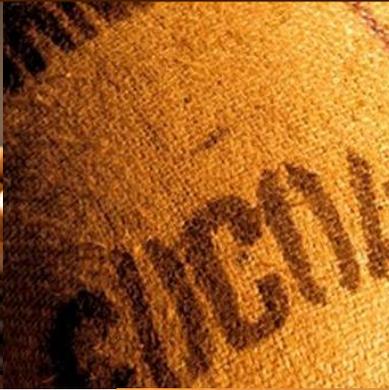


# Press Conference Grand Opening New Cocoa Factory P.T. Barry Callebaut Comextra Indonesia

SEPTEMBER 3, 2013 / MAKASSAR, SOUTH SULAWESI, INDONESIA



**BARRY CALLEBAUT**





- **Barry Callebaut at a glance**
  - *Juergen Steinemann, CEO, Barry Callebaut AG*
- **P.T. Comextra Majora at a glance**
  - *Jimmy Wisan, President Commissioner P.T. BCCI & CEO P.T. Comextra Majora*
- **Barry Callebaut in Asia-Pacific**
  - *Edmund Ee, President Cocoa Asia Pacific Barry Callebaut*
- **P.T. Barry Callebaut Comextra Indonesia**
  - *Bert Olieslagers, President Director P.T. Barry Callebaut Comextra Indonesia*



# **BARRY CALLEBAUT AT A GLANCE**



# 1 out of 5 chocolate and cocoa product contains Barry Callebaut



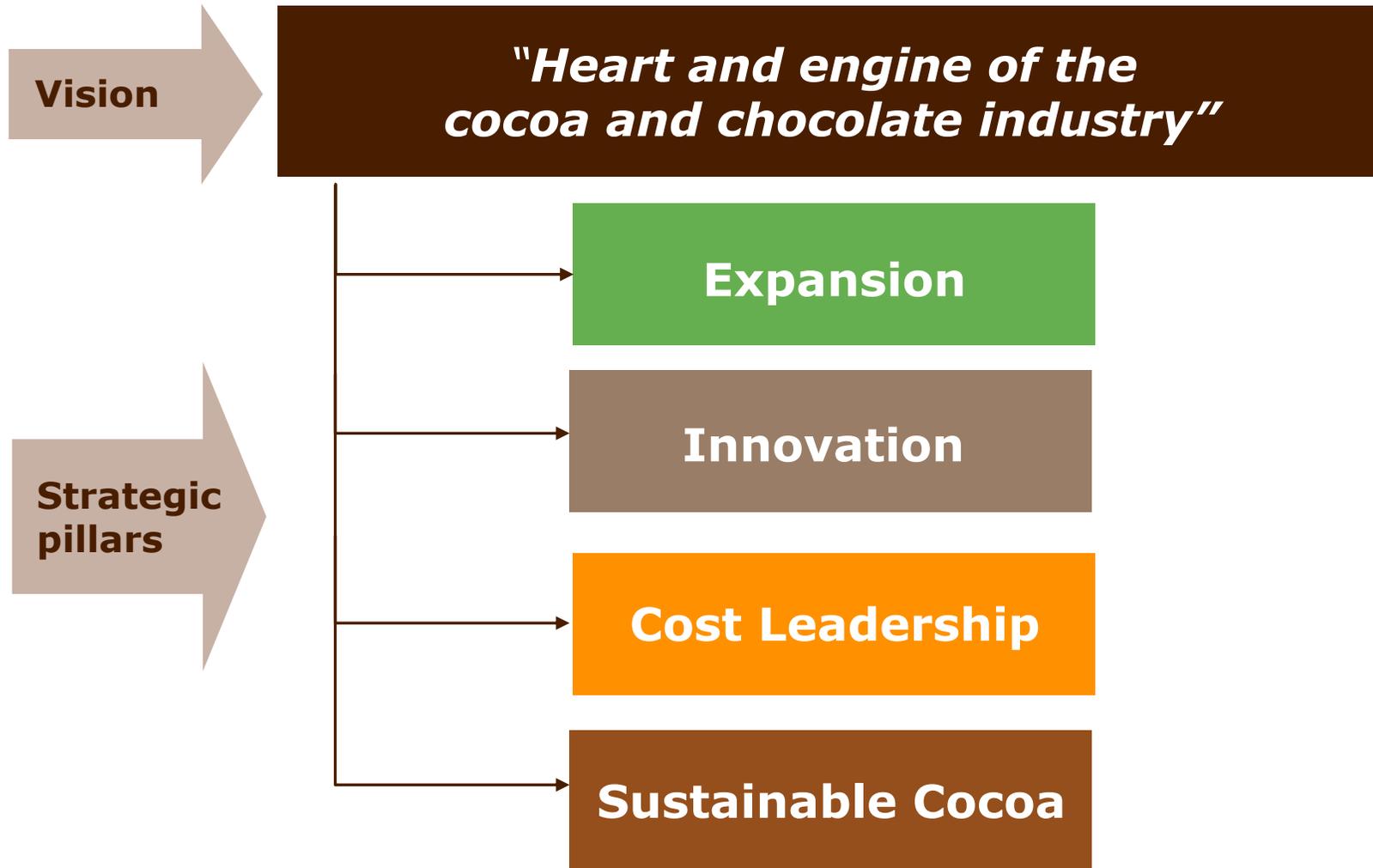
- ▶ Founded in 1996
- ▶ World leader in cocoa and chocolate
- ▶ Fully integrated
- ▶ Serving the entire food industry
- ▶ Swiss headquarters, listed in Switzerland
- ▶ 8,000 employees, 50 factories, on 4 continents
- ▶ Sales volume: 1.6 million tonnes; sales revenue: USD 6.4 billion\*



