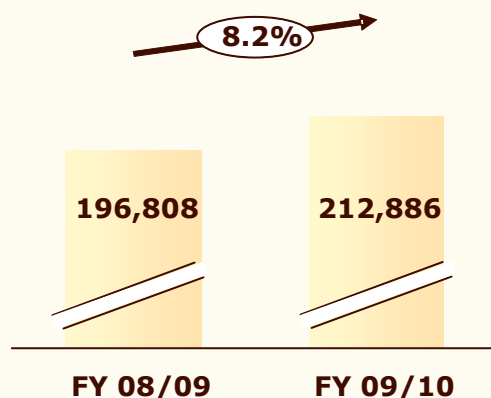
- Chocolate consumption in China, India, Indonesia and Malaysia showed overall significant growth, while Japan did not grow
- We achieved double digit growth with industrial as well as artisanal customers
- Multinational as well as local customers showed very good performance, although exports from China are still affected by the past food scandals
- Gourmet business showed a strong demand for European brands as well as for the local brands both showed double-digit growth in almost every market
- Capacity utilization improved strongly, therefore we had better coverage of our fixed costs and dramatic improvement of EBIT



Global Sourcing & Cocoa

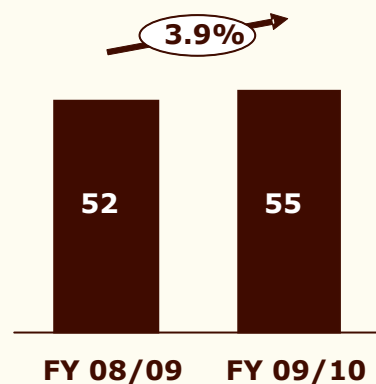
Creating value through our core ingredients

Sales volume (tonnes)



EBIT (CHF million)

