



Barry Callebaut

Analysts Conference – Half-year results 2011/12

April 2, 2012





Cautionary note

Certain statements in this presentation 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 the Half Year Report 2011/12. 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 today, April 2, 2012. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.



Agenda

- ▶ **Highlights HY 2011/12**
- ▶ Financial and operational performance
- ▶ Strategy & Outlook
- ▶ Q & A

Half-year results 2011/12

Accelerated top-line growth, investing in the future



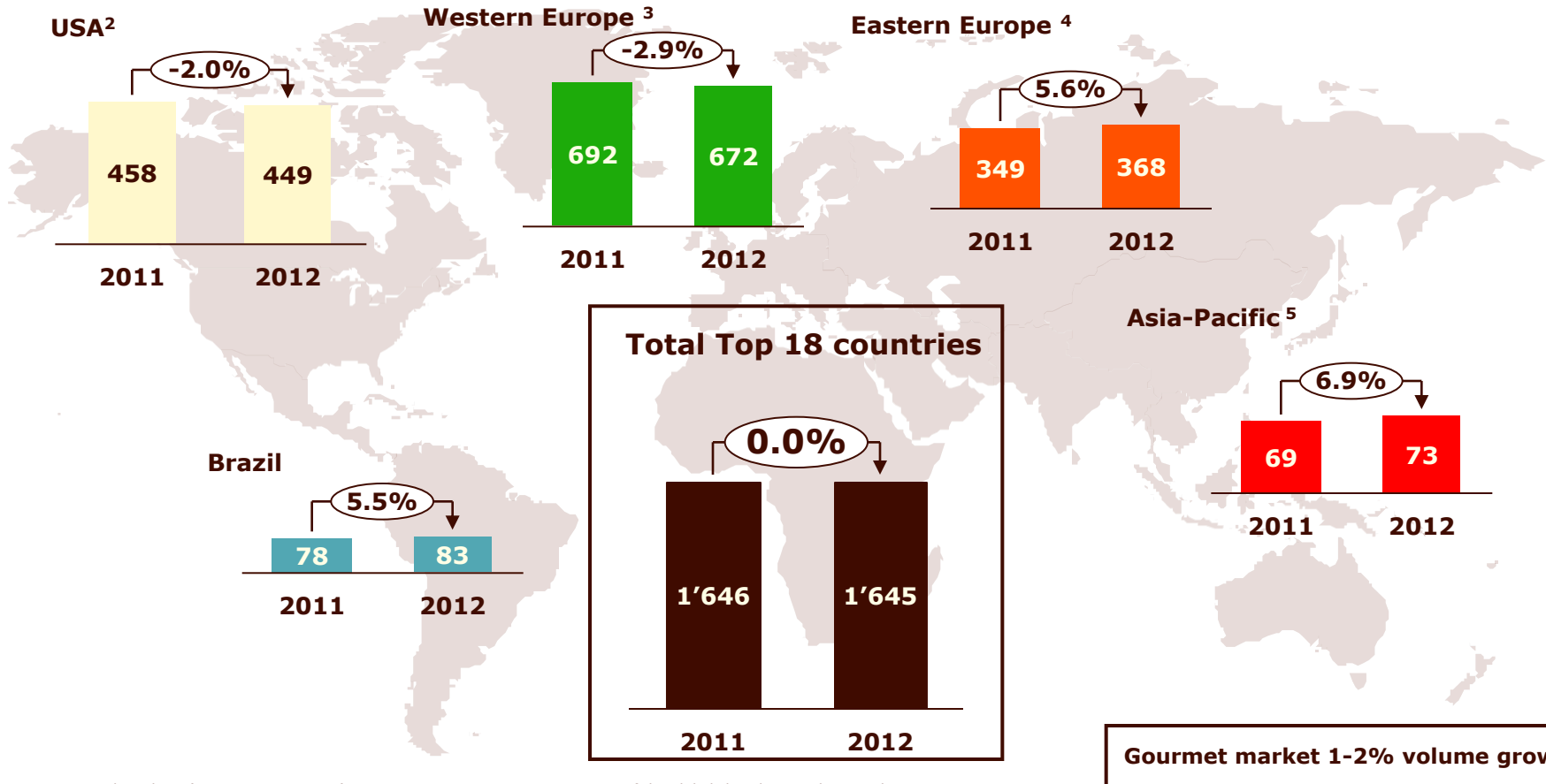
- ▶ Sales volume up +6.7%; Sales revenue +10.4% in local currencies
- ▶ Growth across all Regions and Product Groups: particularly strong in Americas, Eastern Europe and Asia as well as in Specialty products
- ▶ Investing in future growth (investments in structures, ramp-up of outsourcing deals, investments in Gourmet, factory expansions, as well as investments in «Sustainable Cocoa»)
- ▶ EBIT declined 5.5% in local currencies (-12.5% in CHF)
- ▶ Net profit from continuing operations CHF 121.8 mn (-11.3% in local currencies)





Global chocolate confectionery volume was flat, Gourmet grew between 1-2%

5 Months Sep-Jan 2012 (in 1,000 tonnes)¹

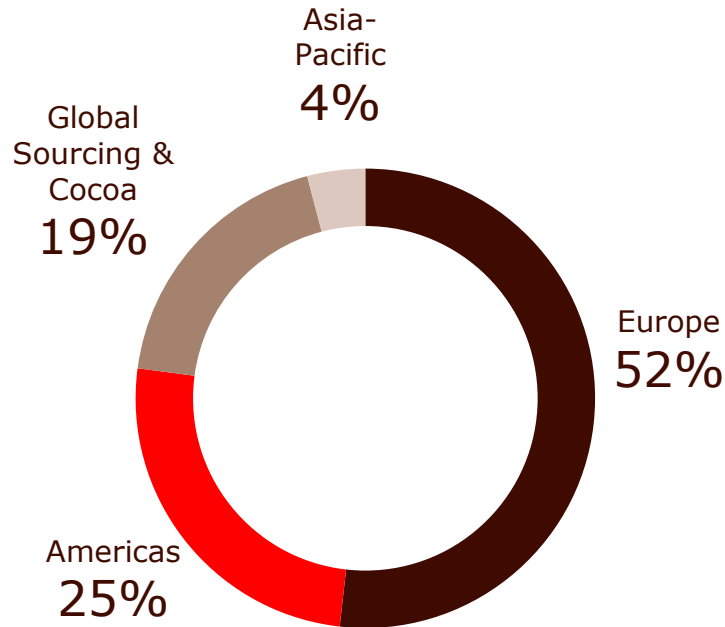


1 Source: Nielsen data (Sep 2011- Jan 2012) Top 16 countries represent app. 73% of the global chocolate market in volume
2 USA 3 months only 55% coverage and total volumes are estimated based on a share distribution by Euromonitor
3 Western Europe includes: Belgium, France, Germany, Italy, Netherlands, Spain, Switzerland, and UK
4 Eastern Europe includes: Russia, Ukraine, Poland, Turkey
5 Asia-Pacific includes: China, India, Indonesia and Japan
6 BC estimates - Gourmet team



Growth across all Regions and Product Groups

Sales Volume per Region – H1 2011/12



Six months volume growth vs. prior year

Europe	+3.0%
Americas	+18.6%
Asia-Pacific	+7.9%
Global Sourcing & Cocoa	+2.9%
Food Manufacturers	+8.2%
Gourmet & Specialties	+4.3%

Highlights first six months – H1 2011/12

Further steps along our strategic direction



Closing of the **divestiture** of our European **consumer business**

September 2011



Joint Venture with P.T. Comextra Majora, building a new cocoa processing facility in Indonesia, and a long-term cocoa supply agreement

November 2011



Long-term outsourcing agreement with Group Bimbo of Mexico, leading baking company in the Americas

January 2012



Global long-term partnership agreement with Unilever for cocoa and chocolate, doubling its current Unilever volumes

January 2012



Capacity extensions in different parts of the world (Asia, Africa, North America and Europe)

Sep 11 – Current



S&P upgrades Barry Callebaut to investment grade. From BB+ to BBB- credit rating. The rating's outlook is stable

December 2011



Acquisition of La Morella Nuts S.A., a Spanish specialist of nut-based ingredients

