



Press Conference Grand Opening of New Chocolate Factory in Takasaki

NOVEMBER 14, 2013 | TAKASAKI, JAPAN





Mr. Juergen Steinemann, CEO of Barry Callebaut

- **Barry Callebaut - Leading the industry in manufacturing of high-quality cocoa and chocolate products**



Mr. Fumitaka Nakano, MD of Barry Callebaut Japan

- **Barry Callebaut Japan - Reaffirming our confidence in one of the most developed chocolate markets in the region**



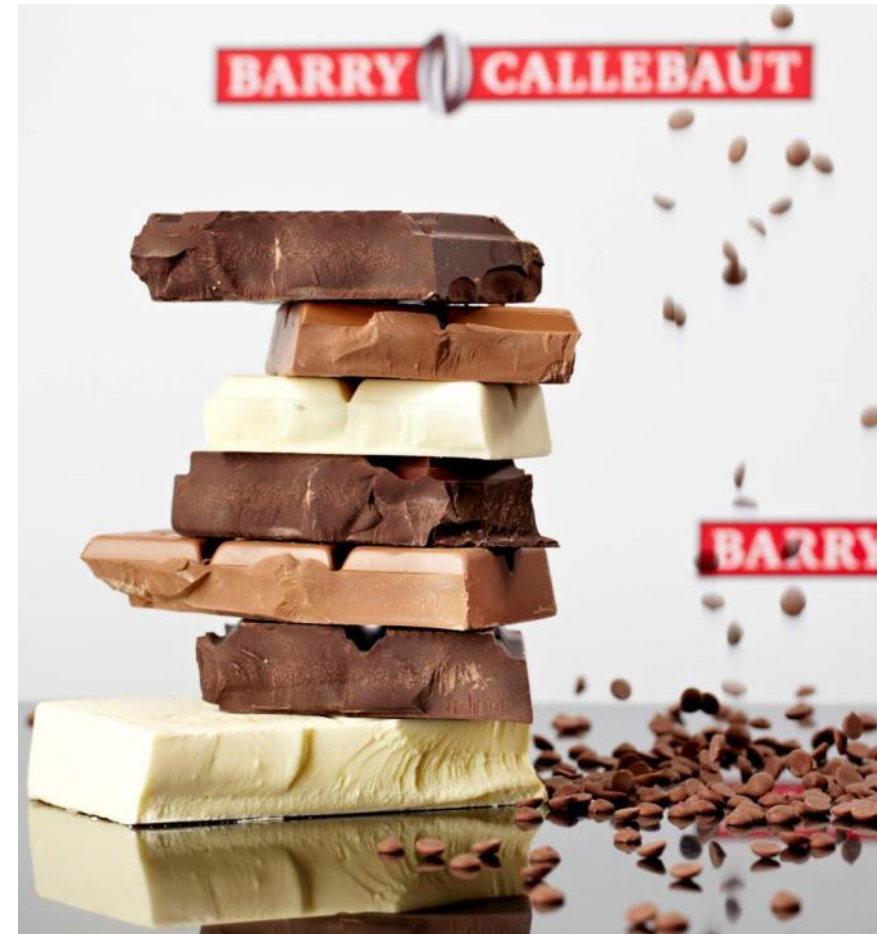
BARRY CALLEBAUT

**Leading the industry in manufacturing of
high-quality cocoa and chocolate
