Annual Results 2007/08

Media Presentation

November 6, 2008

BARRY CALLEBAUT

Cautionary note

Forward-looking statements

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Agenda

- **Highlights FY 2007/08**
- Financial and operational performance
- Strategy going forward & market opportunities
- Outlook
- Q & A

Financial summary 2007/08

Dynamic business growth, targets confirmed

- **Sales volumes** up 10.1% to 1,166,007 tonnes
- **Sales revenue** up 17.3% to CHF 4.8 billion, driven by higher volumes and higher raw material prices
- **Operating profit** (EBIT) up 5.3% to CHF 341.1 million, accelerated growth in H2
- **Net profit for the period**, incl. discontinued operations, up 65.6% to CHF 205.5 million
- **Net profit from continuing operations** up 1.0% to CHF 209.1 million
- **Four-year financial targets** 2007/08 through 2010/11 confirmed
- **Repayment:** Board of Directors proposes a par value reduction and repayment of CHF 11.50 per share
- **James 'Jim' L. Donald**, former President and CEO of Starbucks Corporation, proposed for election to the Board

Strategic highlights 2007/08

Building a strong foundation for further growth

September 2007
Inauguration of new factory in Chekhov, Russia

December 2007
Acquisition of Food Processing International in Eddystone, US

January 2008
Strategic Alliance agreement with Morinaga in Osaka, Japan

January 2008
Opening of new factory and Chocolate Academy in Suzhou, China

February 2008
Sale of Wurzen factory in Germany

February 2008
Sale of SN Chocodi in Ivory Coast

April 2008
Acquisition of 60% of KL-Kepong Cocoa Products Sdn Bhd, Malaysia

April 2008
Acquisition of 49% stake in Biolands, Tanzania

May 2008
New Chocolate Academy in Zundert, Netherlands

July 2008
Sale of Chococam to Tiger Foods in Cameroon

July 2008
Start up of production in new factory in Monterrey, Mexico

August 2008
New Chocolate Academy in Russia

September 2008
New Chocolate Academies in U.S. & India

October 2008
Opening of factory for frozen pastry in Spain

Confirming the Barry Callebaut business model:
Successful implementation of growth strategy

- Strategic goals fully achieved in 2007/08:

	Geographic expansion	Innovation	Cost leadership
Strategy			
Achievements	Targeted geographic expansion in high-growth markets: • Russia • China • India • Mexico Optimization of global footprint: • Capacity expansion in U.S., France, Spain, Italy, Ivory Coast, Malaysia	Healthy indulgence: • Rebalanced chocolate • Toothfriendly chocolate • Probiotic chocolate Premium: • 5 new Chocolate Academies Convenience: • Premium frozen pastry	Purchasing power Leverage R&D specialization: innovations in Food Manufacturers, Gourmet, Consumer Dedicated factories: Minimizing downtime and switching time Global factory network: Optimization between production costs per tonne and transportation costs

Geographic expansion:

BC doubles network to 40 factories in 5 years

Innovation

Pioneering the market with healthy chocolate

Barry Callebaut Innovations 2007/08:

- Probiotic chocolate
- Toothfriendly chocolate
- Re-balanced chocolate
- Close to 30 clinical studies filed on cocoa bean research
- Cooperation with the best external specialists
- Barry Callebaut studies published in scientific journals
- Premium & Convenience: frozen pastry joint venture with Paco Torreblanca

Cost leadership

Economies of scale & scope are paying off

Purchasing power – centralized sourcing department; appr. 15% of world cocoa harvest processed by BC

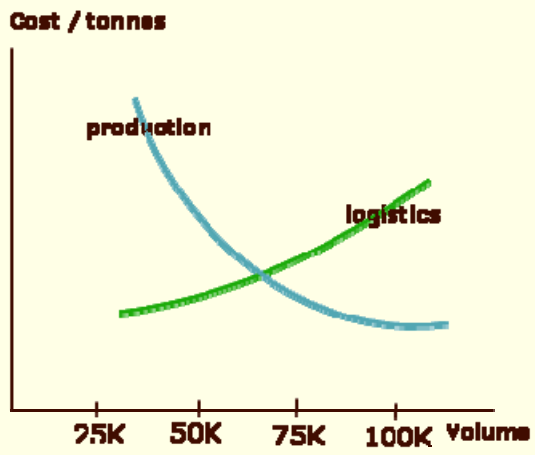
Leverage R&D specialization – innovations for Food Manufacturers, Gourmet and Consumer

Operations

- Cocoa processing factories in 5 most important cocoa production countries - significantly lower production costs, tax benefits
- Dedicated production lines e.g. just white chocolate – minimization of down times
- Worldwide footprint: optimization between production cost/tonne and transportation cost/distance

Sales/customer services: Specialized teams, worldwide service

Support functions: regional service centers



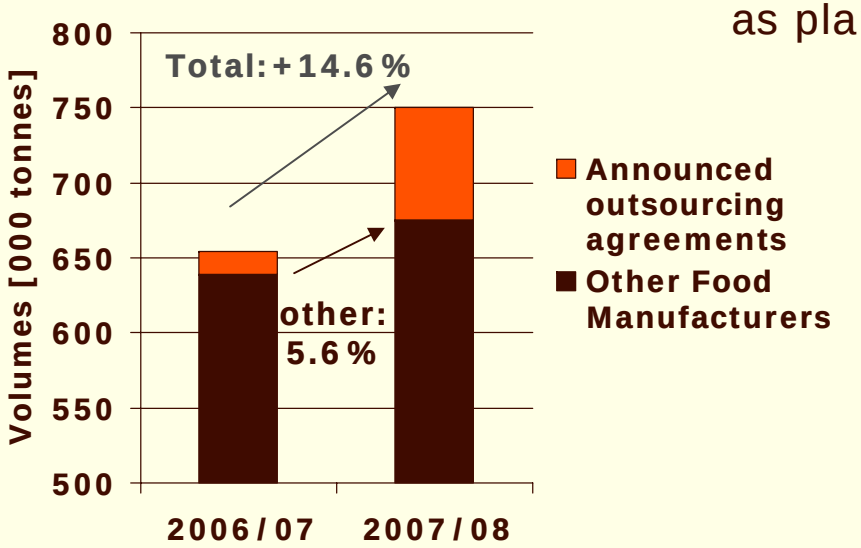
→ **Concrete cost optimization measures such as hiring freeze, reduction of promotional spend and travel expense are being continued**

