Half-Year Results
2013/14

Barry Callebaut

Dear Shareholders

In the first six months of fiscal year 2013/14, **we grew both our sales volume and profitability considerably**. This includes our stand-alone business as well as the cocoa business we acquired last year. We are particularly satisfied with the integration of the acquired business, which already delivered synergies and contributed to profit.

Our volume growth was broad-based. Main growth drivers, besides the acquired cocoa business, were emerging markets, outsourcing and Gourmet with our two global brands Callebaut® and Cacao Barry®. Given our focus on increasing product margins and due to the capacity constraints we faced, Region Western Europe was more selective about volume growth. In the meantime we have expanded some of our factories and will further enlarge capacities to allow for future profitable growth.

Based on these achievements and current visibility, we are confident we can deliver on our mid-term financial targets.[1]

In the first six months of fiscal year 2013/14, we grew both our sales volume and profitability considerably.

In the period under review, we again made significant progress on all four of our strategic pillars. With respect to **Expansion** the successful integration of the acquired cocoa business was, and remains, a top priority. It is well on track: The combined organization is in place and operational; the acquired manufacturing and supply chain network is fully integrated; the brand migration project to replace the Delfi brand is under way; initial synergies have been achieved and are in line with our expectations.

Construction work for our new chocolate factory in Chile is in its final stage, so we can go on stream as planned in summer 2014.

For **Innovation** we started to implement our revised innovation strategy. The aim is to give our customers a competitive edge by strengthening our position as the preferred partner for chocolate and cocoa innovations. Based on our own patented "Controlled Fermentation" technology, our Gourmet team successfully launched a new global range of Cacao Barry® chocolate couvertures under the "Purity from Nature" label. These chocolates with more intense flavors were developed in close cooperation with our network of leading Chefs. We are very pleased with the market reaction and initial sales.

1 As of consolidation of the acquired cocoa business: 6–8% average volume growth per year, and EBIT per tonne restored to pre-acquisition level by 2015/16 (CHF 256 per tonne) – barring any major unforeseen events.

To strengthen our **Cost Leadership** position and ease previous capacity constraints, we further expanded capacities at some of our sites in Western Europe. In order to meet the increased demand, capacities were also enlarged in Region Americas and Asia-Pacific.

We are now in the final phase of implementing project "Spring" in Western Europe. The modified organizational structures and the new tools we established are significantly accelerating our speed-to-market and enhancing our customer service.

We are particularly satisfied with the integration of the acquired business, which already delivered synergies and contributed to profit.

To further promote our leadership in **Sustainable Cocoa** we acquired the remaining 51% stake of Biolands Group, our long-time supplier of certified cocoa beans from East and West Africa. This will bring us even closer to thousands of farmers committed to sustainable cocoa production. Furthermore, we expanded our "Cocoa Horizons" initiative to Indonesia. Current focus is on building a combined cocoa R&D facility and Center of Excellence in Sulawesi (Indonesia).

As part of our efforts to maintain momentum during the years ahead, we have launched the strategic program "HR for growth". This integrated approach to attract, develop and empower talented people will drive efficiency, consistency and transparency in our Group.

In the coming months, we will continue to seize growth opportunities in both our industrial and Gourmet business. Special focus is being given to further improving profitability and to fully capitalizing on the benefits of the integration of the acquired cocoa business.

April 3, 2014

Andreas Jacobs
Chairman of the Board

Juergen Steinemann
Chief Executive Officer

Key figures Barry Callebaut Group (unaudited)

Barry Callebaut
Half-Year Results 2013/14

Consolidated Income Statement

For the 6-month period ended February 28,		Change (%) in local currencies	Change (%) in CHF	2014	2013[1]
Sales volume	Tonnes		17.6%	876,297	745,256
Sales revenue	CHF m	23.5%	21.5%	2,906.9	2,391.6
Gross profit	CHF m	19.9%	18.0%	421.6	357.3
EBITDA[2]	CHF m	19.1%	17.3%	259.5	221.2
Operating profit (EBIT)	CHF m	16.8%	15.3%	201.7	174.9
Net profit from continuing operations[3]	CHF m	3.1%	2.7%	119.6	116.5
Net profit for the period	CHF m	8.9%	8.3%	119.6	110.4
Cash flow[4]	CHF m	11.4%	9.4%	257.8	235.6

Stand-Alone Income Statement[5]

For the 6-month period ended February 28,				2014	2013[1]
Sales volume	Tonnes		3.1%	768,352	745,256
Sales revenue	CHF m	7.2%	5.5%	2,523.3	2,391.6
Operating profit (EBIT)	CHF m	10.2%	8.8%	190.4	174.9
EBIT per tonne[6]	CHF	6.9%	5.6%	247.8	234.7

Consolidated Balance Sheet

as of February 28,			2014	2013[1]
Total assets	CHF m	43.6%	5,106.9	3,555.9
Net working capital[7]	CHF m	46.3%	1,501.4	1,026.2
Non-current assets	CHF m	39.0%	2,068.6	1,488.3
Net debt	CHF m	70.9%	1,698.2	993.9
Shareholders' equity[8]	CHF m	25.9%	1,658.9	1,317.9

