Annual Report 2014/15

"We are the heart and engine of the chocolate and cocoa industry"

BARRY CALLEBAUT

Key figures 2014/15

Sales Volume:
1.8 million tonnes

+4.5%

EBIT:
CHF 414.8 million

+7.4%
in local currencies

Net Profit:
CHF 239.9 million

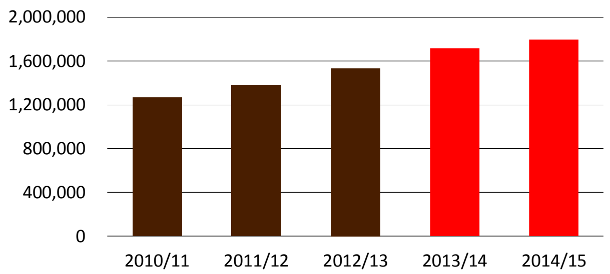
(2.7%)
in local currencies

Dividend:
Stable payout ratio of 33%

CHF 14.50
per share

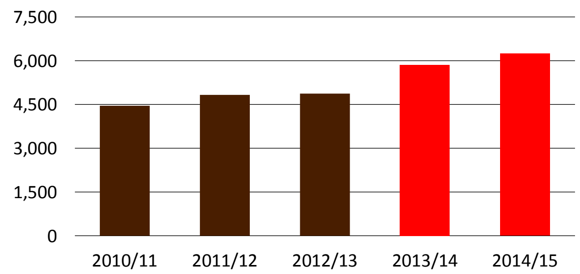
Sales Volume

In tonnes



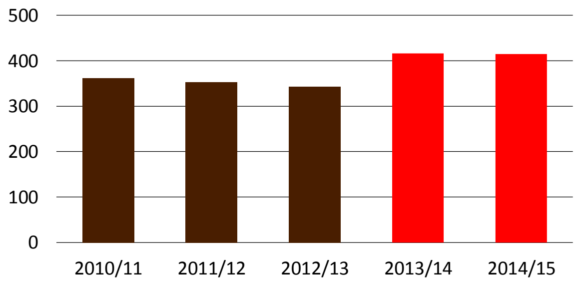
Sales Revenue

In CHF million



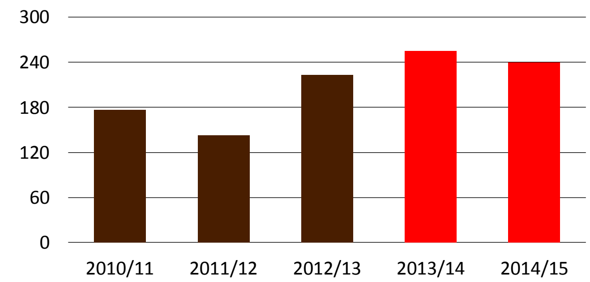
EBIT

In CHF million



Net profit for the year

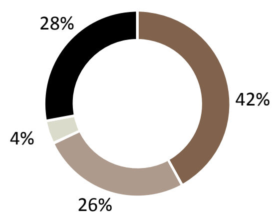
In CHF million



Sales Volume by Region

In tonnes

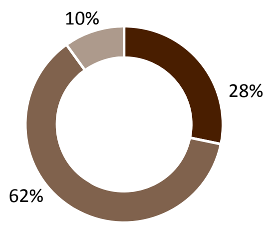
Europe	763,646
Americas	466,063
Asia Pacific	68,984
Global Cocoa	496,089



Sales Volume by Product Group

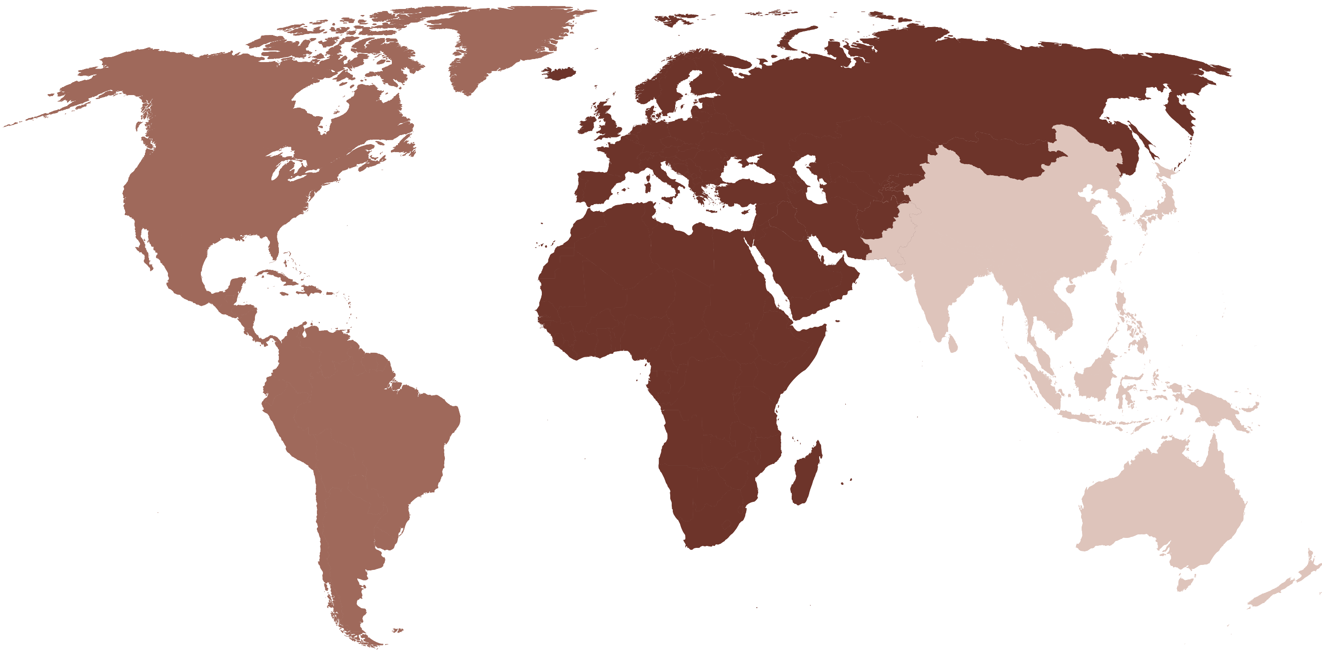
In tonnes

Food Manufacturers Products	1,116,513
Cocoa Products	496,089
Gourmet & Specialties Products	182,180



Fiscal year 2014/15 in brief

- Broad-based sales volume growth of 4.5%, accelerating significantly in Q4
- Operating profit (EBIT) increased by 7.4% in local currencies (–0.3% in CHF), net profit down 2.7% in local currencies (–5.9% in CHF)
- Antoine de Saint-Affrique new CEO since October 1, 2015
- New mid-term financial targets[1], with focus on consistent, above-market volume growth and enhanced profitability
- All Board members stand for re-election; Patrick De Maeseneire proposed as new Board member and Vice Chairman



	Europe[2]	Americas	Asia Pacific	Global Cocoa
Volume growth vs. prior year	+3.9%	+4.7%	+7.2%	+5.1%
EBIT growth vs. prior year in local currencies	+19.7%	(0.3%)	+5.9%	(33.7%)

1 On average 4–6% volume growth and EBIT above volume growth in local currencies, for the 3-year period fiscal year 2015/16 to fiscal year 2017/18, barring any major unforeseen events.
2 As of October 1, 2015, renamed EMEA, consisting of Europe, Middle East and Africa.

This is Barry Callebaut

"Shaping the world of chocolate and cocoa"

1.8
sales volume
in million tonnes

414.8
EBIT
in CHF million

CAGR
+9.1%
volume growth
over 5 years

6,241.9
sales revenue
in CHF million

More than
175 years
of chocolate heritage

More than
9,000
employees
of whom 1 in 2 works
either in an origin
or emerging market

19
CHOCOLATE ACADEMY centers

36,545
chocolate aficionados
trained in 2014/15

53
factories
worldwide

Selling to
131
countries

70,500
farmers
trained in good
agricultural practices

health claim
on Acticoa®
extended to
cocoa extracts
within Europe

Innovation
contributed
10%
to sales volume

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Outperforming the global chocolate market

As we have done consistently for the last ten years, we managed to outpace the market. Going forward, we will strike a balance between volume growth, enhanced profitability and free cash flow generation.

After a slow start to fiscal year 2014/15, volume growth accelerated, particularly during the last quarter, and reached 4.5% or nearly 1.8 million tonnes for the year. This compares favorably to the –2.7% decline in the global confectionery market according to Nielsen. Sales volume growth was broadly based with strong contributions from the developed markets in Western Europe and North America, but also from our key growth drivers Outsourcing, Emerging Markets and Gourmet & Specialties. Sales revenue was up 12.1% in local currencies (6.4% in CHF) to CHF 6,241.9 million, as a result of volume growth and higher cocoa bean prices over the entire fiscal year. Despite the historically weak cocoa products market, and excluding a significant negative currency translation effect, operating profit (EBIT) rose 7.4% in local currencies (–0.3% in CHF) to CHF 414.8 million, thereby outpacing volume growth. The low EBIT in Global Cocoa was compensated for by the positive EBIT contribution of all other regions and product groups. This is also the result of a good gross margin development and fixed cost discipline.

Net profit for the year in local currencies was 2.7% below prior year (–5.9% in CHF) and came in at CHF 239.9 million. This is a reflection of the higher average financing requirements mainly due to higher cocoa bean prices, a foreign exchange loss, as well as higher income tax expenses.

This is a robust performance in a challenging environment. We would like to thank our team of more than 9,000 employees for their dedication and hard work as well as our customers and shareholders for their continued trust.

The Board proposes a payout to shareholders of CHF 14.50 per share. This represents a stable payout ratio of 33% of the net profit.

Consistent strategy implementation as key to success

Our continued above-market growth is the result of the consistent implementation of our long-term strategy based on the four pillars Expansion, Innovation, Cost Leadership and Sustainable Cocoa. In the past fiscal year, we again achieved significant progress along all pillars:

Expansion

Acquisition of the industrial chocolate manufacturing assets from World's Finest® Chocolate, in the attractive U.S. Midwest region, and signing of a long-term supply agreement. Signing of the first outsourcing agreement in Southeast Asia with GarudaFood of Indonesia for the delivery of an important part of their compound chocolate requirements. Inauguration of a new chocolate factory in Paine, Chile. Expansion of existing chocolate factories in Extrema, Brazil, and in Lodz, Poland. Opening of a low-cost compound chocolate factory in Pune, India. Relocation of the CHOCOLATE ACADEMY™ center in Russia to down-town Moscow and opening of three such training centers for professionals in Tokyo, Cologne and Dubai to further boost the Gourmet business, bringing the total number of CHOCOLATE ACADEMY centers to 19. Acquisition of nut specialist American Almond in the U.S. to enhance the specialties product offering in the Americas.

Innovation

Development of new chocolate and compound recipes with higher thermo tolerance to satisfy the demand for chocolate products in warmer climates. Opening of a new Chocolate Application Center in Wieze, Belgium, and the first Cocoa Application Center in Asia Pacific, located in Pasir Gudang, Malaysia. 10% of the sales volume in fiscal year 2014/15 came from new or renovated products.

Letter to Shareholders

"Our focus going forward will be on fine-tuning the execution of our long-term strategy and on striking a balance between volume growth and enhanced profitability as well as free cash flow generation."

Antoine de Saint-Affrique, CEO

"We are convinced that our integrated value model and our deep expertise in cocoa and chocolate make us well placed to capture the growth opportunities that exist in our dynamic global environment."

Andreas Jacobs, Chairman of the Board

Letter to Shareholders

Cost Leadership
Establishment of a Shared Service Center in Lodz, Poland, bundling transactional activities across Europe.

Sustainable Cocoa
Launch of independent, non-profit Cocoa Horizons Foundation to improve the livelihoods of cocoa farmers and their communities and as a platform for chocolate companies and other contributors to invest in sustainable cocoa. More than CHF 20 million paid in farmer and farmer group premiums. Barry Callebaut partnering with the Hershey Company and Mondelez International, respectively, to support them in their sustainability commitments and with the implementtation of their cocoa sustainability programs on the ground.

Evolving market dynamics
A number of changes in our environment will reframe the universe in which we operate.

Increased volatility in currencies and commodity prices has become the new normal. A soft economic environment and high cocoa bean prices have also affected chocolate demand in developed markets. Consolidation in our industry is constantly changing the competitive landscape.