January 2012



Acquisition of Mona Lisa an American leader manufacturer of decorations

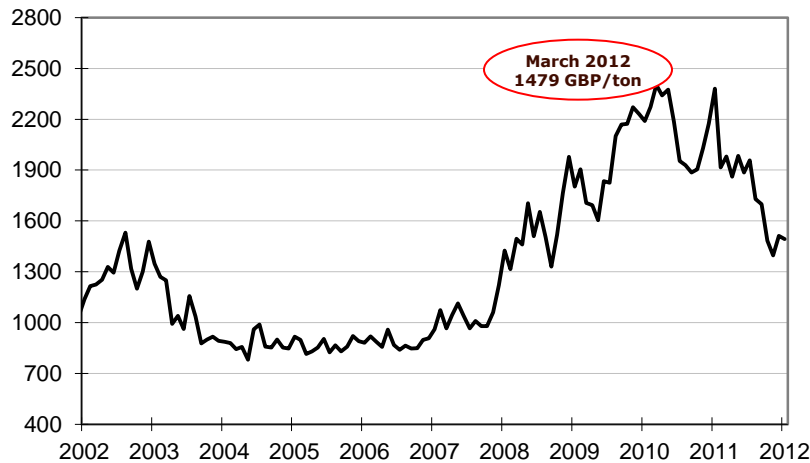
February 2012



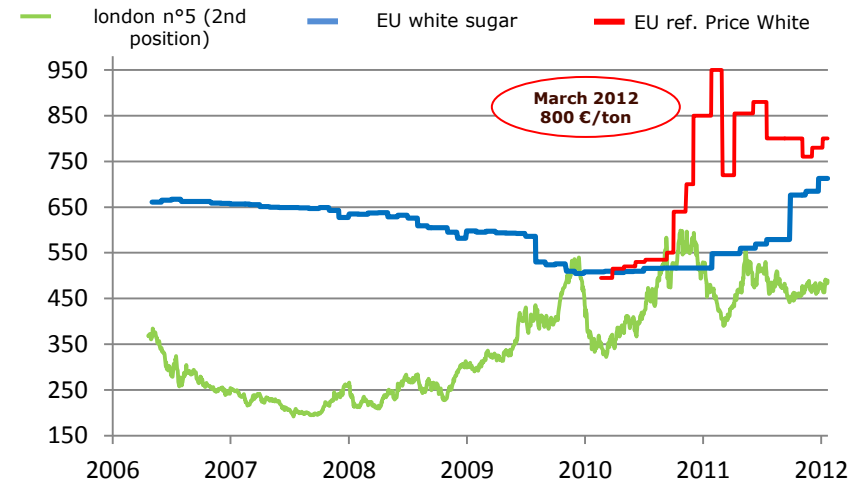
Raw material price development

Raw materials down or sideways

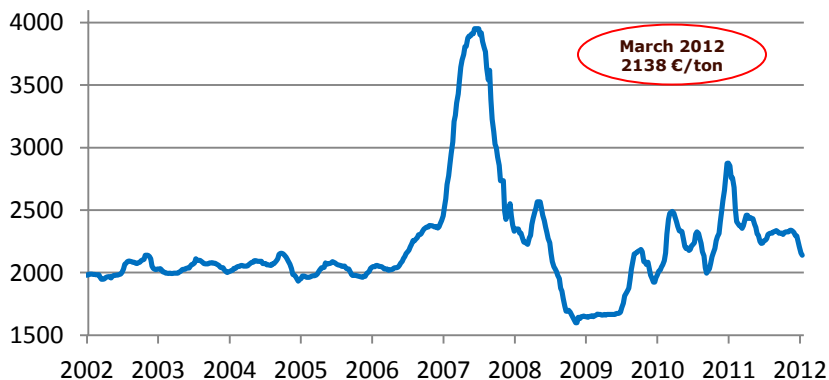
Cocoa bean price (GBP/tonne)



White Sugar average price (EUR/tonne)



Skimmed milk powder price (EUR/tonne)



- ▶ BC, through its "cost plus" model, passes on the cost of raw materials to customers (80% of our business)
- ▶ **Cocoa price** down 24% vs. 6 months ago, industry is well covered due to a bumper crop in 2010/11, good prospects for the 2011/12 mid crop
- ▶ **Sugar price** moved sideways. Good crops globally but stock levels are still rather low. No significant price decline to be expected in the EU
- ▶ **Milk powder price** down due to good production levels and slow consumption. Expectations are further down



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Key Figures H1 2011/12– from continuing operations

Accelerated top-line growth, investing in the future

Six months - Sep 2011-Feb 2012

	Change in % In local currencies	Change in %	H1 2011/12	H1 2010/11 (restated)
Sales volume [in tonnes]		6.7%	699'058	655'065
Sales revenue [CHF m]	10.4%	3.0%	2'476.9	2'404.0
<i>CHF per tonne</i>	<i>3.5%</i>	<i>-3.5%</i>	<i>3'543</i>	<i>3'670</i>
Gross profit [CHF m]	2.9%	-3.9%	338.2	351.8
<i>CHF per tonne</i>	<i>-3.6%</i>	<i>-9.9%</i>	<i>484</i>	<i>537</i>
EBITDA [CHF m]	-2.4%	-9.5%	215.1	237.7
<i>CHF per tonne</i>	<i>-8.5%</i>	<i>-15.2%</i>	<i>308</i>	<i>363</i>
Operating profit (EBIT) [CHF m]	-5.5%	-12.5%	175.1	200.2
<i>CHF per tonne</i>	<i>-11.4%</i>	<i>-18.0%</i>	<i>250</i>	<i>306</i>

Note: Due to the discontinuation of the European Consumer Products business, comparatives have been restated to conform with the current period's presentation.



Region Europe

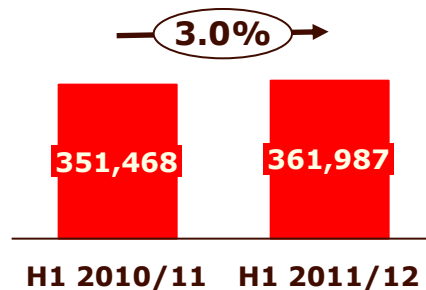
Volume rebound under challenging market conditions

Europe

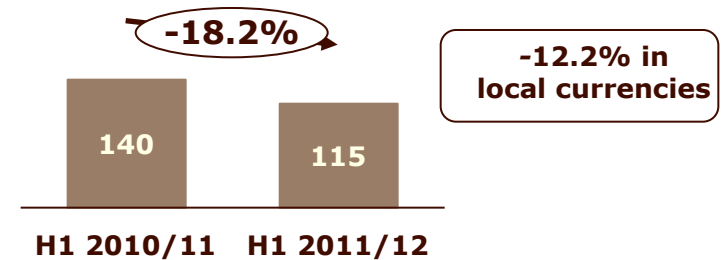
- Western Europe returned to positive growth rates in Q2, outperforming a market which declined -2.9%.
- Growth driven by strategic customers, as well as Specialties
- Eastern Europe showed double digit growth, both in FM and Gourmet
- Decline in profitability due to lower demand, mainly in South Europe combined with higher factory costs, supply chain and overhead inefficiencies and additional investments in Gourmet
- Readjustment of structures and processes in Western Europe through project «Spring»



Sales volume (tonnes)



EBIT (CHF million)



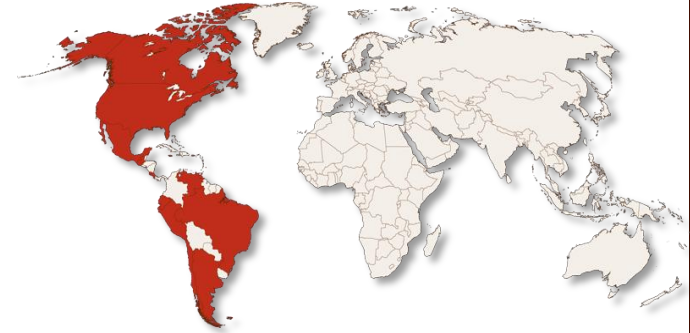


Region Americas

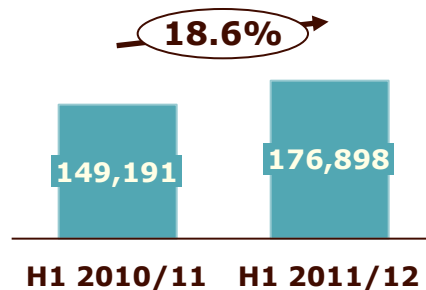
Strong performance, top and bottom-line

Americas

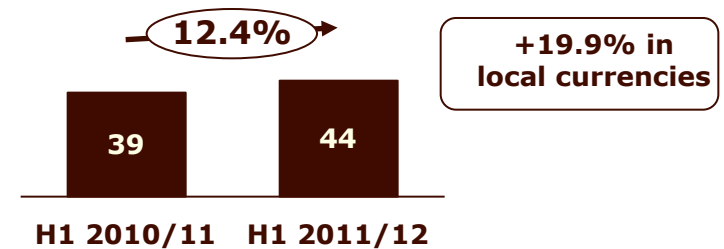
- Chocolate confectionery market in the US declined -2%; Brazil slowed down to 5.5%
- We maintained our growth momentum. In North America and Mexico, Corporate and National accounts, as well as Gourmet achieved a double-digit growth rate
- South America more than tripled in volume
- Positive volume and revenue development translated into an improved operating result
- We will continue to invest into manufacturing footprint and structures to cope with current and future growth



Sales volume (tonnes)



EBIT (CHF million)





Region Asia-Pacific

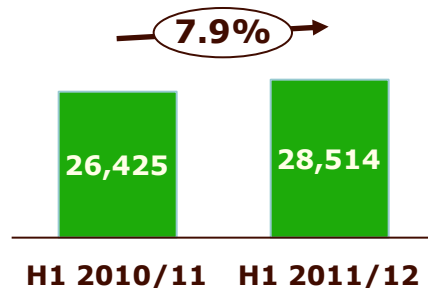
Accelerated growth with further potential

Asia- Pacific

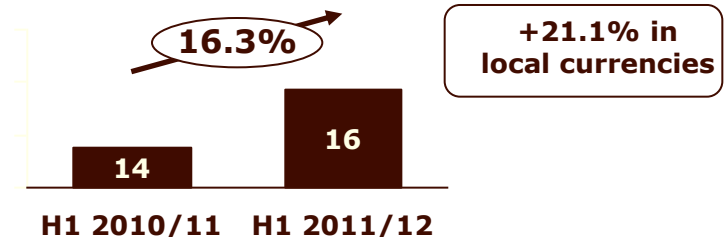
- Good volume growth amid a strong market development
- Industrial sales accelerated in Q2 after capacity constraints limited opportunities earlier in the year
- Gourmet & Specialties Products business grew at double digit rates driven by the two global brands Callebaut and Cacao Barry
- Operating profit was positively influenced by volume growth, while improving margins, and by economies of scale



Sales volume (tonnes)



EBIT (CHF million)





