Cocoa - key for our future growth

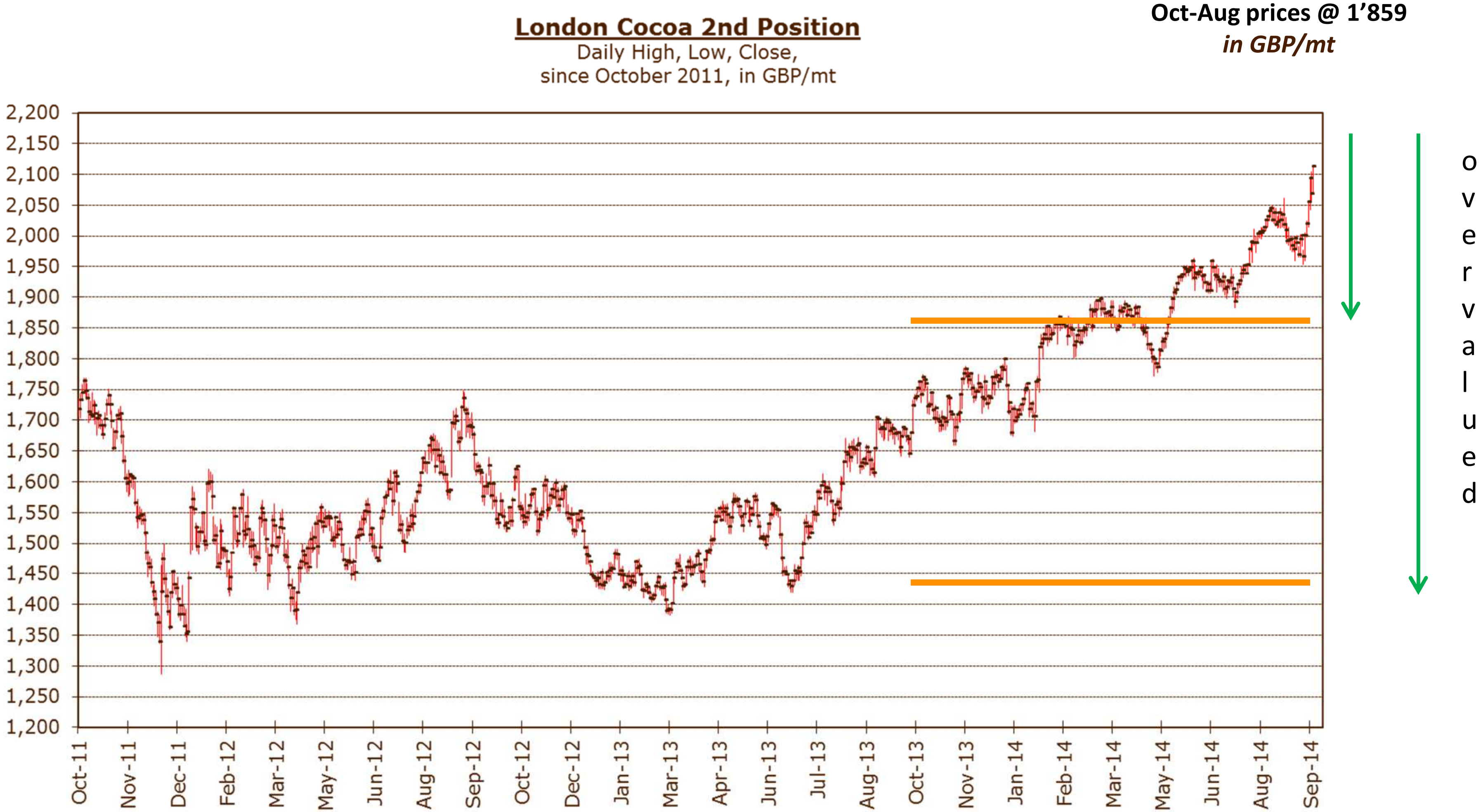
Steven Retzlaff – President Global Cocoa