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



# Barry Callebaut's growth strategy





# Innovation Focus on R&D drives further growth while defending market leadership



## Fully loaded portfolio of future facing Innovations...

Enjoy Superior Sensorics	Navigating Health & Nutrition	Making a difference	As real as we can get	Make it easy
<p>Nut pastes</p> <p>Cocoa Nibs</p> <p>Aerated Fillings</p> <p>Marzipan Deco</p>  <p>Crispy Fillings</p> <p>Flavoured Fillings</p> <p>Coloured Chocolate</p>	<p>Natural Flavours &amp; Colors</p>  <p>Better Fat Balance</p> <p>Lactose Free</p> <p>Sugar Free / Stevia</p> <p>No added, refined sugar</p> <p>Probiotics</p> 	<p>Certified Cocoa</p>  <p>Certified Chocolate</p>  <p>Quality Partner Program</p> <p>With Sustainable Palm</p> 	<p>Origin Cocoa</p> <p>La Morella Nuts</p> <p>Origin Chocolate</p> <p>Java &amp; Cameroon TC</p> 	<p>Bake Stable Chips, Fillings</p> <p>Low Fat Cocoa</p>  <p>Fast Drying Compound</p> <p>Ready to Use Ganache</p> <p>Heat Resistant Chocolate</p>

... based on unique capability for continuous Innovation delivery

- Widely recognised team of 200+ food and agronomy scientist and engineers
- Unparalleled network of Application Labs, Academies, Chefs and Ambassadors
- Long term Discover Programs for Differentiation and Sustainability
- Open Innovation Partnerships with Network of more than 30 global knowledge institutes
- Over 6,000 recipes to cater for a broad range of individual customer needs



Cost Leadership

# Maintaining cost leadership through our key initiatives



- ▶ Continuously improving our operational and cost efficiency by:
  - ▶ upgrading our technology / better capacity utilization
  - ▶ optimizing product flows, logistics and inventory management
  - ▶ reducing our energy consumption and lowering fixed costs
  
- ▶ “Dedicated factory” approach: each one of our 50 factories has a clear focus and a particular role within our production network, resulting in:
  - ▶ Economies of scale
  - ▶ Specialist know-how
  
- ▶ Manufacturing costs per tonne reduced 3% for FY 2011/12 on LFL basis (target: 2%)
  
- ▶ Numerous cost saving initiatives:
  - ▶ One+,
  - ▶ efforts to reduce energy consumption,
  - ▶ initiatives to save costs through the value chain in Europe and Americas





# Sustainable Cocoa

## Increased investments to secure sufficient cocoa supply and to improve farmer livelihoods



### Long-term threats

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

### Our answer: Cocoa Horizons

#### 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
- Vaccination program
- Insecticide nets





- ▶ Supports further chocolate growth
- ▶ Strengthens current / future outsourcing & partnership agreements
- ▶ Boost sales volume in fast growing emerging markets by 65% to almost one-third of Group sales volume
- ▶ Becoming a pro-active market player in the fast growing cocoa powder market
- ▶ Adds Asia as a strong cocoa sourcing base next to West Africa





# **P.T. COMEXTRA MAJORA<sup>®</sup>**

## *At a glance*

❑ **Established on March 18, 1994 as a continuation as well as amalgamation of two business entities (U.D. Prakarsa Jaya Abadi and P.T. Prakarsa Jaya Adycitra which were established in 1988).**



