Annual Results 2008/09

Analyst and Investor presentation

November 12, 2009

Impressions after 10 weeks

- **Strengths**
  - Entrepreneurship
  - Leading-edge manufacturing technology
  - Customer centric
  - Global footprint
  - Chocolate is an attractive product

- **Growth potential - through**
  - Further outsourcing deals
  - Regional expansion into emerging markets
  - Value-added products
  - Compound
  - Gourmet
  - Innovations

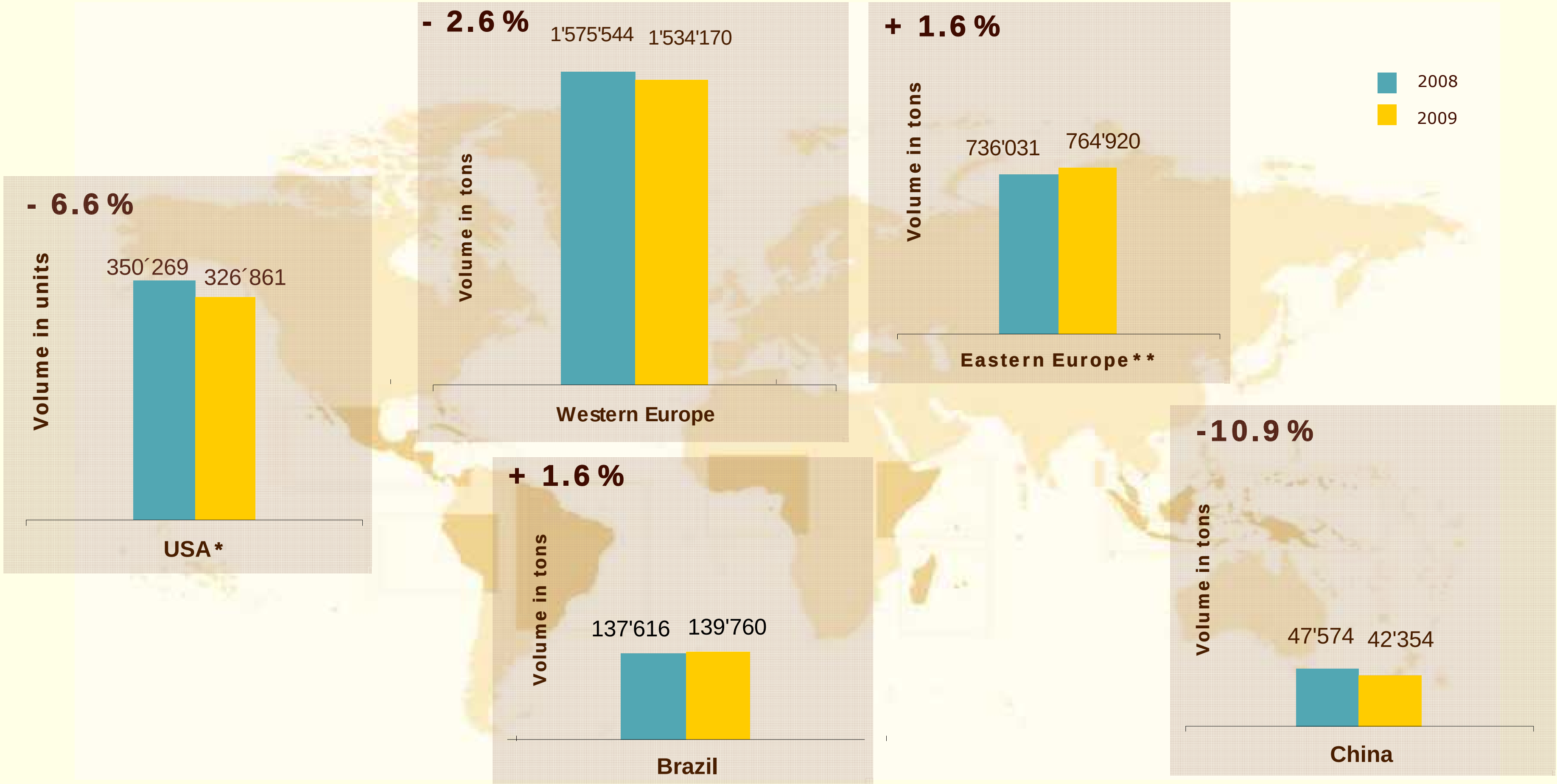
- **We are passionate about what we do**

Agenda

- **Highlights FY 2008/09**
- Financial and operational performance
- Strategy going forward & market opportunities
- Outlook
- Q & A

Exceptionally challenging markets:
Negative volume growth in mature markets – emerging markets still growing but slowed down

Global chocolate market declined by more than 2% in volume

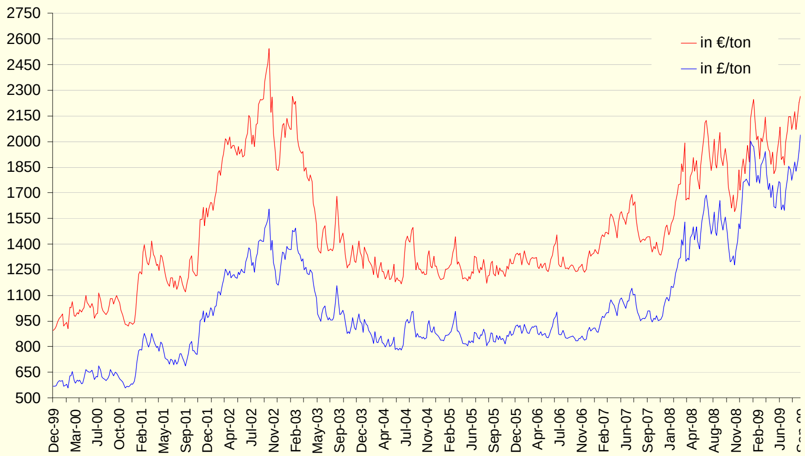


Source: Nielsen Data, Chocolate Confectionery, Sept 08 – July 09. Note: coverage and reporting periods of Nielsen varies from country to country
* USA figures are in 10'000 units not in tons and exclude Wal-Mart / USA: total chocolate categories (incl. Spreads, Cookies, Ice Cream, Drinks)
** Eastern Europe: Russia, Ukraine, Poland, Turkey

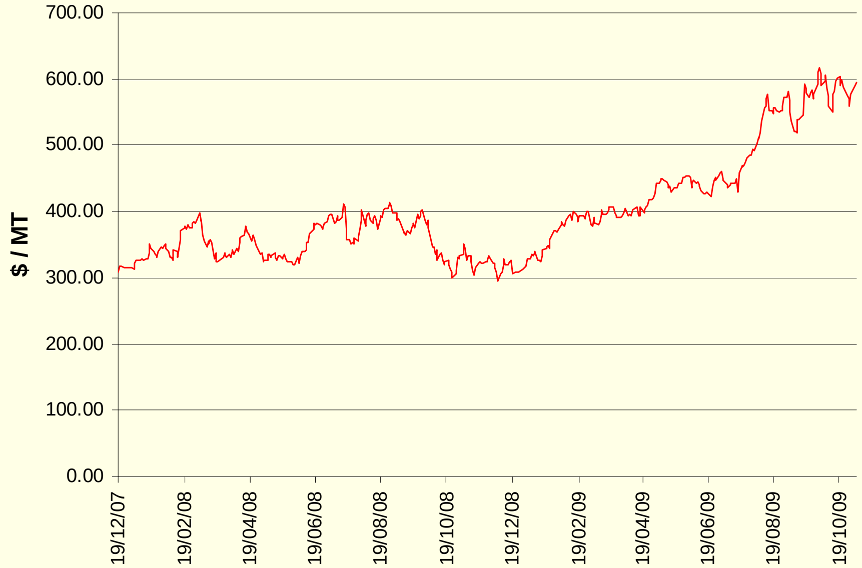
Raw material price development

Cocoa prices volatile, sugar price high

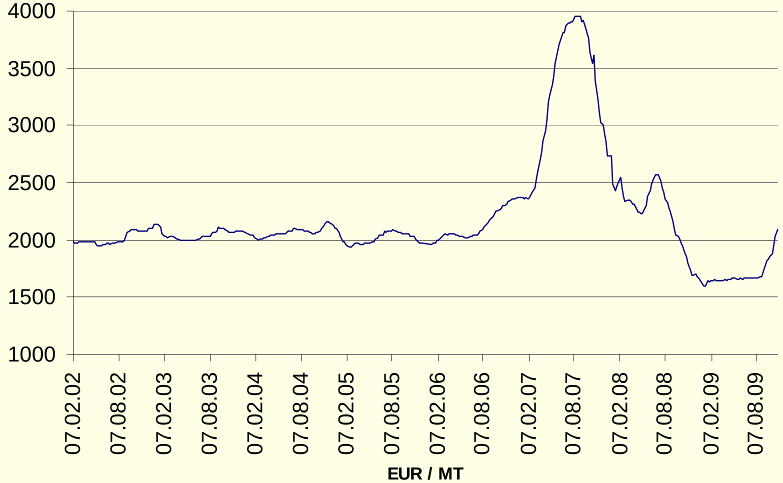
London Cocoa 2nd Position – weekly close in £/ton in EUR/ton