Agenda

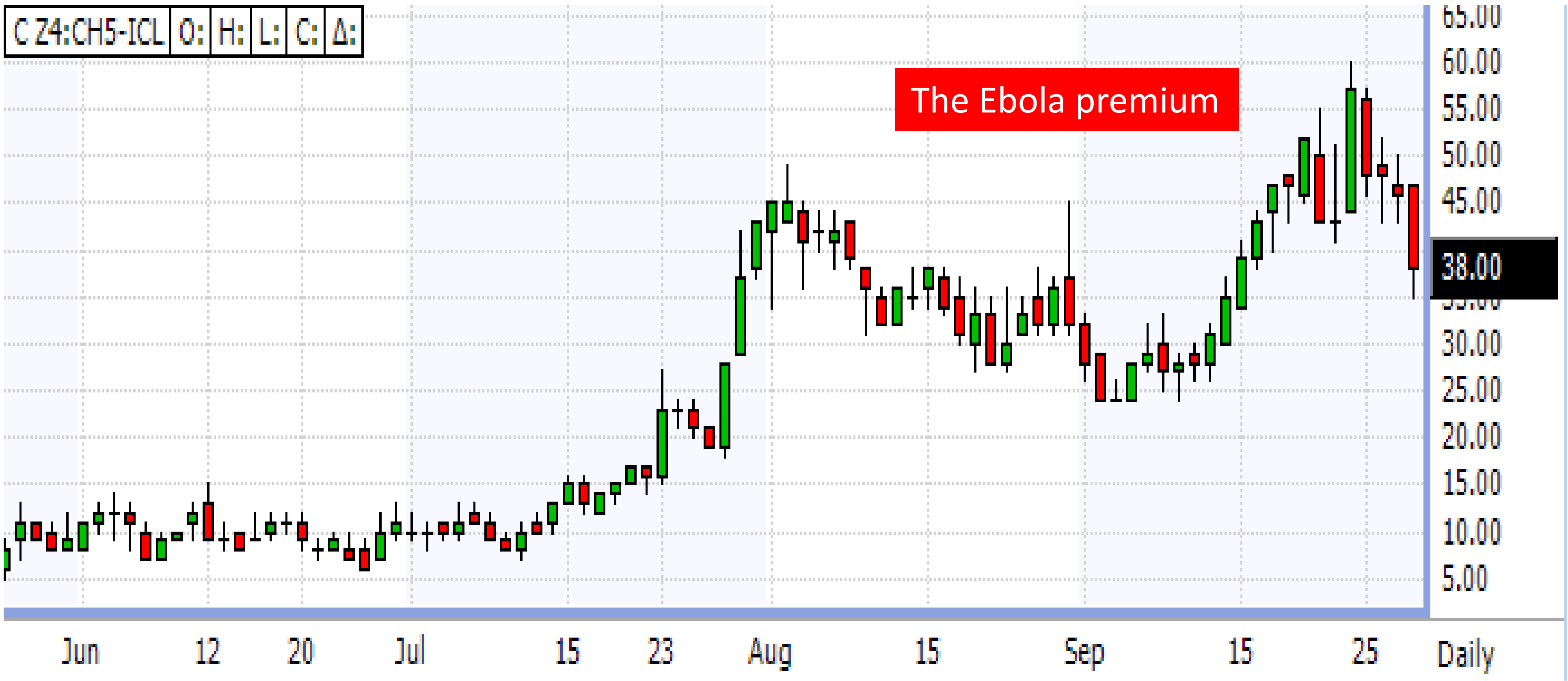
- Cocoa Market
  - Terminal market
  - Supply & Demand
  - Combined ratio
  - Powder market
- Global Cocoa business
  - Strategic reasons for acquisition
  - Global approach
  - Integration

