

News Release

Full-Year Results Fiscal Year 2013/14 of the Barry Callebaut Group Barry Callebaut significantly grows volume and profit

- Sales volume boosted by acquired cocoa business: up 11.8% (+2.9 stand-alone¹), supported by emerging markets, Gourmet and outsourcing
- Strong profit growth: EBIT up 21.4% (+5.6% stand-alone¹), net profit up 14.5%
- Successful global integration of acquired cocoa business; profit contribution and synergies on track
- Juergen Steinemann to step down as CEO at the end of fiscal year 2014/15; proposed for election to the Board as Vice Chairman
- Ms Wai Ling “Winnie” Liu also proposed as new Board member, succeeding Ajai Puri who will step down
- Proposed payout to shareholders of CHF 15.50 per share, payout ratio of 34%
- Mid-term financial targets confirmed²

Zurich/Switzerland, November 6, 2014 – Juergen Steinemann, CEO of the Barry Callebaut Group, said: “We achieved another record year, both top and bottom-line. Our sales volume was boosted by the acquired cocoa business, and further supported by our three growth drivers – emerging markets, Gourmet and strategic partnerships. With 2.9% volume growth on a stand-alone basis, we grew faster than the global chocolate market³. Over the last two years we have increased our focus on margin improvement. This has paid off, with EBIT and net profit growing at a double-digit rate. I am very pleased with the successful global integration of the acquired cocoa business as well as its profit contribution already in the first year.”

Group Key Sales Figures for Fiscal Year 2013/14 – for the Total Business

		Change in %		12 months up to Aug. 31, 2014	12 months up to Aug. 31, 2013
		in local currencies	in CHF		
Sales volume	Tonnes		11.8	1,716,766	1,535,662
Sales revenue	CHF m	23.4	20.1	5,865.9	4,884.1
Gross Profit	CHF m	20.7	18.2	861.1	728.7
Operating Profit (EBIT)	CHF m	23.9	21.4	416.2	342.9
EBIT per tonne	CHF	10.9	8.5	242.4	223.4
Net Profit for the year	CHF m	15.7	14.5	255.0	222.8

Stand-alone – Excluding the Acquisition of the Cocoa Business from Petra Foods¹

Sales volume	Tonnes		2.9	1,541,654	1,498,632
Operating Profit (EBIT)	CHF m	7.6	5.6	392.8	372.1
EBIT per tonne	CHF	4.6	2.6	254.8	248.3

In fiscal year 2013/14 (ended August 31, 2014) the Barry Callebaut Group – the world’s leading manufacturer of chocolate and cocoa products – significantly increased its **sales volume** by 11.8% to reach 1,716,766 tonnes. On a stand-alone basis, volume growth accelerated in the fourth quarter

¹ Stand-alone numbers exclude the cocoa business acquired from Petra Foods, Singapore in June 2013.

² As of consolidation of the acquired cocoa business: 6-8% average volume growth per year, and EBIT per tonne restored to pre-acquisition level by 2015/16 (CHF 256 per tonne) – barring any major unforeseen events.

³ The global chocolate confectionery market grew by 2.3% in volume. Source: Nielsen, September 2013 – August 2014.

and reached +2.9% for the full year compared to the +2.3%⁴ volume growth of the global confectionery market. Overall growth was boosted by the integration of the cocoa business acquired in June 2013, continued growth in emerging markets, Gourmet, and through strategic partnerships. All Product Groups contributed to the volume increase.

Sales revenue was up 20.1% (stand-alone +10.0%) to CHF 5,865.9 million, as a result of the strong volume growth and higher average cocoa bean prices compared to last year⁵.

Gross profit grew 18.2% (stand-alone +10.6%) to CHF 861.1 million. This significant increase in profitability was the result of an improved product mix (with relatively more Gourmet and specialty products) and better product margins in the industrial business. Overall, the combined cocoa ratio had a neutral effect on the Group's cocoa profitability, with variances in the different regions.