Shares

For the 6-month period ended February 28,			2014	2013[1]
Share price (end of period)	CHF	19.9%	1,097.0	915.0
EBIT per share[9]	CHF	2.5%	34.69	33.84
Basic earnings per share[10]	CHF	(3.4%)	21.76	22.52
Cash earnings per share[11]	CHF	3.1%	46.98	45.59

Other

as of February 28,	2014	2013
Employees	9,055	6,538

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.
2 EBIT + depreciation of property, plant and equipment + amortization of intangibles.
3 Incl. non-controlling interest.
4 Operating cash flow before working capital changes.
5 Stand-alone numbers exclude the cocoa business acquired from Petra Foods, Singapore.
6 EBIT/sales volume.
7 Includes current assets, liabilities and provisions related to commercial activities.
8 Total equity attributable to the shareholders of the parent company.
9 EBIT/basic shares outstanding (on a stand-alone basis).
10 Based on the net profit from continuing operations attributable to the shareholders of the parent company/basic shares outstanding.
11 Operating cash flow before working capital changes/basic shares outstanding.

By Region

For the 6-month period ended February 28,				2014	2013[1]
		Change (%)			
		in local currencies	in CHF		
Europe					
Sales volume	Tonnes		0.3%	378,645	377,458
Sales revenue	CHF m	9.8%	10.2%	1,307.0	1,186.2
EBITDA	CHF m	7.3%	7.4%	154.1	143.5
Operating profit (EBIT)	CHF m	5.9%	6.1%	135.7	127.9
Americas					
Sales volume	Tonnes		8.5%	217,517	200,434
Sales revenue	CHF m	10.9%	7.3%	608.8	567.2
EBITDA	CHF m	18.9%	15.3%	70.0	60.7
Operating profit (EBIT)	CHF m	23.2%	20.3%	59.9	49.8
Asia-Pacific					
Sales volume	Tonnes		11.0%	34,324	30,915
Sales revenue	CHF m	18.6%	11.2%	131.3	118.1
EBITDA	CHF m	4.1%	1.6%	18.5	18.2
Operating profit (EBIT)	CHF m	2.0%	0.7%	15.1	15.0
Global Cocoa					
Sales volume	Tonnes		80.1%	245,811	136,449
Sales revenue	CHF m	69.6%	65.3%	859.8	520.1
EBITDA	CHF m	72.8%	68.1%	58.7	34.9
Operating profit (EBIT)	CHF m	78.7%	72.2%	34.1	19.8

By Product Group

For the 6-month period ended February 28,				2014	2013[1]
		Change (%)			
		in local currencies	in CHF		
Sales volume					
Cocoa Products	Tonnes		80.1%	245,811	136,449
Food Manufacturers Products	Tonnes		3.1%	540,867	524,738
Gourmet & Specialties Products	Tonnes		6.6%	89,619	84,069
Sales revenue					
Cocoa Products	CHF m	69.6%	65.3%	859.8	520.1
Food Manufacturers Products	CHF m	11.4%	10.0%	1,600.0	1,455.1
Gourmet & Specialties Products	CHF m	8.3%	7.4%	447.1	416.4

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.

Financial review of the half-year results for fiscal year 2013/14

Consolidated Income Statement[1]

Explanatory comments to the Consolidated Income Statement
The Consolidated Income Statement contains one-off transaction and integration costs as well as the operating results related to the Cocoa Ingredients Division acquired from Petra Foods Ltd., Singapore, on June 30, 2013. For comparability reasons, certain key figures are provided excluding these effects (i.e. "stand-alone").

Sales volume grew by 17.6% to 876,297 tonnes mainly as a result of the additional volumes from the aforementioned acquisition. On a stand-alone basis volume grew by 3.1%. All Regions and Product Groups contributed to this growth, with the biggest contribution to growth coming from Region Americas and Product Group Food Manufacturers. The stand-alone growth was to a large extent driven by emerging markets, outsourcing and partnership agreements and the Gourmet business.

Sales revenue increased by 21.5% to CHF 2,906.9 million (+23.5% in local currencies), mainly as a result of the incremental volume from the acquisition highlighted above. On a stand-alone basis sales revenue grew by 5.5% (+7.2% in local currencies), at a higher rate than volume growth. This was the result of the effect of higher average prices for cocoa-related ingredients and other raw materials as well as improved margins.

Gross profit grew by 18.0% to CHF 421.6 million (+19.9% in local currencies), at a slightly higher rate than the volume. This was the result of a better product mix and the improved margins of the stand-alone business partly diluted by the relatively lower gross profit contribution from the acquired cocoa business.

1 Comparables refer to the prior-year period unless otherwise stated.

Marketing and sales expenses amounted to CHF 61.0 million, which corresponds to an increase of 16.2% versus the prior year period. This increase is due to the growth of the stand-alone business as well as the related expenses from the acquired cocoa business. Furthermore, the Group continued to invest and expanded its presence in new and emerging markets, in particular for speciality products in the Food Manufacturers business and related to the global brands in the Gourmet business.

General and administration expenses rose by 25.0% to CHF 162.6 million. This increase can be traced to the acquisition and integration of the acquired cocoa business and the Group's business growth as well as continued investments in structures, processes and people in anticipation of future growth.