London Sugar No. 5 – 1st position



Skimmed milk powder prices

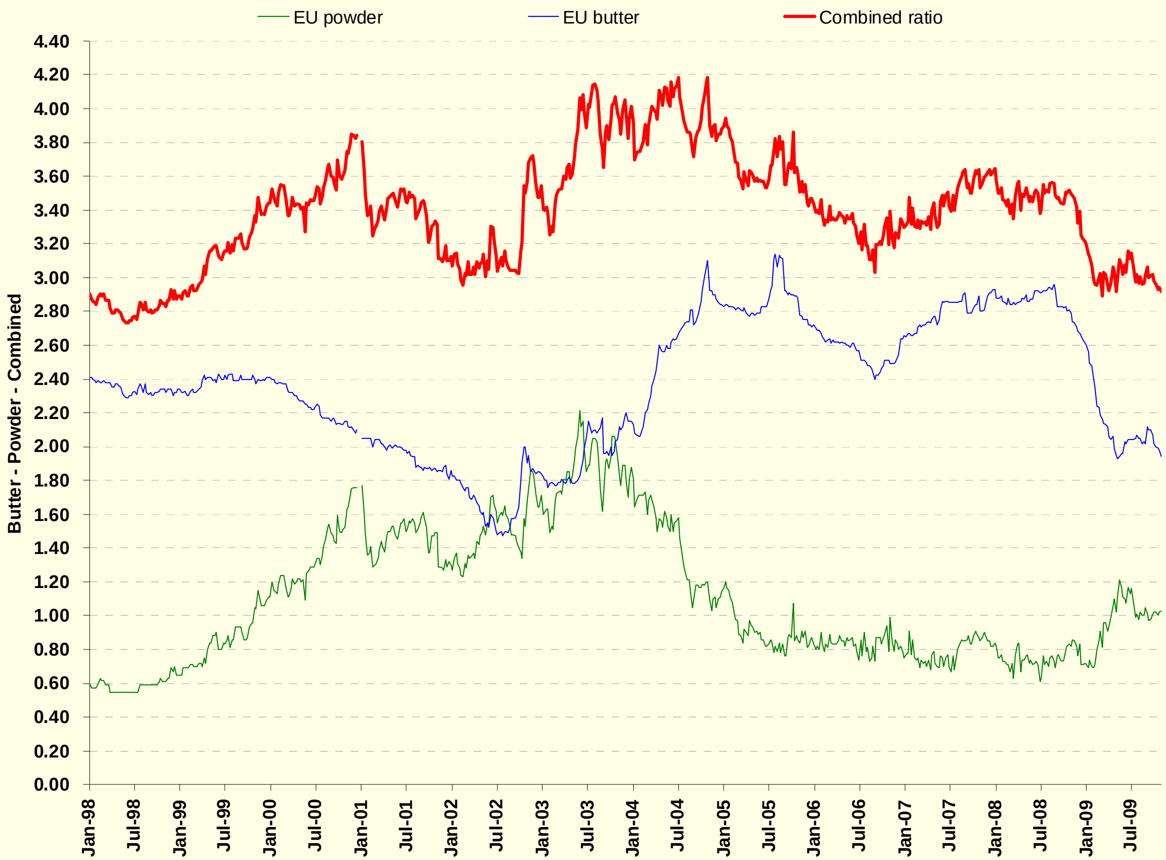


- BC's cost plus model for 80% of volume
- Cocoa price significantly above long-term average and highly volatile
- Steep increase in world sugar prices lately, yet Barry Callebaut is mainly sourcing in local, regulated sugar markets with different price mechanics

Raw material price development

Combined ratio hovering at low levels

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



- Combined cocoa ratio* was favorable in H1 2008/09, yet has been falling since start CY 2008 – currently at low levels
- Low combined cocoa ratios have a negative impact on BC cocoa (semi-finished products) business

* Price charged for semi-finished products compared to cocoa bean price

Financial summary 2008/09:

Delivering strong top-line and bottom-line growth

- **Sales volume** up 4.1% in a declining global chocolate market
  - Accelerating volume growth in the second half of the fiscal year: +8.7%
- **Sales revenue** up 8.5% in local currencies, driven by price increases (+1.3% in CHF)
- **Operating profit** (EBIT) up 9.5% in local currencies (+2.8% in CHF)
- **Net profit for the year** grew strongly by 18.5% in local currencies (+10.4% in CHF)
- Four **success factors**: geographic expansion, outsourcing deals, market share gains and ongoing cost savings programs
- **Repayment:** Proposal of a par value reduction and capital repayment of CHF 12.50 per share, up 8.7% compared to prior year

Strategic highlights 2008/09:

Focus on core business – Industrial & Gourmet

August / Sep-tember 2008
New Chocolate Academies in U.S. & India & Russia

September 2008
Acquisition of IBC, specialist in decorations (Gourmet)

October 2008
Opening of factory for frozen pastry in Spain

December 2008
Start of production in new factory and outsourcing agreement with Morinaga in Japan

January 2009
Inauguration of new factory in Monterrey, Mexico

February 2009
Barry Callebaut joins WCF and Bill & Melinda Gates Foundation initiative to significantly improve cocoa farmer livelihoods in West Africa

February 2009
Sale of Van Houten Singapore consumer business to Hershey's

April 2009
Barry Callebaut Brazil S/A, and Bunge signed a distribution agreement for Brazil

June 2009
Acquisition of Danish Vending mix company Eurogran to further strengthen our Vending business

November 2009
Agreement signed to acquire Chocovic in Spain

1st quarter 2010
Chocolate factory in Brazil

Expanding our core business:

Intended acquisition of Chocovic in Spain

- Agreement signed with Nederland Group to acquire Spanish chocolate maker Chocovic
- Facts & Figures on Chocovic:
  - Approx. EUR 60 million sales revenue (2008)
  - 30,000 tonnes of chocolate and specialty products (2008)
  - Approx. 120 employees
- Chocovic has two highly complementary customer segments and brand/product portfolios:
  - Industrial (60%) and Gourmet (40%)
  - Chocovic and Novacrem
  - Couvertures (~60%), compounds, fillings, other specialities
- Excellent, future-oriented opportunity for Barry Callebaut
  - Strengthens our position in Spain and increases customer proximity
  - Is a perfect complement to our existing offering
  - Will serve especially as a platform to further build our Gourmet business
- Transaction expected to close by early 2010

Strategic highlights 2008/09:

Significant steps in implementing our strategy

Strategy

Achievements

Geographic expansion

Targeted geographic expansion:

- Factories in Japan (2008), Mexico (2009), Brazil (2010)
- Chocovic (E)

Expanding capabilities and product ranges:

- IBC decorations (B)
- Premium pastry factory (E)
- Eurogran vending mix products (DK)

Innovation

Fundamental R&D:

- 11 clinical studies in 2008/09 to substantiate health-enhancing benefits of cocoa and chocolate

Applied R&D:

- More than 650 successfully completed projects for and with customers
- More than 400 technical visits

Cost leadership

Purchasing power

Cost savings and efficiency improvement programs

Reduction of manufacturing costs per tonne

Improved distribution set-up

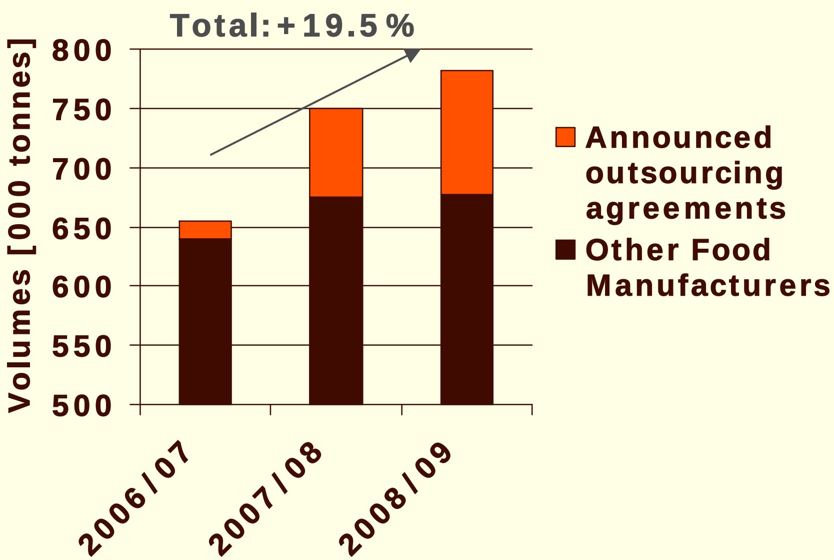
Expansion in origin countries resulting in raw material and cost benefits

Excellence programs

Strategic highlights 2008/09:

Outsourcing contracts on track

- **Nestlé**: Outsourcing contract is fully implemented
- **Hershey's**: Strong increase in deliveries out of our Mexican and US factories – volumes with Hershey's will again increase in FY 09/10
- **Cadbury**: Running on track
- **Morinaga**: Factory started production in Dec 2008 as planned



- Implementation of announced outsourcing deals on track - volumes of approximately 105,000 MT delivered in 08/09, remaining 45,000 MT contracted will mostly come through in 09/10

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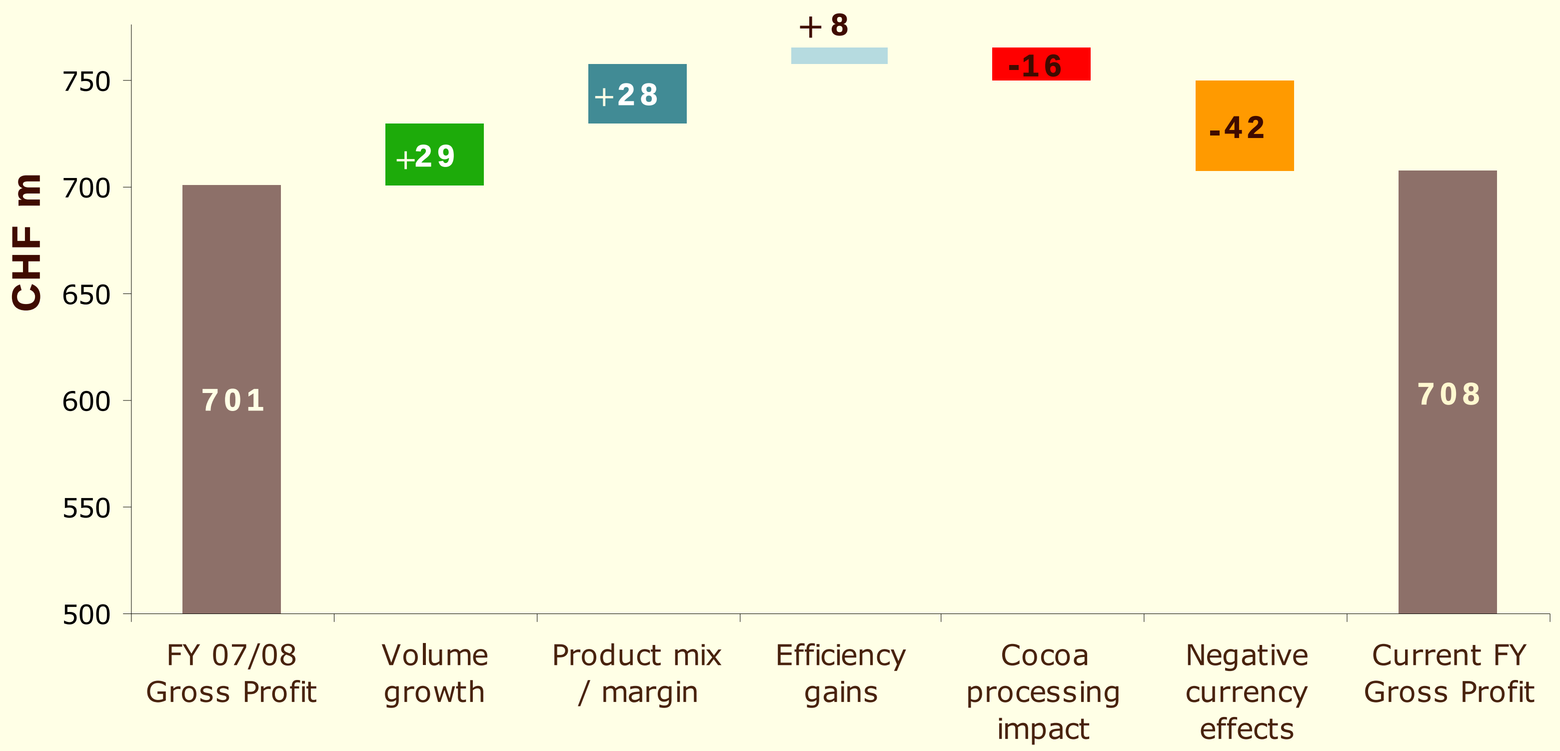
Key Figures
Strong profit growth in local currencies