products**



1 out of 5 chocolate and cocoa product contains Barry Callebaut

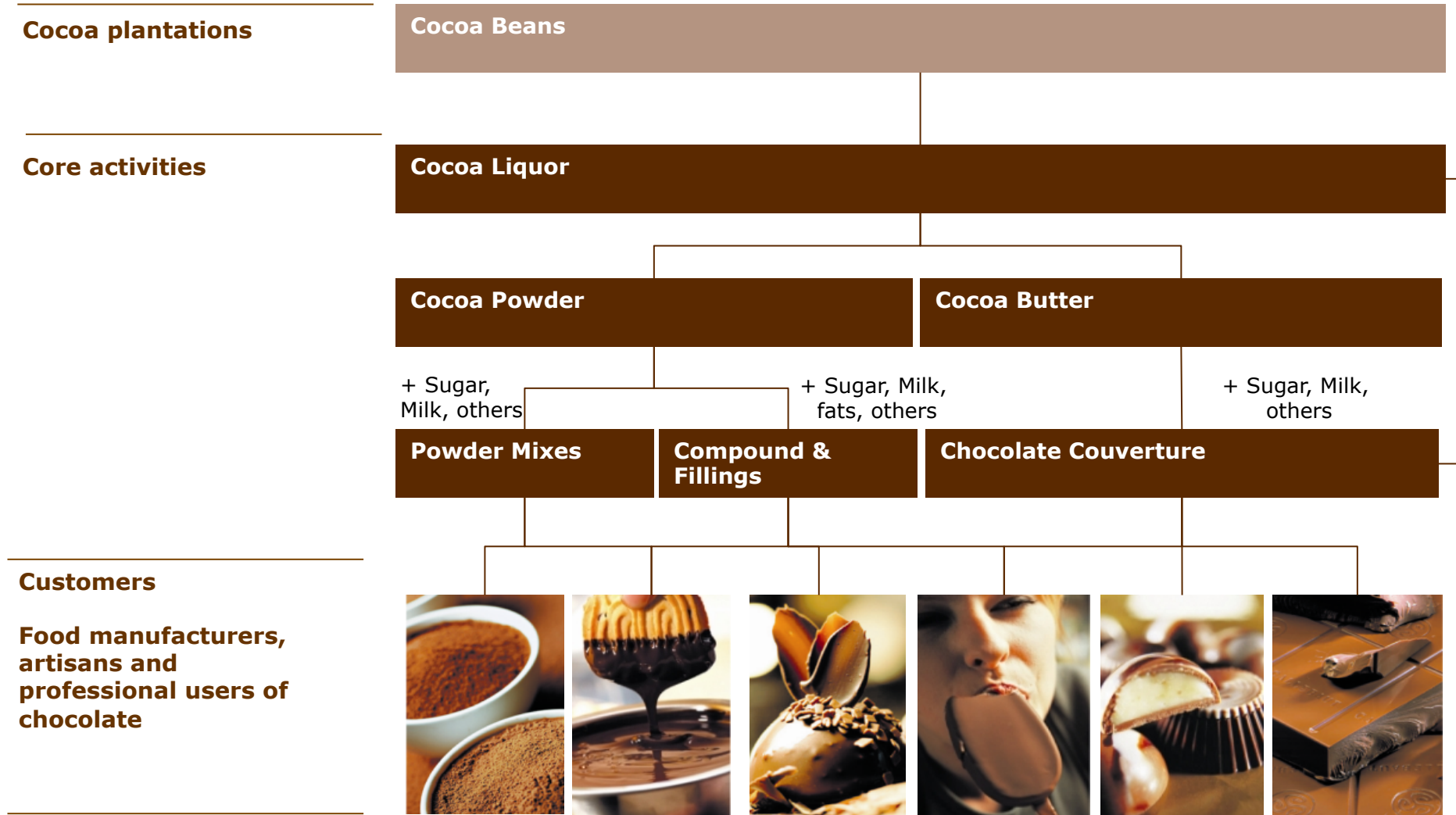
- ▶ Company founded in 1996
- ▶ Rich heritage and roots dating back more than 150 years
- ▶ Serving the entire food industry
- ▶ Fully integrated, strong position in cocoa-origin countries
- ▶ Sales volume: 1.6 million tonnes; sales revenue: EUR 4.9 billion*
- ▶ 8,500 employees, 50 factories, on 4 continents
- ▶ Headquarters in Zurich, Switzerland; listed at Swiss stock exchange



