

Letter to Investors

**Strong year, dynamic growth:
sales volume +7.6%, EBIT
+7.9%*, net profit 13.5%***

*in local currencies

**Strengthening our global
Gourmet leadership**

**Financial performance
targets extended through
2012/13**

Barry Callebaut at a glance

Barry Callebaut is organized into different regions: Region Europe (incl. Western and Eastern Europe), Region Americas and Region Asia-Pacific. The globally managed Global Sourcing & Cocoa business is reported as a separate segment like a region. There are four different product groups: Cocoa Products, Food Manufacturers Products, Gourmet & Specialties Products and Consumer Products.

	Europe	Americas	Asia-Pacific	Global Sourcing & Cocoa
				
	Food Manufacturers, Gourmet, Consumer	Food Manufacturers, Gourmet	Food Manufacturers, Gourmet	Cocoa
	57.7% of consolidated sales volume	22.3% of consolidated sales volume	3.7% of consolidated sales volume	16.3% of consolidated sales volume
Volume growth vs. prior year	+4.1%	+15.6%	+15.5%	+8.2%
EBIT growth vs. prior year (in local currencies)	+8.3%	+6.3%	+87.6% ¹	+5.4%

¹ Excluding one-off gain on the sale of the Asian Consumer business in the prior year.

Key figures Barry Callebaut Group

for the fiscal year ended August 31,				2009/10	2008/09
				Change (%)	
				in local currencies	in reporting currency
Income statement					
Sales volume	Tonnes		7.6%	1,305,280	1,213,610
Sales revenue	CHF m	11.3%	6.8%	5,213.8	4,880.2
EBITDA ¹	CHF m	5.8%	3.2%	470.7	456.1
Operating profit (EBIT)	CHF m	7.9%	5.6%	370.4	350.8
Net profit for the year	CHF m	13.5%	10.9%	251.7	226.9
Cash flow ²	CHF m		9.5%	457.8	418.1
EBIT per tonne	CHF	0.3%	(1.8%)	283.8	289.1
Balance sheet					
Total assets	CHF m		1.6%	3,570.8	3,514.8
Net working capital ³	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 ⁴	CHF m		3.7%	1,302.3	1,255.6
Ratios					
Economic value added (EVA)	CHF m		13.7%	147.7	129.9
Return on invested capital (ROIC) ⁵	%			14.8%	13.9%
Return on equity (ROE)	%			19.6%	18.1%
Debt to equity ratio	%			66.9%	75.1%
Shares					
Share price at fiscal year end	CHF		22.5%	703	574
EBIT per share (issued)	CHF		5.6%	71.6	67.8
Basic earnings per share ⁶	CHF		10.5%	48.6	44.0
Cash earnings per share ⁷	CHF		9.3%	88.6	81.1
Payout per share ⁸	CHF		12.0%	14.0	12.5
Other					
Employees			0.3%	7,550	7,525

¹ EBIT + depreciation of property, plant and equipment + amortization of intangible assets

² Operating cash flow before working capital changes

³ Includes current assets and liabilities related to commercial activities and current provisions

⁴ Total equity attributable to the shareholders of the parent company

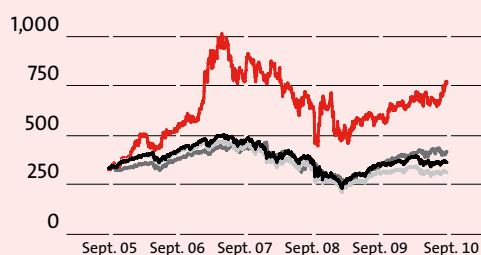
⁵ EBIT x (1 - effective tax rate) / average capital employed

⁶ Based on the net profit for the year attributable to the shareholders of the parent company / basic shares outstanding

⁷ Operating cash flow before working capital changes / basic shares outstanding

⁸ Par value reduction instead of a dividend; 2009/10 as proposed by the Board of Directors to the Annual General Meeting

