



Investors & Analysts days

Paris, October 20th and 21st, 2011



Agenda



Day 1

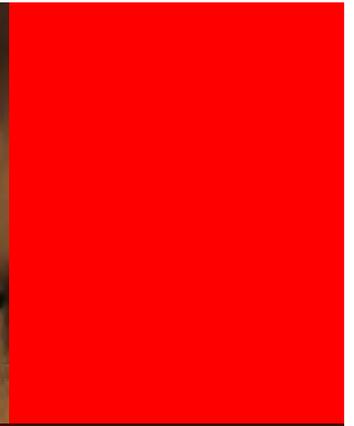
14:00	Introduction and our Strategy	Juergen Steinemann
15:00	Presentation – Improving sustainability in Cocoa supply	Steven Retzlaff
16:00	Coffee break	
16:15	Presentation – Operations	Dirk Poelman
17:15	Presentation – R&D and Innovation	Hans Vriens
19:00	Meeting point for departure to Restaurant	

Agenda



Day 2

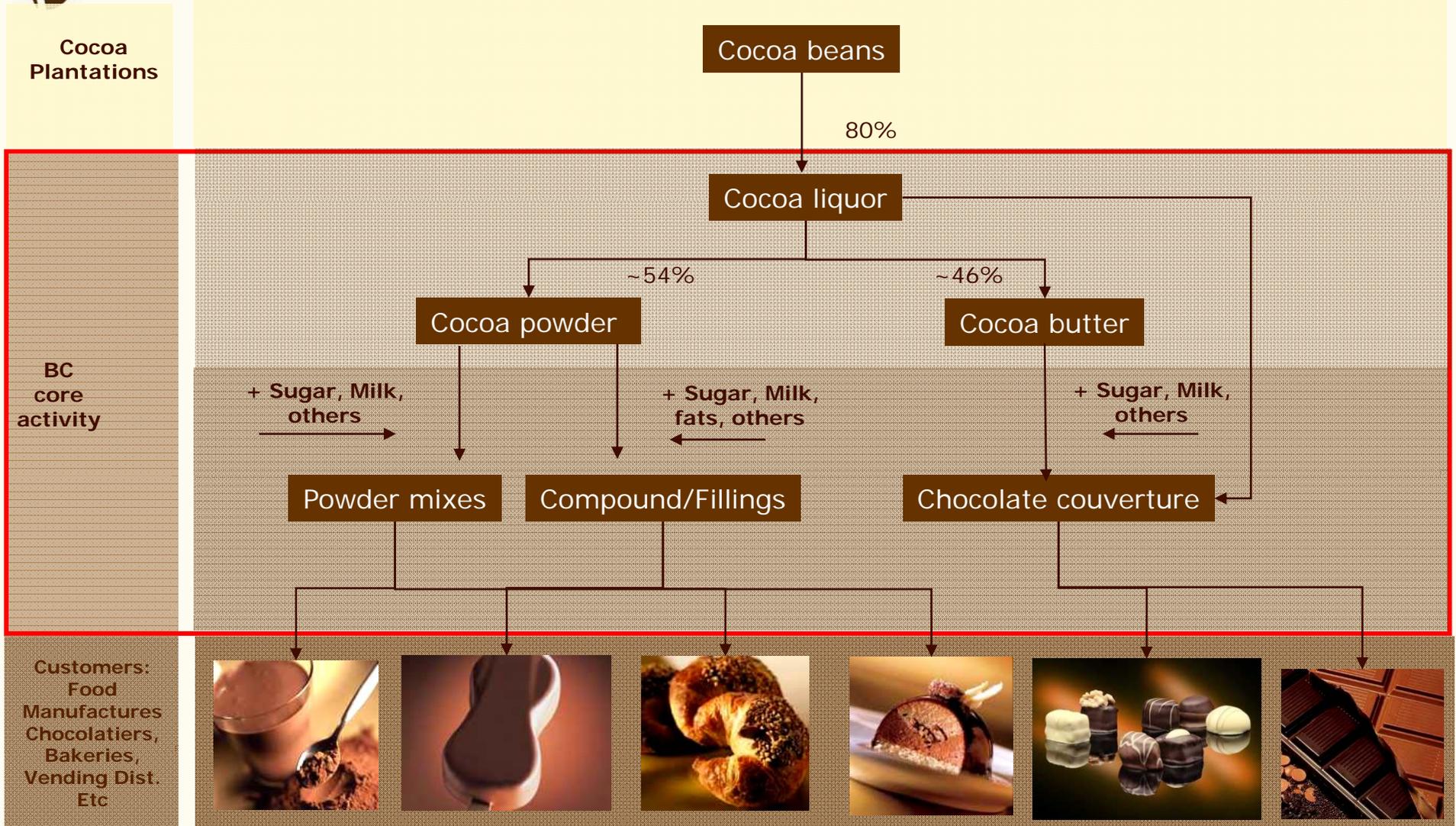
09:30 -10:30	Presentation and factory tour	Jo Thys
10:30 -11:30	Group1 -Gourmet & Specialties Group 2 – Or Noir Lab	Philippe Janvier, Freek van der Knapp & Pascale Meulenmeester
11:30 -12 :30	Group 2 -Gourmet & Specialties Group 1 – Or Noir Lab	Philippe Janvier, Freek van der Knapp & Pascale Meulenmeester
12:30	Standing Lunch	Chocolate Academy
14:00	Finance and wrap-up	Victor Balli
15:00	Transfer to Salon du Chocolat	
16:00 - 17:00	Visit Salon du Chocolat in 3 Groups	Porte de Versailles
17:00 -18:00	World Chocolate Masters Final	Salon du Chocolat
20:00	Gala Dinner	Le Pre Catelan



Juergen Steinemann - CEO

Our Strategy & Shaping the future

Barry Callebaut is present in all of the stages of the chocolate industry value chain