→ **Organizational simplification in progress**

Cost leadership

Outsourcing contracts on track

- **Nestlé**: Dijon factory expanded to center of excellence for compounds and fillings; San Sisto cocoa processing line restarted
- **Hershey's**: Mexico factory with first shipments to Hershey's; US deliveries running smoothly
- **Cadbury**: Running on track
- **Morinaga**: Factory to start production in 2009 as planned



- Significant volumes generated with key customers also outside the announced outsourcing deals
- Volumes of announced deals was approximately 75,000 tonnes in 07/08

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Key Figures

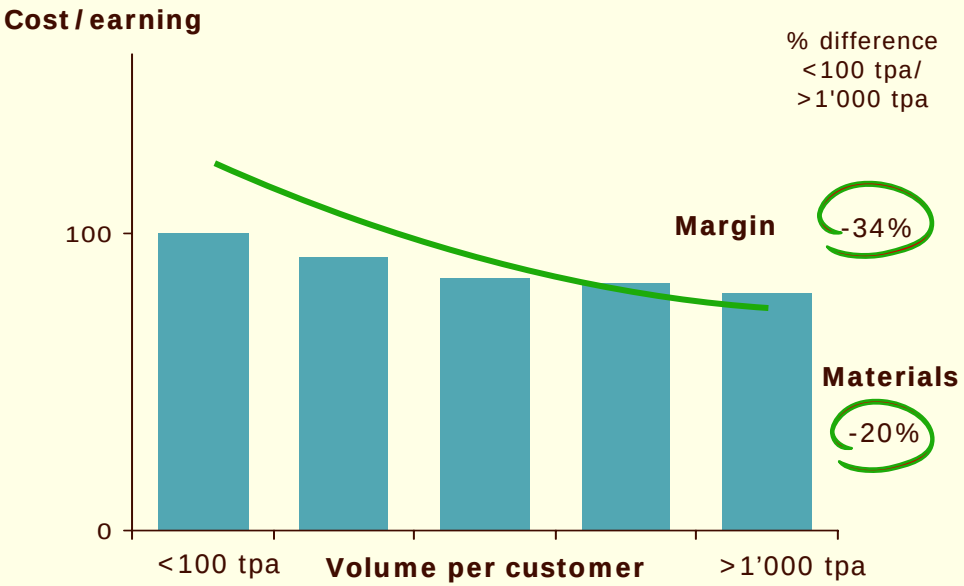
Strong volume growth, decrease in profit/tonne

		Change [%]	Change absolute	2007/08	2006/07
Sales volume [in tonnes]		**10.1%**	**106'807**	**1'166'007**	**1'059'200**
Sales revenue [CHF m]		**17.3%**	**708.7**	**4'815.4**	**4'106.8**
	CHF per tonne	*6.5%*		*4'130*	*3'877*
Gross profit [CHF m]		**7.2%**	**47.0**	**700.8**	**653.8**
	CHF per tonne	*-2.6%*		*601*	*617*
EBIT [CHF m]		**5.3%**	**17.1**	**341.1**	**324.0**
	CHF per tonne	*-4.4%*		*293*	*306*