- ❑ **The head quarter, factory and the main warehouses located in Makassar, branch offices in Palu and Kolaka, while the unit offices spread out in Polman, Bantaeng, Selayar, Palopo, Wotu, Parigi, Kasimbar, Ladongi, Maumere and through strategic partnerships in Jakarta, Surabaya, Maluku and Papua. These domestic networking are the backbone of the Company supply lines while overseas marketing channels, among others, through direct selling to the end user and the agency relationship.**
  
- ❑ **Today, our business has been focused on two main commodities, cocoa beans and cashew kernels. We have the system in place to ensure our produce and products are safe, consistent and meet our each individual customer requirements. As our motto "*OUR QUALITY IS OUR PRIDE*" the company is also supported by its certification, namely HACCP, ISO 22000, "Halal", Kosher and Pareve and our business foundation oriented to trustworthiness, professionalism and integrity.**
  
- ❑ **Our Company has been one of the leading company in Indonesia who export cashew kernels and cocoa beans. We are exporting our produce and product to Europe, Australia, USA , El Salvador, Tunis, Japan, Korea, Taiwan, China, Singapore and Malaysia.**



- ❑ The company also completely realized that the achievement in a long-term must be accompanied by the village community development, therefore the company nurtured and developed cashew cutter group of partner in the areas of development.
- ❑ As the industrial world grow so does our company, we determined to develop and expand our business in paddy farm, cattle fattening and breeding, fishery industry, luxury Hotel & Villas and property, We will continue growing and create our business as the time goes by.



P.T.

COMEXTRAMAJORA®

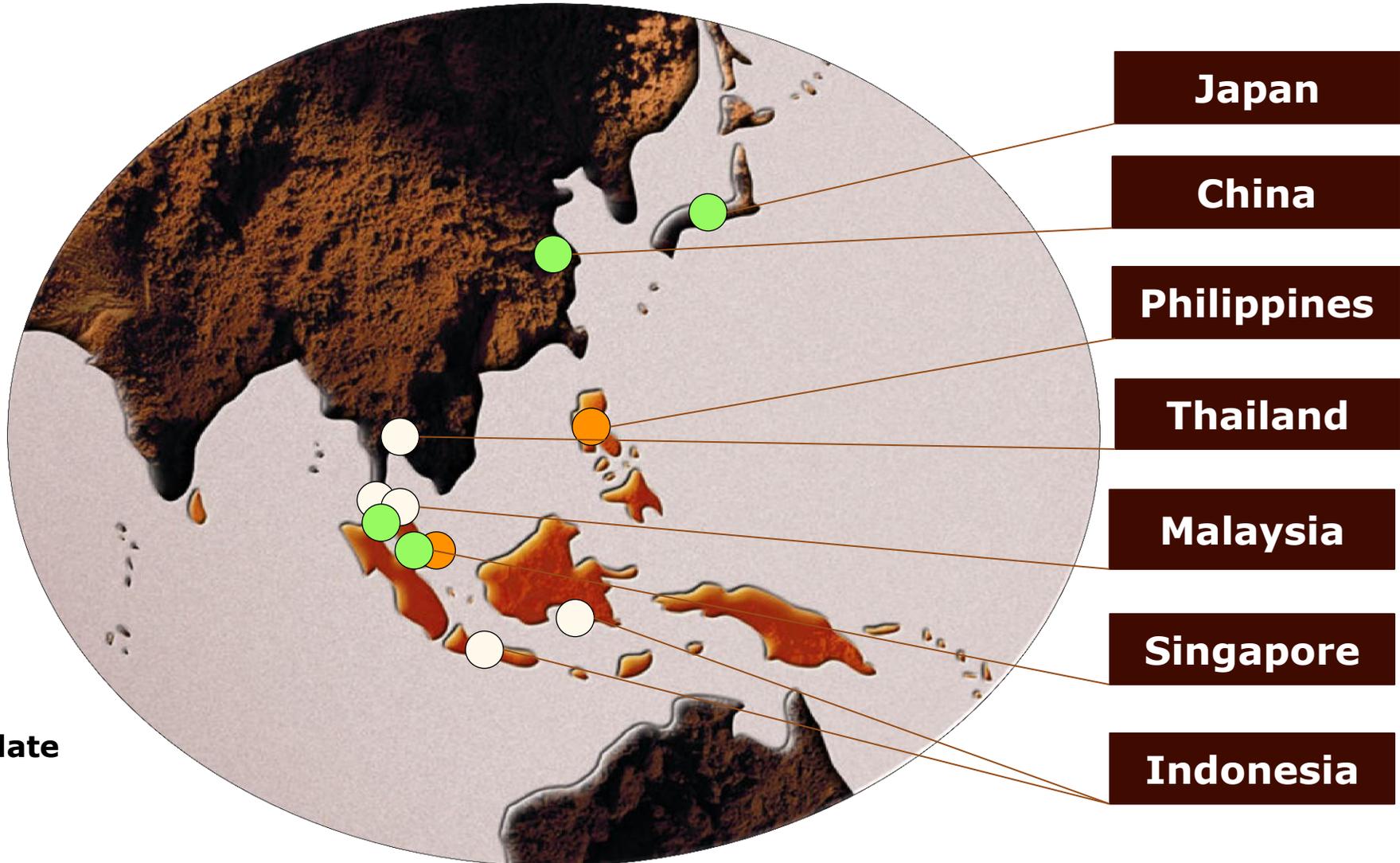
*The Reliable Address  
for Commodities*



