Barry Callebaut

Roadshow- Half-year results 2012/13

April 8, 2013

BARRY CALLEBAUT

Agenda

- **BC at a glance**
- Highlights HY 2012/13
- Financials
- Strategy and outlook

Barry Callebaut is present in all stages of the industrial chocolate value chain

Cocoa plantations

Cocoa Beans

80%

Barry Callebaut's core activities

Cocoa Liquor

~54% | ~46%

Cocoa Powder | Cocoa Butter

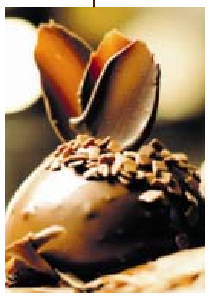
+ Sugar, Milk, others | + Sugar, Milk, fats, others | + Sugar, Milk, others

Powder mixes | Compound & Fillings | Chocolate Couverture

Customers

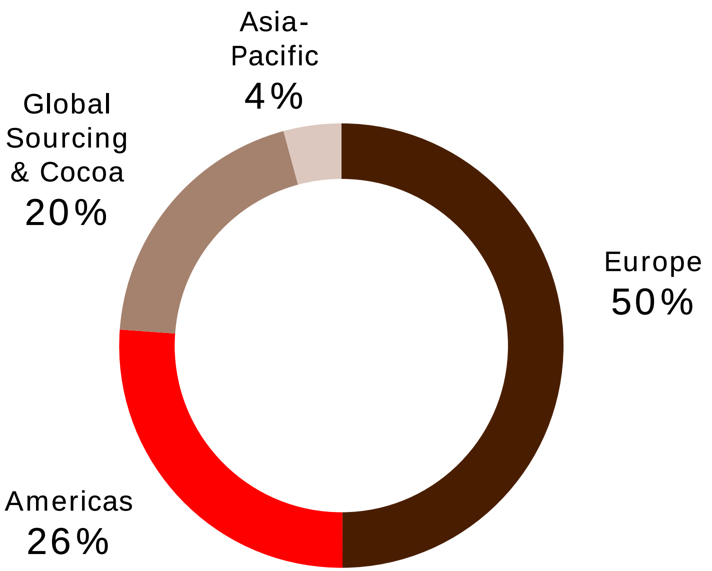
Food manufacturers, artisans and professional users of chocolate






Barry Callebaut at a glance

FY 2011/12
Sales volume =1,378,856 tonnes



Sales revenue = CHF 4,829.5 m

EBIT = CHF 353.2 m

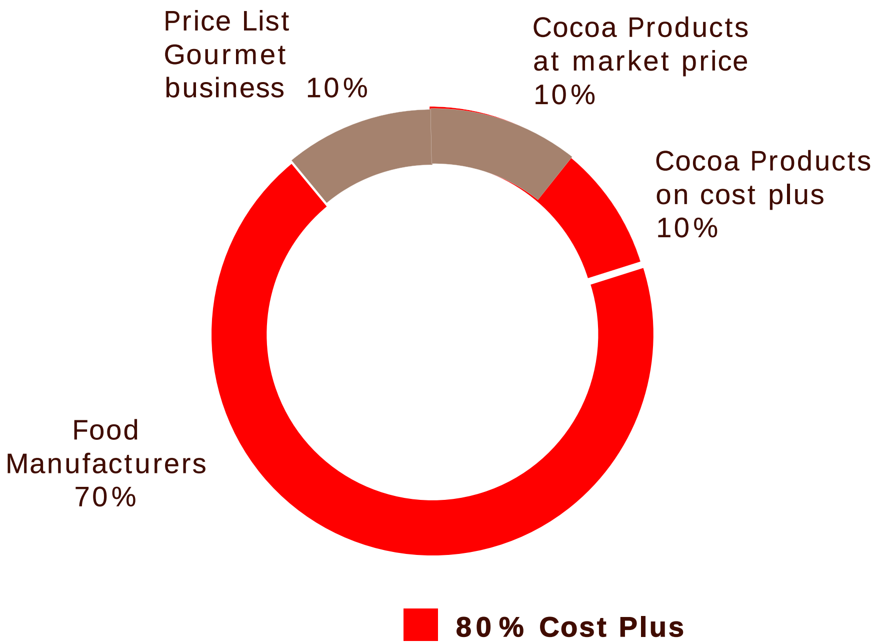
Net Profit * = CHF 241.1 m

* From continuing operations

- **World leader** in high-quality cocoa and chocolate products and **outsourcing / strategic partner** of choice
- World's **largest supplier of Gourmet & Specialties** chocolate for artisanal customers
- **6,000 people** worldwide, more than **45** production facilities
- **Fully integrated** with a strong position in cocoa-origin countries
- **Over 6,000 recipes** to cater for a broad range of individual customer needs
- We **serve the entire food industry**, from industrial food manufacturers to artisans and professional users

Robust business model

Barry Callebaut business model



- Raw materials represent about 80% of operating costs

Cost Plus model – pass-on the cost of raw materials to customers

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Half-year results 2012/13

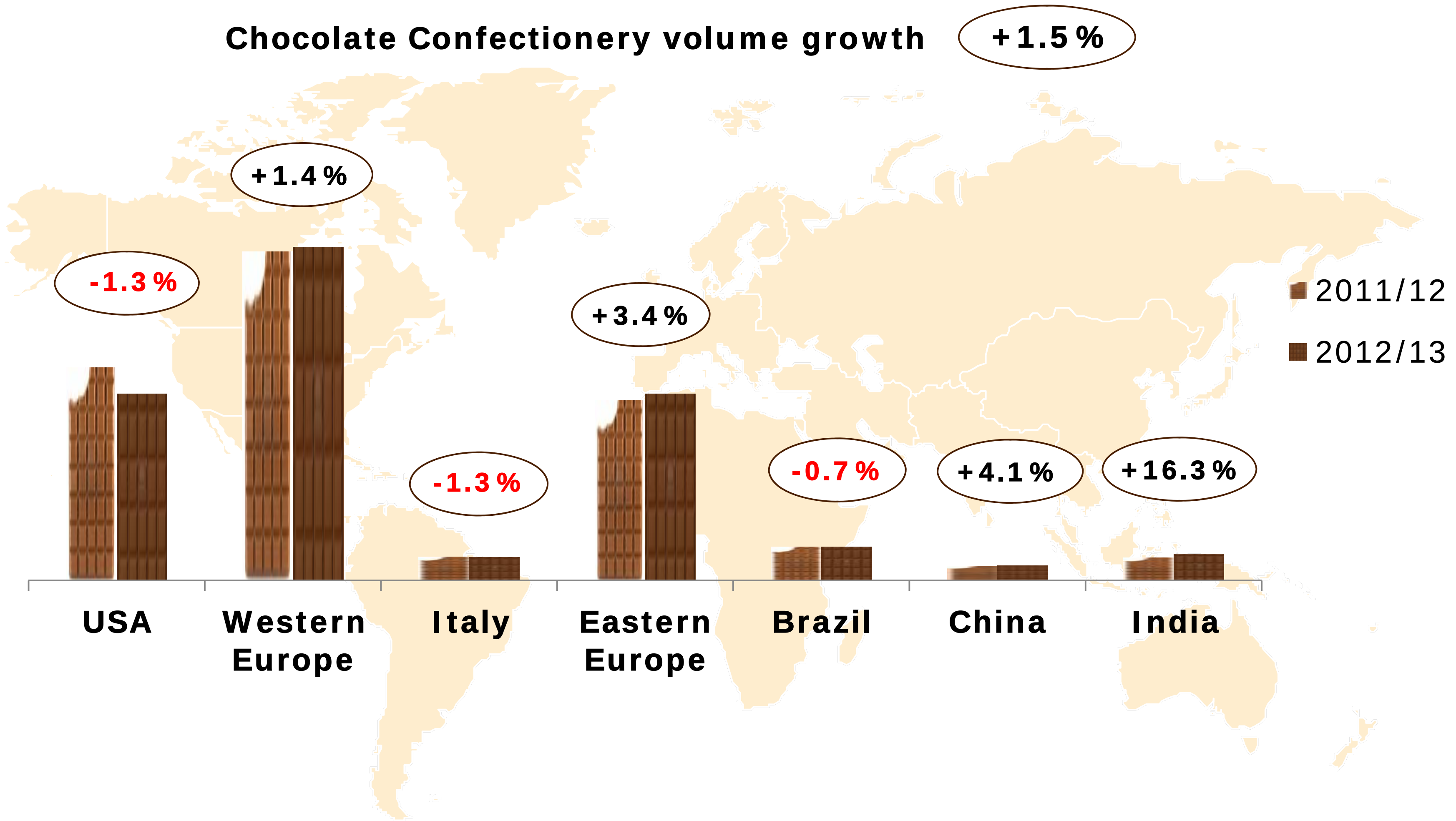
Strong volume growth, product margins improved, continued investments in future growth

- Sales volume growth +7.8%, significantly outpacing the market
- Growth fueled by
  - outsourcing and strategic partnerships +19%
  - Gourmet +6.9%
  - emerging markets +13%
- Product margins improved
- EBIT –2.4% mainly due to
  - investments in future growth
  - unfavorable combined cocoa ratio
- Net Profit from continuing operations declined -7.7%
- Closing and integration plan for Cocoa Ingredients Division acquisition from Petra Foods well on track
- Mid-term guidance confirmed

Market development

Global chocolate confectionery market grew +1.5% in the last half-year

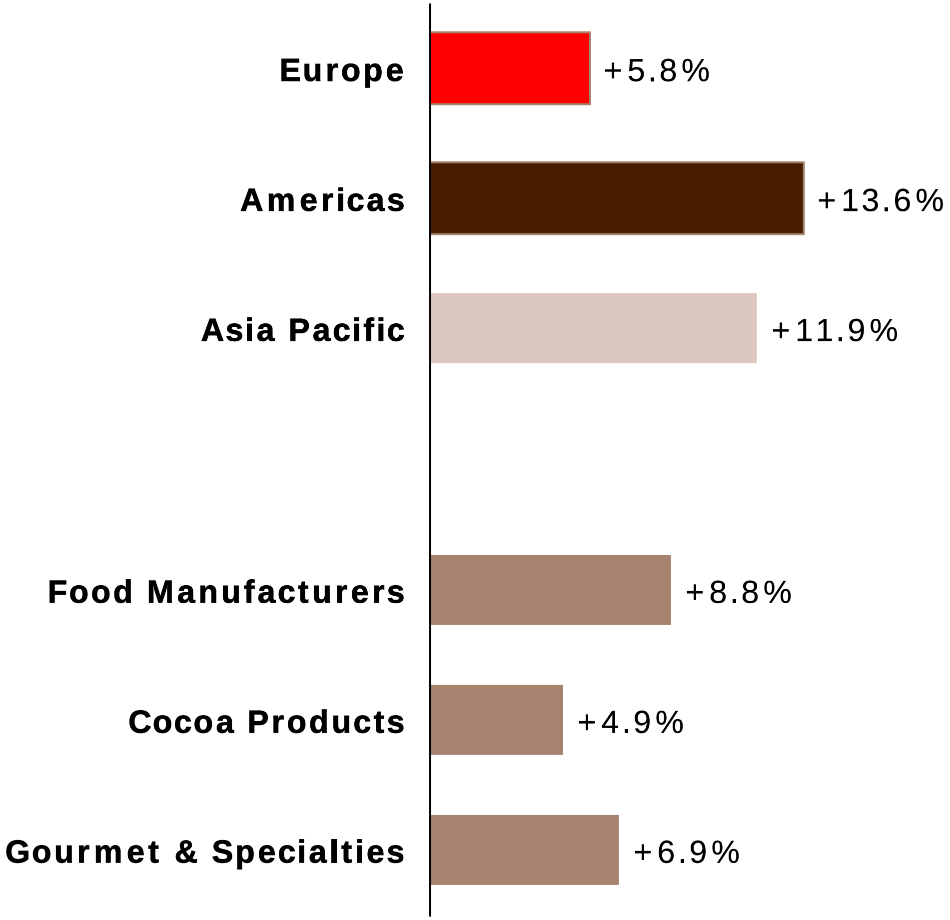
5 Months Sep-Jan 2013 (in 1,000 tonnes)[1]