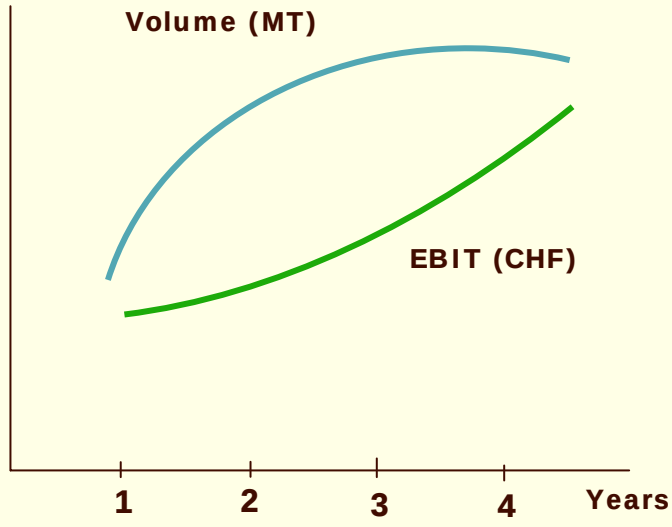
2007/08 - a transition year

Impact from outsourcing & new factory openings

Profitability of larger deals

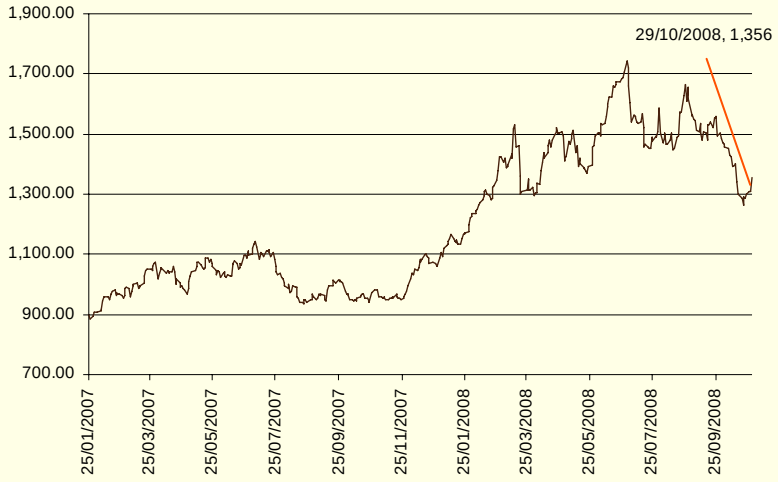


Development after a factory opening

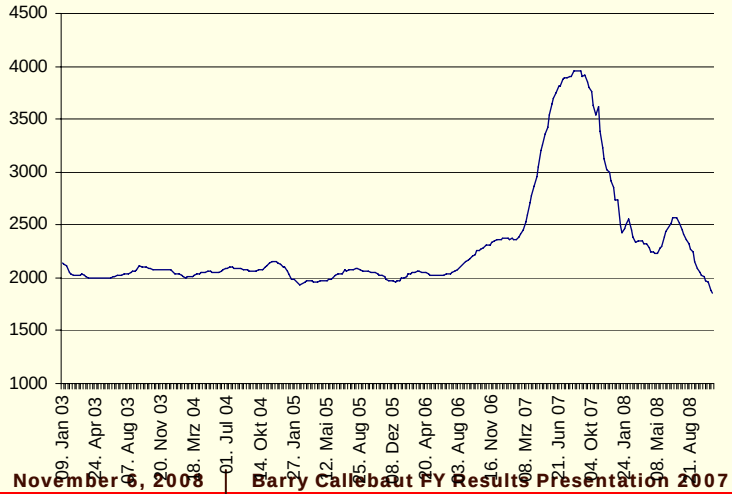


Raw material environment
Robust business model

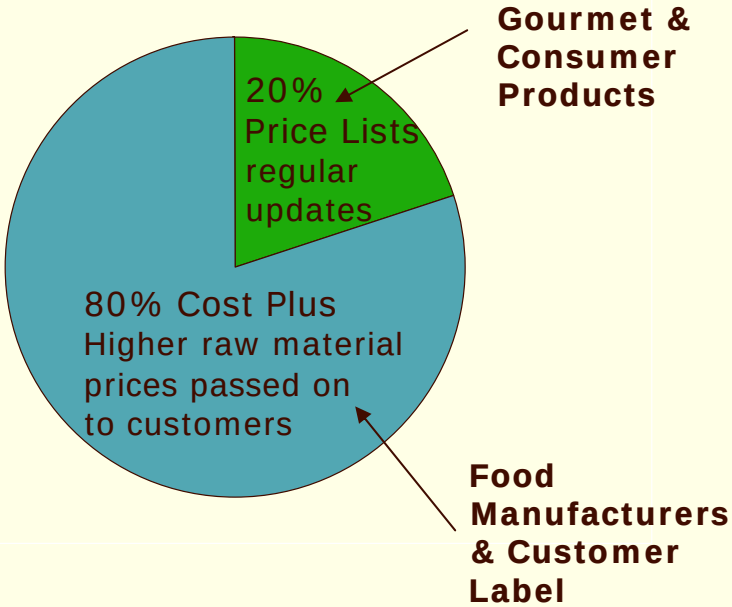
London Cocoa 2nd Position **in £/ton**



Skimmed milk powder prices



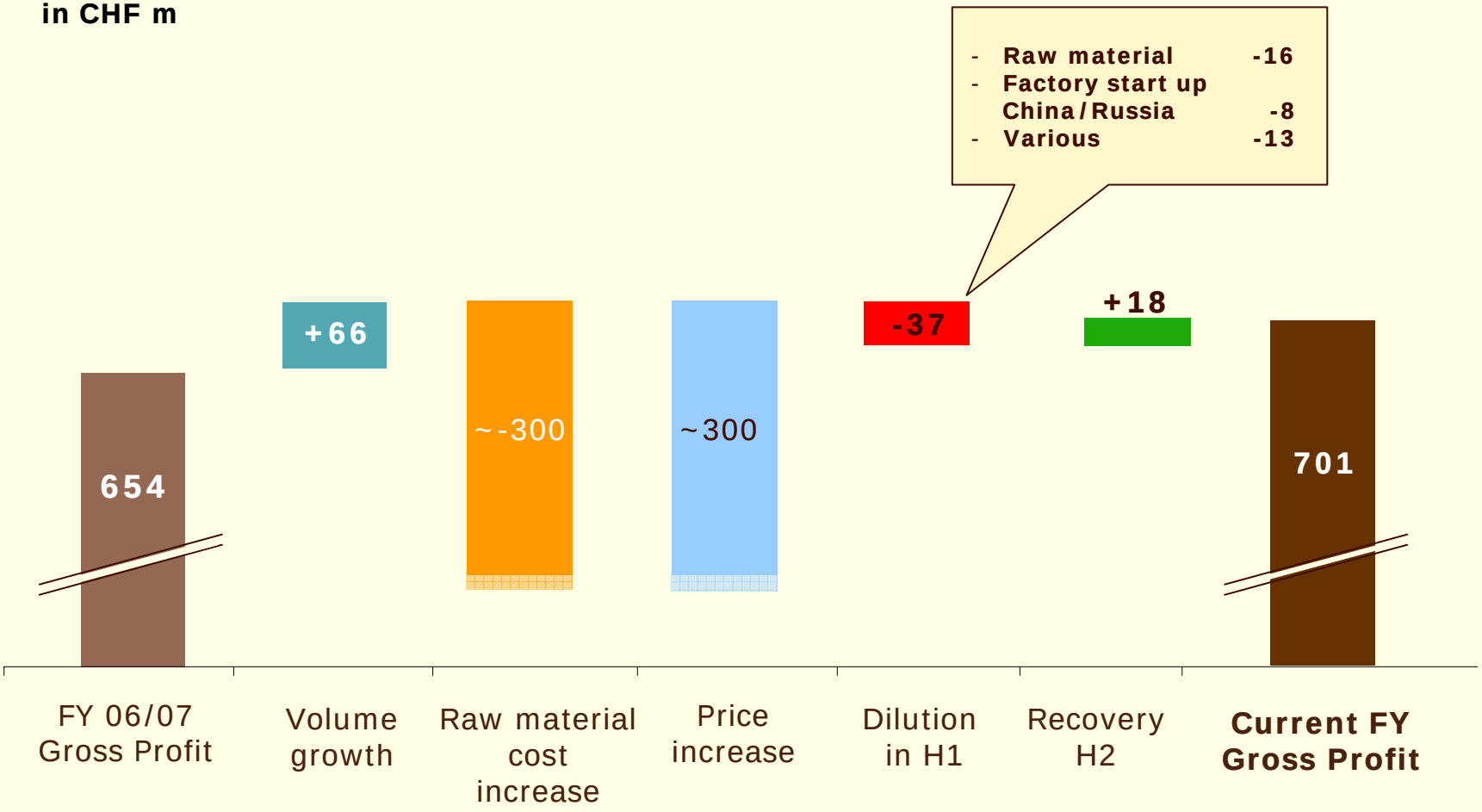
Barry Callebaut business model



GROSS PROFIT

Improvement in H2 2007/08

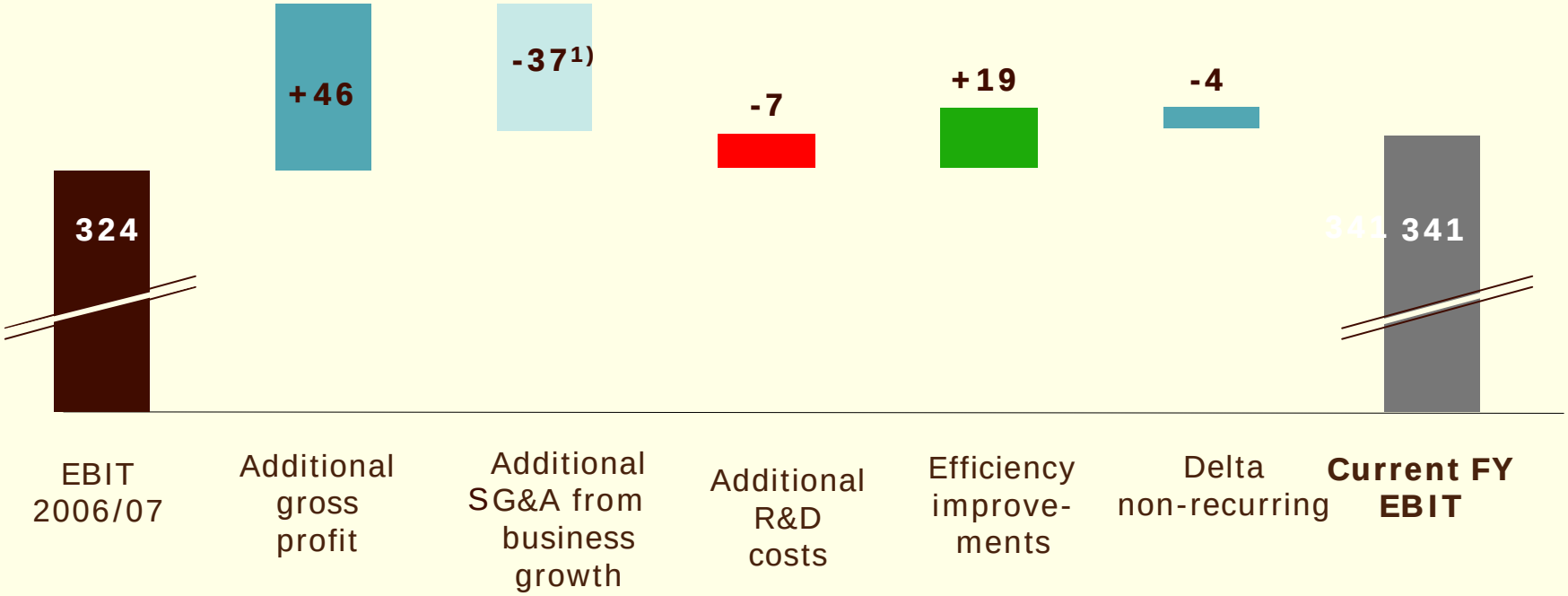
in CHF m



EBIT

Efficiency improvements accelerated in 2H

EBIT development [CHF m]

