



Barry Callebaut

Roadshow presentation - Q1 2010/11

January 2011

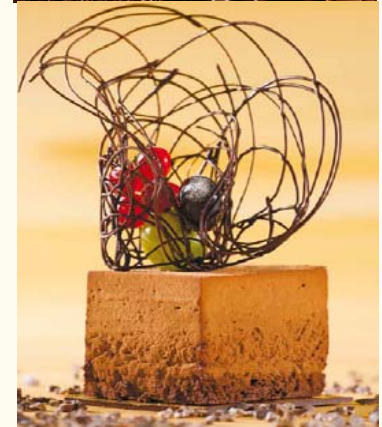


BARRY CALLEBAUT



Agenda

- ▶ **BC at a glance**
- ▶ Q1 Key Sales Figures
- ▶ Strategy & Outlook
- ▶ Q & A



Barry Callebaut as the heart and engine of the chocolate industry



Cocoa Plantations

Cocoa beans

80%

Cocoa liquor

Cocoa powder

Cocoa butter

~54%

~46%

+ 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

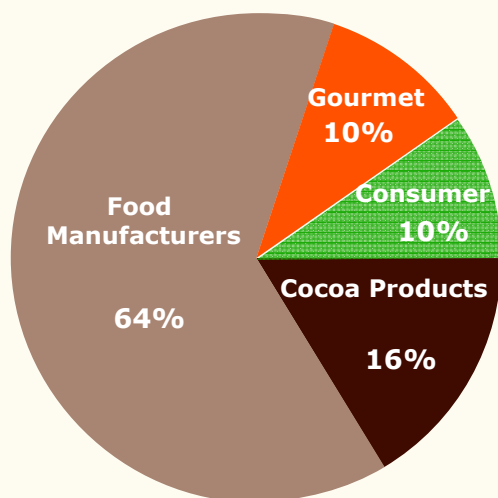




Barry Callebaut at a glance

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
- ▶ **Early mover in emerging markets**
- ▶ **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**



Main raw materials and business model

Main raw materials

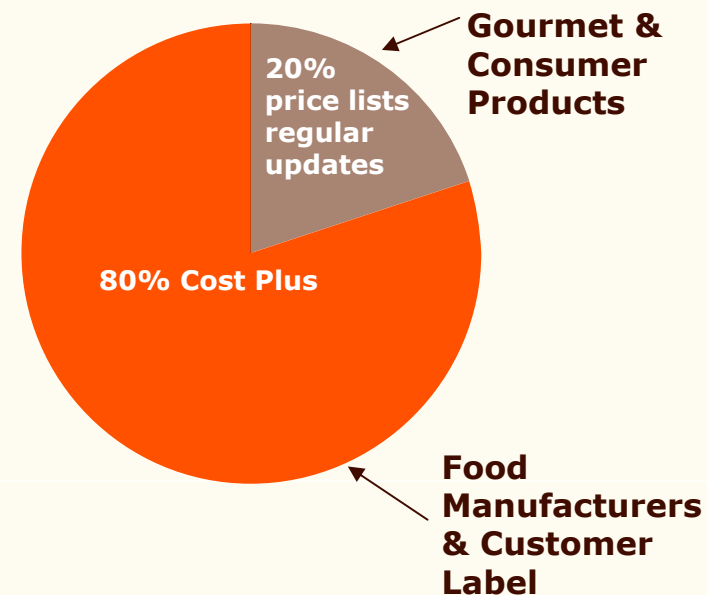
BC sourced in 09/10:		% of total raw material value
Cocoa	570 KT	51%
Dairy	125 KT	10%
Sugar	480 KT	8%
Oils and Fats	82 KT	4%
Other		27%

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 42 factories worldwide



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.



Long-term Strategic Partnerships with the top chocolate players

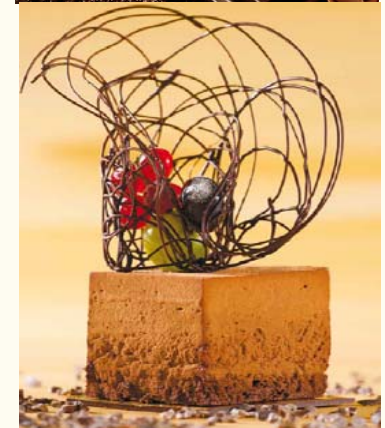
- ▶ Only player in the market with Long-term supply agreements with the top chocolate players:
 - Nestlé
 - Hershey's
 - Kraft / Cadbury
- ▶ Kraft – latest deal signed on Sep 2010. Amongst the largest strategic deals BC has ever signed, and the first truly global agreement
 - ▶ Barry Callebaut expects 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





Agenda

- ▶ BC at a glance
- ▶ **Q1 Key Sales Figures**
- ▶ Strategy & Outlook
- ▶ Q & A





Good start in 2010/2011

		Change (%)	Three months up to Nov 30, 2010	Three months up to Nov 30, 2009
Sales volume	mt	5.6%	383,222	362,973
Sales revenue	CHF m	4.9%	1,521.8	1,450.2
Sales revenue	in local currencies	14.2%		

- ▶ Sales volumes up 5.6% in a recovering market and 4.9% in revenue in reporting currency
- ▶ Strong sales performance of Emerging market, Gourmet and Cocoa

Key Sales Figures Q1 2010/11

Region Europe



- **Economy** in Western Europe is **picking up**, Eastern European economies are performing well, **Russia** showed **first signs of recovery**.
- Sales **volume** in the Region went **up by 3%** to 222,708 tonnes, driven by strong **double-digit growth** rates in **Eastern Europe** in the Food Manufacturers as well as in Gourmet & Specialties.
- **Increased demand** for specialties products in the industrial business.
- **Gourmet business** showed a **good performance** in volumes in Western Europe. In general, the bakery segment was flat, whereas HORECA sales (hotels, restaurants, catering) are recovering.
- More **demand** was seen **for premium products**.
- **Sales revenue rose by 7.5% in local currencies**, which was negatively affected by the strength of the Swiss Franc versus the Euro, with - 4.5% in reporting currency



Key Sales Figures Q1 2010/11 Region Americas



- **Economic environment** in the Region **has improved**, but still **high unemployment rates** in the U.S. had a negative impact on consumer sentiment.
- **Latin American** countries showed **high GDP growth rates** in the last quarter, but inflation is also on the rise.
- In a **very competitive market environment**, Region Americas was able to increase sales volume by 2% to 78,368 tonnes.
- **Food Manufacturers** business was **driven by** the good performance of **Corporate accounts**.
- **Sales revenue** in local currencies strongly went up by **11.9%**, but it was negatively affected by currency translation effects. In Swiss francs, sales revenue growth amounted to 7.9% and came in at CHF 268.2 million.



Key Sales Figures Q1 2010/11 Region Asia-Pacific

Asia-Pacific



Food Manufacturers
& Gourmet

4 % of sales
volume

Vol. growth vs. PY

+9.2%

Sales revenue
growth vs. PY (CHF)

+18.2%

- General **economic conditions** are continuing to **improve**, except in Japan. The **Chinese economy is growing at around 10%**, however, with a high inflation rate.
- Region Asia-Pacific benefited from the generally favorable economic environment and **increased its sales volume by 9.2% up to 13,582 tonnes**. Main growth driver was Food Manufacturers, with a **strong market demand for compounds and fillings**. Good growth was seen in China.
- Gourmet & Specialties Products saw a **strong demand for both premium European brands** as well as for the local brands.
- **Sales revenue grew double digit with + 19.1%** in local currencies respectively 18.2% in reporting currency, closing at CHF 62.3 million.



Key Sales Figures Q1 2010/11 Global Sourcing & Cocoa

Global Sourcing & Cocoa



Cocoa semi-finished products

18% of sales volume

Vol. growth vs. PY	+19.2%
--------------------	---------------

Sales revenue growth vs. PY (CHF)	+36.0%
-----------------------------------	---------------

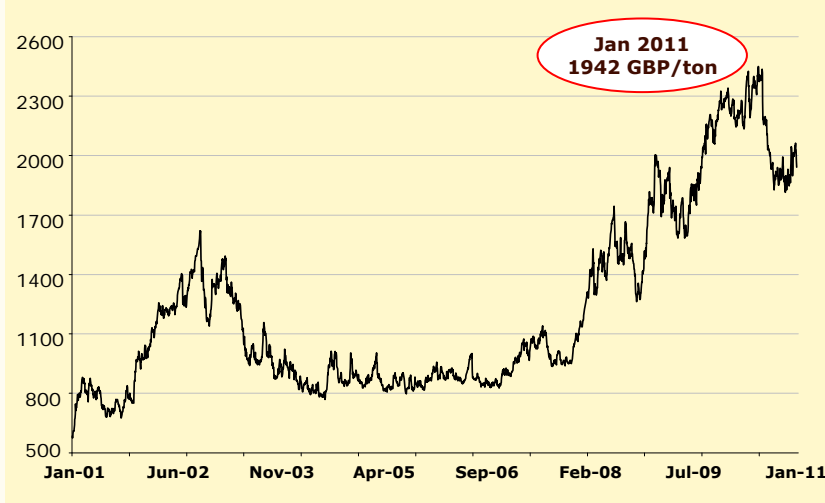
- **Cocoa prices** are still **on high long-term average levels** and **very volatile** on a daily basis.
- Prices on the **world sugar** markets went up considerably **to new record highs** due to a third deficit in a row. The **sugar price** in the regulated **EU region also moved up significantly**.
- World as well as European market prices for **milk powder increased** at the beginning of the Q1, **prices** are expected **to stabilize on their historical average**.
- Global Sourcing & Cocoa significantly **increased volume by 19.2%** to 68,564 tonnes. Higher sales were driven by **increased demand of semi-finished products** and **cocoa bean deliveries to strategic customers** – especially in Europe and Asia-Pacific.
- Driven by **high powder prices**, **sales revenue** of Global Sourcing & Cocoa amounted to CHF 315 million, an **increase of 42.4%** in local currencies (+36.1% in Swiss francs).
- As seen in the previous quarter, the **forward Combined Cocoa Ratio further improved**.