Other income amounted to CHF 9.1 million compared to the prior year's amount of CHF 5.3 million. This position includes operating but not sales-related income, such as sales of waste products, claims related to insurance companies and suppliers, gains on disposal of assets as well as the third-party income from the Group's Training Center.

Other expenses amounted to CHF 5.4 million, slightly above the CHF 5.1 million reported in the comparable period. This amount is mainly related to litigation and pension costs as well as severance payments and losses on disposal of assets.

Operating profit (EBIT) amounted to CHF 201.7 million, corresponding to an increase of 15.3% (+16.8% in local currencies), which is partly due to the contributions from the acquired business. On a stand-alone basis, EBIT grew by 8.8% (+10.2% in local currencies). While all regions and product groups contributed to this growth, the strongest contribution came from Region Americas and from Product Group Gourmet & Specialties.

Finance income declined from CHF 2.5 million to CHF 1.6 million, mostly due to a lower foreign currency exchange result.

Finance costs increased from CHF 38.9 million to CHF 58.2 million, which is largely due to the increased financing needs in light of the acquisition and, to a lesser extent, to increased financing needs due to higher raw material prices and the general growth of the business.

Share of result of equity-accounted investees, net of tax amounted to CHF 0.0 million compared to CHF –0.3 million in the year before.

Income taxes increased from CHF 21.7 million to CHF 25.5 million. The Group's effective tax rate increased to 17.6% for the first six months, up from 15.7% in the prior-year period. This is the result of a less favorable mix related to the jurisdictions in which the results before taxes were generated, particularly impacted by the effects of the acquired cocoa business.

Net profit for the period from continuing operations increased by 2.7% (3.1% in local currencies) to CHF 119.6 million.

Net result from discontinued operations for the prior year in the amount of CHF –6.1 million related to the discontinuation of the factory and business in Dijon, France. In the current year no further costs in this respect were incurred.

Net profit for the period (including discontinued operations) increased by 8.3% from CHF 110.4 million to CHF 119.6 million (+8.9% in local currencies).

Consolidated Balance Sheet and financing structure[1]

Net working capital increased by 46.3% to CHF 1,501.4 million compared to the year before. The increase is to a large extent driven by the additional working capital from the acquired business. The recent increase of raw material prices, especially for cocoa beans, also contributed significantly to the increase in working capital.

Net debt increased by 70.9% versus prior year, to CHF 1,698.2 million. This increase is mainly the result of the debt assumed to finance the aforementioned acquisition. Moreover, the higher level of working capital and the high level of investments in fixed assets on a stand-alone basis also led to higher financing needs.

Total assets increased by 43.6% to CHF 5,106.9 million. The increase is to a large extent due to the incremental assets stemming from the acquired business, in particular related to working capital, fixed assets and goodwill. On the other hand, as previously mentioned, the stand-alone assets also grew due to the increase of working capital and the high level of investment in fixed assets.

1 Comparables refer to the prior-year period unless otherwise stated.

Shareholders' equity increased by 25.9% to CHF 1,658.9 million compared to last year's amount of CHF 1,317.9 million. This is mainly due to the capital increase for the partial financing of the acquired cocoa business, as well as the net profit achieved since February 28, 2013, partly offset by the dividend of CHF 79.6 million and the effects from cumulative foreign currency translation and restatements in relation to IAS 19 revised. Compared to August 31, 2013, shareholders' equity declined by 1.4% as the effect of the net profit for the period was more than offset by the accrual for the dividend and cumulative foreign currency translation effects and some other minor items.

Consolidated Cash Flow Statement[1]

Operating cash flow before working capital changes increased by 9.4% to CHF 257.8 million as a result of the higher EBITDA achieved particularly in the stand-alone business.

Net cash flow from operating activities amounted to an outflow of CHF 106.0 million compared to an inflow of CHF 86.8 million in the comparable period. This outflow is largely due to the increased value of working capital resulting from significantly higher raw material prices.

Net cash flow from investing activities amounted to CHF –100.3 million compared to CHF –139.2 million in the year before. This position mainly includes the investments in property, plant & equipment and intangible assets such as software and amounted to CHF –110.4 million compared to CHF –92.3 million in the prior year period. Apart from some other minor items, this position also covers the cash outflow for acquisitions, which at CHF –2.1 million was significantly lower than the CHF –51.7 million in the prior year period.

Net cash inflow from financing activities amounted to CHF 205.4 million compared to CHF 21.7 million in the prior year period. This position mainly includes the net inflow of proceeds from and repayment of borrowings.

1 Comparables refer to the prior-year period unless otherwise stated.

Consolidated Income Statement (unaudited)

For the 6-month period ended February 28,	2014	2013
in million CHF		restated[1]
Revenue from sales and services	**2,906.9**	**2,391.6**
Cost of goods sold	(2,485.3)	(2,034.3)
Gross profit	**421.6**	**357.3**
Marketing and sales expenses	(61.0)	(52.5)
General and administration expenses	(162.6)	(130.1)
Other income	9.1	5.3
Other expenses	(5.4)	(5.1)
Operating profit (EBIT)	**201.7[2]**	**174.9**
Finance income	1.6	2.5
Finance costs	(58.2)	(38.9)
Share of result of equity-accounted investees, net of tax	–	(0.3)
Profit before income taxes	**145.1**	**138.2**
Income tax expenses	(25.5)	(21.7)
Net profit from continuing operations	**119.6**	**116.5**
Net result from discontinued operations, net of tax	–	(6.1)
Net profit for the period	**119.6**	**110.4**
of which attributable to:		
– shareholders of the parent company	119.4	110.3
– non-controlling interest	0.2	0.1
Earnings per share from continuing and discontinued operations		
Basic earnings per share (CHF/share)	21.76	21.34
Diluted earnings per share (CHF/share)	21.65	21.23
Earnings per share from continuing operations		
Basic earnings per share (CHF/share)	21.76	22.52
Diluted earnings per share (CHF/share)	21.65	22.41