# **BARRY CALLEBAUT ASIA-PACIFIC AT A GLANCE**



# Barry Callebaut – A strong emphasis on Region Asia-Pacific



**Chocolate**

**Cocoa**

**Sales**



# Cocoa powder demand driven by Asia-Pacific, followed by other emerging markets



## Higher demand for product categories containing cocoa powder



**Powder**

CAGR (11-16F)

2 -5 %



**Liquor**

1-2%

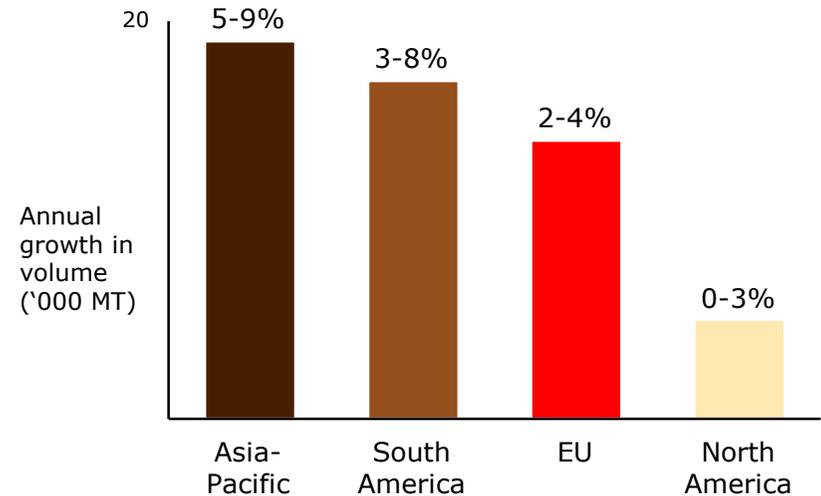


**Butter**

1-2%

## Cocoa Powder demand driven by emerging markets

### Annual growth rate



Total market size ~960,000 mt

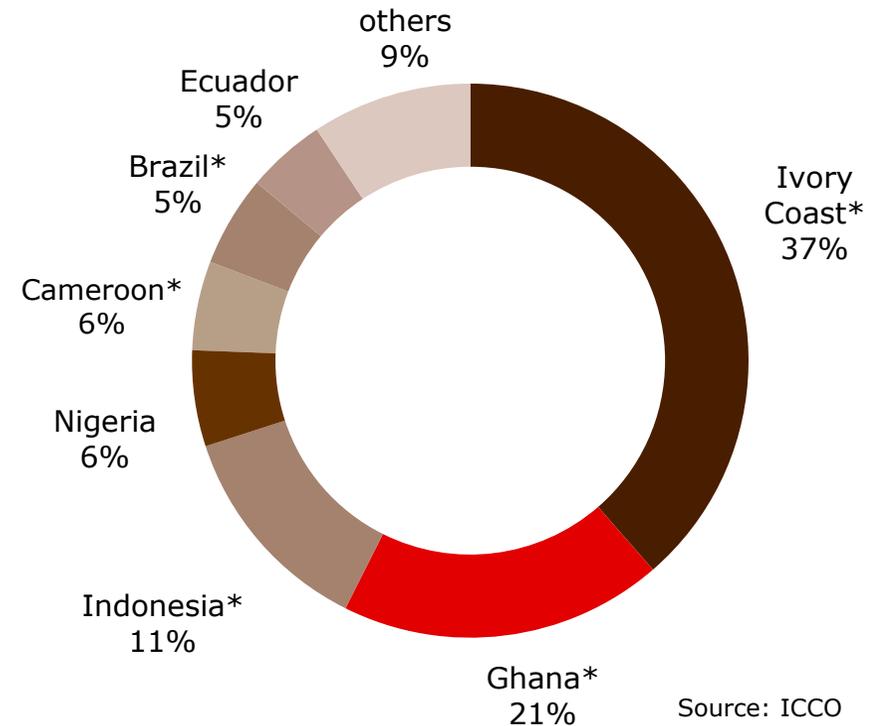


# Cocoa market Indonesia – Increased grinding capacities and some challenges



- ▶ Indonesia is the third largest cocoa producer in the world
- ▶ Total crop: around 450,000 tonnes
- ▶ Current processing capacity: around 350,000 tonnes
- ▶ Introduction of a cocoa bean export tax to encourage local grinding
- ▶ Challenges:
  - ▶ Supply of beans
  - ▶ Competing crops
  - ▶ Quality