LIFFE London

LIFFE price indicators:
Oct-Aug prices @ 1'859
in GBP/mt



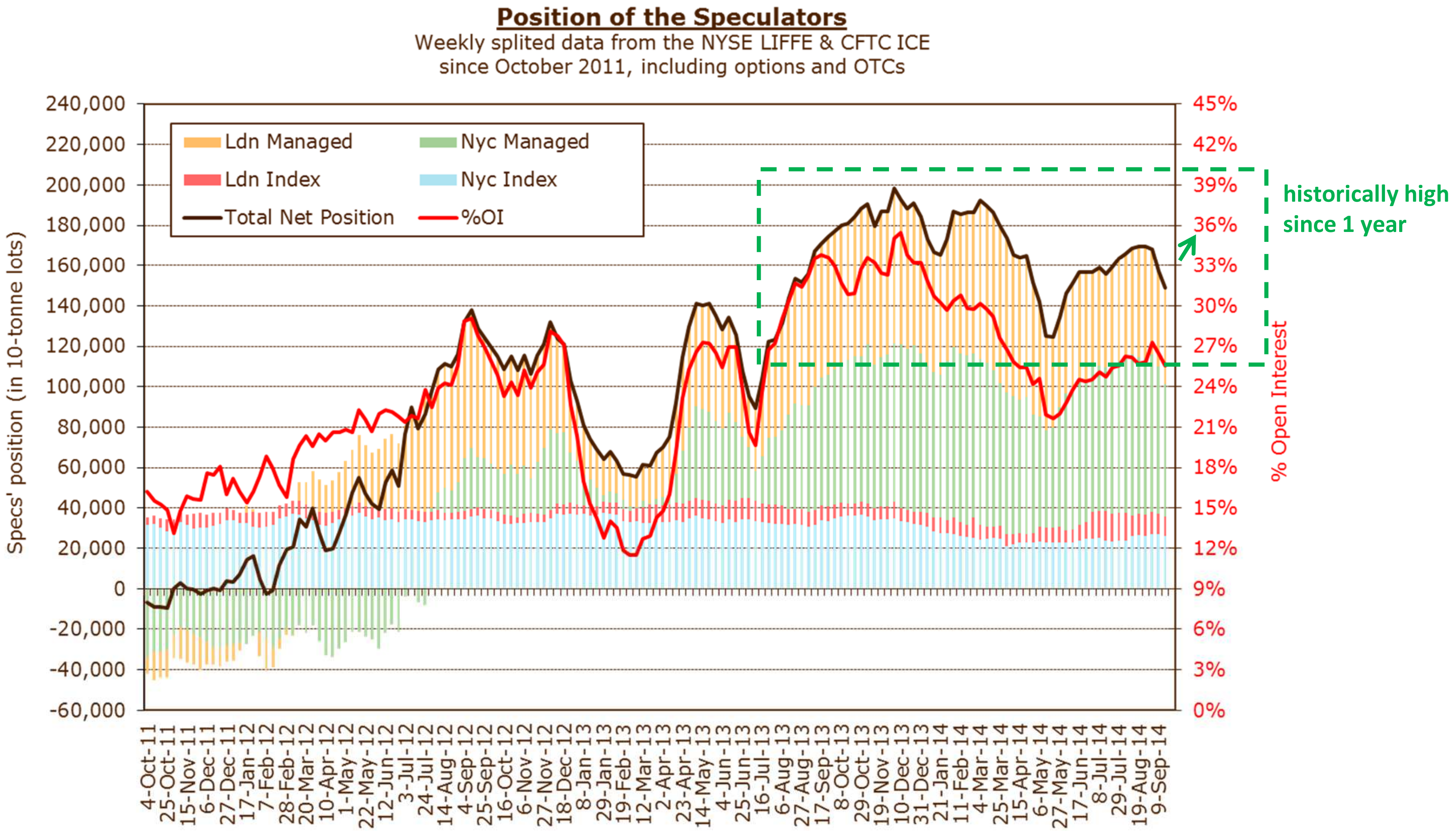
Dec14/March15 Spread



We **follow** the evolution of the **Ebola** outbreak **closely**

- Ebola is not a food-borne illness
- Food safety and employee safety are our top priorities
- Countries affected: Guinea, Liberia and Sierra Leone
- BC has no production facilities in any one of the currently affected countries
- Alternative scenarios in place in case of Ebola outbreak in Côte d’Ivoire / Ghana
- Joined fund raising campaign of WCF to fight Ebola

Speculative Positions



Global Production

Cocoa bean crops by origin country:

BC figures over 4 seasons,
data (from 10/11 to 12/13), estimate (13/14)

(in '000 tons)	BC			
	10/11	11/12	12/13	13/14
Ivory Coast	1,748	1,564	1,564	1,747
Ghana	923	771	795	968
Indonesia	499	489	439	390
Cameroon	232	211	218	225
Nigeria	260	230	180	210
Brazil	200	219	185	229
Ecuador	157	197	191	215
Rest of the World	364	386	405	412
TOTAL	**4,382**	**4,068**	**3,976**	**4,396**
Evolution	20.7%	-7.2%	-2.3%	10.5%

