

News Release

Barry Callebaut Group – 9-Month Key Sales Figures, Fiscal Year 2015/16 Good volume growth continues

- Sales volume growth at +4.2%
- Sales revenue up +11.4% in local currencies (+7.8% in CHF), fueled by a better product mix and higher ingredient prices
- Strong growth in chocolate was supported by all geographic regions and segments

Zurich/Switzerland, July 7, 2016 – Antoine de Saint-Affrique, CEO of the Barry Callebaut Group, said: “Our sales volume continued its strong growth in the third quarter of the current fiscal year. Our chocolate business performed particularly well, despite still sluggish demand for chocolate confectionery. At the same time, we continued to phase out less profitable contracts in the Cocoa business. All our key growth drivers contributed to the good volume momentum.”

Group Key Sales Figures 2015/16

| for the first 9 months of Fiscal Year | | | 9 months up to May 31, 2016 | 9 months up to May 31, 2015 |
|---------------------------------------|--------|-------|--------------------------------|--------------------------------|
| | | | Change in % | |
| | | | in local currencies | in CHF |
| Sales volume | Tonnes | | 4.2% | |
| Sales revenue | CHF m | 11.4% | 7.8% | |
| | | | 1,376,650 | 1,320,714 |
| | | | 5,007.3 | 4,644.8 |

In the first 9 months of fiscal year 2015/16 (ended May 31, 2016), the Barry Callebaut Group – the world’s leading manufacturer of high-quality chocolate and cocoa products – grew its **sales volume** by +4.2% to 1,376,650 tonnes. The company accomplished this growth in a global confectionery market that decreased by -2.0%.¹

Barry Callebaut achieved very strong volume growth in its chocolate business across all Regions, fueled by the company’s key growth drivers outsourcing, emerging markets and Gourmet & Specialties. Both the Food Manufacturers (+8.3%) and the Gourmet & Specialties businesses (+11.4%) delivered solid contributions. In the Global Cocoa business, sales to third parties were intentionally reduced by phasing out less profitable contracts, leading to a 7.8% decrease in the sales volume.

Sales revenue increased by +11.4% in local currencies (+7.8% in CHF) to CHF 5,007.3 million, driven by a favorable product and customer mix and higher ingredient prices² compared to last year.

¹ Source: Nielsen, September 2015 – May 2016.

² The Barry Callebaut Group passes on raw material prices to customers for the majority of its business.

Outlook – Continued challenging market environment in the short term, healthy portfolio going into the next year

Looking ahead, CEO Antoine de Saint-Affrique, said: “As anticipated at the beginning of the fiscal year, the market conditions remain challenging in the short-term. In that context, we will continue to reduce sales of cocoa products to third parties by phasing out less profitable cocoa agreements, which is impacting short-term growth. Overall, and looking into the next fiscal year, we have a healthy portfolio. Based on the disciplined focus on our ‘smart growth’ approach, i.e. a balance between volume growth, enhanced profitability and free cash flow generation, we confirm our mid-term guidance³.”

Strategic milestones in the third quarter of fiscal year 2015/16

- **“Expansion”**: Barry Callebaut completed the [acquisition of FrieslandCampina Kievit](#) vending activities in Germany, making it a leading supplier of vending powder mixes, as well as the expansion of the liquid chocolate production capacity in its [U.S. West Coast factory](#).
- **“Innovation”**: Barry Callebaut presented its newly designed [“Barry Callebaut Studio”](#) at the “Sweets & Snacks Expo” of May 2016 in Chicago and invited its North American customers to explore the latest trends and end-consumer benefits.
- **“Sustainable Cocoa”**: Barry Callebaut, the Cocoa Horizons Foundation and Belgian finest chocolate maker Kim’s Chocolates [teamed up to support cocoa farmers and their communities](#) in Tanzania. At a ceremony in Tanzania, 130,000 cocoa seedlings were distributed to cocoa farmers and six new classrooms were donated to local farming communities.

Other developments

In March 2016, Barry Callebaut successfully issued Senior Notes and secured financing for the next eight years for a total of EUR 450 million at a historically low coupon of 2.375%.

Regional / Segment performance**Region EMEA – Strong volume growth in Western Europe and EEMEA**

Sales volume in Region EMEA (Europe, Middle East, Africa) rose by +7.7% to 610,915 tonnes; this is significantly above the market growth for Europe of -1.2%.⁴

An improving market environment in Western Europe is reflected by faster growth in the third quarter, especially in Gourmet where the volume growth had slowed somewhat at the start of the fiscal year.

Sales volume in EEMEA (Eastern Europe, Middle East, Africa) grew at a double-digit rate.

Total sales revenue for the Region was up +11.1% in local currencies, mainly due to the higher volumes and a more favorable product mix. In CHF, sales revenue increased by +6.2% and came in at CHF 2,057.4 million.

Region Americas – Very strong volume growth across the region

In Region Americas, sales volume increased by +9.9% to 373,580 tonnes in the period under review, significantly above the market, which decreased by -3.3%.⁴ Volume growth was fueled by all countries and business segments with remarkably strong results in National Accounts and the Gourmet & Specialties business in North America. In the third quarter, sales volume growth slowed down due to a strong base from prior year and a slow-down in South America/Brazil. Sales revenue increased by +6.9% in local currencies (+9.4% in CHF) to CHF 1,205.6 million as a result of good volume growth.