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.
2 Thereof CHF 11.3 million related to the operating result of the Cocoa Ingredients Division acquired from Petra Foods Ltd. and CHF 190.4 million related to Barry Callebaut Group stand-alone, i.e. before acquisition.

Consolidated Statement of Comprehensive Income (unaudited)

For the 6-month period ended February 28,	2014	2013
in million CHF		restated[1]
Net profit for the period	**119.6**	**110.4**
Currency translation adjustments	(53.1)	2.3
thereof recycled into profit or loss related to divestiture	–	1.7
Cash flow hedges	(11.1)	0.9
Tax effect on cash flow hedges	2.1	–
Items that may be reclassified subsequently to the income statement	**(62.1)**	**3.2**
Other comprehensive income for the period, net of tax	**(62.1)**	**3.2**
Total comprehensive income for the period	**57.5**	**113.6**
of which attributable to:		
– shareholders of the parent company	57.5	113.7
– non-controlling interest	–	(0.1)

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.

Consolidated Balance Sheet (unaudited)

Assets

as of in million CHF	Feb 28, 2014	Aug 31, 2013 restated[1]	Feb 28, 2013 restated[1]	Sep 1, 2012 restated[1]
Current assets				
Cash and cash equivalents	86.5	65.6	39.3	53.9
Short-term deposits	1.8	16.7	1.0	0.6
Trade receivables and other current assets	871.2	777.0	641.5	570.2
Inventories	1,773.1	1,446.5	1,111.5	1,108.2
Current tax assets	6.6	4.9	5.7	4.7
Derivative financial assets	299.1	144.3	268.6	414.2
Total current assets	**3,038.3**	**2,455.0**	**2,067.6**	**2,151.8**
Non-current assets				
Property, plant and equipment	1,088.2	1,085.7	826.9	799.7
Equity-accounted investees	1.4	5.1	4.9	4.6
Intangible assets	871.6	882.8	570.6	526.5
Deferred tax assets	94.7	88.2	78.8	87.1
Other non-current assets	12.7	10.1	7.1	6.7
Total non-current assets	**2,068.6**	**2,071.9**	**1,488.3**	**1,424.6**
Total assets	**5,106.9**	**4,526.9**	**3,555.9**	**3,576.4**

Liabilities and equity

as of in million CHF	Feb 28, 2014	Aug 31, 2013 restated[1]	Feb 28, 2013 restated[1]	Sep 1, 2012 restated[1]
Current liabilities				
Bank overdrafts	37.2	14.3	50.3	34.3
Short-term debt	363.0	229.8	213.6	117.3
Trade payables and other current liabilities	956.0	793.9	770.9	657.6
Current tax liabilities	44.2	32.1	44.5	38.3
Derivative financial liabilities	445.4	189.0	195.5	362.3
Provisions	12.1	12.2	7.6	12.2
Current liabilities without liabilities directly associated with assets held for sale	**1,857.9**	**1,271.3**	**1,282.4**	**1,222.0**
Liabilities directly associated with assets held for sale	–	–	–	25.3
Total current liabilities	**1,857.9**	**1,271.3**	**1,282.4**	**1,247.3**
Non-current liabilities				
Long-term debt	1,386.3	1,363.5	770.3	845.9
Employee benefit obligations	129.5	132.6	115.1	116.4
Provisions	4.4	5.0	10.6	2.5
Deferred tax liabilities	57.4	59.0	43.9	53.1
Other non-current liabilities	8.8	9.3	11.4	17.6
Total non-current liabilities	**1,586.4**	**1,569.4**	**951.3**	**1,035.5**
Total liabilities	**3,444.3**	**2,840.7**	**2,233.7**	**2,282.8**
Equity				
Share capital	102.1	102.1	96.2	125.1
Retained earnings and other components of equity	1,556.8	1,580.4	1,221.7	1,163.8
Total equity attributable to the shareholders of the parent company	**1,658.9**	**1,682.5**	**1,317.9**	**1,288.9**
Non-controlling interest	3.7	3.7	4.3	4.7
Total equity	**1,662.6**	**1,686.2**	**1,322.2**	**1,293.6**
Total liabilities and equity	**5,106.9**	**4,526.9**	**3,555.9**	**3,576.4**

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.