Global Sourcing & Cocoa

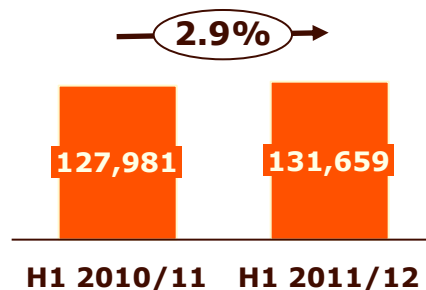
Volume growth picking-up

Global Sourcing & Cocoa

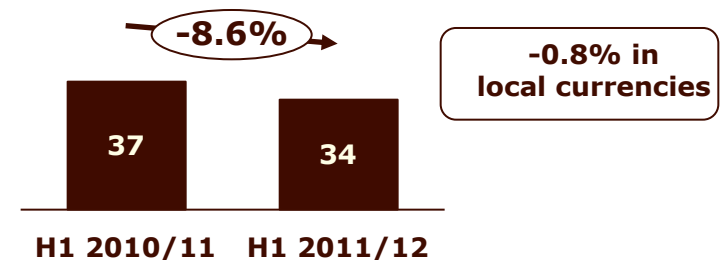
- Ongoing capacity expansions at existing factories and higher internal cocoa powder demand led to a decline in growth in our first quarter. Then, volume picked-up in Q2.
- Sales revenue went up by +17% in local currencies driven mainly by high cocoa powder prices.
- Higher factory and supply chain costs were off-set by better volumes and continued good combined cocoa ratio. Ivory Coast returned to normal performance.



Sales volume (tonnes)



EBIT (CHF million)

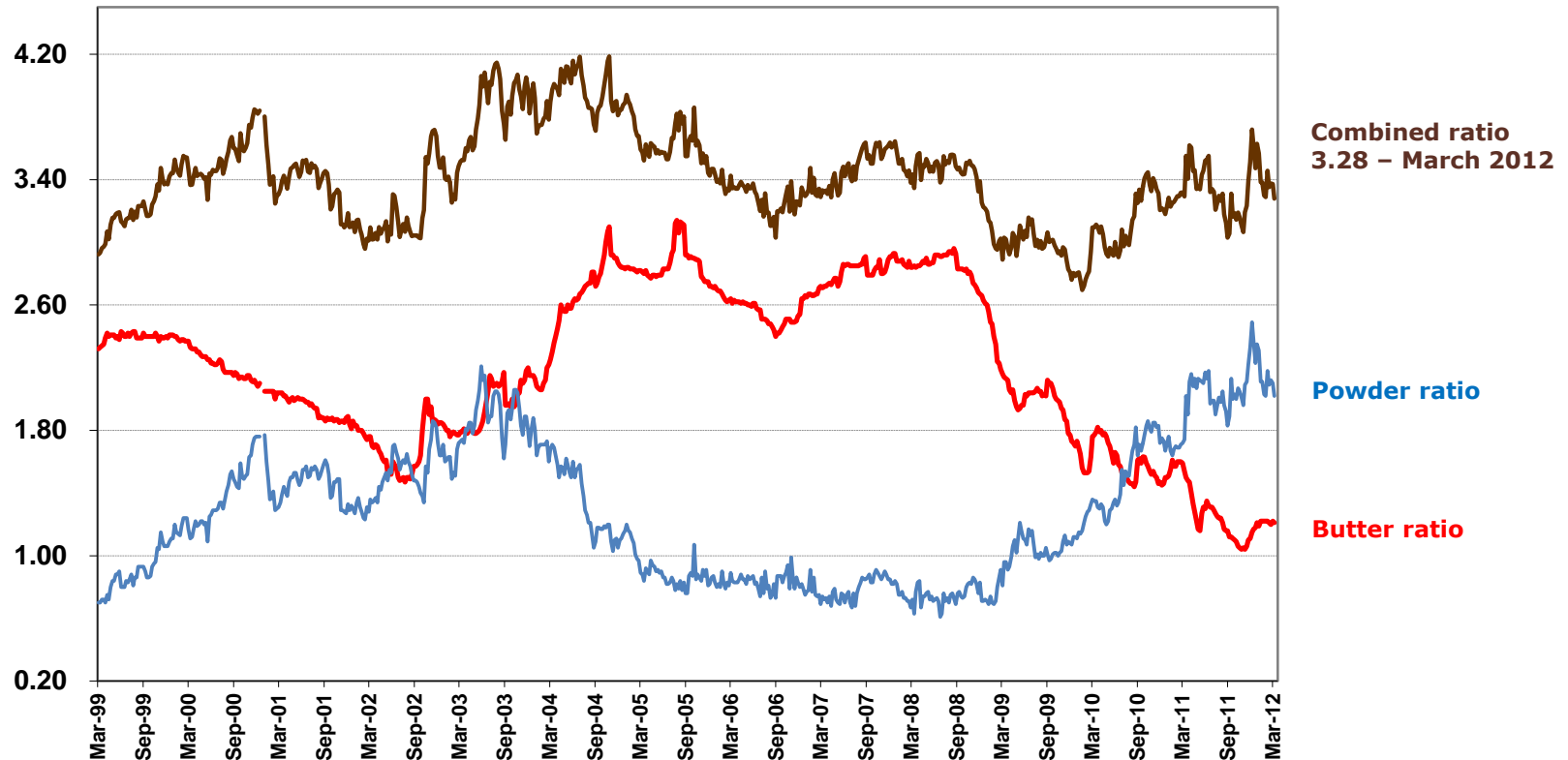




Cocoa processing activity

Combined cocoa ratio holding at a good level

Cocoa powder-butter combined ratio* – European ratios 6 months forward against LIFFE



- ▶ Combined ratio holds, but expected to be under pressure. Butter ratios continue tend down (getting close to 1). Powder more resilient
- ▶ Low combined cocoa ratios = negative impact on BC cocoa (semi-finished products) business

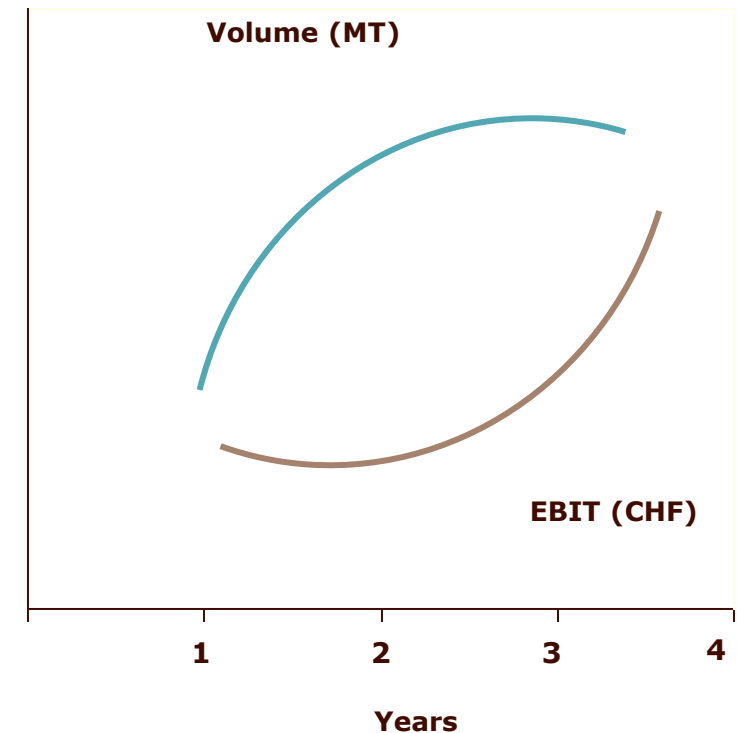


Impact from investments in future growth

Future volume growth requires:

- Additional production capacity: lower utilization and higher fixed costs at the beginning
- Additional overhead, such as QA, planning and supply chain management, customer service, IT support, etc
- Ramp-up related costs: engineering teams, matching recipes, sensoring teams, customer audits, pilot & small batch runs, etc
- Additional sourcing costs, such as working capital ramp-up, additional handling costs, cocoa certification and traceability efforts