Operating profit (EBIT) rose 21.4% (stand-alone +5.6%) to CHF 416.2 million. This is a result of higher stand-alone gross profit and an operating profit of CHF 26.7 million (excluding transaction and integration related costs) contributed by the acquired cocoa business. The Group also strongly increased its **EBIT per tonne** performance by +8.5% to CHF 242.4 (stand-alone +2.6% to CHF 254.8).

Net profit for the year went up 14.5% to CHF 255.0 million, driven by the good EBIT performance, partly offset by higher financing and tax costs.

Outlook – Further attractive growth potential, focus on tight cost control

Looking ahead, CEO Juergen Steinemann said: “The short-term global economic outlook will remain challenging. Therefore, we will focus on tight cost controls. However, based on our proven long-term strategy, the structural investments made over the last few years and the global platforms we have built, we see many opportunities across our three growth drivers – emerging markets, outsourcing and strategic partnerships, and Gourmet. We expect to continue to outperform the global chocolate market and will keep focusing on margin improvements. With this, we remain confident in achieving our mid-term targets⁶.”

Strategic milestones in fiscal year 2013/14

- Emphasizing its strong commitment to “**Expansion**,” this year the Group inaugurated a new cocoa factory in Makassar (Indonesia) as well as its first chocolate factory in Turkey. Furthermore, the newly built chocolate factory in Santiago de Chile went on stream in August. In India, the Group is currently installing its first manufacturing site in Pune. Expected start of production is early 2015.
- “**Innovation**.” The Group launched more than 20 novel products ranging from chocolates with longer shelf-life (Anti-Bloom Barrier, to avoid fat bloom) through reformulated chocolates (e.g. sugar/fat-reduced products) up to inclusions with multi-flavor or multi-texture sensations.
- Manufacturing capacity expansions at existing sites in Wieze (Belgium); Łódź (Poland); Banbury (UK); Vic (Spain); Norderstedt (Germany); Eskişehir (Turkey); St. Hyacinthe and Chatham (Canada); St. Albans, American Canyon and Hendersonville (U.S.); Extrema (Brazil) and in Singapore strengthened the Barry Callebaut Group's “**Cost Leadership**” position while also easing capacity constraints, especially in Western Europe.
- With the acquisition of the remaining 51% in the Biolands Group, Barry Callebaut reaffirmed its commitment to “**Sustainable Cocoa**.” In June, the company organized the second CHOCOVISION conference to foster collaboration in the industry and to accelerate

⁴ Source: Nielsen, September 2013 – August 2014.

⁵ The Barry Callebaut Group passes on raw material prices to customers for the majority of its business.

⁶ As of consolidation of the acquired cocoa business: 6-8% average volume growth per year, and EBIT per tonne restored to pre-acquisition level by 2015/16 (CHF 256 per tonne) – barring any major unforeseen events.

sustainability in the cocoa sector. The Group is also a driving force behind “CocoaAction,” launched by the World Cocoa Foundation (WCF) in May, widely considered as the industry’s most significant sustainability initiative to date.

Regional / Segment performance

Region Europe – Strong profit performance through focus on margin and product mix

The European chocolate confectionery market rose by 1.2%. Volume growth in Western Europe was flat at +0.1%; while markets in Eastern Europe grew +3.7%.⁷

In Region Europe, sales volume decreased by 1.2% to 735,204 tonnes. In Western Europe the Group optimized its customer and product mix, which resulted in higher margins. While capacity constraints restricted growth in the previous year, recent investments have neutralized such constraints and now allow for further growth. Good growth was recorded with specialties and decoration products, which contributed to a better product mix. The region also gained various new long-term partnership agreements with leading regional players. The Gourmet business performed excellently, achieving double-digit growth with its global brands, Callebaut® and Cacao Barry®. The Beverages business also delivered a strong performance.