Condensed Consolidated Statement of Cash Flows (unaudited)

For the 6-month period ended February 28,	2014	2013
in million CHF		restated[1]
Profit before income taxes from continuing operations	145.1	138.2
(Loss) profit before income taxes from discontinued operations	–	(4.8)
Non-cash items of income and expenses	112.7	102.2
Operating cash flow before working capital changes	**257.8**	**235.6**
(Increase) decrease in working capital	(317.1)	(116.4)
Interest paid	(24.8)	(14.1)
Income taxes paid	(21.9)	(18.3)
Net cash flow from operating activities	**(106.0)**	**86.8**
Purchase of property, plant and equipment	(90.5)	(69.8)
Proceeds from sale of property, plant and equipment	–	0.7
Purchase of intangible assets	(19.9)	(22.5)
Acquisition of subsidiaries/businesses net of cash acquired	(2.1)	(51.7)
Cash flow from disposal of subsidiaries	–	4.7
Other investing cash flows	12.2	(0.6)
Net cash flow from investing activities	**(100.3)**	**(139.2)**
Net cash flow from financing activities	**205.4**	**21.7**
Effect of exchange rate changes on cash and cash equivalents	(1.1)	0.1
Net increase (decrease) in cash and cash equivalents	**(2.0)**	**(30.6)**
Cash and cash equivalents at beginning of period	51.3	19.6
Cash and cash equivalents at end of period	49.3	(11.0)
Net increase (decrease) in cash and cash equivalents	**(2.0)**	**(30.6)**
Cash and cash equivalents	86.5	39.3
Bank overdrafts	(37.2)	(50.3)
Cash and cash equivalents as defined for the cash flow statement	**49.3**	**(11.0)**

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.

Consolidated Statement of Changes in Equity (unaudited)[1]

Attributable to the shareholders of the parent company	Share capital	Treasury shares	Retained earnings	Hedging reserves	Cumulative translation adjustments	Total	Non-controlling interest	Total equity
in million CHF								
Balance as of September 1, 2012 (as previously reported)	125.1	(2.8)	1,621.7	(5.5)	(381.4)	1,357.1	4.7	1,361.8
Impact of change in accounting policy, net of tax			(68.2)			(68.2)		(68.2)
Restated as of September 1, 2012	**125.1**	**(2.8)**	**1,553.5**	**(5.5)**	**(381.4)**	**1,288.9**	**4.7**	**1,293.6**
Currency translation adjustments					2.5	2.5	(0.2)	2.3
Effect of cash flow hedges				0.9		0.9		0.9
Tax effect on cash flow hedges				–		–		–
Items that may be reclassified subsequently to the income statement				**0.9**	**2.5**	**3.4**	**(0.2)**	**3.2**
Other comprehensive income, net of tax				**0.9**	**2.5**	**3.4**	**(0.2)**	**3.2**
Net profit for the period			110.3			110.3	0.1	110.4
Total comprehensive income			**110.3**	**0.9**	**2.5**	**113.7**	**(0.1)**	**113.6**
Dividend to shareholders			(51.2)			(51.2)		(51.2)
Capital reduction and repayment	(28.9)					(28.9)		(28.9)
Movements in non-controlling interest						–	(0.3)	(0.3)
Purchase of treasury shares		(10.6)				(10.6)		(10.6)
Equity-settled share-based payments		11.7	(5.7)			6.0		6.0
Restated as of February 28, 2013	**96.2**	**(1.7)**	**1,606.9**	**(4.6)**	**(378.9)**	**1,317.9**	**4.3**	**1,322.2**
Restated as of September 1, 2013	**102.1**	**(3.3)**	**1,981.7**	**1.8**	**(399.8)**	**1,682.5**	**3.7**	**1,686.2**
Currency translation adjustments					(52.9)	(52.9)	(0.2)	(53.1)
Effect of cash flow hedges				(11.1)		(11.1)		(11.1)
Tax effect on cash flow hedges				2.1		2.1		2.1
Items that may be reclassified subsequently to the income statement				**(9.0)**	**(52.9)**	**(61.9)**	**(0.2)**	**(62.1)**
Other comprehensive income, net of tax				**(9.0)**	**(52.9)**	**(61.9)**	**(0.2)**	**(62.1)**
Net profit for the period			119.4			119.4	0.2	119.6
Total comprehensive income			**119.4**	**(9.0)**	**(52.9)**	**57.5**	**–**	**57.5**
Dividend to shareholders			(79.6)			(79.6)		(79.6)
Movements in non-controlling interest						–	–	–
Purchase of treasury shares		(7.1)				(7.1)		(7.1)
Equity-settled share-based payments		10.4	(4.8)			5.6		5.6
as of February 28, 2014	**102.1**	**–**	**2,016.7**	**(7.2)**	**(452.7)**	**1,658.9**	**3.7**	**1,662.6**

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.

Notes to the condensed Consolidated Interim Financial Statements (unaudited)

General information

Barry Callebaut AG ("the Company") is incorporated under Swiss law. The address of the registered office is Pfingstweidstrasse 60, Zurich. The Company is listed on the SIX Swiss Exchange.

These condensed Consolidated Interim Financial Statements, approved by the Board of Directors for issue on April 3, 2014, are unaudited.

Basis of presentation and accounting policies

The condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies applied in these condensed Consolidated Interim Financial Statements correspond to those pertaining to the most recent annual Consolidated Financial Statements for the fiscal year 2012/13, except for those mentioned below, in the section Changes in accounting policies.

Changes in accounting policies

The Group has applied the following new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS) as of September 1, 2013 onwards.

