



News Release

Barry Callebaut – Half-year results, fiscal year 2010/11 Growing twice as fast as the market

- Sales volume up by 7.1%
- EBIT up by 11.4% in local currencies (+4.0% in CHF); net profit up by 17.1% in local currencies (+9.0% in CHF)
- Emerging markets and Cocoa Products for strategic partners the main growth drivers
- Confirmation of four-year growth targets up to 2012/13¹

Group key figures for first half of fiscal year 2010/11

		Change (%)		Six months up to Feb 28, 2011	Six months up to Feb 28, 2010
		in local currencies	in CHF		
Sales volume	Tonnes		7.1%	706,570	659,536
Sales revenue	CHF m	13.2%	3.1%	2,737.9	2,656.5
Operating Profit (EBIT)	CHF m	11.4%	4.0%	217.1	208.8
EBIT/Tonne	CHF	4.0%	(2.9%)	307.3	316.6
Net profit for the period (PAT)	CHF m	17.1%	9.0%	158.8	145.7

Zurich/Switzerland, April 1, 2011 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, grew twice as fast as the global chocolate market in the first half of fiscal year 2010/11, ended February 28: Sales volume increased by 7.1% to 706,570 tonnes while the global chocolate market grew by +3.6%². Emerging markets and Cocoa Products for strategic partners were the main growth drivers. Food Manufacturers Products and Gourmet & Specialties Products showed good growth. The strong Swiss franc – Barry Callebaut's reporting currency – affected the overall good results both on sales revenue and on profit level. Sales revenue went up to CHF 2,737.9 million, an increase of +3.1% (+13.2% in local currencies). Due to good cost control as well as a favorable combined cocoa ratio³, Barry Callebaut achieved significant operational improvements: Operating profit (EBIT) was up by 4.0% to CHF 217.1 million (+11.4% in local currencies). As a result of lower financial expenses and favorable tax rates, net profit rose to CHF 158.8 million, up by 17.1% in local currencies (+9.0% in CHF).

Juergen Steinemann, CEO of Barry Callebaut, said: "Once again, we managed to significantly outperform the global chocolate market by growing twice as fast. We are pleased that our growth was particularly strong in emerging markets. All strategic Product Groups showed good momentum, resulting in double-digit profit growth in local currencies. In recent months, we faced a challenging political situation in Côte d'Ivoire, the world's most important cocoa growing country. In order to avoid supply problems we have put in place a contingency plan and stepped up our sourcing and production activities in other countries. We believe we have taken those steps necessary to enable us to honor our customer contracts and meet our commitments during 2011. However, our primary concern during this difficult time is the safety and welfare of our employees and everyone living in

¹ Four-year growth targets for 2009/10 – 2012/13: On average 6-8% volume growth and average EBIT growth in local currencies at least in line with volume growth, barring any major unforeseen event.

² Source: Nielsen September 2010 until January 2011.

³ The "combined cocoa ratio" is the combined sales price for cocoa butter and cocoa powder relative to the cocoa bean price.



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Côte d'Ivoire. We remain committed to the cocoa farming communities and hope for a peaceful resolution of the current situation."

Outlook

Barry Callebaut is confident that its good performance in the past six months will continue in the second half of fiscal year 2010/11 despite the challenging situation in Côte d'Ivoire. Thanks to the company's robust cost-plus business model, its global footprint, as well as its proven position as a preferred strategic partner, Barry Callebaut expects to surpass the average market growth rates and is therefore confirming its four-year financial guidance¹.

Sales performance by Region in the first half of fiscal year 2010/11

Region Europe

Overall, the European chocolate market showed divergent growth momentum: A slight decline in Western Europe (-1.8%)² – the larger part of the region – and a return to positive rates in Eastern Europe (+7.4%). Barry Callebaut increased its sales volume by 2.3% to 401,648 tonnes in the Region. In Western Europe, the Gourmet & Specialties Products business delivered a very good performance and gained market share. In Eastern Europe, both Food Manufacturers and Gourmet achieved double-digit volume growth. Sales revenue was at CHF 1,538.9 million, up by 6.0% in local currencies (-6.4% in CHF). Operating profit (EBIT) was affected by weaker Consumer Products results as well as negative currency effects and came in at CHF 155.6 million (flat in local currencies, -5.9% in CHF).

Region Americas

The chocolate confectionary market in the U.S. has continued to recover and showed a significant volume growth of 7.1%². Sales volume for the entire Region grew by 9.8% to 150,198 tonnes. Food Manufacturers Products business recorded double-digit growth rates mainly driven by strong performances with Corporate Accounts in North America and good growth in emerging markets. The gourmet market started to recover in the second quarter. Barry Callebaut improved as well, especially with its global brands 'Cacao Barry' and 'Callebaut'. Sales revenue in the Region went up to CHF 504.6 million (+9.5%), corresponding to a significant increase of 15.9% in local currencies. Due to a competitive market environment and investments in emerging markets, operating profit (EBIT) was up by 0.8% in local currencies and amounted to CHF 40.5 million (-4.3% in CHF).