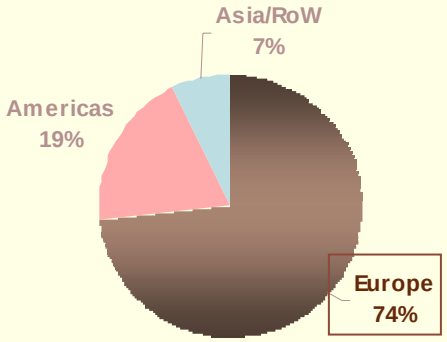


1) Assumption: in line with volume growth

Region Europe

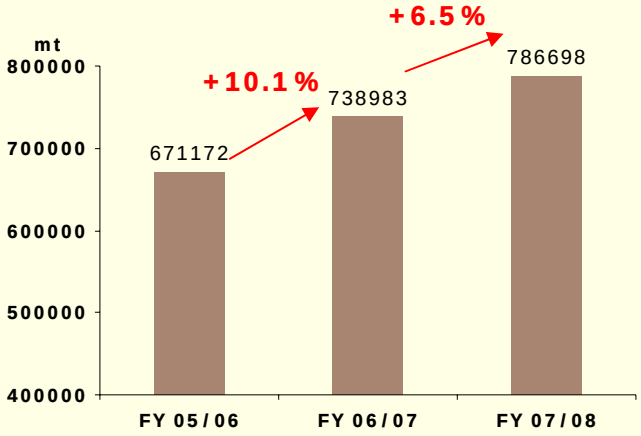
Substantial top-line growth

Regional revenue split 07/08

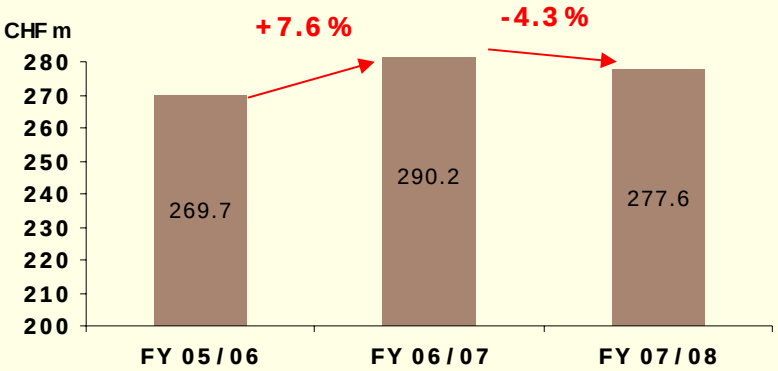


- Substantial volume growth, due to strong demand from industrial customers, leading to market-share gains
- Outsourcing deals with Nestlé and Cadbury on track – Nestlé factory in Dijon expanded to a Center of Excellence for Compound
- Focused growth in Gourmet & Specialties business. Slightly negative revenue development in Consumer Europe.
- EBIT diluted due to start-up of 3 factories, milk price volatility and consumer business.

