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Barry Callebaut – 3-month key sales figures, fiscal year 2013/14

Solid start – good progress on integration of acquired cocoa business

- Sales volume growth: +19.5% incl. the recently acquired cocoa business (+4.6% stand-alone¹)
- Main growth drivers were the newly acquired cocoa business, emerging markets (+19.1% stand-alone) and Gourmet (+9.7% stand-alone)
- Mid-term financial targets confirmed²

Juergen Steinemann, CEO of Barry Callebaut, said: “We have had a solid start into the new fiscal year. Our three key growth drivers – geographic expansion, outsourcing & partnership agreements, and our Gourmet business – have maintained their momentum, with emerging markets and Gourmet delivering particularly strong growth. The integration of the acquired cocoa business continues to make good progress. As of the beginning of the fiscal year, all integration-related workstreams have been transferred into our operational activities and are on track as planned.”

Group key sales figures for the first 3 months of fiscal year 2013/14 – for the total business

		Change in %		3 months up to Nov 30, 2013	3 months up to Nov 30, 2012
		in local currencies	in CHF		
Sales volume	Tonnes		19.5	463,996	388,160
Sales revenue	CHF m	22.4	21.4	1,515.3	1,248.4

Stand-alone – excluding the acquisition of the cocoa business from Petra Foods¹

Sales volume	Tonnes		4.6	406,163	388,160
Sales revenue	CHF m	6.4	5.5	1,317.5	1,248.4

Zurich/Switzerland – January 15, 2014 – In its first quarter of fiscal year 2013/14 (ended November 30, 2013), Barry Callebaut – the world’s leading manufacturer of high-quality chocolate and cocoa products – increased its **sales volume** by 19.5% to 463,996 tonnes. Excluding the recently acquired cocoa business, the Group’s volume growth was +4.6% for the period under review. In comparison, the global chocolate confectionery market expanded by 3.4% in volume.³ Most regions and all Product Groups contributed to the solid growth, driven by emerging markets (+19.1% stand-alone) as well as the Gourmet & Specialties Products business (+9.7% stand-alone).

Sales revenue was up 22.4% in local currencies (+21.4% in CHF) and came in at CHF 1,515.3 million. On a stand-alone basis, sales revenue grew 6.4% in local currencies (+5.5% in CHF) to

¹ Stand-alone numbers exclude the acquired cocoa business from Singapore-based Petra Foods. On June 30, 2013, Barry Callebaut closed the transaction it had announced on December 12, 2012.

² 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.

³ Source: Nielsen, September 2013 until November 2013.



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CHF 1,317.5 million. This reflects the volume increase as well as higher average raw material prices, in particular for cocoa beans, cocoa butter and milk powder.

Outlook – Targets confirmed

CEO Juergen Steinemann looking ahead: “We will continue to work along our strategic pillars. We are focusing on the successful integration of the recently acquired cocoa business and on further improving our product margins. I am confident we will reach our mid-term financial targets⁴.”

Strategic developments in the first 3 months of fiscal year 2013/14

- Under its strategic pillar “Expansion”, Barry Callebaut opened its first chocolate factory in Eskişehir, Turkey. In addition, the company completed the move of its Japanese chocolate factory to Takasaki, near Tokyo, and opened the new regional headquarters for its Region Asia-Pacific in Singapore. Barry Callebaut also inaugurated its 16th CHOCOLATE ACADEMY™ center on the premises of its EEMEA headquarters in Istanbul.
- Early September, the EU Commission approved Barry Callebaut’s health claim submission on cocoa flavanols, underpinning the company’s aspiration to be a leader in “Innovation”.
- In response to growing demand in Western Europe and in order to further strengthen its “Cost Leadership” position Barry Callebaut expanded the production capacity of its factory in Wieze (Belgium) by 23,000 tonnes. Further capacity optimizations in the region are under way.

Regional / Segment performance

Region Europe⁵ – Focus on product margins, good growth in EEMEA

Sales volume in Region Europe increased 1.5% to 204,075 tonnes. In Western Europe Barry Callebaut focused on further increasing product margins and still faced some capacity constraints. The Gourmet business and the Beverages division showed a good performance. In EEMEA, the Food Manufacturers and the Gourmet & Specialties Products businesses recorded strong growth, in particular in Russia, Turkey and the Middle East.

Overall sales revenue in the Region grew by 11.5% to CHF 696.6 million, faster than sales volume growth as a result of higher raw material prices and a more favorable product mix.

Region Americas – Strong growth continues in all markets

Region Americas continued to grow strongly across all regional markets: Sales volume went up 10.3% to 115,753 tonnes. Growth in NAFTA was fueled by the company’s global and national accounts in the industrial business as well as by the Gourmet business. In South America, both the industrial and the Gourmet business showed double-digit growth.