	Change In local currencies	Change	FY 2008/09	FY 2007/08
Sales volume [in tonnes]		**4.1%**	**1'213'610**	**1'166'007**
Sales revenue [CHF m]	*8.5%*	**1.3%**	**4'880.2**	**4'815.4**
CHF per tonne	*4.3%*	*-2.6%*	*4'021*	*4'130*
Gross profit [CHF m]	*7.0%*	**1.0%**	**707.8**	**700.8**
CHF per tonne	*2.8%*	*-3.0%*	*583*	*601*
EBITDA [CHF m]	*9.2%*	**2.8%**	**456.1**	**443.7**
CHF per tonne	*4.9%*	*-1.2%*	*376*	*381*
EBIT [CHF m]	*9.5%*	**2.8%**	**350.8**	**341.1**
CHF per tonne	*5.2%*	*-1.2%*	*289*	*293*

GROSS PROFIT
Margin positive, combined ratio & FX negative

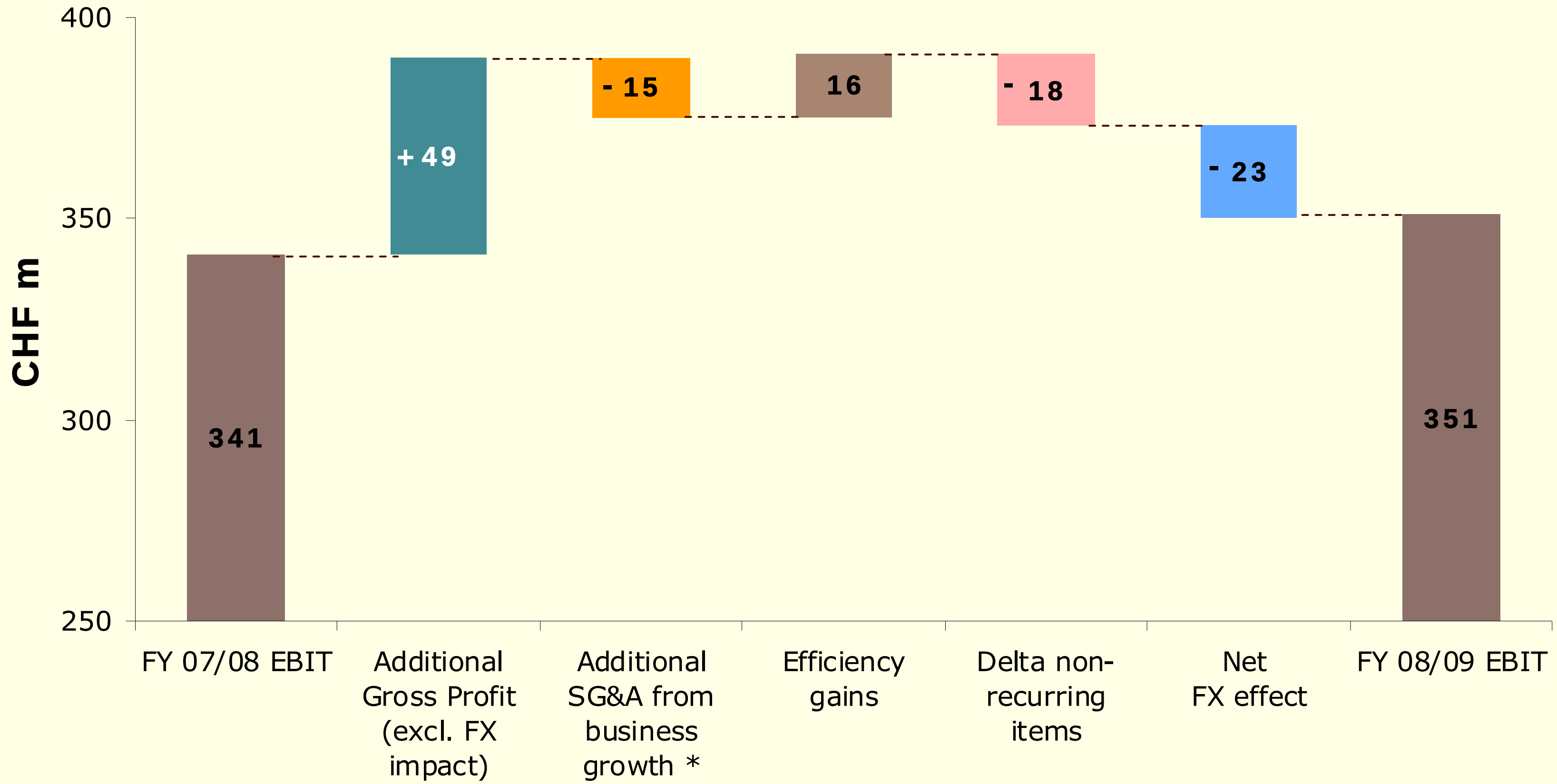
in CHF m



EBIT

Efficiency gains positive, Δ non-recurring & FX negative

EBIT development [CHF m]

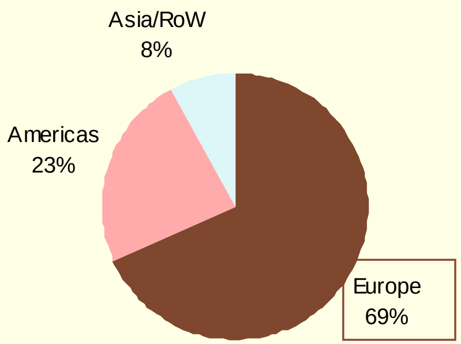


* Assuming growth with volume

Region Europe:

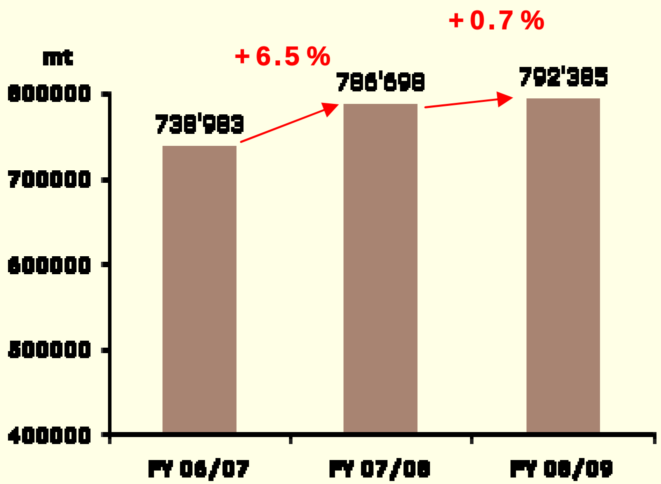
Market impacted by recession – volumes regaining momentum in H2

Regional revenue split 08/09

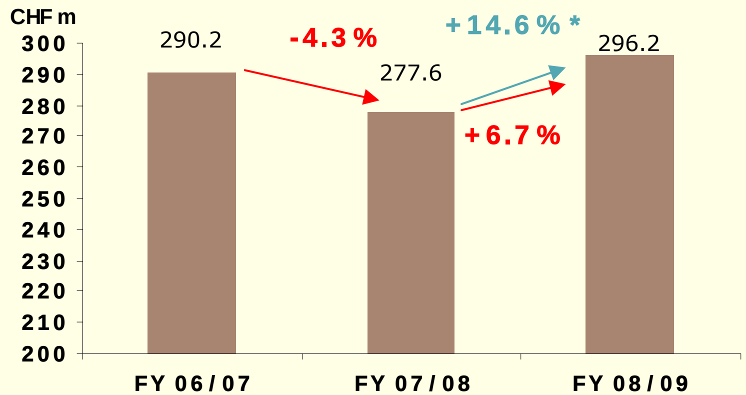


- Declining chocolate consumption in particular in mature markets.
- BC achieved slight growth supported by Eastern Europe and a rebound in activities in the second half-year.
- HORECA sales in Gourmet division affected by reduced restaurant spending, while bakery / pastry segment proved more resilient.
- Consumer with slight volume growth (like-for-like) and well improved profitability.
- Expansion in Beverages (segment G&S) by acquiring the highly complementary Danish vending mix business Eurogran.
- EBIT benefited from better margin/mix and efficiency gains, suffered from translation into CHF.