Raw material price development

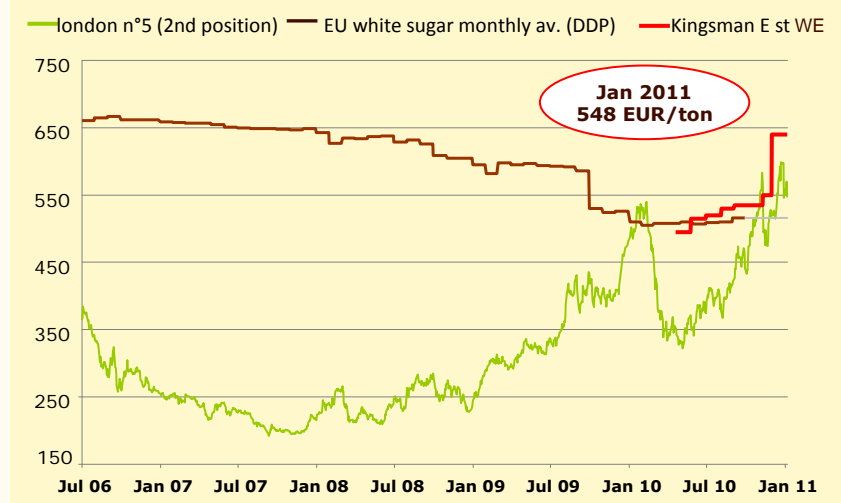
Raw materials at high levels, volatility increased



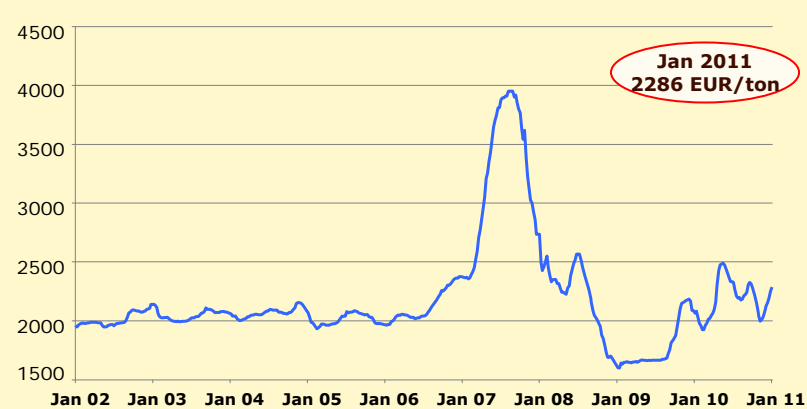
London Cocoa 2nd Position in GBP/tonne



Average price for white sugar EUR/tonne



Skimmed milk powder prices EUR/tonne



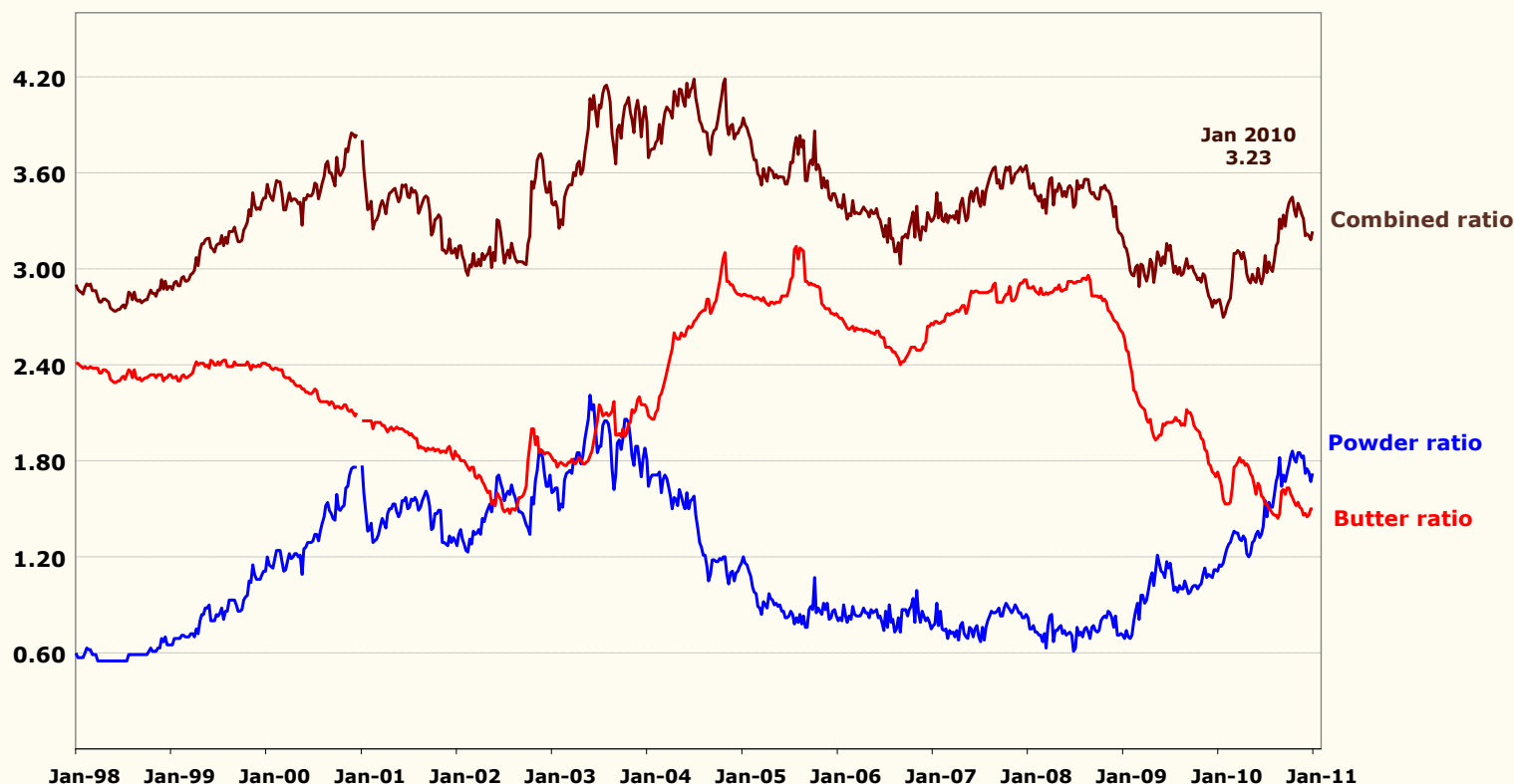
- ▶ BC through its "cost plus" model passes on the cost of raw materials to customers (80% of the business)
- ▶ Cocoa price reached 33-year high in July 2010, it came down, but still at high levels
- ▶ World sugar price increased +60%. BC mainly sources locally, EU prices also increased between 50% -70%
- ▶ Milk powder prices are highly volatile



Raw material price development

Combined ratio has shown some recovery

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



- ▶ Combined cocoa ratio* was unfavorable in FY 2009/2010. Combined ratio has recovered, mainly driven by powder not butter.
- ▶ Low combined cocoa ratios = negative impact on BC cocoa (semi-finished products) business