Region Asia-Pacific

Asian confectionary markets continued to grow. Barry Callebaut's sales volume significantly increased by 9.4% to 26,683 tonnes, led by India, Japan, Malaysia and China. Gourmet recorded double-digit volume growth driven by good sales of the two global brands. In the Food Manufacturers Products business, both sales volume and profitability performed well, with global as well as local accounts. At CHF 119.6 million, sales revenue was up by 18.2% in local currencies (+15.9% in CHF). Operating profit (EBIT) jumped to CHF 13.7 million (+53.1% in local currencies or +44.2% in CHF), driven by increased volumes and better economies of scale.

To support Barry Callebaut's geographic expansion and to further strengthen its footprint in fast-growing Asian markets, the company has signed an agreement to acquire the remaining 40% stake in Barry Callebaut Malaysia Sdn Bhd, formerly operating under the name of KLK Cocoa. In April 2008, the Barry Callebaut Group acquired 60% of KLK Cocoa in order to expand its global cocoa processing capacities.



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Global Sourcing & Cocoa⁴

Cocoa prices declined during the second half of 2010 before moving sharply higher again. The uncertain situation in Côte d'Ivoire has pushed bean prices to record levels on high volatility. This development and ongoing strong demand for cocoa powder have helped the (forward) combined cocoa ratio to return to high levels. Other raw materials, such as sugar, faced a tight supply situation due to unfavorable weather conditions. During the period under review, prices reached new record highs. Milk powder prices increased significantly on higher demand. The upward price trend accelerated in the wake of lowered supply forecasts and was well above historical price levels at the end of February.

Sales volume of cocoa products sold to third-party customers rose by 20.9% to 128,041 tonnes, positively influenced by strong powder sales and cocoa products for strategic partners. Sales revenue grew 35.8% in local currencies (+28.4% in CHF) to CHF 574.8 million, driven by higher cocoa bean and cocoa powder prices. Supported by the favorable combined cocoa ratio, operating profit (EBIT) surged +76.9% in local currencies (+60.3% in CHF) and amounted to CHF 37.2 million.

Development by Product Group in the first half of fiscal year 2010/11

Cocoa Products

See "Global Sourcing & Cocoa"

Food Manufacturers Products

Barry Callebaut's Food Manufacturers business grew in all regions, with a volume increase of 5.9% to 443,559 tonnes, supported by increased demand for specialties products as well as compounds and fillings. Sales revenue was at CHF 1,417.5 million, which corresponds to a growth in local currencies of 11.7% (+1.2% in CHF).

Operating profit (EBIT) for the Industrial Products Group (Cocoa Products and Food Manufacturers Products) stood at CHF 161.1 million, significantly up 22.6% in local currencies (+13.9% in CHF) thanks to higher volumes, margin improvements and a more favorable result from the cocoa processing operations.

Gourmet & Specialties Products

Gourmet & Specialties Products business grew its sales volume by 5.1% to 74,493 tonnes in the period under review, driven by double-digit growth rates in emerging markets. Growth would have been even stronger had it not been for a late Easter. In emerging markets, our two global brands benefitted from a recovering Hotel/Restaurant/Catering (HORECA) segment. Barry Callebaut's European Beverages division could not reach prior-year figures due to the current expansion of the specialized factory in Kågeröd, Sweden. Sales revenue increased considerably by 13.0% in local currencies to CHF 389.3 million (+1.8% in CHF).

Consumer Products

Consumer Products business was impacted by lower volumes in Germany, where the overall chocolate market contracted by -7.8% vs. the prior year². Aggressive price pressure in the market, significant raw material price increases that could not be promptly passed on to customers, as well as negative currency effects had a negative impact on sales revenue and profitability. In total, Consumer Products' sales volume declined by 5.5% to 60,477 tonnes. Sales revenue amounted to CHF 356.3 million, corresponding to a decrease of 5.4% in local currencies (-16.3% in CHF). Some price increases were recently accepted by the market.

⁴ The figures reported under "Global Sourcing & Cocoa" include all sales of cocoa products to third-party customers in all Regions while the figures shown under the respective Region show all chocolate sales.



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Operating profit (EBIT) for the Food Service/Retail Products Group (Gourmet & Specialties and Consumer Products) was at CHF 86.0 million, down 8.8% in local currencies (-13.1% in CHF), affected by the factors mentioned above.