Volumes



EBIT

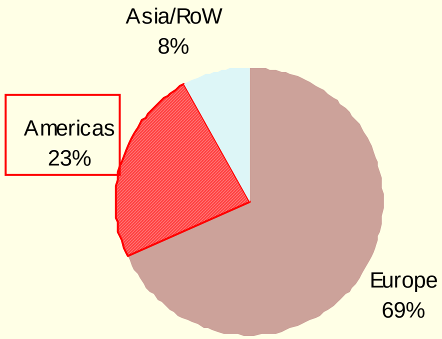


* In local currencies

Region Americas:

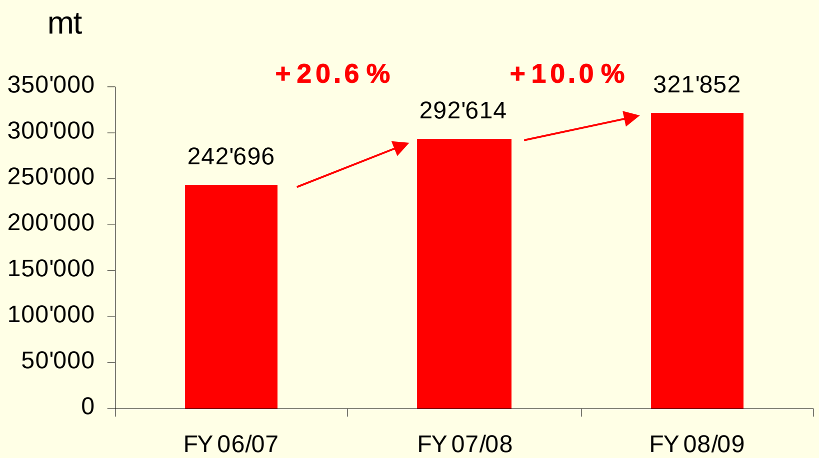
Market share gains in a declining market

Regional revenue split 08/09

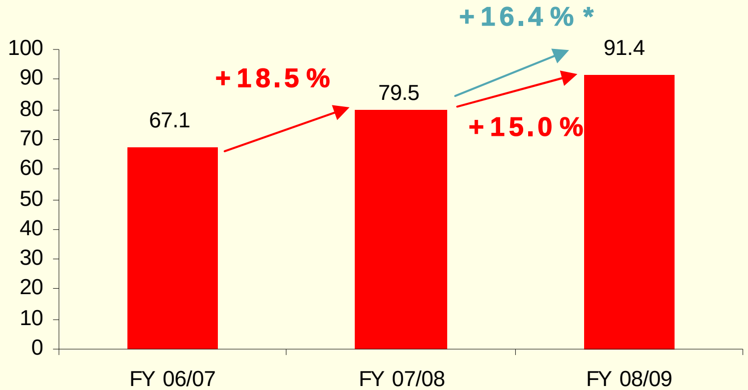


- Continued expansion in difficult market environment.
- Barry Callebaut with a strong sales volume growth due to deliveries from Mexico plant to Hershey’s, increased share of wallet with other key account customers, and business gains with new customers.
- Expansion to South America (Brazil plant) started.
- EBIT increased strongly, supported by volume growth, better margin/mix and cost control.

Volumes



EBIT

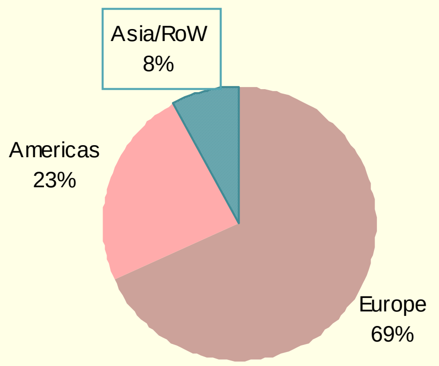


* In local currencies

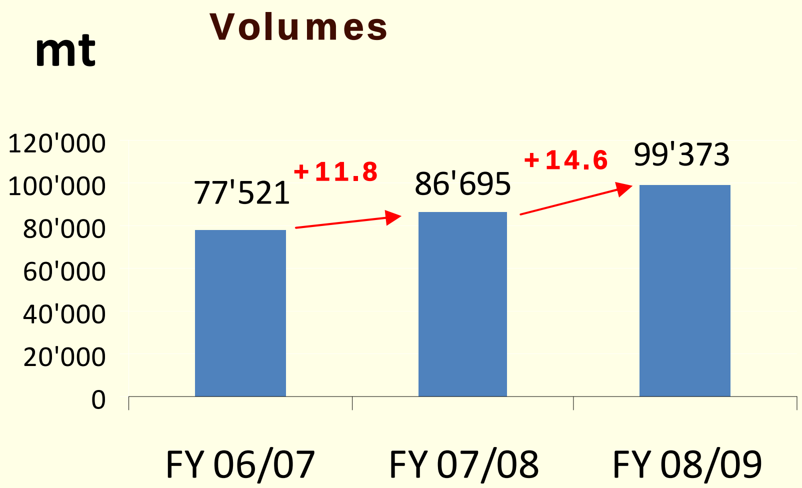
Region Asia/RoW:

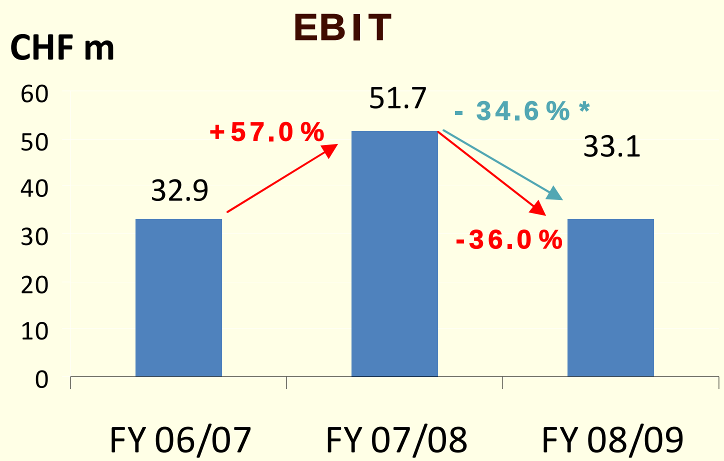
Well positioned for further growth

Regional revenue split 08/09



- Results partly distorted due to changes in scope (e.g. profitable sale of consumer activities in Asia and Africa).
- Sales volume up 14.6%, partly due to the acquisition in Malaysia, the new outsourcing agreement with Morinaga in Japan and organic growth.
- Locally made Gourmet products compensated for drop in imported high-end products.
- Operating profit decreased by 36.0% to CHF 33.1 million, impacted by change in scope and start-up costs for the new factories



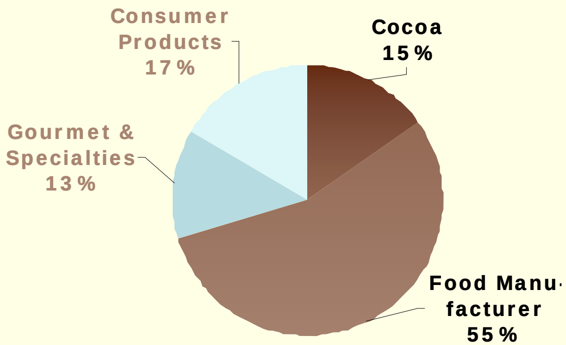


* In local currencies

Industrial Segment:

Benefiting from key accounts and local customers – cocoa margin suffering from lower combined ratio

Revenue by Business Unit 08/09



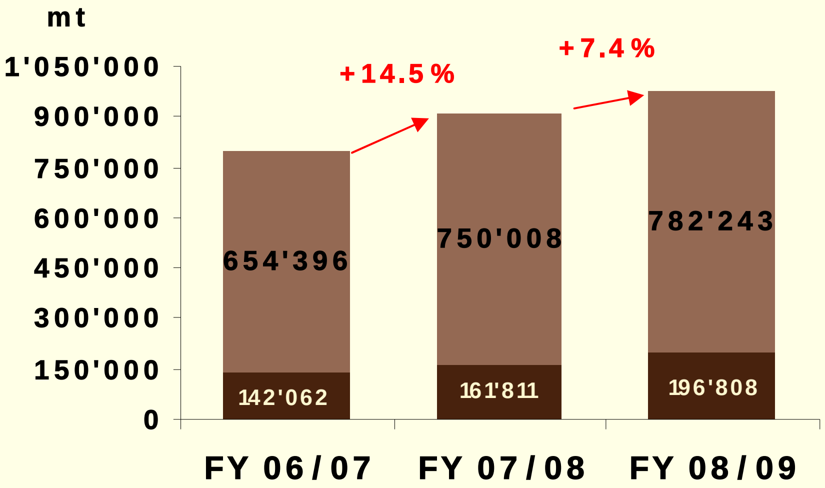
Cocoa

- Cocoa volumes up by 22% due to the acquisition in Malaysia as well as the expansion of existing sites and activities
- Combined cocoa ratio** dropped sharply Oct 08 – March 09, stabilizing at a low level and negatively impacting the profit of H2.

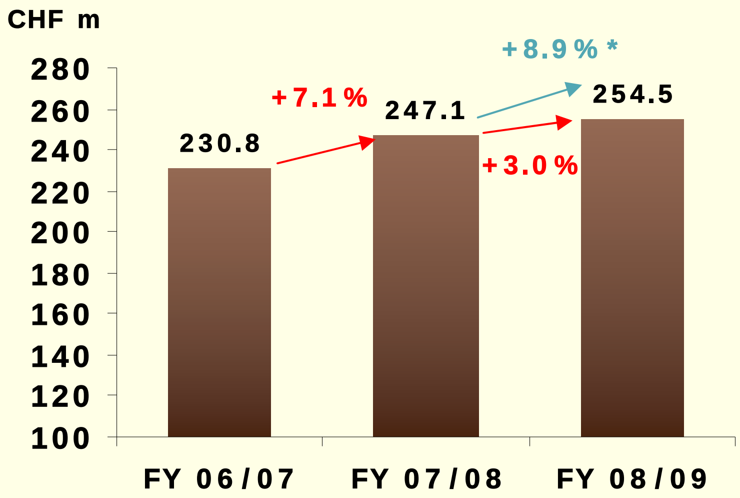
Food Manufacturers

- After difficult H1, impacted by low consumer demand and de-stocking, good pick-up of deliveries in H2
- All big outsourcing contracts on track, additional new volumes gained with corporate accounts

