BARRY CALLEBAUT

News Release

Full-Year Results Fiscal Year 2015/16 of the Barry Callebaut Group

"Smart growth" getting traction, strong free cash flow

- **Sales volume up +2.2%, reflecting above-market performance of the chocolate business (+7.6%) and intentional phase-out of less profitable contracts in cocoa products (-12%)**
- **Sales revenue of CHF 6.7 billion, up +8.8% in local currencies (+7.0% in CHF)**
- **Operating profit (EBIT) temporarily affected by challenging cocoa products market as anticipated: +0.1% in local currencies (-3.2% in CHF); net profit down -5.1% in local currencies (-8.7% in CHF)**
- **Strong free cash flow of CHF 404.0 million**
- **Mid-term guidance[1] confirmed**
- **Dr. W. Andreas Jacobs to step down as Chairman of the Board of Directors; Patrick De Maeseneire proposed for election as new Chairman. All other Board members are standing for reelection for another term of office of one year**
- **Proposed payout to shareholders of CHF 15.50 per share; payout ratio of 39%**

Zurich/Switzerland, November 2, 2016 – Antoine de Saint-Affrique, CEO of the Barry Callebaut Group, said: "I am pleased to see that our focus on "smart growth", which is a balance between volume growth, enhanced profitability and free cash flow generation, starts to get traction. We delivered strong growth in our chocolate business across all Regions, supported by our three key growth drivers and despite a sluggish global chocolate confectionery market[2]. In our Global Cocoa business, we deliberately phased out less profitable contracts. Good profitability in our chocolate business was offset by a challenging cocoa products market, as anticipated. We also see the results of our increasing focus on free cash flow generation."

Group Key Figures

for the fiscal year		Change in % in local currencies	Change in % in CHF	2015/16	2014/15
Sales volume	Tonnes		2.2%	1,834,224	1,794,782
Sales revenue	CHF m	8.8%	7.0%	6,676.8	6,241.9
Gross profit	CHF m	4.4%	1.9%	863.2	846.8
Operating profit (EBIT)	CHF m	0.1%	(3.2%)	401.7	414.8
EBIT per tonne	CHF	(2.0%)	(5.2%)	219.0	231.1
Net profit	CHF m	(5.1%)	(8.7%)	219.0	239.9
Free cash flow	CHF m			404.0	21.8

In fiscal year 2015/16 (ended August 31, 2016) the Barry Callebaut Group – the world's leading manufacturer of chocolate and cocoa products – increased its **sales volume** by +2.2% to reach 1,834,224 tonnes. Amid a global chocolate confectionery market, which declined by -1.7%[2], sales volume growth in the chocolate business, including both Food Manufacturers and Gourmet, was strong and volume rose by +7.6%. All three key growth drivers contributed to this positive development, led by Gourmet & Specialties which grew +12.4%, but Outsourcing and Emerging

[1] On average for the 3-year period 2015/16 to 2017/18: 4-6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events.

[2] Source: Nielsen: -1.7% in volume for the period September 2015 – August 2016.

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Markets also supported the Group's volume increase. In Global Cocoa, less profitable contracts were intentionally phased out, which led to a decline of -12.0% in volume for the full year. **Sales revenue** was up +8.8% in local currencies (+7.0% in CHF) to CHF 6,676.8 million, partly driven by a better product mix and overall higher sales prices over the entire fiscal year[3].

Gross profit increased by +4.4% in local currencies (+1.9% in CHF) and came in at CHF 863.2 million. This is the result of the strong margin development in the chocolate business due to the company's greater focus on margins, including product and customer mix, bolstered by the strong growth of the Gourmet & Specialties business. These positive effects outweighed the negative impact from the historically low combined cocoa ratio.

Operating profit (EBIT) was basically flat in local currencies at +0.1% (-3.2% in CHF) and amounted to CHF 401.7 million. As anticipated, this year's profitability was affected by the challenging cocoa products market, but also by restructuring costs related to the manufacturing footprint and a negative currency translation effect. Overall the Group's **EBIT per tonne** decreased by -2.0% in local currencies (-5.2% in CHF).

Net profit for the year decreased by -5.1% in local currencies to CHF 219.0 million (–8.7% in CHF). This is a reflection of a higher tax rate and one-off costs related to issuing a new bond in spring 2016.

Net working capital decreased by -10.2% from CHF 1,529.7 million in prior year to CHF 1,374.2 million. This as a result of the Group's strong focus on reducing inventories, further supported by limited availability of cocoa beans.

Free cash flow[4] increased significantly to CHF 404.0 million, compared to CHF 21.8 million in the previous fiscal year, as a consequence, amongst other things, of a lower working capital and stricter discipline in capital expenditure (CAPEX) for the fiscal year in line with the target of CHF 200 million.

