



News Release

Barry Callebaut reports sales for the first nine months of fiscal year 2009/10

Further acceleration in volume growth

- **Third quarter: sales volumes gained further momentum, up 11.3%**
 - Year-to-date: sales volume increased by 8.9% to 975,044 tonnes
- **Third quarter: sales revenue up 19.4% in local currencies (+15.9% in CHF)**
 - Year-to-date: sales revenue grew 11.7% in local currencies and reached CHF 3,926.4 million (+7.9% in CHF)
- **Gourmet & Specialties Products recorded an above-average volume growth of 25.6% in the third quarter and of 20.3% year-to-date**
- **Three-year financial targets¹ confirmed**

Group key sales figures for the first nine months of fiscal year 2009/10

GROUP		Change (in %)	Nine months up to May 31, 2010	Nine months up to May 31, 2009
Sales volume	mt	8.9	975,044	895,391
Sales revenue <i>in local currencies</i>	CHF m	7.9 11.7	3,926.4	3,638.9

Zurich/Switzerland, June 30, 2010 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, today announced its key sales figures for the first nine months of fiscal year 2009/10, ended May 31, 2010. Sales volume for the period under review came in at 975,044 tonnes, up 8.9%. Following the robust growth of 8.5% in the second quarter of the current fiscal year, sales volume growth accelerated to 11.3% in the third quarter. Key volume growth drivers in the first nine months of the current fiscal year were above-average growth rates in emerging markets, the ongoing implementation of outsourcing contracts and market share gains. All regions contributed to the overall strong volume growth. The most significant volume increases were noted in Region Asia-Pacific (+20.9%) and Region Americas (+16.8%). In terms of product groups, Gourmet & Specialties Products recorded an excellent volume growth of 20.3%. Barry Callebaut's growth was in sharp contrast to the flat development of the global chocolate market for the period from September 2009 to April 2010 [Source: Nielsen]. In the first nine months of fiscal year 2009/10, sales revenue in local currencies increased by 11.7%. In Swiss francs, the company's reporting currency, sales revenue rose 7.9% and came in at CHF 3,926.4 million.

Outlook

Juergen Steinemann, CEO of Barry Callebaut, said: "We are very proud of our significant sales volume growth in the first nine months of the current fiscal year. In the third quarter we managed to further accelerate our pace of growth. We have benefited from our targeted expansion to emerging chocolate markets, such as Eastern Europe, China, Mexico and Brazil, where we inaugurated our first chocolate factory in South America in May 2010. Starting from our solid foundation in Western Europe and North America, we are now in an even better position to tap the growth potential of the most dynamic chocolate markets in the world. In addition, we are particularly pleased with the excellent development of our high-margin Gourmet & Specialties Products business. We still expect an unfavorable forward combined cocoa ratio² as well as negative currency translation effects in the coming months. However, based on our focused growth strategy and supported by the ongoing outsourcing trend, we are confident that we will continue to significantly outperform the global chocolate market and be able to achieve our three-year financial targets¹."

¹ Three-year growth targets for 2009/10-2011/12: 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 The "combined cocoa ratio" is the combined sales price for cocoa butter and cocoa powder relative to the cocoa bean price.



News Release

Development of the global chocolate market*

From September 2009 to April 2010 the global chocolate confectionery market was flat in **volume** terms. In the period from February to April 2010, it began to recover and grew 3.5% in volume, driven primarily by major markets in Western Europe (+3.2%) and the U.S. (+7.3%) as well as emerging markets such as China (+22.9%) and Brazil (+9.8%). On the other hand, Eastern Europe still showed a negative growth rate, mainly due to volume decreases in Russia (-3.1%).

*Source: Nielsen, Sept 2009-April 2010

Overview of sales performance by Region in the first nine months of fiscal year 2009/10

Global Sourcing & Cocoa³

Market prices at cocoa terminal markets stabilized at a record high level in the second and third quarter of Barry Callebaut's current fiscal year. Prices are likely to remain high and volatile. The world sugar price has been extremely volatile over the last nine months and is expected to stay at the currently low level. The sugar price in the regulated EU region, where Barry Callebaut mainly sources its sugar, is expected to remain flat. As of March 2010, dairy prices increased significantly but stabilized at a relatively high level compared to last year. Barry Callebaut's business model enabled the company to cope well with this situation of high prices and high volatility because it allows the company to pass on raw material costs to customers for about 80% of the sales volume (cost plus model).

In the period under review, Global Sourcing & Cocoa increased the **volume** of cocoa products sold to third-party customers by 9.4% to 156,915 tonnes. Grinding capacity utilization in the market increased due to the strong demand for cocoa powder while demand for cocoa butter was low, leading to an oversupply. The (forward) combined cocoa ratio remained under pressure because the higher cocoa powder prices could not compensate for the low cocoa butter prices. The combined cocoa ratio is expected to stay unfavorable in the months ahead. **Sales revenue** came in at CHF 689.7 million – a strong increase in local currencies of 26.9% (+25.9% in CHF), partly as a result of higher cocoa bean prices.

Region Europe

Region Europe maintained its growth momentum and posted a **sales volume** increase of 5.5% to 572,060 tonnes for the first nine months of the current fiscal year. Both Western and Eastern Europe recorded a strong third quarter although the economic recovery of Russia, one of the Eastern European key markets, is lagging behind. The contribution from Gourmet & Specialties products, as a result of acquisitions, market share gains and an increased focus on this business, was particularly noteworthy and confirmed the trend already seen in the previous two quarters. **Sales revenue** in Region Europe reached CHF 2,350.9 million, up 4.4% in local currencies. Negative currency translation effects resulted in a sales revenue growth rate in CHF terms of 0.7%.

