



# News Release

Barry Callebaut's 9-month key sales figures of fiscal year 2010/11

## Outperforming the market, shaping future growth

- Sales volume up 7.3%
- Sales revenue up 12.5% in local currencies (+1.6% in CHF)
- Strong growth contribution from emerging markets as well as Cocoa Products for strategic partners
- Reached investment grade, successful refinancing
- New outsourcing agreements
- Growth targets confirmed<sup>2</sup>

### Group key sales figures for the first 9 months of fiscal year 2010/11

		Change in %		Nine months up to May 31, 2011	Nine months up to May 31, 2010
		in local currencies	in reporting currency		
Sales volume	Tonnes		7.3	1,046,141	975,044
Sales revenue	CHF m	12.5	1.6	3,988.3	3,926.4

Zurich/Switzerland, June 30, 2011 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, continued to grow more than twice the market<sup>1</sup> in the first nine months of fiscal year 2010/11, ended May 31: Sales volume grew within the company's financial guidance<sup>2</sup>, up 7.3% to 1,046,141 tonnes. Specifically high growth stems from emerging markets and Cocoa Products for strategic partners, supported equally by Food Manufacturers Products and Gourmet & Specialties Products business. Sales revenue significantly increased by 12.5% in local currencies (+1.6% in CHF), driven also by higher raw material prices.

Juergen Steinemann, CEO of Barry Callebaut, said: "We were able to keep the growth momentum in a challenging market environment. We are particularly proud of this achievement in the light of months of political difficulties in Côte d'Ivoire, now returning to normal. The add-on agreement with Hershey and the new outsourcing contract with Chocolates Turin mark two business highlights. With Moody's upgrading Barry Callebaut to investment grade we reached another important milestone for our future growth."

### Region Europe – Strong growth momentum in Eastern Europe and Gourmet

Overall, Barry Callebaut's sales volume grew 2.1% to 583,896 tonnes, slightly above the overall market which increased by 1.7%<sup>1</sup>. In Western Europe, the overall chocolate confectionery market declined by 2.1%<sup>1</sup>. Against this, the company's sales volume in this region was stable, with a positive growth in Gourmet & Specialties Products business. Consumer Products business stabilized against the background of an overall decline of 5.0%<sup>1</sup> in the most important market Germany. Eastern Europe kept its growth momentum: The chocolate market continued to grow by +7.3%<sup>1</sup>. Barry Callebaut significantly outperformed this market with high double-digit sales volume growth, both in Food Manufacturers Products as well as Gourmet & Specialties Products business. Sales revenue in the Region Europe grew with +6.3% in local currencies. The result was strongly hit by negative currency translation effects (-5.7% in CHF).

### Region Americas – Growth fueled by Corporate Accounts and emerging markets

Sales volume in the Region Americas continued to strongly increase, up 10.0% to 231,537

<sup>1</sup> Source: Nielsen September 2010 until April 2011. The overall chocolate market grew with +3.2%.

<sup>2</sup> Four-year growth targets for 2009/10-2012/13: 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.



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tonnes, compared to the chocolate market which grew at a rate of 6.2%<sup>1</sup>. Within the Food Manufacturers Products business, Corporate Accounts continued to perform strongly and National Accounts developed well despite intense competition. Gourmet recovered from a weaker business in the first six months and is surpassing prior year level. The growth in emerging markets in Central and South America was above average, led by Mexico with double digit growth in sales volume. Sales revenue in the Region was up 13.0% in local currencies (+2.5% in CHF).

## **Region Asia-Pacific – Business growing double digit in all categories**

Chocolate markets in the region again showed strong growth, led by China and India with double digit growth rates<sup>1</sup>. In the Region Asia-Pacific, Barry Callebaut's sales volume went up 10.2% to 39,168 tonnes, supported equally by double digit growth in the Food Manufacturers Products as well as Gourmet & Specialties Products business where the two global brands, Cacao Barry® and Callebaut®, significantly contributed to the growing sales volume. Sales revenue in the Region again strongly increased by 18.0% in local currencies (+12.9% in CHF).

## **Global Sourcing & Cocoa<sup>3</sup> – High demand for cocoa products**

With the crisis in Côte d'Ivoire coming to an end early May, cocoa terminal market prices adjusted downwards and stabilized at high levels between 1,800 and 1,900 GBP per tonne. Sugar markets were still suffering of a tight supply situation leaving prices very volatile and at historically high levels. Positive production prospects in the southern hemisphere let milk powder prices drop from their record highs reached end of February. Prices started to climb again towards the end of May.

The segment Global Sourcing & Cocoa strongly increased its sales volume by +22.1% to 191,540 tonnes, positively impacted by strong cocoa powder sales and Cocoa Products for strategic partners. Driven by the higher raw material prices, sales revenue grew strongly with +32.0% in local currencies (+22.9% in CHF).