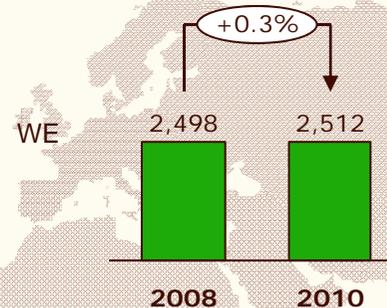
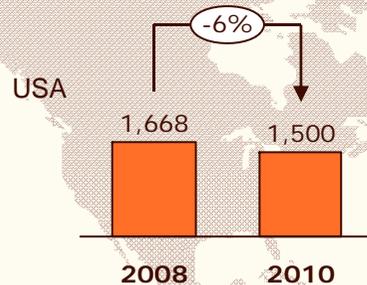




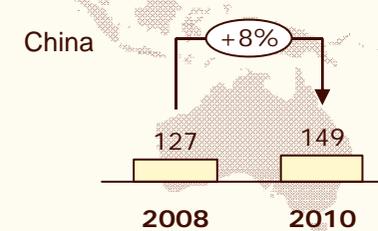
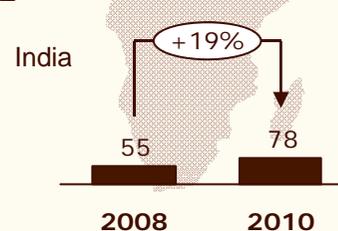
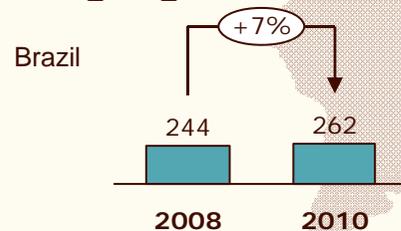
Global chocolate confectionery market

- Global chocolate market grows on average 2-3% in volume per year (7.2 mio tonnes in 2010)

- Growth in mature markets has declined or is stagnating*



- Emerging markets driving growth*



- For the first time in 10 years the chocolate confectionery market had a dip in 2009

Source: Euromonitor International / Nielsen

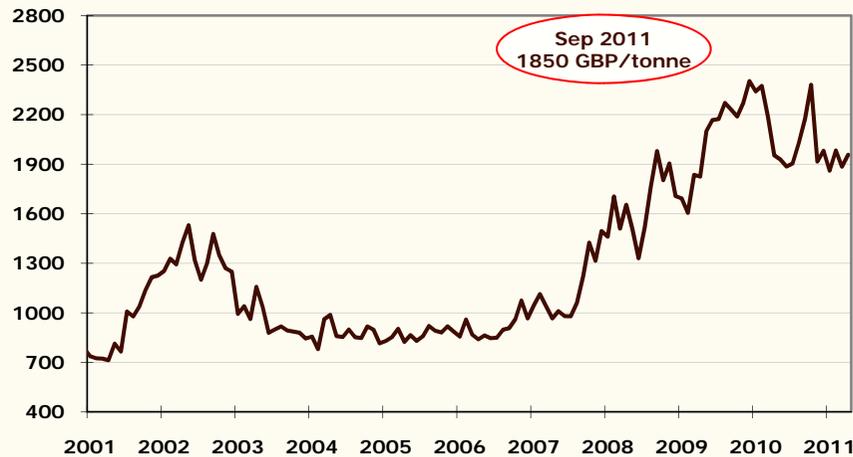
* CAGR 2 years. Figures in ,000 tonnes Jan-Dec

Oct 2011 | Barry Callebaut – Investors & Analysts days



High raw material prices with increased volatility and less predictability

Cocoa bean price (GBP/tonne)

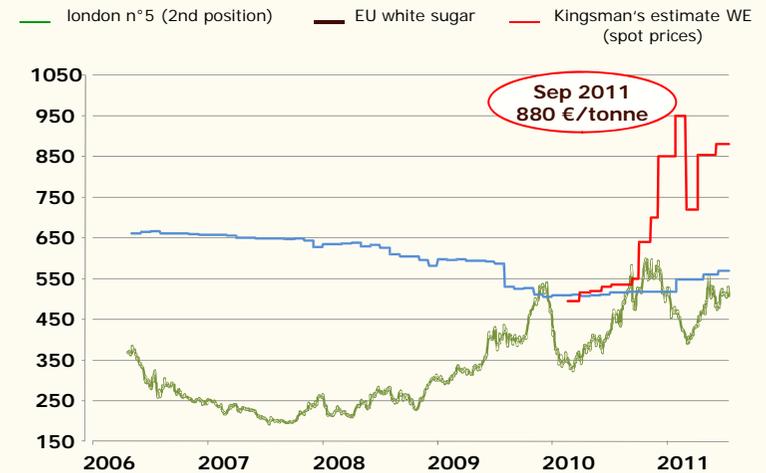


Note: Cocoa bean - Ldn 2nd Position

Skimmed milk powder price (EUR/tonne)



White Sugar average price (EUR/tonne)



- ▶ **70% of our total costs are raw materials**
- ▶ BC is able to directly pass-on the cost of raw materials to customers in **80%** of its business through its **"cost plus" business model**
- ▶ Cocoa prices adjusted downwards after the crisis in Ivory Coast came to an end
- ▶ Sugar markets suffered of a tight supply keeping prices very volatile and at high levels (+60% over the last 9 months)
- ▶ Milk powder prices came down with positive production prospects (+11% over the last 9 months)

Five months of crisis in Ivory Coast



Highlights last 2 years

Focus on Expansion, Gourmet and Sustainability



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

December 2009



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 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.

September 2010



Barry Callebaut acquires the remaining 40%-stake in Barry Callebaut Malaysia Sdn Bhd, formerly KLC Cocoa

April 2011



Hershey awards Barry Callebaut with **additional volume on long-term basis**. Expanding with this its 2007 agreement

May 2011



Long-term contract to supply all industrial chocolate to Turin in Mexico. **Exclusive distribution agreement** for our global **Gourmet** brands in Mexico.