Volumes



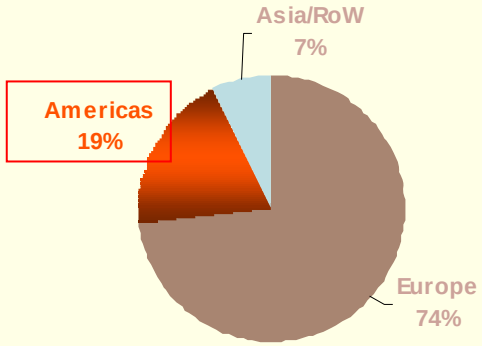
EBIT



Region Americas

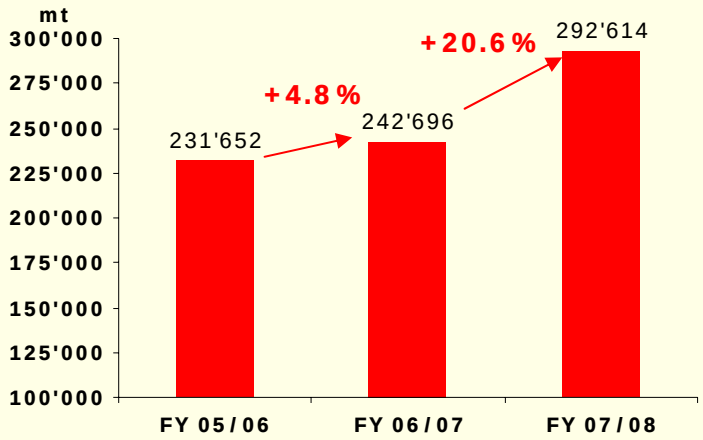
Strengthened market position

Regional revenue split 07/08

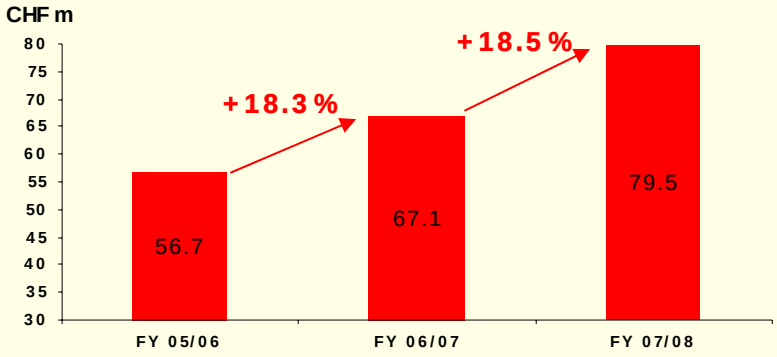


- Good results confirming leading market position in North American Food Manufacturing business
- Deliveries of new outsourcing volumes to Hershey on schedule, new factory in Mexico on-stream with first volumes
- Gourmet & Specialties further strengthened their market position – opening of chocolate academy in Chicago and launching of new local brand Van Leer
- Negative impact on result due to low $-currency exchange rate

Volumes



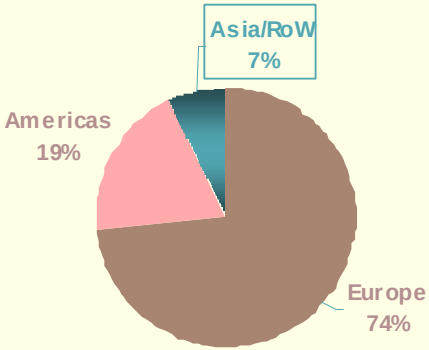
EBIT



Region Asia/RoW

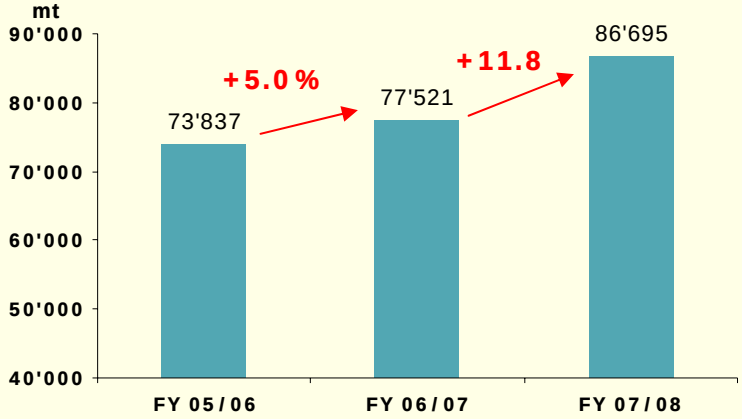
Increased presence in high growth markets

Regional revenue split 07/08

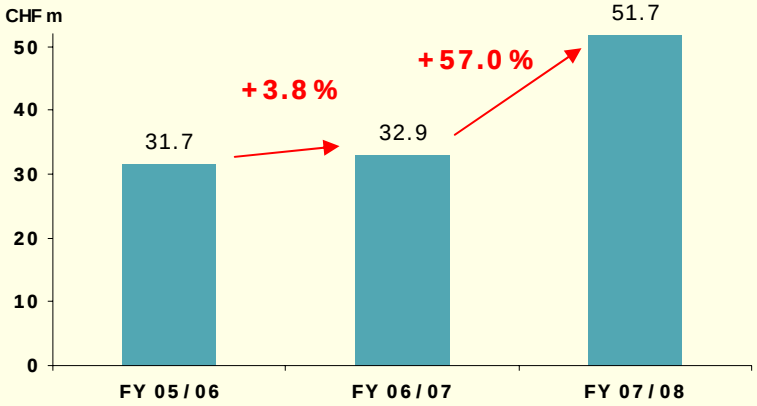


- 12% volume increase reflects successful business build-up in Asia
- Divestiture of African consumer businesses at good price
- New chocolate factory built in China
- New cocoa operations acquired in Malaysia, giving direct access to cocao and semi-finished products in the region
- Reinforced Gourmet business, supported by opening of Chocolate academies in China and India and by launching local Gourmet brand Van Houten Professional