For more detailed financial information see Barry Callebaut's ["Half-year results 2010/11 – Letter to Investors"](#)

Financial calendar for fiscal year 2010/11 (September 1, 2010 to August 31, 2011):

9-month key sales figures 2010/11 (news release)	June 30, 2011
Full-year results 2010/11 (news release / conference)	November 10, 2011, Zurich
Annual General Meeting 2010/11	December 8, 2011, Zurich

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

With annual sales of about CHF 5.2 billion / EUR 3.6 billion / USD 4.9 billion for fiscal year 2009/10, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finest finished product. Barry Callebaut is present in 26 countries, operates more than 40 production facilities and employs about 7,500 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate (such as chocolatiers, pastry chefs or bakers), to global retailers. Barry Callebaut is the global leader in cocoa and chocolate innovations and provides a comprehensive range of services in the fields of product development, processing, training and marketing. The company is actively engaged in initiatives and projects that contribute to a more sustainable cocoa supply chain.

Media and Analysts'/Institutional Investors' conferences of Barry Callebaut AG

Date: Friday, April 1, 2011
Location: Barry Callebaut Head Office, Chocolate Academy, Groundfloor,
Pfingstweidstrasse 60, Westpark, 8005 Zurich/Switzerland
Time: **Media:** 09:30 am to 10:30 am CET
Analyst/Institutional Investors: 11:30 am to approx. 01:00 pm CET

The conferences can be followed by telephone or audio Webcast. All dial-in and access details can be found on the Barry Callebaut website:

[Media](#)
[Analysts](#)



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Key figures for the Barry Callebaut Group for the first half of fiscal year 2010/11 (unaudited)

		Change in %		Six months up to Feb 28, 2011	Six months up to Feb 28, 2010
		in local currencies	in CHF		
<u>Group</u>					
Sales volume	Tonnes		7.1	706,570	659,536
Sales revenue	CHF m	13.2	3.1	2,737.9	2,656.5
EBITDA	CHF m	9.2	1.4	264.1	260.5
Operating profit (EBIT)	CHF m	11.4	4.0	217.1	208.8
Net profit for the period (PAT)	CHF m	17.1	9.0	158.8	145.7
<u>By Region</u>					
Europe					
Sales volume	Tonnes		2.3	401,648	392,426
Sales revenue	CHF m	6.0	(6.4)	1,538.9	1,645.0
EBITDA	CHF m	0.0	(6.9)	180.7	194.0
Operating Profit (EBIT)	CHF m	0.0	(5.9)	155.6	165.4
Americas					
Sales volume	Tonnes		9.8	150,198	136,833
Sales revenue	CHF m	15.9	9.5	504.6	460.7
EBITDA	CHF m	(0.1)	(6.6)	46.9	50.2
Operating Profit (EBIT)	CHF m	0.8	(4.3)	40.5	42.3
Asia-Pacific					
Sales volume	Tonnes		9.4	26,683	24,391
Sales revenue	CHF m	18.2	15.9	119.6	103.2
EBITDA	CHF m	45.3	32.9	16.2	12.2
Operating Profit (EBIT)	CHF m	53.1	44.2	13.7	9.5
Global Sourcing & Cocoa					
Sales volume	Tonnes		20.9	128,041	105,886
Sales revenue	CHF m	35.8	28.4	574.8	447.6
EBITDA	CHF m	65.2	46.3	49.0	33.5
Operating Profit (EBIT)	CHF m	76.9	60.3	37.2	23.2



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		Change in %		Six months up to Feb 28, 2011	Six months up to Feb 28, 2010
		in local currencies	in CHF		
<u>By Product Group</u>					
Industrial Business					
Sales volume	Tonnes		8.9	571,600	524,645 ⁵
Cocoa Products	Tonnes		20.9	128,041	105,886
Food Manufacturers Products	Tonnes		5.9	443,559	418,759 ⁵
Sales revenue	CHF m	17.5	7.8	1,992.3	1,848.4 ⁵
Cocoa Products	CHF m	35.8	28.4	574.8	447.6
Food Manufacturers Products	CHF m	11.7	1.2	1,417.5	1,400.8 ⁵
EBITDA	CHF m	20.9	12.0	191.6	171.1
Operating profit (EBIT)	CHF m	22.6	13.9	161.1	141.4
Food Service / Retail Business					
Sales volume	Tonnes		0.1	134,970	134,891 ⁵
Gourmet & Specialties Products	Tonnes		5.1	74,493	70,900
Consumer Products	Tonnes		(5.5)	60,477	63,991 ⁵
Sales revenue	CHF m	3.3	(7.7)	745.6	808.1 ⁵
Gourmet & Specialties Products	CHF m	13.0	1.8	389.3	382.3
Consumer Products	CHF m	(5.4)	(16.3)	356.3	425.8 ⁵
EBITDA	CHF m	(9.6)	(14.8)	101.2	118.8
Operating profit (EBIT)	CHF m	(8.8)	(13.1)	86.0	99.0

⁵ Figures have been restated to conform to the current period's presentation. The adjustments relate to a shift of Consumer Products business volume to the Food Manufacturers Products business in the light of the carve-out exercise.