Full year figures 2009/10

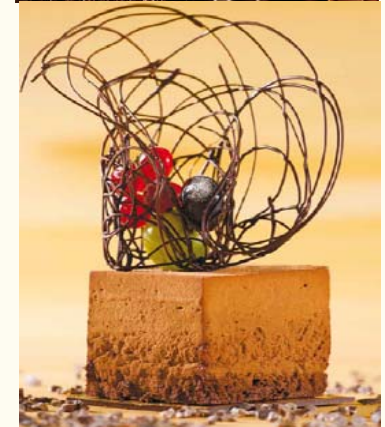
Strong year with significant growth

	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>



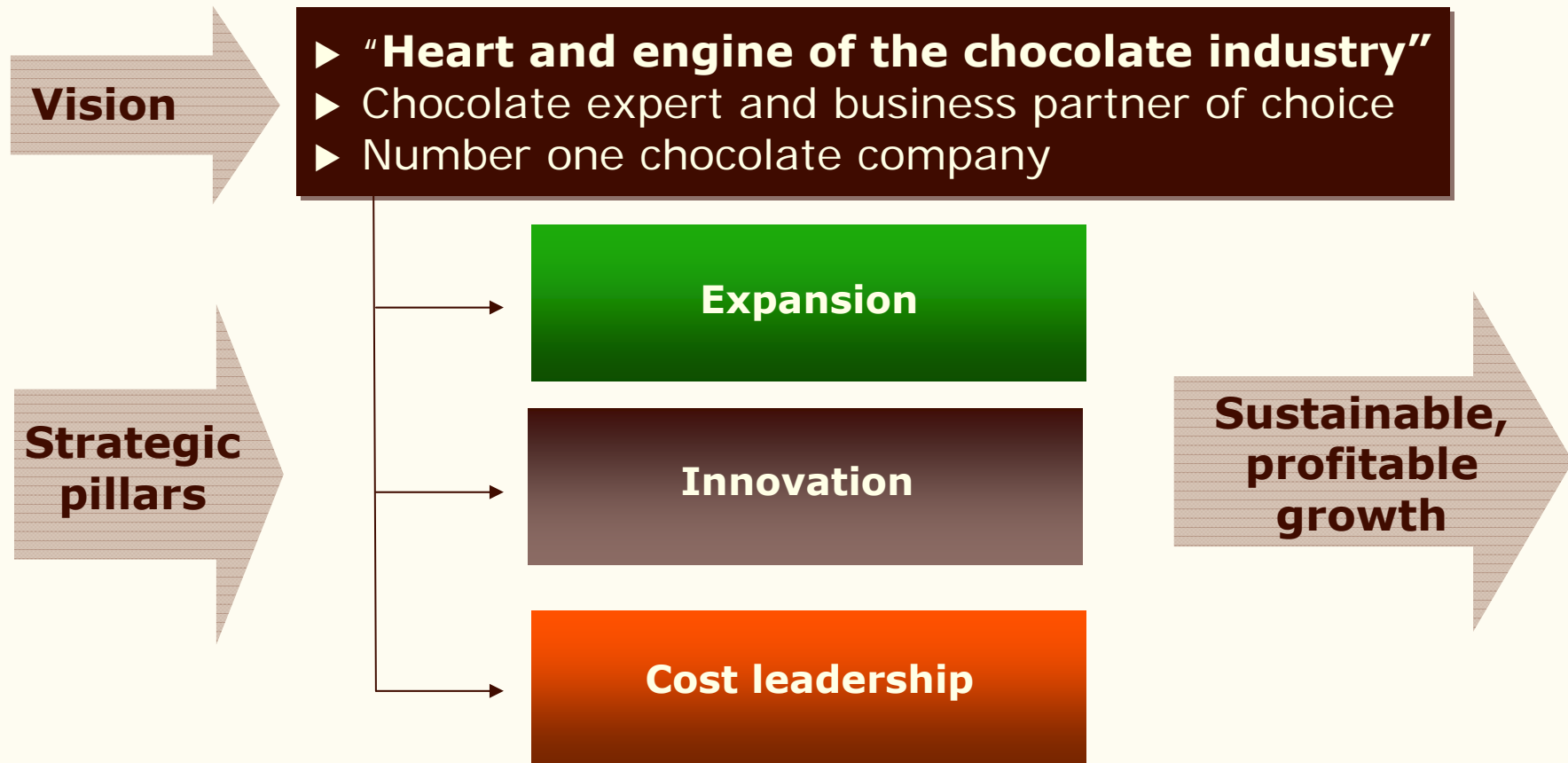
Agenda

- ▶ BC at a glance
- ▶ Q1 Key Sales Figures
- ▶ **Strategy & Outlook**
- ▶ Q & A



Highlights Fiscal Year 2009/10

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

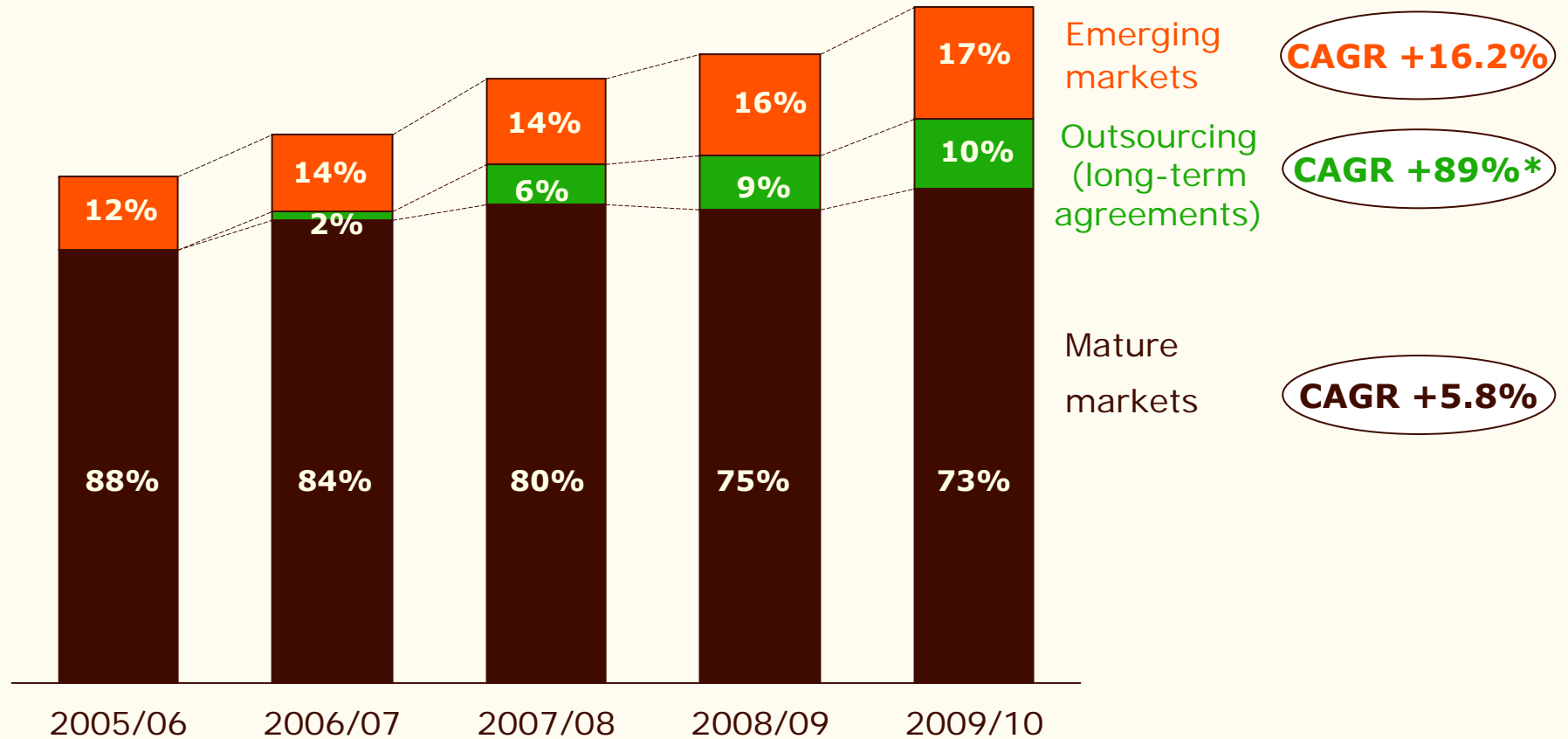




Geographic Expansion: Increased importance of emerging markets and outsourcing

Expansion

% of total consolidated sales volume



*CAGR 2006/07 -2009/10



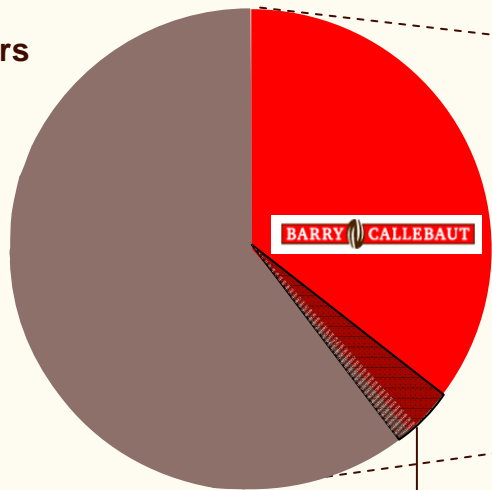
BC market leader in the open market

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

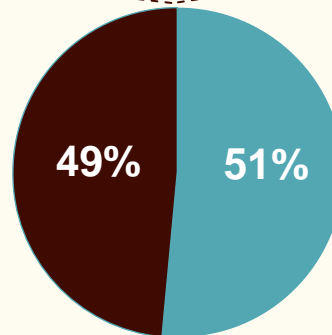
Open market

Integrated market

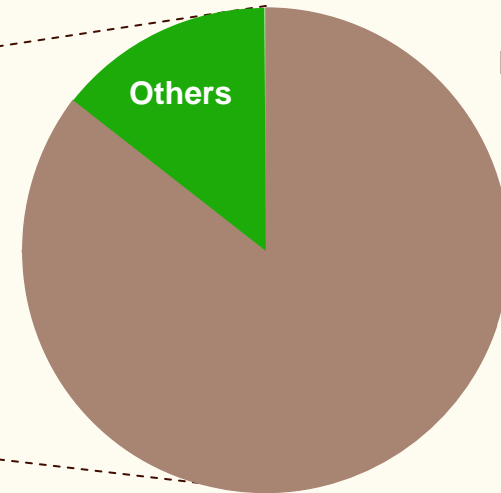
Competitors



Outsourced
(long-term
volumes)