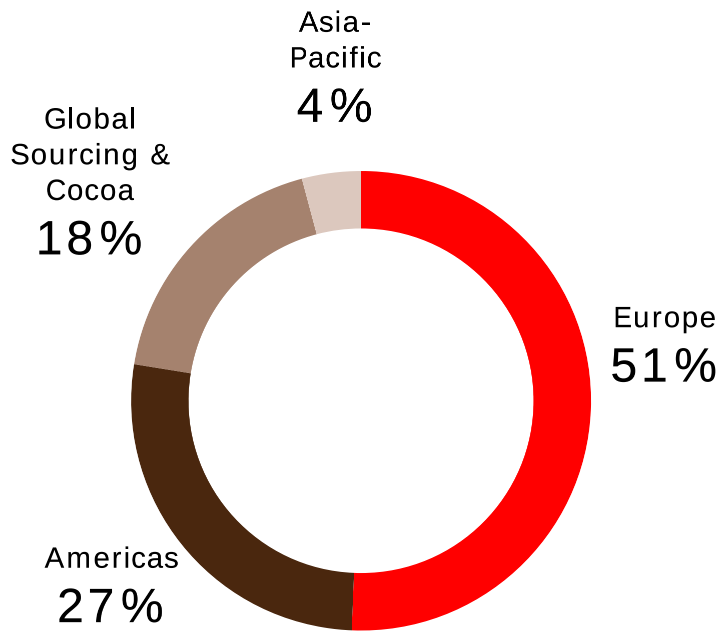
1) Source: Nielsen data (Sep 2012- Feb 2013); - Top 16 countries represent app. 75% of the global chocolate market in volume; - USA total volumes are estimated based on a share distribution by Euromonitor; Eastern Europe includes: Russia, Ukraine, Poland, Turkey. Asia Pacific includes: India and China

Growth across all Regions and Product Groups

Six months volume growth vs. prior year

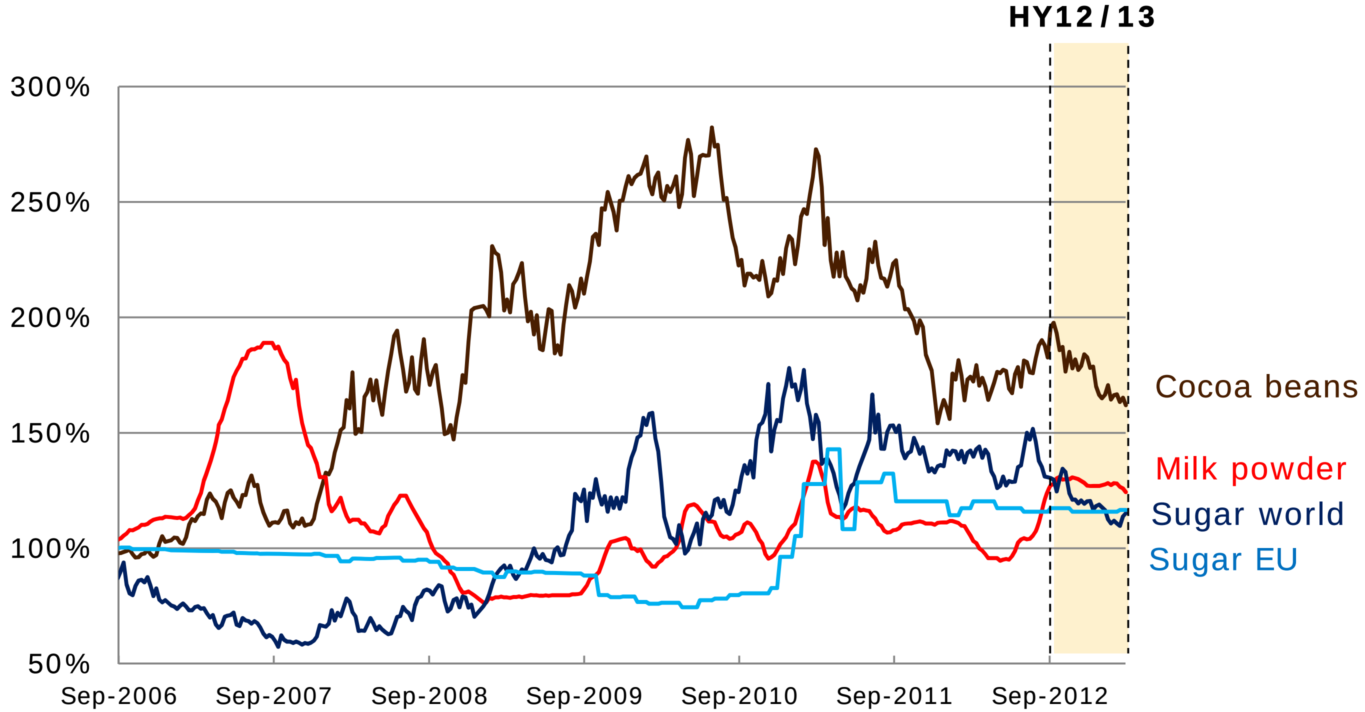


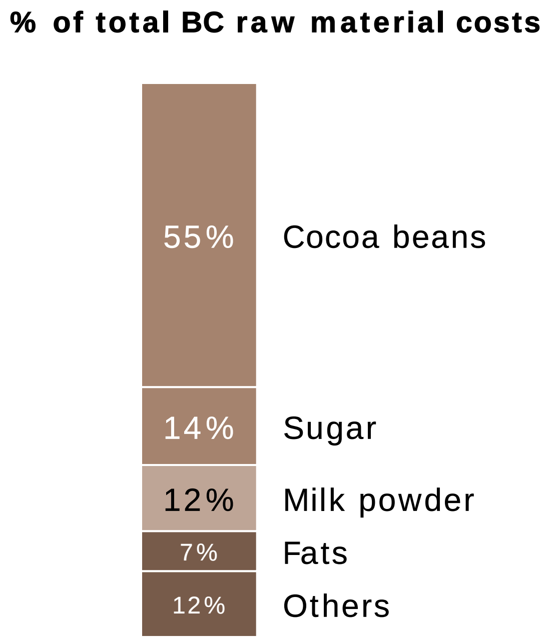
Sales Volume per Region – HY 2012/13



Raw material price development

Average prices of main raw materials lower compared to prior year





- Cocoa bean price continues at a relatively low level compared to historical prices, on average 15% lower compared to prior year (12 months)
- The sugar crop 2012/12 was very good, world market is in surplus. World sugar prices continued to decrease. EU sugar prices stayed the same, still at rather high levels
- Milk powder prices remained flat due to a balanced supply and demand

Highlights first six months – HY 2012/13

Significant strategic steps to generate further growth

First **long-term outsourcing agreement** in South America with Arcor, Dos en Uno

October 2012

Completion of Dijon sale to "Chocolaterie de Bourgogne"

November 2012

Acquisition of ASM Foods AB in Sweden. Strengthening presence in Scandinavia. Long-term outsourcing agreement with Carletti

January 2013

Announcement of the building of a **new factory in Turkey**

October 2012

Barry Callebaut to **acquire the Cocoa Ingredients Division from Petra Foods, Singapore**

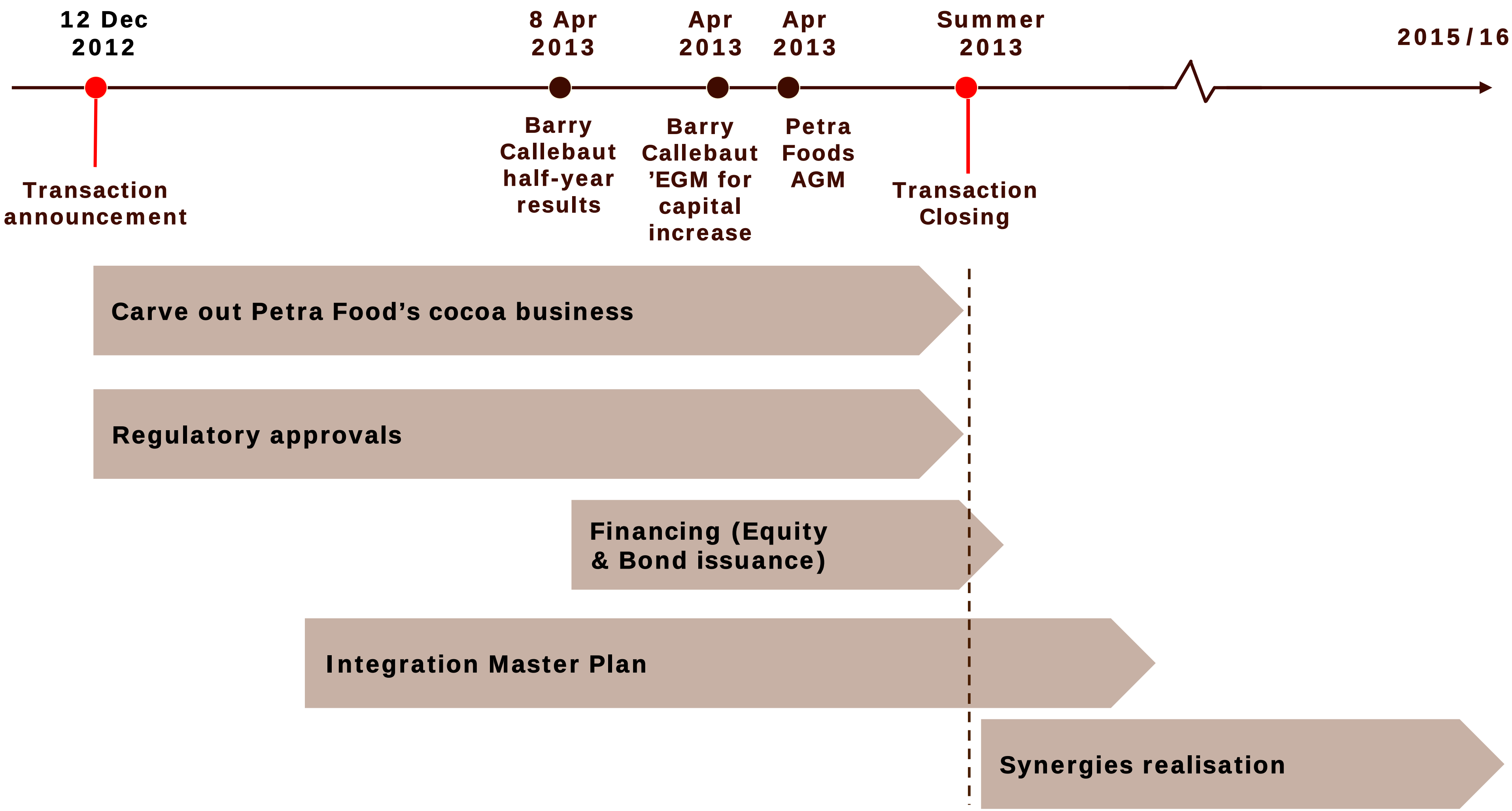
December 2012

Petra Foods Cocoa Ingredients' acquisition in line with our strategy

Excellent strategic fit at the core of Barry Callebaut's cocoa and chocolate business, supporting the company's overall growth

- Supporting further chocolate growth by stepping up the integrated cocoa sourcing and processing activities
- Strengthening current and future outsourcing and partnership agreements
- Boosting sales volume in fast growing emerging markets, mainly in Asia and Latin America, by 65% to almost one-third of Group sales volume
- Becoming a pro-active market player in the fast growing cocoa powder market
- Adding Asia as a strong cocoa sourcing base next to West Africa

Transaction and integration timeline



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Key figures HY 2012/13 – from continuing operations

Strong volume growth, product margin improved, continued investments in future growth

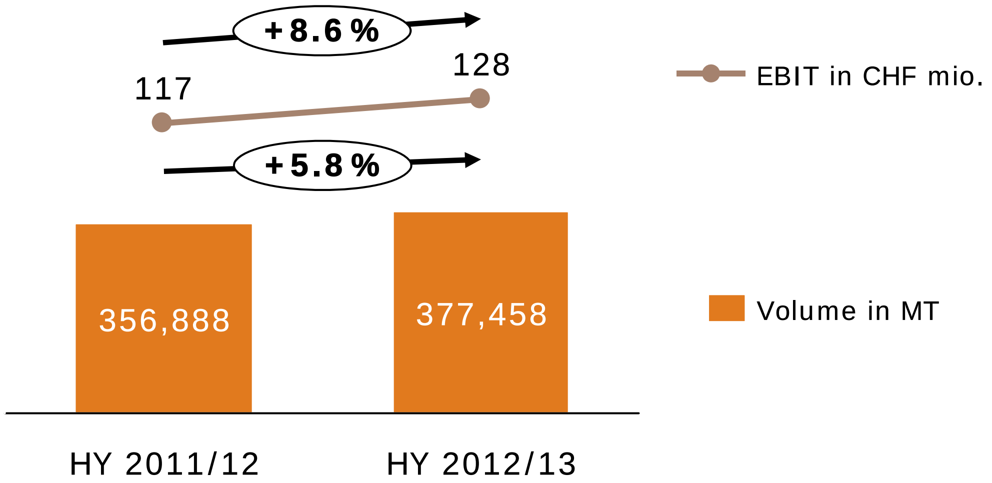
Six months - Sep 2012-Feb 2013

[CHF m]		Change in % in local currencies	Change in % in CHF	H1 2012/13	H1 2011/12 (restated)
Sales volume [in tonnes]			7.8%	745'256	691'061
Sales revenue		-2.6%	-2.4%	2'391.6	2'449.6
	CHF per tonne	*-9.7%*	*-9.5%*	*3'209*	*3'545*
Gross profit		4.9%	5.5%	357.3	338.8
	CHF per tonne	*-2.7%*	*-2.2%*	*479*	*490*
EBITDA		1.8%	2.1%	220.1	215.6
	CHF per tonne	*-5.6%*	*-5.3%*	*295*	*312*
Operating profit (EBIT)		-2.4%	-2.1%	173.8	177.6
	CHF per tonne	*-9.5%*	*-9.3%*	*233*	*257*
Net profit for the period		22.0%	22.4%	110.3	90.1
	CHF per tonne	*13.1%*	*13.4%*	*148*	*130*