Share price development Barry Callebaut vs. indices Rebased

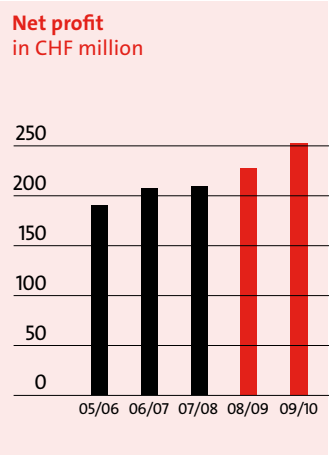
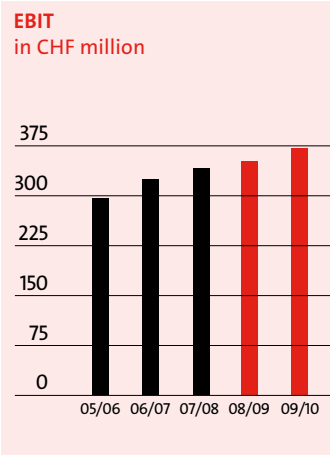
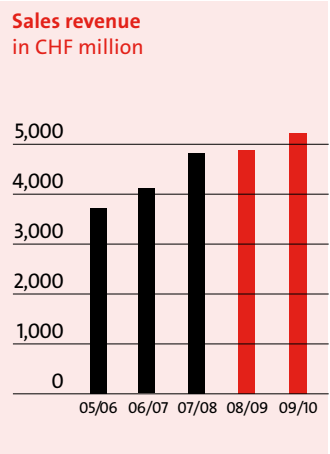
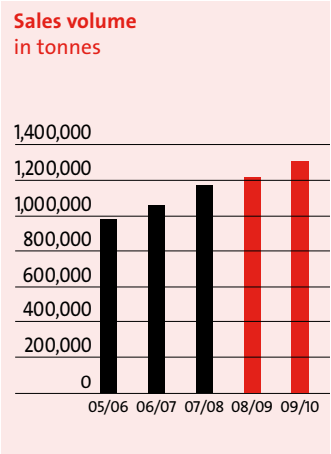


Cocoa price London Cocoa Terminal Market 6-month forward prices in GBP/tonne



— Barry Callebaut AG — SPI Small & Mid-Cap Index
— SPI Swiss Performance Index — Dow Jones Euro Stoxx Food & Beverage Index

Key figures by region and product group

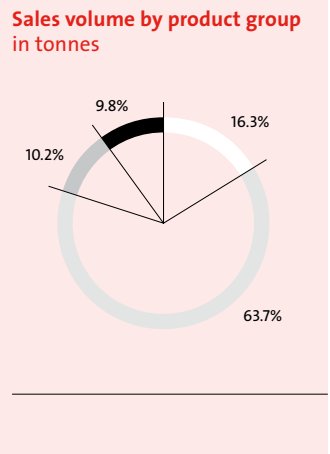
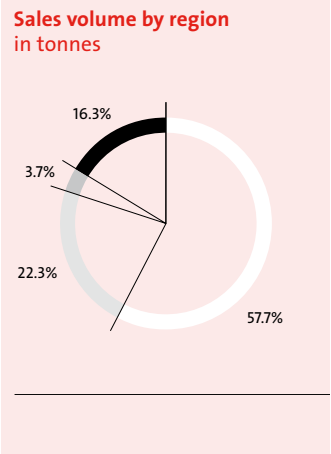


By region

Europe	753,011 Tonnes
Americas	291,399 Tonnes
Asia-Pacific	47,984 Tonnes
Global Sourcing & Cocoa	212,886 Tonnes

By product group

Cocoa Products	212,886 Tonnes
Food Manufacturers Products	830,849 Tonnes
Gourmet & Specialties Products	133,048 Tonnes
Consumer Products	128,497 Tonnes



Key figures by region

for the fiscal year ended August 31,				2009/10	2008/09 ¹
				Change (%)	
				in local currencies	in reporting currency
Europe					
Sales volume	Tonnes		4.1%	753,011	723,099
Sales revenue	CHF m	4.8%	(0.5%)	3,042.0	3,056.3
EBITDA	CHF m	7.1%	4.1%	324.1	311.4
EBIT	CHF m	8.3%	6.3%	268.7	252.7
Americas					
Sales volume	Tonnes		15.6%	291,399	252,159
Sales revenue	CHF m	15.7%	10.8%	998.2	901.1
EBITDA	CHF m	7.0%	7.1%	108.1	100.9
EBIT	CHF m	6.3%	7.2%	92.5	86.3
Asia-Pacific					
Sales volume	Tonnes		15.5%	47,984	41,544
Sales revenue	CHF m	23.2%	21.4%	211.1	173.9
EBITDA	CHF m	(26.3%)	(27.5%)	26.2	36.1
EBIT	CHF m	(27.4%) ²	(28.4%) ²	20.9	29.2
Global Sourcing & Cocoa					
Sales volume	Tonnes		8.2%	212,886	196,808
Sales revenue	CHF m	29.9%	28.5%	962.5	748.9
EBITDA	CHF m	5.8%	3.6%	75.2	72.6
EBIT	CHF m	5.4%	3.9%	54.5	52.5