Big 4 chocolate players

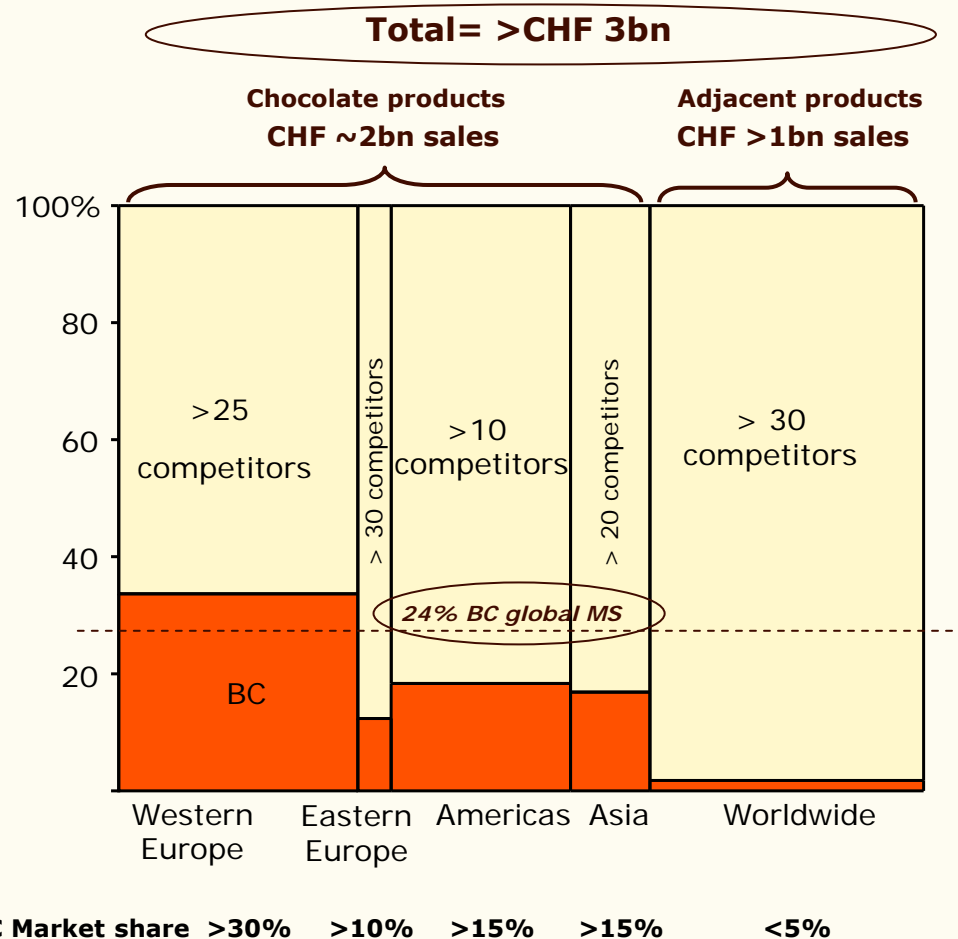


*BC estimates

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 and six actions to accelerate growth

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
 - ▶ 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

CALLEBAUT

CACAO BARRY
— Since 1842 —

Carma
THE SWISS PARTNER FOR YOUR DESSERTS

Six actions to accelerate our growth

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)**



**Frozen
(Foodservice)**



**Fillings
(BAPA)**

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



Innovationen 2009/10

980 Projects to optimize recipes

Controlled-fermented beans for premium products

100% dairy free alternative to milk chocolate

First chocolate sweetened with Stevia

QPP chocolate for international premium products

Cost leadership
Operational efficiency further improved



Manufacturing costs per tonne:

- ▶ Maintenance costs per tonne
- ▶ Higher capacity utilization for liquid chocolate
- ▶ Optimized product flows and inventory management
- ▶ Reduced energy consumption per tonne

	2009/2010	Goal
	-5%	at least -2%
	-4%	-3%
	from 79.4% to 82.6%	82-85%
	Capital Excellence Program & Continuous improvement program ("Celerant")	
	-4%	-5%

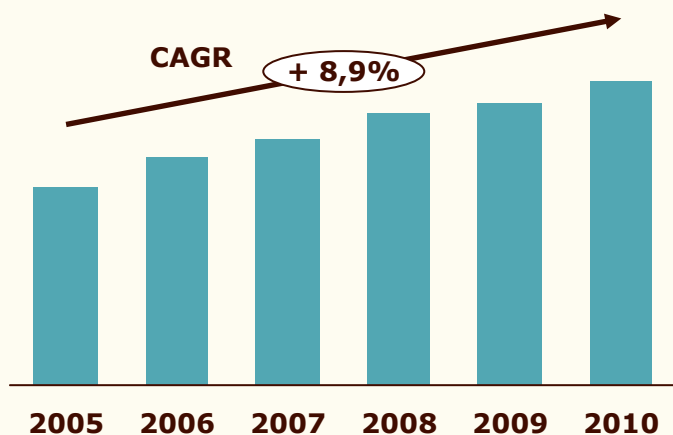


An upgraded version of our continuous improvement project will be implemented in the next 3 years, with a long term and more structured approach