Consumer behavior is also changing, opening new market opportunities. More than ever, consumers want to know what is in their food, where the ingredients come from and how they have been produced. More and more want food products made with as few ingredients as possible. There is also a big trend towards premiumization, personalization and snacking, which will shape the products we deliver to our customers. Food safety and nutritional requirement standards will continue to rise in the future.

We are convinced that our integrated value model from cocoa bean to chocolate product and our deep expertise make us well placed to capture the many growth opportunities that we see in this dynamic, global environment.

Driving smart growth going forward
We see significant growth opportunities ahead and we are committed to achieving consistent, above-market volume growth based on our three key growth drivers Outsourcing & Partnerships, Emerging Markets and Gourmet & Specialties. We will strike a balance between volume growth and enhanced profitability as well as free cash flow generation – in brief: "smart growth."

Looking ahead, we foresee a challenging fiscal year 2015/16 due to the current cocoa products market, which will temporarily affect our profitability. We are driving a number of strategic initiatives, such as the Cocoa Leadership project, to fully leverage our global scale in cocoa, optimize our footprint and strengthen our profitability in the mid-term.

We adapt our mid-term guidance to 4–6% volume growth, and EBIT above volume growth in local currencies on average for the 3-year period 2015/16 to 2017/18, barring any major unforeseen events.

Andreas Jacobs
Chairman of the Board

Antoine de Saint-Affrique
Chief Executive Officer

Changes at the helm of Barry Callebaut
On October 1, 2015, Antoine de Saint-Affrique took over from Juergen Steinemann as CEO of Barry Callebaut. Antoine joined us from Unilever where he was President Foods and Member of the Group Executive Committee. His impressive track record in the food industry, excellent knowledge of consumer markets, strong customer and stakeholder focus, extensive international working experience, and remarkable success in building and integrating teams to create innovative, margin-accretive growth made Antoine de Saint-Affrique the ideal successor to our long-standing CEO Juergen Steinemann. We are excited to have Antoine on board and wish him the best of success.

The Board of Directors and the Jacobs family are very grateful to Juergen Steinemann for his outstanding leadership since 2009. Together with our more than 9,000 employees, Juergen made our business truly global, grew our leading positions in Western Europe and North America, and took important steps towards an unparalleled footprint in emerging markets. Outsourcing and partnerships are reaping big rewards and our global Gourmet business is flourishing. Sustainable Cocoa became our fourth strategic pillar, while the biggest acquisition in our history – the Cocoa Division of Petra Foods – established us as the number one in cocoa. With his passion for people, Juergen has led the design and implementation of a modern HR structure that enables us to attract, develop and retain the talents we need to achieve further growth. We are very happy that Juergen Steinemann will continue to serve on the Board of Barry Callebaut.

Andreas Jacobs, Chairman

Business at a Glance

Our Vision
We are the heart and engine of the chocolate and cocoa industry.

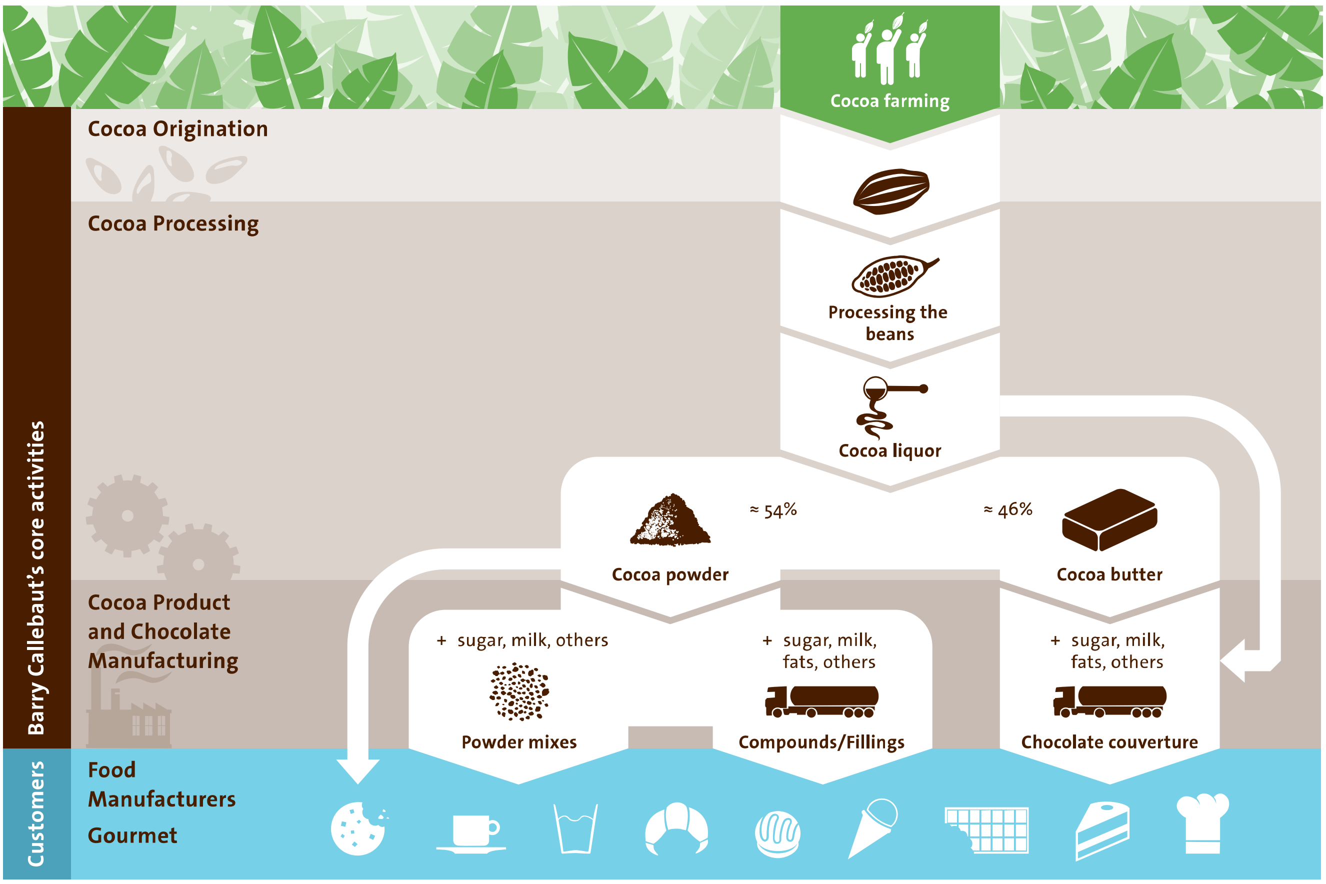
Our Values
Everything we do is rooted in our five core values: customer focus, passion, entrepreneurship, team spirit and integrity.

Business model
We are the world's leading manufacturer of chocolate and cocoa products, by mastering every step in the value chain from the sourcing of raw materials to the production of the finest chocolates. We are able to provide our customers with added value products and services adapted to specific market needs, ahead of trends and at a competitive price. We serve the entire food industry – from global and local food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers.

We are a business-to-business company. In order to accommodate price fluctuations in raw materials, most of our business is based on a cost-plus pricing system that passes on raw material costs directly to our customers.

Our input factors are talented people, various raw materials as well as deep chocolate and cocoa know-how. Our output factors are high-quality chocolate and cocoa products as well as value-added services.

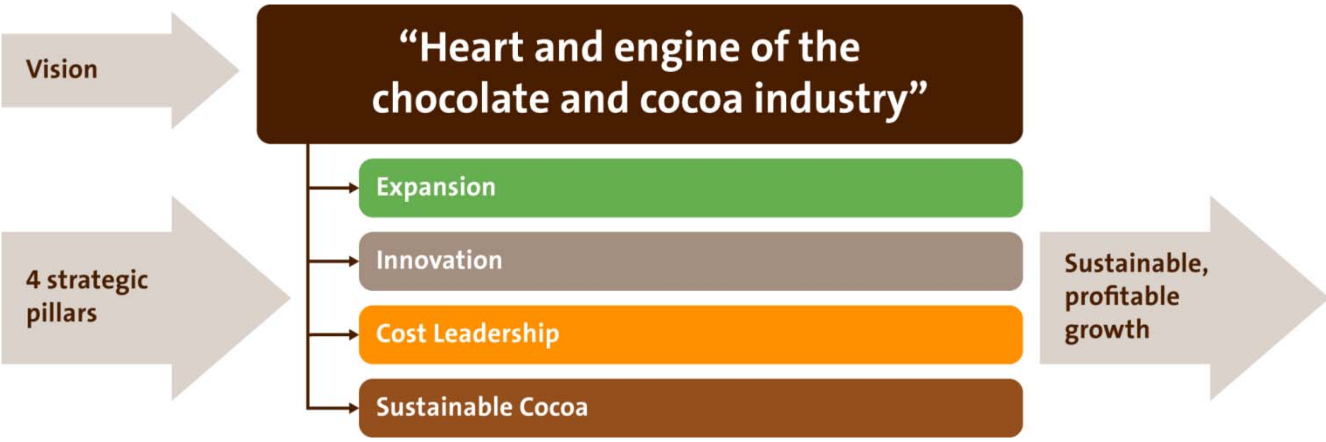
Competitive advantages
We are fully vertically integrated and have a unique global footprint with 53 factories. With more than 175 years of chocolate heritage, our Group has an unparalleled blend of expertise in cocoa and chocolate, from the sourcing of the beans to the knowledge of future consumer trends. Through leadership in innovation and renovation of products, we help our customers grow. Combined with our cost leadership, this makes us the preferred outsourcing partner to the food industry. We have a number of long-term partnership agreements with leading global and local food companies. We are present on the ground in all key origin countries and drive change towards sustainable cocoa.



Business at a Glance

The Barry Callebaut Group aims to outperform the global chocolate and cocoa market. This ambitious long-term strategy is based on four pillars:

Strategy



Expansion

We aim to expand our business based on three growth drivers:

Emerging Markets: Next to further strengthening our position in the main markets of Western Europe and North America, we aim to tap into the growth potential of Emerging Markets.

Outsourcing & Partnerships: Implementing existing outsourcing volumes and strategic partnerships, as well as securing further outsourcing deals with global and local food manufacturers is an essential part of our business strategy.

Gourmet & Specialties: We intend to further accelerate the growth of our Gourmet business.

Cost leadership

Cost leadership is a core element of our competitiveness and one of the reasons – next to deep expertise and recognized quality – many customers have chosen to outsource their production to us.

We continuously strive to improve our performance through technology upgrade, scale leverage, optimization of product flows, best-in-class sourcing capabilities and tight cost management.

Innovation

We are recognized as the reference for innovation in the industry. From our global innovation centers, we focus on developing unique capabilities and expertise in four discover areas: 1. Cocoa science; 2. Authenticity & permissibility; 3. Structure, Texture, Sensory; 4. New process technology. These areas give us a competitive edge in the development of new products and applications as well as help us to shape industry trends, anticipate and drive customer value.

Sustainable Cocoa

We have a long-standing commitment to sustainability, as we believe that the future of our industry depends on its ability to make cocoa farming more viable and attractive to farmers, today and tomorrow. We believe that cocoa production will only be sustainable when farmers earn an equitable income, engage in responsible labor practices, safeguard the environment and can provide for the basic health and education needs of their families.

Our Sustainable Cocoa approach concentrates on productivity and community, aligned with the industry's CocoaAction strategy.