Volumes



EBIT



From EBIT to PAT

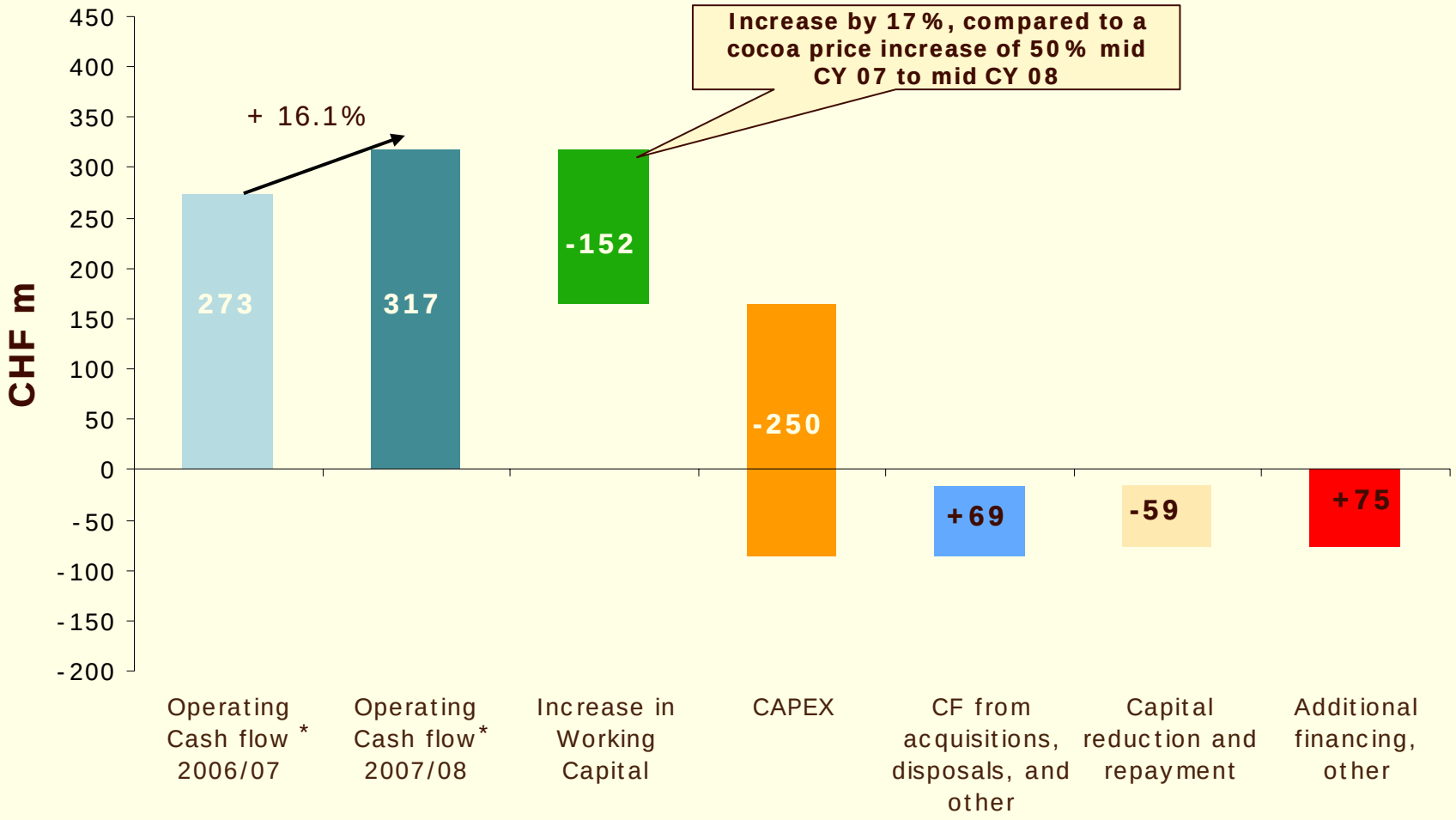
Higher absolute financial expense, stable taxes

		Change		2007/08	2006/07
		in %	absolute		
Operating Profit (EBIT)	CHF m	5.3	17.1	**341.1**	324.0
Financial expense, net	CHF m	11.0	-9.2	**(92.8)**	(83.6)
Disposal of financial assets, other	CHF m		-6.4	**(6.4)**	(0.1)
Income taxes	CHF m	-1.6	0.5	**(32.8)**	(33.3)
Tax rate	*in %*			*-13.6%*	*-13.9%*
Net Profit from continuing operations	CHF m	1.0	2.0	**209.1**	207.0
Net loss from discontinued operations*	CHF m	-95.6	79.4	-3.6	-83.0
Net Profit for the period	CHF m	65.6	81.4	**205.5**	**124.1**

* net of tax

Cash-Flow

Self-financing of expansion despite net working capital increase



*Before WC changes, after interest and tax

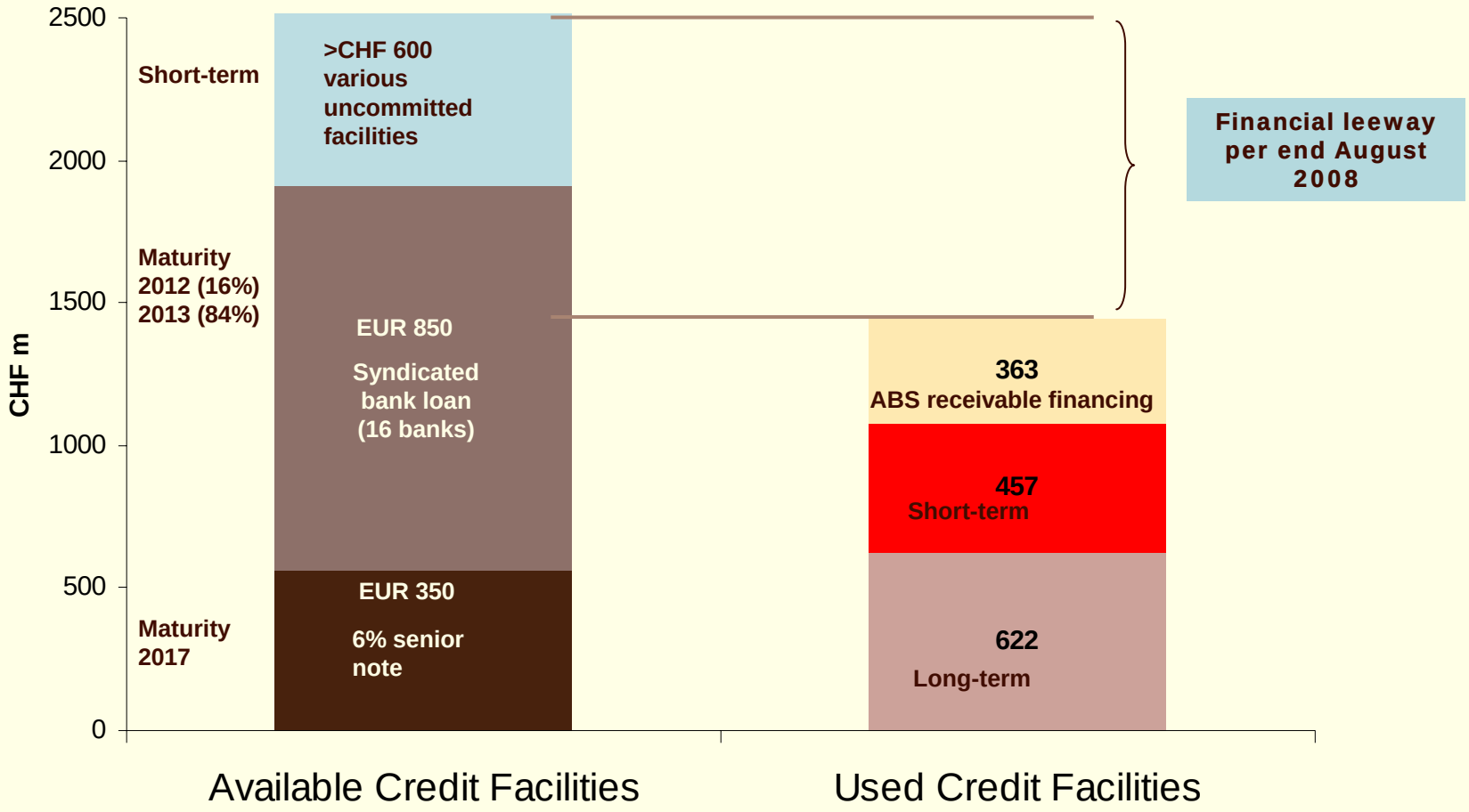
Balance sheet
Assets increased due to expensive raw materials & CAPEX