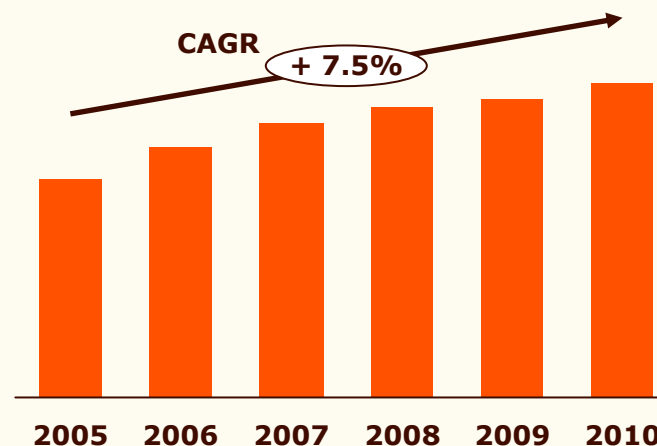


BC's sustainable and solid top-line and bottom-line growth over the last 5 years

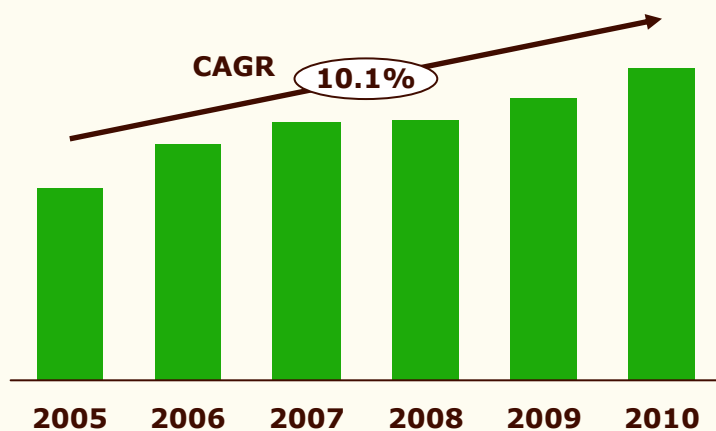
Sales Volume



EBIT in CHF

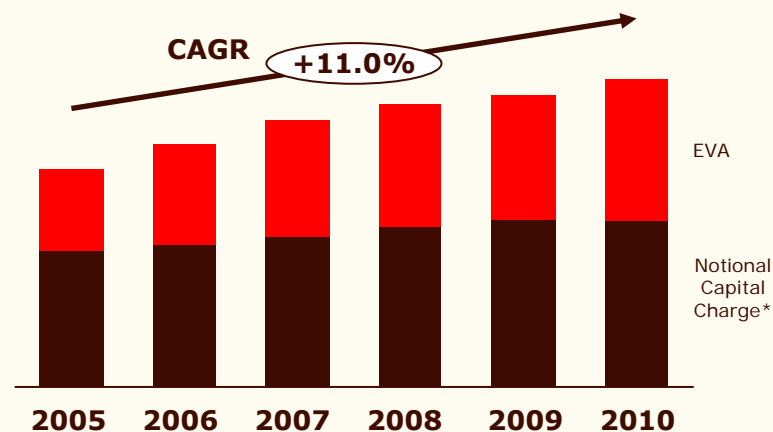


Net profit in CHF *



* Continuing operations

Economic Value Added in CHF



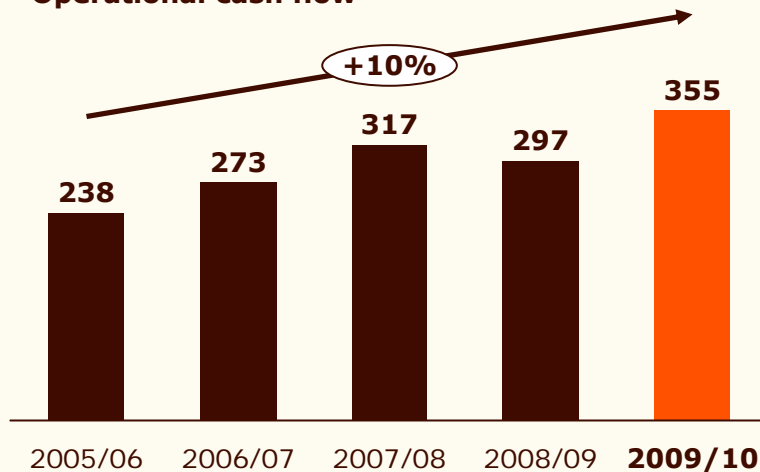
* WACC = 8%



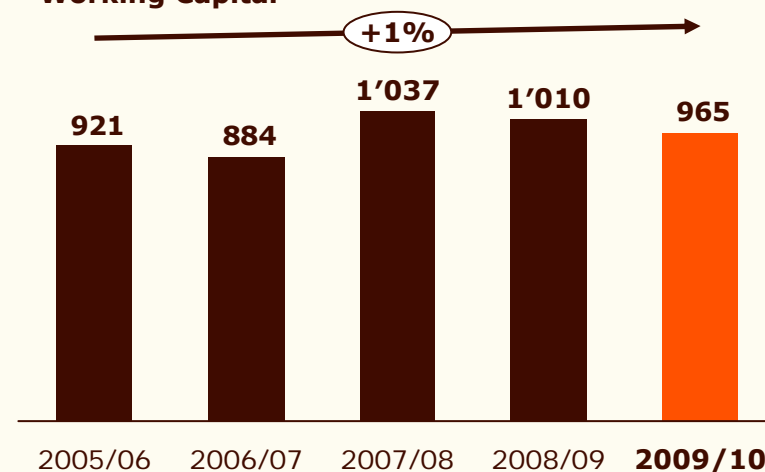
Cash flow analysis FY 2009/10

Improved cashflow decisive for the growth speed

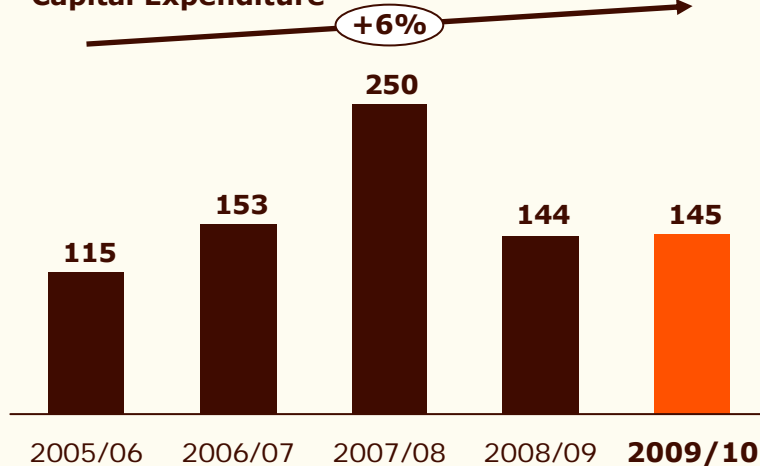
Operational cash flow*



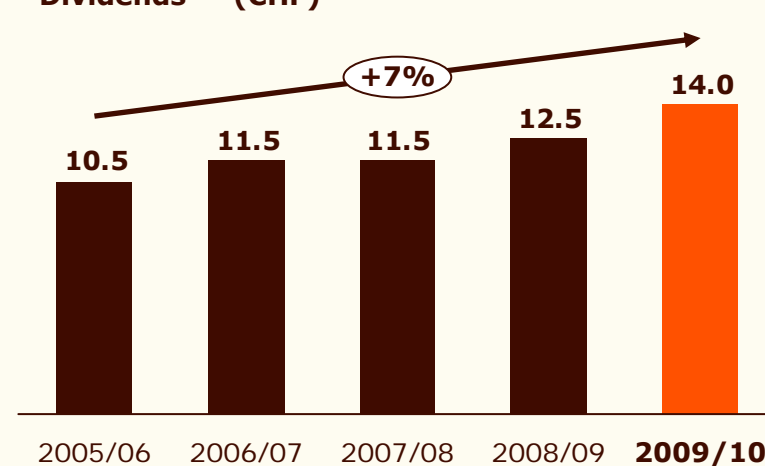
Working Capital



Capital Expenditure



Dividends** (CHF)



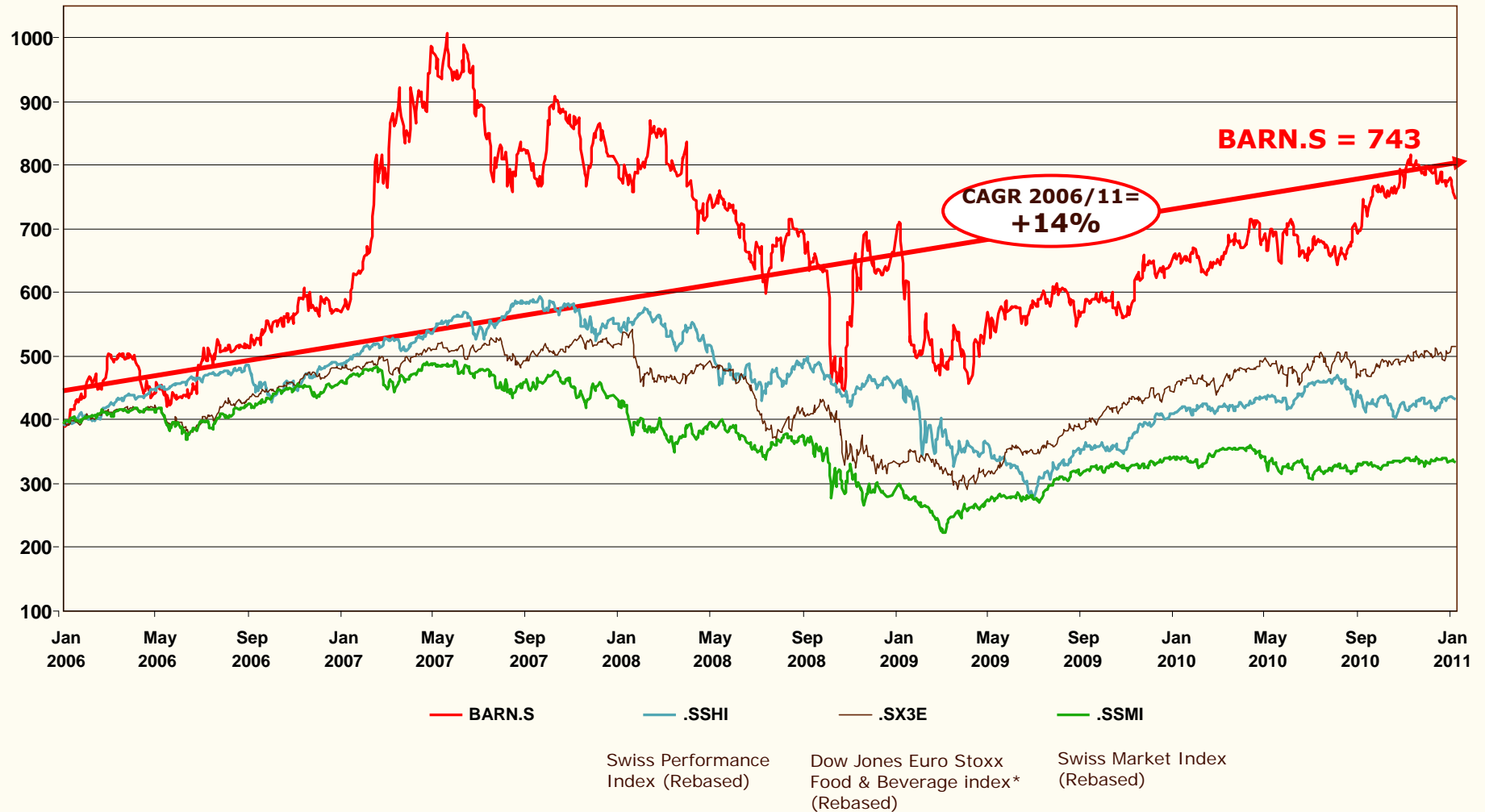
* Before changes in working capital, after interest and taxes

January 2011 | Barry Callebaut Q1 2010/11 Roadshow presentation

**This payout is through a reduction of nominal value



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





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.