**Total world harvest (12/13): 3'966'500 MT**





# **P.T. BARRY CALLEBAUT COMEXTRA INDONESIA AT A GLANCE**



# P.T. Barry Callebaut Comextra Indonesia State-of-the-art cocoa factory in Makassar – Some facts & figures



- ▶ Total (grinding) capacity: 30 tonnes of beans / year
- ▶ Total amount invested: USD 33 million
- ▶ Total employees on site: 95
  - ▶ Recruited within Indonesia
  - ▶ Trained abroad



# P.T. Barry Callebaut Comextra Indonesia State-of-the-art cocoa factory in Makassar – Some facts & figures



- ▶ Origin cocoa liquor factory
  - ▶ Transforming Sulawesi cocoa beans
  - ▶ Supplied by P.T. Comextra Majora
  - ▶ Finished product: molded cocoa liquor blocks
  - ▶ Shipping to Barry Callebaut cocoa factories in Asia-Pacific



# Factory site – March 2012





# Factory site – July 2012





# Factory site – February 2013





# Factory site – May 2013





# Factory site – August 2013





# Summary



- ▶ P.T. Barry Callebaut Comextra Indonesia – two leading companies team up
  - ▶ Barry Callebaut – world’s leading manufacturer of high-quality cocoa and chocolate products
  - ▶ P.T. Comextra Majora – leading exporter of cocoa from Indonesia
  
- ▶ Makassar cocoa factory:
  - ▶ Reinforced manufacturing footprint for Barry Callebaut in fast-growing region Asia-Pacific
  - ▶ State-of-the-art factory, very close to both farmers and customers
  
- ▶ Facts & Figures:
  - ▶ USD 33 million investment
  - ▶ Min. 30K tonnes of beans / year
  - ▶ 95 employees hired locally





**QUESTIONS?**



**THANK YOU VERY MUCH!**



# Annexe

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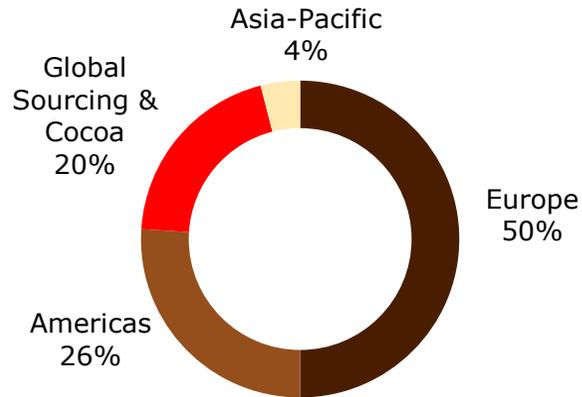




# 1 out of 5 chocolate and cocoa products contains Barry Callebaut



FY 2011/12  
Sales volume = 1.4 million tonnes



Sales revenue	= CHF 4,830m
EBITDA	= CHF 434m
EBIT	= CHF 353m

- ▶ Founded in 1996 via the combination of the Belgian Callebaut and French Cacao Barry
- ▶ World leader in high-quality cocoa and chocolate products and outsourcing/ strategic partner of choice
- ▶ Fully integrated with a strong position in cocoa-origin countries
- ▶ We serve the entire food industry, from industrial food manufacturers to artisans and professional users
- ▶ World's largest supplier of Gourmet chocolate for artisanal customers
- ▶ Headquartered in Switzerland with 8,000 employees worldwide, 50 production facilities, sales in more than 100 countries