+5.4 % in local currencies



Global Sourcing & Cocoa

Cocoa semi-finished products

16.3% of total sales volume



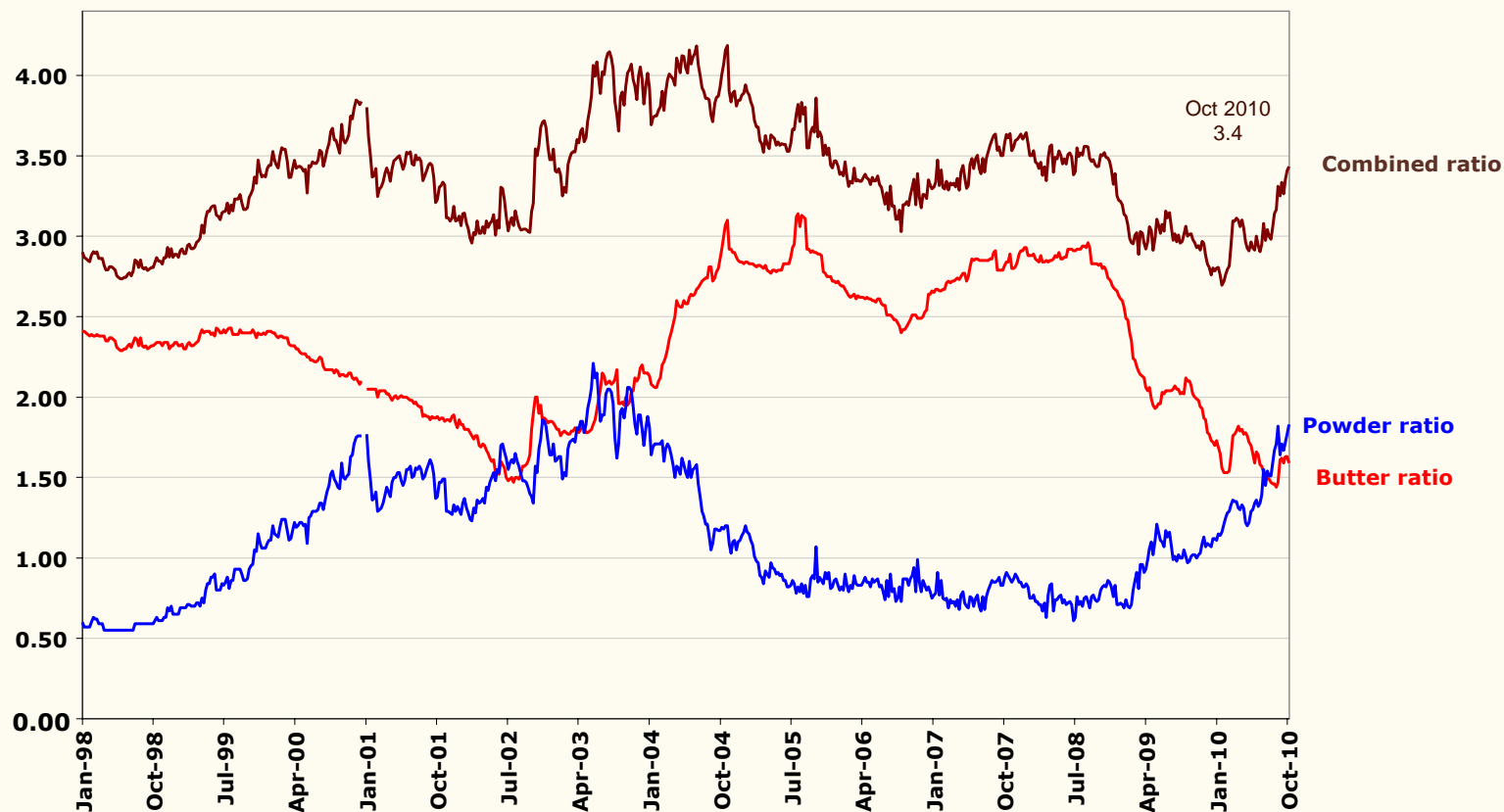
- Volatile cocoa markets and new historical highs driven by fears of a poor crop and heavy speculative buying
- Strongly increased the volume of cocoa products sold to third-party customers by 8.2%. Especially North and South America performed above-average
- High demand in cocoa powder, mainly in the bakery, ice cream and beverage industry, as well as for compounds in chocolate confectionery
- Negative impact from low butter ratio, offset by volume growth and good performance in developing regions
- Higher demand for certified products