Barry Callebaut - Summary



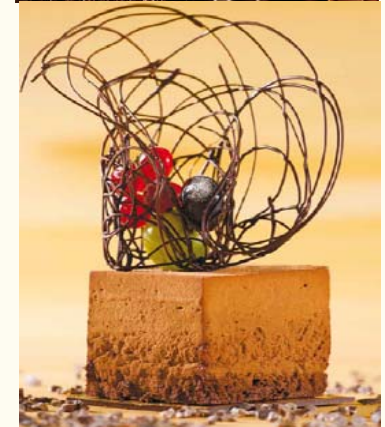
- Q1 – Good start in a recovering market
- Volume up 5.6%, sales revenue +4.9% (in CHF) +14.2 local currencies
- Growth driven by Gourmet, emerging markets and cocoa
- World leader in the chocolate industry
- Global network with 42 factories in all continents
- More than 1'700 chocolate recipes (4x more than the competitors), flexible production
- Continuous improvement of profitability and above average growth in the future.
- Unique producer with Belgian, French and Swiss chocolate
- Preferred outsourcing partner





Agenda

- ▶ BC at a glance
- ▶ Q1 Key Sales Figures
- ▶ Strategy & Outlook
- ▶ **Q & A**





Thank you for your attention!









Back-up



Key Sales Figures Q1 2010/11

Substantial growth achieved in emerging markets

	Europe	Americas	Asia-Pacific	Global Sourcing & Cocoa
				
	Food Manufacturers, Gourmet and Consumer 58% of sales volume	Food Manufacturers & Gourmet 20% of sales volume	Food Manufacturers & Gourmet 4 % of sales volume	Cocoa semi-finished products 18% of sales volume
Vol. growth vs. PY	+3.0%	+2.0%	+9.2%	+19.2%
Sales revenue growth vs. PY (CHF)	-4.5%	+7.9%	+18.2%	+36.0%



Key Sales Figures Q1 2010/11

Strong growth in Gourmet and Cocoa

Industrial Business Segment



Cocoa Products

18% of total business

Food Manufacturer Products

63% of total business

Vol. growth vs. PY

+19.2%

+4.0%

Sales growth vs. PY (CHF)

+36.0%

+2.6%

Food Service / Retail Business Segment



Gourmet & Specialties Products

10% of total business

Consumer Products

9% of total business

+6.0%

-6.5%

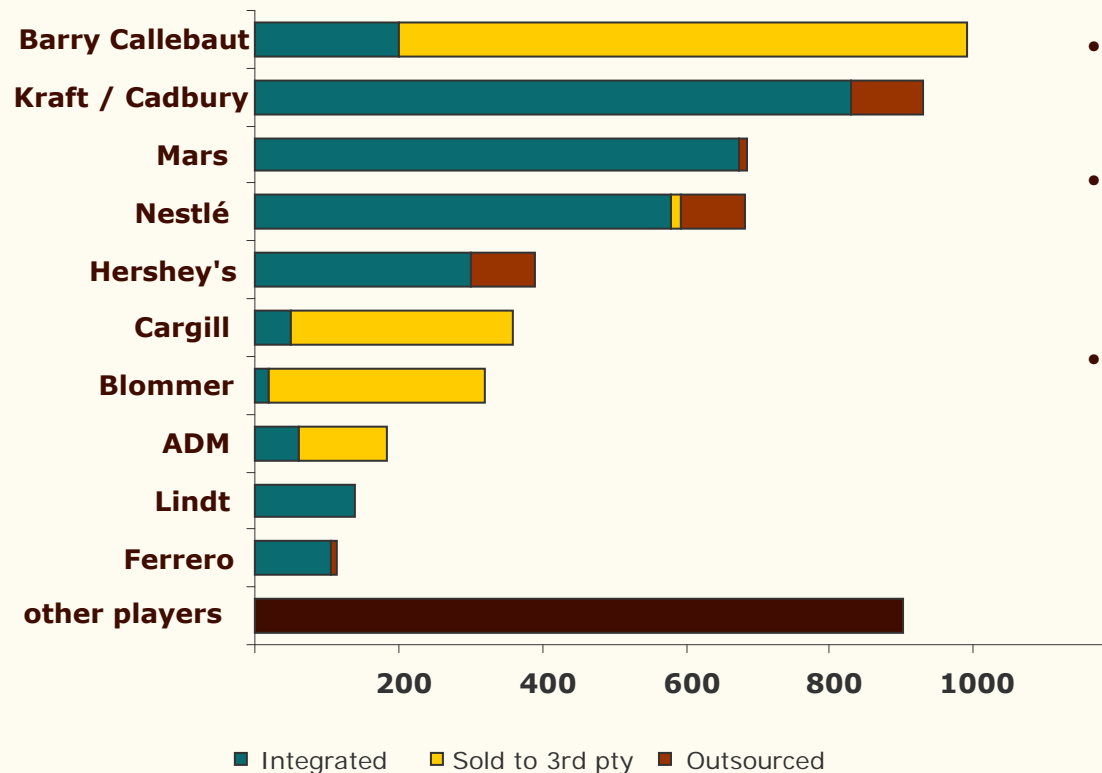
+3.8%

-16.1%



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



Balance Sheet

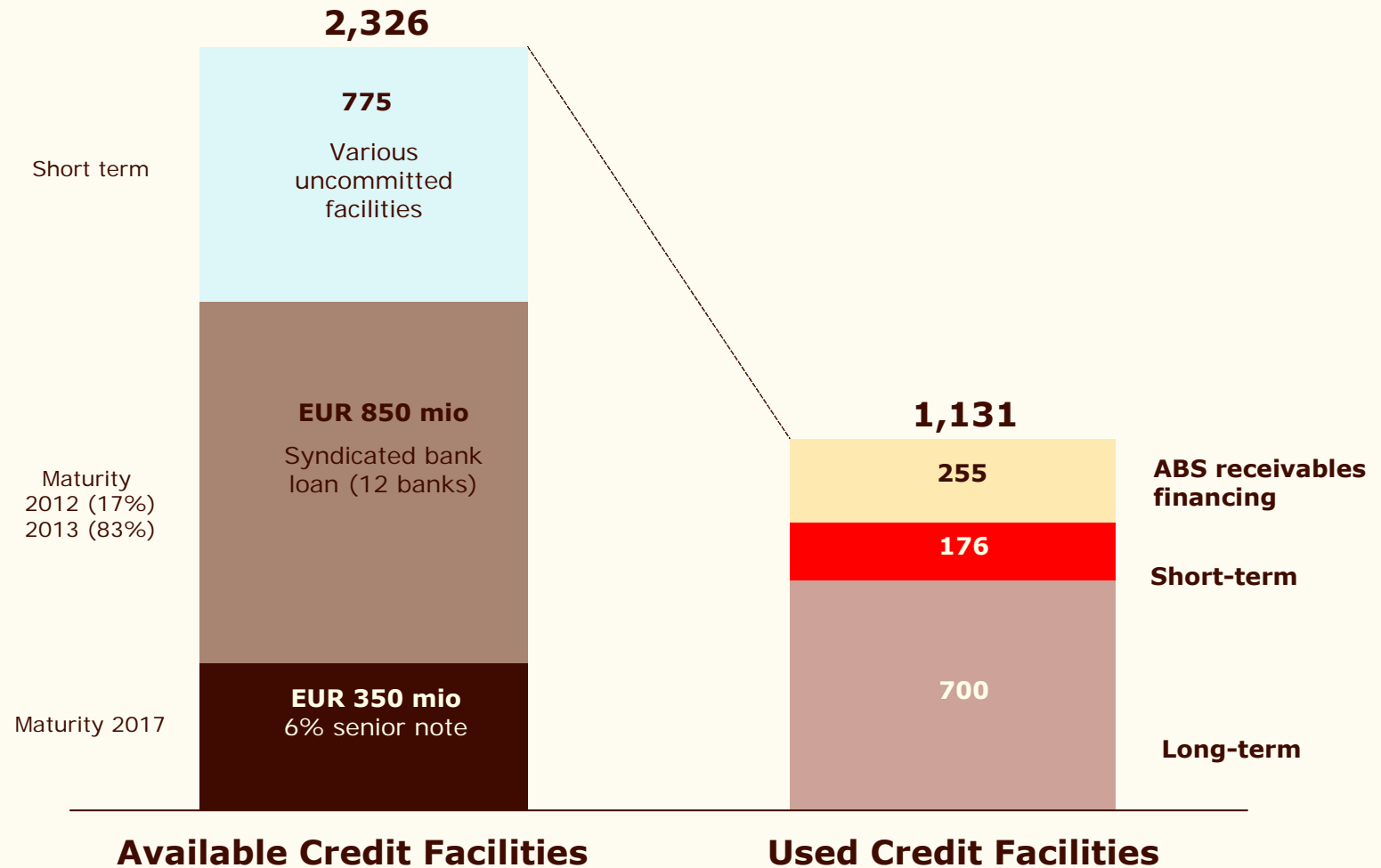
Solid Financials with improvement of all key ratios