May 2011



October 2009

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



January 2010

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



May 2010

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



October 2010

Green Mountain Coffee Roasters: long-term contract to serve Beverages business in North America out of our Swedish production site



May 2011

Moody's **upgrades Barry Callebaut to investment grade**. From Ba1 to Baa3 corporate rating. The ratings outlook is stable.



June 2011

Refinancing - Barry Callebaut **successfully placed long term bond**, at the same time renewed and amended credit facility



July 2011

Barry Callebaut **sells its European consumer business** to the Belgian Sweet Products/Baronie Group



Consumer Europe divestiture



▶ **Scope:**

- Consumer Products Europe - Stollwerck
- 5 Factories (3 Germany, 1 Belgium, 1 Switzerland), Dijon not sold
- Total Revenue EUR 500 mio, Total volume 107,000 tonnes
- 1700 employees

▶ **Rationale:**

- Focus on B2B
- Get out of competition with our own customers
- Low margin private label business, low ROI

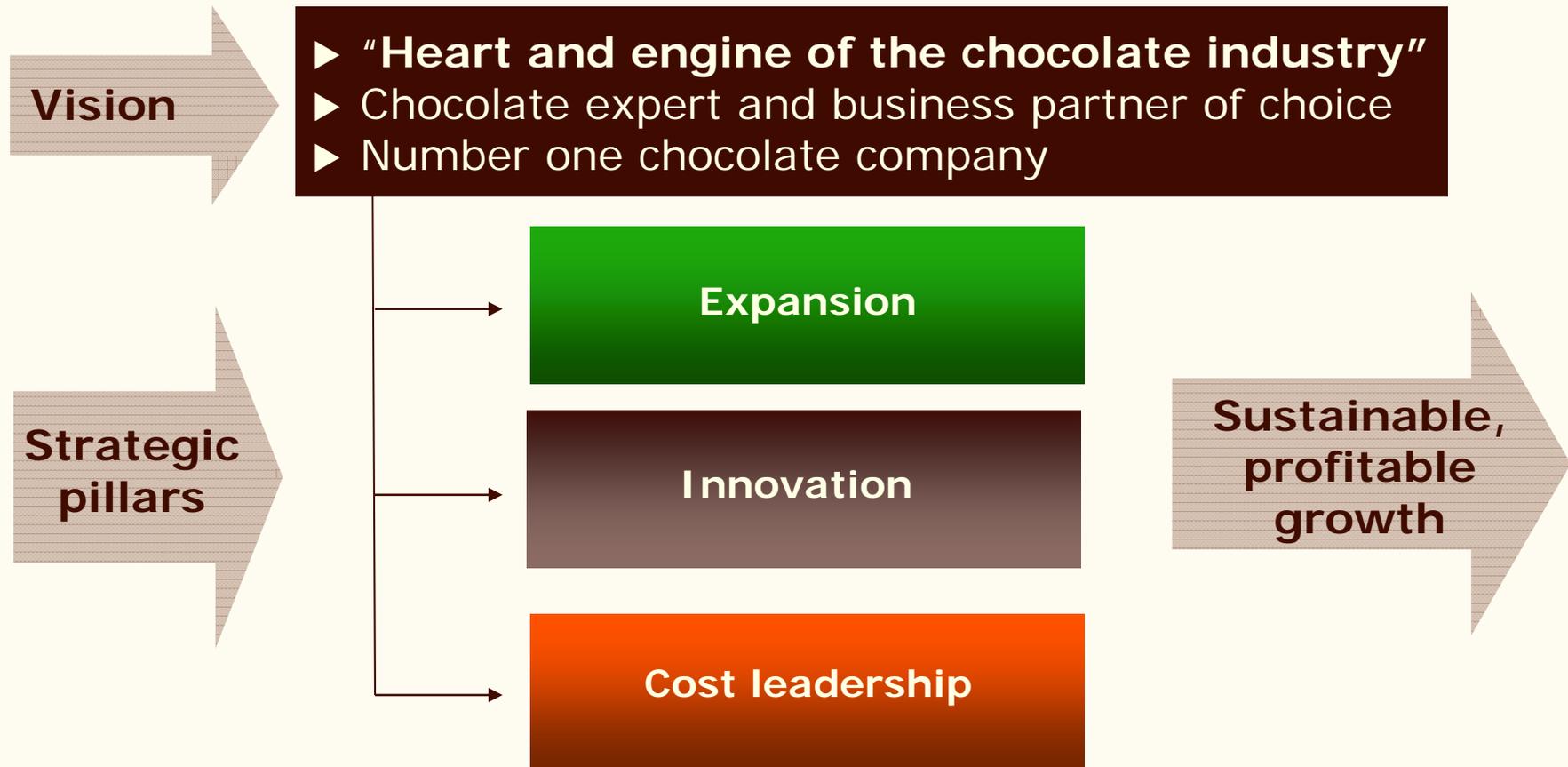
▶ **Process:**

- Structured divestiture process (auction) with support of Rabobank
- Front-loaded process with intensive carve-out work and various vendor due-diligences
- Offers received from strategic and PE buyers

▶ **Transaction agreed with Baronie Group:**

- Long-term outsourcing agreement for liquid chocolate 25,000 tonnes agreed
- Closing end of Sept 2011
- Will be disclosed as discontinued operation in year 2010/11 and will lead to a book write-off (intangible assets mainly)

Our Strategy



Our Executive Committee members



Juergen B. Steinemann
CEO, German national

- ▶ In the company since: Aug 2009
- ▶ Former employers: Nutreco, Unilever's former subsidiaryLoders Croklaan, Eridania Beghin-Say Group



Massimo Garavaglia
President Western Europe, Italian national

- ▶ In the company since: 1992



Victor Balli
CFO, Swiss national

- ▶ In the company since: Feb 2007
- ▶ Former employers: Minibar, Adinvest AG, Marc Rich & Co. Holding, EniChem International SA