Investing cycle for future growth

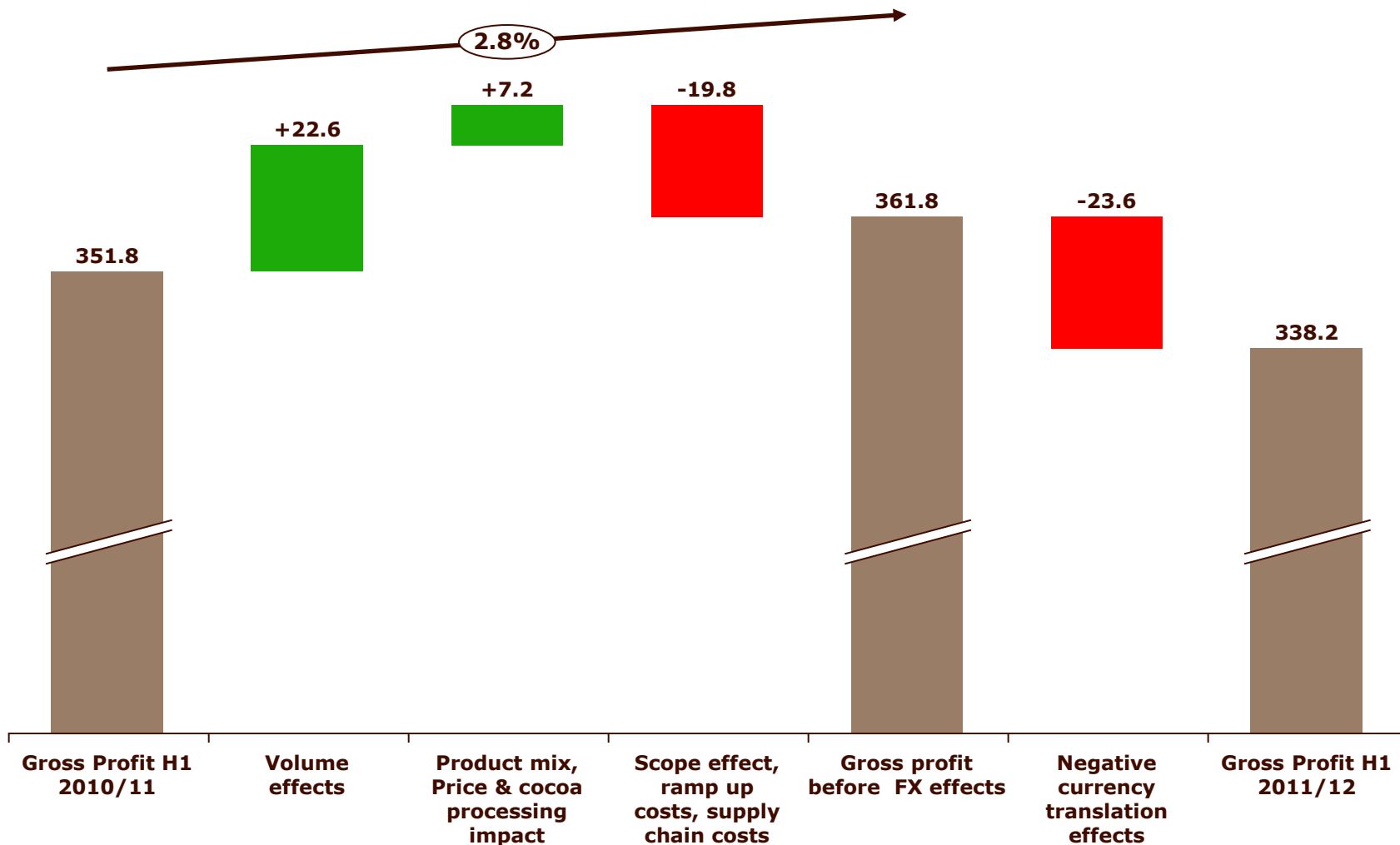


Gross Profit – February 2012 – from continuing operations

First six months impacted by some inefficiencies and shaping the organization for future growth



in mCHF

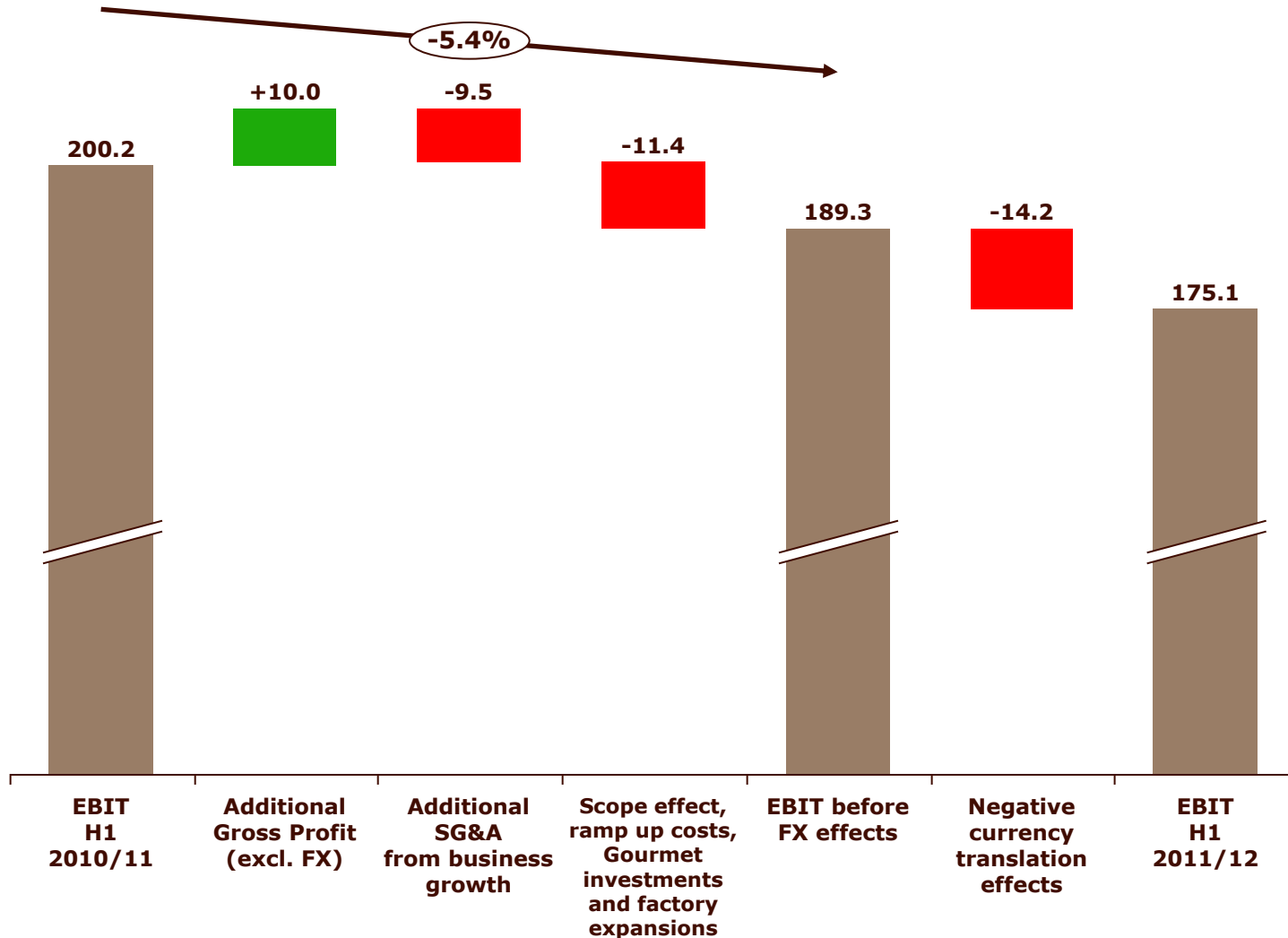


EBIT – February 2012 – from continuing operations

EBIT decline due to additional costs, investments in future growth and negative FX