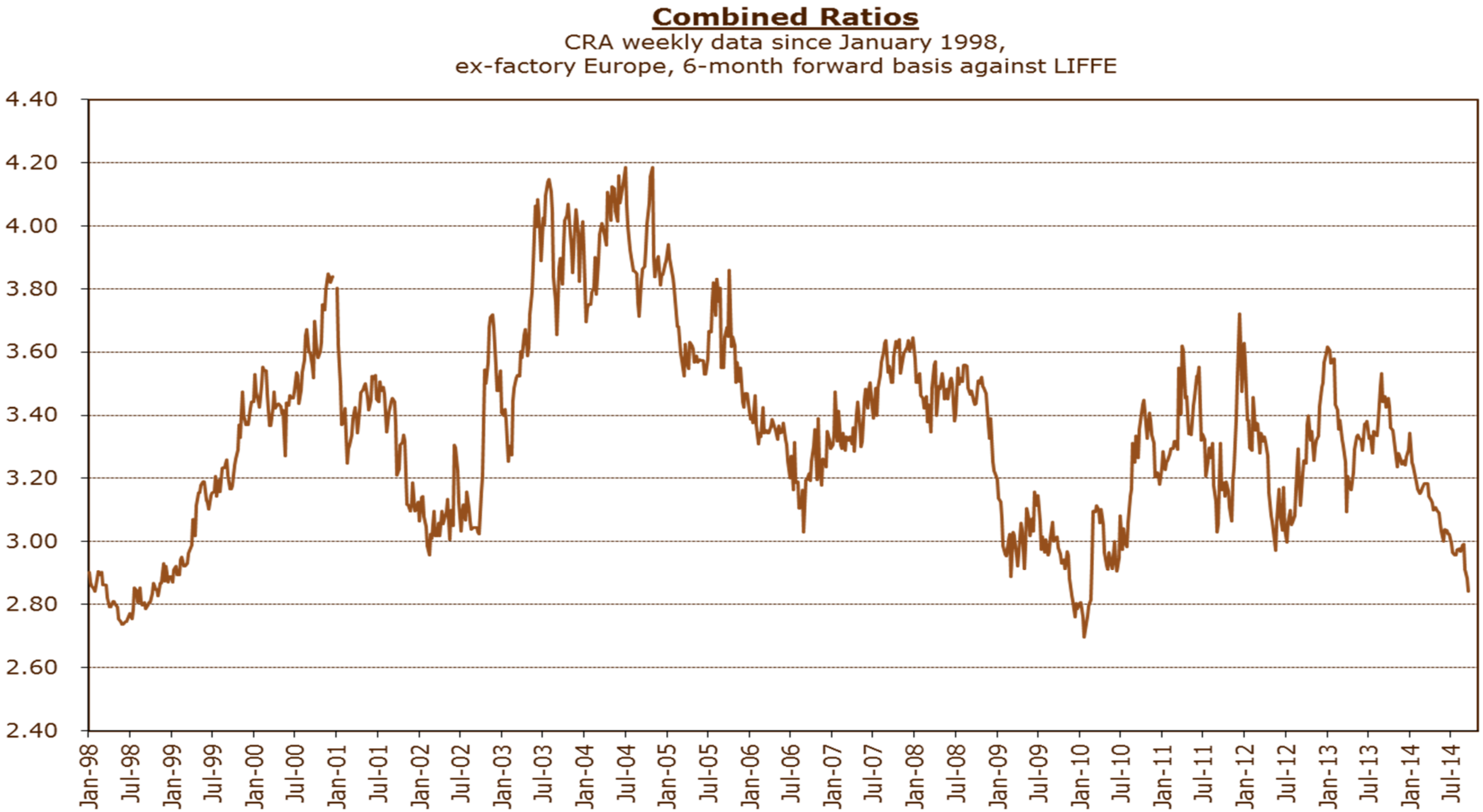
Global Grind

Cocoa bean grinds by consuming region:

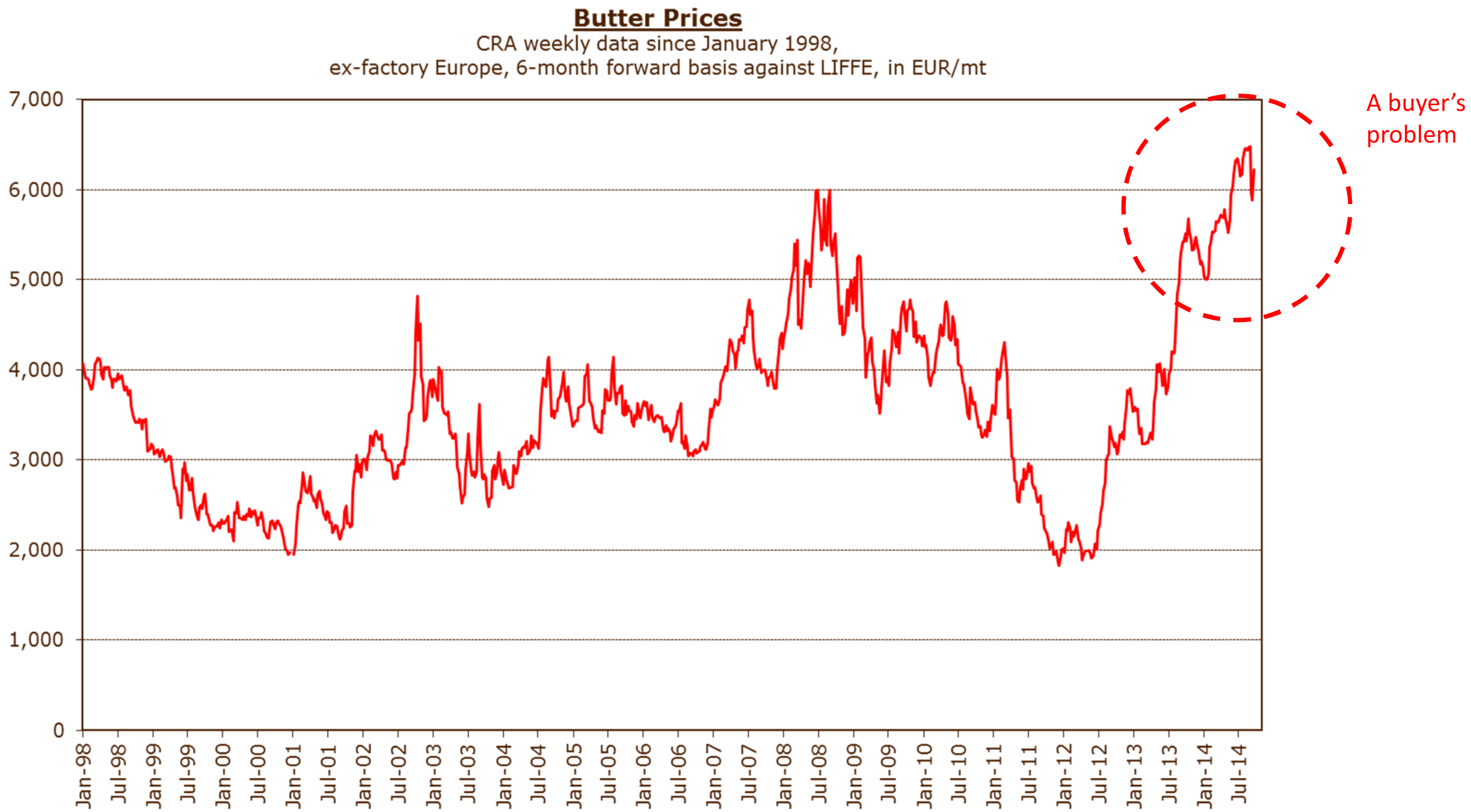
BC figures over 4 seasons,
data (from 10/11 to 12/13), estimate (13/14)

(in '000 tons)	BC			
	10/11	11/12	12/13	13/14
Western Europe	1,470	1,394	1,423	1,436
Eastern Europe	114	116	118	116
Asia / Oceania	814	890	900	938
Africa	652	711	793	836
NAFTA	512	488	519	538
Latin America	361	364	366	372
TOTAL	**3,923**	**3,963**	**4,118**	**4,236**
Evolution	5.3%	1.0%	3.9%	2.8%