Region Americas

Supported by improved consumer confidence in the U.S. and a fast upswing in key markets of South America after the global economic crisis, **sales volume** growth was very high at +16.8% vs. the same prior-year period to 210,540 tonnes. The growth primarily stems from Barry Callebaut's Food Manufacturer products due to the good performance of corporate accounts and further volumes phased in under existing outsourcing contracts. Sales of Gourmet & Specialties Products also went up strongly, benefiting from increasing at-home consumption while restaurant sales are still low. Production at Barry Callebaut's new chocolate factory in Extrema, Brazil, commenced in June. **Sales revenue** for Region Americas went up 23.0% in local currencies (+16.0% in CHF) and amounted to CHF 733.4 million for the 9-month period under review.

Region Asia-Pacific

The chocolate markets of Asia-Pacific are generally recovering, except Japan. While premium and value-for-money chocolate products are growing, demand for mid-priced consumer chocolate products

³ Please note that the figures reported under "Global Sourcing & Cocoa" include all sales of cocoa products (also called "semi-finished products") to third-party customers in all regions while the figures shown under the respective Region show all chocolate sales.



News Release

has not picked up yet. In the period under review Barry Callebaut's Region Asia-Pacific posted a strong **sales volume** growth of 20.9% to 35,529 tonnes, driven primarily by Food Manufacturer products, which recorded high orders throughout the entire region. Gourmet & Specialties products benefited from the first signs of uptrading, the return of gifting as well as the weak euro. These factors led to solid volume growth in Gourmet & Specialties products in all countries and brands, both locally produced and imported. Primarily as a result of higher sales volume, **sales revenue** increased by 25.0% in local currencies (+21.6% in CHF) and amounted to CHF 152.4 million.

Development by Product Group in the first nine months of fiscal year 2009/10

Cocoa Products

See "Global Sourcing & Cocoa".

Food Manufacturer Products

Food Manufacturer Products showed a **sales volume** increase of 9.6% to 614,372 tonnes. All regions contributed to this growth, in particular the NAFTA countries and Asia-Pacific. Most of the growth was attributable to the good performance of corporate accounts and the ongoing implementation of outsourcing contracts. **Sales revenue** grew by 11.0% in local currencies (+6.0% in CHF) and amounted to CHF 2,026.7 million.

Gourmet & Specialties Products

Gourmet & Specialties Products **sales volume** went up significantly by 20.3% to 103,350 tonnes. All regions contributed to the growth, which was driven by organic growth as well as by the acquisition of Eurogran and Chocovic. The European brands performed particularly well, also supported by the favorable EUR exchange rates. **Sales revenue** increased 20.6% in local currencies (+16.6% in CHF), reaching CHF 553.2 million.

Consumer Products

Consumer Products **sales volume** slightly increased in the third quarter. Over the 9-month period under review sales volume decreased by 5.0% to 100,407 tonnes, partly as a consequence of the divestment of the consumer business in Asia-Pacific last year. The business was able to further improve its sales outside its home market Germany. Tablets, pralines and chocolate bars performed well, whereas seasonal products lost volumes. **Sales revenue** amounted to CHF 656.9 million – a decrease of 4.3% in local currencies and of 6.7% in CHF.

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News Release

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

With annual sales of about CHF 4.9 billion for fiscal year 2008/09, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished product on the store shelf. 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.

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Financial calendar for fiscal year 2009/10 (September 1, 2009 to August 31, 2010):

Full-year results 2009/10 (news release & conference)	November 4, 2010, Zurich
Annual General Meeting 2009/10	December 7, 2010, Zurich

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News Release

Key sales figures for the Barry Callebaut Group for the first nine months of fiscal year 2009/10 (unaudited)

		Change in %		Nine months up to May 31, 2010	Nine months up to May 31, 2009*
		in local currencies	in reporting currency		
<u>GROUP</u>					
Sales volume	Tonnes		8.9%	975,044	895,391
Sales revenue	CHF m	11.7%	7.9%	3,926.4	3,638.9
<u>BY REGION</u>					
Global Sourcing & Cocoa					
Sales volume	Tonnes		9.4%	156,915	143,391
Sales revenue	CHF m	26.9%	25.9%	689.7	547.8
Europe					
Sales volume	Tonnes		5.5%	572,060	542,373
Sales revenue	CHF m	4.4%	0.7%	2,350.9	2,333.6
Americas					
Sales volume	Tonnes		16.8%	210,540	180,240
Sales revenue	CHF m	23.0%	16.0%	733.4	632.2
Asia-Pacific					
Sales volume	Tonnes		20.9%	35,529	29,387
Sales revenue	CHF m	25.0%	21.6%	152.4	125.3
<u>BY PRODUCT GROUP</u>					
Industrial Products					
Sales volume	Tonnes		9.6%	771,287	703,770
Cocoa Products	Tonnes		9.4%	156,915	143,391
Food Manufacturer Products	Tonnes		9.6%	614,372	560,379
Sales revenue	CHF m	14.5%	10.4%	2,716.3	2,460.2
Cocoa Products	CHF m	26.8%	25.9%	689.6	547.9
Food Manufacturer Products	CHF m	11.0%	6.0%	2,026.7	1,912.3
Food Service / Retail Products					
Sales volume	Tonnes		6.3%	203,757	191,621
Gourmet & Specialties Products	Tonnes		20.3%	103,350	85,875
Consumer Products	Tonnes		(5.0%)	100,407	105,746
Sales revenue	CHF m	5.8%	2.7%	1,210.1	1,178.7
Gourmet & Specialties Products	CHF m	20.6%	16.6%	553.2	474.6
Consumer Products	CHF m	(4.3%)	(6.7%)	656.9	704.1

* Certain comparatives have been restated to confirm with the current period's presentation