Raw material price development

Low combined cocoa ratio, recently improving

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

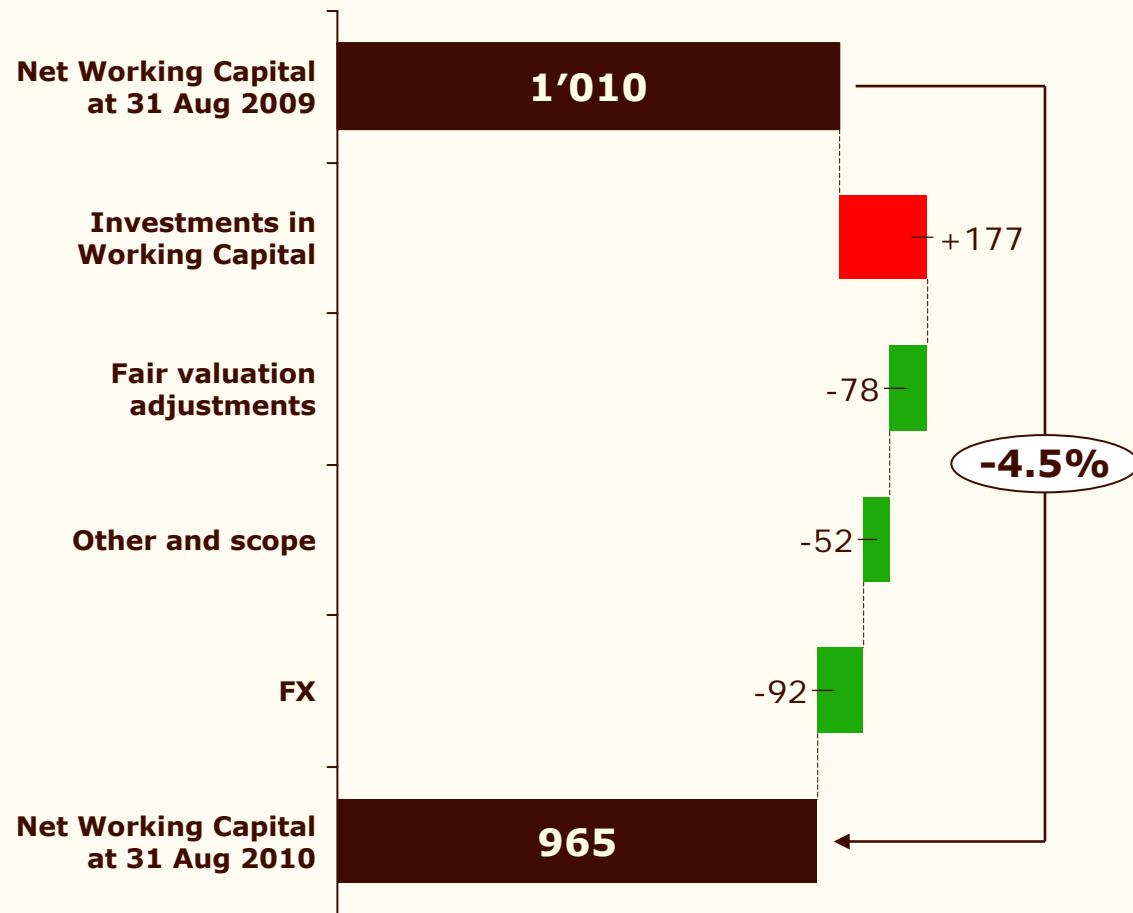


- ▶ Combined cocoa ratio* was unfavorable in H1 2009/2010, there was a neutral effect in H2 2009/2010. Combined ratio has recently recovered, however driven by powder not butter.
- ▶ Low combined cocoa ratios = negative impact on BC cocoa (semi-finished products) business



Working Capital Positive impact from our Capital Excellence program CHF 114 million

in mCHF



Average of the year vs. prior year

- **Inventories** (days sales in inventory)
Reduction considering volume growth thanks to a better planning. **Overall reduction of 11.7 days of sales coverage** (excl. FX and raw material price impact)
- **Receivables** (days sales outstanding)
We managed to **reduce the average days outstanding by 1.4**; through strong focus on reducing overdues and optimizing the collection process including electronic invoicing /EDI
- **Payables** (days payable outstanding)
Only marginally improved. Difficult to renegotiate existing contracts and payment terms. Supply chain financing should clearly improve our payable situation next year.