in mCHF

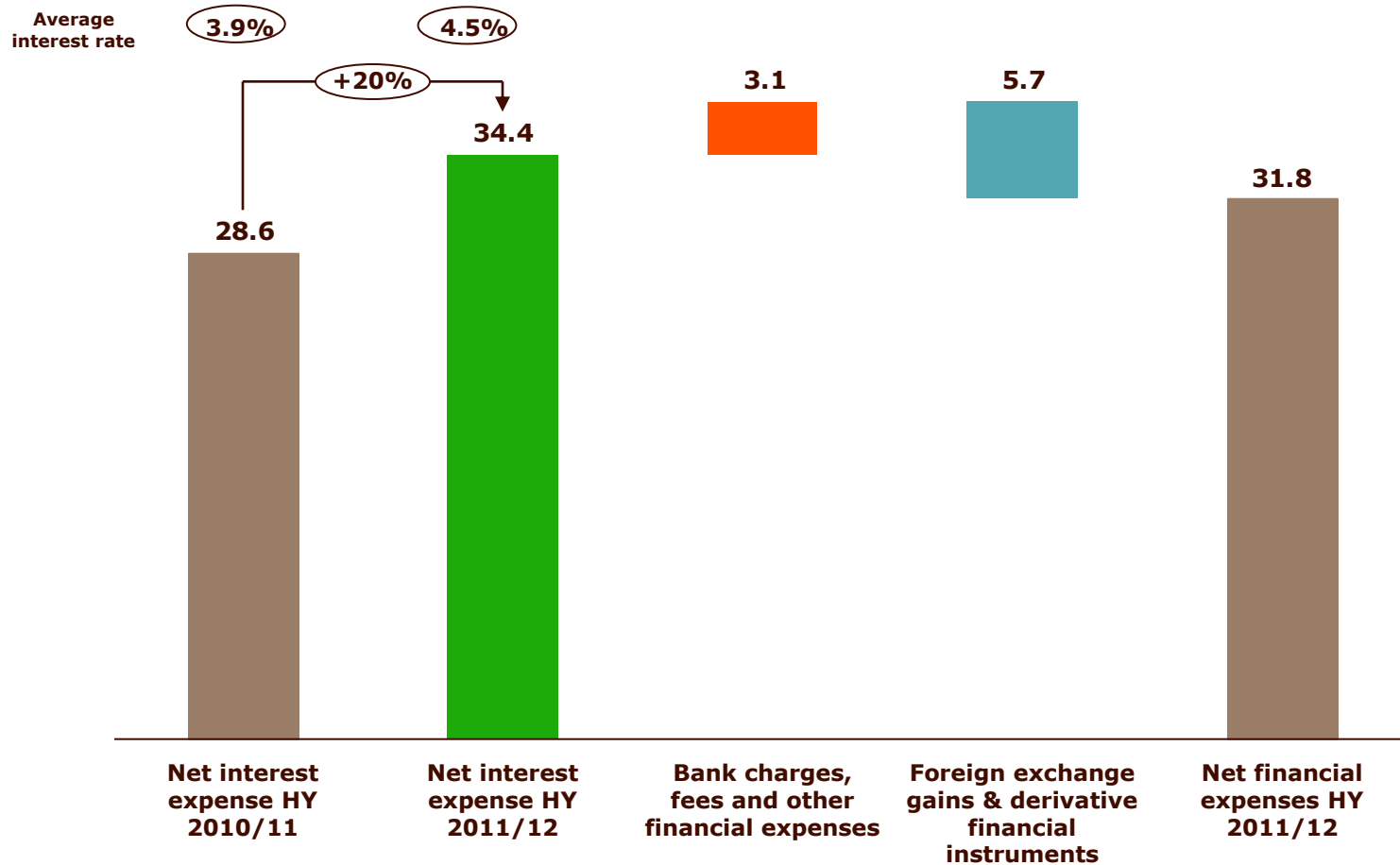




Net Financial Expenses

Higher financial expenses due to higher credit spreads from new bond

in mCHF - From continuing operations only



From EBIT to PAT

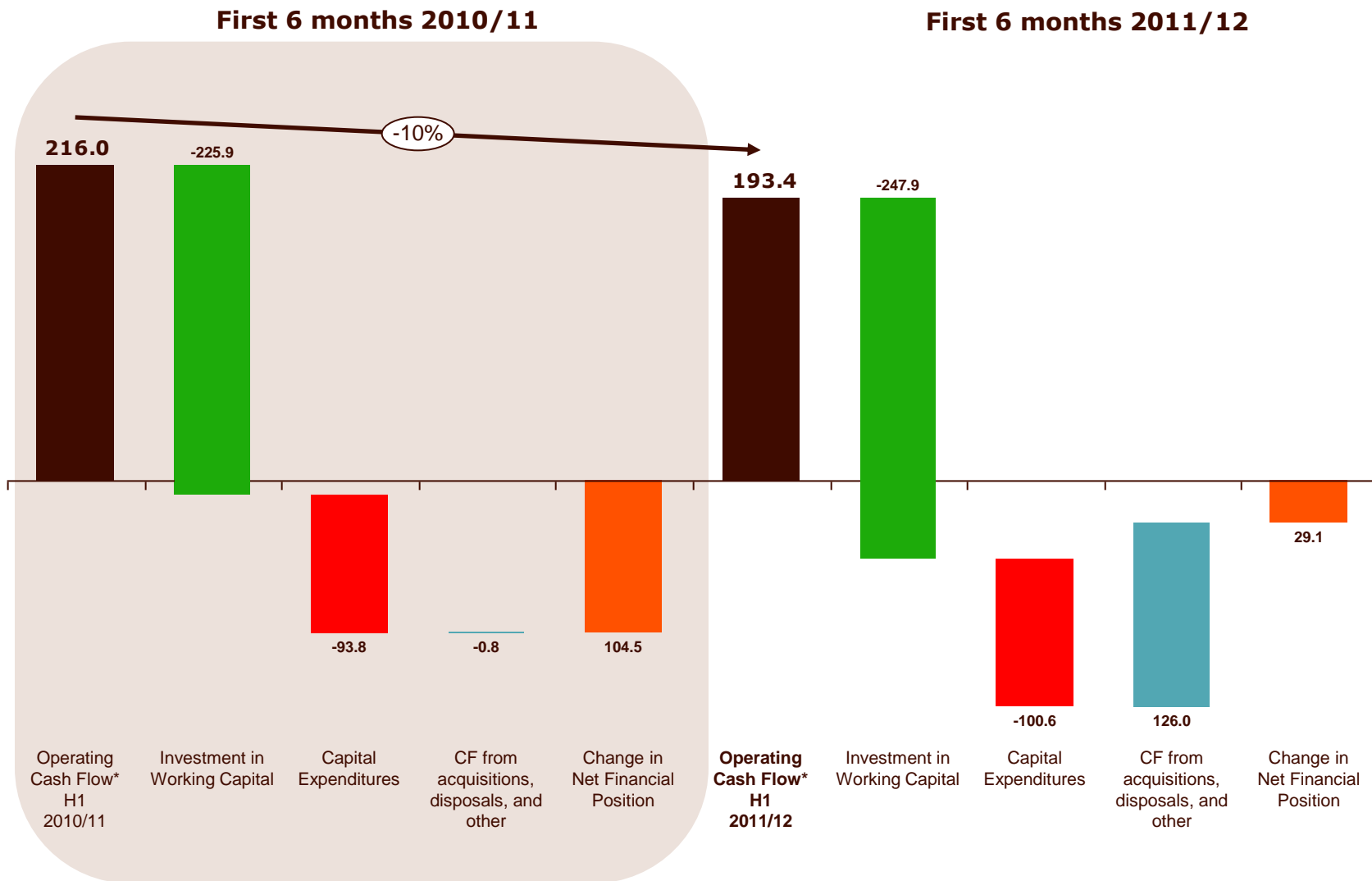
Net profit from continuing operations



	Change in % In local currencies	Change in % CHF	H1 2011/12	H1 2010/11 (restated)
Operating profit (EBIT)	-5.5%	-12.5%	175.1	200.2
Financial items	-15.1%	-7.1%	(31.8)	(29.7)
Result from investments in associates and joint ventures [CHF m]			0.3	0.9
Profit before Taxes [CHF m]	-12.6%	-16.2%	143.6	171.4
Income taxes	-3.1%	4.4%	(21.8)	(22.8)
<i>Tax rate [in %]</i>			15.2%	13.3%
Net profit from continuing operations¹ [CHF m]	-11.3%	-18.0%	121.8	148.6
Net result form discontinued operations			(31.7)	10.2
Net profit for period		-43.3%	90.1	158.8

¹ Net profit from continuing operations (including minorities)

Higher investments in Working Capital and CAPEX as a result of growth



* Before WC changes, after interest and tax



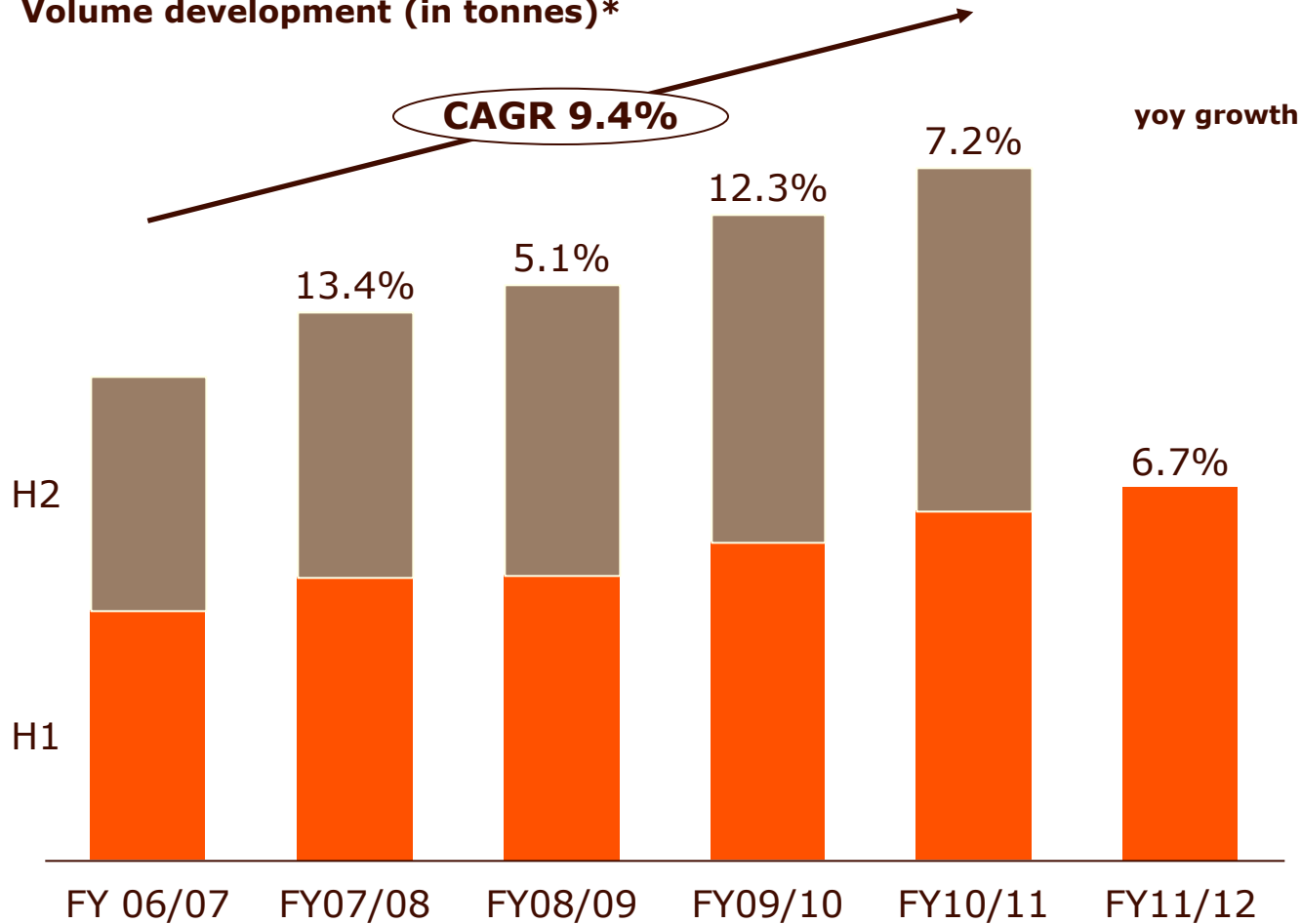
Solid balance sheet with strong ratios

	Change in %	Feb 12	Feb 11
Total Assets [CHF m]	-2.6%	3'875.7	3'979.1
Net Working Capital [CHF m]	-0.9%	1'045.1	1'054.1
Non-Current Assets [CHF m]	-3.9%	1'353.1	1'408.4
Net Debt [CHF m]	1.0%	965.5	956.2
Shareholders' Equity [CHF m]	-2.8%	1'301.0	1'338.9
Debt/Equity ratio		74.2%	71.4%
Solvency ratio		33.6%	33.6%
Net debt / EBITDA		2.4x	2.0x
Interest cover ratio		5.4x	6.5x
ROIC		14.0%	14.6%
ROE		18.5%	19.8%