Volumes



EBIT

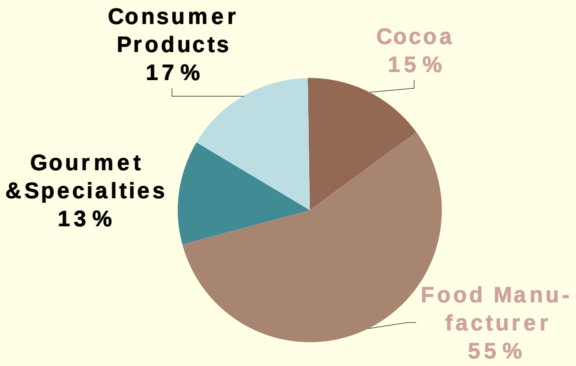


* In local currencies

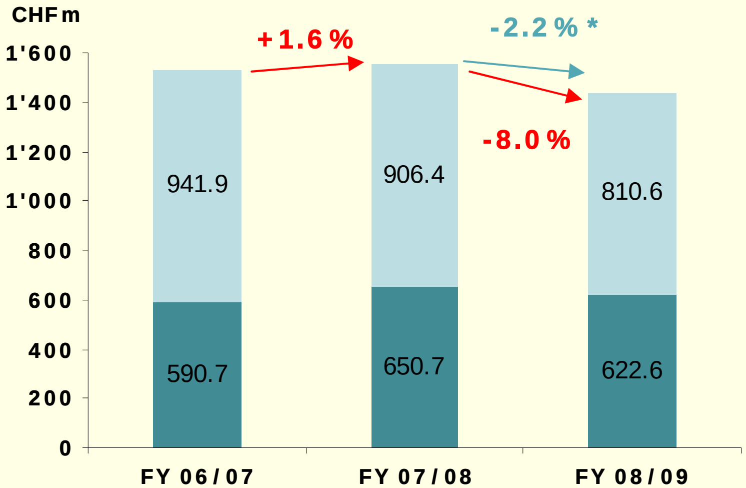
** Price charged for semi-finished products compared to cocoa bean price

Food Service/Retail Segment:
Shift from restaurant consumption to at-home eating, Consumer unit recovered

Revenue by Business Unit 08/09



Sales Revenue



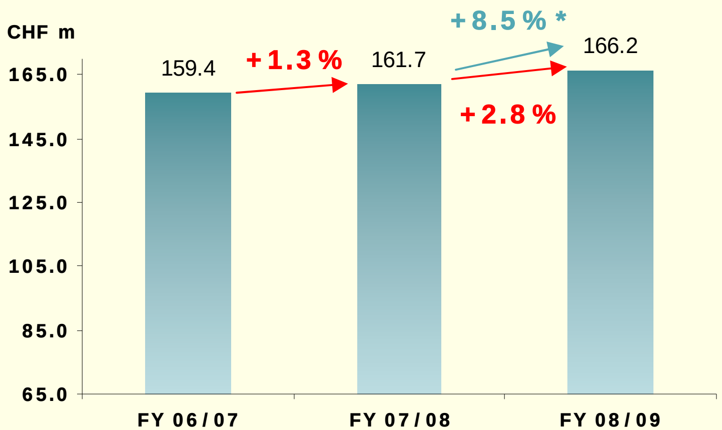
Gourmet & Specialties

- Gourmet affected by down-trading, but managed to maintain its sales revenue in local currencies at the prior-year level, and even gained market share.
- Expansion of product range via acquisition of IBC (chocolate decorations) and Chocovic (mid-range products, specialties)

Consumer Products

- Sales growth (adj. for FX and scope) by 4% due to market share gains with branded products in strong PLB business
- Strategic decision to exit consumer business confirmed

EBIT

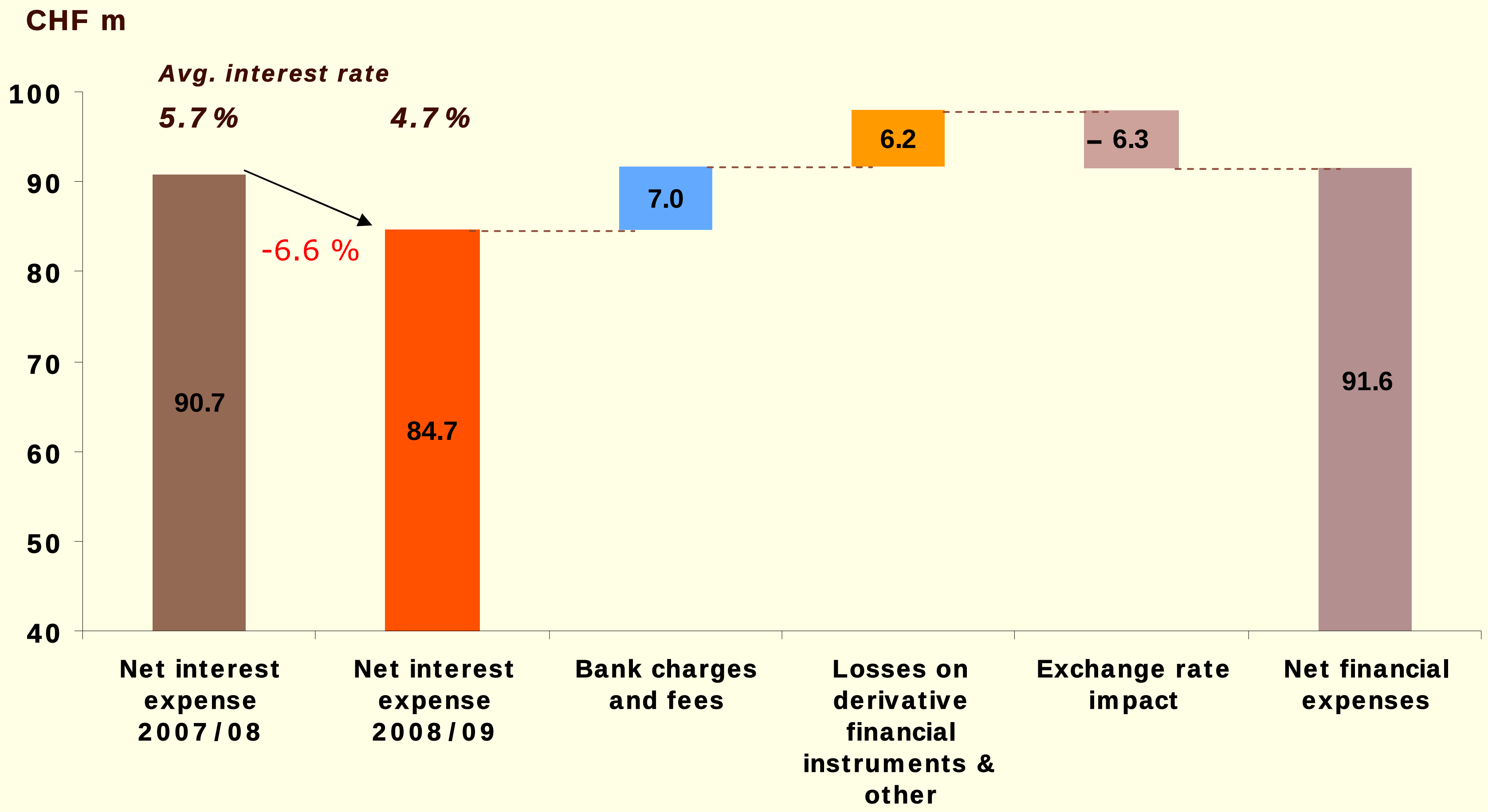


* In local currencies

Below EBIT - Financial Expense:

Stable net interest rate, but higher avg. debt capital employed

FY 2008/09



From EBIT to PAT:

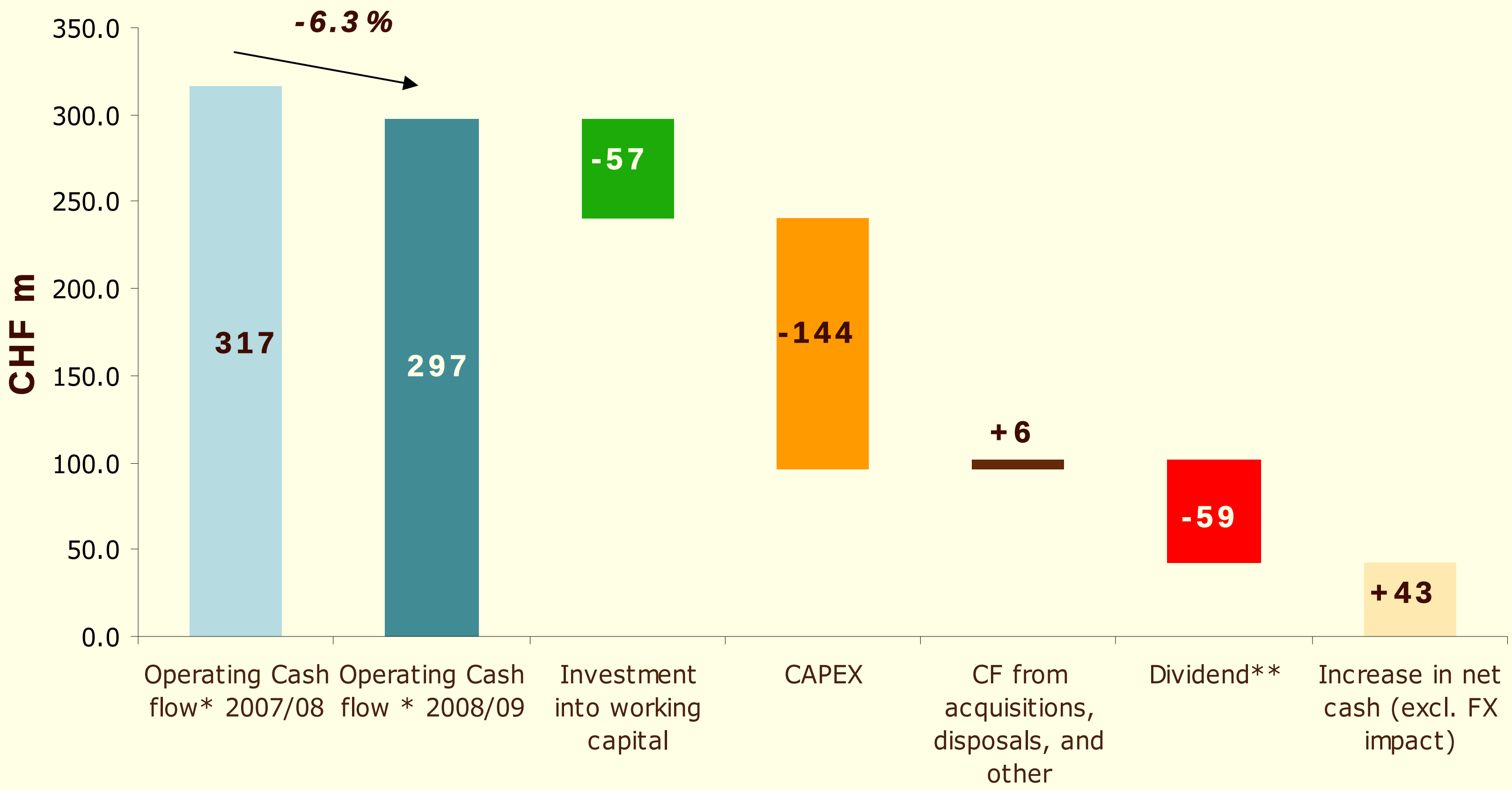
Stable financial cost & tax, less one-offs