As a result, **net debt** amounted to CHF 1,452.8 million, down by -15.9% in CHF from CHF 1,728.0 million in the prior year.

Outlook – Focus on "smart growth" continues

Looking ahead, CEO Antoine de Saint-Affrique said: "We will continue to focus on the further implementation of our "smart growth" strategy. We have good visibility on volume growth and expect to see a positive contribution to profitability from our Cocoa Leadership project, supported by some recent recovery in the cocoa products market. On this basis, we confirm our three-year guidance: On average 4-6% volume growth and EBIT growth in local currencies on average above volume growth[5]."

Strategic milestones achieved in fiscal year 2015/16

- **"Expansion":** Expansion of existing U.S. West Coast chocolate factory. Acquisition of the FrieslandCampina Kievit vending activities in Germany, making Barry Callebaut a leading supplier of vending powder mixes. Various new long-term agreements, for instance with Colian in Poland and Romega in Romania. New chocolate factory in Gresik (Indonesia) went on stream.
- "**Innovation**": Already more than 200 co-creation sessions conducted with customers to support them in their product innovation. Roll-out of the new Barry Callebaut Studio concept at the most important trade shows in Europe and the U.S. Two relocated CHOCOLATE ACADEMY™ centers opened in Mumbai and Moscow. First of its kind Beverage Academy

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[3] The Barry Callebaut Group passes on raw material prices to customers for the majority of its business.

[4] Net cash flow from operating activities ./. Net cash flow from investing activities

[5] On average for the 3-year period 2015/16 to 2017/18: 4-6% volume growth, and EBIT above volume growth in local currencies, barring any major unforeseen events.

opened in Kageröd, Sweden. Licensing agreement with food supplement producer Naturex on the commercialization of the EFSA health claim on cocoa extracts.

- **"Cost Leadership"**: Streamlining of the cocoa manufacturing footprint in Asia (Thailand and Malaysia) as part of the Cocoa Leadership project. Successful expansion of the Shared Service Center (SSC) in Poland.
- "**Sustainability**": Inclusion in the SXI 25 Sustainability index of the most sustainable listed companies in Switzerland. Launch of HORIZONS sustainable cocoa and chocolate products. Acquisition of Licensed Buying Company Nyonkopa in Ghana. Introduction of Katchilè, an innovative tool for geo-traceability and farm impact measurement. Additional partnerships with customers like Tony's Chocolonely and Kim's Chocolates for sustainable cocoa farming.

Other strategic developments
In May 2016, Barry Callebaut announced the successful placement of EUR 450 million 8-year 2.375% Senior Fixed Rate Notes. The offering of the Notes was significantly oversubscribed, allowing the Company to price at a historically low coupon and substantially improve its financial flexibility as well as its liquidity profile.

As an extension of the existing strategic partnership with Mondelēz International, Barry Callebaut announced its intention to acquire and integrate the chocolate production facility of Mondelēz International in Halle, Belgium, in its network in September 2016. This transaction also includes a long-term agreement to supply Mondelēz International with an additional 30,000 tonnes of liquid chocolate per annum. The expected closing of the transaction is by the end of December 2016, after completing works council consultations.

Regional / Segment performance

Region EMEA – Strong growth in Food Manufacturers and Gourmet across the Region
The European chocolate confectionery market still declined by -1.2%[6], showing some signs of recovery confirming that consumption is generally picking up again.
Barry Callebaut's sales volume in Region EMEA (Europe, Middle East, Africa) increased by +6.6% to 814,236 tonnes.
In Western Europe, sales volume growth was strong in the Food Manufacturers business as well as in Gourmet. Beverages increased by more than a third, positively impacted by the integration of FrieslandCampina Kievit.
In EEMEA (Eastern Europe, Middle East, Africa), sales volume with Food Manufacturers grew significantly in contrast to a difficult economic environment. Strong growth also was seen in Gourmet, with increased sales under the Gourmet brand Callebaut®.
Sales revenue was up +9.7% in local currencies (+6.8% in CHF) to CHF 2,739.0 million due to higher raw material prices and the sale of higher value products. The Gourmet & Specialties business again achieved solid volume growth, driven by new product launches, new packaging, entering new categories such as chocolate drinks, thus outperforming the Food Service market.
Operating profit (EBIT) for the Region increased by +4.4% in local currencies (-0.1% in CHF) to CHF 289.5 million, fuelled by a strong product mix and more sales of margin-accretive specialties and decorations products.

Region Americas – Sustained high performance
Chocolate confectionery markets in the Americas declined by -3.0%[6].
Barry Callebaut once again delivered a strong performance in Region Americas. Sales volume increased by +8.8%, despite a challenging underlying market.
Strong growth in the Food Manufacturers business in North America was driven by National Accounts, with a positive contribution from the long-term agreement with World's Finest®

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[6] Source: Nielsen, September 2015 – August 2016.