Key figures by product group

for the fiscal year ended August 31,				2009/10	2008/09 ¹
				Change (%)	
				in local currencies	in reporting currency
Industrial Products					
Sales volume	Tonnes		8.3%	1,043,735	963,858
Cocoa Products	Tonnes		8.2%	212,886	196,808
Food Manufacturers Products	Tonnes		8.3%	830,849	767,050
Sales revenue	CHF m	14.1%	9.7%	3,679.2	3,354.5
Cocoa Products	CHF m	29.9%	28.5%	962.5	748.9
Food Manufacturers Products	CHF m	9.6%	4.3%	2,716.7	2,605.6
EBITDA	CHF m	6.1%	4.4%	350.5	335.8
EBIT	CHF m	7.5%	6.3%	290.6	273.5
Food Service/Retail Products					
Sales volume	Tonnes		4.7%	261,545	249,752
Gourmet & Specialties Products	Tonnes		17.3%	133,048	113,466
Consumer Products	Tonnes		(5.7%)	128,497	136,286
Sales revenue	CHF m	5.1%	0.6%	1,534.6	1,525.7
Gourmet & Specialties Products	CHF m	19.4%	14.3%	707.6	619.0
Consumer Products	CHF m	(4.6%)	(8.8%)	827.0	906.7
EBITDA	CHF m	1.8%	(1.1%)	183.1	185.2
EBIT	CHF m	1.9% ³	(0.8%) ³	146.0	147.2

¹ Certain comparatives have been reclassified to conform with the current period's presentation

² +87.6% in local currencies (+85.0% in CHF) excl. the one-off gain on the sale of the Asian Consumer business in prior year

³ +16.0% in local currencies (+12.9% in CHF) excl. the one-off gain on the sale of the Asian Consumer business in prior year

Strategy

Based on Barry Callebaut's financial targets for the period 2009/10 through 2012/13¹, the company aims to significantly outperform the global chocolate market. Barry Callebaut's ambitious growth strategy is based on three pillars: expansion, innovation and cost leadership.

Expansion



Barry Callebaut intends to accelerate the growth of its Gourmet business. With regard to the industrial customers, the company wants to strengthen its position in the mature markets of Western Europe and North America. In recently entered emerging markets like Russia, China, Japan, Mexico and Brazil, Barry Callebaut aims to develop their full potential. Lastly, the company will carefully evaluate how to enter other emerging markets. Implementing existing outsourcing volumes and strategic partnerships as well as securing further outsourcing deals with regional and local food manufacturers will remain an essential part of the business strategy.

Innovation



Barry Callebaut is recognized as the reference for innovation in the chocolate industry. Dedicated R&D teams around the world focus on two different areas: Fundamental research into the health-enhancing properties of the cocoa bean and pro-active research and development leading to cutting-edge cocoa and chocolate products such as the development of the Controlled Fermentation technology. The applied R&D teams, on the other hand, support customers to improve their products and recipes as well as their production processes on their own production lines. In total, Barry Callebaut's R&D department manages about 1,750 projects, runs almost 7,600 trials and conducts more than 400 technical visits with its customers every year.

Cost leadership



Cost leadership is an important reason why for example international customers outsource chocolate production to Barry Callebaut. The company is continuously improving its operational efficiency by upgrading the technology and achieving higher scale effects through better capacity utilization, by optimizing product flows, logistics and inventory management, as well as by reducing energy consumption and lowering fixed costs. In total, manufacturing costs per tonne in fiscal year 2009/10 were reduced by another 5% (in local currencies).

¹ These targets are on average 6–8% volume growth per annum and average EBIT growth in local currencies at least in line with volume growth – barring any major unforeseen events.

Highlights

Barry Callebaut has made significant investments in building a foundation for continued success. This fiscal year was marked by milestones that set the stage for superior performance and growth in the future.



December 2009

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

January 2010

Launch of multiple-certification project – UTZ, Rainforest Alliance and other product certification labels – with cocoa farmer cooperatives in Ivory Coast in response to market needs and trends.



March 2010

Barry Callebaut and the Malaysian Cocoa Board signed a Memorandum of Understanding on a collaborative research project to increase the value of Malaysian cocoa beans with the Controlled Fermentation method.

May 2010

Barry Callebaut inaugurated a new chocolate factory located in Extrema, Minas Gerais, near São Paulo, Brazil – the company's first chocolate factory in South America.

During the World Exhibition in Shanghai from May until October, Barry Callebaut acted as the unique supplier to Godiva, Neuhaus and Guylian at the Belgian Chocolate Corner.



August 2010

Barry Callebaut extended the successful farmer program “Quality Partner Program” (QPP) from Ivory Coast to cocoa-farming regions in Cameroon, the fourth largest cocoa producer in Africa.

September 2010

Barry Callebaut signed a long-term global supply agreement with Kraft Foods Inc., making Barry Callebaut the key global cocoa and industrial chocolate supplier to the world's second largest food company.

Vision and values

Our vision

Barry Callebaut is the heart and engine of the chocolate industry.

Our goal is to be No. 1 in all attractive customer segments and in all major world markets.

Our heritage, our knowledge of the chocolate business – from the cocoa bean to the finest finished products – make us the business partner of choice for the entire food industry, from individual artisans to industrial manufacturers and global retailers.