	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%

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



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

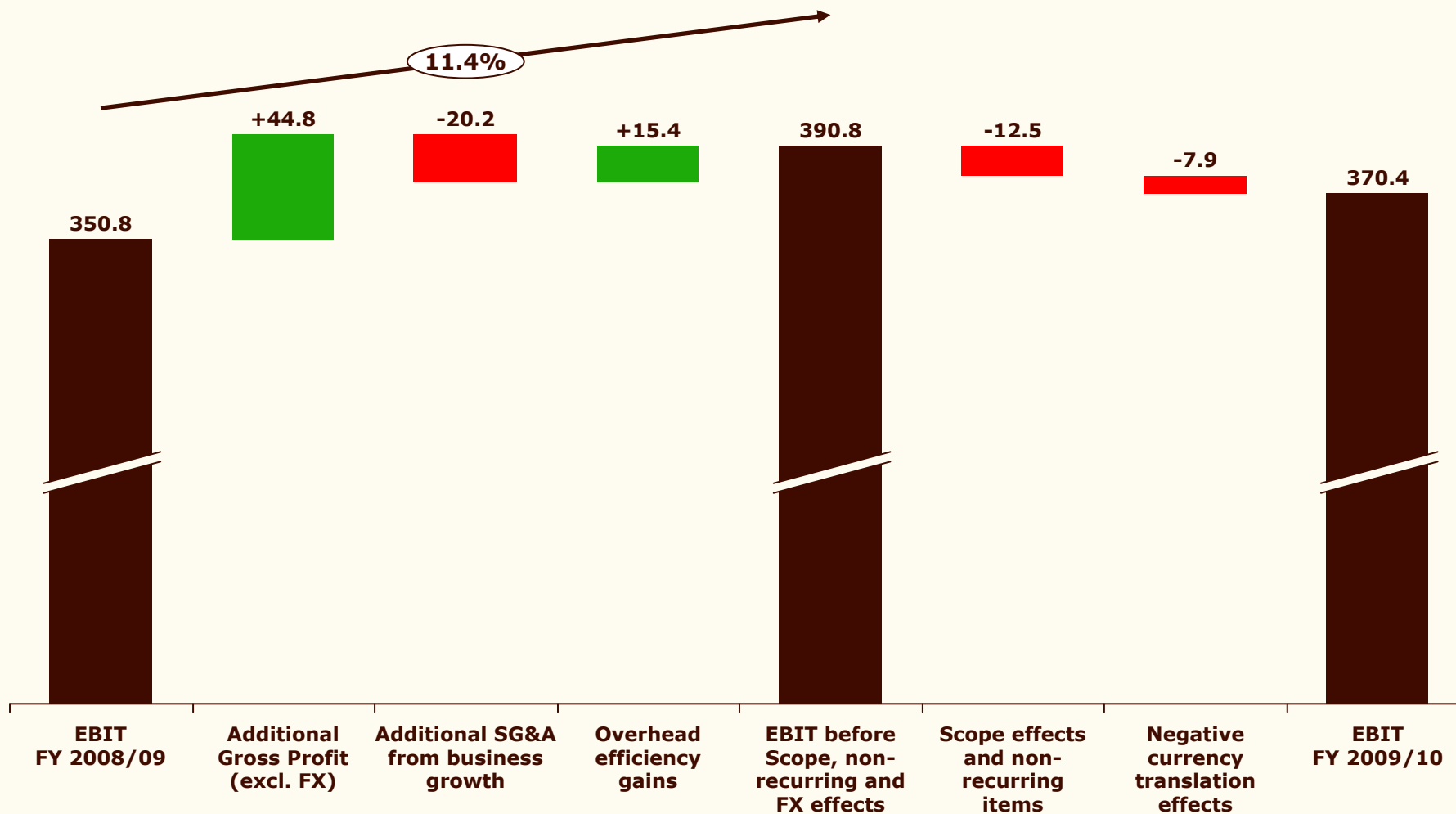




EBIT – August 2010

Double digit EBIT growth before scope and negative currency effects

in mCHF

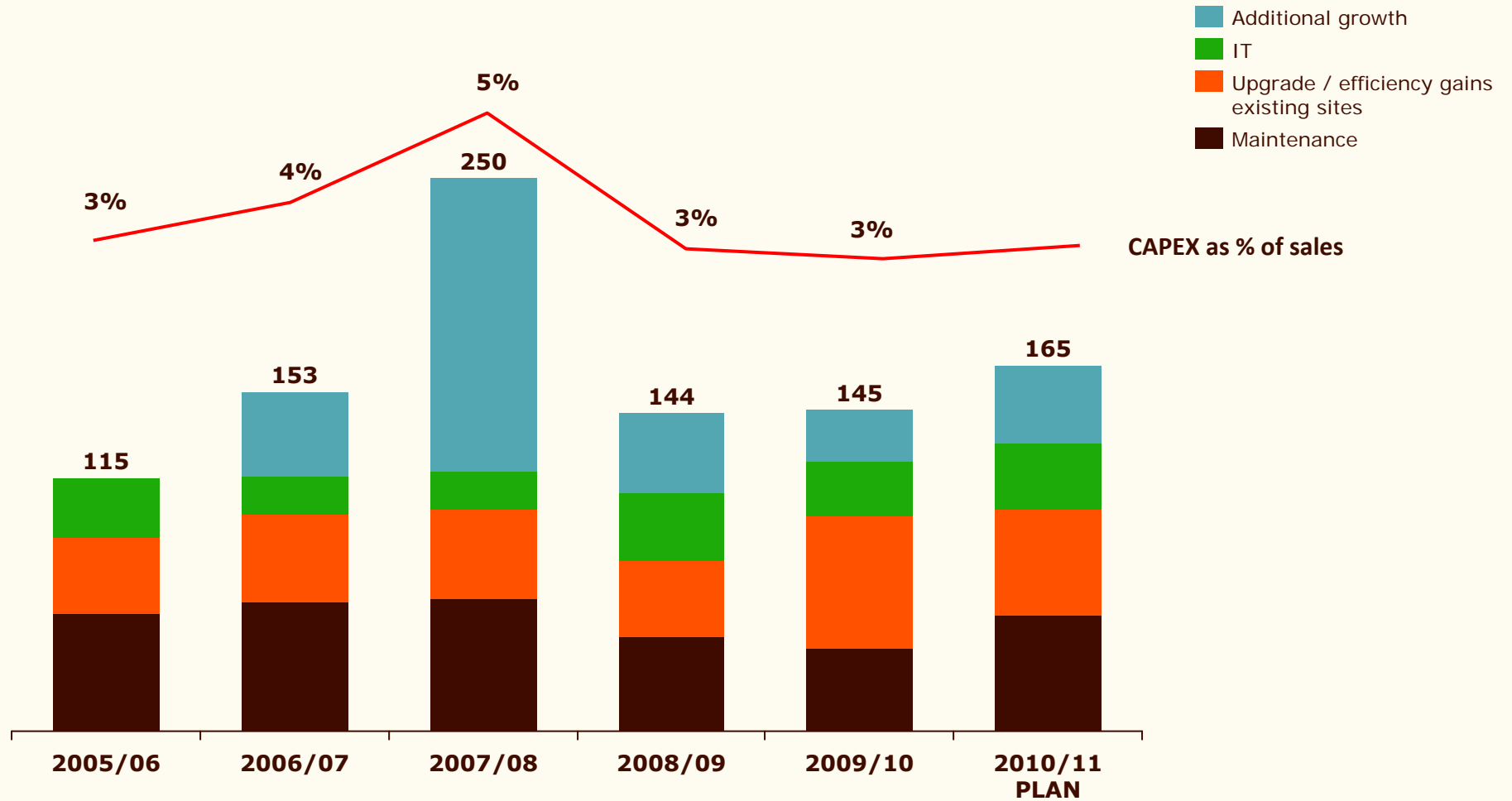




CAPEX development

Investments support the growth of our business

in mCHF





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

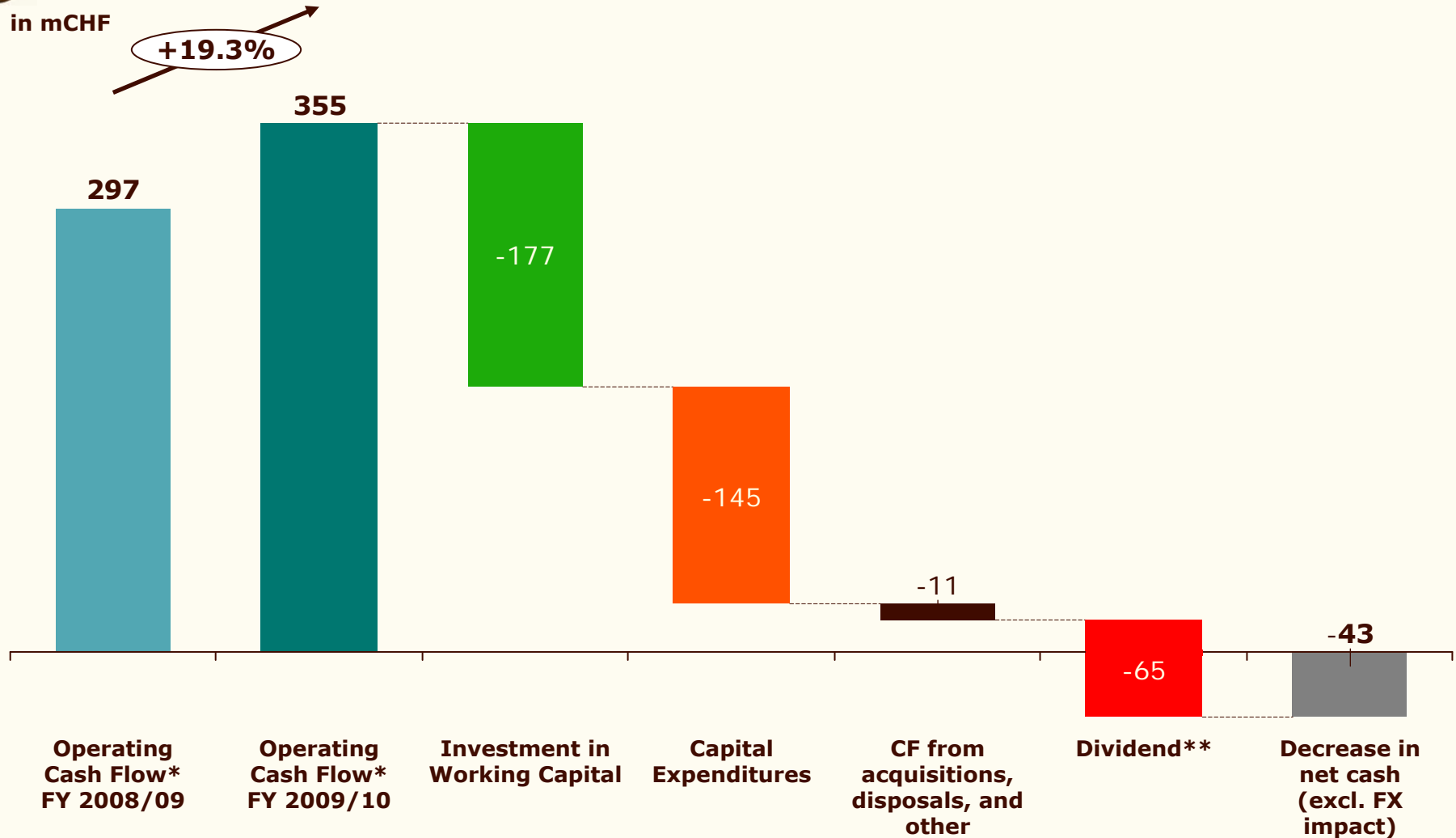
	Change in % In local currencies	Change in %	FY 2009/10	FY 2008/09
Operating profit (EBIT) [CHF m]	7.9%	5.6%	370.4	350.8
Financial items [CHF m]	-9.4%	-11.5%	(81.1)	(91.6)
Result from investments in associates and joint ventures [CHF m]			(0.3)	0.4
Income taxes [CHF m]	15.1%	14.1%	(37.3)	(32.7)
<i>Tax 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



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

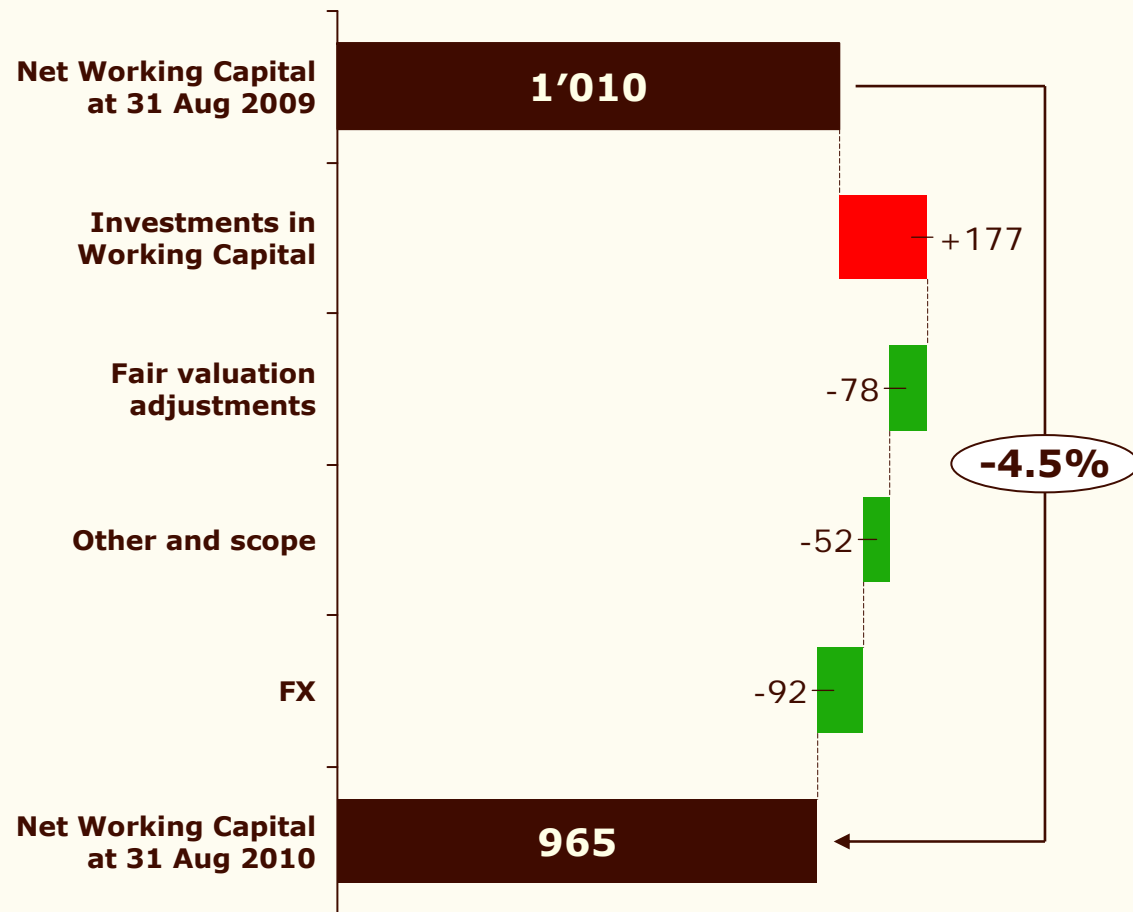
CHF per share	Change in %	FY 2009/10	FY 2008/09
Profit from continuing operations	10.5%	48.6	44.0
Proposed payout	12.0%	14.0	12.5
Payout ratio (continuing operations)		28.8%	28.4%
