

INNOVATION

Barry Callebaut
Annual Report 2010/11

Researching today for future market success

We started 1,918 new customer projects in Research & Development (R&D), up 16% versus prior year. New projects started is a leading indicator of future new volumes. The project success rate, a key performance indicator of our R&D efficiency, improved to 50%, an increase of 10%.

Additional information:
www.barry-callebaut.com/innovation

The increase in successful customer projects for certified chocolate was remarkable. In addition, we saw much higher demand for products with cleaner labels and attracted broad interest for healthier alternative chocolate products, especially those lower in saturated fats, hardened fats and without trans-fatty acids.

Almost half of our new R&D projects were also triggered by high and volatile raw material prices, which prompted customers to come to us for cost optimization of recipes and the creation of flexible recipes.

In order to secure a long-term, sustainable supply of cocoa beans, Barry Callebaut initiated an agronomy research program in Asia, focusing on developing new agronomy techniques aimed at increasing plantation yields and enhancing cocoa bean quality.

For more than six years, we have been conducting our own human clinical studies to investigate the potential health benefits of cocoa. Based on the positive results of five clinical studies, finalized last year, we submitted our first dossier in the EU requesting approval of a health claim for products high in cocoa flavanols. We are hopeful to receive approval for various claims to help our customers differentiate their offerings.

This fiscal year was marked by the successful introduction of the Terra Cacao™ specialty chocolate range, based on Barry Callebaut's patented technology known as Controlled Fermentation. Terra Cacao™ delivers better quality chocolate as it uses only the highest quality cocoa beans. Since its launch in February 2011, we have sold over 250 tonnes of this superior quality chocolate, making it one of the most successful specialty launches we have ever conducted.