5-Year Overview

Key figures Barry Callebaut Group

		CAGR (%)[1]	2014/15	2013/14	2012/13[2,4]	2011/12[2]	2010/11[2,3]
Consolidated Income Statement							
Sales volume	Tonnes	9.1%	1,794,782	1,716,766	1,535,662	1,378,856	1,268,925
Sales revenue	CHF m	8.8%	6,241.9	5,865.9	4,884.1	4,829.5	4,459.9
EBITDA[5]	CHF m	5.9%	540.8	531.5	438.4	434.3	430.3
Operating profit (EBIT)	CHF m	3.4%	414.8	416.2	342.9	353.2	362.3
Net profit from continuing operations[6]	CHF m	(2.3%)	239.9	255.0	229.5	241.1	263.6
Net profit for the year	CHF m	7.9%	239.9	255.0	222.8	142.6	176.8
Cash flow[7]	CHF m	1.2%	472.6	473.7	451.1	440.2	450.7
EBIT / sales revenue	%	(4.8%)	6.6%	7.1%	7.0%	7.3%	8.1%
EBIT per tonne[8]	CHF	(5.1%)	231.1	242.4	223.4	256.2	285.5
Consolidated Balance Sheet							
Total assets	CHF m	13.6%	5,429.4	5,167.5	4,526.9	3,576.6	3,263.1
Net working capital[9]	CHF m	14.6%	1,529.7	1,674.6	1,345.7	1,039.2	888.1
Non-current assets	CHF m	16.0%	2,185.5	2,175.6	2,071.9	1,424.8	1,208.4
Net debt	CHF m	21.6%	1,728.0	1,803.5	1,525.2	942.9	789.8
Shareholders' equity[10]	CHF m	9.9%	1,772.8	1,790.7	1,682.5	1,357.1	1,217.1
Capital expenditure[11]	CHF m	14.6%	249.2	248.8	223.5	217.8	144.6
Ratios							
Economic Value Added (EVA)	CHF m	(20.0%)	65.6	84.5	79.0	133.5	159.9
Return on invested capital (ROIC)[12]	%	(10.9%)	9.8%	10.5%	10.9%	14.2%	15.6%
Return on equity (ROE)	%	(10.3%)	13.5%	14.7%	15.4%	18.7%	20.9%
Debt to equity ratio	%	10.7%	97.5%	100.7%	90.6%	69.5%	64.9%
Solvency ratio[13]	%	(3.3%)	32.7%	34.7%	37.2%	37.9%	37.3%
Interest coverage ratio[14]		(8.9%)	4.1	4.5	5.6	5.8	6.0
Net debt / EBITDA		15.4%	3.2	3.4	3.5	2.2	1.8
Capital expenditure / sales revenue	%	5.7%	4.0%	4.2%	4.6%	4.5%	3.2%
Shares							
Share price at fiscal year-end	CHF	8.5%	1,061	1,125	876	904	765
EBIT per share[15]	CHF	1.9%	75.6	75.9	65.5	68.4	70.1
Basic earnings per share[16]	CHF	(4.1%)	43.2	46.0	44.0	46.6	51.2
Cash earnings per share[17]	CHF	(0.3%)	86.2	86.3	86.2	85.2	87.3
Payout per share[18]	CHF	(1.7%)	14.5	15.5	14.5	15.5	15.5
Payout ratio	%	1.6%	33%	33%	35%	33%	31%
Price-earnings ratio at year-end[19]		13.3%	24.6	24.5	19.9	19.4	14.9
Market capitalization at year-end	CHF m	10.2%	5,823.7	6,175.0	4,805.5	4,671.1	3,955.1
Number of shares issued		1.5%	5,488,858	5,488,858	5,488,858	5,170,000	5,170,000
Total payout to shareholders	CHF m	4.1%	85.1	79.6	80.1	80.1	72.4
Other							
Employees		12.1%	9,430	9,319	8,658	6,100	5,972
Beans processed	Tonnes	14.5%	925,856	940,621	671,183	574,021	537,811
Chocolate & compound production	Tonnes	6.5%	1,287,461	1,254,241	1,207,025	1,102,431	999,879

1 Compound annual growth rate for the 5-year period.
2 All key figures are based on the continuing operations except for net profit for the year, total assets and cash-flow-related key figures.
3 To conform to the presentation of subsequent years, certain comparatives related to the Consolidated Income Statement have been restated. Restatements were mainly related to the discontinuation of the consumer activities. Balance Sheet and Cash Flow Statement related values and number of employees have not been restated.
4 Following the revision of IAS 19 (Employee Benefits), certain comparatives have been restated to conform to the current period's presentation.
5 EBIT + depreciation of property, plant and equipment + amortization of intangibles (all from continuing operations).
6 Incl. non-controlling interest.
7 Operating cash flow before working capital changes.
8 EBIT / sales volume (of the continuing operations).
9 Includes current assets, liabilities and provisions related to commercial activities.
10 Total equity attributable to the shareholders of the parent company.
11 Capital expenditure for property, plant and equipment and intangible assets.
12 EBIT x (1-effective tax rate) / average capital employed.
13 Total equity attributable to the shareholders of the parent company / total assets.
14 EBITDA / net finance costs.
15 EBIT / basic shares outstanding.
16 Based on the net profit from continuing operations attributable to the shareholders of the parent company / basic shares outstanding.
17 Operating cash flow before working capital changes / basic shares outstanding.
18 2014/15 dividend totally paid out of paid-in capital reserves as proposed by the Board of Directors to the Annual General Meeting. 2013/14 and 2010/11 dividend totally paid out of paid-in capital reserves. 2011/12 dividend partly paid out of paid-in capital reserves and partly by a capital reduction through par value repayment. 2009/10: capital reduction / par value repayment instead of a dividend.
19 Share price at year-end / basic earnings per share.

Risk Overview

Risk Factors

The Group operates in the food industry and is exposed to a variety of risks and uncertainties. These are monitored through management processes and overseen by the Group's enterprise risk management framework.

Overall responsibility for the Group's Enterprise Risk Management lies with the Board of Directors (BoD). The BoD has delegated responsibility to the Audit, Finance, Risk, Quality and Compliance Committee (AFRQCC) for evaluating the Group's risk and control environment.

The Group Risk Management and the Internal Audit teams support these bodies in identifying, prioritizing and reporting key risks affecting the Group's strategic objectives and the evaluation of the effectiveness of risk mitigation activities. These include regular assessment of internal control procedures. Regional and functional management ensures that risks are managed appropriately, that existing measures and controls are operating effectively and mitigation actions are implemented.

Ongoing monitoring of the Group's key risks and its referring risk management activities are embedded in regular management information channels and dedicated committees.

The AFRQCC meets as often as necessary to deal with any significant issues reported by Management, Internal Audit, Group Risk Management and / or External Regulators.

Group Risk Management, together with Internal Audit, facilitates the annual enterprise risk assessment process and presents the key risks to the Executive Committee (ExCo) and the AFRQCC. To ensure the Group achieves its strategic objectives, these bodies consider the appropriateness of the strategy and actions taken to mitigate these risks.

While it is acknowledged that the Group faces many risks, the BoD has identified the key inherent risks that could potentially impact the achievement of the Group's objectives. These are outlined in the table below.

Key Risks	Risk Description	Measures
Strategic		
Sustainable supply of suitable quality cocoa	Lack of a sufficiently sustainable supply of suitable quality cocoa beans so that the Group may not be able to produce high-quality cocoa and chocolate products to deliver to its customers. In the mid- to long-term, this might lead to a shortfall in high-quality cocoa beans due to the conversion of cocoa bean fields to other more attractive crops.	The Group has a sustainability initiative "Cocoa Horizons" in place which aims to improve the productivity and livelihood of farmers. Long-term measures also include the continuous evaluation and diversification of supply sources in origin countries, developing improved agricultural practices for cocoa plantations and maintaining industry dialogue with key stakeholders in origin countries.
Product Development and Innovation	Changing market trends and consumer habits could impact the future growth of the Group's business.	Trend analysis by the Group's marketing and customer insight teams, together with cross-functional commercial teams working closely with customers, aim to identify trends early in the marketplace, both positive and negative. The Group constantly invests in R&D as part of a well-structured process, enabling the Group to develop products which proactively address new trends and changing demand patterns.
Business transformation, acquisition and divestiture	Insufficient due diligence, inaccurate business plan assumptions, failure to successfully execute business plans due to ineffective post-merger integration processes or changes in market conditions, can all have negative consequences. These can include an underperforming base business, reduced synergies, or higher than expected costs. In their turn, these can negatively affect return on investment and potentially the share price.	The Group has a dedicated team with significant experience and capability in this area. This team maintains a constant close collaboration with functional & regional experts, external advisors, and the Group's Executive Committee. A clearly defined process is employed with regard to the evaluation, execution and integration of major acquisitions as well as the execution of major divestitures or business transformations.
External economic environment	Uncertain economic conditions may result in reduced demand for chocolate and cocoa products and may affect expansion plans and profitability in our regions.	The Group has a presence in both developed and emerging markets with a well-diversified business and operations portfolio in different market segments such as confectionery, ice cream, biscuits, powder beverages, etc. The global operations and innovations network is able to rapidly respond to customer requests and provide flexible, optimized recipes to adapt to changed market conditions.
Long-term outsourcing agreements and strategic partnerships	The Group has entered into a number of important, long-term outsourcing agreements and strategic partnerships with customers. Failure to renew, or early termination of existing long-term outsourcing agreements or strategic partnerships, or failure to enter into new agreements or failure to negotiate terms that are attractive to us, could have a material impact on the results of operations.	The Group has a largely diversified global customer base representing a healthy mix of small, medium and large customers. For global strategic customers, the Group has established long-term supply agreements governing the mutual co-operation, addressing standards for quality, quantity commitments, pricing, service levels, innovation and ethics. For these customers, the Group has appointed dedicated teams that maintain and develop a close relationship in order to respond to these customers' needs in a fast and professional manner and to provide high-quality services. These teams have expertise in customer relationship, service, innovation, commercial and pricing matters.

Risk Overview

Talent Management	Failure to attract, retain and develop creative, committed and skilled employees could impact the Group's ability to achieve its strategic objectives.	Every effort is made to ensure optimal processes and policies are in place to attract, select, develop, reward and retain talent with the right capabilities and skill levels needed to achieve the Group's strategic objectives. These include succession planning, talent reviews, remuneration benchmarking, long- and short-term incentive plans, training and leadership development programs as well as the tools to support and measure the success of all these processes.
Operational		
Quality & food safety	This risk is inherent to the Group's operations within the food industry: products not meeting quality and food safety standards expose the Group to litigation, product liability and recall claims. This may also lead to loss of revenue, loss of market share and negatively impact the Group's reputation. The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure or other factors cannot be completely ruled out.	The Group's quality management system is built on robust policies, guidelines, standards, and procedures. The Group's quality assurance function performs regular site and supplier audits to ensure compliance with the Group's quality management system and takes corrective action when gaps are identified. In addition, a quality engagement program has been in effect for two years across the full Group to ensure all employees of the Group maintain a zero defect mindset.
Operations and supply chain	The Group's supply chain network for raw materials can be disrupted due to adverse weather conditions, climate changes, diseases (human or crop), natural disasters, political instability and other factors which could impact the ability to produce and deliver products to customers.	The Group's Global Sourcing department is continuously monitoring weather, harvest, political risk and other indicators to timely anticipate potential supply shortages or interruptions. Short-term mitigation measures include adequate levels of safety stocks and a diversified regional supply network.
Information technology	The Group's business processes and its interaction with customers and suppliers is highly dependent on reliable and secure Information Systems. Physical damage or cybercrime activities including unauthorized access to confidential data could have an adverse impact on the business and its operations incl. e.g. the breakdown of global data centers or the breakdown of global-wide area networks.	The Group's Information Management and Technology Department has implemented various preventive structures for the Group's business critical applications and locations. In the event of a major incident, disaster recovery solutions & plan / procedures are in place. A mid-term plan to enhance Information Security is regularly defined and improvements are being implemented continuously.
Financial		
Raw material price volatility	The Group's operational results can be influenced by market prices for raw materials and the structure of the terminal market itself. To manage exposures to raw materials as well as foreign currency and interest rate fluctuations, the Group extensively uses derivative financial instruments and forward physical commitments. If related hedging strategies are not fully effective, this may affect the operational result. Furthermore, the Group's profitability can be affected by its exposure to the volatility of the Combined Cocoa Ratio which expresses the combined sales prices for cocoa butter and cocoa powder in relation to the cocoa bean price and our cost structure.	The Group's commodity risk management and treasury policies require that, with regard to the related limit framework, all risk exposures are hedged back-to-back from the moment such exposures are entered into. For its contract business, namely the Food Manufacturers Product Group, which accounts for the majority of the business, the Group attempts to mitigate the impact of volatility in raw material costs through a "cost-plus" pricing model, whereas exposures arising at contract signing are immediately hedged. In the Gourmet & Specialties Product Group, the Group applies a price list model whereby forecasted sales are hedged and price lists are adapted on a regular basis. In the Cocoa Product Group market prices are applied with the result that profitability is affected by the development and volatility of the Combined Cocoa Ratio. The Group attempts to mitigate these effects by means of a central global management which monitors the global cocoa product positions, taking into account both the internal and external demand. The Group's financial risk management framework related to commodities, foreign currencies and interest rates is further described in note 26 to the Consolidated Financial Statements.
Treasury	The Group's operations are exposed to liquidity risks, foreign currency and interest rate risks. Volatility in raw material prices affects the Group's working capital requirements and might result in liquidity risks. Failure to deliver on key parameters including cash flow could result in a downgrade of the Group's credit rating and restrict its access to financial markets.	The Group has established a robust financial risk management framework and governance structure. The Group's liquidity is ensured by means of regular Group-wide monitoring and planning of liquidity coordinated by the Group's centralized treasury department. Financing needs are covered through a combination of adequate credit lines with financial institutions on the one hand and short- and long-term debt capital market products on the other hand. Refer to note 26 to the Consolidated Financial Statements.
Compliance		
Legal and regulatory	The Group is subject to national and international laws, regulations and standards in such diverse areas as product safety, product labeling, environment, health and safety, intellectual property rights, antitrust, anti-bribery, employment and taxes in all the countries it operates in as well as stock exchange listing and disclosure regulations in an ever-changing regulatory environment. Failure to comply with applicable laws and regulations could expose the Group to investigations, litigation, administrative and/or criminal proceedings potentially leading to significant costs, fines and/or criminal sanctions against the Group and/or its employees with possible reputational damage.	Dedicated regional and local functional managers, supported by specialized corporate functions and external advisors, ensure compliance with applicable laws and regulations. The Group has robust policies and procedures in place in the relevant areas. The Group's Legal Department oversees the Group's compliance program which ensures awareness of the compliance risks and the Group's compliance standards. The Group's Code of Conduct and policies set out the legal and ethical standards of behavior expected from all employees working for the Group.