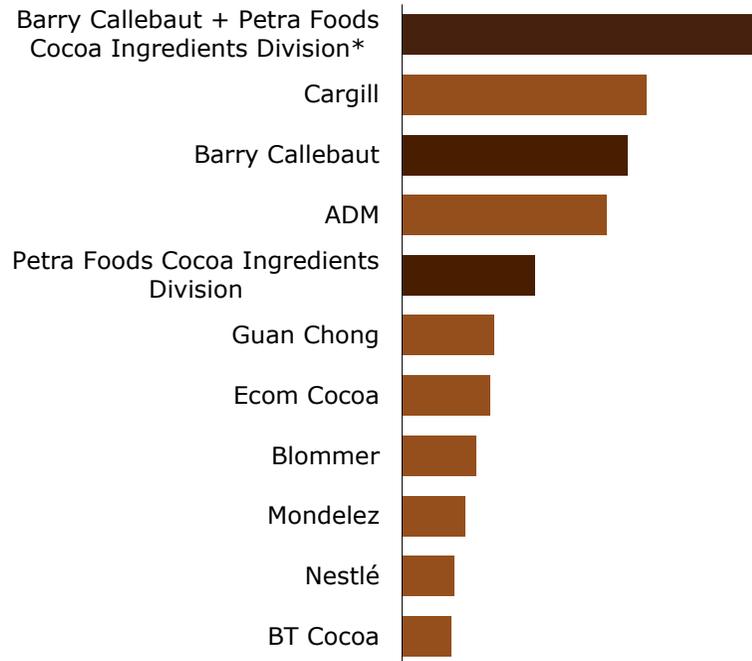


# Ability to leverage clear leadership positions to capitalize on growth opportunities



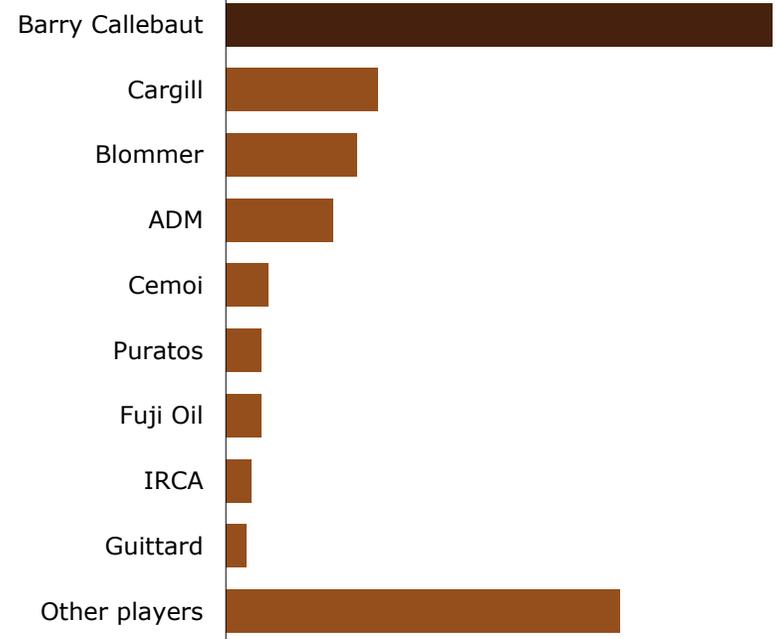
- Barry Callebaut is the largest global industrial chocolate supplier

### Cocoa Grinding Capacity



Volume (MT)