## **Other developments**

In the period under review, Moody's Investor Service assigned a Baa3 corporate rating to Barry Callebaut AG, up from Ba1. The company successfully placed a EUR 250 million 10-year bond as well as renewed and amended its long term revolving credit facility. This further improved the company's liquidity profile and financial flexibility. As announced earlier, Barry Callebaut was able to sign two outsourcing agreements: Hershey awarded the company with additional volume, expanding the supply and innovation agreement signed in 2007. Barry Callebaut also concluded a long-term outsourcing agreement with Chocolates Turin, strengthening its presence in the industrial and gourmet market in Mexico. Under the agreement, Turin will become the exclusive distributor in Mexico for Barry Callebaut's global Gourmet brands Cacao Barry® and Callebaut®.

## **Outlook – Strong business model withstands economical uncertainties**

The world economy is facing macro-economical uncertainties such as the rising inflation in emerging markets, the debt crisis in Europe and the soon ending quantitative easing program in the U.S. Independent of this, Barry Callebaut expects the global chocolate market to further grow above 2%. The company assumes that raw material prices – especially cocoa, sugar and milk powder – will remain volatile and at high levels. Barry Callebaut operates a cost-plus model, allowing the company to pass on raw material price changes to its customers. The company believes the (forward) combined cocoa ratio to remain at good levels, partly compensating for the negative currency translation effects. Barry Callebaut remains confident to reach its mid-term financial goals and is therefore confirming its guidance<sup>2</sup>.

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<sup>3</sup> The figures reported under „Global Sourcing & 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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**Financial calendar for fiscal year 2010/11 (September 1, 2010 to August 31, 2011):**

Full-year results 2010/11 (news release / conference)	November 10, 2011, Zurich
Annual General Meeting 2010/11	December 8, 2011, Zurich

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**Barry Callebaut ([www.barry-callebaut.com](http://www.barry-callebaut.com)):**

*With annual sales of about CHF 5.2 billion / EUR 3.6 billion / USD 4.9 billion for fiscal year 2009/10, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finest finished product. 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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## Group key sales figures for the first 9 months of fiscal year 2010/11 (unaudited)

		Change in %		Nine months up to May 31, 2011	Nine months up to May 31, 2010
		in local currencies	in reporting currency		
<b>Group</b>					
Sales volume	Tonnes		7.3	1,046,141	975,044
Sales revenue	CHF m	12.5	1.6	3,988.3	3,926.4
<b>By Region</b>					
<b>Europe</b>					
Sales volume	Tonnes		2.1	583,896	572,060
Sales revenue	CHF m	6.3	(5.7)	2,216.9	2,350.9
<b>Americas</b>					
Sales volume	Tonnes		10.0	231,537	210,540
Sales revenue	CHF m	13.0	2.5	751.4	733.4
<b>Asia-Pacific</b>					
Sales volume	Tonnes		10.2	39,168	35,529
Sales revenue	CHF m	18.0	12.9	172.1	152.4
<b>Global Sourcing &amp; Cocoa</b>					
Sales volume	Tonnes		22.1	191,540	156,915
Sales revenue	CHF m	32.0	22.9	847.8	689.7
<b>By Product Group</b>					
<b>Industrial Business</b>					
Sales volume	Tonnes		8.3	847,358	782,644 <sup>4</sup>
Cocoa Products	Tonnes		22.1	191,540	156,915
Food Manufacturers Products	Tonnes		4.8	655,818	625,729 <sup>4</sup>
Sales revenue	CHF m	14.5	3.8	2,894.3	2,788.5 <sup>4</sup>
Cocoa Products	CHF m	32.0	22.9	847.8	689.6
Food Manufacturers Products	CHF m	8.7	(2.5)	2,046.5	2,098.9 <sup>4</sup>
<b>Food Service/Retail Business</b>					
Sales volume	Tonnes		3.3	198,782	192,400 <sup>4</sup>
Gourmet & Specialties Products	Tonnes		5.1	108,573	103,350
Consumer Products	Tonnes		1.3	90,209	89,050 <sup>4</sup>
Sales revenue	CHF m	7.8	(3.9)	1,093.8	1,137.9 <sup>4</sup>
Gourmet & Specialties Products	CHF m	12.9	1.4	560.7	553.2
Consumer Products	CHF m	2.9	(8.8)	533.1	584.7 <sup>4</sup>

<sup>4</sup> Figures have been restated to conform to the current period's presentation. The adjustments relate to a shift of Consumer Products business volume to the Food Manufacturers Products business in the light of the carve-out exercise.