CHF m

	Change [%]	Change absolute	Aug 08	Aug 07
Total assets	17.0%	542.8	**3'729.5**	**3'186.7**
Net working capital	17.3%	153.2	**1'037.1**	**883.9**
Non-current assets	17.5%	212.4	**1'423.7**	**1'211.3**
Net financial position	11.9%	111.0	**1'041.2**	**930.2**
Shareholder's equity	11.0%	116.8	**1'175.9**	**1'059.1**

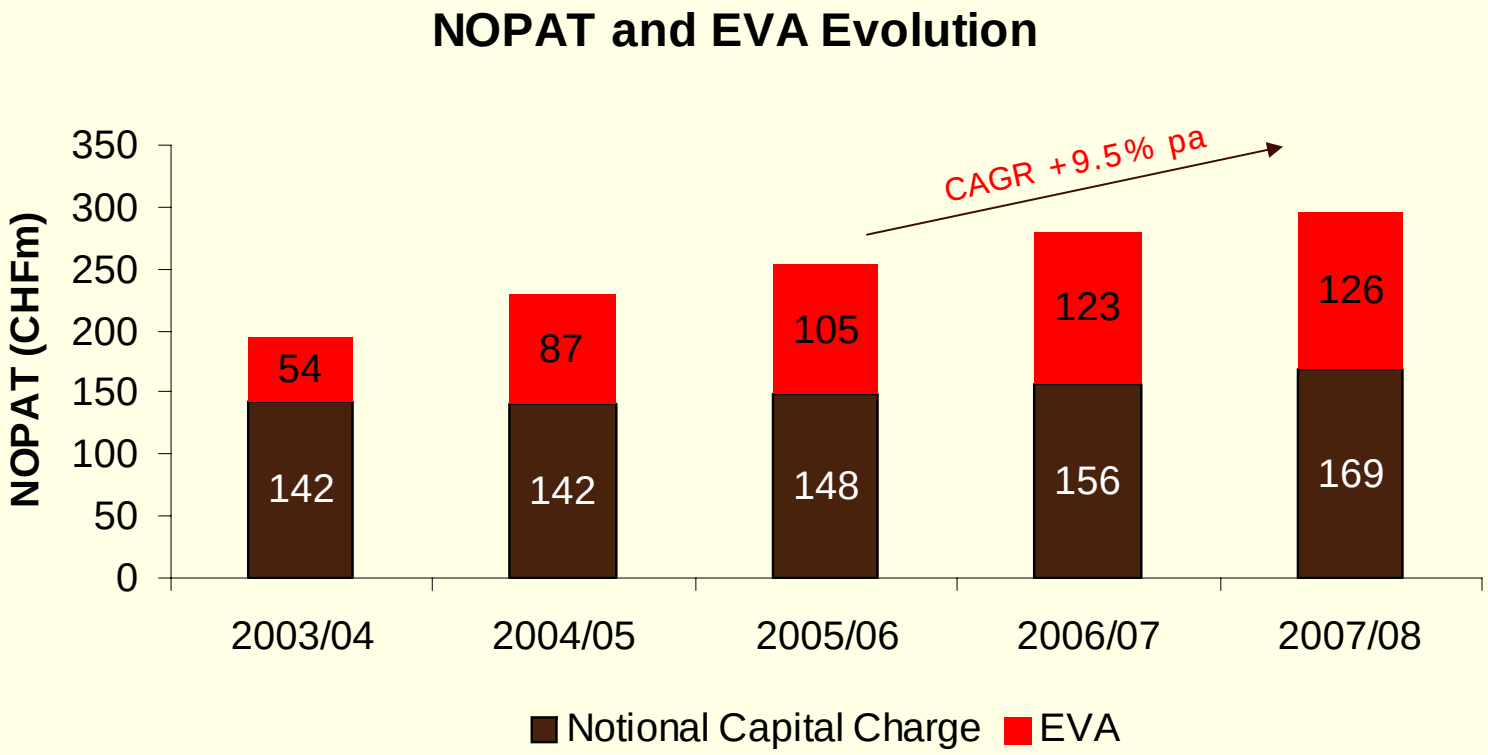
Stable financing situation due to long-term secured credit-lines

Financing and liquidity situation per August 31, 2008 [CHF]



EVA keeps growing despite impact of high material prices on working capital and high investments

EVA defined as measure to determine the value created above the return required by shareholders



Proposed pay-out

Stable payout of ~30% of net profit proposed

CHF per share	Change in %	2007/08	2006/07
Profit from continuing operations	0.6%	**40.4**	40.2
Proposed payout	0%	**11.5**	11.5
Pay-out ratio (continuing operations)		**28.5%**	28.6%
Total proposed payment (CHF m)	0%	**59.5**	59.5