Chocolate. Gourmet sales volumes significantly outperformed the market and reached double-digit growth, largely driven by new products and market share gains.
In South America, Barry Callebaut experienced double-digit volume growth in both the Food Manufacturers and the Gourmet businesses.
Overall, sales revenue in Region Americas increased by +5.5% in local currencies (+7.6% in CHF) and amounted to CHF 1,622.9 million.
Operating profit (EBIT) was significantly up by +12.0% in local currencies (+12.6% in CHF) and came in at CHF 147.2 million, boosted by a good product mix and a particularly strong performance of the Gourmet business.

Region Asia Pacific – Solid top- and bottom-line growth
In a weak chocolate market in Asia Pacific (-0.1%[7]) Barry Callebaut's sales volume in the Region grew by +10.8% to 76,443 tonnes.
Both the Food Manufacturers and Gourmet businesses showed double-digit growth, with Gourmet being supported by global as well as local brands. In addition, growth momentum continues to pick up in China and India.
Sales revenue in the Region grew +10.8% in local currencies (+13.7% in CHF) to CHF 306.8 million due to a good product mix and high cocoa bean prices.
Operating profit (EBIT) rose by +17.9% in local currencies (+19.7% in CHF) to CHF 32.2 million due to the focus on margin-accretive growth.

Global Cocoa – Intentional phase-out of less profitable contracts, focus on supporting internal growth in chocolate
Sales volume to third-party customers decreased by -12.0% to 436,537 tonnes due to the intentional phasing out of less profitable cocoa contracts, in light of a challenging cocoa products market and while focusing on higher internal demand to support a strong chocolate business.
Sales revenue grew by +10.1% in local currencies (+5.7% in CHF) to CHF 2,008.1 million.
As anticipated in November 2015, the challenging market environment for cocoa products and the historically low combined cocoa ratio had a significant negative impact on profitability resulting in an operating profit (EBIT) of CHF 17.7 million, a decrease of -60.3% in local currencies (-62.5% in CHF). Barry Callebaut continues to adapt its business model through its multi-year Cocoa Leadership project, which made good progress in the year under review.

Raw material price developments
The 2015/16 **cocoa** crop dropped compared to the prior year due to weak crops, in particular in Côte d'Ivoire and Brazil. London market trading was volatile, rallying approximately 27% from the low at the beginning of February 2016 to a level above GBP 2,500 in June, a price level last seen in the 1970's. A large part of this increase, however, was currency-driven. The Brexit referendum led to a depreciation of 12% in the British Pound against the US-dollar. Overall demand remained relatively weak, but this did not entirely offset the decline in supply. Therefore, the overall season ended with a considerable deficit.
The combined cocoa ratio, which was at a historical low over the course of the fiscal year, due to significant oversupply coupled with weak demand and high cocoa bean prices, has recently recovered, albeit with regional differences.
After five years of a downward trend, the world **sugar** market reversed strongly to reach its highest level since 2012 on the basis of a world deficit and an all-time record net long position of hedge funds. Prices in Europe have also recovered vigorously supported by historically low EU stocks as well as supportive world sugar prices.
At the beginning of the fiscal year, **milk powder** prices moved up due to fear of drought and a bit more demand on the world market. Towards the second half of the fiscal year, prices started

[7] Source: Nielsen, September 2015 – August 2016.

dropping to record low levels as production was outpacing demand by far. They have recently bounced back as low milk prices to farmers are leading to high slaughter rates and a rapid reduction of production volumes.

Proposals to the Annual General Meeting (AGM)

Changes in the Board of Directors

Dr. W. Andreas Jacobs will not stand for reelection at the Annual General Meeting of Shareholders 2016 and will step down at this occasion as Chairman of Barry Callebaut after many years of successful service at the helm of the company. Andreas Jacobs was elected to the Board in December 2003 and became Chairman in 2005. The Board of Directors, the Executive Committee and all employees would like to express their sincere gratitude to Andreas Jacobs for his vision and his strong leadership that have helped make Barry Callebaut what it is today.
The Board will propose Patrick De Maeseneire for election as Chairman. Patrick De Maeseneire – CEO of Barry Callebaut from 2002 to 2009 – has been CEO of Jacobs Holding AG, majority shareholder of Barry Callebaut, since November 2015 and Vice-Chairman of the Board of Barry Callebaut since December 2015.
All other members of the Board are standing for reelection for another term of office of one year.

Payout to shareholders

The Board of Directors will propose a payout to shareholders of CHF 15.50 per share at the Annual General Meeting of Shareholders on December 7, 2016. This represents an increased ratio of 39% of the net profit. The proposal foresees that the payout will be effected through a dividend payment partly from reserves from capital contributions (CHF 4.19 per share) and partly in the form of a capital repayment by way of a par value reduction (CHF 11.31 per share). The distribution of these funds to shareholders will not be subject to withholding tax and – for individuals who are taxed in Switzerland and hold the shares privately – income tax. The dividend will be paid to shareholders on March 2, 2017, subject to approval by the Annual General Meeting of Shareholders.

