



EEMEA - Emerging region with growth potential

Filip De Reymaeker – President EEMEA



What is EEMEA?

- ▶ 1.5 Billion people
- ▶ Average age: 28 years

- ▶ 89 Countries
- ▶ 12% of Global economy
- ▶ GDP per capita: 6,700 USD

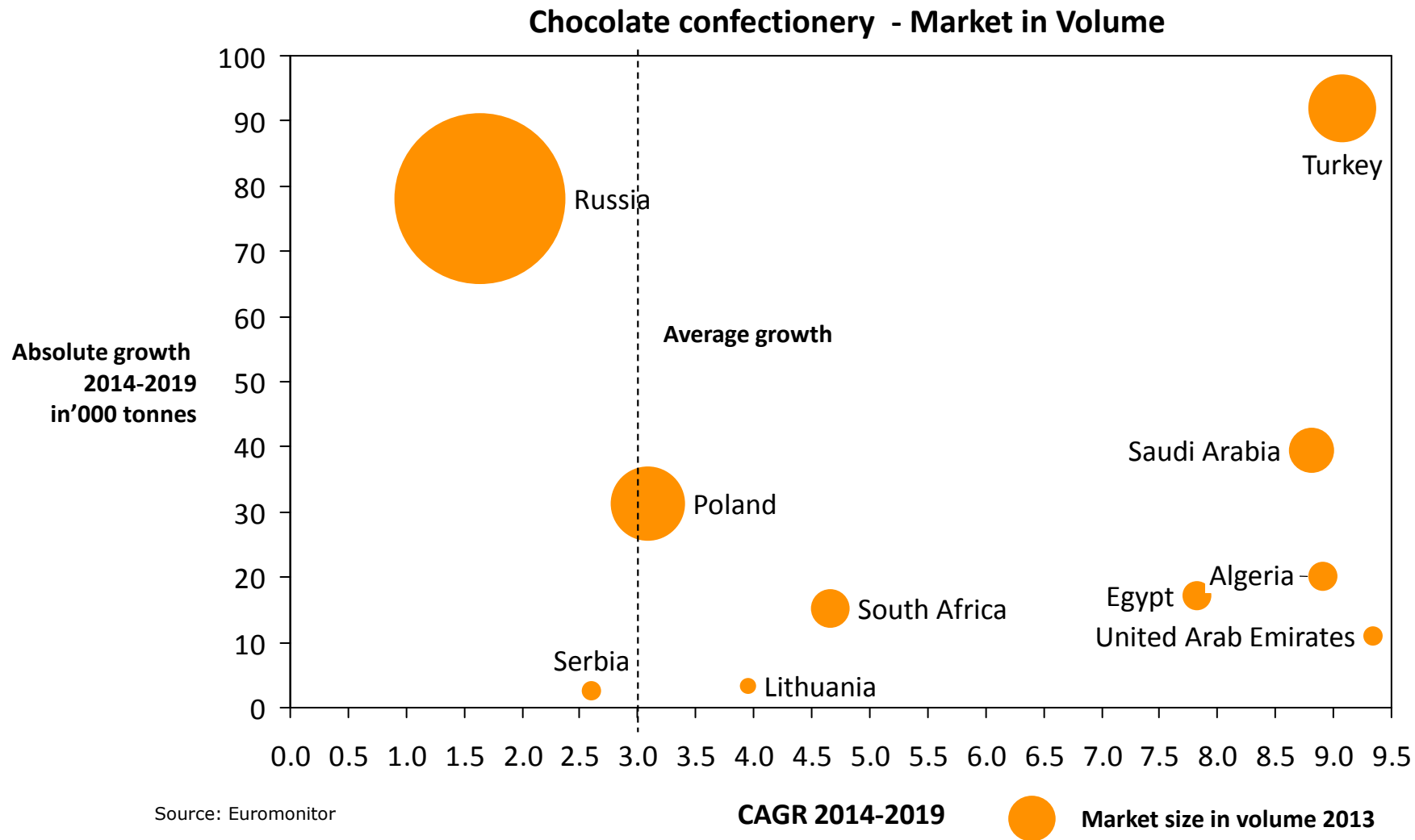
- ▶ 19 bio USD Chocolate confectionery
- ▶ Eastern Europe and Middle East growing at different pace