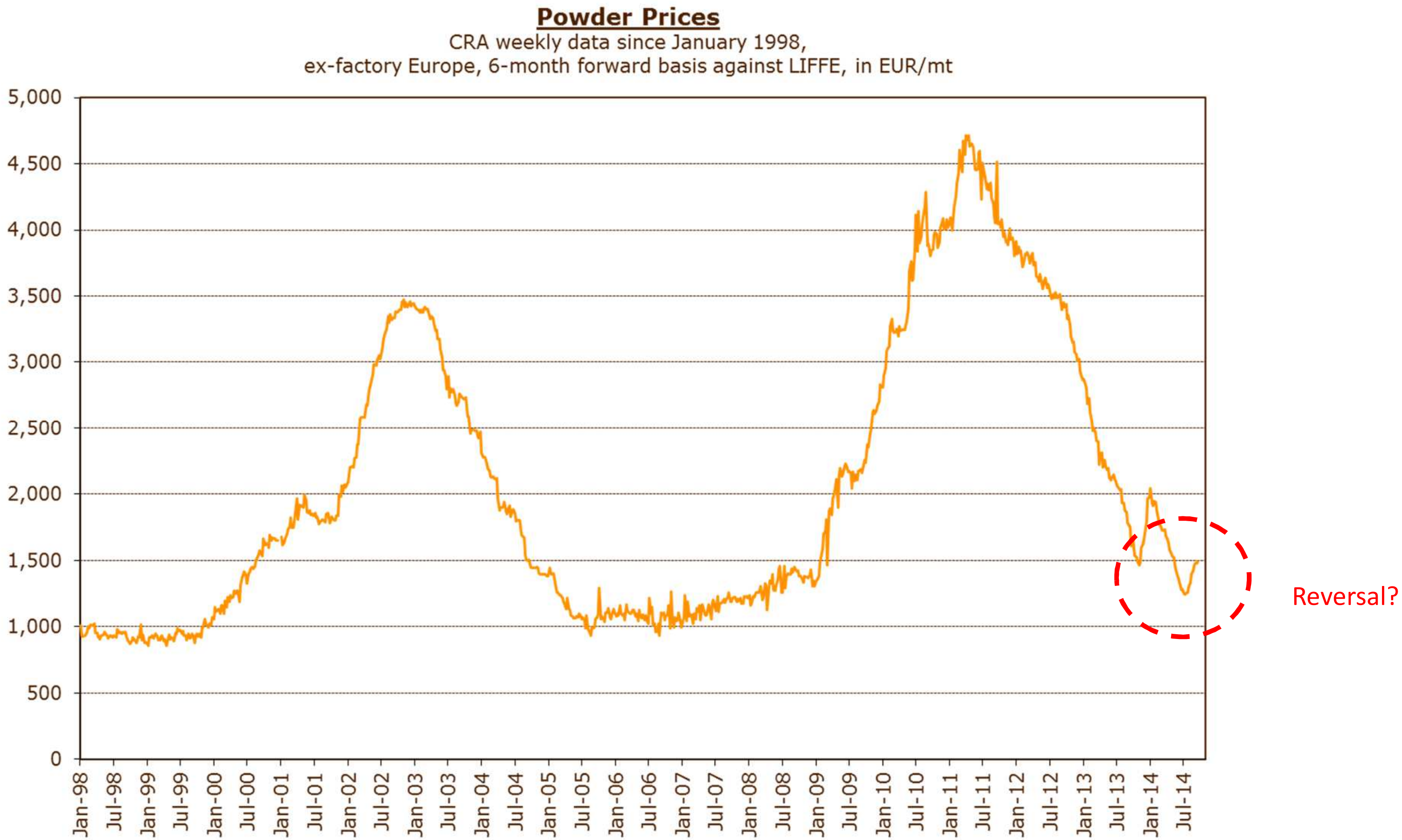
Combined Ratio



Butter Outright

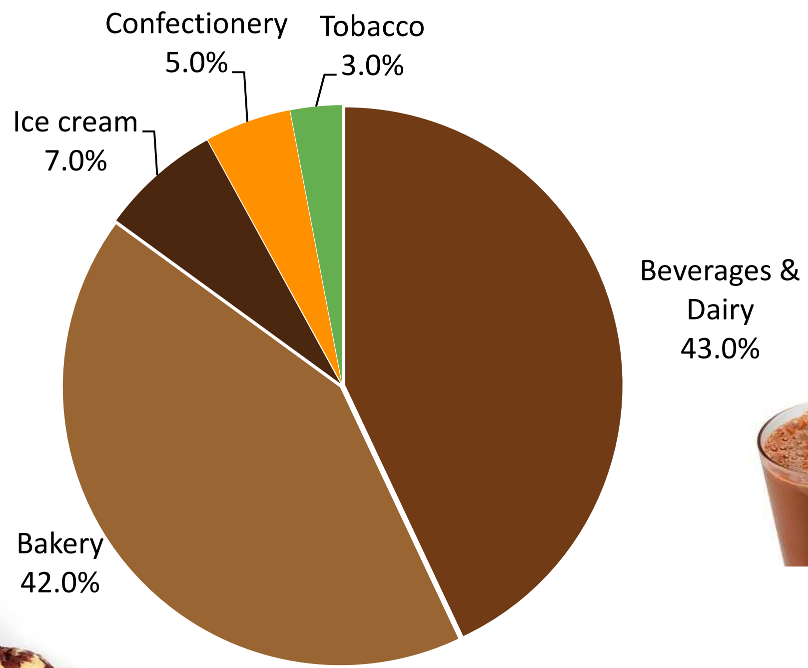


Powder prices



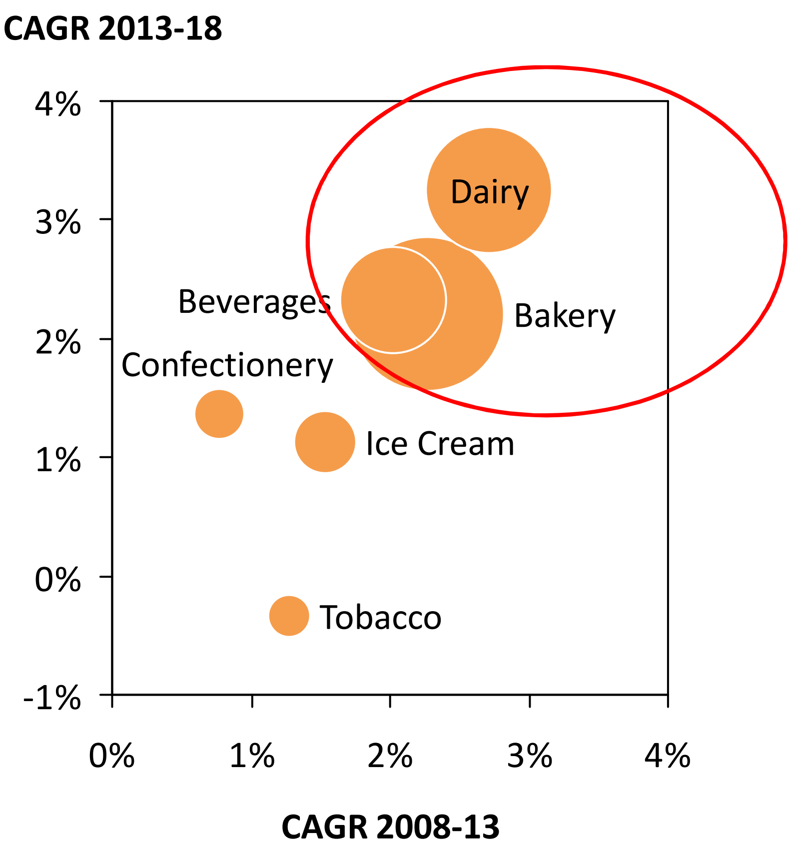
Main users of cocoa powder are...