David S. Johnson
CEO and President Americas, U.S. national

- ▶ In the company since: May 2009
- ▶ Former employers: Kraft Foods Global, Inc., RJR Nabisco



Dirk Poelman
Chief Operations Officer, Belgian national

- ▶ In the company since: 1984



Steven Retzlaff
President Global Sourcing & Cocoa, U.S. and Swiss national

- ▶ In the company since: Jan 2008
- ▶ Former employers: KPMG, JMP Newcor AG



Hans P. Vriens
Chief Innovation Officer, Dutch national

- ▶ In the company since: Dec 2005
- ▶ Former employers: VF&CO.B.V, EM-TV & Merchandising AG, Red Bull GmbH, Procter & Gamble, Mars/Effems

"Expansion" has three 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



"Expansion" has three 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 core and partnerships and implementation of KPIs across all areas
- Drive our sourcing strategy with local/regional players



Gourmet & Specialties Products

- Accelerate growth of Gourmet & Specialties Products business



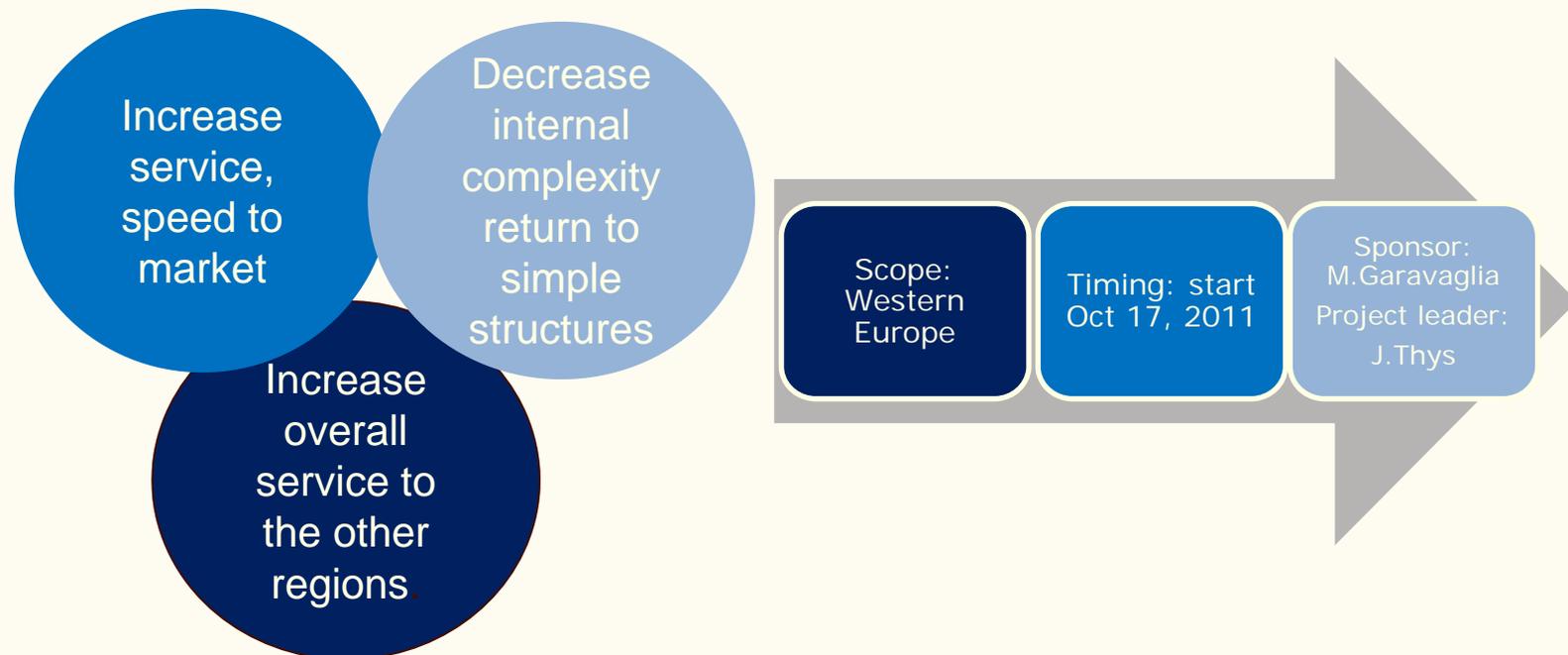


Drive consolidation and grow profitably in mature markets

Project Spring: From customer request to Cash



Streamlining our internal processes to improve the overall service for our Customers and create competitive cost advantage.