³ On average for the 3-year period 2015/16 to 2017/18: 4-6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events

⁴ Source: Nielsen, September 2015 – May 2016.

Region Asia Pacific – Continued strong growth momentum

Amidst a weak chocolate market (-2.1%⁴), Barry Callebaut's sales volume growth in Region Asia Pacific accelerated in the third quarter. It increased by +13.0% to 59,161 tonnes in the first 9 months. Main contributors were the corporate accounts as well as the two global Gourmet brands Callebaut® and Cacao Barry®.

Sales revenue in the Region rose by +12.1% in local currencies (+13.2% in CHF) to CHF 232.8 million, as a result of the good volume growth.

Global Cocoa – Intentional phasing out of less profitable contracts

Sales volume sank by 7.8% to 332,994 tonnes. This is due to the aforementioned reduction of volumes sold to third-party customers by intentionally phasing out of less profitable contracts in line with the company's "smart growth" approach.

Sales revenue to third parties increased by +15.2% in local currencies (+7.9% in CHF) to CHF 1,511.5 million, mainly reflecting the company's focus on profitability, cash flow and customer mix.

Price developments on the most important raw material spot markets

Cocoa bean prices increased in the period under review by around 5% to GBP 2,207 on May 31, 2016, recovering from a low of GBP 1,979 in February 2016. Concerns over the mid crops represented the main bullish fundamental driver.

World **sugar** prices advanced strongly, supported by a world balance deficit as well by an all-time record net long position of the funds. European sugar prices also kept moving higher due to low stocks and the absence of supply measures taken by the EU Commission.

Still strong global production growth combined with stagnant demand brought **milk powder** prices to a 7-year low. As a consequence, farm gate milk prices dropped below breakeven and will reduce milk volumes in the main production regions, bringing the market more into balance.

Financial calendar for Fiscal Year 2015/16 (September 1, 2015 to August 31, 2016):

| | |
|---|------------------|
| Full-year results 2015/16 (news release & conference) | November 2, 2016 |
| Annual General Meeting 2015/16 | December 7, 2016 |

About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 6.2 billion (EUR 5.6 billion / USD 6.6 billion) in fiscal year 2014/15, the Zurich-based Barry Callebaut Group is the world's leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs more than 50 production facilities worldwide and employs a diverse and dedicated global workforce of more than 9,000 people. The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The two global brands catering to the specific needs of these Gourmet customers are Callebaut® and Cacao Barry®. The Barry Callebaut Group is committed to sustainable cocoa production to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the Cocoa Horizons Foundation in its goal to shape a sustainable cocoa and chocolate future.

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Group Key Sales Figures

| for the first 9 months of Fiscal Year 2015/16 | | Change in % | | 9 months up to May 31, 2016 | 9 months up to May 31, 2015 |
|---|---------------|------------------------|-------------|--------------------------------|--------------------------------|
| | | in local currencies | in CHF | | |
| Key Figures | | | | | |
| Sales volume | Tonnes | | 4.2% | 1,376,650 | 1,320,714 |
| Sales revenue | CHF m | 11.4% | 7.8% | 5,007.3 | 4,644.8 |
| By Region | | | | | |
| EMEA | | | | | |
| Sales volume | Tonnes | | 7.7% | 610,915 | 567,204 |
| Sales revenue | CHF m | 11.1% | 6.2% | 2,057.4 | 1,937.2 |
| Americas | | | | | |
| Sales volume | Tonnes | | 9.9% | 373,580 | 339,912 |
| Sales revenue | CHF m | 6.9% | 9.4% | 1,205.6 | 1,101.7 |
| Asia Pacific | | | | | |
| Sales volume | Tonnes | | 13.0% | 59,161 | 52,357 |
| Sales revenue | CHF m | 12.1% | 13.2% | 232.8 | 205.7 |
| Global Cocoa | | | | | |
| Sales volume | Tonnes | | (7.8%) | 332,994 | 361,241 |
| Sales revenue | CHF m | 15.2% | 7.9% | 1,511.5 | 1,400.2 |
| By Product Group | | | | | |
| Sales volume | Tonnes | | | 1,376,650 | 1,320,714 |
| Cocoa Products | Tonnes | | (7.8%) | 332,994 | 361,241 |
| Food Manufacturers Products | Tonnes | | 8.3% | 890,464 | 821,897 |
| Gourmet & Specialties Products | Tonnes | | 11.4% | 153,192 | 137,576 |
| Sales revenue | CHF m | 11.4% | 7.8% | 5,007.4 | 4,644.8 |
| Cocoa Products | CHF m | 15.2% | 7.9% | 1,511.5 | 1,400.2 |
| Food Manufacturers Products | CHF m | 9.3% | 7.5% | 2,751.3 | 2,559.7 |
| Gourmet & Specialties Products | CHF m | 11.6% | 8.7% | 744.6 | 684.9 |