EEMEA: Regional Chocolate Market Perspective

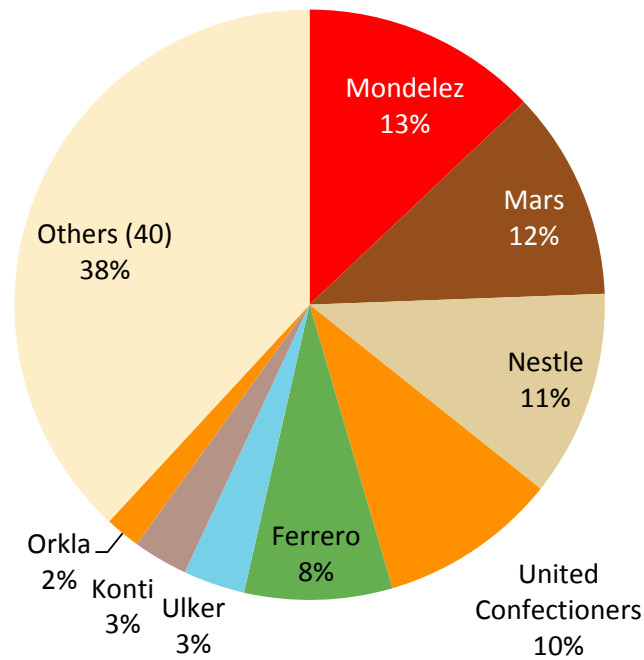
- ▶ Market size in Eastern Europe and Middle East ~**1.5m MT** p.a.
- ▶ On average, **60%** of the market is **chocolate**
- ▶ Of the total market, **80%** is **captive**
- ▶ On average, markets are expected to grow by **3% p.a.** in the next 5 years
- ▶ Today, BC has a **market share** of approx. **22%** (open market)

Middle East and African countries are expected to grow faster, however Russia and Turkey expected as major drivers of absolute growth in the next 5 years

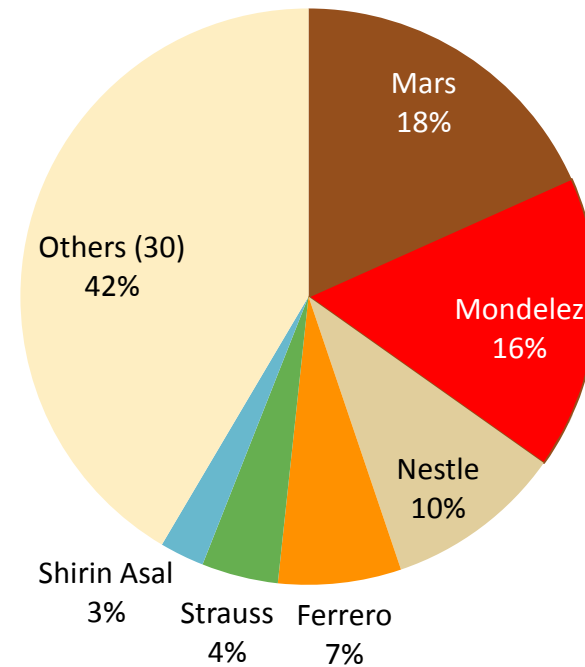


Potential customers a mix between global companies and strong local players. No major regional local players