Region Europe

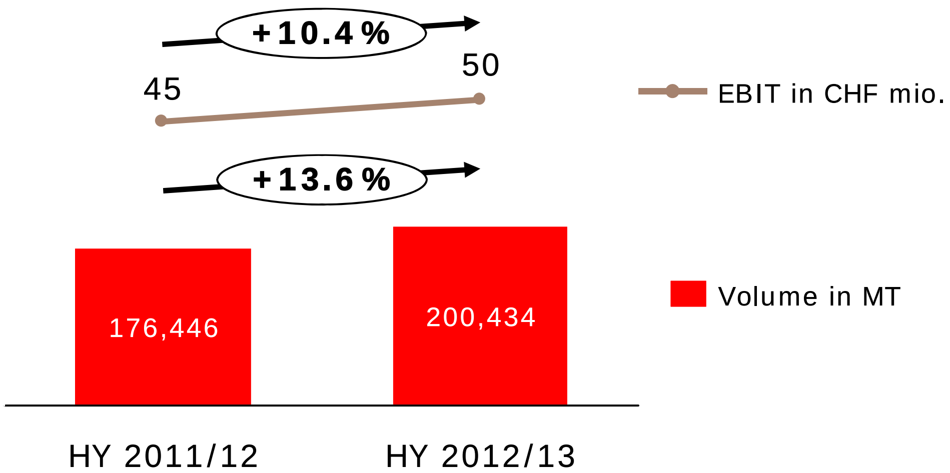
Solid growth, both top and bottom line

- Overall chocolate confectionery market in Europe grew +2%. Some countries showed a decline such as Italy
- We achieved strong solid growth in WE driven by higher sales of both standard and specialty products in both Food Manufacturers and Gourmet business
- In EEMEA we continued to achieve double-digit growth in Gourmet and high single-digit in the Industrial business
- EBIT development exceeded the good volume as a result of improved margins. EBIT rose 8.1% in local currencies (8.6% in CHF)



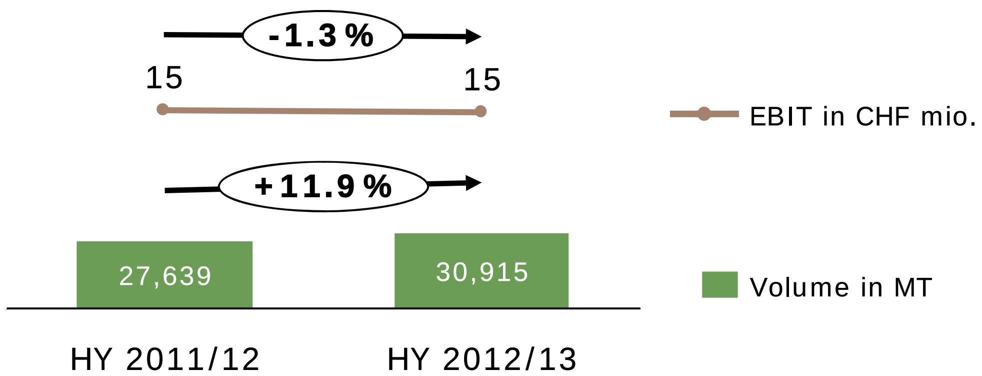
Region Americas
Continued double digit top line, strong bottom line performance

- Chocolate confectionery market in the U.S. decreased by -1.3%; Brazil was at -0.7%
- We continued our double digit pace in the top-line. In North America, growth was mainly driven by global accounts in Food Manufacturers. Gourmet business also continued to grow double digit
- Sales volume in South America again substantially climbed. Mexico doubled volumes compared to prior year
- Volume growth and margins improvement impacted positively Operating result which rose by 8.7% in local currencies (10.4% in CHF)



Double-digit volume growth, investing in the future

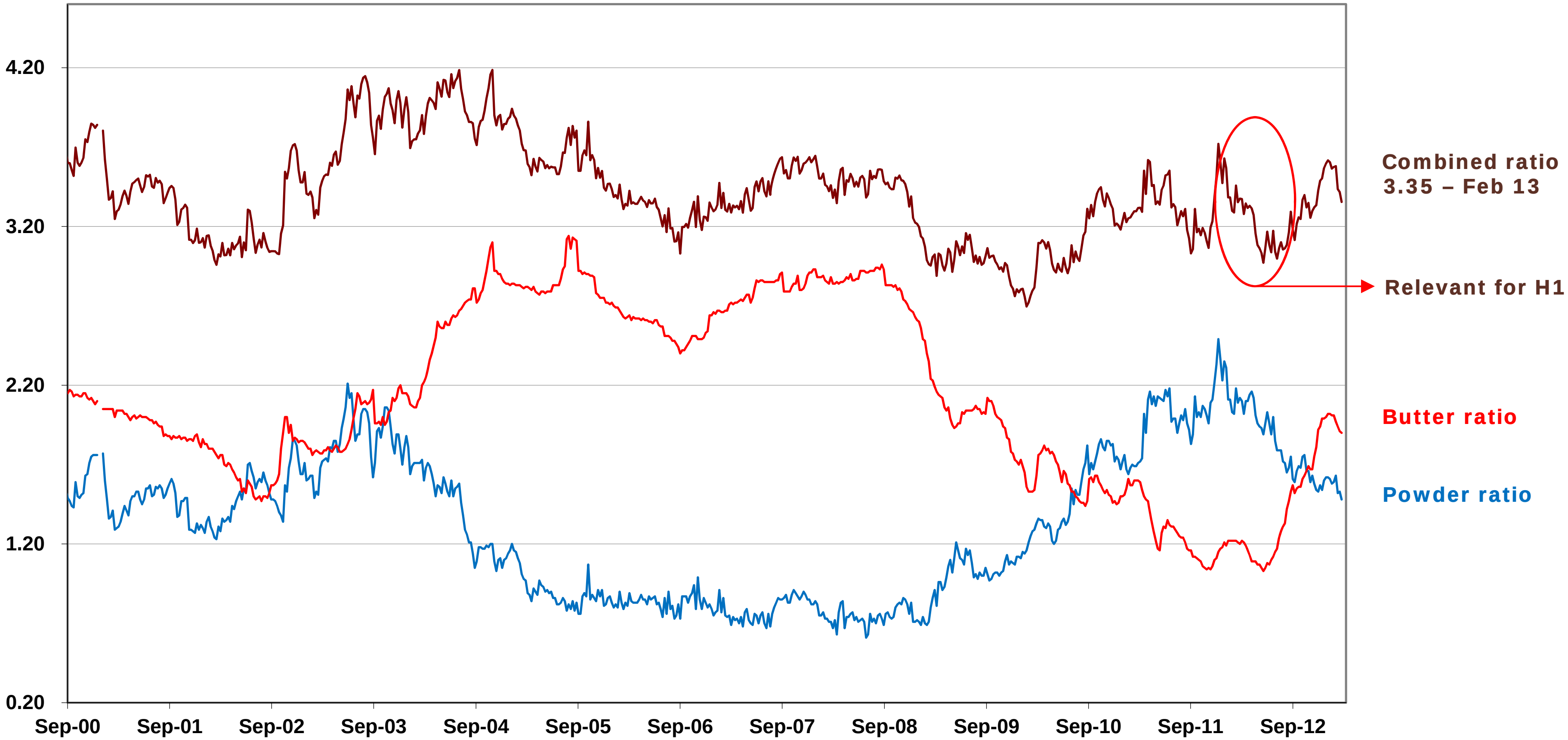
- Chocolate confectionery markets in India and China together grew 11.6%
- Our sales volume in the region increased by 11.9%. China and India together grew +20%
- Gourmet brand Callebaut® achieved broad based, double-digit volume growth; overall growth was also supported by well performing local brands
- Both in the industrial and the Gourmet business, China was the best performing country
- Operating profit (EBIT) was negatively impacted by a higher cost base and an ongoing expansions. EBIT decreased by 2.5% in local currencies (-1.3% in CHF)



Cocoa processing activity

Low combined ratio for H1 driven by lower cocoa powder prices, partly offset by higher cocoa butter

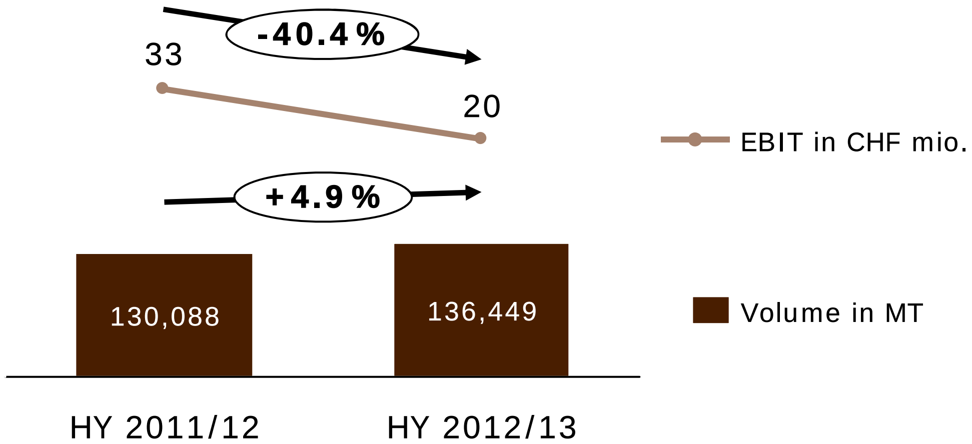
European combined ratio - 6 months forward ratio **HY 12/13**



- Low combined cocoa ratios = negative impact on BC cocoa (semi-finished products) business

Combined cocoa ratio affecting profitability in H1

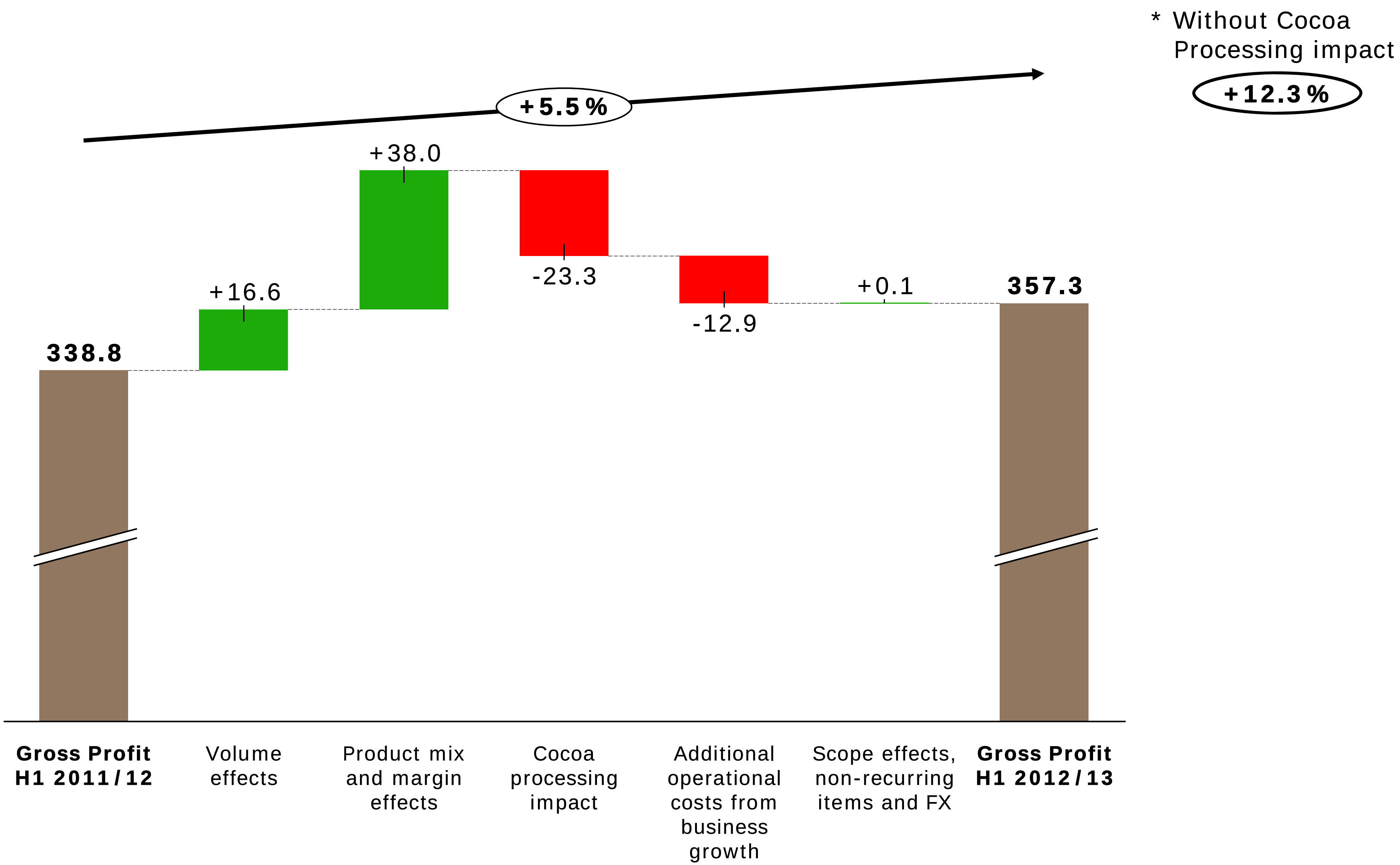
- Third party sales volume up +4.9%, despite a slowdown in powder demand in the U.S. and Europe
- Sales prices for cocoa ingredients (cocoa butter, cocoa liquor, and cocoa powder) were significantly lower
- As expected, the combined cocoa ratio had a negative effect on the cocoa processing profitability. This is why third party operating profit (EBIT) dropped by 37.5% in local currencies