Our performance in relation to our mid-term guidance

Volume development (in tonnes)*

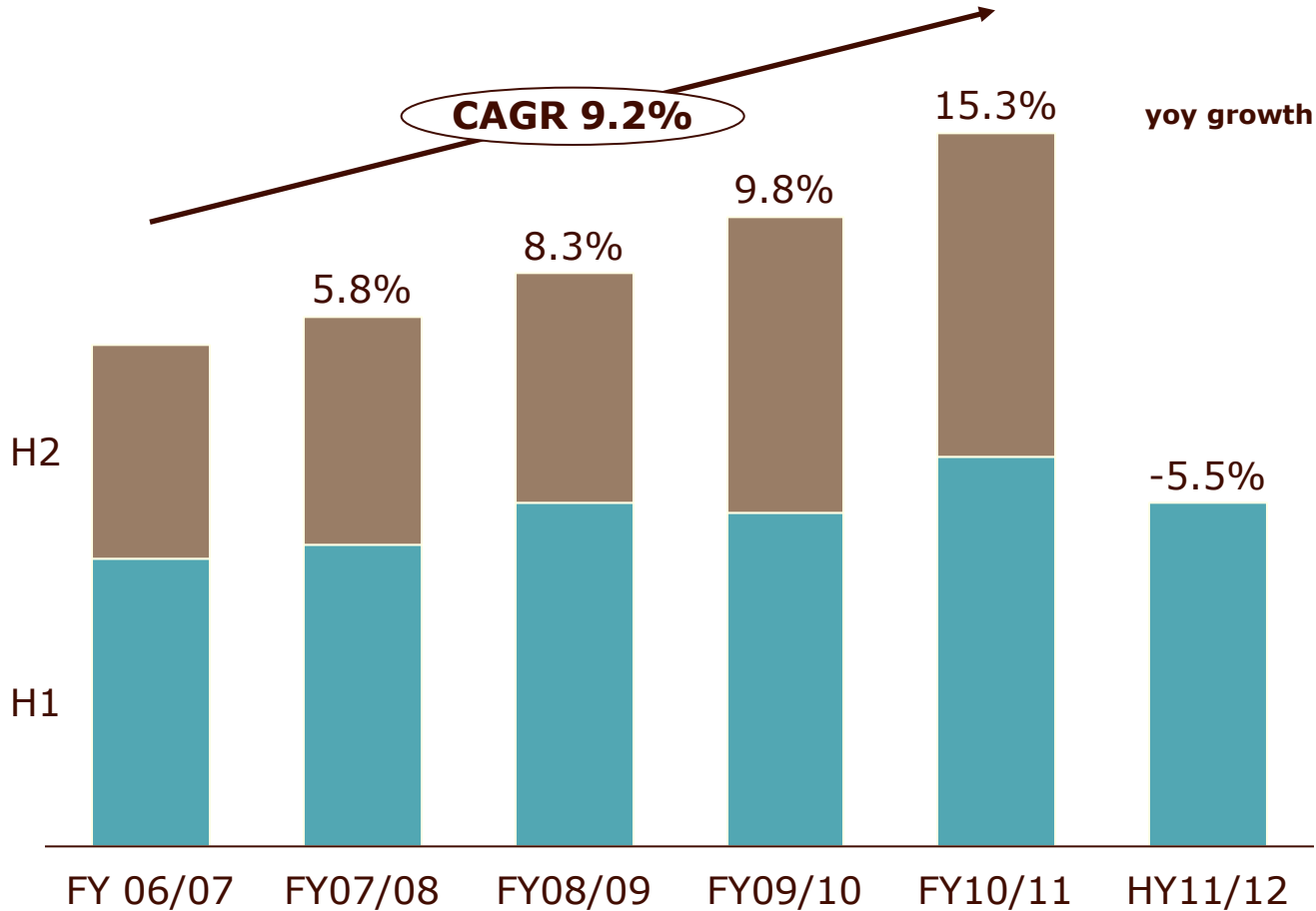


* Excluding consumer business



Our performance in relation to our mid-term guidance

EBIT development (in Local currencies)*



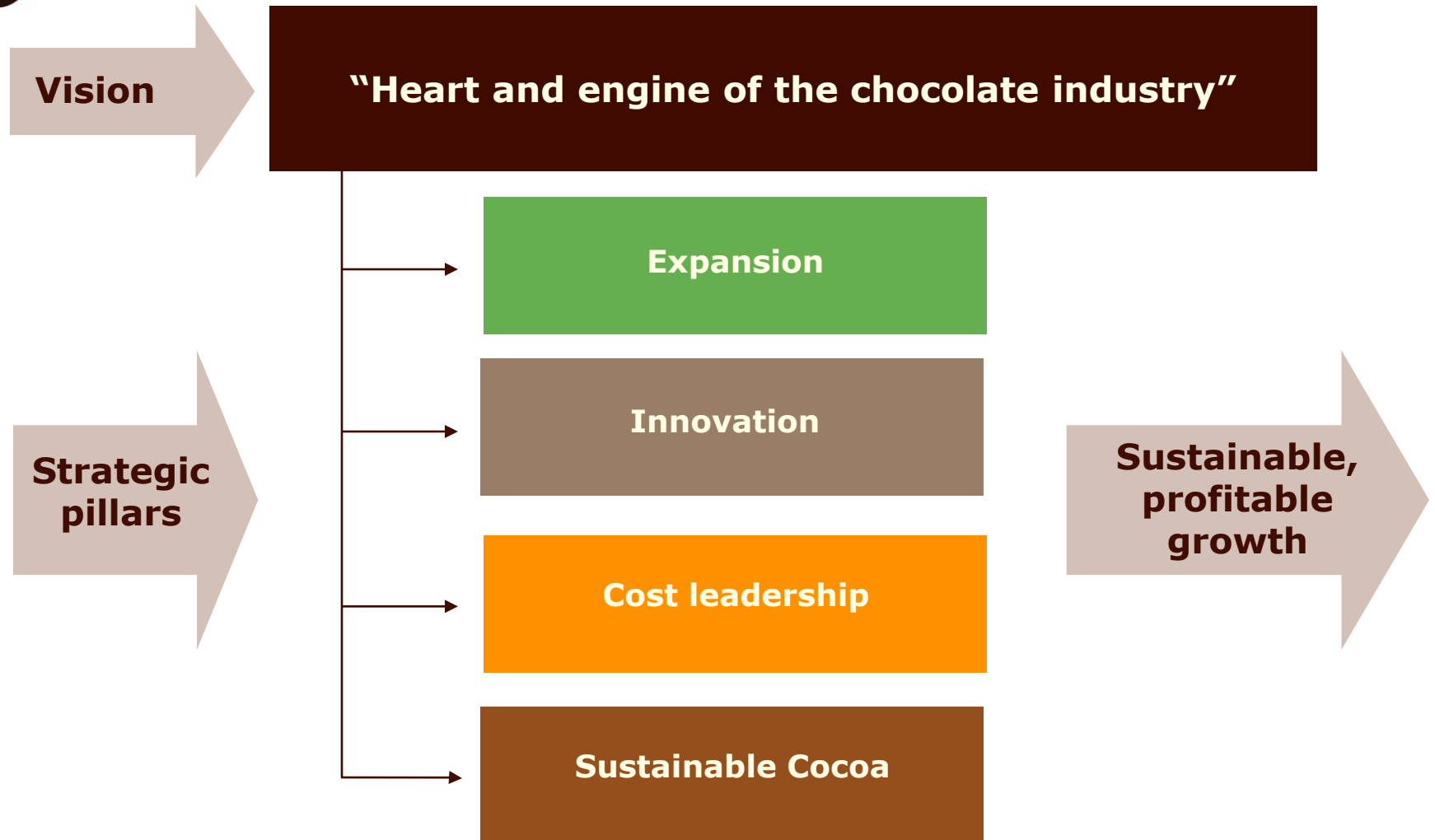
* Excluding consumer business



Agenda

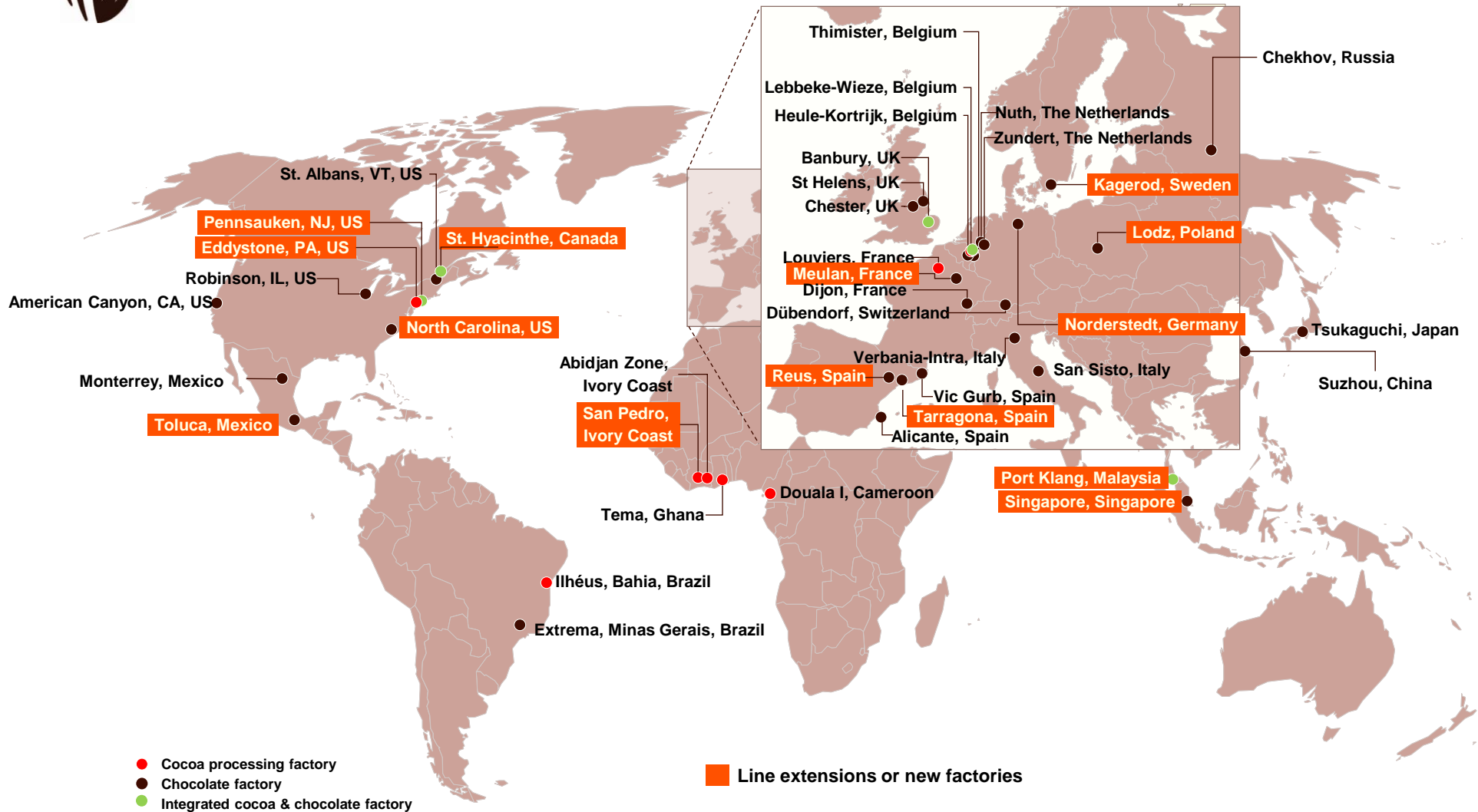
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Our Strategy



Expansion

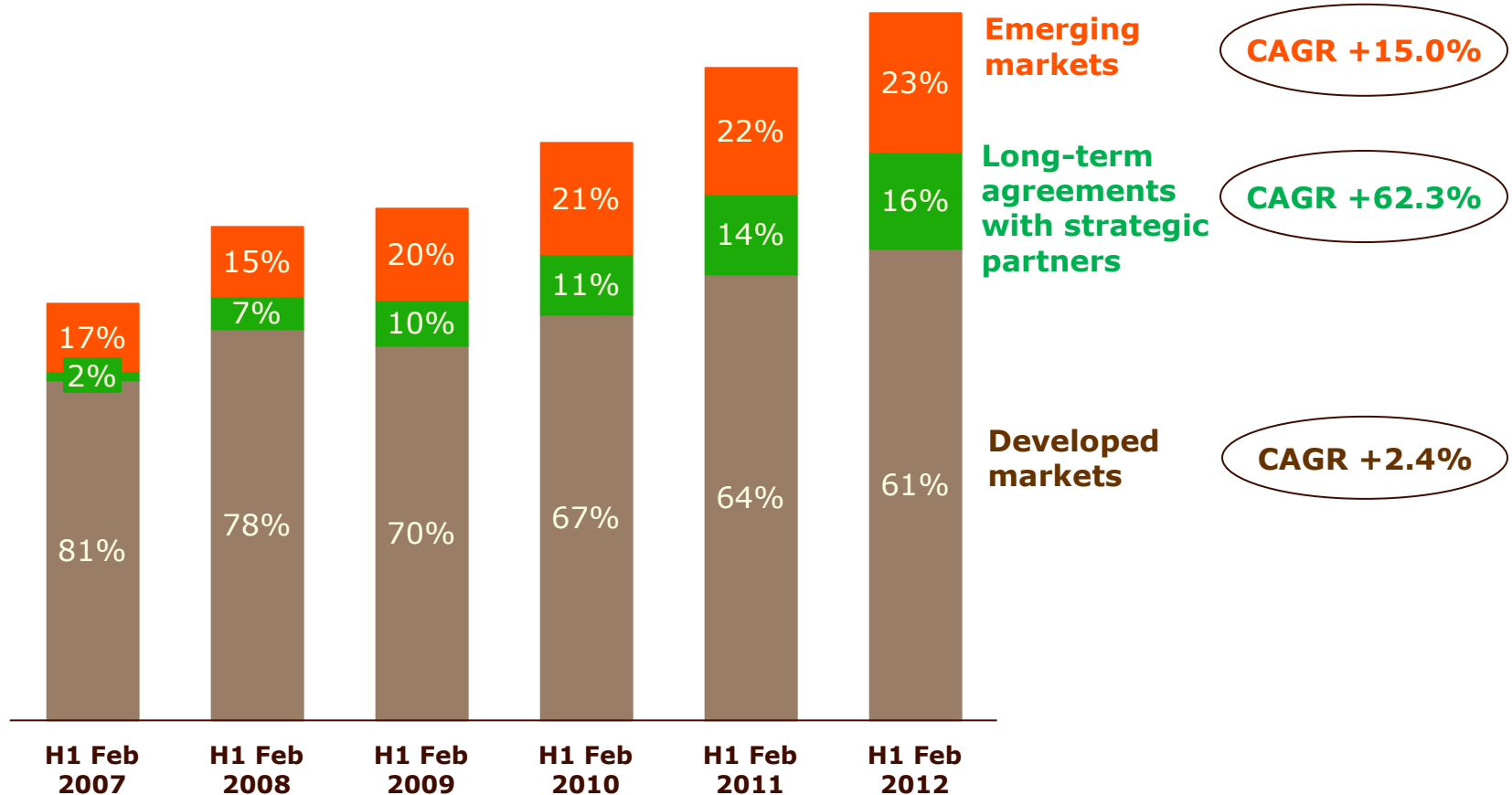
Expansion of our manufacturing footprint in the last 12 months