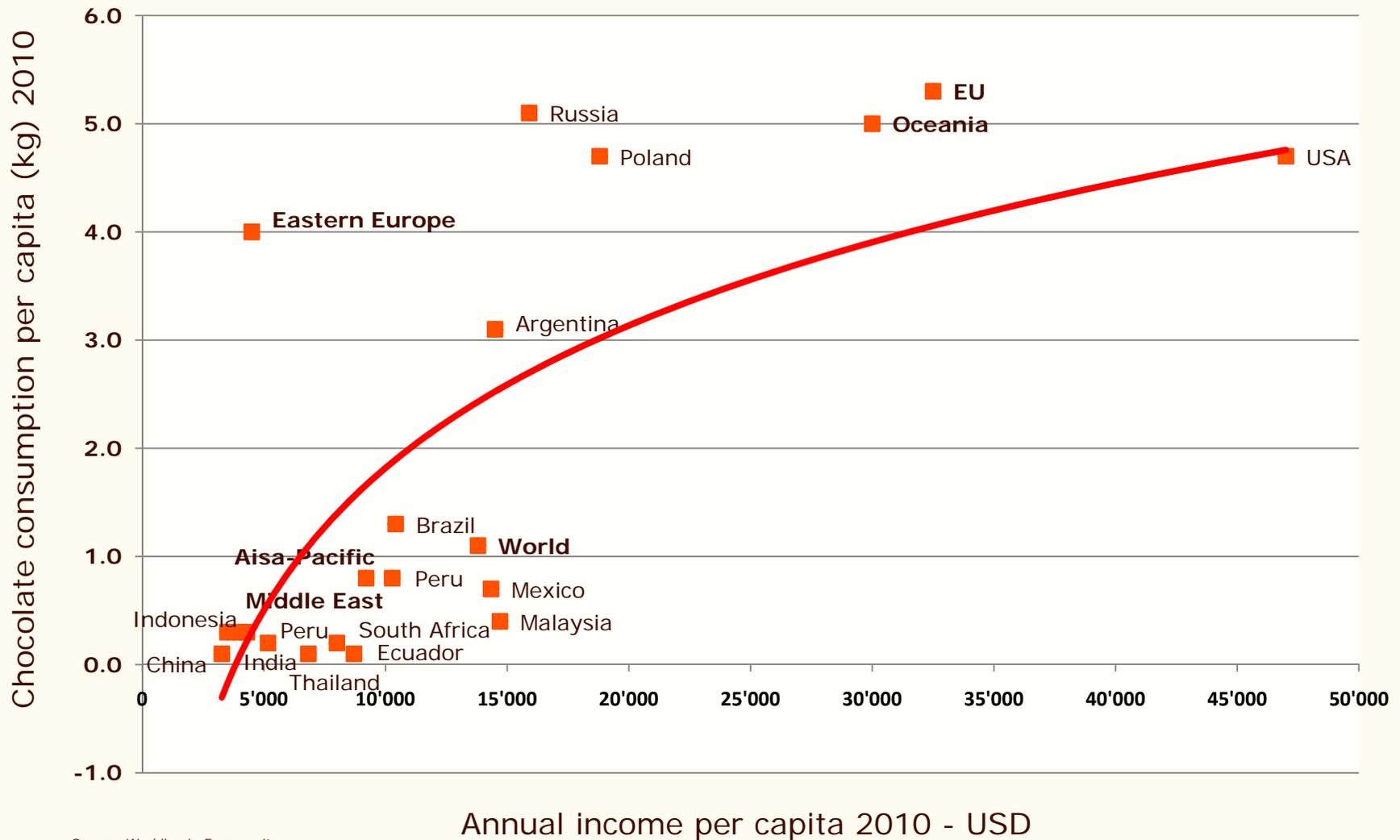


Expansion of existing factories in the last 2 years



- Cocoa processing factory
- Chocolate factory
- Integrated cocoa & chocolate factory
- + Expansion of new lines in the last 2 years

Chocolate consumption is linked to income per capita, growth to come from emerging markets

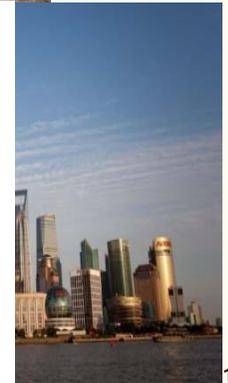


Source: Worldbank, Euromonitor

Asia Pacific: A huge and diverse region



- ▶ **4 billion** people
- ▶ **60%** of world's population
- ▶ **Distance**
 - ▶ Kuala Lumpur -> Osaka: 7h
 - ▶ Kuala Lumpur -> Shanghai: 5h
 - ▶ Kuala Lumpur -> Mumbai: 5h
 - ▶ Kuala Lumpur -> Melbourne 8h



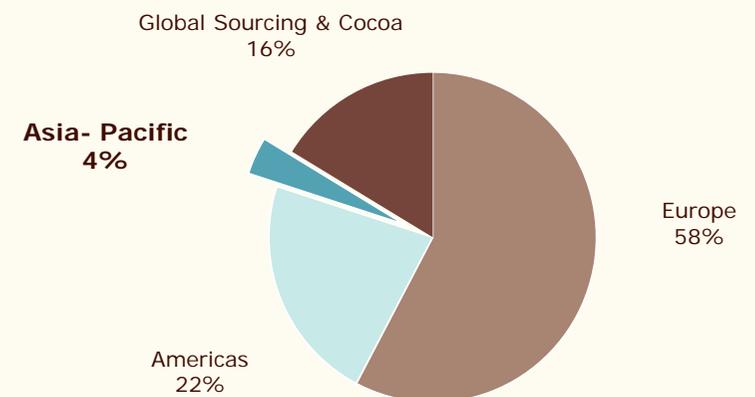
Barry Callebaut in Asia Pacific



Barry Callebaut presence in Asia-Pacific:

- Factory in Singapore -1997
- Sales office in Japan – 2004
- Sales office in China -2006
- Factory in China – 2006
- Sales Office and Chocolate Academy in India – 2007
- Acquisition of factory in Japan – 2007
- Acquisition of KLK in Malaysia – 2008

Sales Volume – FY 2009/10





Strategy exercise was initiated in 2010

- ▶ Understand our **key markets** and growth potential
 - ▶ Australia / New Zealand
 - ▶ China
 - ▶ Japan
 - ▶ India
 - ▶ Indonesia