Gross Profit – February 2013

Improved Gross Profit despite negative combined ratio effect

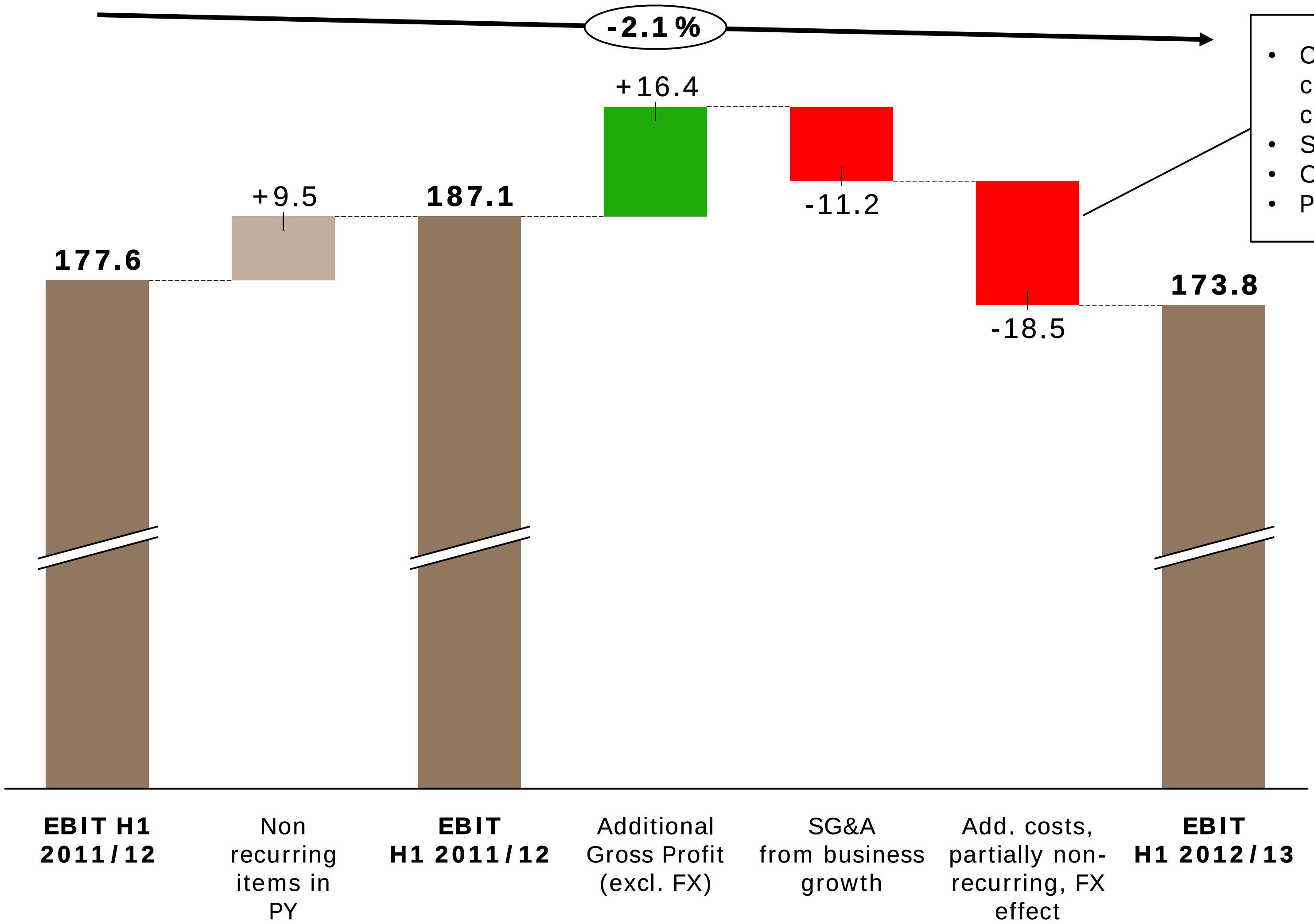
in mCHF



EBIT – February 2013

Operating profit mainly impacted by ongoing investments into future growth

in mCHF

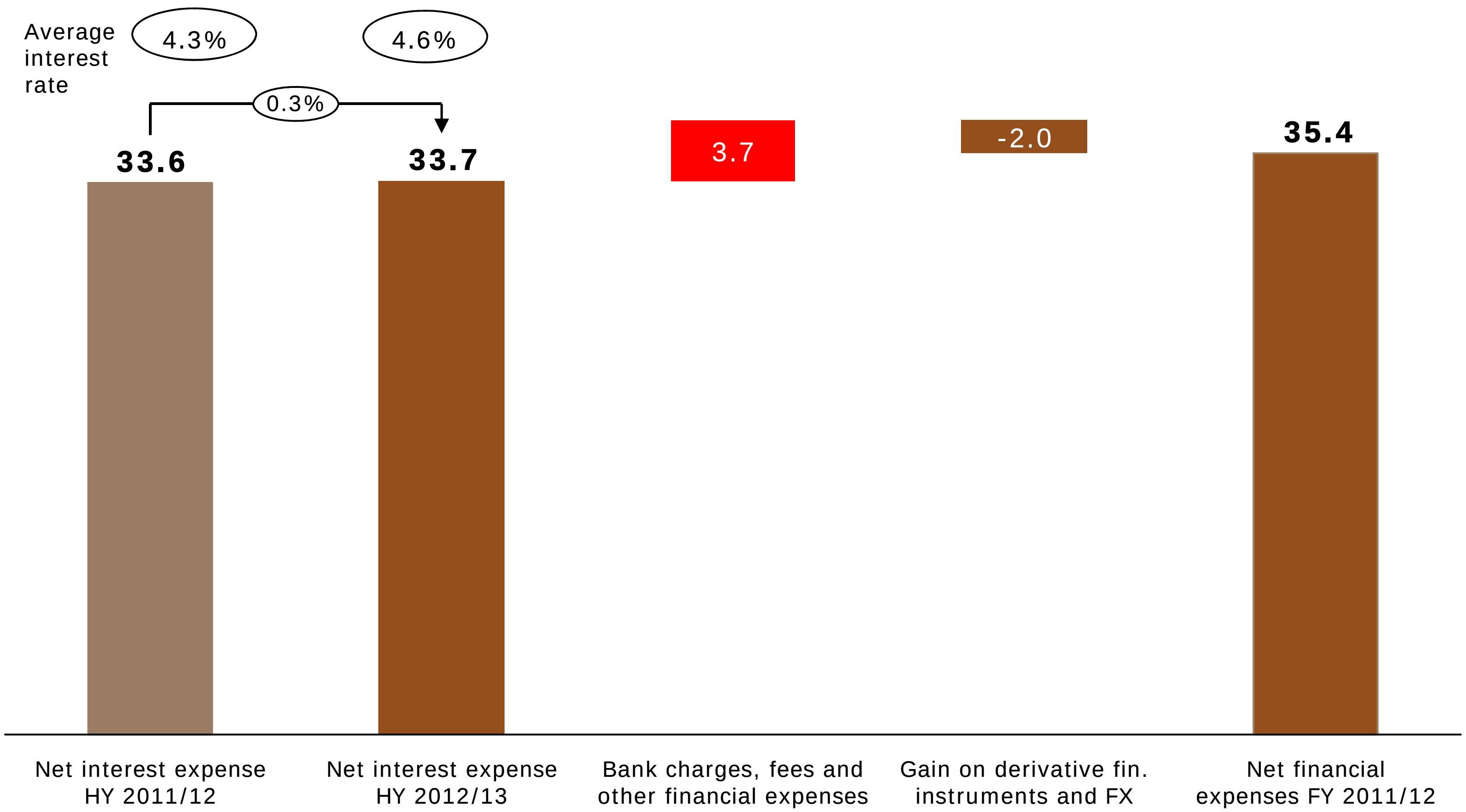


- Côte d'Ivoire new cocoa procurement concept
- Selective investments
- Overfull factories
- Petra acquisition costs

Net Financial Expenses

Higher financial expenses due to higher credit spread and less FX gains

in CHF m - From continuing operations only



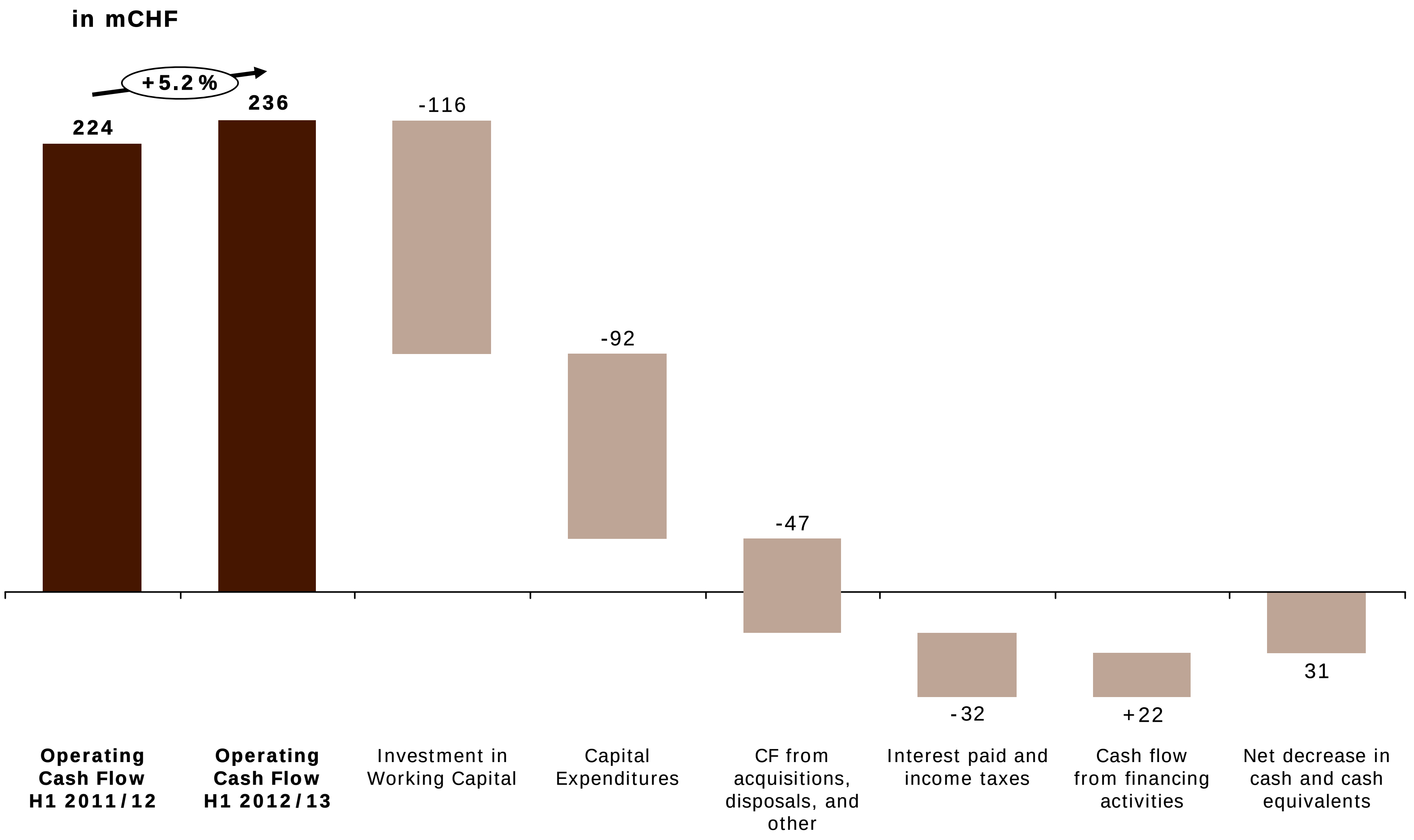
From EBIT to PAT

Net profit from continuing operations affected by higher financial items and higher taxes