In EEMEA, both the Food Manufacturers and the Gourmet & Specialties business again achieved double-digit volume growth, despite very challenging markets in the fourth quarter.

Overall sales revenue in Region Europe grew by 9.4% to CHF 2,573.3 million as a result of higher cocoa bean prices and increased sales of higher value products. Operating profit (EBIT) improved by +5.3% to CHF 268.1 million driven by better gross margins in the Food Manufacturers Products business and a strong contribution from the Gourmet & Specialties Products business.

Region Americas – Continued strong growth momentum, top and bottom-line

Chocolate markets in the Americas grew 2.8%. The North American chocolate confectionery market increased by 2.1%, and in South America markets expanded by 7.0%.⁷

Region Americas continued to deliver strong performance. Sales volume rose 5.4% to 445,150 tonnes. In NAFTA, the Food Manufacturers Products business performed well above overall market volume growth, supported by both the Group’s global and regional accounts. The Gourmet business grew significantly driven by double-digit growth of the two global brands Callebaut® and Cacao Barry®. Mexico and South America showed strong volume development in both the Food Manufacturers Products and Gourmet businesses despite a general economic slowdown.

Overall, sales revenue in the Region increased by 8.8% to CHF 1,287.3 million. Operating profit (EBIT) rose strongly by 17.5% to CHF 126.5 million as a result of the higher sales volume and margin improvements across all businesses and in all markets.

Region Asia Pacific – Acceleration of sales volume growth

Chocolate markets across Asia-Pacific expanded at 8.3%.⁷

The Barry Callebaut Group’s sales volume growth in Region Asia-Pacific accelerated significantly compared to the previous year, rising by 9.3% to 64,322 tonnes. Growth was mainly driven by the Food Manufacturers Products business achieving a double-digit increase. Gourmet sales volume declined due to weaker currencies in main markets and new import restrictions into India.

Sales revenue increased by 12.2% to CHF 249.1 million, mainly influenced by higher raw material prices. Weaker currencies, a slowdown in the Gourmet business, especially in Japan, and further investments in structures and manufacturing footprint had an adverse impact on the operating profit; EBIT increased only by 0.4% to CHF 27.0 million.

⁷ Source: Nielsen, September 2013 – August 2014.

Global Cocoa – Successful global integration of acquired cocoa business

With the first year of full integration of the cocoa business acquired in June 2013, Global Cocoa's sales volume was boosted by 52.1% to 472,090 tonnes. Stand-alone sales volume grew by 8.6% to 296,978 tonnes.

Total sales revenue went up 55.8% to CHF 1,756.2 million in line with volume growth driven by the acquisition. In a challenging market environment for cocoa products, Global Cocoa recorded a strong EBIT increase to which the acquired cocoa business contributed with CHF 26.7 million.

Total operating profit (EBIT) grew by 95.7% to CHF 82.0 million. Stand-alone EBIT increased by 2.6% to CHF 55.3 million, influenced by a weak combined cocoa ratio.

All major global milestones in the integration of the acquired cocoa business have been achieved. The remaining work streams have now been transferred to the regional divisions of the Global Cocoa segment. The acquired manufacturing assets and supply chain network are fully integrated and initial synergies have been realized. Synergies of CHF 30-35 million by 2015/16 are confirmed.

Raw material price developments

Cocoa prices showed a continuous upward trend starting from levels of around GBP 1,600 per tonne at the beginning of the fiscal year: During the year, cocoa prices increased by around 25% to reach levels above GBP 2,000 per tonne at the end of August 2014. Strong main and mid-crop arrivals from the two most important cocoa origins, Côte d'Ivoire and Ghana, turned the 2013/14 season into a slight surplus. However, the bullish momentum prevailed in the market. It has been fuelled by fears related to the Ebola outbreak in some West-African countries bordering Côte d'Ivoire and Ghana, el Niño forecasts, a potential cocoa shortage by 2020, as well as financial speculation.