Sales revenue in the Region rose 5.9% to CHF 317.6 million, at a slower pace than volume due to currency translation effects.

Region Asia-Pacific – Regained momentum in Food Manufacturers business

In Asia-Pacific, Barry Callebaut’s sales volume was up 7.4% to 16,648 tonnes. The Food Manufacturers Products business regained growth momentum, in particular with the company’s global accounts. Growth in the Gourmet business was influenced by the weakness of some local currencies.

⁴ 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.

⁵ Consisting of Western Europe and EEMEA (Eastern Europe, Middle East and Africa).



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Sales revenue increased by 3.0% to CHF 62.7 million at a slower pace than volume as a result of currency effects.

Global Cocoa⁶ – Strong growth due to the acquired cocoa business

Sales volume in the segment Global Cocoa went up 91.0% to 127,520 tonnes, mostly driven by the recently acquired cocoa business from Petra Foods. Stand-alone sales volume increased 4.4% to 69,687 tonnes.

Sales revenue for the total business grew by 66.8% to CHF 438.4 million; on a stand-alone basis sales revenue decreased by 8.5% to CHF 240.6 million, reflecting lower cocoa powder prices.

The integration of the acquired cocoa business from Petra Foods is on track. It has moved from a project to being part of the business.

Raw material prices

Cocoa terminal market prices kept increasing in the period under review, reaching a two-year high on November 20, 2013 at GBP 1,782. With strong arrivals from the two most important cocoa origins, Côte d'Ivoire and Ghana, market players gradually reduced their deficit expectations. This slowed the bullish momentum in cocoa prices, which closed at GBP 1,745 per tonne at the end of November.

Prices on the world **sugar** market were mainly driven by investment fund activities. The reduction of their long positions in October and November brought the market price of sugar to its lowest levels since July 2010. EU sugar prices continued to decline because of special measures to increase supply.

Both world and European market prices for **milk powder** remained rather stable at high levels. Prices were supported by a more short coverage of the industry with regular demand on the market.

Financial calendar for fiscal year 2013/14 (September 1, 2013 to August 31, 2014):

Half-year results 2013/14 (news release & conference)	April 3, 2014, Zurich
9-month key sales figures 2013/14 (news release)	July 3, 2014
Full-year results 2013/14 (news release & conference)	November 6, 2014, Zurich
Annual General Meeting 2013/14	December 10, 2014, Zurich

⁶ The figures reported under "Global 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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Barry Callebaut (www.barry-callebaut.com):

With annual sales of about CHF 4.9 billion (EUR 4.0 billion / USD 5.2 billion) in fiscal year 2012/13, Zurich-based Barry Callebaut 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 company runs more than 50 production facilities worldwide and employs a diverse and dedicated global workforce of over 8,500 people.

Barry Callebaut 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®.

Barry Callebaut is committed to a sustainable cocoa production through its “Cocoa Horizons” initiative, and to help ensure future supplies of cocoa as well as improve farmer livelihoods.

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Group key sales figures for the first 3 months of fiscal year 2013/14 – from continuing operations

		Change in %			
		in local currencies	in CHF	3 months up to Nov 30, 2013	3 months up to Nov 30, 2012
Key figures – for the total business					
Sales volume	Tonnes		19.5	463,996	388,160
Sales revenue	CHF m	22.4	21.4	1,515.3	1,248.4
Key figures – on stand-alone basis					
Sales volume	Tonnes		4.6	406,163	388,160
Sales revenue	CHF m	6.4	5.5	1,317.5	1,248.4
By Region – for the total business					
Europe					
Sales volume	Tonnes		1.5	204,075	201,006
Sales revenue	CHF m	10.0	11.5	696.6	624.6
Americas					
Sales volume	Tonnes		10.3	115,753	104,898
Sales revenue	CHF m	9.0	5.9	317.6	300.0
Asia-Pacific					
Sales volume	Tonnes		7.4	16,648	15,502
Sales revenue	CHF m	10.2	3.0	62.7	60.9
Global Cocoa					
Sales volume	Tonnes		91.0	127,520	66,754
Sales revenue	CHF m	70.0	66.8	438.4	262.9
By Product Group – for the total business					
Sales Volume	Tonnes		19.5	463,996	388,160
Cocoa Products	Tonnes		91.0	127,520	66,754
Food Manufacturers Products	Tonnes		3.9	288,808	277,946
Gourmet & Specialties Products	Tonnes		9.7	47,668	43,460
Sales Revenue	CHF m	22.4	21.4	1,515.3	1,248.4
Cocoa Products	CHF m	70.0	66.8	438.4	262.9
Food Manufacturers Products	CHF m	9.9	9.3	840.6	768.9
Gourmet & Specialties Products	CHF m	9.2	9.1	236.3	216.6