[CHF m]	Change in % In local currencies	Change in % CHF	H1 2012/13	H1 2011/12 (restated)
Operating profit (EBIT)	-2.4%	-2.1%	173.8	177.6
Financial items	-14.8%	-14.2%	(35.4)	(31.0)
Result from investments in associates and joint ventures			(0.3)	0.3
Profit before Taxes [CHF m]	-6.4%	-6.0%	138.1	146.9
Income taxes		-2.4%	(21.7)	(21.2)
Tax rate [in %]			*15.7%*	*14.4%*
Net profit from continuing operations[1]	-7.7%	-7.4%	116.4	125.7
Net result form discontinued operations			(6.1)	(35.6)
Net profit for period	22.0%	22.4%	110.3	90.1

Cash Flow

Higher operating cash flow which supports further growth

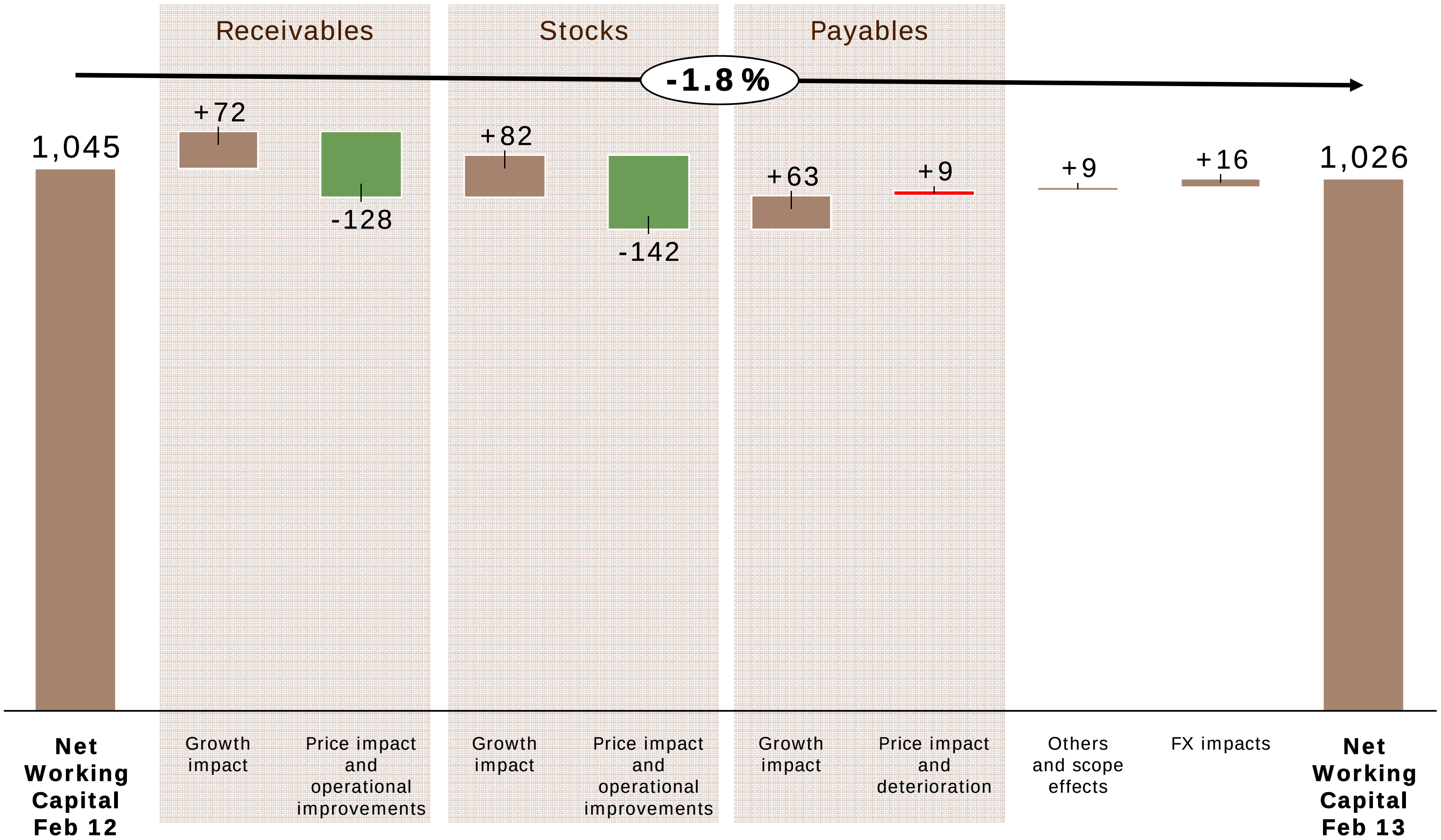


* Paid from paid-in capital reserves

Net Working Capital evolution

Improved by 1.8% despite volume growth

in mCHF



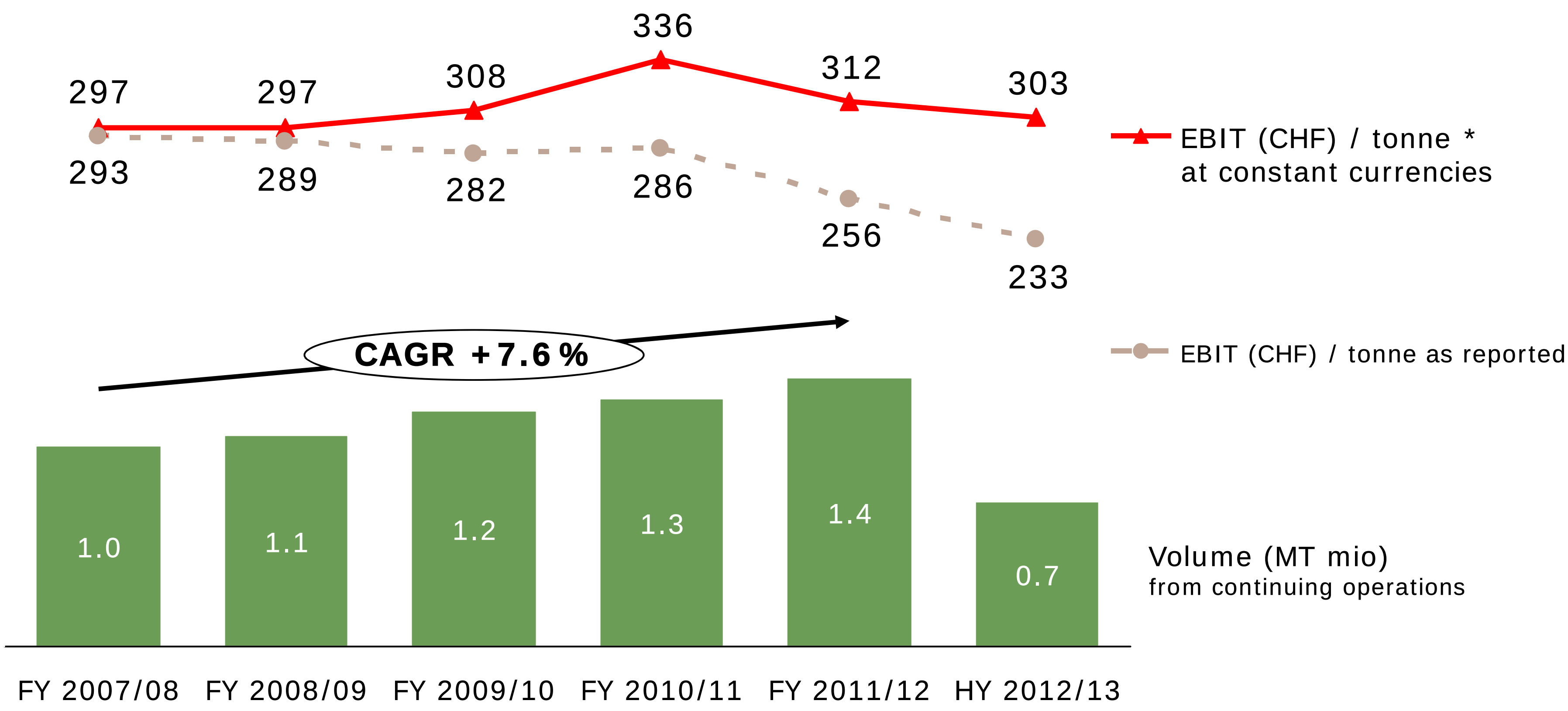
Balance Sheet

Ongoing investments, stable Balance Sheet and financial ratios

	Change in %	Feb 13	Feb 12
Total Assets [CHF m]	-8.2%	3'556.0	3'875.7
Net Working Capital [CHF m]	-1.8%	1'026.2	1'045.1
Non-Current Assets [CHF m]	10.0%	1'488.4	1'353.1
Net Debt [CHF m]	2.9%	993.9	965.5
Shareholders' Equity [CHF m]	6.5%	1'386.0	1'301.0
Debt/Equity ratio		71.7%	74.2%
Solvency ratio		39.0%	33.6%
Net debt / EBITDA		2.3x	2.4x
Interest cover ratio		5.5x	5.4x
ROIC		12.1%	14.0%
ROE		16.9%	18.5%

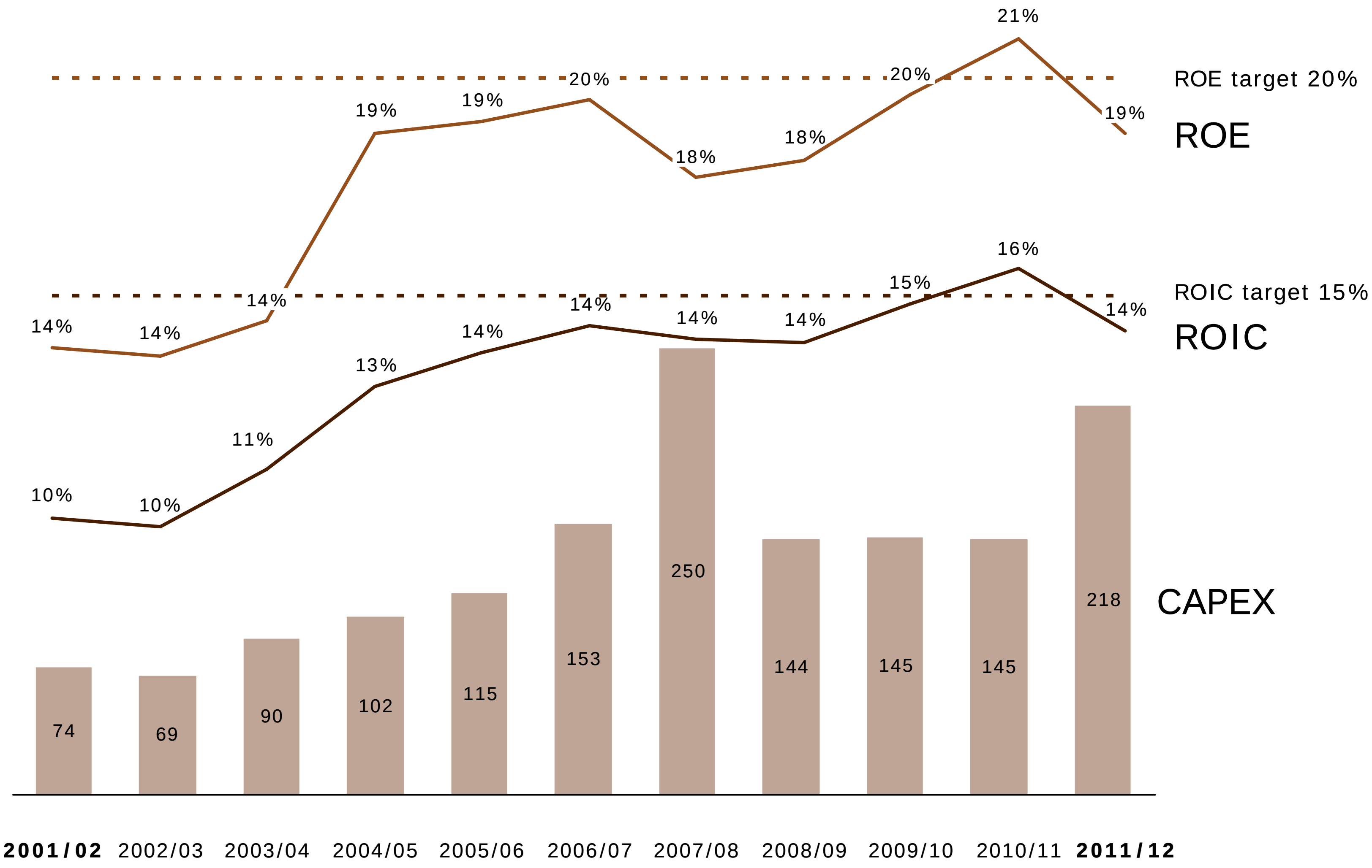
Strong volume growth over the last 5 years and EBIT per tonne maintained, excluding negative FX impact

Group development



* Excluding negative FX impact (at constant currencies 2007/08) and excluding Consumer business

Committed to long-term volume growth, while improving our return on equity and on invested capital



Financing of the Petra Foods' Cocoa Ingredients Division acquisition

- Total consideration: USD 950 mio

PETRA FOODS LIMITED

- Bridge loan for total consideration provided by Credit Suisse currently in place

- Take out – bridge loan
  - USD 300 mio equity via accelerated book building or rights issue
  - USD 600 million Rule 144A/Reg S USD bond offering

- Expected timing of the equity and bond offering, shortly before or after the closing of the transaction (June – August 2013)

- Waiver on the Revolving Credit Facility received from all 12 banks

- As expected downgrade to BB+ by S&P at the end of March 2013, due to lower ratios for the combined business in the first years.