Expansion Growth driven by emerging markets and long-term agreements

% of total consolidated sales volume* - 5 year development



* Excluding Consumer Business

Expansion

Outsourcing and Strategic Partner of choice



2006-07



Nestlé
(February 2007)



**Cadbury
Schweppes**
(June 2007)



Hershey
(April 2007)



Morinaga
(September 2007)

2010-11



Kraft Foods
(September 2010)



**Green Mountain
Coffee Roasters**
(Oct 2010)



Hershey Extension
(May 2011)



Chocolates Turín
(June 2011)



Baronie Group
(July 2011)

2011-12



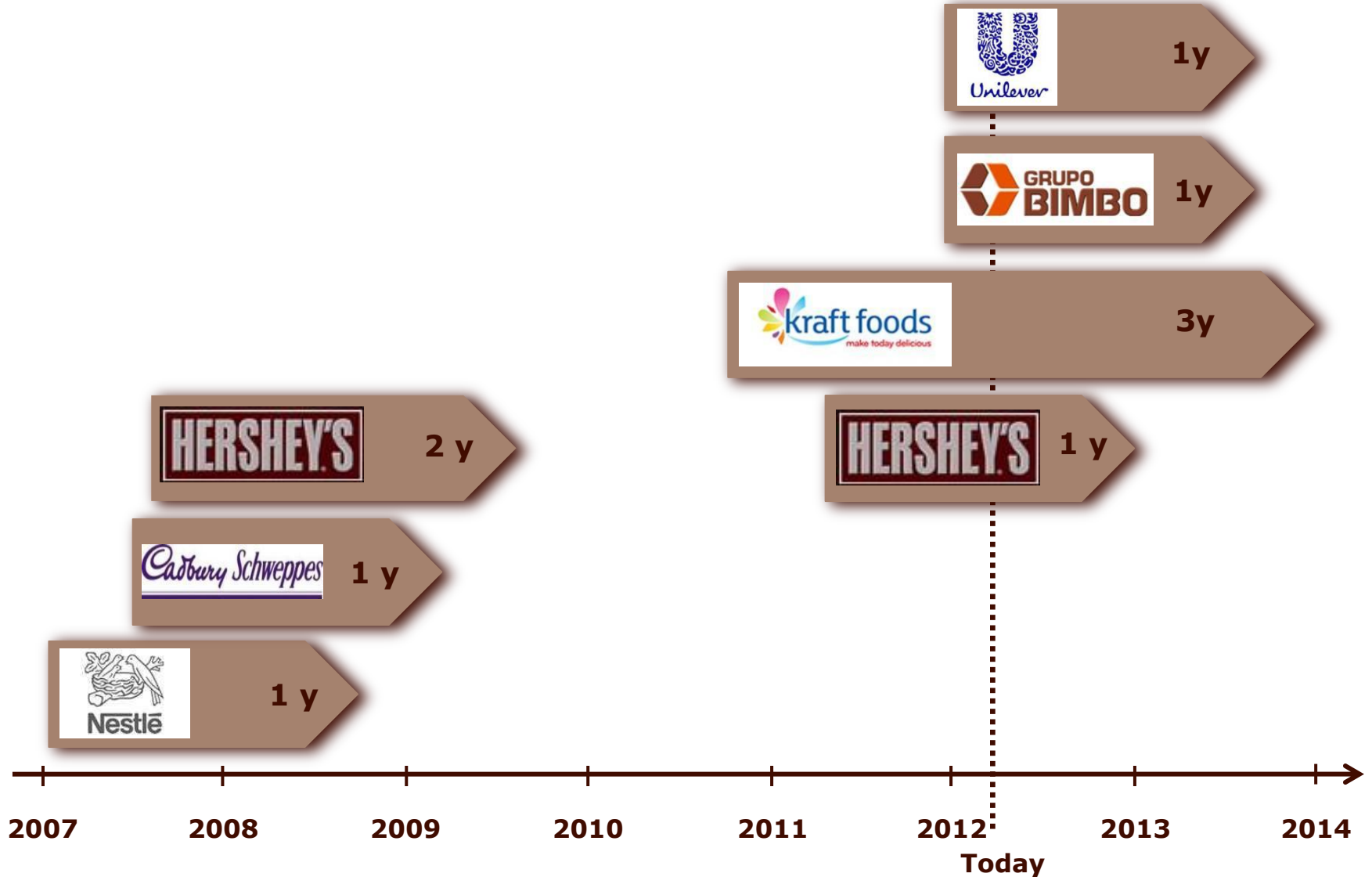
Bimbo
(Jan 2012)