The world **sugar** market was characterized by high volatility – driven by both funds activities and weather expectations. Prices closed about 20% lower than at the beginning of the fiscal year.

European sugar prices steadily decreased as a result of a good supply situation; in total, they went down by around 25%.

High market prices stimulated global milk production. Demand for **milk powder** lagged behind the good supply, resulting in prices decreasing globally as of March 2014. Currently, prices are around 35% lower compared to the beginning of the fiscal year.

Proposals to the Annual General Meeting (AGM)**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 10, 2014. This represents an increase of 6.9% versus prior year and a payout ratio of 34% of the net profit from continuing operations. Again, the payout will be effected through a dividend payment from reserves from capital contributions. 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, 2015, subject to approval by the Annual General Meeting of Shareholders.

CEO Juergen Steinemann to step down at the end of fiscal year 2014/15 – proposed as new Board member and Vice Chairman

After serving as CEO of the Barry Callebaut Group since August 2009, CEO **Juergen Steinemann** has decided to step down from his executive function by the end of fiscal year 2014/15. The Board of Directors proposes to the AGM the election of Juergen Steinemann as new Board member and Vice Chairman.

Juergen Steinemann said: "After an intense period as CEO of Barry Callebaut I would like to step down from my function at the end of the current fiscal year. Until then, I will continue to devote all my energy to Barry Callebaut and to ensure the current fiscal year is once again a successful

one. I feel honored that the Board is proposing me as a new Board member and Vice Chairman, as this will allow me to continue to support the further growth of our great company, building on the entrepreneurial spirit, the passion and unique expertise of all my colleagues.”

Andreas Jacobs, Chairman of the Barry Callebaut Group, said: “The Board of Directors regrets, but accepts Juergen Steinemann’s desire to step down from his executive function. He will stay on board until the end of this fiscal year; this will ensure a timely succession planning process and a seamless transition. The search for a successor is being initiated. The Board is keen to further benefit from Juergen Steinemann’s wealth of experience and proposes his election as a Board member and Vice Chairman of our company to our shareholders. Following shareholder approval of our proposal, we will be pleased to welcome him to the Board of Directors.”

Furthermore, the Board proposes **Ms Wai Ling “Winnie” Liu** (born 1968, a Hong Kong Chinese national) to be elected to the Board. Ms Liu serves as CEO of ENZO Jewelry, founded in Hong Kong, a jewelry retail brand operating as a national jewelry retail chain with over 230 outlets across 60 cities in Greater China (see separate CV for further details). Andreas Jacobs said: “Our company and our customer base have become more global. We therefore wanted to further diversify our Board in line with our global footprint.”

Winnie Liu will succeed Ajai Puri who has decided to step down from the Board. The Board of Directors would like to thank Ajai Puri for his valuable contributions and is pleased that he will continue to support the Barry Callebaut Group in an active advisory role primarily in the areas of innovation, science and technology.

All other Board members – **Andreas Jacobs, Andreas Schmid, Fernando Aguirre, Jakob Baer, James L. Donald, Nicolas Jacobs and Timothy E. Minges** – stand for re-election.

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

- Annual Report 2013/14 (micro-)website: www.barry-callebaut.com/annual-report
- Annual Report 2013/14 (PDF): www.barry-callebaut.com/documentation
- Cocoa Sustainability Report 2013/14 (PDF): www.barry-callebaut.com/documentation

Media and Analyst’s / Institutional Investors’ conferences of the Barry Callebaut Group

Date: Thursday, November 6, 2014

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 to approx. 1 pm CET

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](#)

Financial calendar for fiscal year 2014/15 (September 1, 2014 to August 31, 2015):

Annual General Meeting 2013/14	December 10, 2014
3-month key sales figures 2014/15 (news release)	January 21, 2015
Half-year results 2014/15 (news release & conference)	April 1, 2015
9-month key sales figures 2014/15 (news release)	July 8, 2015
Full-year results 2014/15 (news release & conference)	November 4, 2015
Annual General Meeting 2014/15	December 9, 2015

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

With annual sales of about CHF 5.9 billion (EUR 4.8 billion / USD 6.5 billion) in fiscal year 2013/14, 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 over 9,300 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 through its "Cocoa Horizons" initiative to help ensure future supplies of cocoa as well as improve farmer livelihoods.