**Eastern Europe -
Key players in Chocolate confectionery market - Market share in value
2014**



**Middle East & Africa -
Key players in Chocolate confectionery market - Market share in value
2014**



Source: Euromonitor

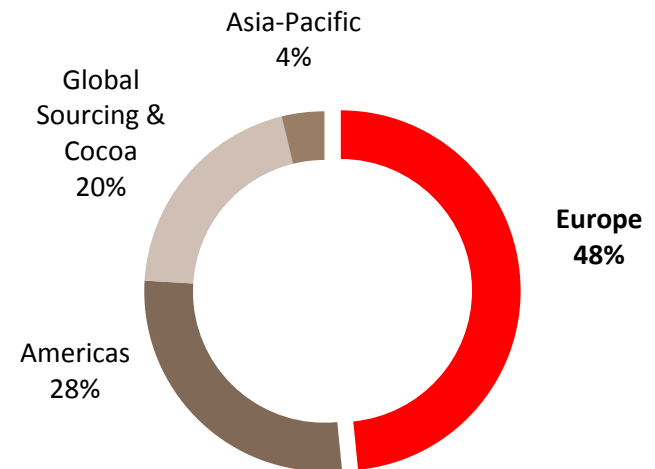
Barry Callebaut in EEMEA

Our presence in the Region – started 7 years ago

- Factory in Russia - 2007
- Chocolate Academy in Russia – 2008
- Sales office in Serbia - 2012
- Sales office in Ivory Coast - 2013
- Headquarter of EEMEA Region in Istanbul – 2013
- Factory in Turkey – 2013
- Chocolate Academy in Turkey - 2013