Business Highlights

Financial Review

Barry Callebaut achieved a robust performance in a challenging market environment. Volume growth outperformed the market and operating profit in local currencies improved.

Business Performance Review fiscal year 2014/15

Summary

Barry Callebaut had to cope with challenging market conditions in 2014/15. Some of these, such as sluggish economies both in developed and emerging markets and increased volatility in currency markets, it shared with other companies and industries. More specific to the cocoa and chocolate industry were high cocoa bean prices, which also impacted on the demand for consumer products and therefore the sales of our customers.

The Group managed to significantly outperform the declining global confectionary market and increased its sales volume by 4.5% to reach 1,794,782 tonnes, with a significant acceleration in the last quarter. Growth was broadly based with strong contributions from the developed markets in Western Europe and North America, but also from outsourcing, emerging markets and Gourmet & Specialties.

Barry Callebaut increased its operating profit (EBIT) by 7.4% in local currencies despite a negative combined cocoa ratio. This is the result of our continued focus on product mix, margins and costs. EBIT per tonne grew by 2.9% in local currencies. Net profit for the year came in at HF 239.9 million, representing a decrease of 2.7% in local currencies.

Corporate strategy and mid-term guidance

Barry Callebaut has a clear long-term strategy based on four pillars (Expansion, Innovation, Cost Leadership and Sustainable Cocoa). Going forward, we will focus on a smart balance between consistent above-market volume growth and enhanced profitability. The new mid-term financial guidance (until 2017/18) is:

- Average volume growth 4–6%
- Average EBIT growth above volume growth*

* In local currencies and barring any major unforeseen events

General market

Global economic growth (GDP) in 2014 was 3.4%, according to the International Monetary Fund (IMF), reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging markets and developing economies. Growth was projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporters. Medium-term prospects have become less optimistic for advanced economies, and especially for emerging markets.

These considerations are taken into account in Barry Callebaut's planning process, as is the higher volume base in light of the growth and after the acquisition of the cocoa business from Petra Foods. Nevertheless, the Group continues to follow its path of sustainable growth, consistently outperforming the market.

Increased volatility in raw material prices

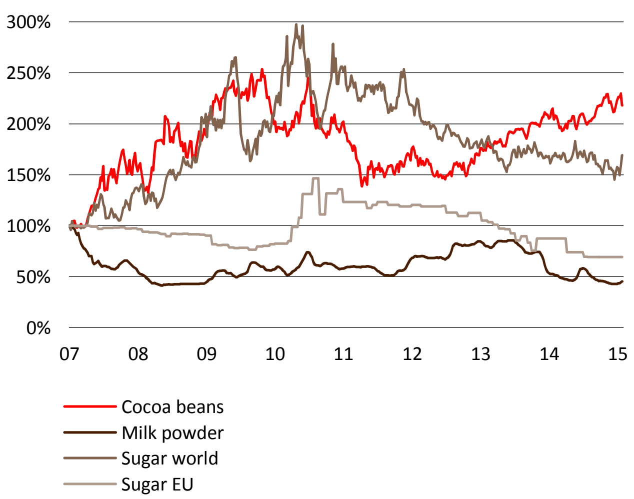
Despite a supply surplus for the 2014/15 cocoa season, cocoa bean prices further increased in fiscal year 2014/15 by around +5% to GBP 2,101 on August 28, 2015. In a volatile price environment, a shortfall in cocoa production in Ghana was more than compensated for by a slowdown in cocoa grinding (circa –4% year-on-year) and a record mid-crop in Ivory Coast.

Low market prices did not impact global milk powder production, which remained stable at high levels globally. Demand for milk powder did not recover, resulting in the lowest prices since 2009 in the EU and, after a short rally, since 2002 on the world market. Prices closed around 15% lower than prior year.

The world sugar market continued its downward trend, reaching its lowest point since 2008 on August 24, 2015. The constant weakness of the Brazilian Real (weakest level since 2002) combined with oversupply and the short position of funds were the main drivers of this price fall. In Europe, the reduction of preferential imports have eroded stock levels to 1.2 million tonnes vs 2 million tonnes for the previous year, leading to a price recovery.

Financial Review

Raw material prices
September 2007–September 2015



Increased volatility in currencies

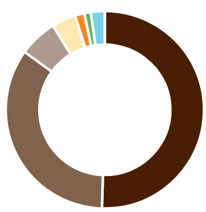
In fiscal year 2014/15, significant foreign currency exchange volatility was predominant. The Group is either naturally hedged to the extent it produces and sells products locally, or the Group hedges any remaining currency exposure that could arise from commercial transactions. However, as the Group reports its results in Swiss Francs, there is a translation impact which is not hedged.

On January 15, 2015, the Swiss National Bank stopped protecting a floor of CHF 1.20 against the Euro. For the fiscal year under review, the Euro which accounts for around half of the Group's sales revenue, depreciated by 10% against the Swiss Franc. The second most important currency for the Group, the U.S. dollar, appreciated by 5% against the Swiss Franc. Many other currencies lost ground against the Swiss Franc during the same period with a stronger impact in the second half of the year: the British Pound declined 3%, the Brazilian Real dropped 35%, the Russian Ruble fell 40%, the Mexican Peso dropped 18%, the Polish Zloty lost 11% and the Japanese Yen declined 9%, amongst others.

The currency translation effects mentioned above represented a negative year-on-year impact of 5.7% on Sales Revenue and 7.7% (CHF 32 million) at EBIT level.

Sales Revenue in functional currency

EUR	50.5%
USD	34.5%
BRL	6.3%
CHF	3.9%
RUB	1.5%
JPY	1.0%
Others	2.3%



Slow growth in the chocolate market

The chocolate confectionery market for the period between September 2014 and August 2015 showed sluggish demand. Several countries across different regions recorded negative growth compared to prior year. There were two main reasons for the decline in demand: high cocoa bean prices which resulted in price increases to consumer products and a challenging economic environment in different countries, in particular some emerging markets.

According to Nielsen, the market for the period under review declined by 2.7%, with an improvement in the last quarter.

Consolidated Income Statement

Volume growth driven by all Regions / Product Groups

After a slow start, **sales volume** improved during the fiscal year 2014/15 and achieved 1,794,782 tonnes. This represents growth of 4.5% versus prior year, with a strong acceleration in the last quarter. All regions contributed to this growth. Main drivers in absolute terms were the developed markets in Western Europe and North America, while emerging markets contributed at somewhat lower rates than in prior years.

In absolute terms, volume growth was fueled by additional outsourcing deals in the Food Manufacturing and Global Cocoa business, but also by market share gains in Central Europe and in the U.S. In relative terms, the Group's Gourmet & Specialties Product Group showed the fastest growth rate.

Sales Revenue significantly above prior year

Sales Revenue rose by 12.1% in local currencies (6.4% in CHF) to CHF 6,241.9 million, representing an even higher growth rate than volume. This is due to the price increase for Cocoa-related products, which the Group largely passes on to its customers through its cost plus business model. These price increase more than outweighed the significant negative currency effects stemming from translation into the Group's reporting currency CHF. All regions and product groups contributed to this increase with the exeption of Region Europe, for which the translation effects caused by the aforementioned strengthening of the Swiss Franc had the highest impact.

Financial Review

Improved Gross Profit

Gross Profit grew 4.8% in local currencies to CHF 846.8 million (–1.7% in CHF due to significant currency translation effects). Gross profit was heavily impacted by the exceptionally low combined cocoa ratio, which was compensated for by the company's greater focus on margins as well as product and customer mix, bolstered by the growth in the Gourmet & Specialities business.

Fixed costs under control – cost-saving initiatives

Marketing and sales expenses amount to CHF 121.3 million, almost unchanged compared to prior year, despite investments in certain emerging markets.

General and administration expenses decreased by CHF 13.1 million to CHF 316.7 million, partly due to the absence of the one-time effect related to the Group's long-term incentive plan that had affected prior year. The positive development of these cost blocks is partly also the result of the Group's increased focus on fixed costs and related saving initiatives as well as currency translation effects, and despite on-going investments in emerging markets and quality and sustainability initiatives.

Other income amounts to CHF 38.9 million compared to CHF 18.2 million in the prior year. This position contains non-sales-related income such as income from the Group's Training Center, sale of waste products, claims from insurances and suppliers. The increase compared to prior year is due to recognition of part of the settlement of the dispute with Petra Foods related to the acquired Cocoa Ingredients business.

Other expense amounts to CHF 32.9 million compared to CHF 12.3 million in prior year. This position comprises litigation, claims, impairment charges, restructuring and severance costs and some other non-recurring items. The increase is due to impairments, relocation and severance costs in light of the Group's decision to centralize shared services in Europe and reorganize its Asian Cocoa business.

Operating income above prior year in local currencies

Operating profit (EBIT) rose 7.4% in local currencies (–0.3% in CHF) to CHF 414.8 million, thereby outpacing volume growth.

The EBIT decrease in Global Cocoa was compensated by the positive EBIT contribution of all other regions and product groups. This is the result of the good gross profit development in local curencies and fixed cost discipline to which the headquarter functions also contributed.

As a consequence, EBIT per tonne in local currencies also showed an improvement of 2.9%. However, due the strong currency translation effects, the reported EBIT per tonne declined by 4.7% to CHF 231.

Net Profit affected by higher finance expense

Whereas **finance income** was almost constant and amounted to CHF 3.7 million (prior year CHF 3.2 million), **finance expense** substantially increased to CHF 134.5 million (prior year CHF 122.0 million). This is partly due to a foreign exchange loss and partly due to higher average financing requirements for net working capital caused by higher average cocoa bean prices throughout the year.

Income tax expenses slightly increased to CHF 44.3 million, compared to CHF 42.4 million in prior year, despite a lower profit before tax. This is due to a less favorable global mix of taxable income per jurisdiction leading to an increase of the Group's effective tax rate to 15.6%, compared to 14.3% in prior year.

As a consequence, **Net Profit for the year** decreased by 5.9 % to CHF 239.9 million. Adjusted for currency translation impacts, it decreased by 2.7%.

Balance Sheet

Total assets at the end of August 2015 grew by 5.1 % to CHF 5,429.4 million, compared to CHF 5,167.5 million at the end of last year. The increase is mainly due to higher receivables and a higher fair value of hedging instruments in light of high and volatile cocoa-product-related prices, partly offset by lower inventories. The effect on net working capital, however, was more than offset by a similar increase of derivative financial liabilities and by currency translation effects.

Net working capital decreased by CHF 144.9 million to CHF 1,529.7 million as at August 31, 2015, compared to CHF 1,674.6 million the year before. This is mainly due to currency translation effects as a result of the strengthening Swiss Franc.