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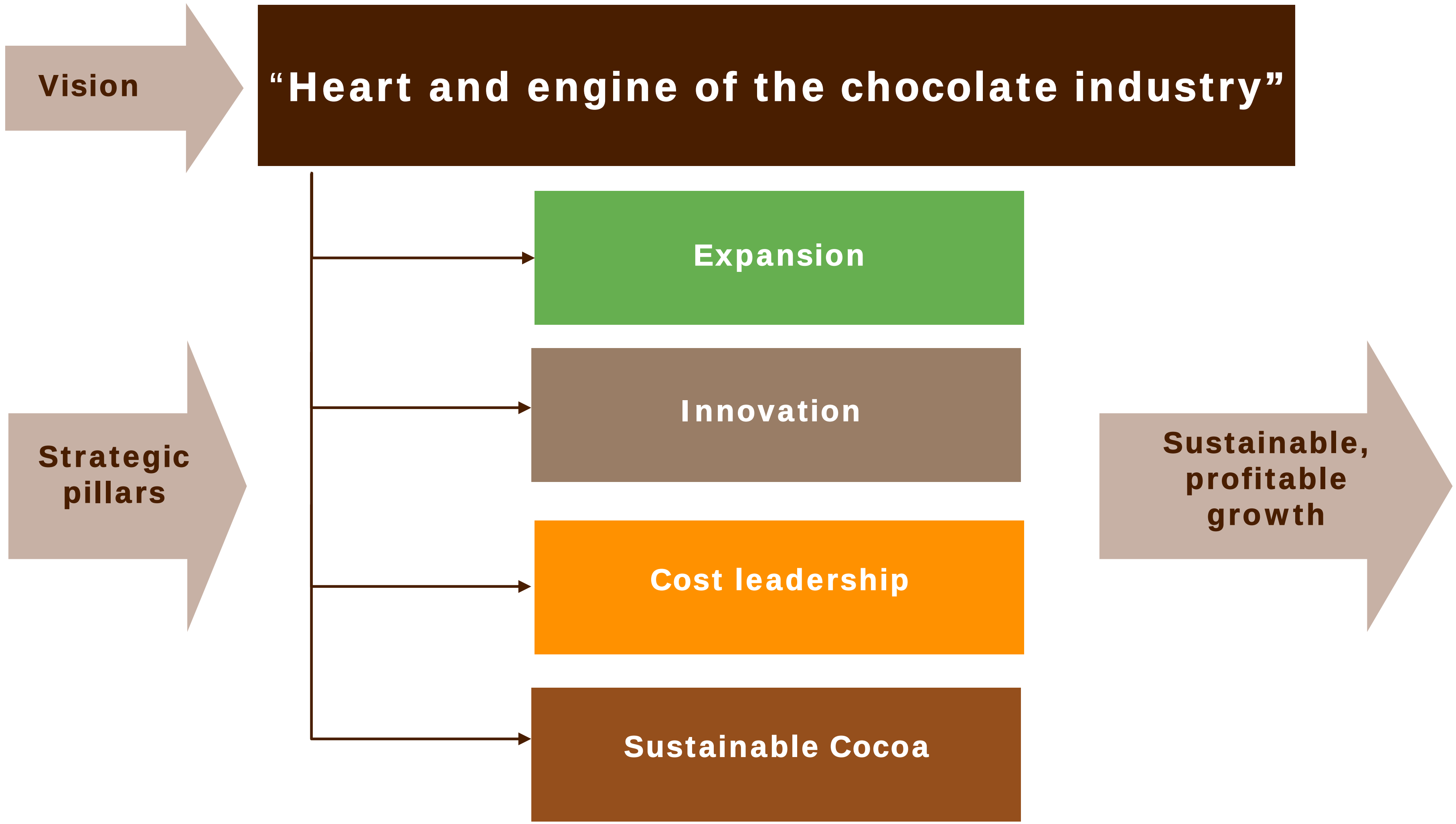
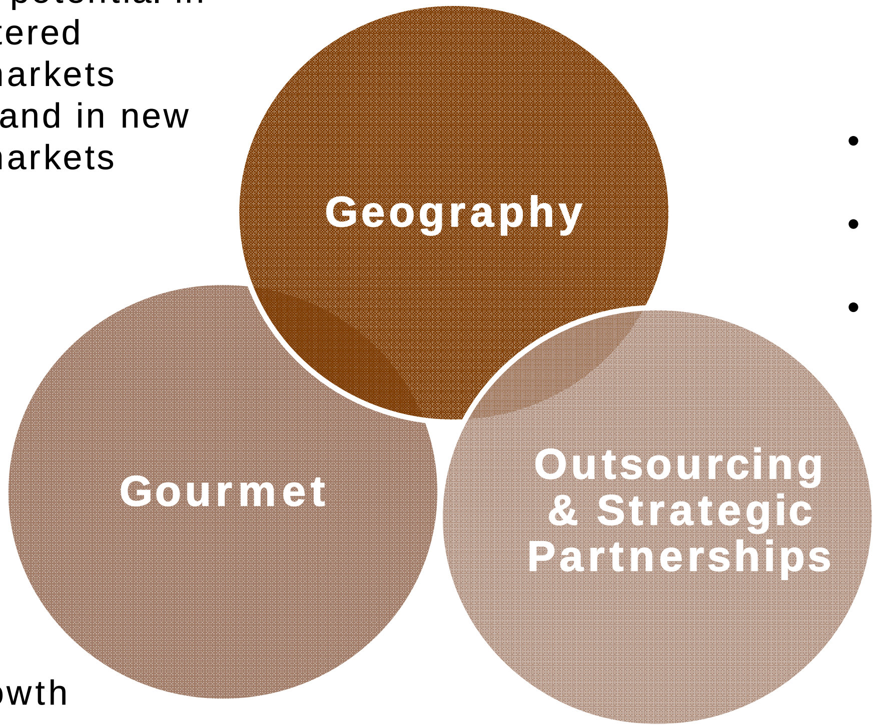
- **Strategy and outlook**

Our Strategy



Expansion based on key growth drivers

- Consolidation in mature markets
- Achieve full potential in recently entered emerging markets
- Further expand in new emerging markets



- Strengthen current partnerships
- Implement recently signed contracts
- New outsourcing deals with local and regional players

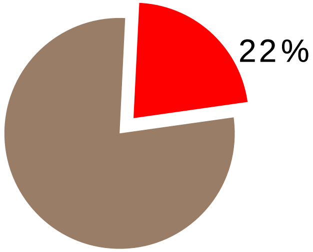
- Accelerate growth of Gourmet & Specialties Products business

Expansion

Development of our growth drivers

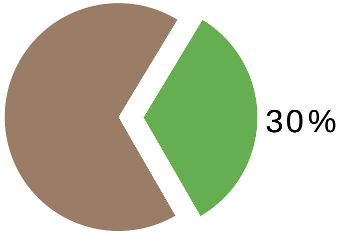
	HY 2012/13	CAGR 07/13
Total Group	% of total Group Volume	+6.7%

Emerging markets



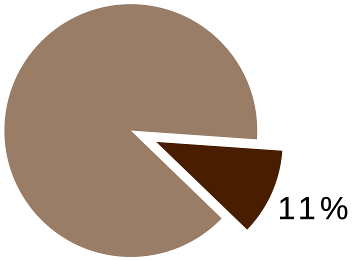
+16.3%

Outsourcing & Strategic Partnerships



+89.0%

Gourmet & Specialties

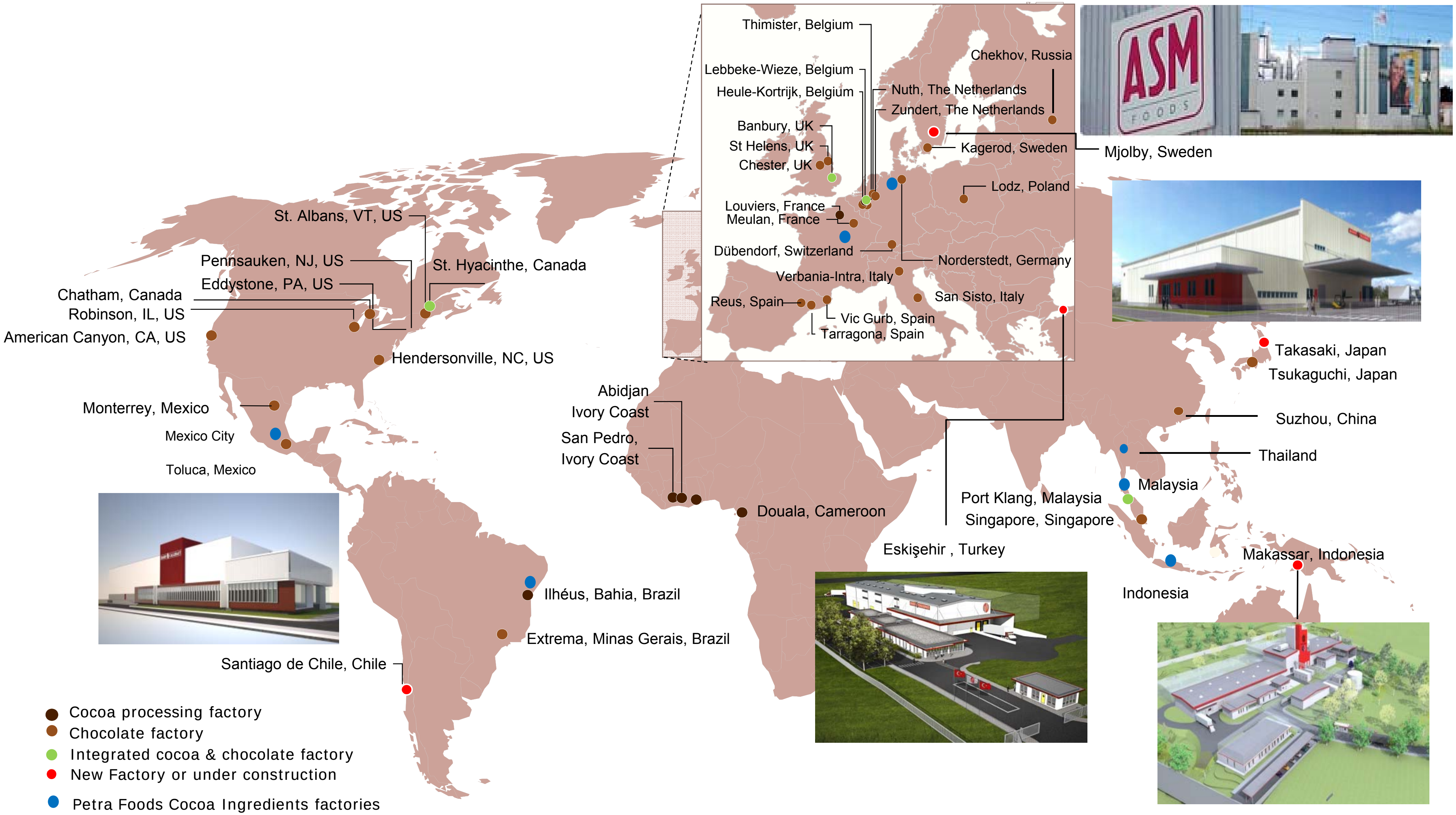


+6.0%

Global chocolate market*	+1.0%

* Source: Euromonitor CAGR 07/13 and Nielsen last 6 months.