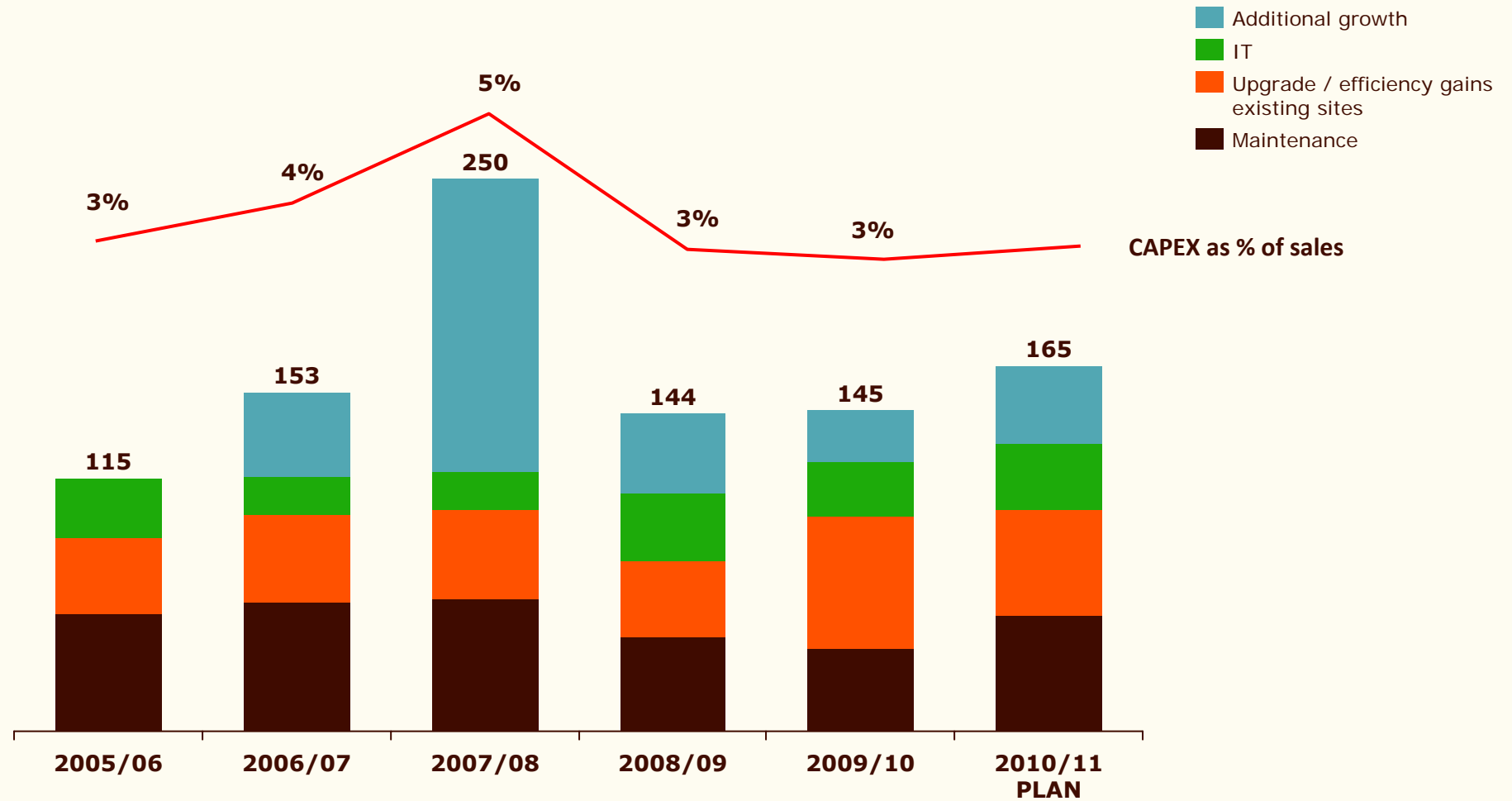
Total positive impact of operational improvements CHF 114 million