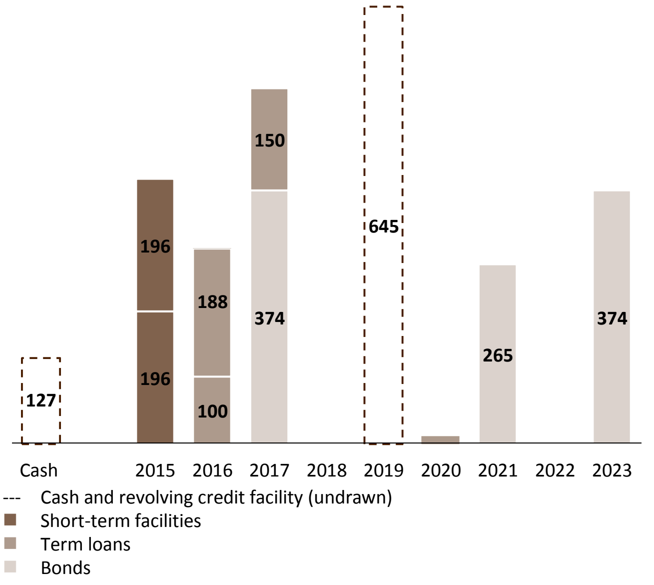
For the same reason, **Net debt** decreased from CHF 1,803.5 million to CHF 1,728.0 million at August 31, 2015. The weighted average maturity of the Group's total debt portfolio declined from 5.3 to 4.8 years.

Equity – including equity attributable to the shareholders of the parent company and non-controlling interests – amounted to CHF 1,787.1 million almost level with the CHF 1,795.7 million at the end of August 2014. Equity attributable to the shareholders of the parent company amounted to CHF 1,772.8 million compared to last year's CHF 1,790.6 million. The small decline results from the fact that the increase resulting from the net profit was more than offset by the change in cumulative currency translation adjustments, the payout of a dividend to shareholders out of reserves from capital contributions and some other minor items.

Financial Review

Due to the afore-mentioned lower net debt, the debt-to-equity ratio improved from 100.7 % to 97.5 %. The solvency ratio decreased from 34.7 % to 32.7 %. The return on invested capital (ROIC) remained basically flat at 9.8 % from 10.5 % in the prior year.

Liquidity – debt maturity profile



Cash flow statement

Operating cash flow before working capital changes was almost stable at CHF 472.6 million compared to CHF 473.7 million in the prior year, as the negative currency translation effects could be compensated by the above-mentioned effects from the good gross margin development and fixed cost discipline. Cash outflow for working capital changes amounted to CHF –100.9 million, compared to CHF –279.4 million in prior year. Whereas last year was largely impacted by a significant spike in cocoa bean prices, this year's amount was partly related to higher cocoa prices and partly to business growth.

Cash outflow for interest was CHF 105.7 million compared to CHF 98.9 million in prior year. It was higher due to the increased average financing requirements throughout the year.

Cash outflow for tax was somewhat lower than last year and amounted to CHF -39.3 million.

Overall, this resulted in an increase in the net cash flow from operating activities to CHF 226.7 million compared to CHF 52.4 million the year before.

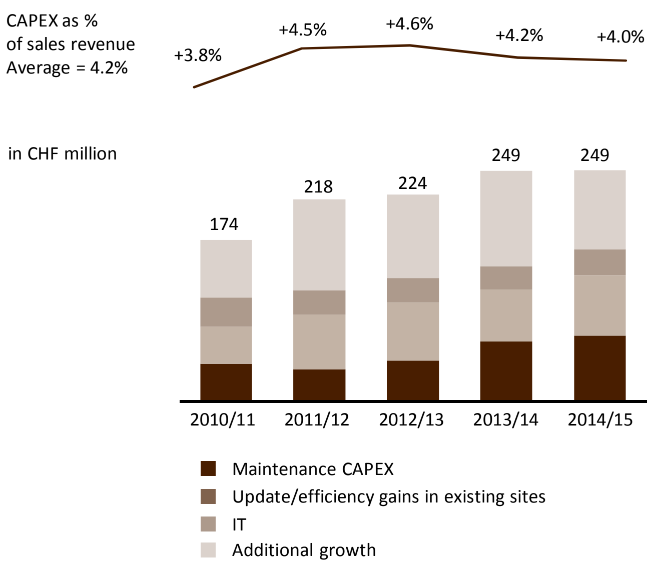
Net cash flow from investing activities amounted to CHF -204.9 million, compared to CHF -226.8 million in the preceding year. The amount was largely related to the Group's significant investments of CHF -249.2 million in property, plant and equipment as well as in intangibles. It also contained a cash inflow of CHF 37.5 million related to the settlement of the dispute related to the Cocoa Ingredients Division acquired from Petra Foods in 2013. The rest was related to disposals and the acquisition of a business and a few other minor items.

Net cash flow from financing activities amounted to CHF 15.2 million, compared to CHF 192.3 million in prior year. The net inflow of the current year mainly resulted from the net debt issue of CHF 118.8 million (prior year CHF 291.4 million) which more than covered the cash-out for dividends out of paid-in capital reserves in the amount of CHF –85.1 million (prior year CHF –79.6 million) and the cash outflow for the purchase of treasury shares of CHF –16.3 million (prior year CHF –18.6 million).

Investments – CAPEX

Capital expenditure approved for the year was below the levels of prior years, close to CHF 200 million. However, the CAPEX reflected in the cash flow statement amounted to CHF 249.2 million, due to the timing of the execution of the projects approved the year before (fiscal year 2013/14: CHF 248.8 million). The Group aims to continue its path of being more restrictive on the hurdles for approving CAPEX in the future and has a consistent CAPEX target of CHF 200 million for fiscal year 2015/16.

Capital expenditures



Financial Review

Outlook

Barry Callebaut sees significant growth opportunities ahead and is committed to achieve consistent above-market volume growth based on its three key growth drivers outsourcing & partnerships, emerging markets and Gourmet & Specialties. The Group will strike a balance between volume growth and enhanced profitability as well as free cash flow generation – in brief: “smart growth.”

Fiscal year 2015/16 is expected to be challenging due to the current cocoa products market, which will temporarily affect profitability. Through a number of strategic initiatives, such as the Cocoa Leadership project, the Group aims to fully leverage its global scale in cocoa, optimize its footprint and strengthen its profitability in the mid-term.

Accordingly, the Group adapts its mid-term guidance: 4–6% volume growth, and EBIT above volume growth in local currencies on average for the 3-year period 2015/16 to 2017/18, barring any major unforeseen events.

Investors’ information

Stock markets during the period September 2014 until August 2015 were characterized by a high degree of volatility. The large drop in oil prices, the rise in the U.S. dollar, monetary policy easing from several major central banks and concerns about growth in China and other emerging markets were some of the factors affecting the stock markets globally.

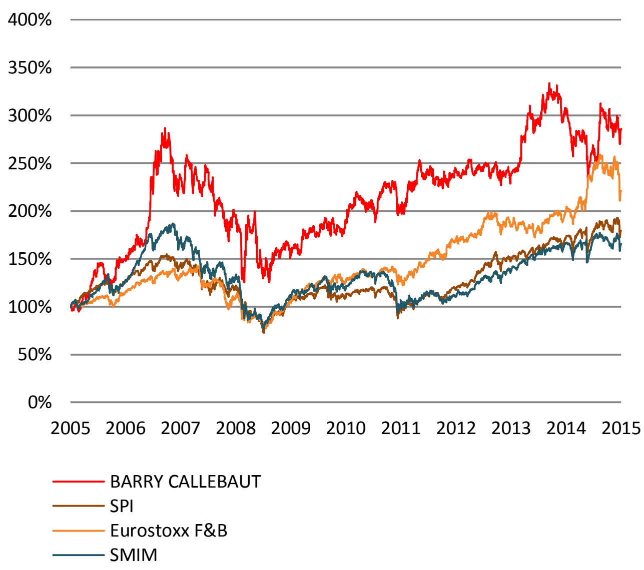
Barry Callebaut share performance

Barry Callebaut shares traded at CHF 1,061 at the end of August 2015, 5.7% below the previous year’s closing price. This did not match the performance of the European and Swiss indices, for the same period. Eurostoxx gained 11.0%, Swiss SPI 4.9% and SMIM –0.3%.

Following the announcement of the Swiss National Bank on January 15, 2015, removing the floor of CHF 1.20 against the EUR, the stock experienced a significant decline until the end of March. In April, after a strong half-year result and progress made on profit improvement, the share price made a very positive recovery. Continuing the year with a flow of positive corporate news, the share price maintained a good performance in line with the rest of the market. Barry Callebaut’s market capitalization amounted to CHF 5,823.7 million as at August 31, 2015.

The chart below illustrates the long-term performance of Barry Callebaut shares compared to indices (2005–2015):

Share price development Barry Callebaut vs. indices



Over a ten-year period (2000–2015), the long-term performance of Barry Callebaut shares clearly surpasses these indices, placing Barry Callebaut shares above the returns for the Swiss Indices (SPI and SMIM) and Eurostoxx Food & Beverages.

Dividend

The Board of Directors will propose a payout to shareholders of CHF 14.50 per share at the Annual General Meeting of Shareholders on December 9, 2015. This represents a stable payout ratio of 33% of the net profit. 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, 2016, subject to approval by the Annual General Meeting of Shareholders.

Financial Review

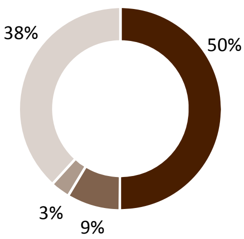
Key share data

The share capital of Barry Callebaut AG as at August 31, 2015 amounts to CHF 102,092,759 consisting of 5,488,858 fully paid-in shares at a nominal value of CHF 18.60. There is one single class of shares in which every share has the same voting power and grants the same entitlement to dividends.

The free float, excluding the majority shareholders (Jacobs Holding and Renata Jacobs) at the end of August 2015 was 41% with the majority of the institutional shareholders based in Switzerland, followed by the U.S., U.K., France and others.

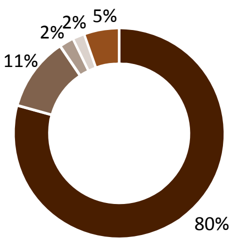
Ownership structure August 2015

Jacobs Holding AG	50.1%
Renata Jacobs	8.5%
Massachusetts Mutual Life Insurance Company	3.1%
Others	38.3%



Country split of institutional shareholders

Switzerland	80%
United States	11%
United Kingdom	2%
France	2%
Others	5%



Analysts' recommendations

Currently, 12 financial analysts regularly cover Barry Callebaut. At the end of fiscal year 2014/15, 82% recommended to hold our shares and 18% had a buy recommendation. At the end of August 2015, the average target price according to consensus estimates was CHF 1,035.

Credit rating

Barry Callebaut has active relationships with Standard & Poor's and Moody's, current ratings are:

Standard & Poor's: BB+/Stable & Moody's: Ba1/Stable.

Strong growth in Western Europe, overall significant profit improvement

Sales volume increased in the developed markets of Western Europe despite weak market growth. Overall, a better product and customer mix resulted in a significant operating profit (EBIT) increase of 19.7% in local currencies.

The European chocolate confectionery market declined by 2.6%[1].

In contrast, we managed to grow our sales volume in Region Europe (recently renamed EMEA) by 3.9% to 763,646 tonnes, with a strong acceleration in the last quarter. In Western Europe, the installation of additional manufacturing capacity, resolving the previous capacity constraints, allowed for additional growth. The Region also gained and renewed long-term partnership agreements with leading regional food manufacturers. To fulfill the growing demand in the Polish market for white chocolate, we extended our capacity in Lodz, Poland with a dedicated line. Lodz is also the location where we opened our new Shared Service Center, bundling transactional activities across Europe.

The Food Manufacturers business performed especially well in Central Europe where we recorded double-digit growth across all customer types and sales areas, driven by Germany. We were also able to grow in Southern Europe, particularly in Spain, as well as in Belgium and France, where there is a continuing trend of consolidation in the market. Despite the sluggish demand for chocolate confectionery, other categories such as ice cream grew compared to prior year and we benefited from this.

In February of 2015, the European Patent Office granted us a patent on reduced fat chocolate, broadening our portfolio in response to the growing consumer wish for reduced calorie intake. The patented process makes it possible to manufacture milk chocolate with roughly a third less fat than standard chocolate. The Gourmet & Specialties business again performed well. Our Gourmet business in Western Europe had another strong year of above-market growth based on the significant efforts of our Gourmet team. Especially in Northern and Central Europe, where market consolidation is leading to more systemized chains, we benefited from the growing out-of-home consumption with bakery and Food Service (hotels, restaurants, catering) customers. Our sales of global brands showed a solid performance. To increase our flexibility and the quality of our Gourmet products, we established a new packaging center in Aalst, Belgium.

In Cologne, we opened our first CHOCOLATE ACADEMY center in the German market and are now able to offer first-class trainings for chocolate professionals.