Our global manufacturing footprint continues to expand by 12 factories



Expansion

Continuous strong focus on Gourmet, our strategy has translated into key actions

We want our brands to empower chef & artisans to delight customers with superior creations anywhere, anytime and lead sustainable cocoa

Our key focus

Global brands / Portfolio	Our **brand equities** should become the strongest in their competitive set & our portfolio focused
Balanced Push & Pull	Step up **distribution points** and increase pull activities
Best in class Customer Service	Fix issues and build deep customer engagement through **a best in class service level**
Innovation & Renovation	**Best in class execution of innovation & renovation** – fewer bigger innovations
Enablers	**Clear customer segmentation, increased our market intelligence**

Expansion

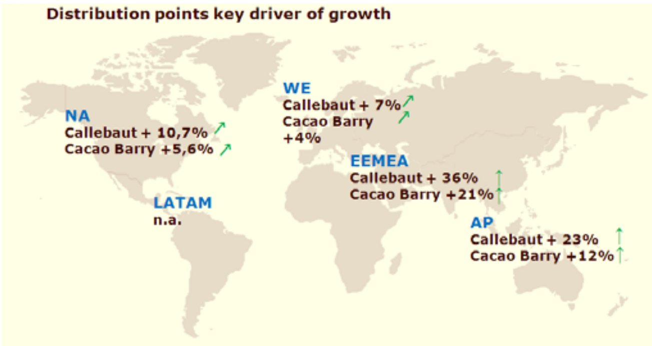
Further efforts on global brands and balanced push-pull approach

Global brands

- Building Brand Equity: Core Range Differentiation
- Belgian Chocolate Leadership through "Growing Great Chocolate" & New packaging

- Cacao Barry Brand reactivation to be initiated in H2 2012/13

Balanced push - pull



- Increased distribution points worldwide. Focus on increasing distribution points & portfolio in key cities

Balanced push - pull

- Increasing presence in social media: First Live Academy by Cacao Barry in Jan'13 generating over thousand participants from more than 50 countries
- Callebaut TV re-launch May '13 and Chocolizer taste tool

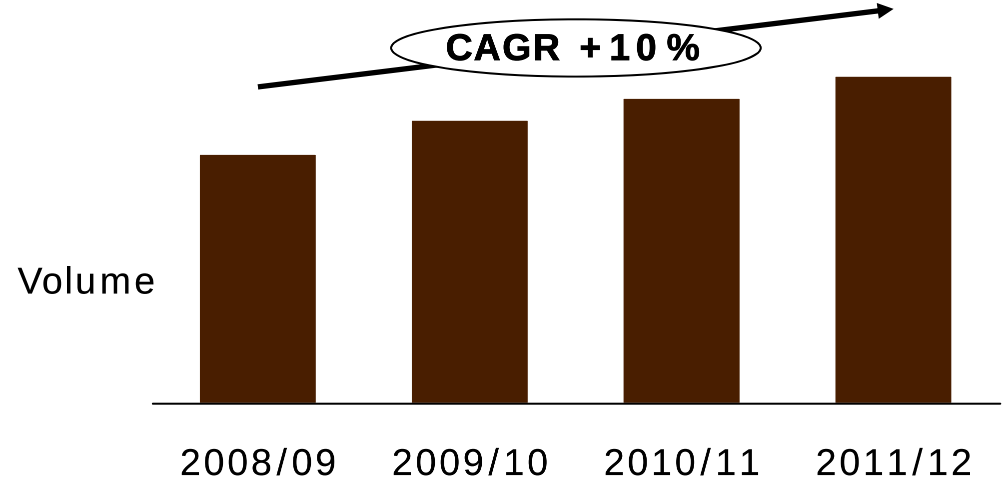
Expansion

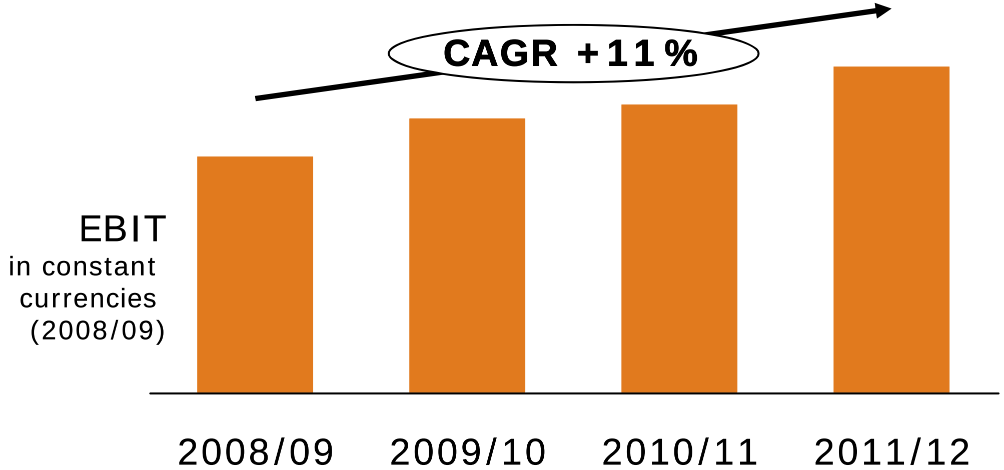
As a result of our focus and recent investments in the Gourmet business, we grew double-digit top and bottom-line

CALLEBAUT
BELGIUM 1911

CACAO
BARRY
Since 1842

Group Gourmet Business (excluding Beverages)





Innovation

Successful R&D activities enable further growth

Fully loaded portfolio of future facing Innovations…

Enjoy Superior Sensorics

Nut pastes *Cocoa Nibs*

Aerated Fillings

Marzipan Deco

Crispy Fillings

Flavoured Fillings

Coloured Chocolate

Navigating Heath & Nutrition

Natural Flavour Colors

Better Fat Balance

Lactose Free

Sugar Free / Stevia

No added, refined sugar

Probiotics

Making a difference

Certified Cocoa

Certified Chocolate

Quality Partner Program

With Sustainable Palm

As real as we can get

Origin Cocoa

La Morella Nuts

Origin Chocolate

Java & Cameroon TC

Make it easy

Bake Stable Chips, Fillings

Low Fat Cocoa

Fast Drying Compound

Ready to Use Ganache

Heat Resistant Chocolate

Cost Leadership

Coping with strong growth, while striving to be cost leader

Factory costs

- Efficiency gains like for like of -0.5% vs target of -2%
- Costs driven by volume growth, new factories, CAPEX and inflation
- Overload of factories in WE and Asia had high single digit additional cost effect
- Continuous improvement program One + generates recurring single digit million costs improvement

Capacity utilization

- Capacity utilization: Cocoa liquor - 92% (target 90-95%), Cocoa pressing – 88%, Chocolate 92%, in Europe 98% (target 82-85%)

Logistics costs

- Up +15% driven by additional volume, warehousing costs, fuel increases and intercompany transports

«Spring» Program to accelerate our speed towards our customers is well on track

Project Spring
Becoming a leader in service

Today

Oct 17 (2011) — May 8 (2012) — Dec 15 — April — June (2013) — September (2013) — Jun 2014

Pre- Spring: Study

Detailed process design and organization
- Detailed process re-engineering
- Detailed organizational design

Implementation system
- System build to embed new processes
- Finalize and set-up organization , KPI's & governance
- Data gathering for go live

Go-live
- Go Live
- Go Live support

Roll Out
- Roll outs
- Continuous improvement

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Increased investments to secure enough cocoa supply and to improve farmer livelihoods

COCOA HORIZONS

Long-term threats

- Lack of enough quantity and quality cocoa beans
- Consumption outpaces bean production
- Competitive crops more profitable
- Low and volatile cocoa bean price

Our latest actions

Farmer Practices

Aim: double yield (+ 800kg/hectare)

- Cocoa Center of Excellence in Côte d'Ivoire operational as of April 2013

Farmer Education

Aim: develop next generation of farmers

- 5 new Farmer Academies
- 2 rural schools & community learning centers in Côte d'Ivoire

Farmer Health

Aim: improve the livelihood of the farmers

- New water wells drilled
- Vaccination program
- Insecticide nets

QPP & Biolands Cocoa Buying Programs
'Callebaut' range shifted to sustainable QPP cocoa
Switch to 100% RSPO-certified sustainable palm oil

Mid-term guidance confirmed

Growth targets for 2011/12-2014/15:

- On average 6-8% volume growth
- Average EBIT growth at least in line with volume growth

* Our view for the 2011-2015 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 unforseen events and based in local currencies.

As of closing acquisition of Petra Foods' Cocoa business:

- Volume growth: 6-8% on average per year until 2015/16
- EBIT/tonne restored to Barry Callebaut's pre-acquisition level by 2015/16

* Our view for the 2012-2016 period reflects current economic forecasts for the markets we operate in as well as internal developments and their assumed impact on our performance, we assume that the combined ratio will go to average historic levels, and barring any major unforeseen events

Summary

- Strong broad based volume growth: sales volume +7.8%, fueled by strategic growth drivers outsourcing, Gourmet and emerging markets
- Product margins improved; gross profit up +5%, despite an unfavorable combined cocoa ratio
- EBIT decreased by 2.4% in local currencies (-2.1% in CHF) impacted by continued investment in future growth
- Closing and integration plan of Cocoa Ingredients Division acquisition from Petra Foods well on track
- Growth targets confirmed

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 2012/13. 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 8, 2013. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

Appendix

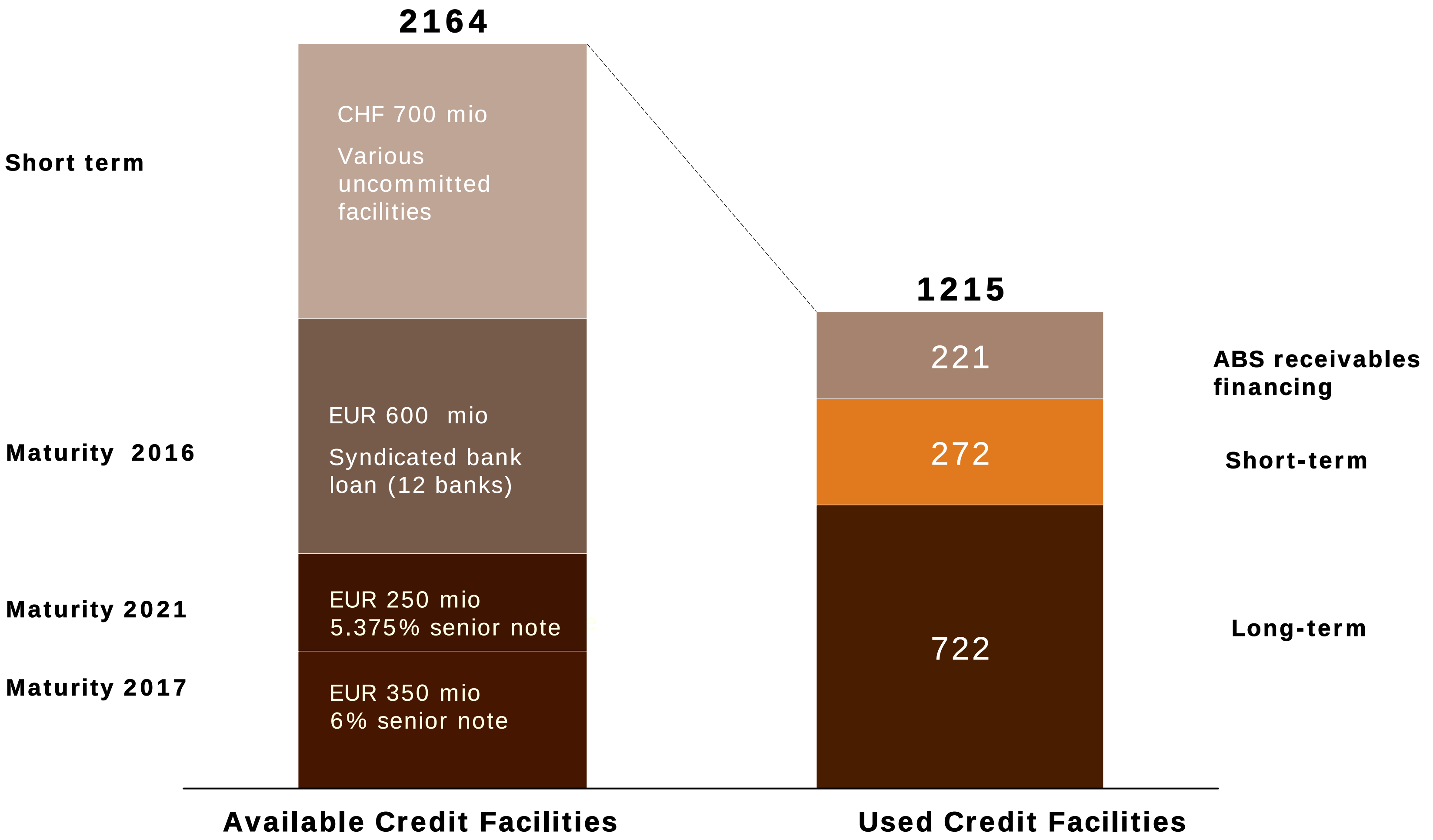
10 Reasons to invest in Barry Callebaut

- World leader in high-quality cocoa and chocolate products
- Cost Leadership along the entire value chain with a continuous improvement structure
- Leader and growing presence in emerging markets
- World's largest supplier of Gourmet & Specialties chocolate for artisanal customers
- Proven, focused and long-term oriented strategy
- Recognized innovation leader
- Superior growth opportunities through strong positioning in outsourcing and long-term strategic partnerships with major food companies
- Global chocolate service and production footprint, more than 45 production facilities and operating out of 30 countries, with a strong footprint and local presence in key cocoa origin countries
- Strong track record of consistent earnings and cash flow generation
- Experienced, international and proven Management team