Contact**for the media:**

Raphael Wermuth
Head of Media Relations
Barry Callebaut AG
Phone: +41 43 204 04 58
raphael_wermuth@barry-callebaut.com

for investors and financial analysts:

Evelyn Nassar
Head of Investor Relations
Barry Callebaut AG
Phone: +41 43 204 04 23
evelyn_nassar@barry-callebaut.com

Group key figures for the fiscal year 2013/14 – from continuing operations

		Change in %		12 months up to Aug 31, 2014	12 months up to Aug 31, 2013
		In local currencies	in CHF		
Key figures for the total business					
Sales volume	Tonnes		11.8	1,716,766	1,535,662
Sales revenue	CHF m	23.4	20.1	5,865.9	4,884.1
Gross profit	CHF m	20.7	18.2	861.1	728.7
EBITDA	CHF m	24.0	21.2	531.5	438.4
Operating profit (EBIT)	CHF m	23.9	21.4	416.2	342.9
Net profit from continuing operations	CHF m	12.3	11.1	255.0	229.5
Net profit for the period	CHF m	15.7	14.5	255.0	222.8
EBIT per tonne	CHF	10.9	8.5	242.4	223.4
Key figures – on stand-alone basis					
Sales volume	Tonnes		2.9	1,541,654	1,498,632
Sales revenue	CHF m	13.0	10.0	5,231.2	4,756.4
Operating profit (EBIT)	CHF m	7.6	5.6	392.8	372.1
EBIT per tonne	CHF	4.6	2.6	254.8	248.3
By Region – for the total business					
Europe					
Sales volume	Tonnes		(1.2)	735,204	744,078
Sales revenue	CHF m	10.4	9.4	2,573.3	2,352.5
EBITDA	CHF m	7.2	6.9	306.0	286.2
Operating profit (EBIT)	CHF m	5.5	5.3	268.1	254.6
Americas					
Sales volume	Tonnes		5.4	445,150	422,380
Sales revenue	CHF m	13.8	8.8	1,287.3	1,182.7
EBITDA	CHF m	16.0	12.3	145.2	129.3
Operating profit (EBIT)	CHF m	20.8	17.5	126.5	107.7
Asia-Pacific					
Sales volume	Tonnes		9.3	64,322	58,832
Sales revenue	CHF m	19.0	12.2	249.1	222.0
EBITDA	CHF m	5.8	3.6	33.7	32.5
Operating profit (EBIT)	CHF m	1.1	0.4	27.0	26.9
Global Cocoa					
Sales volume	Tonnes		52.1	472,090	310,372
Sales revenue	CHF m	61.4	55.8	1,756.2	1,126.9
EBITDA	CHF m	81.2	73.2	131.1	75.7
Operating profit (EBIT)	CHF m	106.3	95.7	82.0	41.9
By Product Group – for the total business					
Sales volume	Tonnes		11.8	1,716,766	1,535,662
Cocoa Products	Tonnes		52.1	472,090	310,372
Food Manufacturer Products	Tonnes		0.7	1,072,750	1,065,028
Gourmet & Specialties Products	Tonnes		7.3	171,926	160,262
Sales Revenue	CHF m	23.4	20.1	5,865.9	4,884.1
Cocoa Products	CHF m	61.4	55.8	1,756.2	1,126.9
Food Manufacturers Products	CHF m	12.0	9.3	3,247.4	2,971.7
Gourmet & Specialties Products	CHF m	12.0	9.8	862.3	785.5