We achieved double-digit volume growth in the Beverages business. This was attributable to market share gains, new innovative products launched and operational efficiencies. Both our branded and private label business grew, with particularly successful sales of added-value products, such as Cappuccino premixes used for in-home brewing capsules.

In EEMEA (Eastern Europe, Middle East, Africa), the Food Manufacturers business came in lower than prior year, with a recovery starting in the 4th quarter. The reason was a difficult market environment in some of the countries of this Region and the loss of a large customer which was not fully

[1] Source: Nielsen, September 2014 –August 2015

Business Review | Region Europe

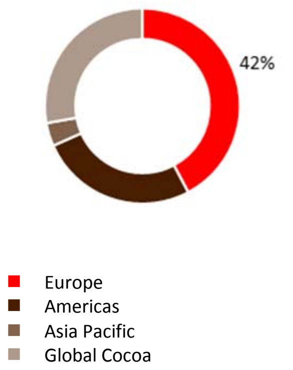
compensated for by the good business with the other customers. However, a more favorable customer mix had a positive impact on operating profit.

The Gourmet & Specialties business again achieved solid volume growth, driven by excellent growth in Turkey, but offset by Russia, where business suffered due to the difficult political and economic situation.

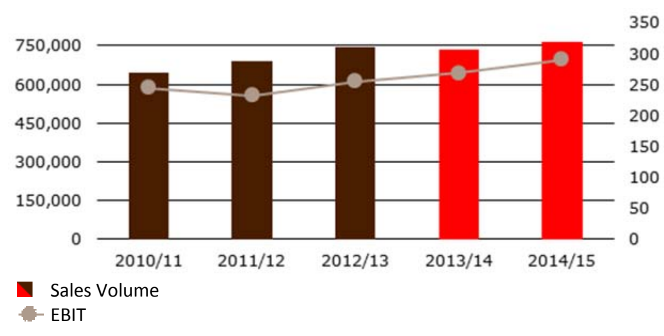
In March 2015, we relocated our CHOCOLATE ACADEMY center to an attractive location in the city center in Moscow. This will bring us even closer to our Gourmet customers, helping them to further build and strengthen their know-how to become a master of their craft while using our products.

Overall, sales revenue in Region Europe grew significantly by 11.0% in local currencies (–0.4% in CHF) to CHF 2,563.7 million also as a result of higher cocoa bean prices and increased sales of higher value products. Operating profit (EBIT) rose 19.7% in local currencies (+8.1% in CHF) to CHF 289.7 million, driven by better gross margins in Food Manufacturers and a strong contribution from Gourmet & Specialties.

Sales Volume per Region



Sales Volume EBIT



20
factories

Key figures for Region Europe

		Change %		2014/15	2013/14
		in local currencies	in CHF		
Sales volume	Tonnes		3.9%	763,646	735,204
Sales revenue	CHF m	11.0%	(0.4%)	2,563.7	2,573.3
EBITDA	CHF m	19.5%	8.0%	330.5	306.0
Operating profit (EBIT)	CHF m	19.7%	8.1%	289.7	268.1

Solid performance in a challenging market

Region Americas delivered a solid performance in a declining market with well above market growth driven by regional corporate accounts and the local American Gourmet brands.

Chocolate confectionery markets in the Americas had a difficult year declining –3.5%[1].

In Region Americas, Barry Callebaut continued to deliver a solid performance. Sales volume went up by 4.7%, accelerating in the second half of the year well above the market growth rate and accelerating in the second half of the year.

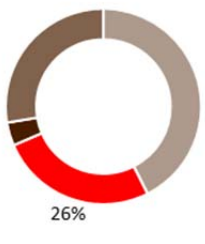
In North America, sales volume growth was driven by wins of new Regional accounts in Food Manufacturers and Gourmet, especially the local Gourmet brands. The company signed an outsourcing agreement with World's Finest® Chocolate in Chicago, thereby establishing a new manufacturing base for the Group in the attractive Midwest region, and signing a long-term supply agreement for the supply of all their chocolate needs.

In South America, Barry Callebaut expanded its business in both Brazil and Chile, capitalizing on recent investments in production capacity, and recorded double-digit volume growth.

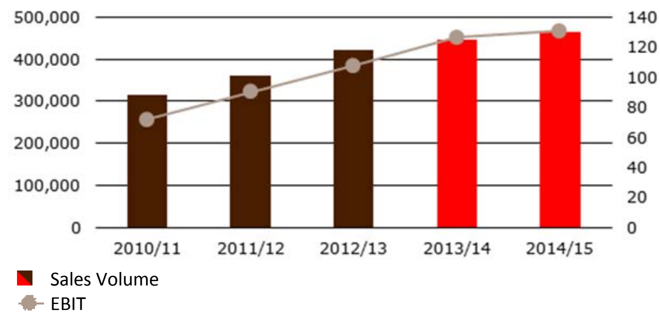
Overall, sales revenue in Region Americas increased by 11.9% in local currencies (+17.1% in CHF) and amounted to CHF 1,507.9 million. The good volume growth and product mix was largely offset by investments in structures in South America. As a result, operating profit (EBIT) was flat at –0.3% in local currencies (+3.3% in CHF) and came in at CHF 130.7 million.

[1] Source: Nielsen, September 2014 – August 2015

Sales Volume per Region



Sales Volume EBIT



12
factories

Key figures for Region Americas

		Change %		2014/15	2013/14
		in local currencies	in CHF		
Sales volume	Tonnes		4.7%	466,063	445,150
Sales revenue	CHF m	11.9%	17.1%	1,507.9	1,287.3
EBITDA	CHF m	2.6%	5.8%	153.6	145.2
Operating profit (EBIT)	CHF m	(0.3%)	3.3%	130.7	126.5

Solid top- and bottom-line growth

The Region had a good year driven by national corporate accounts and a double-digit increase in Gourmet, now further supported with the opening of our Tokyo CHOCOLATE ACADEMY center.

Chocolate markets across Asia Pacific were basically flat at –0.3%[1].

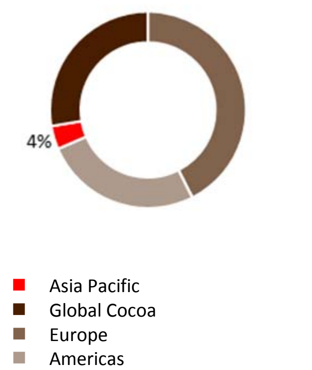
Barry Callebaut's sales volume growth in Region Asia Pacific made headway against the market, rising by 7.2% to 68,984 tonnes. Growth was mainly driven by national accounts in Food Manufacturers and a double-digit increase in Gourmet. Barry Callebaut is proud to have signed the first outsourcing agreement in Southeast Asia with GarudaFood Group, one of the largest food and beverage companies in Indonesia, for the delivery of an important part of their compound chocolate requirements. This deal builds on the stronger credibility of Barry Callebaut as a business partner in Asia as well as greater presence and knowledge in the region following the acquisition of the cocoa business from Petra Foods.

Sales revenue increased by 11.2% in local currencies (8.3% in CHF) and came in at CHF 269.8 million, fueled by higher sales volume and higher cocoa bean prices.

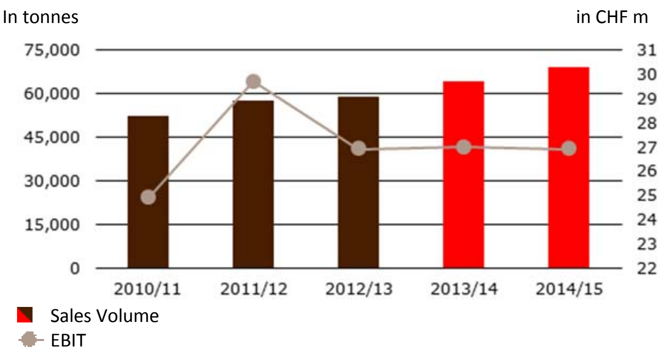
Ongoing investments in sales and marketing capabilities to build the company's business in this emerging region, including the new CHOCOLATE ACADEMY center in Tokyo, led to a somewhat slower EBIT growth compared to volume growth. Nonetheless, the operating profit EBIT increased 5.9% in local currencies (–0.4% in CHF) to CHF 26.9 million.

[1] Source: Nielsen, September 2014 – August 2015

Sales Volume per Region



Sales Volume EBIT



5
factories

Key figures for Region Asia Pacific

		Change %		2014/15	2013/14
		in local currencies	in CHF		
Sales volume	Tonnes		7.2%	68,984	64,322
Sales revenue	CHF m	11.2%	8.3%	269.8	249.1
EBITDA	CHF m	5.3%	0.6%	33.9	33.7
Operating profit (EBIT)	CHF m	5.9%	(0.4%)	26.9	27.0

Challenging market environment, impacting profitability

Sales volume increased. A historically weak cocoa products market impacted profitability. In response to market conditions and to fully leverage our global scale in cocoa, we will adapt our business model through the Cocoa Leadership project.

Sales volume went up 5.1% to 496,089 tonnes, accelerating in the last quarter. Cocoa powder sales were strong, but cocoa butter demand was weaker than expected.

Sales revenue grew significantly by 13.9% in local currencies (+8.2% in CHF), driven by higher cocoa powder prices.

A challenging market environment characterized by a historically low combined cocoa ratio had a negative impact on profitability. Weaker butter demand combined with overcapacity weighed on margins. As a result, Global Cocoa recorded an operating profit EBIT of CHF 47.2 million, which represents a decrease of 33.7% in local currencies (–42.4% in CHF) compared to prior year.

Cocoa Leadership Project

In response to market conditions and to fully leverage our global scale in cocoa, we will adapt our business model.

This multi-year project, which is one of our strategic initiatives announced a year ago, comprises three main building blocks: 1) differentiating and repositioning the product offering with a focus on commercial excellence; 2) centralizing key strategic activities such as combined cocoa ratio management; and 3) optimizing our cocoa manufacturing footprint and global product flows. This includes the closure of the cocoa factory in Bangpakong, Thailand, in February 2016, and the immediate reduction of production capacity in Port Klang/Malaysia.

Through the Cocoa Leadership Project, we strive to become the undisputed leader in Cocoa and to strengthen our profitability in the mid-term.

Committed to improving farmer livelihoods

There is no chocolate without cocoa. We are committed to sustainable cocoa production and actively engaged to improve the livelihoods of cocoa farmers and their communities.

To address the challenges faced by cocoa farmers and achieve real progress, we focus on farmer productivity and community development. This approach is aligned with the industry’s CocoaAction strategy.

In the last fiscal year, we trained 70,500 farmers in good agricultural practices. We paid over CHF 20 million in farmer and farmer group premiums.

To scale our impact on the ground, pool investments and enable our customers and donors to contribute, we established the independent, non-profit Cocoa Horizons Foundation. 25,000 farmers are already enrolled in Cocoa Horizons Foundation activities.

We also partnered with two of our strategic global customers – The Hershey Company and Mondelez International – to support them in reaching their sustainability commitments.

Raw material price developments

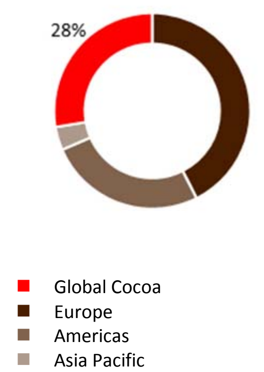
Despite a supply surplus for the 2014/15 cocoa season, **cocoa bean** prices further increased in fiscal year 2014/15 by around +5% to GBP 2,101 on August 28, 2015. In a volatile price environment, a shortfall in cocoa production in Ghana was more than compensated for by a slowdown in cocoa grinding (circa –4% year-on-year) and a record mid-crop out of Ivory Coast.

Business Review | Global Cocoa

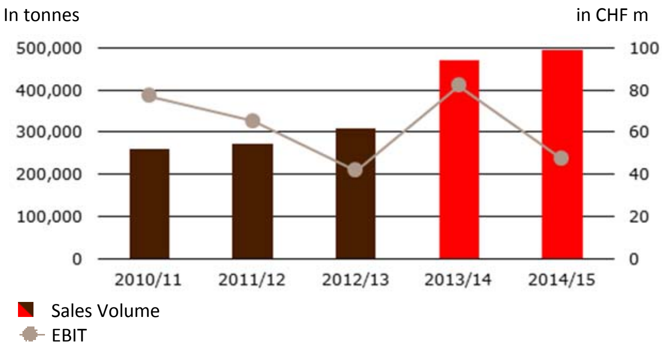
Low market prices did not impact global **milk powder** production, which remained stable at high levels globally. Demand for milk powder did not recover, resulting in the lowest prices since 2009 in the EU and since 2002 on the world market after a short rally. Prices closed around 15% lower than prior year.