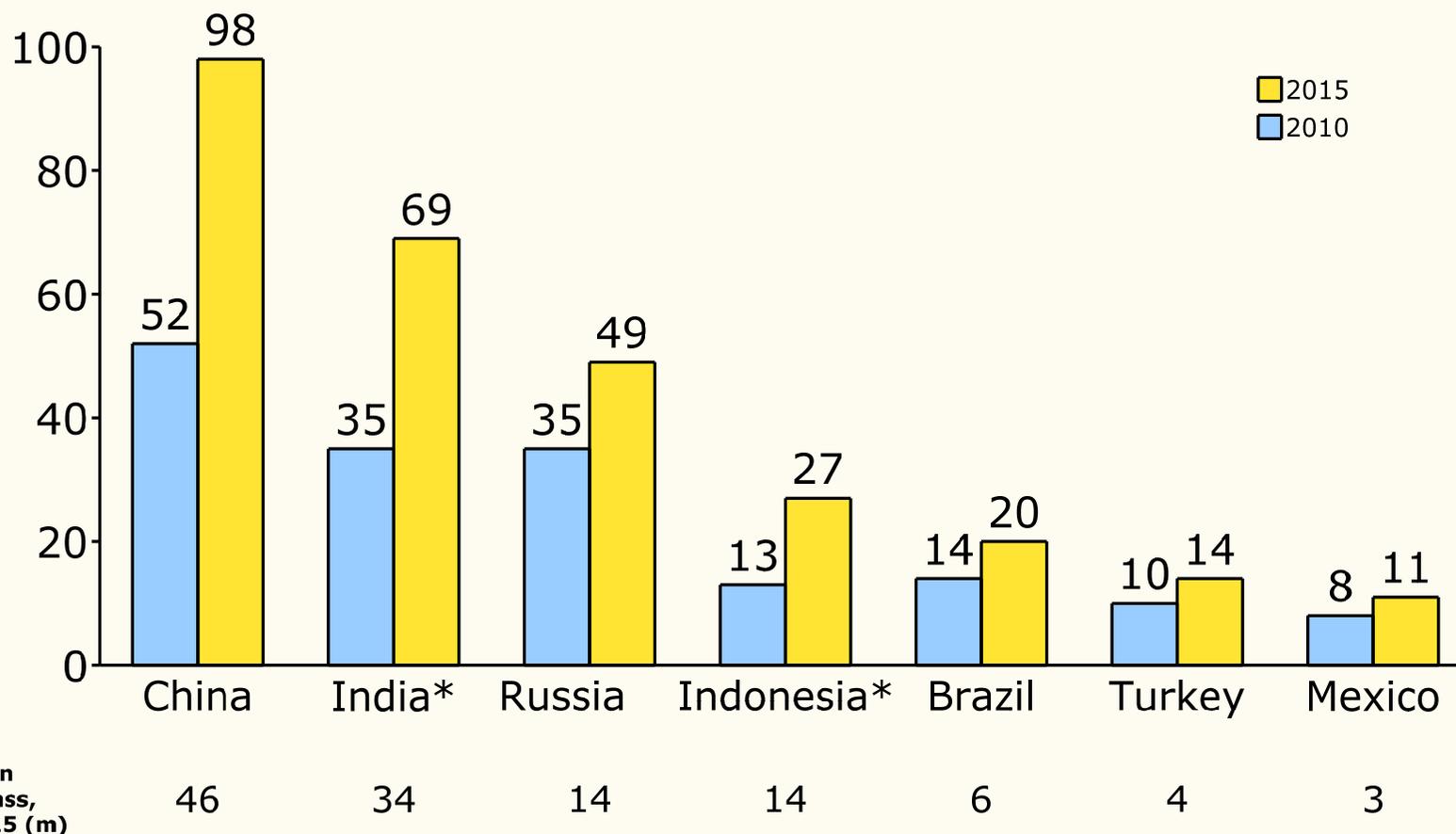
- ▶ Review the **supply chain** to support the growth opportunities cost efficiently and with right factory footprint
 - ▶ Focus on conversion costs benchmarking between Singapore and Malaysia

 - ▶ Define the **organisation** to support the growth



Dynamic development: ~40 households join the middle class every minute in Asia

Middle-class and above middle-class households
(in millions households)



Increase in middle-class, 2010-2015 (m)

* Middle class defined as household income >10k USD, except India & Indonesia: >5k USD



Summary of our key findings regarding chocolate market in Asia

- ▶ Total chocolate market in Asia of approx. 1 mio MT
- ▶ Average annual growth of 6% for the total Region. Therefore to grow to approx. 1.3 mio MT until 2015
- ▶ 30% of the market in Asia Pacific is open and 70% captive
- ▶ 30% of the market is chocolate and 70% compound

Key growth priorities in Asia-Pacific



Ambition

- **Grow faster than the market while maintaining profitability**

Key priorities

1

Grow the **export markets from SEA factories (Malaysia and Singapore)**

2

Double the size of the business in **China**
Develop locally adapted compound line/factory

3

Gain a foothold in the open market in **India** by new small compound factory, further develop imported and local gourmet activities

4

Grow the business with **imported Gourmet brands**

5

Gain additional **outsourcing or supply agreements** in next 5-7 years; main focus on India, Australia, Malaysia and China

6

Selectively grow interesting customers in Japanese business

An illustrative example: Barry Callebaut in India



3

Gain a foothold in the open market in **India** by new small compound factory, further develop imported and local gourmet activities

Our presence in India:

- Sales office since 2007
- Chocolate Academy since 2007
- So far we imported our Gourmet products from Europe
- In 2011 we started to produce locally through a co-maker
- We are looking at options to start producing FM locally



"Expansion" has three dimensions



Geography

- Drive consolidation and grow organically 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