Sales Volume by Region – FY 2012/13

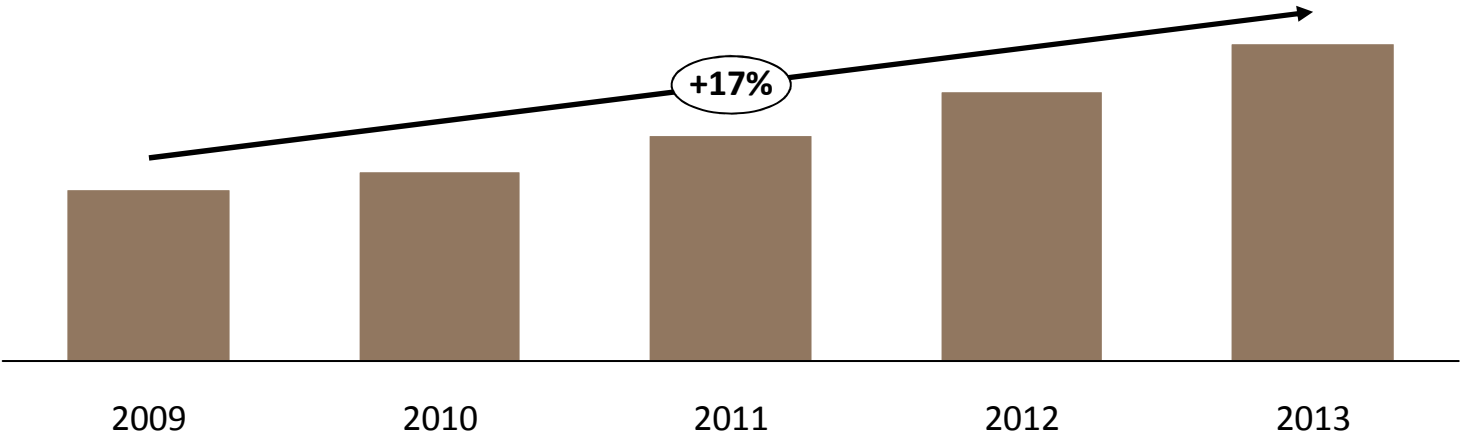


Our current footprint, a starting point to capture growth in EEMEA

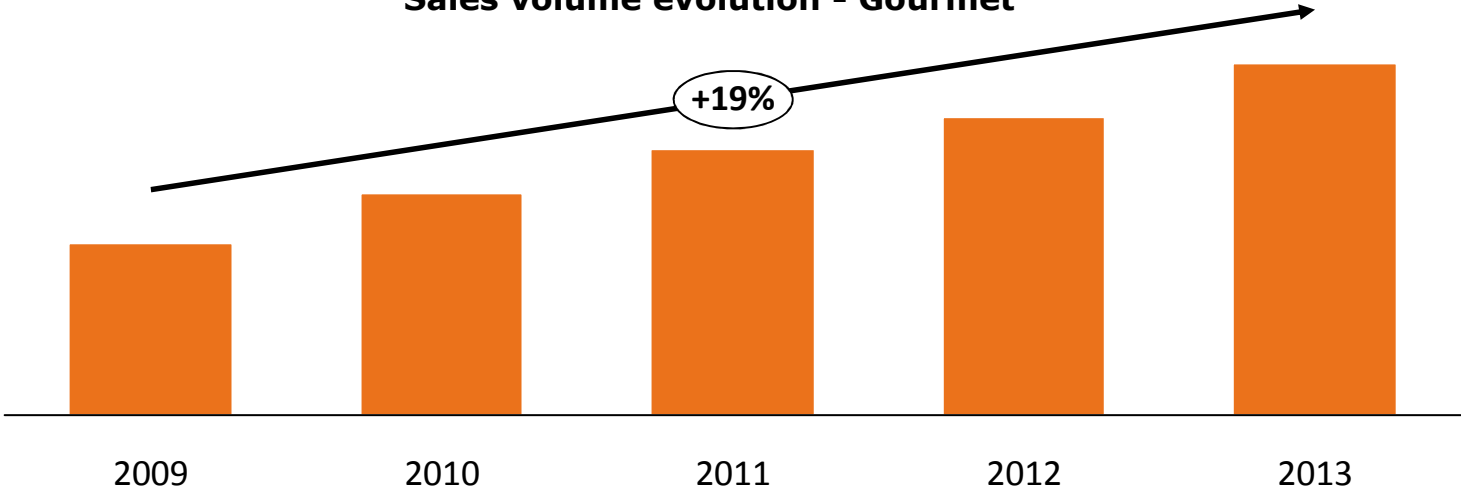


EEMEA is the fastest growing region within the Group

Sales volume evolution – Food Manufacturers



Sales volume evolution - Gourmet



We focus on key countries and product categories to tap the Region

Russia

- ▶ Biggest chocolate market in the region >4kg per capita
- ▶ Chocolate & Specialties
- ▶ Local & international players

Turkey

- ▶ Fastest growing market >2kg per capita
- ▶ Local players dominating
- ▶ Innovations starting

Gourmet

- ▶ Focus on our Brands: Callebaut & Cacao Barry
- ▶ Russia, Turkey, and Middle East
- ▶ Direct approach with Chocolate Academies

Cocoa

- ▶ Fully integrated sales – from recently acquired Petra Foods' cocoa business
- ▶ Cocoa powder growing fast
- ▶ Door opener for outsourcing

Roads are getting bumpy...but we are ready

A challenging environment

- ❑ Economic slow-down: EE
- ❑ FX Volatility
- ❑ Politics...are for politicians



Why are we better prepared than competition ?

- ▶ We play “local”, but with state of the art quality
- ▶ By the end of this year we have 3 chocolate Academies
- ▶ Outsourcing trend will continue, as limited resources go to marketing
- ▶ We have completed our package with a wider cocoa products offer
- ▶ Our R&D team spends >100 “Innovation days” per year in the field
- ▶ We will add a Pilot facility in Russia and Turkey in the next 6 months

We are committed to the region with a long-term view

Russian sanctions: Minimal impact

Import ban on certain food products, announced Aug 7th 2014

- Import of chocolates is not concerned
- Cocoa not on the list either
- Milk ingredients are closest to our business

Direct impact on our business very limited

- FM: We source 90% of our milk locally
- Gourmet: 95% of sales are imported chocolates

Indirect impact on our business

- Gourmet: Challenge for our customers creating high end pastry



EEMEA: Conclusions

- ▶ Chocolate market of 1.5 mio tonnes, 80% still captive and 60% chocolate
- ▶ Fastest growing region within Barry Callebaut
- ▶ We are first movers in the Region and see significant growth opportunities ahead across countries and products
- ▶ Short-term roads are bumpy, however long-term view is important