The world **sugar** market continued its downward trend, reaching on August 24, 2015 its lowest point since 2008. The constant weakness of the Brazilian Real (weakest level since 2002) associated with oversupply and the short position of funds were the main drivers of this price fall. In Europe, the reduction of preferential imports have eroded stock levels to 1.2 million tonnes vs 2 million tonnes for the previous year, leading to a price recovery.

Sales Volume per Region



Sales Volume | EBIT



16
factories

Key figures for Global Cocoa

		Change %		2014/15	2013/14
		in local currencies	in CHF		
Sales volume	Tonnes		5.1%	496,089	472,090
Sales revenue	CHF m	13.9%	8.2%	1,900.5	1,756.2
EBITDA	CHF m	(16.8%)	(23.5%)	100.3	131.1
Operating profit (EBIT)	CHF m	(33.7%)	(42.4%)	47.2	82.0

Sustainability

Our approach

Taking sustainability to the next level

Sustainability means generating value both for our business and our stakeholders, now and in the future. As the heart and engine of the chocolate and cocoa industry, we assert our leadership in sustainability, too.

Our approach focuses on three key areas identified as most relevant to Barry Callebaut and our stakeholders. These are:

- Sustainable cocoa – making our cocoa supply chain more sustainable by improving farm productivity and supporting local communities
- Environmental protection – minimizing the environmental impacts of our business
- Employee development – attracting, developing and rewarding our people, and providing a fair and safe workplace

Our commitment to sustainability is embedded in our company's growth strategy. Sustainable Cocoa is one of four key pillars, alongside Expansion, Innovation, and Cost Leadership.

We aim to become the leader in cocoa and chocolate sustainability. Most of our efforts and resources focus on cocoa, where we have the largest impact and the most influence.

Our Vision is to be the leader in innovation, implementation, and impact in cocoa sustainability globally. To achieve this vision, we have strong teams present on the ground and we partner with actors across the sustainability landscape.

Barry Callebaut believes that cocoa production is sustainable when farmers earn an equitable income; engage in responsible labor practices; safeguard the environment; and can provide for the basic health and education needs and well-being of their families.

Growing impact, driving change in cocoa sustainability

Customer demand for responsibly sourced cocoa continues to grow. Barry Callebaut offers both its own range of sustainable HORIZONS cocoa and chocolate products, and products from certified sources such as UTZ Certified, Rainforest Alliance, Fairtrade, and Organic.

Sales of our HORIZONS cocoa and chocolate products support sustainability activities which lead to a stronger, more sustainable cocoa supply chain by improving the livelihoods of cocoa farmers and their families. For this, we focus on farm productivity and community development.

Traceability is an integral characteristic of HORIZONS products. The cocoa beans of these products are traceable from our warehouse to the individual farm, and comprehensive data from registered farms will soon be collected into a data management system.

To grow the reach and impact of our existing CHF 40 million Cocoa Horizons initiative, Barry Callebaut established the Cocoa Horizons Foundation, an independent nonprofit organization.

The Cocoa Horizons Foundation serves as a new platform for chocolate companies and other contributors to invest in sustainable cocoa. By pooling resources and funds from the purchase of HORIZONS products, contributions from donors and customers, and Barry Callebaut's Cocoa Horizons initiative, the Foundation aims to scale impact and drive positive change in cocoa communities.

Scaling impact in cocoa sustainability

To address the challenges faced by cocoa farmers and achieve real progress, we focus on farmer productivity and community development. This approach is aligned with the industry's CocoaAction strategy.

Barry Callebaut's cocoa sustainability strategy comprises six key elements. These are: customer engagement, the Cocoa Horizons Foundation, direct farmer sourcing, R&D, a farm management database, and farmer training accreditation.

Sourcing directly from farmers and farmer organizations

To source beans that meet the specifications of sustainability schemes, we work directly with farmers or with farmer cooperatives.

Biolands is our direct sourcing and farm services organization and engages with 34,000 farmers in Côte d'Ivoire and Tanzania. We work with village coordinators to provide training, fertilizers, services, and assistance in the production of certified cocoa.

Where farmers are organized in cooperatives, we work with them to implement cocoa sustainability programs.

Research and Development

To support improvements in cocoa farming, Barry Callebaut has established an R&D center on the Selborne Estate, Malaysia. Research focuses on intercropping, pest and disease management, soil management, and rehabilitation. Findings are incorporated into the teaching curriculum at our learning centers in Pacobo, Côte d'Ivoire, and Tanah Datar, Indonesia.

Farm data collection and management

To target support to farmers and help them to become more efficient, we want to understand their needs at farm level. During fiscal year 2014/15, we developed a farm data management system that will be implemented in the next fiscal year.

Improving productivity through farmer training, support and finance

We have put in place a robust training infrastructure to disseminate good agricultural practices among farmers in Côte d'Ivoire. At the Cocoa Center of Excellence, trainers learn how to teach farmers good agricultural practices, post-harvest management techniques, optimal use of inputs, crop diversification, farm rehabilitation, and grafting, as well as basic business skills. Last year, 213 farmer trainers were trained, bringing the total to 867. Furthermore, we have developed an accreditation program for farmer trainers to increase the quality and uniformity of training delivered to farmers.

To date, we have set up 55 demonstration plots to demonstrate to nearby cocoa farmers how to rehabilitate degraded farmland and develop profitable, high-yielding farms.

During fiscal year 2014/15, we trained a total of 70,500 farmers worldwide.

Once farmers have adopted good practices, they are eligible to receive support services such as pruning training, use of fertilizers, provision of plant material, and effective pest and disease management. In fiscal year 2014/15, more than 2,600 farmers benefited from tree pruning; over 2,200 had crop protection services and 800 received fertilizer application.

To date, over 9,100 farmers have joined mobile banking technology introduced by Barry Callebaut. This secures payments and savings in remote areas.

In a pilot project, farmers were given the opportunity to open a savings account and get access to credit, allowing them access to farm inputs such as fertilizer.

Next to our R&D center in Selborne, Malaysia, we recently opened our new Cocoa Learning Center in West

Sustainable cocoa

Sumatra where we teach farmer trainers for the entire region. The center also includes a tree nursery and clone garden. We work in close cooperation with the foundation Swisscontact to run training across Indonesia.

Promoting community development

Rural communities often lack basic infrastructure and services. We work with communities and farmer groups to help address four key areas: education, health, child protection, and women's empowerment.

In fiscal year 2014/15, we built and equipped two more primary schools in Côte d'Ivoire to benefit a total of 600 children annually. We also funded the construction of four additional classrooms and additional latrines at Akoupé College, bringing to 16 the number of classrooms we have built at this Ivorian secondary school. In Ghana, we funded construction of a primary school library and built a kindergarten comprising three classrooms, an office and a dining room.

Our vision for prospering cocoa communities is one in which all children can attend school and are protected from harmful work. We believe this is a shared responsibility. Barry Callebaut partners with the International Cocoa Initiative to provide training and raise awareness about child labor issues. In fiscal year 2014/15, we provided training to 46 coop administrators, as well as farmers and community members.

We are working to encourage and enable women's active participation in farmer training activities and in farmer group administration and management. In fiscal year 2014/15, 274 women participated in one of our training programs.

We work with communities to provide drinking water in remote areas. We also build school latrines and promote hygiene training. In addition, we help improve farmer access to basic healthcare, including health insurance, vaccination campaigns, and free medical check-ups. In fiscal year 2014/15, we distributed over 1,300 water filters, benefiting more than 12,000 people.

Successfully implementing energy-saving projects

In Barry Callebaut's own operations, energy use accounts for our greatest environmental impacts. Consequently, we focus efforts on reducing our energy use and associated carbon emissions.

By 2013/14, we had achieved our five-year targets to reduce relative energy use and carbon emissions by 20%. Barry Callebaut has now committed to a further set of targets to reduce relative energy use, carbon emissions, and water consumption by 20% by 2020.

Implementing energy-saving projects

Our aim is to reduce greenhouse gas emissions by improving the energy efficiency of our operations. We do so firstly by raising employee awareness and seeking their commitment to reduce all types of energy losses. We also identify, develop and implement energy-efficient technologies and processes. In fiscal 2014/15, our average energy use per tonne of activity was 1.05 GJ per tonne of activity.

Using renewable energy

About 17% of our global energy use comes from renewable sources.

In West Africa, we use discarded cocoa shells as biomass to generate energy for heating and butter deodorization. In fiscal year 2014/15, our factories generated 155,000 GJ of energy from biomass.

Some of the renewable energy we use comes from electricity sourcing. About 26% of grid electricity comes from renewable sources. In our Swiss operation, we purchase 100% renewable electricity, which comes entirely from local hydropower.

Reducing carbon emissions

The combination of energy-saving activities and renewable energy projects results in lower carbon emissions. Our efforts to reduce emissions currently focus on our production facilities, since this is where we have operational control. In fiscal year 2014/15, these emissions amounted to about 367,000 tonnes of CO_2.

To accelerate efforts to reduce CO_2 emissions, we are now allocating more resources to carbon reduction activities.

Conserving water

Although our operations do not face significant water supply challenges, we intend to reduce our water footprint. In fiscal year 2014/15, we used 2.32 million m^3 of water, or 0.53 m^3/tonne of activity. Water-saving projects include switching from wet-cooling to dry-cooling systems which use air instead of water.

Optimizing waste

Waste is a relatively small part of our environmental footprint. Nevertheless, waste reduction is part of our continuous improvement program One+. We focus on our main waste streams, reducing the amount we generate.

By burning bean shells in origin countries, for example, we considerably reduce waste while providing the heat required by local operations. By replacing fossil fuels, this also reduces CO_2 emissions. In European and American factories, bean shells are sold to make soil improvement material. This is then used in agriculture as a substitute for peat and other organic materials.

Making our supply chains more sustainable

We strive to embed sustainability in our supply chain, in addition to our existing Supplier Code, we have developed sustainable sourcing guidelines for non-cocoa ingredients, and joined global sector sustainability frameworks, such as AIM Progress and SAI Platform.

Building talents for growth

We are committed to providing employees with opportunities to achieve their full potential.

Barry Callebaut has experienced strong business growth in recent years. We now employ 9,430 employees from 70 nationalities. One in three employees is from a cocoa origin country, and half are working in emerging markets.

We aim to offer a safe, engaging and collaborative workplace for our people, as well as the development and career growth opportunities that they need to reach their full potential. Only by doing so, can we attract and retain the skilled talent that we need to achieve our business goals.

In 2015, Barry Callebaut developed a new workplace policy. This details the principles which apply to employees worldwide in the areas of talent management, fair labor, health and safety, and employee services.

Talent management

Our talent management process helps employees to focus on – and prepare for – the next step in their career. In fiscal year 2014/15, we globally implemented an HR information-solution (SuccessFactors) which provides full visibility of our organization and people, and supports the talent acquisition, remuneration, development and succession planning processes.

We aim to increase the proportion of internally hired managers. In 2014/15, we filled 55% of managerial positions with internal candidates, up from 42% the previous year, and are on track to meet our target of 60% by 2020.

Across the organization, we offer a wealth of training programs. These include technical and on-the-job skills development, as well as quality, health and safety courses. In fiscal year 2014/15, 385 managers and other professional associates took part in one of the 21 Global Leadership and Skills Development trainings from our Marbach Development Programs in Germany, Singapore, and the United States.

Developing tomorrow's leaders

As a springboard for an international and functionally focused career path, the two-year Graduate Trainee Program Yourfuture@BC recruits and develops top young college graduates from around the world, with a focus on emerging markets. In 2014/15, there were 21 graduate trainees, bringing the total to 95 graduates from 31 nationalities since the program began.

Promoting fair labor

Barry Callebaut is committed to providing equal employment and promotion opportunities to all employees. This is enshrined in our new workplace policy.

Throughout our organization, we support freedom of association in line with local laws and regulations. More than half of all permanent contract employees are covered by a union or collective bargaining agreement. All Barry Callebaut employees are aged 16 or more and earn the minimum wage or more where one is defined.

Health and safety

Every Barry Callebaut plant has appointed a health and safety responsible to coordinate the implementation of safety plans. Approximately 45% of our workforce is represented within health and safety committees.

In fiscal year 2014/15, our rates of injury, occupational disability, lost days and absenteeism were low. The injury frequency rate was 10.2 accidents per million hours worked. The severity rate was 0.20 lost days per thousand hours worked. Through the safety programs at each plant, we aim to continue reducing accidents and injuries across our business.