		Change in %	2008/09	2007/08
Operating Profit (EBIT)	CHF m	2.8	**350.8**	341.1
Financial expense, net	CHF m	-1.3	**(91.6)**	(92.8)
Disposal of financial assets, other	CHF m		**0.5**	(6.4)
Income taxes	CHF m	-0.3	**(32.7)**	(32.8)
Tax rate	*in %*		*12.6%*	*13.6%*
Net Profit from continuing operations	CHF m	8.5	**226.9**	209.1
Net loss from discontinued operations*	CHF m		0.0	-3.6
Net Profit for the period	CHF m	10.4	**226.9**	**205.5**

* net of tax

Cash-Flow:

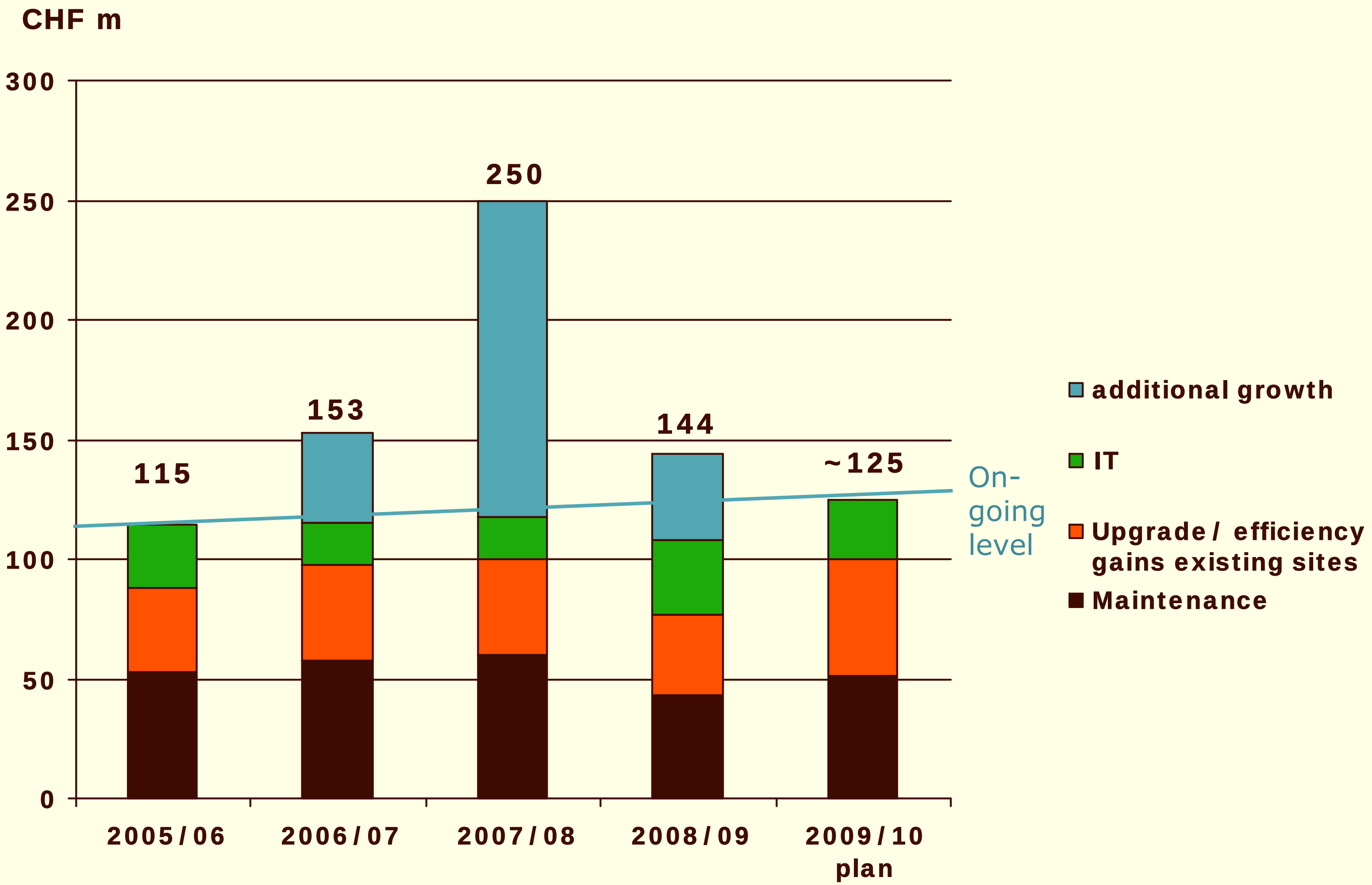
Full self-financing of investments and expansion



*Before WC changes, after interest and tax **Paid by way of nominal share value repayment

CAPEX development:

Back to long-term sustainable levels



Balance sheet:

Lower net debt and NWC despite growth and higher cocoa prices, supported by currency effect

CHF m

	Change [%]		Aug 09	Aug 08
Total assets	-5.8%	-214.7	**3'514.8**	**3'729.5**
Net working capital	-2.6%		**1'010.1**	**1'037.1**
Non-current assets	0.6%	8.5	**1'432.2**	**1'423.7**
Net debt	-9.5%		**942.7**	**1'041.2**
Shareholder's equity	6.8%	79.7	**1'255.6**	**1'175.9**

Av. cocoa price prev. months Liffe (£/MT)	1731	*+ 13%*	1527
Av. cocoa price prev. Liffe (EUR/MT)	1996	*+ 4%*	1927
Av. cocoa price prev. months ICE (USD/MT)	2673	*- 6%*	2840

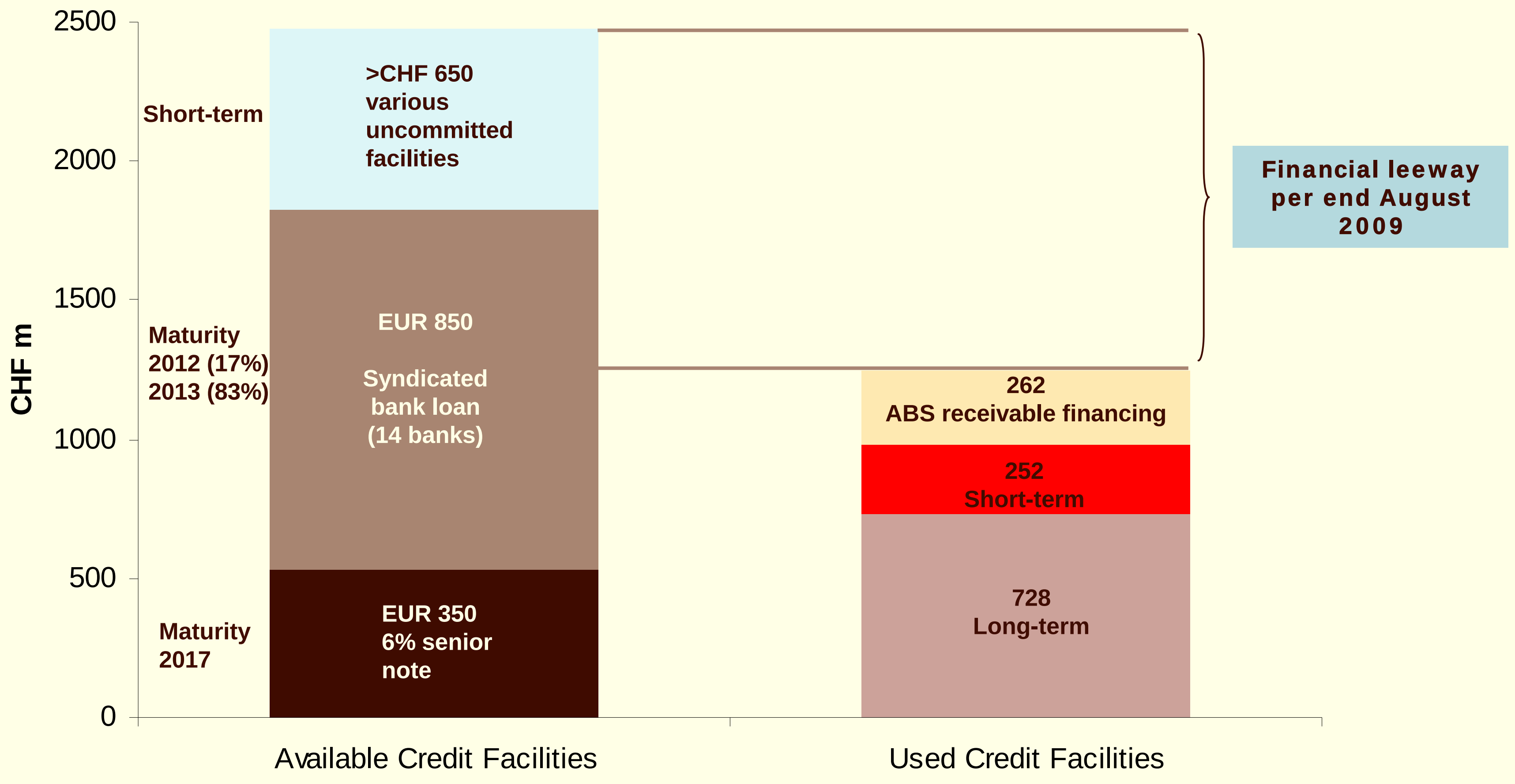
Key ratios:

Most key ratios improved

	Aug 09	Aug 08
Debt/Equity ratio	**75.1%**	88.5%
Solvency ratio	**35.7%**	31.5%
Net debt/EBITDA	2.1x	2.3x
Interest cover ratio	5x	4.8x
ROIC	**13.9%**	14.0%
ROE	**18.1%**	17.7%