Total proposed payment [CHF m]	12.0%	72.4	64.6

- 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



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

Corporate Social Responsibility "Quality Partner Program" in Ivory Coast



Long-term Partnership with Cooperatives and Farmers:

Elements of the Program:

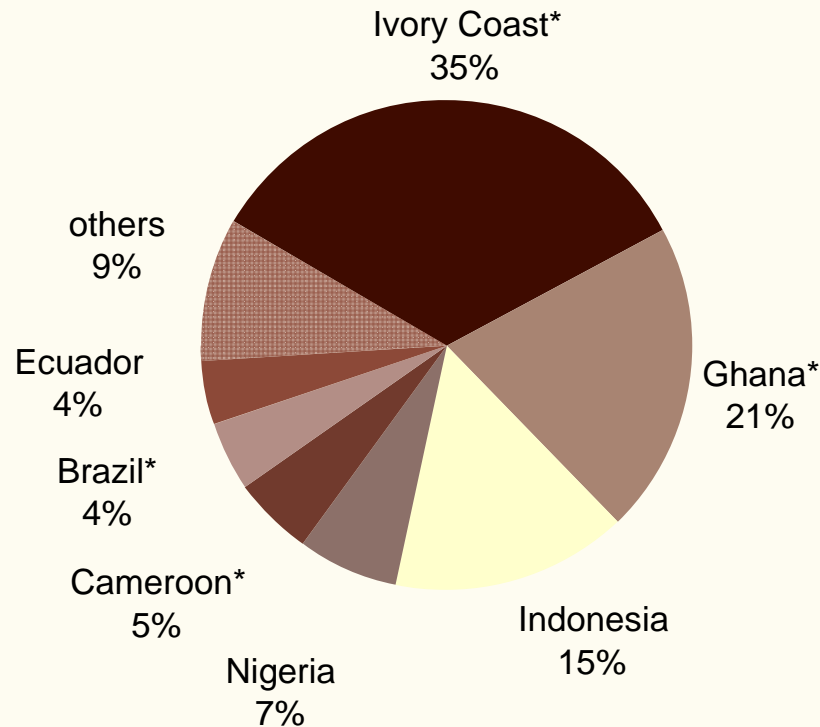
- ▶ Training to increase the quality and yield
 - ▶ Further training: Improvement of Management skills from Cooperatives
 - ▶ Introduction of R&D Programs in the Premium segment (e.g. Controlled Fermentation)
 - ▶ Provide basic medical care
 - ▶ Address the child labor issue: Focus on sensitization
-
- ▶ **Our objective is that the farmers produce more and higher quality cocoa**
 - ▶ **For this, we pay the farmers a better price and provide pre-financing**
 - ▶ **Results 09/10: 48 Cooperatives, 40,000 farmers, 65,000 tonnes QPP cocoa beans**





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

Total world harvest (09/10): 3 596 k MT



- ▶ BC sourced ~570,000 cocoa beans, thereof 65% 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 and BC estimates