Unilever
(Jan 2012)

Expansion

Ramp-up phases of recent long-term strategic agreements/outsourcing deals

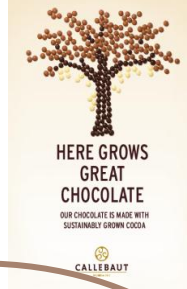




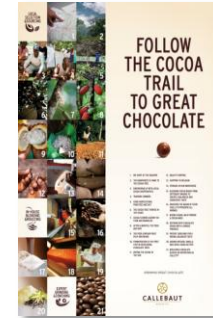
Accelerating Gourmet business Sharpen focus on global brands

**"Growing Great Chocolate"
360 Campaign**

Ads



In store posters



Press release & internal launch



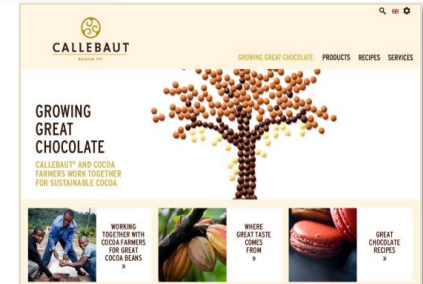
News Release

Callebaut® Growing Great Chocolate campaign
A renewed promise of integral quality from bean to chocolate, engaging customers into sustainable cocoa cultivation.
Since 2012, more than 100,000 people have been inspired to grow their own cocoa beans. This is the result of the "Growing Great Chocolate" campaign, which has been running since the beginning of the year. The campaign is a 360-degree effort, involving a wide range of media and communication channels. It includes a website, social media, press releases, and in-store posters. The campaign is designed to educate consumers about the importance of sustainable cocoa cultivation and to encourage them to grow their own cocoa beans. The campaign is a key part of Callebaut's commitment to social responsibility and sustainable cocoa cultivation.



LAUNCH MAY '12

New website



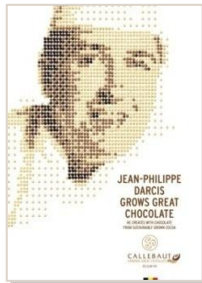
Sales organizer

Activation through personalization



Ambassador testimonials & recipes

Calletize your advertising



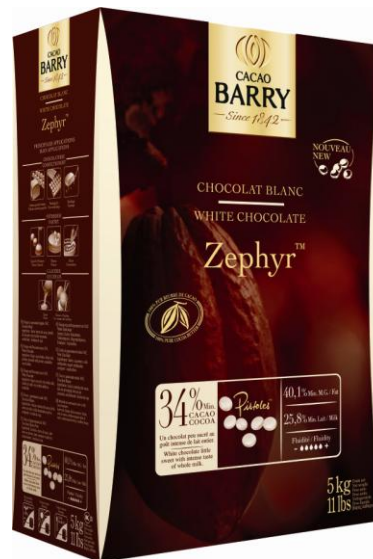
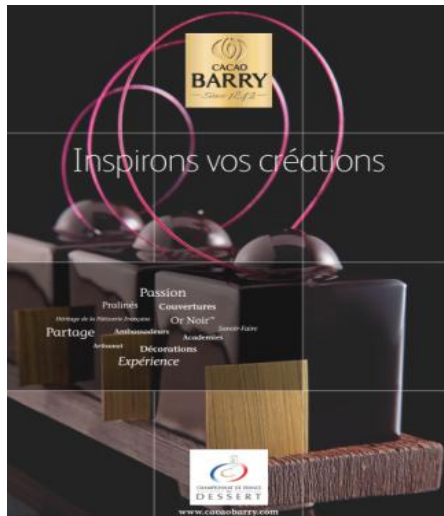
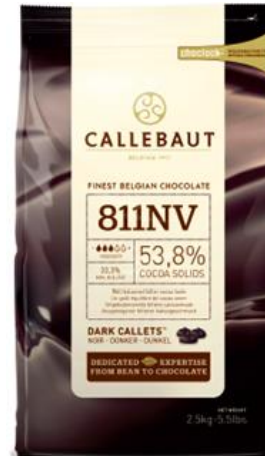
Digital & social media activation



Accelerating Gourmet business Sharpen focus on global brands



- ▶ Upgrade core pack with new Callebaut design
- ▶ Next Generation re-closeable pack



- ▶ Build Cacao Barry premium distinctive brand image
- ▶ Reinforce the Cacao Barry core range with new White Chocolate Zéphyr™



▶ **La Morella Nuts**

- ▶ Specialist in producing a variety of high quality nut-based ingredients
- ▶ Planned launches as of May 2012:
 - 8 new products under the Cacao Barry® brand
 - 10 new products under the Callebaut® brand
 - 50+ La Morella Nut products



▶ **Mona Lisa**

- ▶ Leader in chocolate decorations products in the U.S.
- ▶ Addition to our existing Center of Excellence for chocolate decorations in Zundert (NL); new, additional foothold in the U.S.



▶ **Fillings extension & renovation**

Innovation: Developed by Barry Callebaut

Award winning products and initiatives



- ▶ Innovation Award for Terra Cacao™ (FiE Nov 2011)
 - ▶ Most innovative Food Ingredient Award
 - ▶ Confectionery Innovation of the year
 - ▶ Barry Callebaut's most successful specialties launch
- ▶ Innovation Award for Stevia chocolate (ISM Jan 2012)
 - ▶ Belgium-based customer Cavalier
- ▶ Cocoa Industry Award (Nov 2011)
 - ▶ Joint agronomy research program with KLK Selborne Estate in Malaysia
 - ▶ Best plantation in Malaysia; given by Malaysian Cocoa Board





Cost Leadership Project Spring

Objective: Streamline our internal processes to improve the overall service for our Customers and create competitive cost advantage

Scope: Main focus areas in Western Europe

- Customer Service
- Pricing
- Sales & Operations Planning
- Quality Assurance
- New Product Introduction
- Source to Pay
- Master Data Harmonisation

Spend: EUR 30 mn (CAPEX and OPEX) over 2 years

Process
redesign

IT systems &
solutions

Project Mgt
related costs

Reorganization
costs

Benefits: Increase our speed to the market and adjust our organisation for future growth

Potential annual savings of at least EUR 10 mn fully effective as of year 3



Cocoa Horizons / Sourcing diversification



- ▶ Cocoa Horizons: CHF 40 Million to be invested in 10 years in origin countries; largest program in Barry Callebaut's history
 - ▶ Goals:
 - Increase cocoa farms productivity
 - Increase amount of certified cocoa
 - Improve livelihoods in cocoa communities
 - ▶ Focus:
 - Farmer Practices
 - Farmer Health
 - Farmer Education
 - Establish a Center of Excellence and Farmer Academies
- ▶ JV with PT Comextra Majora
 - ▶ New cocoa processing factory in Indonesia (sourcing diversification)
 - ▶ Helps to satisfy the increasing demand for cocoa products in the fast-growing Asia-Pacific region



Other initiatives

International Conference: Chocovision



A platform for informed discussion, discourse and debate for 200 senior business leaders and stakeholders in the cocoa, chocolate and retail industry, organized by Barry Callebaut



Strategy



Sustainability



Success





Confident to reach our mid-term financial targets

- ▶ Four-year average growth targets for 2009/10 –2012/13
 - Volumes: 6-8%
 - EBIT: at least in line with volume growth

* Our view for the 2009-2013 period reflects current economic forecasts for the markets we operate in as well as internal developments and their assumed impact on our performance, barring any major unforeseen events and based on local currencies.



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Summary



- ▶ Outpacing the market, significantly investing in future growth
 - ▶ Volume up +6.7%
 - ▶ EBIT decrease by 5.7%
 - ▶ Net profit for the period CHF 121.8 mn

- ▶ Significant investments in future growth along our strategic pillars
 - ▶ Investments in structures
 - ▶ Ramp-up of outsourcing deals
 - ▶ Investments in Gourmet
 - ▶ Factory expansions
 - ▶ Investments in our new pillar Sustainable Cocoa

- ▶ Committed to achieve our financial guidance