Net debt

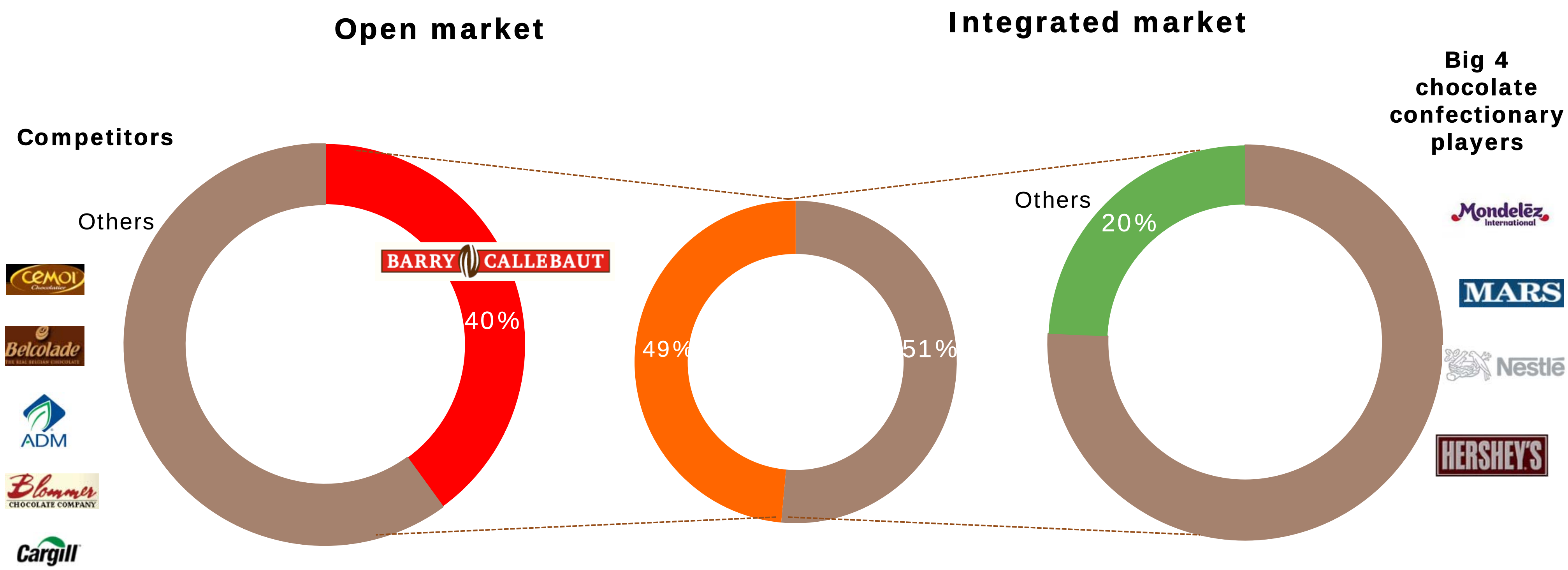
Stable financing with enough headroom to cope with future growth

Financing and liquidity situation as of Feb 29, 2013 (CHF million)



3 mio tonnes of outsourcing potential for future growth

Global Industrial Chocolate market in 2011/12 = 6,100,000 tonnes*



* BC estimates

Expansion

Adding new long-term agreements & strategic partnerships

2006-07

Nestlé
(February 2007)

Cadbury Schweppes
(June 2007)

Hershey
(April 2007)

Morinaga
(September 2007)

2010-11

ex-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)

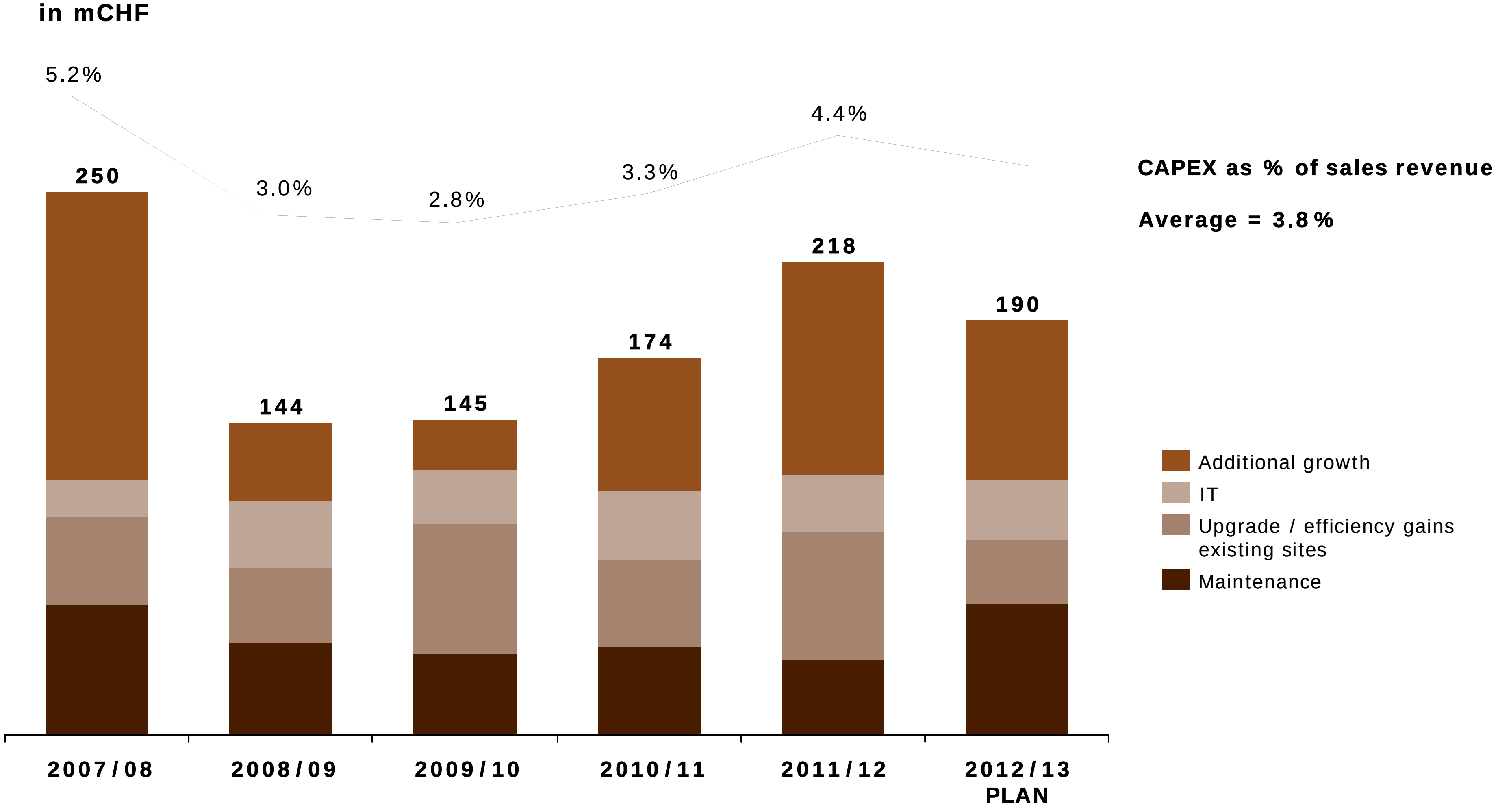
Unilever
(Jan 2012)

Morinaga
(June 2012)

Arcor, Dos en Uno
(Oct 2012)

CAPEX development

Investments support the growth of our business

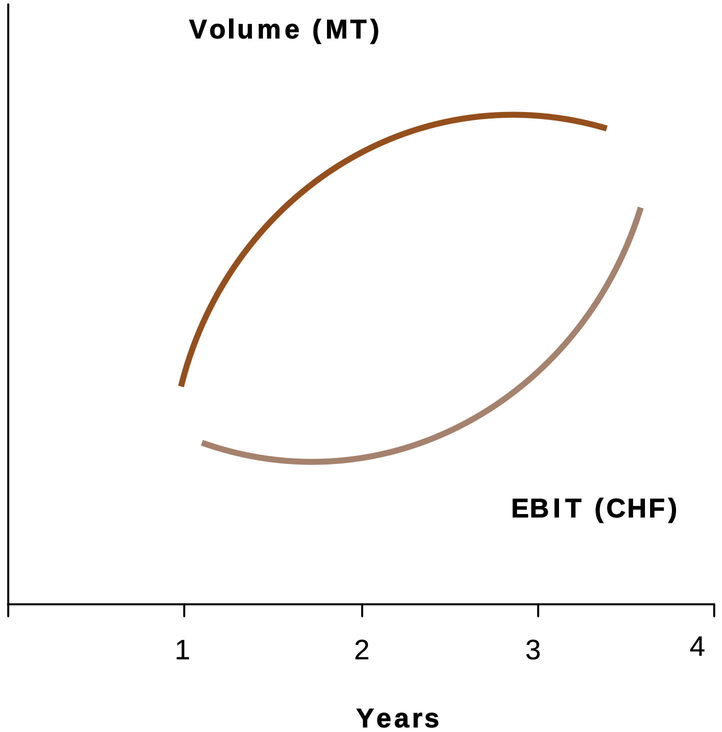


Impact from investments in future growth

Future volume growth requires:

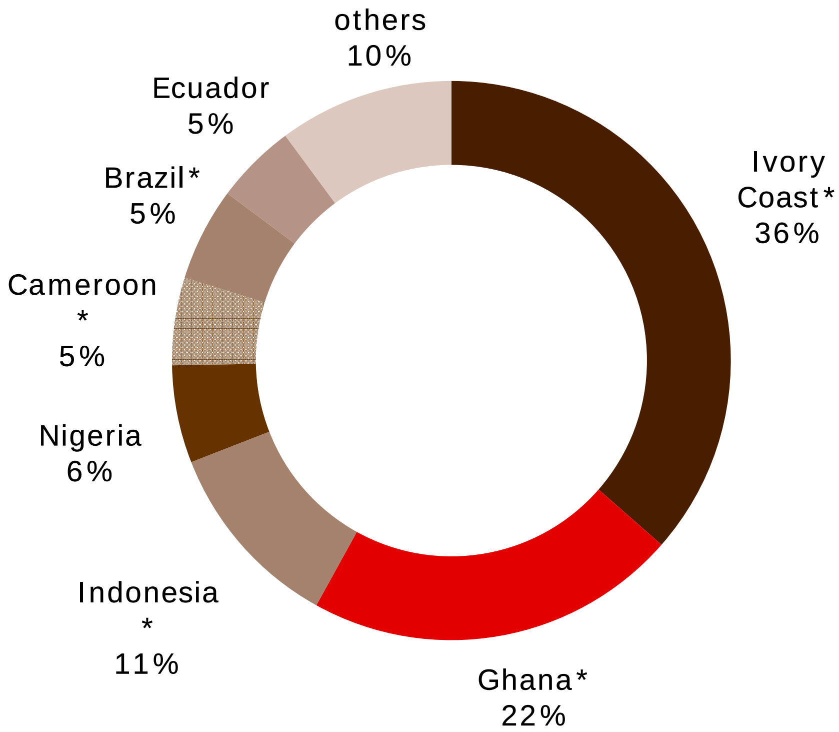
- Additional production capacity: lower utilization and higher fixed costs at the beginning
- Additional overhead, such as QA, planning and supply chain management, customer service, IT support, etc
- Ramp-up related costs: engineering teams, matching recipes, sensoring teams, customer audits, pilot & 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



West Africa is the world's largest cocoa producer – BC sources locally

Total world harvest (11/12): 4'075'000 MT



- About 70% of total cocoa beans come from West Africa
- BC processed ~574,000 tonnes of cocoa beans or 14% of total world harvest
- 70% sourced directly from farmers, cooperatives & local trade houses
- BC has various cocoa processing facilities in origin countries*, in Europe and in the USA

Source: ICCO estimates