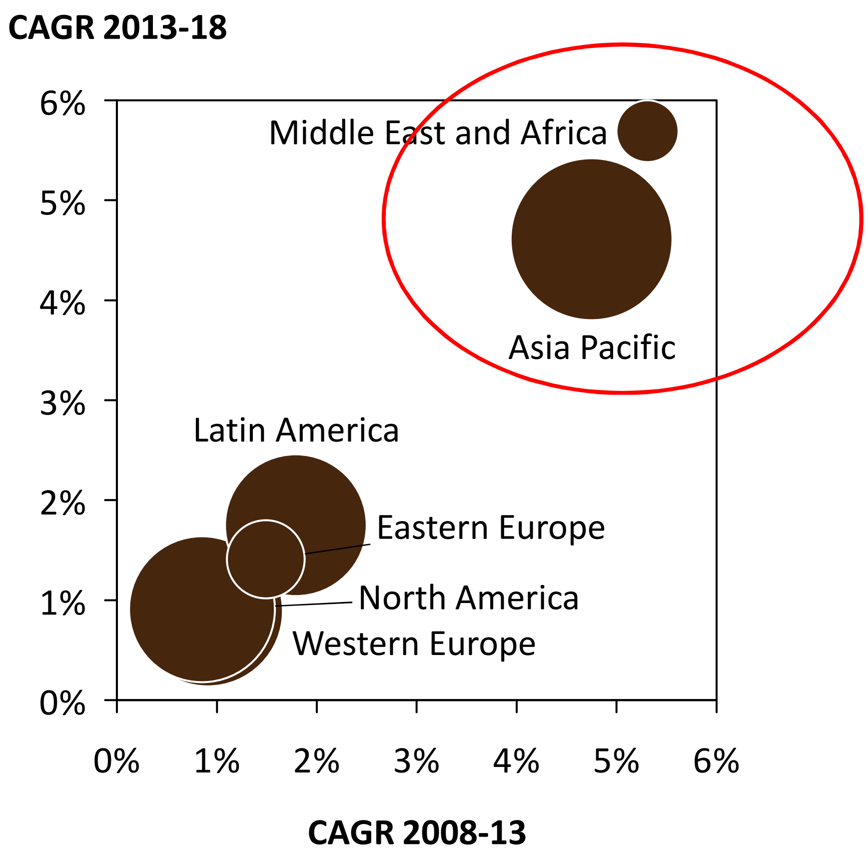
- Beverages & Dairy and Bakery products



Cocoa Powder market

...categories that are expected to grow faster than chocolate and with demand coming from Emerging markets