IAS 19 – Employee Benefits (amended 2011)

The revised IAS 19 standard has eliminated the corridor method that was applied by the Group before fiscal year 2013/14. Based on the amendments, all changes in the present value of the defined benefit obligation and in the fair value of the plan assets are recognized in the financial statements immediately in the period they occur. Any movements in actuarial gains and losses are recognized through other comprehensive income.

The amendments have also replaced the expected return on plan assets and the interest cost on the defined benefit obligation with a single net interest component that is calculated by applying the discount rate to the net defined benefit liability (or asset).

It was applied for the first time retrospectively in compliance with the transitional provisions, affecting the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet and the Condensed Consolidated Statement of Cash Flows. The retrospective application resulted in the restatements summarized in the tables below.

Consolidated Income statement (unaudited)

For the 6-month period ended February 28, 2013	as originally published	Restatement IAS 19	restated
in million CHF			
General and administration expenses	(130.5)	0.4	(130.1)
Other expenses	(5.8)	0.7	(5.1)
Operating profit (EBIT)	173.8	1.1	174.9
Finance costs	(37.9)	(1.0)	(38.9)
Profit before income taxes	138.1	0.1	138.2
Net profit for the period	110.3	0.1	110.4
Basic earnings per share (CHF/share)	22.50	0.02	22.52

Consolidated Statement of Comprehensive Income (unaudited)

For the 6-month period ended February 28, 2013	as originally published	Restatement IAS 19	restated
in million CHF			
Net profit for the period	110.3	0.1	110.4
Total comprehensive income for the period	113.5	0.1	113.6
of which attributable to the shareholders of the parent company	113.6	0.1	113.7

Consolidated Balance Sheet (unaudited)

As of September 1, 2012	as originally published	Restatement IAS 19	restated
in million CHF			
Deferred tax assets	87.1	–	87.1
Other non-current assets	6.9	(0.2)	6.7
Total non-current assets	1,424.8	(0.2)	1,424.6
Total assets	3,576.6	(0.2)	3,576.4
Employee benefit obligations	47.5	68.9	116.4
Deferred tax liabilities	54.0	(0.9)	53.1
Total non-current liabilities	967.5	68.0	1,035.5
Total liabilities	2,214.8	68.0	2,282.8
Retained earnings and other components of equity	1,232.0	(68.2)	1,163.8
Total equity attributable to the shareholders of the parent company	1,357.1	(68.2)	1,288.9
Total Equity	1,361.8	(68.2)	1,293.6
Total liabilities and equity	3,576.6	(0.2)	3,576.4

Consolidated Balance Sheet (unaudited)

As of February 28, 2013	as originally published	Restatement IAS 19	restated
in million CHF			
Deferred tax assets	78.9	(0.1)	78.8
Other non-current assets	7.1	–	7.1
Total non-current assets	1,488.4	(0.1)	1,488.3
Total assets	3,556.0	(0.1)	3,555.9
Employee benefit obligations	46.1	69.0	115.1
Deferred tax liabilities	44.9	(1.0)	43.9
Total non-current liabilities	883.3	68.0	951.3
Total liabilities	2,165.7	68.0	2,233.7
Retained earnings and other components of equity	1,289.8	(68.1)	1,221.7
Total equity attributable to the shareholders of the parent company	1,386.0	(68.1)	1,317.9
Total Equity	1,390.3	(68.1)	1,322.2
Total liabilities and equity	3,556.0	(0.1)	3,555.9

Consolidated Balance Sheet (unaudited)

As of August 31, 2013	as originally published	Restatement IAS 19	restated
in million CHF			
Deferred tax assets	88.3	(0.1)	88.2
Other non-current assets	10.2	(0.1)	10.1
Total non-current assets	2,072.1	(0.2)	2,071.9
Total assets	4,527.1	(0.2)	4,526.9
Employee benefit obligations	51.4	81.2	132.6
Deferred tax liabilities	60.6	(1.6)	59.0
Total non-current liabilities	1,489.8	79.6	1,569.4
Total liabilities	2,761.1	79.6	2,840.7
Retained earnings and other components of equity	1,660.2	(79.8)	1,580.4
Total equity attributable to the shareholders of the parent company	1,762.3	(79.8)	1,682.5
Total Equity	1,766.0	(79.8)	1,686.2
Total liabilities and equity	4,527.1	(0.2)	4,526.9

Condensed Consolidated Statement of Cash Flows (unaudited)

For the 6-month period ended February 28, 2013	as originally published	Restatement IAS 19	restated
in million CHF			
Profit before income taxes from continuing operations	138.1	0.1	138.2
Non-cash items of income and expenses	102.3	(0.1)	102.2
Operating cash flow before working capital changes	235.6	–	235.6
Net cash flow from operating activities	86.8	–	86.8
Net cash flow from investing activities	(139.2)	–	(139.2)
Net cash flow from financing activities	21.7	–	21.7
Net increase (decrease) in cash and cash equivalents	(30.6)	–	(30.6)

The amendments to IAS 19 issued in November 2013 did not have any impact on the Group's Financial Statements.

IFRS 10 – Consolidated Financial Statements
(effective for periods beginning on or after January 1, 2013)
IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are in the scope of SIC-12. The Group is deemed to control a company when it is exposed, or has rights, to variable returns from its involvement with that company and has the ability to affect those returns through its power over the company. The consolidation procedures are carried forward from IAS 27. It was applied for the first time retrospectively in compliance with the transitional provisions and did not have any impact on the Group's Financial Statements.