Barry Callebaut is the market leader in the open market



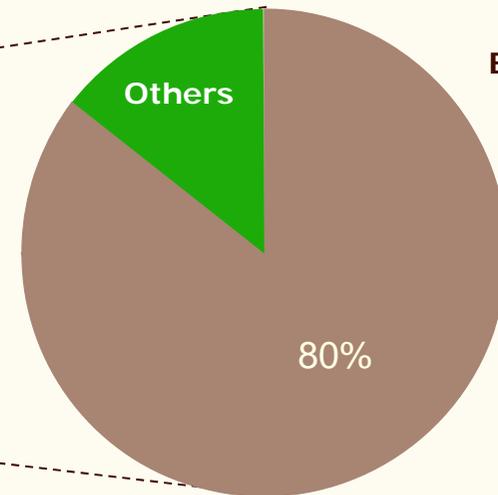
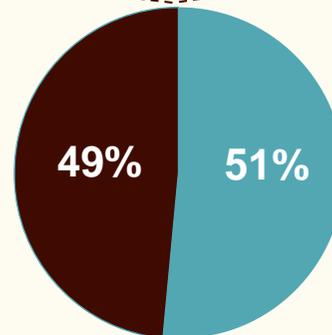
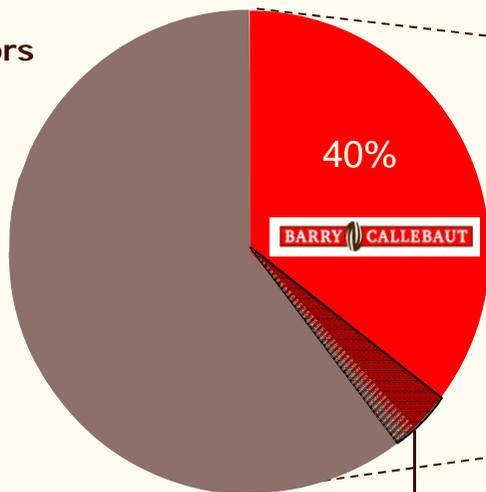
Global Industrial Chocolate market in 2009 = 5,400,000 tonnes*

(Long-term average annual market growth of approx 2-3%)

Open market

Integrated market

Competitors



Big 4 chocolate players



*BC estimates

Outsourcing and Strategic Partner of choice



Nestlé (February 2007)

- ▶ Barry Callebaut to acquire 100,000 MT production capacity from Nestlé in Italy and France
- ▶ Long term agreement for the supply of ca. 70,000 MT of chocolate and the production of some Nestlé consumer products

2006-07



Cadbury Schweppes (June 2007)

- ▶ Barry Callebaut to double supply volumes to Cadbury Schweppes through the supply of 14,000 MT of incremental cocoa liquor and liquid chocolate to their production facility in Poland
- ▶ Increased cooperation in other areas such as sourcing, innovation and social responsibility



Morinaga (September 2007)

- ▶ 10-year supply agreement for 9,000 MT a year – doubling Barry Callebaut's sales volumes in Japan



Kraft Foods (September 2010)

- ▶ Barry Callebaut to become Kraft Foods' key global cocoa and industrial chocolate supplier under a long-term global master product agreement. Investment of USD 65 mn



Green Mountain Coffee Roasters (Oct 2010)

- ▶ New long-term contract to serve cocoa based products to the Beverages business in North America out of our Swedish production site

2010-11



Hershey (April 2007)

- ▶ Long-term supply agreement of min. 80,000 MT of chocolate and finished products to Hershey to make BC the No.1 industrial chocolate maker in the United States. Total investment USD 50 mn

May 2011

- ▶ Volume extension on top of original volume for long-term. Investment of USD 15 mn



Chocolates Turin (June 2011)

- ▶ Long-term contract to supply all industrial chocolate to Turin in Mexico. Investment USD 30 mio.
- ▶ Exclusive distribution agreement for our global Gourmet brands.