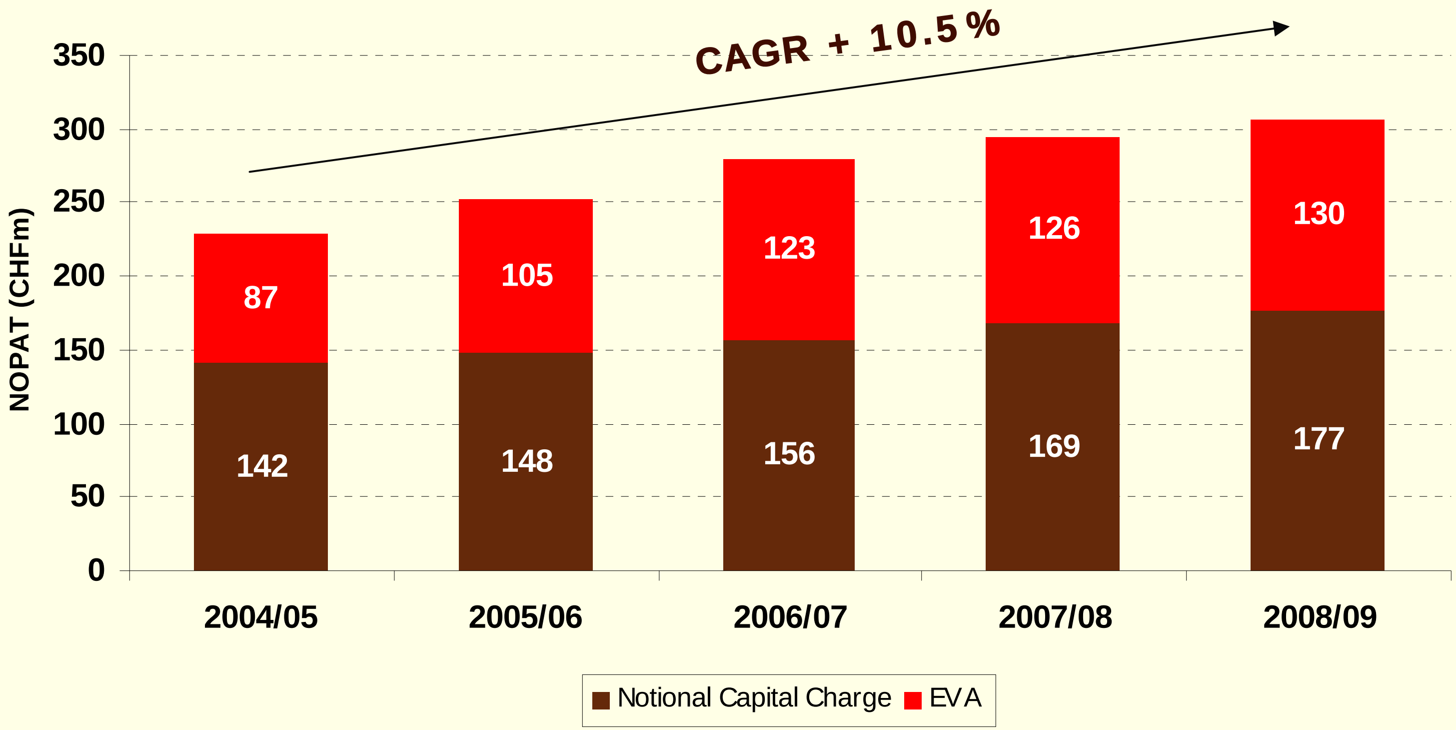
Stable financing situation due to long-term secured credit-lines

Financing and liquidity situation as at August 31, 2009 [CHF]



EVA keeps growing despite impact of raw material prices on working capital and high investments

EVA defined as measure to determine the value created above the return required by shareholders



P&L Overview:
Significant impact from currencies

		% change	2008/09	2007/08
Revenue from sales and services	**CHF m**	1.3%	**4'880.2**	**4'815.4**
in local currencies		*8.5%*	*5'226.5*	
Gross Profit	**CHF m**	1.0%	**707.8**	**700.8**
in local currencies		*7.0%*		
EBITDA	**CHF m**	2.8%	**456.1**	**443.7**
in local currencies		*9.1%*	*484.3*	
EBIT	**CHF m**	2.8%	**350.8**	**341.1**
in local currencies		*9.5%*		
Net financial expense	CHF m	*-1.3%*	-91.6	-92.8
Disposal of financial assets, other	CHF m		0.4	-6.4
Income taxes	CHF m	-0.3%	-32.7	-32.8
Net loss from discontinued operations	CHF m		0.0	-3.6
Net Profit for the period	**CHF m**	10.4%	**226.9**	**205.5**
in local currencies		18.5%	**243.5**	

Proposed pay-out:

Stable payout of ~30% of net profit proposed

CHF per share	change in %	2008/09	2007/08
Profit from continuing operations	8.9%	44.0	40.4
Proposed payout	8.7%	12.5	11.5
Payout ratio (continuing operations)		28.4%	28.5%
Total proposed payment (CHF m)	8.6%	64.6	59.5

- Reduction of nominal value of Barry Callebaut share by CHF 12.5 proposed by the Board of Directors
- Reduction of nominal value of share instead of dividend is usually tax free for private Swiss shareholders

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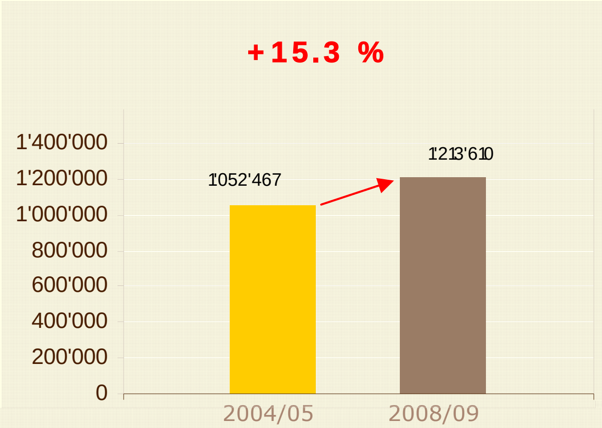
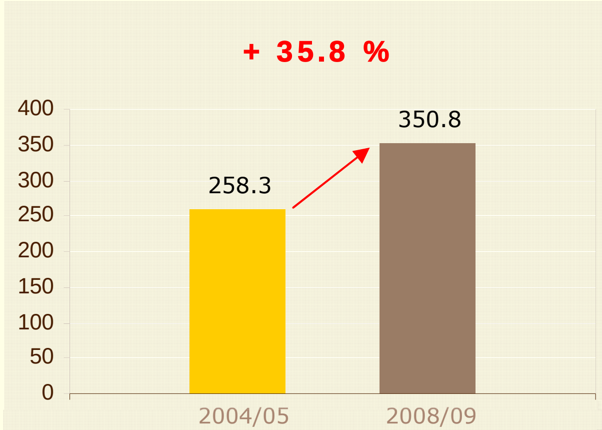
Barry Callebaut continuously outpaced chocolate market growth – delivered on targets in past 5 years

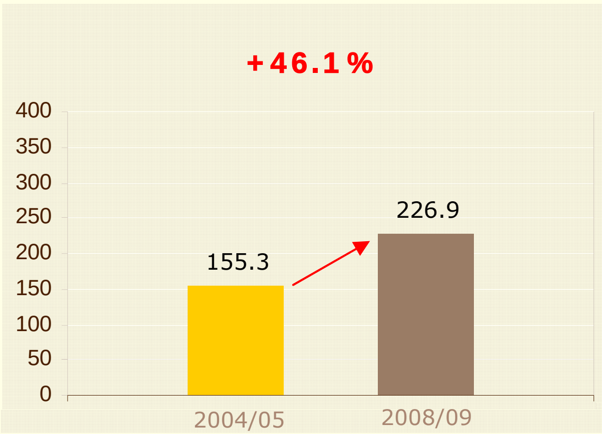
Sales Volume (mt)



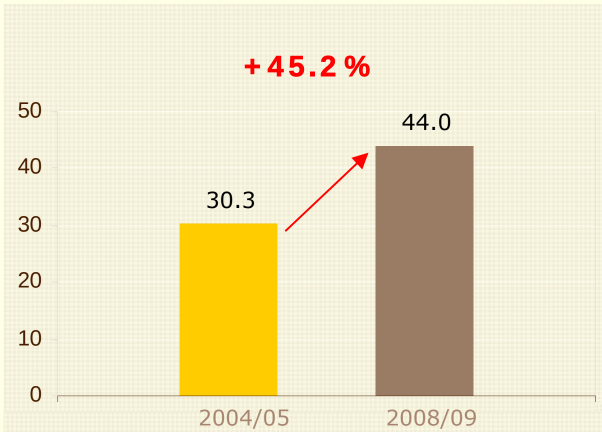
Operating Profit EBIT (CHF m)



Net Profit (PAT)



Basic earnings per share (EPS)



Strategy going forward:

Strategy confirmed, new growth opportunities

Vision

- **"Heart and engine of the chocolate industry"**
- Chocolate expert and business partner of choice
- Number one chocolate company

Strategic pillars

- **Geographic expansion**
- **Innovation**
- **Cost leadership**

Sustainable, profitable growth

Strategy confirmed, new growth opportunities:

Future growth through Geographic Expansion

Geographic Expansion

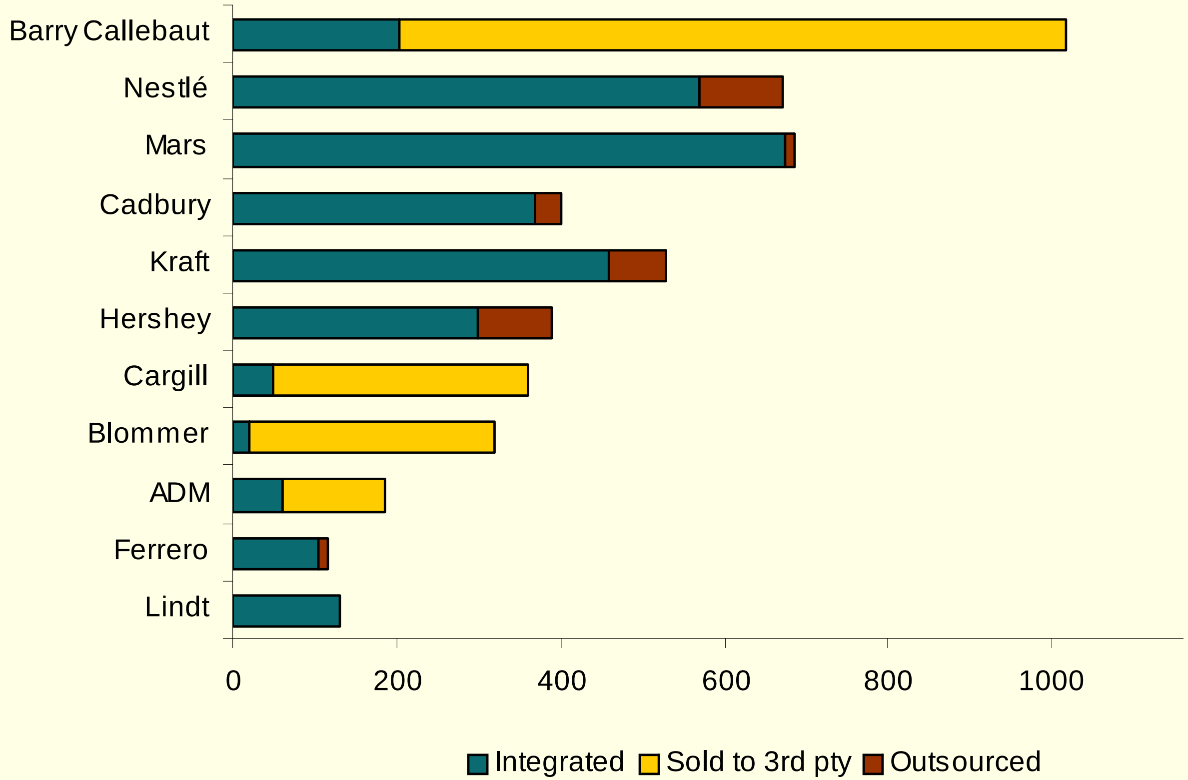
- Expand with regional customers **(e.g. Russia, China, Japan, Americas)**
- Grow **Gourmet** organically and through acquisitions (e.g. Chocovic)
- Expand into **emerging markets** through existing customers (e.g. Brazil)
- Succeed in further **outsourcing** activities with global customers

Strategy confirmed, growth opportunities: **Geographic Expansion**

Additional market outsourcing potential between 250,000 and 500,000 tonnes

- Total global industrial yearly chocolate production is estimated at 5.5 million tonnes
- The top five players (w/o BC) account for about half of this volume
- Top 5 consumer chocolate players currently outsource on average 12% of their chocolate production
- This is expected to increase to 20-40% over the next 5 years, equal to an additional outsourcing potential of 250-500,000 tonnes

Top 11 Manufacturers of Industrial Chocolate
(in '000 tonnes)



Source: BC Estimates – 2009

Strategy confirmed, new growth opportunities:

Better implementing our innovations

Innovation

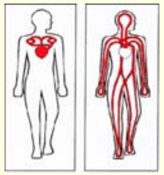
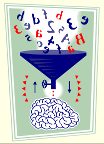
- Innovate products and services to **sustain price premium** and **increase Share of Wallet**
- Enlarge certification and **traceability** on farmer level and improve **quality** of cocoa
- Establish **incubator** structure for pioneering concepts

Innovation 2008/09:

Clinical research program: 11 studies completed

Health from the cocoa bean ACTICOA™

Aim: to substantiate scientific evidence of health-enhancing benefits of cocoa and chocolate, focus on cocoa flavanols

	1. Antioxidant effect “protection against free radicals”	*Completed: 2, of which 1 in FY08-09* *On-going: meta-analysis, opinion from EFSA on art 13.1 antioxidant claim in 2010*
	2. Heart health “maintenance of healthy blood pressure” and “contribution to a healthy blood circulation”	*Completed: 7, of which 5 in FY08-09* *On-going: 3*
	3. Skin health “elasticity, hydration, photoprotective effect”	*Completed: 6, of which 4 in FY08-09* *On-going: 3*
	4. Cognitive performance “good concentration and memory”	*Completed: 2, of which 1 in FY08-09* *On-going: 1*

Innovation 2008/09:

New innovative products launched

Health & Wellness

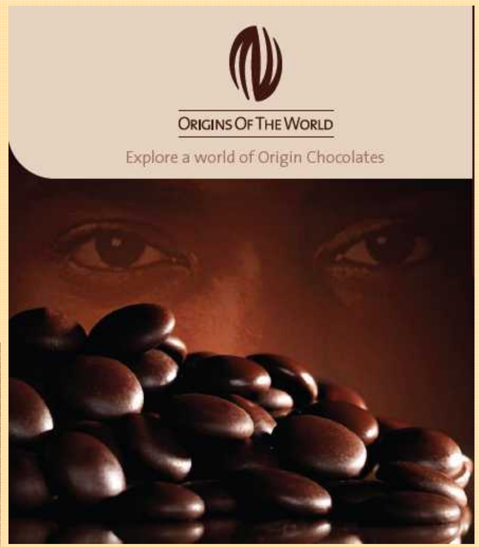
- Toothfriendly chocolate
- White Chocolate with Real Fruit
- Probiotic chocolate
- Fat reduced chocolate
- Rebalanced inclusions
  - **Croquoa**
  - **Aerated drops, chunks, figures**
- Volcano chocolates

Convenience

- Ready-to-use and ready-to-sell products
  (e.g. decorations, callets, white & dark chocolate mousse, premix for ice cream, chocolate prints, funny shapes)
- Crispearls on the go (white & dark)
- Shiny drops (next to shiny pearls)

Premium

- The largest range of single origin chocolates and moves toward new, more exclusive and certified origins
- Plantations – Millesime premium concept with a high premium brand image
  - **MADIROFOLO 2008 : 65%cocoa, NOP-certified**
  - **ALTO EL SOL 2008 65%cocoa, NOP-certified**
- Quality Partner Program : traceability up to cooperative and from cooperative up to farmer
- Bakestable flavoured drops



Innovation 2008/09:
Innovations on multiple fronts in Gourmet

Gourmet drivers of innovation

- Added value
  - Functional
  - Convenience
  - Ready-to serve
  - Decorations
- Adaptation to local food service needs (China, Brazil, Japan)
- Promotional activity for development of our customers

Functional

Anti-oxidant enriched

Convenience

Mousse pre-mixes

Ready-to-serve

Frozen dessert line

Decorations

Decorations and cups for distribution

Local adaptations

Chocolate for Foodservice (China)

Promotion activity

World Chocolate Masters 2009

Strategy confirmed, new growth opportunities:

Reducing costs on an ongoing basis

Cost Leadership

- Optimize **flow** and **footprint** to achieve lower logistic costs, higher scale effects and **lower fixed costs**
- Increase **capacity utilization**
- Improve processes to optimize **stock management** and reduce **working capital** per tonne processed
- Further leverage our **presence in Africa**

Focus on farmers, children, cocoa farming communities:

BC's sustainability and CSR commitment in Africa

- **Working to empower cocoa farmers**
  - Quality Partner program in Ivory Coast:
    - 38 cooperatives, 42,000 farmers
    - Farmer training to achieve higher yields, better quality and, thus, higher income
    - EUR 350,000 paid in premium (2007-09)
    - EUR 26 mln paid as prefinancing
  - Biolands, Tanzania and Sierra Leone
    - Certified organic and IMO Social & Fair
  - Joined UTZ certified cocoa schemes in Oct 2009

- **Working to ensure children are not harmed**
  - Child labor sensitization training
  - School projects: Ivory Coast, Ghana
  - Engaged in Harkin-Engel Industry Protocol to combat the worst forms of child labor

- **Empowering employees (in origin countries)**
  - Employee housing, healthcare, education
  - Supporting communities: clean water, health, education, sport

Organization:
Executive Committee

Status as of November 10, 2009 – replaces former Senior Management Team (SMT)

Juergen B. Steinemann, CEO

Victor Balli, CFO

Massimo Garavaglia, Western Europe

David S. Johnson, Americas

Steven Retzlaff, Global Sourcing & Cocoa

Dirk Poelman, Chief Operations Officer

Hans Vriens, Chief Innovation Officer







Agenda

- Highlights FY 2007/08
- Financial and operational performance
- Strategy going forward & market opportunities
- **Outlook**
- Q & A

Strong platform for continued growth:

Barry Callebaut is uniquely positioned

- Clear **growth strategy** and **robust business model**
- Recognized as the **global market leader**
  - Unmatched global presence
  - Leader in cocoa and chocolate innovations
  - Cost leader
  - Broadly diversified product portfolio
    - From top premium to value-for-money products
- **Long-term global partner** of the major global food manufacturers
- Solid **financing structure** in place

Outlook:

Financial targets for 3-year period 2009/10-2011/12

- Annual growth targets on average* for 2009/10 through 2011/12:
  - Volumes: 6-8%
  - EBIT: at least in line with volume growth

*Our view for the 2009-2012 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

Agenda

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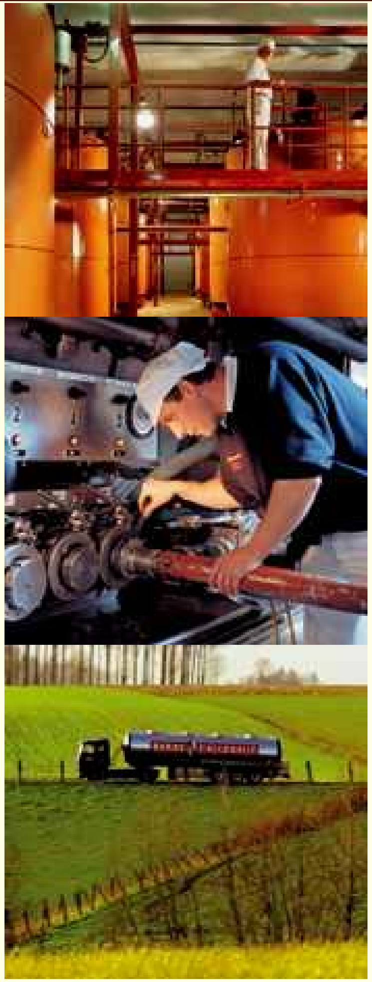
Summary:
Chocolate market down – Barry Callebaut up



We delivered strong top-line and bottom-line growth in a declining market

Our growth strategy stood the test of the global economic crisis. We will continue on this path

We will continue to significantly outperform the global chocolate market

Cautionary note

Forward-looking statements

Any information given on these slides as well as during the conference call has been prepared by Barry Callebaut solely for the use at this analyst presentation. Certain statements contained therein 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 Annual Report 2008/09. 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 and/or listener is cautioned to not unduly rely on these forward-looking statements that are accurate only as of today. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.