IFRS 11 – Joint Arrangements (effective for periods beginning on or after January 1, 2013)
This standard establishes principles for financial reporting by parties to a joint arrangement. This standard principally addresses two aspects: first, that the structure of the arrangement was the only determinant of the accounting and, second, that an entity had a choice of accounting treatment for interests in jointly controlled entities. IFRS 11 improves on IAS 31 by establishing principles that are applicable to the accounting for all joint arrangements. It was applied for the first time retrospectively in compliance with the transitional provisions and did not have any impact on the Group's Financial Statements.

IFRS 12 – Disclosure of Interests in Other Entities
(effective for periods beginning on or afterJanuary 1, 2013)
This standard addresses the need for improved disclosure of a reporting entity's interests in other entities when the reporting entity has a special relationship with those other entities. The standard integrates and makes consistent the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities and presents those requirements in a single IFRS as it was observed that the disclosure requirements of IAS 27 – Consolidated and Separate Financial Statements, IAS 28 – Investments in Associates and IAS 31 – Interests in Joint Ventures overlapped in many areas. The new standard will result in certain extended disclosures in the Group's Consolidated Financial Statements at the end of fiscal year 2013/14.

Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance
(effective for periodsbeginning on or after January 1, 2013)
These amendments were published in June 2012 and simplify the process of adopting IFRS 10 and IFRS 11. In addition, they provide relief from certain IFRS 12 disclosures.

IFRS 13 – Fair Value Measurement (effective for periods beginning on or after January 1, 2013)
This standard defines fair value, sets out in a single IFRS a framework for measuring fair value, and requires disclosures about fair value measurements. It was applied for the first time retrospectively in compliance with the transitional provisions and did not have a material impact on the Group's Financial Statements. Due to the consequential adjustments in IAS 34 – Interim Financial Reporting, the Group has modified its interim disclosures accordingly.

IFRS 9 – Financial Instruments and related amendments to IFRS 7 regarding transition
(not yet adopted by the Group)
This standard introduces new requirements for the classification and measurement of financial assets. All recognized financial assets that are currently in the scope of IAS 39 will be measured at either amortized cost or fair value. The standard gives guidance on how to apply the measurement principles. A fair value option is available as an alternative to amortized cost measurement. All equity investments within the scope of IFRS 9 are to be measured on the consolidated balance sheet at fair value with the default recognition of gains and losses in profit or loss. Only if the equity instrument is not held for trading, an irrevocable election can be made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. All derivatives within the scope of IFRS 9 are required to be measured at fair value. This includes derivatives that are settled by the delivery of unquoted equity instruments; however, in limited circumstances, cost may be an appropriate estimate of fair value.

For a financial liability designated as at fair value through profit or loss using the fair value option, the charge in the liability's fair value attributable to charges in the liability's credit risk is recognized directly in other comprehensive income, unless it creates or increases an accounting mismatch.

On November 19, 2013, IASB also issued its new requirements related to hedge accounting under this standard. The Group has not yet decided whether it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

Other amendments to IFRS/IAS
A number of other standards have been amended on miscellaneous points. Some of these amendments are effective for this fiscal year, but did not have a material impact on the Group's Financial Statements. Where applicable, disclosures in the Group's Consolidated Financial Statements will be amended at the end of fiscal year 2013/14.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. In the reporting period, apart from the adaptations mentioned above, the Group has not made significant changes to its judgments, estimates or assumptions established in preparation of the last annual report.

1 Segment information

For the 6-month period ended February 28,	Global Cocoa		Europe		Americas		Asia-Pacific		Corporate		Group	
in million CHF	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]
Revenue from external customers	859.8	520.1	1,307.0	1,186.2	608.8	567.2	131.3	118.1	–	–	2,906.9	2,391.6
Operating profit (EBIT)	34.1	19.8	135.7	127.9	59.9	49.8	15.1	15.0	(43.1)	(37.6)	201.7	174.9

1 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.

Revenue by geographic regions is stated by customer location.

Revenue by Product Group

For the 6-month period ended February 28, in million CHF	2014	2013
Cocoa Products	859.8	520.1
Food Manufacturers Products	1,600.0	1,455.1
Gourmet & Specialties Products	447.1	416.4

2 Acquisitions

On February 18, 2014, the Group acquired the remaining 51% of Biolands Group, its long-time supplier of certified cocoa beans from East and West Africa, increasing its shareholding in the Biolands entities (African Organic Produce AG, Biolands International Ltd, Biopartenaire SA, and Bio-United Limited) to 100%, thus obtaining control.

The following summarizes the major classes of consideration transferred in combination of the acquisitions mentioned above:

in million CHF	2013/14
Consideration	
Cash paid	2.1
Fair value of the Group's previously held equity interest	3.3
Total consideration transferred	**5.4**

The arrangement involves contingent consideration of CHF 0.3 million.

The Group expensed acquisition-related costs, such as fees for due diligence work, lawyers and valuation services, of less than CHF 0.1 million over the course of the project immediately in the Consolidated Income Statement (included in "General and administration expenses").