We seek to apply our constantly evolving expertise to helping our customers grow their businesses, and we are passionate about creating and bringing to market new, healthy products that taste good, delight all senses, and are fun to enjoy.

Our strength comes from the passion and expertise of our people for whom we strive to create an environment where learning and personal development is ongoing, entrepreneurship is encouraged, and creativity can flourish.

Our values

Customer focus By anticipating market trends and investing time and effort to fully understand customer needs, we go to great lengths to provide products and solutions of superior value through a business partnership with every customer that is characterized by professionalism and mutual trust.

Passion Our pride in what our company does inspires and motivates us to give our best at work. We are eager to learn about our business and to share our know-how and enthusiasm with others.

Entrepreneurship With the goal to create superior customer value, we constructively challenge the status quo and explore opportunities to innovate: new eating trends, new markets, new ideas for products and services, and new ways of doing business. We are willing to take controlled risks and are determined to persevere.

Team spirit Whether in the field, on the shop floor or in administration – we are one team, sharing a common purpose and common goals. All members of this team actively engage in open communication and idea sharing and are committed to working together to achieve our common goals across the whole organization.

Integrity We show respect for our fellow team members and all our stakeholders and are honest, trustworthy, and open-minded in all our business activities and relationships. We live up to high ethical standards that promote fairness, equality, and diversity.

As a food manufacturer, Barry Callebaut has a fundamental responsibility to ensure the safety and quality of our products. As an international company with operations in 26 countries, we recognize that our businesses have an influence on the livelihoods of many people around the world. Accordingly, we strive to contribute responsibly to the communities where we operate.

Company history

Barry Callebaut, headquartered in Switzerland, resulted from the merger between Belgian chocolate producer Callebaut and French chocolate maker Cacao Barry in 1996. The merger combined Cacao Barry's know-how in procurement and initial processing of cocoa beans with Callebaut's extensive experience in producing and marketing chocolate products. Since 1998, Barry Callebaut has been listed on the SIX Swiss Exchange.

Today, the company is a fully integrated chocolate company with a global presence. It provides comprehensive chocolate solutions to the entire food industry. As the outsourcing partner of choice, Barry Callebaut has an estimated 40% share of volumes in the open market. It is present in 26 countries, currently operates 43 production facilities, employs about 7,500 people and generated sales of CHF 5.2 billion in fiscal year 2009/10.

- 1999** Acquisition of Carma AG in Switzerland
- 2002** Acquisition of the Stollwerck Group in Germany
- 2003** Acquisition of Dutch Group Graverboom B.V. (including Luijckx B.V.)
- 2003** Acquisition of Brach's Confections Holding, Inc. in the U.S.
- 2004** Acquisition of the vending mix business of AM Foods in Sweden
- 2005** Opening of a chocolate factory in California, U.S.
- 2007** Opening of a chocolate factory in Chekhov, Russia
- 2007** Divestment of Brach's Confections Holding, Inc., U.S.
- 2007** Signing of major long-term outsourcing contracts with Nestlé, Hershey's and Cadbury
- 2007** Acquisition of a cocoa factory in Pennsylvania, U.S.
- 2008** Opening of a chocolate factory in Suzhou, China
- 2008** Opening of a sales office and Chocolate Academy in Mumbai, India
- 2008** Acquisition of a 60% stake in KLK Cocoa in Malaysia
- 2008** Sale of African Consumer business
- 2008** Opening of four Chocolate Academies in Suzhou, China; Zundert, The Netherlands; Chekhov, Russia; and Chicago, U.S.
- 2008** Acquisition of IBC, specialist in decorations, in Kortrijk-Heule, Belgium
- 2008** Outsourcing agreement with Morinaga in Japan and start of production in new factory
- 2008** Acquisition of a 49% stake in Biolands, Tanzania
- 2009** Opening of a chocolate factory in Monterrey, Mexico
- 2009** Sale of Asian Consumer business to Hershey's
- 2009** Distribution agreement signed with Bunge Alimentos in Brazil
- 2009** Acquisition of Danish vending mix company Eurogran
- 2009** Acquisition of Spanish chocolate maker Chocovic, S.A.
- 2010** Opening of a chocolate factory in Extrema, Brazil
- 2010** Signing of a major global supply agreement with Kraft Foods Inc.

Contacts

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Financial calendar

	Date	
Annual General Meeting 2009/10, Zurich	December	7, 2010
3-month key sales figures 2010/11	January	12, 2011
Half-year results 2010/11, Zurich	April	1, 2011
9-month key sales figures 2010/11	June	30, 2011
Year-end results 2010/11, Zurich	November	10, 2011
Annual General Meeting 2010/11, Zurich	December	8, 2011

Forward-looking statements

Certain statements in this Annual Report 2009/10 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 Annual Report. 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 only as of November 4, 2010. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