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Further information is available in the following publications available as of today:

- Annual Report 2015/16 (micro-)website: annual-report.barry-callebaut.com
- Annual Report 2015/16 (PDF)
- Short Report 2015/16 (English)
- Short Report 2015/16 (German)
- All results and publications can be found on the Barry Callebaut website

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Media and Analyst / Institutional Investors' conferences of the Barry Callebaut Group	
Date:	Wednesday, November 2, 2016
Location:	Barry Callebaut Head Office, Chocolate Academy™ center, Pfingstweidstrasse 60, 8005 Zurich/Switzerland
Time:	**Media:** 09.30 am to 10.30 am CET **Analysts/Institutional Investors:** 11.30 am to approx. 1 pm CET (followed by a light lunch)
The conferences can be followed via telephone or audio webcast. All dial-in and access details can be found on the Barry Callebaut Group's website (via the links below):	
Media	
Analysts	

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Financial calendar for fiscal year 2016/17 (September 1, 2016 to August 31, 2017):	
Annual General Meeting 2015/16	December 7, 2016
3-month sales figures 2016/17	January 25, 2017
Half-year results 2016/17	April 12, 2017
9-month key sales figures 2016/17	July 13, 2017
Full-year results 2016/17	November 8, 2017
Annual General Meeting 2016/17	December 13, 2017

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

With annual sales of about CHF 6.7 billion (EUR 6.1 billion / USD 6.8 billion) in fiscal year 2015/16, the Zurich-based Barry Callebaut Group 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 Group runs more than 50 production facilities worldwide and employs a diverse and dedicated global workforce of close to 10,000 people.

The Barry Callebaut Group 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®.

The Barry Callebaut Group is committed to sustainable cocoa production to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the Cocoa Horizons Foundation in its goal to shape a sustainable cocoa and chocolate future.

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Group Key Figures

For the fiscal year		Change in % in local currencies	Change in % in CHF	2015/16	2014/15
Key Figures					
Sales volume	Tonnes		2.2%	1,834,224	1,794,782
Sales revenue	CHF m	8.8%	7.0%	6,676.8	6,241.9
Gross profit	CHF m	4.4%	1.9%	863.2	846.8
EBITDA	CHF m	2.7%	(0.3%)	539.4	540.8
Operating profit (EBIT)	CHF m	0.1%	(3.2%)	401.7	414.8
EBIT per tonne	CHF	(2.0%)	(5.2%)	219.0	231.1
Net profit for the period	CHF m	(5.1%)	(8.7%)	219.0	239.9
Free cash flow	CHF m			404.0	21.8
By Region					
EMEA					
Sales volume	Tonnes		6.6%	814,236	763,646
Sales revenue	CHF m	9.7%	6.8%	2,739.0	2,563.7
EBITDA	CHF m	5.4%	1.1%	334.2	330.5
Operating profit (EBIT)	CHF m	4.4%	(0.1%)	289.5	289.7
Americas					
Sales volume	Tonnes		8.8%	507,008	466,063
Sales revenue	CHF m	5.5%	7.6%	1,622.9	1,507.9
EBITDA	CHF m	14.7%	15.0%	176.6	153.6
Operating profit (EBIT)	CHF m	12.0%	12.6%	147.2	130.7
Asia Pacific					
Sales volume	Tonnes		10.8%	76,443	68,984
Sales revenue	CHF m	10.8%	13.7%	306.8	269.8
EBITDA	CHF m	15.8%	17.8%	39.9	33.9
Operating profit (EBIT)	CHF m	17.9%	19.7%	32.2	26.9
Global Cocoa					
Sales volume	Tonnes		(12.0%)	436,537	496,089
Sales revenue	CHF m	10.1%	5.7%	2,008.1	1,900.5
EBITDA	CHF m	(27.0%)	(28.9%)	71.3	100.3
Operating profit (EBIT)	CHF m	(60.3%)	(62.5%)	17.7	47.2
By Product Group					
Sales volume	**Tonnes**			**1,834,224**	**1,794,782**
Cocoa Products	Tonnes		(12.0%)	436,537	496,089
Food Manufacturers Products	Tonnes		6.8%	1,192,907	1,116,513
Gourmet & Specialties Products	Tonnes		12.4%	204,780	182,180
Sales revenue	**CHF m**			**6,676.8**	**6,241.9**
Cocoa Products	CHF m	10.1%	5.7%	2,008.1	1,900.5
Food Manufacturers Products	CHF m	7.2%	6.6%	3,673.5	3,444.7
Gourmet & Specialties Products	CHF m	12.4%	11.0%	995.2	896.7