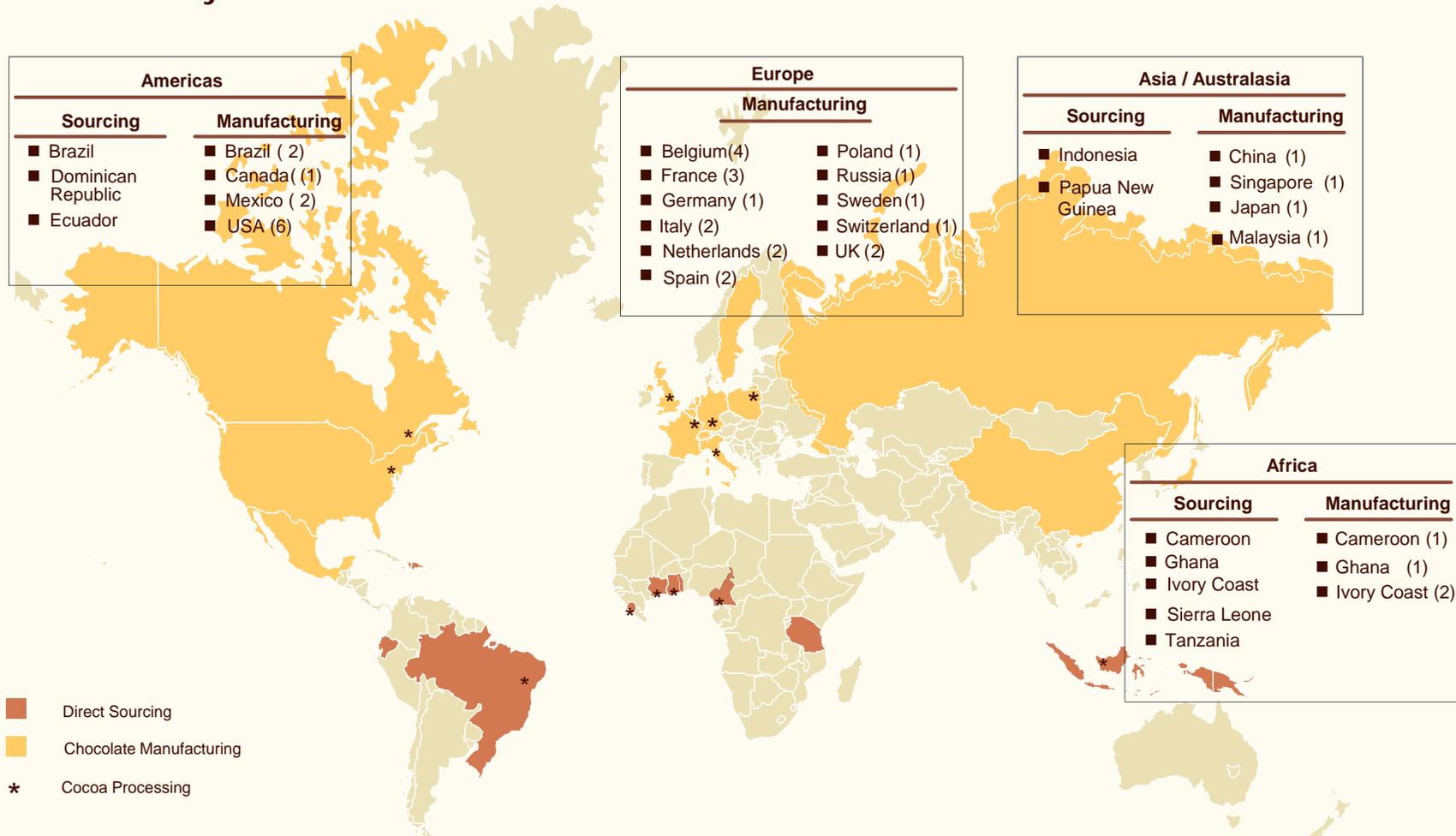
Barry-Callebaut unique capabilities

- ▶ Strong position in the countries of origin
 - ▶ Our cocoa bean collection networks in Ivory Coast, Cameroon, Brazil and Ghana offer protection against interruptions in raw material supplies and quality assurance across whole value chain
- ▶ Global network of more than 6,000 employees worldwide
 - ▶ Operates about 40 production facilities
 - ▶ Present in 27 countries
 - ▶ Head office in Switzerland
- ▶ Strong focus on innovation to continually meet changing customer needs
 - ▶ 70% of our sales revenue stems from innovation/renovation of products developed during the last five years
- ▶ More than 2,000 recipes to cater for the many different customer needs and consumer habits worldwide



Globally Diversified Business with an Unparalleled Sourcing Network

- ▶ Barry Callebaut operates a network of about 40 factories on 4 continents and sources origin cocoa directly in more than 10 countries



Different types of outsourcing



Factory types

- ▶ Replacement of outdated or under-utilized capacity
- ▶ Partnering for a greenfield site
- ▶ Moving closer to customers by extending current sites

Product types

- ▶ Outsourcing of specialties
- ▶ Launch of new products
- ▶ Entry into new markets
- ▶ Ingredient for food companies

Finding the win-win solution



Customer

- ▶ Reduced costs /margin improvement
 - Reduced fixed costs
- ▶ Access to raw materials
- ▶ Reduced capital requirements
- ▶ Access to new products and R&D capabilities
 - Recipe optimization
 - Fundamental research
 - New products
- ▶ Increased flexibility & reduced complexity
- ▶ Access to new markets
 - Faster
 - Lower risks
- ▶ Access to new raw materials
- ▶ Increased speed to market
 - Project realization
 - New product launches
- ▶ Security of supply
- ▶ Participation in technology leadership
- ▶ Manage Corporate Social Responsibility

Barry Callebaut

- ▶ Increased volumes
- ▶ Increased scale effects
 - Increased capacity in existing sites
 - Introduction of new technology
- ▶ Improved return on investment
- ▶ Access to new markets
 - Geographical expansion (faster, lower cost, lower risk)
- ▶ Improved efficiency
 - Better capacity utilization
 - Better use of internal skills and technologies
- ▶ Additional capacity for other customers
- ▶ Strategic long-term relationship with customers

Employees – Structurally developing our people



Employer Branding

Attractive presence in internet, strategic partnerships with top universities



Recruitment & Graduate Trainee Program

General recruitment + Graduate Trainee Program (see next slide)



PMDP & Engagement

Personal targets aligned with BC Strategy, feedback culture on performance, personal & career development discussions, engagement enhancing activities



Talent Management & Development

Talent Pool, Marbach Development Programs (see next slide), Skills Workshops, Technical Training Cocoa



Succession Planning

Filling of key positions from within the organization, expected rate of 70/30 internal/external hires



Management Compensation

Executive Committee is remunerated in the following way:

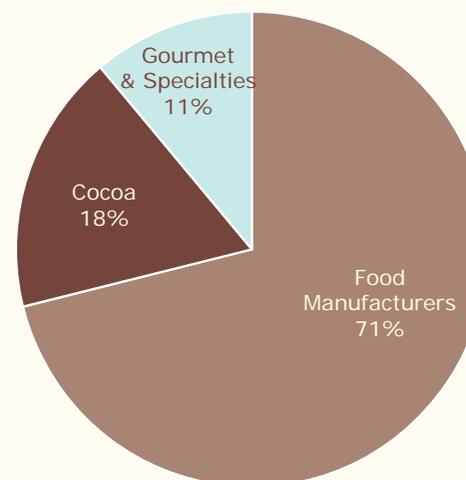




Barry Callebaut at a glance

- ▶ **World leader** in high-quality cocoa and chocolate products. **40% global market share** in the open industrial chocolate market
- ▶ **Early mover in emerging markets**
- ▶ **Outsourcing & strategic partner** of choice
- ▶ World's **largest supplier of Gourmet & Specialties chocolate** for artisanal customers.
- ▶ Recognized **innovation leader**, with **close to 2,000 recipes** to cater for a large variety of individual customer needs
- ▶ **Global chocolate service and production footprint**, across 40 production facilities in 26 countries and 5 continents, with a strong footprint and local presence in key cocoa origin countries and 6000 employees
- ▶ **Cost Leadership** along the entire value chain with a continuous improvement structure
- ▶ Strong track record of **consistent earnings** and **cash flow generation**

FY-2009/10 Sales Volume by Product Group excluding Consumer



FY-2009/10 Sales Volume: 1,2 mn tonnes

FY-2009/10 Sales: CHF 4,525 mn

FY-2009/10 EBIT: CHF 341.0 mn

FY-2009/10 Net Profit: CHF 237.4 mn