- Reduction of nominal value of Barry Callebaut share by 11.5 proposed to Board of Directors
- Reduction of nominal value of share instead of dividend has is usually tax free for private Swiss shareholders

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Unchanged strategy

Strategy confirmed, new growth opportunities

Vision

- **"Heart and engine of the chocolate industry"**
- Chocolate expert and business partner of choice
- Number one chocolate company

Strategic pillars

- **Geographic expansion**
- **Innovation**
- **Cost leadership**

Sustainable, profitable growth

Confirmed strategy

Opportunities to secure future growth

- **Food Manufacturers – continued footprint optimization**
  - Global operational footprint close to ideal
  - Expansion opportunities under review in Latin America
  - Production facility to open in Japan in 2009
  - Organic growth opportunities in Americas, Eastern Europe and Asia

- **Gourmet – organic growth & small add-on acquisitions**
  - Acquisition of IBC in Belgium for chocolate decorations
  - Premium frozen pastry with top pastry chef Paco Torreblanca
  - Agreement with Nestlé Italia for the distribution of Perugina-branded professional chocolate products through the Food Service channel

- **Innovation – controlled fermentation**
  - Continued research into the properties of the cocoa bean
  - “Back to the bean” approach

- **Cost leadership – maintain strong position**
  - Cost savings program
  - Efficiency initiatives

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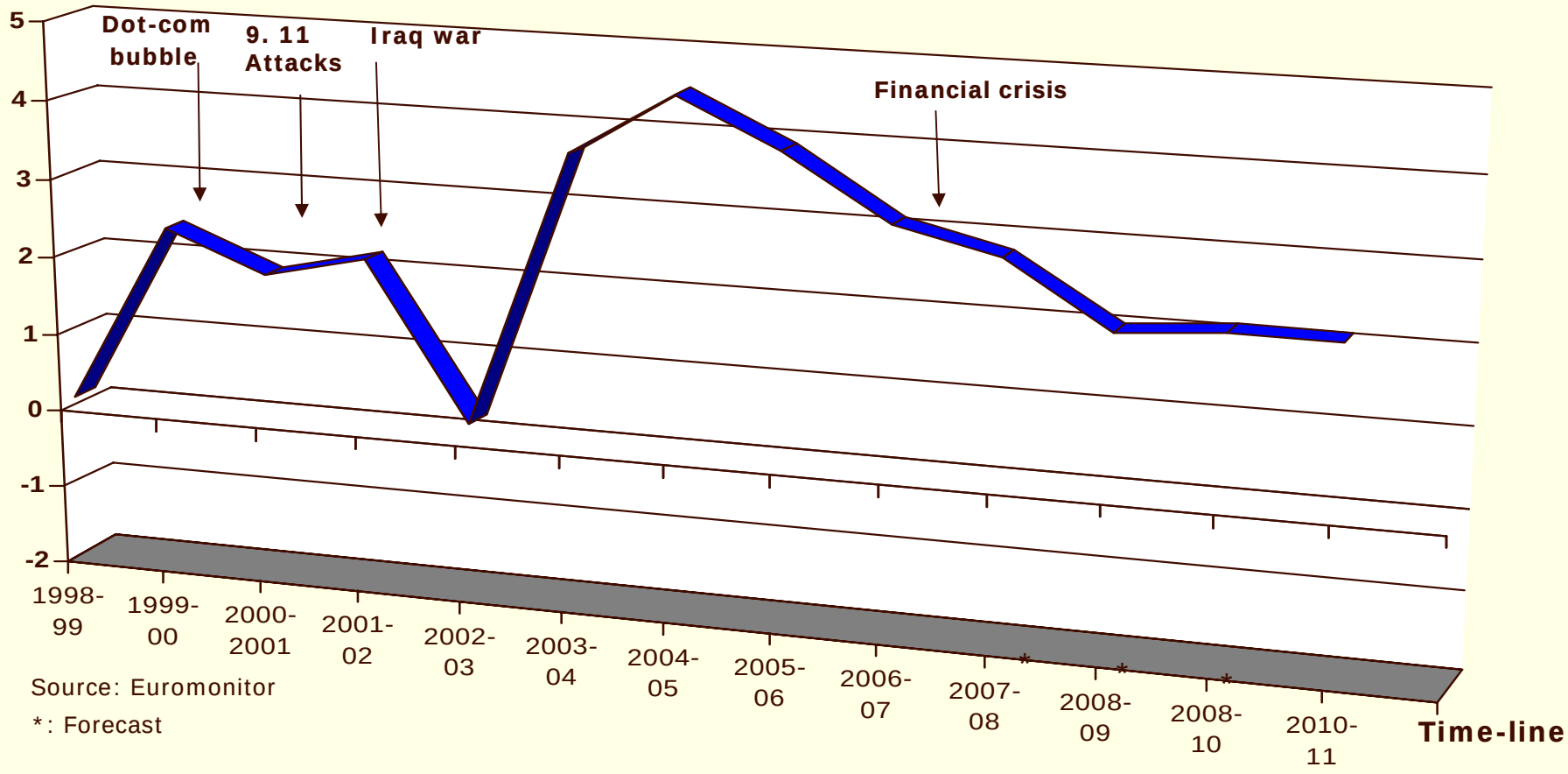
Defensive industry

Chocolate market also grows during crises

Growth in gobal chocolate consumption (%)



Source: Euromonitor

*: Forecast

Strong platform for continued growth

Barry Callebaut is uniquely positioned

- Robustness of Barry Callebaut's **business model**
- Proven success of Barry Callebaut's **growth strategy**
- Position as the **global market leader**
- Position as the **global cost leader**
- Expansion into high-growth markets leads to an **unrivalled global presence**
- From top premium to price sensitive products: **diversified product portfolio**
- Barry Callebaut benefits from major **long-term supply contracts**
- Solid **financing structure** in place

Outlook confirmed

Financial targets for 4-year period confirmed

- Barry Callebaut's unique positioning, combined with ongoing cost savings and efficiency initiatives, make us confident that we will reach our four-year financial targets
- Annual growth targets on average* for 2007/08 -2010/11:
  - Volumes: 9-11%
  - EBIT: 11-14%
  - Net profit: 13-16%

*Our view for the 2007-2011 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

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Summary

Strengthened global leadership and proven business model

North America, Eastern Europe and Asia on a fast growth path

Four-year financial targets confirmed