### Industrial chocolate – Open market



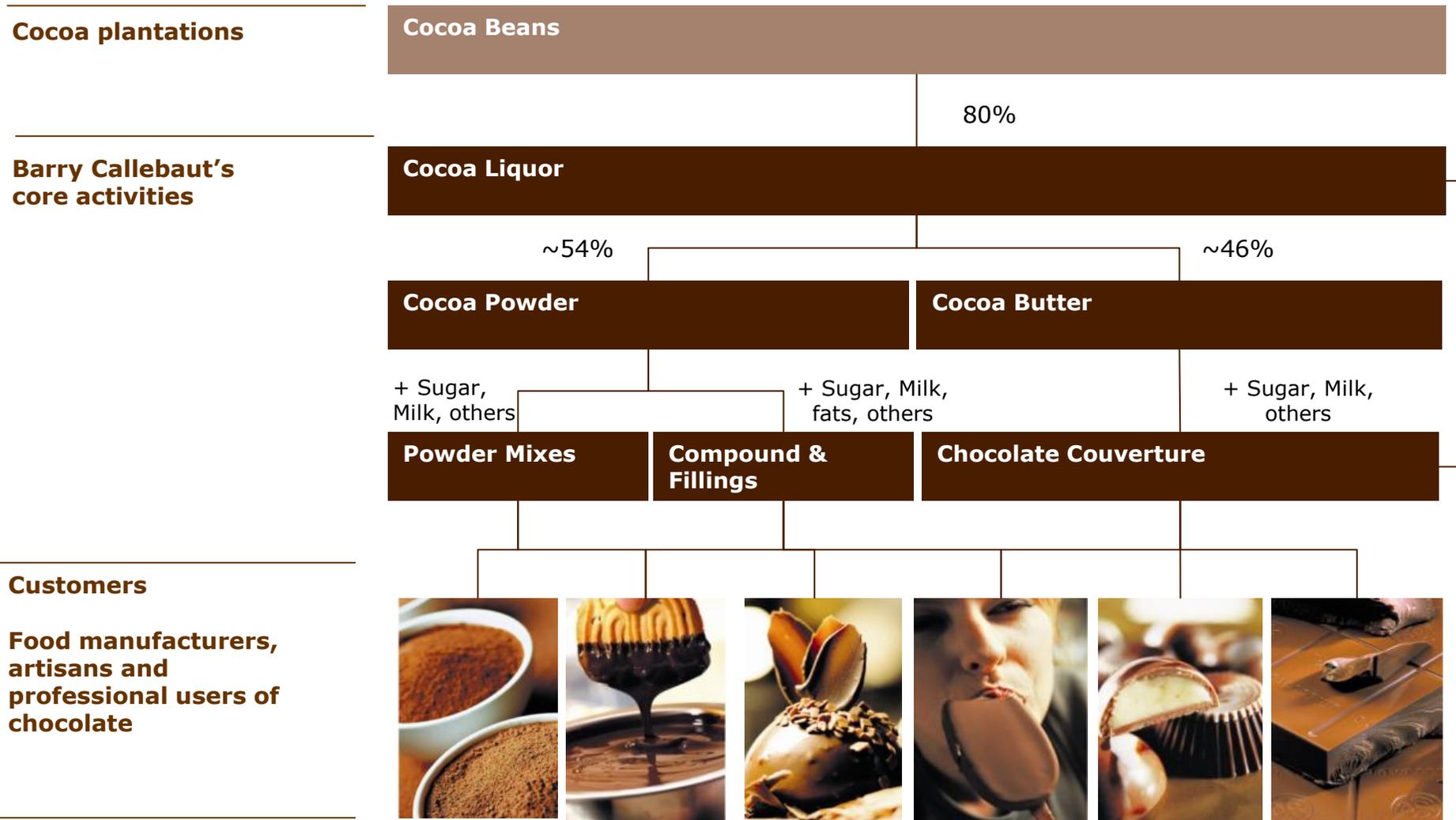
Sales Volume (MT)

Source: Third-Party Study – 2013.

Note: (\*) Does not include any adjustments for the acquisition and may not reflect the grinding capacity of the actual combined businesses.



# Present in all stages of the industrial chocolate value chain





# Our product offering focuses on cocoa and chocolate



**Food Manufacturers**



- Standard chocolate
- Specialties
  - Certified
  - Probiotic
  - Re-balanced
  - Tooth-friendly
  - ACTICOA® chocolate
- Compound
- Fillings
- Inclusions
- Decorations

**Gourmet & Specialties**



- Chocolate
- Cocoa Products
- Coating
- Fillings
- Decorations
- Chocolate and cocoa vending mixes




**Cocoa Products**



- Standard Cocoa Products (cocoa powder, butter, liquor)
- Low fat and high fat cocoa powders
- ACTICOA®
- Certified products
- Specific applications