CAPEX development

Investments support the growth of our business

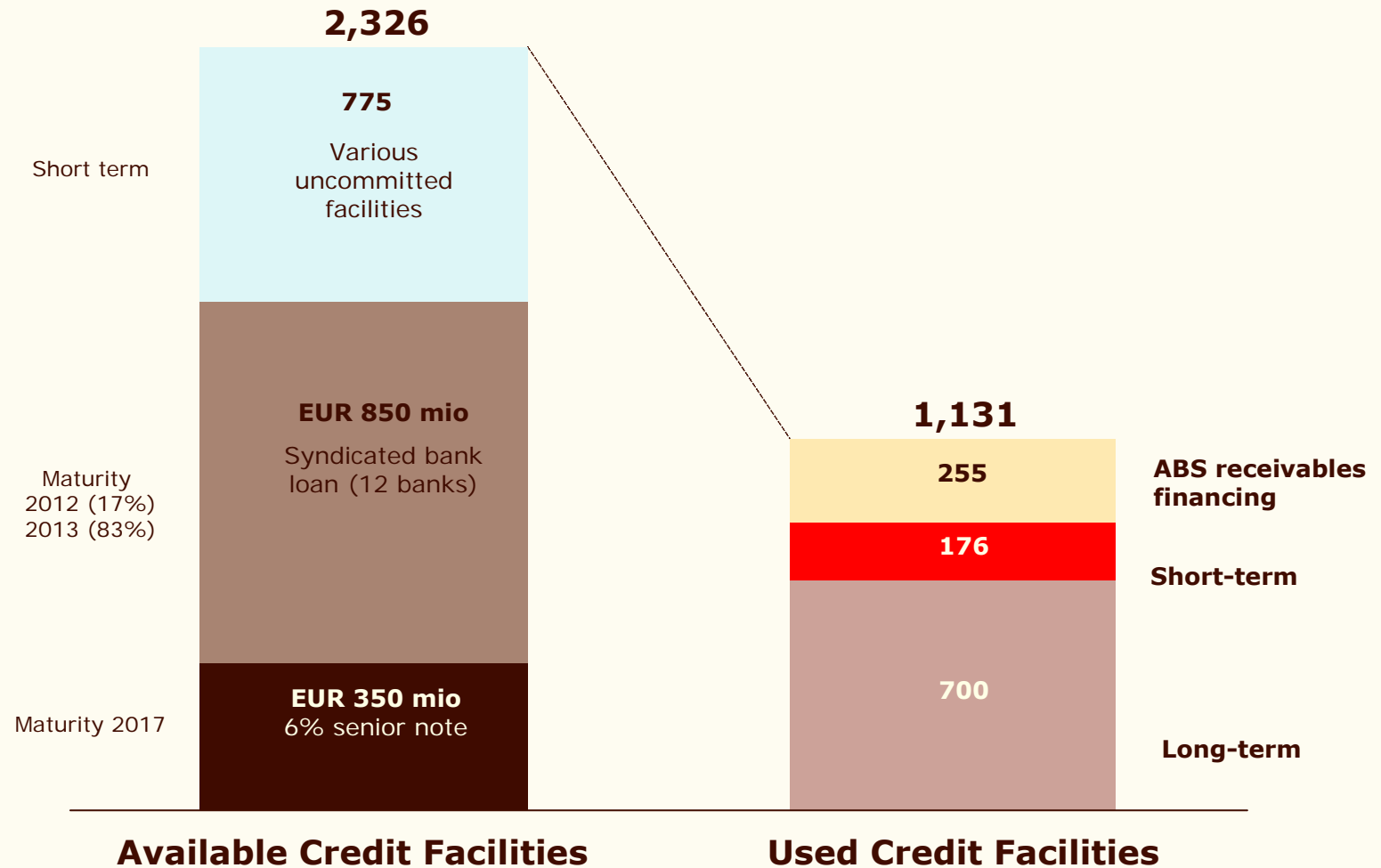
in mCHF



Net debt Stable financing structure through long-term secured credit lines



Financing and liquidity situation as of Aug 31, 2010 (CHF million)





Corporate Social Responsibility Quality Partner Program (QPP)

- ▶ Increase quality as well as quantity of cocoa produced by farmers
- ▶ Increase direct sourcing (65% of total sourced beans)
- ▶ Goal is to improve farmers income by:
 - ▶ Cutting out middlemen
 - ▶ Training programs to increase quality and yield
 - ▶ Paying quality premiums, pre-financing for cooperatives
 - ▶ Implementing R&D programs with high premium (e.g. Controlled Fermentation)
- ▶ 48 cooperatives, 40,000 cocoa farmers
- ▶ Additional benefits:
 - ▶ Training: Improve management skills of cooperatives
 - ▶ Help cooperatives to provide social & health services to members
 - ▶ Address the child labor issue: Focus on sensitization