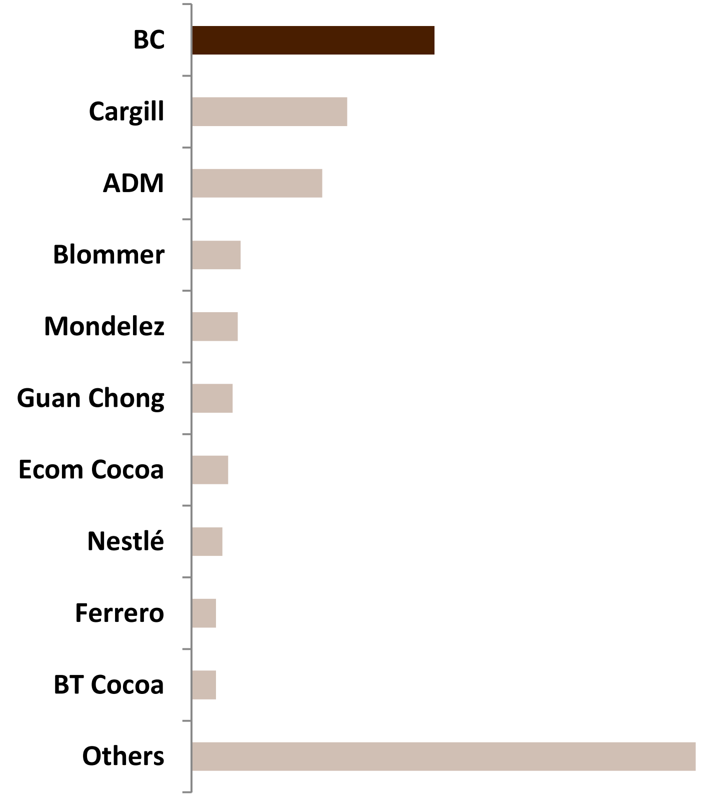




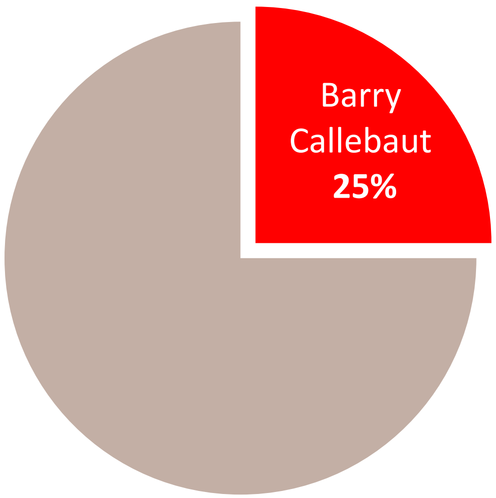
Source: Euromonitor - Sep 2014 - Bubble size indicates the absolute market size in volume - 2013

Recent acquisition positions Barry Callebaut as the **largest player in Cocoa Powder** globally…

Cocoa grinding capacity



Total Cocoa powder market



Source: Barry Callebaut estimates

Global cocoa has **16 factories worldwide**, and is supported by a team of **4000 FTE**

Footprint of cocoa processing factories

Note: Barry Callebaut integrated chocolate / cocoa sites not shown

The crop of the top 6 cocoa producing countries consist of 85% of the global crop – **We have a strong presence and long history** in these countries

- 60 years in Cameroon
- 50 years in Ivory Coast
- 14 years in Ghana
- 40+ years of presence in Indonesia
- 30+ year presence in Brazil

Countries	Crops	Direct sourcing BC	Grinds Total	Grinds BC
Ivory Coast	1746	✓	492	✓
Ghana	968	✓	239	✓
Indonesia	390	✓	368	✓
Cameroon	225	✓	34	✓
Brazil	229	✓	239	✓
Ecuador	223	✓	31	

BARRY CALLEBAUT

5 **strategic reasons** for acquiring the cocoa business from Petra Foods…

- **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

Since July 1 2013 we **operate as one company**

Sep 2012 | Dec 2012 | Feb 2013 | Jul 2013

2012 – 2013

Strategic decision

- Review of Cocoa products market
- Decision to expand Cocoa operations
- Delfi Cocoa identified as ideal partner

Deal signing

- Conversations between BC and Petra management
- Due diligence and negotiations
- Deal signed on Dec 12, 2012

Integration team kick-off

- Formation of joint BC and Delfi teams
- Master integration plan developed
- Integration work in all regions

Deal close

- Transfer of business ownership
- Joint operations as of July 1, 2012
- Together Now welcome tour

Successful integrations get **three** main **things right**…

- Keep our **people**
- Keep our **customers**
- Realise the **business case**



... and is driven by the **right integration process**...

- Right **people**
- Right taskforce **culture**
- Real **empowerment**
- **Alignment** with the group

Our journey to become one company started with 181 global milestones - we only have 19 milestones open

- **One culture** is being created
- **Our sales approach** to the market has been agreed and implemented
- **Operations** is being **streamlined**
- **Global synergies** are being reached

....An integration is more than synergies...**we are not there yet**...

- In order to make the **integration a success**, continued focus is required
  - Synergies
  - Organization
  - Complete the outstanding global and regional milestones

- And to do so, we have:
  - Identifed an **owner** for all projects
  - Put a **governance structure** in place to ensure success