The following purchase price allocation and fair value of assets and liabilities have been determined on a provisional basis:

in million CHF	2013/14
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current assets	3.2
Non-current assets	0.6
Current liabilities	(2.6)
Non-current liabilities	–
Total identifiable net assets	**1.2**
Goodwill	4.2
Total consideration at fair value	**5.4**

The goodwill of CHF 4.2 million arising from the acquisitions is attributable to synergies expected to be achieved from integrating the business in the Group's existing business and improvements expected from combining the sourcing channels of the acquired businesses and the Group. The goodwill has been allocated to Global Cocoa. None of the goodwill recognized is expected to be deductible for income tax purposes.

3 Other selected explanatory financial information

Derivative financial assets and liabilities

The fair value measurement of some derivatives requires assumptions and management's assessment of certain market parameters. Whenever possible, fair valuation is based on market prices. If required, a valuation model (including discounted cash flows, dealer or supplier quotes for similar instruments or recent arm's-length transactions) is used which takes into account the specific characteristics of the underlying assets or commodities such as the cost of carry, differentials for the properties and technical ratios reflecting production yield.

Carrying amount and fair value of each class of financial asset and liability are presented in the table below.

as of February 28, 2014	Loans and receivables	Fair value through profit and loss – trading	Financial liabilities at amortized cost	Derivatives used in hedging	Total carrying amount	Fair value
in million CHF						
Cash equivalents	86.5				86.5	86.5
Short-term deposits	1.8				1.8	1.8
Trade receivables	455.3				455.3	455.3
Derivative financial assets		287.3		11.8	299.1	299.1
Other assets	166.9				166.9	166.9
Total assets	**710.5**	**287.3**		**11.8**	**1,009.6**	**1,009.6**
Bank overdrafts			37.2		37.2	37.2
Short-term debt			363.0		363.0	363.0
Trade payables			564.0		564.0	564.0
Derivative financial liabilities		378.2		67.2	445.4	445.4
Long-term debt			1,386.3		1,386.3	1,517.7
Other liabilities			295.6		295.6	295.6
Total liabilities		**378.2**	**2,646.1**	**67.2**	**3,091.5**	**3,222.9**

as of August 31, 2013	Loans and receivables	Fair value through profit and loss – trading	Financial liabilities at amortized cost	Derivatives used in hedging	Total carrying amount	Fair value
in million of CHF						
Cash equivalents	65.6				65.6	65.6
Short-term deposits	16.7				16.7	16.7
Trade receivables	492.3				492.3	492.3
Derivative financial assets		135.4		8.9	144.3	144.3
Other assets	60.0				60.0	60.0
Total assets	**634.6**	**135.4**		**8.9**	**778.9**	**778.9**
Bank overdrafts			14.3		14.3	14.3
Short-term debt			229.8		229.8	229.8
Trade payables			522.9		522.9	522.9
Derivative financial liabilities		174.1		14.9	189.0	189.0
Long-term debt			1,363.5		1,363.5	1,472.2
Other liabilities			171.1		171.1	171.1
Total liabilities		**174.1**	**2,301.6**	**14.9**	**2,490.6**	**2,599.3**

Fair value hierarchy of financial instruments

The fair value measurements of financial assets and liabilities are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: The fair value is based on unadjusted, quoted prices in active markets which gives the best possible objective indication for the fair value of a financial asset or liability.
- Level 2: The estimation of the fair value is based on the results of a valuation model. The valuation model for commodity derivatives includes quoted prices in active markets, recent arm's-length transactions or dealer and supplier quotes adjusted for the specific characteristics of the underlying commodities such as the cost of carry, differentials for the properties and conversion yields. Corroborated market data is used for the valuation of foreign exchange and interest rate derivatives.
- Level 3: The valuation models used are based on parameters and assumptions not observable on the market.

The following table summarizes the use of level with regard to financial assets and liabilities:

as of February 28, 2014 in million CHF	Level 1	Level 2	Level 3	Total
Derivative financial assets	17.8	281.3	–	299.1
Derivative financial liabilities	63.6	381.8	–	445.4

as of August 31, 2013 in million CHF	Level 1	Level 2	Level 3	Total
Derivative financial assets	4.3	140.0	–	144.3
Derivative financial liabilities	8.5	180.5	–	189.0

During the six-month period ended February 28, 2014, there were no transfers between the levels.

Contingencies
Barry Callebaut is not aware of any new significant litigations or other contingent liabilities compared to the situation as of August 31, 2013.

Dividends/Capital reduction and repayment
By resolution of the Annual General Meeting on December 11, 2013, the shareholders approved the proposed payment of CHF 14.50 per share, effected through a dividend payment from reserves from capital contributions. The respective payment to the shareholders took place on March 3, 2014. The Company does not intend to pay any interim dividend.

4 Subsequent events
There are no subsequent events that would require any modification of the value of the assets and liabilities or additional disclosures.

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Financial calendar

July 3, 2014
9-month key sales figures 2013/14

November 6, 2014
Full-year results 2013/14, Zurich

December 10, 2014
Annual General Meeting of Shareholders 2013/14, Zurich

Forward-looking statements

Certain statements in this Letter to Investors report 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," and "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 this Letter to Investors as well as in the Annual Report 2012/13. 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 today, April 3, 2014. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

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