% of total volume 2011/12

70%

10%

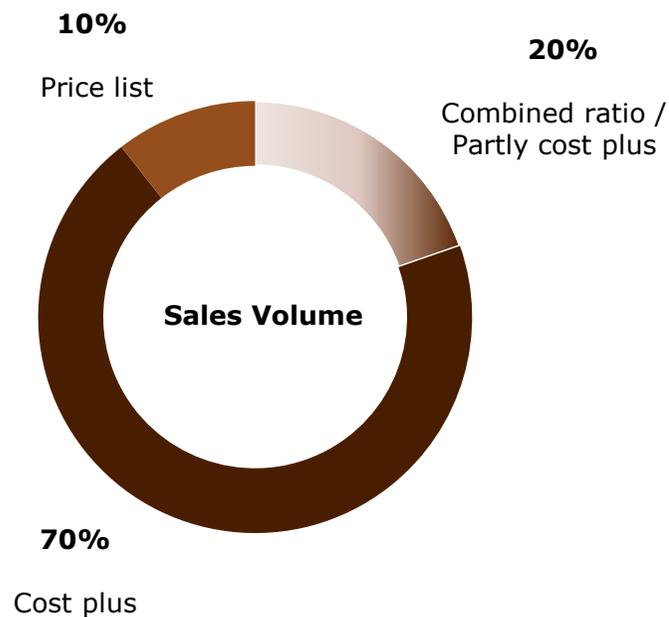
20%



# Robust business model underpins earnings stability...



## Barry Callebaut business model



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



# Expansion based on 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

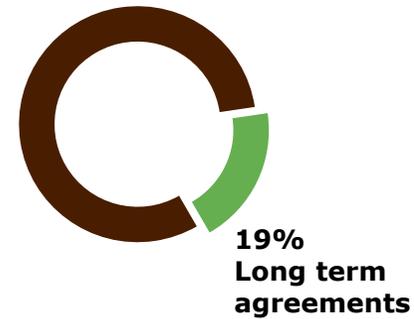
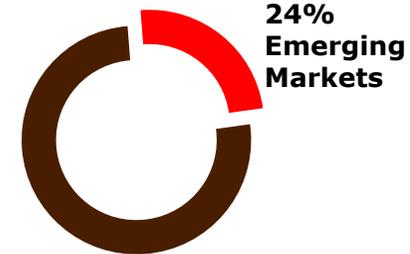
## Gourmet



- Accelerate growth of Gourmet & Specialties Products business

FY 2011/12

% of total Group Volume





# Increasing market share through long-term outsourcing and strategic partnership agreements



**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 Turin**  
(June 2011)



**Baronie Group**  
(July 2011)

**2011-12**



**Bimbo**  
(Jan 2012)



**Unilever**  
(Jan 2012)



**Morinaga**  
(June 2012)



**Arcor, Dos en Uno**  
(Oct 2012)

**Cocoa and Chocolate deal**



# Barry Callebaut at a glance

## Outsourcing trend provides clear growth opportunity



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

Open market

Captive market

Competitors

Big 4 chocolate confectionary players

Others

Others



BARRY CALLEBAUT

40%

48%

52%



The Open Market continues to grow in share

\* BC estimates.



## Gourmet – strong focus on growth acceleration

- Gourmet & Specialty business represents 10% of our total sales, but stronger EBIT contribution
- Highly fragmented market with different segments (Bakery, HORECA, Confectioners)
- Two global premium brands Callebaut® and Cacao Barry® with long heritage
- Push & Pull strategy (direct sales force, Chocolate Academies, Ambassadors's club, Demonstrations, Fairs, etc.)
- Approx 24% estimated market share worldwide
- Mostly operated through distributors



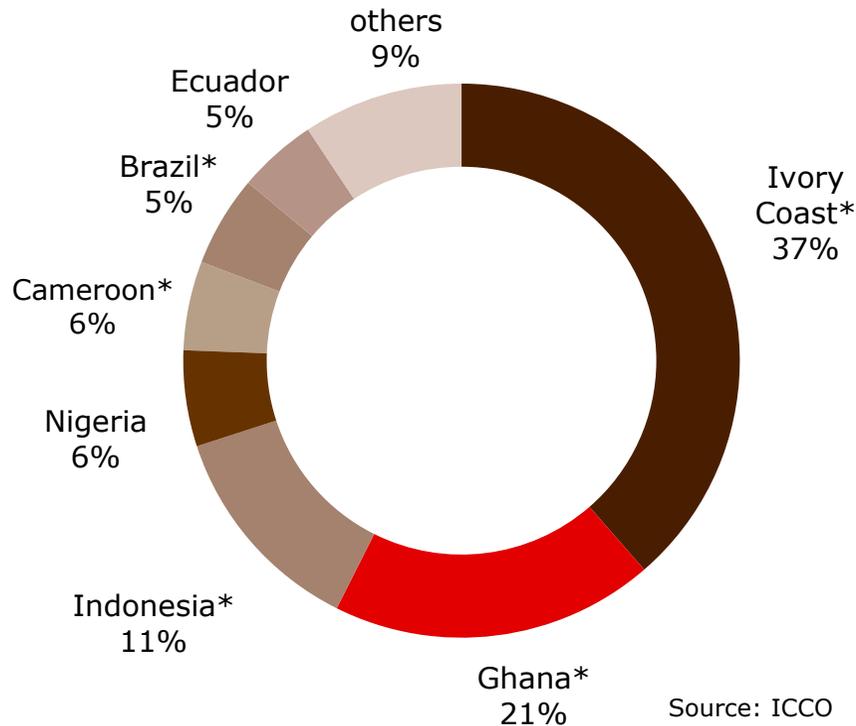


# West Africa is the world's largest cocoa producer

## – BC sources locally



### Total world harvest (12/13): 3'966'500 MT



- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~603,000 tonnes of cocoa beans or 15% of total world harvest
- ▶ 69% sourced directly from farmers, cooperatives & local trade houses
- ▶ BC has various cocoa processing facilities in origin countries\*, in Europe and in the USA