* Estimated sales figures; incl. acquisition of cocoa business from Petra Foods

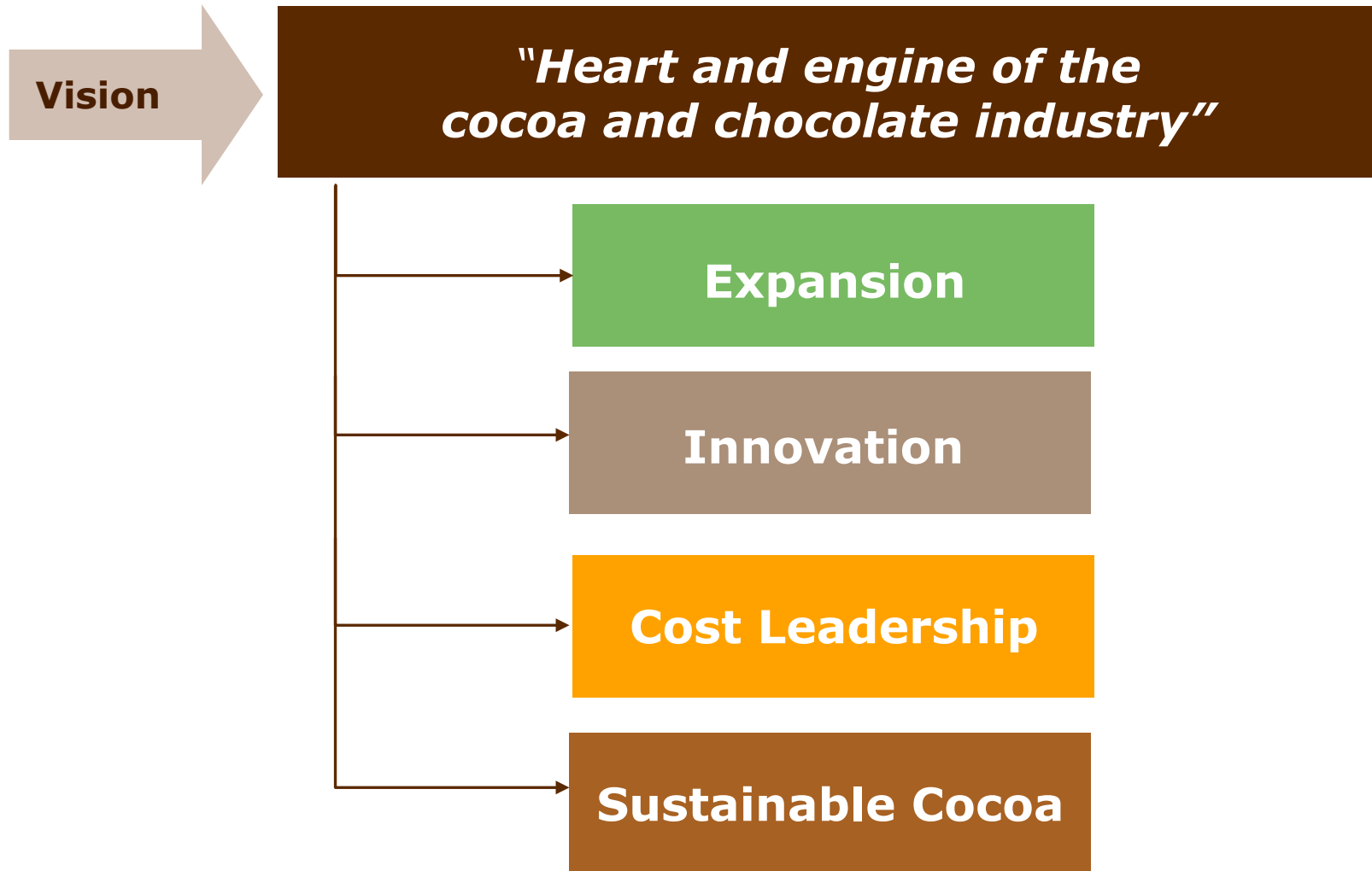


Covering all stages of the chocolate value chain





The strategic pillars of our growth strategy





Expansion based on 3 key growth drivers

Geography



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

Outsourcing & Strategic Partnerships



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

Gourmet



- ▶ Accelerate growth of Gourmet & Specialties Products business
- ▶ Two global premium brands Callebaut® and Cacao Barry®



From cocoa processing to the manufacturing of chocolate

Factory footprint close to customers





Innovation-led growth

Enjoy Superior Sensorics

Nut pastes Cocoa Nibs

Aerated Fillings

Marzipan Deco

Crispy Fillings

Flavoured Fillings

Coloured Chocolate



Navigating Health & 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



- ▶ Latest success:
 - ▶ European Commission's approval of a health claim "Cocoa flavanols support a healthy blood circulation"



Ensure long-term and sustainable cocoa supply

Long-term threats:

- ▶ Lack of sufficient quantity and quality of cocoa beans
- ▶ Consumption outpaces bean production
- ▶ Competitive crops more profitable
- ▶ Volatile cocoa bean price
- ▶ Farmers giving up the crop

Our answer:





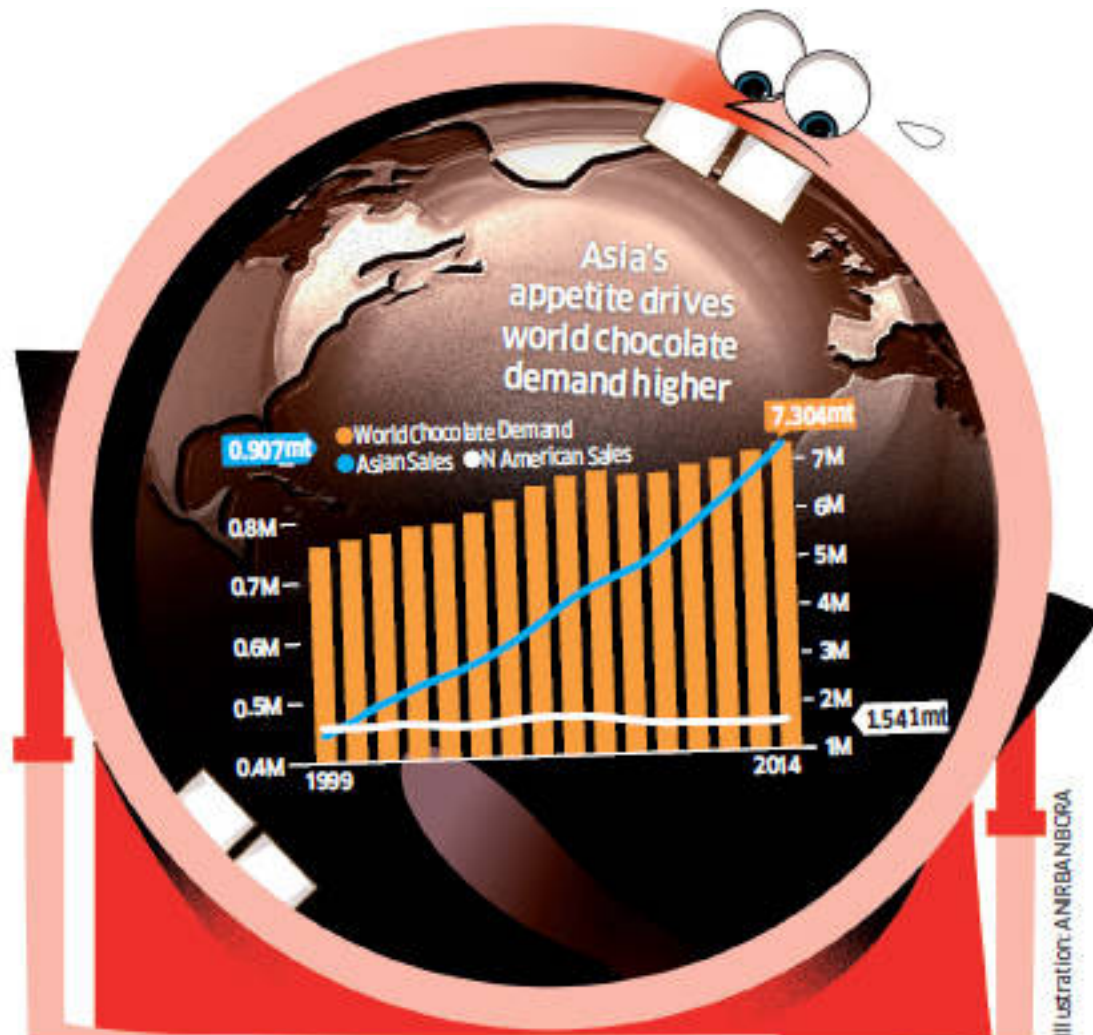
BARRY CALLEBAUT JAPAN

**Reaffirming our commitment to further
develop the business in Japan**



Chocolate market in Asia Pacific

- ▶ Chocolate confectionery sales in Asia leads global demand
 - Global demand will increase by 2.1% for 2014 (over 2013)
 - Asia Pacific will climb 5.4% next year from 2013 – more than double from 1999.





Chocolate market in Japan

- ▶ Annual production of chocolate in Japan
 - Annual production amounted between 220,000 to 230,000 tonnes of chocolate per year
- ▶ Japan is Asia's largest consumer market for chocolate confectionery: USD 11.4 billion in 2011 (Euromonitor)
- ▶ Japan's per capita chocolate consumption rate of 1.84 kg in 2012 is one of the largest in Asia (Chocolate and Cocoa Association of Japan, 2013)





Significantly strengthened position today

- ▶ 2004: Establish sales and marketing office in Kasumigaseki, Tokyo
- ▶ 2007: Form strategic alliance with Morinaga and sign a 10-year supply agreement
- ▶ 2008: First domestic chocolate production begins at the Amagasaki factory
- ▶ 2012: Announce extension of partnership with Morinaga and plan for relocation of production site from Amagasaki to Takasaki
- ▶ 2013: Complete relocation and production begins at Takasaki factory





Takasaki – an ideal location to serve our customers

- ▶ Takasaki
 - ▶ 100 km northwest of Tokyo
 - ▶ Close to our customers
- ▶ Well-developed industrial area
- ▶ Initial capacity:
 - ▶ 22,000 tonnes of chocolate and compound
- ▶ Employees on site:
 - ▶ 55 (all locally recruited)
- ▶ Amount invested:
 - ▶ JPY 2,081 million (EUR 15.4 million)
- ▶ Erected with local Japanese constructors and builders
- ▶ Planned to increase output within the next 3 years





Barry Callebaut in Japan – set for profitable growth

- ▶ Barry Callebaut – the world’s leading manufacturer of high-quality cocoa and chocolate products
- ▶ Expansion as a key pillar of our strategy
- ▶ Key confectionary players looking for innovative solutions in the market
- ▶ New chocolate factory in Takasaki is closer to our key customers
- ▶ Ready to produce 22,000 tonnes of chocolate
- ▶ Further expansion potential