We encourage our employees to live healthy active lifestyles, for example through the "Water for Life" focus within our Winning Together engagement program. In origin countries, we provide HIV/AIDS education to both employees and their families.

Employee benefits in origin countries

Barry Callebaut supports employees with services, support programs and benefits. In cocoa-growing countries, where

Employee development

medical care and education are not universally available, our programs support a broad range of services, including medical care, housing, and education.

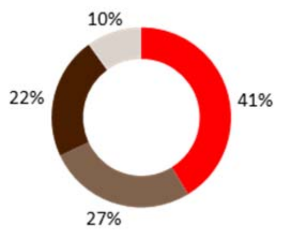
We also encourage employees to engage in their local communities. Globally, we commit to programs such as Winning Together which allow employees to support community service and development projects, and we recognize their outstanding achievements through the Chairman's Award.

Average seniority by geographic region in years

	2014/15
Africa	9.7
Americas	8.3
Asia	5.0
Europe	10.5

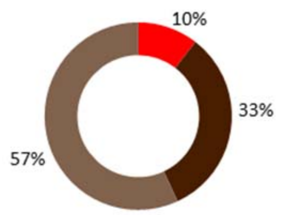
Employees per geographic region

Europe	3,893
Americas	2,521
Asia	2,075
Africa	941
Number of employees	**9,430**

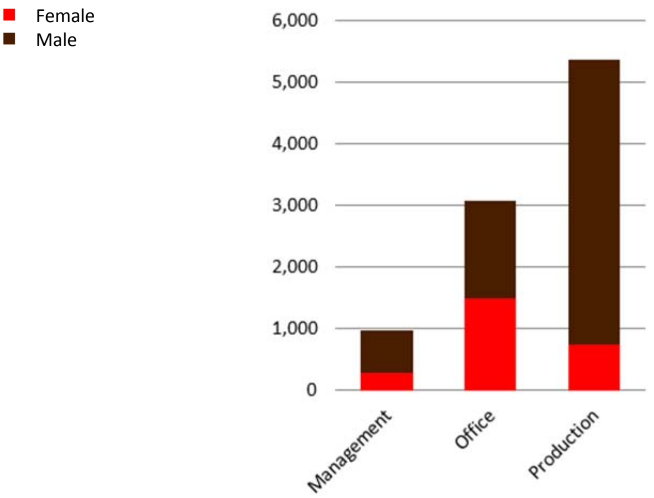


Employees per function

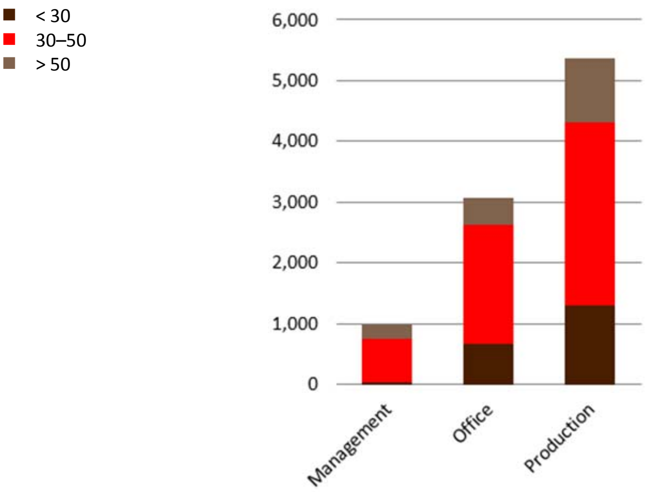
Management	985
Office	3,079
Production	5,366
Number of employees	**9,430**



Gender of employees by function



Age of employees by function



Financial Reports

Consolidated Financial Statements

Consolidated Income Statement

for the fiscal year ended August 31,		2014/15	2013/14
in thousands of CHF	Notes		
Revenue from sales and services		**6,241,865**	**5,865,940**
Cost of goods sold		(5,395,039)	(5,004,815)
Gross profit		**846,826**	**861,125**
Marketing and sales expenses		(121,299)	(120,955)
General and administration expenses		(316,699)	(329,842)
Other income	6	38,909	18,189
Other expenses	7	(32,916)	(12,272)
Operating profit (EBIT)		**414,821**	**416,245**
Finance income	8	3,741	3,246
Finance costs	9	(134,477)	(121,964)
Share of result of equity-accounted investees, net of tax	17	55	(119)
Profit before income taxes		**284,140**	**297,408**
Income tax expenses	10	(44,269)	(42,410)
Net profit for the year		**239,871**	**254,998**
of which attributable to:			
shareholders of the parent company		237,214	252,383
non-controlling interest	25	2,657	2,615
Earnings per share			
Basic earnings per share (CHF/share)	11	43.25	46.00
Diluted earnings per share (CHF/share)	11	43.07	45.77

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

for the fiscal year ended August 31,		2014/15	2013/14
in thousands of CHF	Notes		
Net profit for the year		**239,871**	**254,998**
Cash flow hedges	26	(2,507)	(11,567)
Tax effect on cash flow hedges	26	(379)	2,765
Currency translation differences		(154,192)	(38,700)
thereof recycled into profit or loss related to divesture		–	–
Items that may be reclassified subsequently to the income statement		**(157,078)**	**(47,502)**
Remeasurement of defined benefit plans	24	(7,857)	(16,936)
Tax effect on remeasurement of defined benefit plans		475	5,269
Items that will never be reclassified to the income statement		**(7,382)**	**(11,667)**
Other comprehensive (loss)/income for the year, net of tax		**(164,460)**	**(59,169)**
Total comprehensive income for the year		**75,411**	**195,829**
of which attributable to:			
shareholders of the parent company		72,857	193,570
non-controlling interest		2,554	2,259

Consolidated Financial Statements

Consolidated Balance Sheet

Assets

as of August 31,		2015	2014
in thousands of CHF	Notes		
Current assets			
Cash and cash equivalents		125,151	85,496
Short-term deposits		2,177	2,152
Trade receivables and other current assets	12	971,923	793,784
Inventories	13	1,629,814	1,762,114
Income tax receivables		16,273	12,336
Derivative financial assets	14	498,514	336,029
Total current assets		**3,243,852**	**2,991,911**
Non-current assets			
Property, plant and equipment	15	1,184,543	1,178,529
Equity-accounted investees	17	950	1,094
Intangible assets	18	896,068	893,848
Deferred tax assets	19	98,782	94,974
Other non-current assets		5,193	7,158
Total non-current assets		**2,185,536**	**2,175,603**
Total assets		**5,429,388**	**5,167,514**

Liabilities and equity

as of August 31,		2015	2014
in thousands of CHF	Notes		
Current liabilities			
Bank overdrafts	20	33,266	17,559
Short-term debt	20	645,907	457,551
Trade payables and other current liabilities	21	1,060,965	891,263
Income tax liabilities		43,759	34,073
Derivative financial liabilities	14	453,694	322,856
Provisions	22	9,333	8,635
Total current liabilities		**2,246,924**	**1,731,937**
Non-current liabilities			
Long-term debt	23	1,176,159	1,416,060
Employee benefit obligations	24	149,289	146,993
Provisions	22	4,474	7,701
Deferred tax liabilities	19	59,629	59,664
Other non-current liabilities		5,799	9,424
Total non-current liabilities		**1,395,350**	**1,639,842**
Total liabilities		**3,642,274**	**3,371,779**
Equity			
Share capital	25	102,093	102,093
Retained earnings and other reserves		1,670,750	1,688,557
Total equity attributable to the shareholders of the parent company		**1,772,843**	**1,790,650**
Non-controlling interest	25	14,271	5,085
Total equity		**1,787,114**	**1,795,735**
Total liabilities and equity		**5,429,388**	**5,167,514**

Consolidated Financial Statements

Consolidated Cash Flow Statement

Cash flows from operating activities

for the fiscal year ended August 31,		2014/15	2013/14
In thousands of CHF	Notes		
Profit before income taxes		284,140	297,408
Adjustments for:			
Depreciation of property, plant and equipment	15	90,796	83,270
Amortization of intangible assets	18	35,192	31,934
Impairment of property, plant & equipment	15	11,849	10
Impairment of intangible assets	18	492	792
Gain on acquisition-related settlement	1	(37,490)	–
Loss/(gain) on sale of property, plant and equipment, net	6/7	(4,777)	(1,087)
Foreign exchange (gain)/loss		(84,064)	(17,731)
Fair value (gain)/loss on derivative financial instruments		13,221	(53,197)
Write-down of inventories	13	22,380	8,174
Increase (decrease) of bad debt allowance		9,182	(166)
Increase (decrease) of provisions	22	4,479	2,640
Increase (decrease) of employee benefit obligations	24	684	(914)
Equity-settled share-based payments	4	12,887	12,791
Share of loss/(profit) of equity-accounted investees, net of tax	17	(55)	119
(Interest income)	8	(2,366)	(1,734)
Interest expenses	9	116,055	111,396
Operating cash flow before working capital changes		**472,605**	**473,705**
(Increase)/decrease in trade receivables and other current assets		(170,644)	(32,722)
(Increase)/decrease in inventories		(71,957)	(357,390)
Increase/(decrease) in trade payables and other current liabilities		146,525	114,534
Use of provisions	22	(4,855)	(3,784)
Cash generated from operating activities		**371,674**	**194,343**
(Interest paid)		(105,675)	(98,947)
(Income taxes paid)		(39,317)	(42,998)
Net cash from operating activities		**226,682**	**52,398**

Consolidated Financial Statements

Consolidated Cash Flow Statement

Cash flows from investing activities

for the fiscal year ended August 31, in thousands of CHF	Notes	2014/15	2013/14
Purchase of property, plant and equipment	15	(205,318)	(209,853)
Proceeds from sale of property, plant and equipment	15	18,393	4,515
Purchase of intangible assets	18	(43,867)	(38,924)
Proceeds from sale of intangible assets	18	2,154	347
Acquisition of subsidiaries/businesses net of cash acquired	1	(16,968)	(1,815)
Proceeds from acquisition-related settlement	1	37,490	–
Proceeds from disposal of financial assets		–	253
Purchase of short-term deposits		(864)	–
Proceeds from sale of short-term deposits		–	14,364
Sale/(Purchase) of other non-current assets		1,736	2,607
Interest received	8	2,366	1,741
Net cash flow from investing activities		**(204,878)**	**(226,765)**

Cash flows from financing activities

for the fiscal year ended August 31, in thousands of CHF	Notes	2014/15	2013/14
Proceeds from the issue of short-term debt		395,884	409,709
Repayment of short-term debt		(142,312)	(196,046)
Proceeds from the issue of long-term debt		160,232	227,305
Repayment of long-term debt		(294,978)	(149,553)
Dividend payment	25	(85,077)	(79,588)
Purchase of treasury shares	25	(16,306)	(18,645)
Dividends paid to non-controlling interests	25	(2,223)	(917)
Net cash flow from financing activities		**15,220**	**192,265**
Effect of exchange rate changes on cash and cash equivalents		(13,076)	(1,268)
Net increase (decrease) in cash and cash equivalents		**23,948**	**16,630**
Cash and cash equivalents at beginning of year		67,937	51,307
Cash and cash equivalents at end of year		91,885	67,937
Net increase (decrease) in cash and cash equivalents		**23,948**	**16,630**
Cash and cash equivalents		125,151	85,496
Bank overdrafts	20	(33,266)	(17,559)
Cash and cash equivalents as defined for the cash flow statement		**91,885**	**67,937**

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Consolidated Statement of Changes in Equity

Attributable to the shareholders of the parent company	Share capital	Treasury shares	Retained earnings	Hedging reserves	Cumulative translation adjustment	Total	Non-controlling interest	Total equity
in thousands of CHF								
as of September 1, 2013	**102,093**	**(3,326)**	**1,981,734**	**1,821**	**(399,800)**	**1,682,522**	**3,743**	**1,686,265**
Currency translation adjustments	–	–	–	–	(38,344)	(38,344)	(356)	(38,700)
Effect of cash flow hedges (note 26)	–	–	–	(11,567)	–	(11,567)	–	(11,567)
Tax effect on cash flow hedges (note 26)	–	–	–	2,765	–	2,765	–	2,765
Items that may be reclassified subsequently to the income statement	–	–	–	**(8,802)**	**(38,344)**	**(47,146)**	**(356)**	**(47,502)**
Remeasurement of defined benefit plans (note 24)	–	–	(16,936)	–	–	(16,936)	–	(16,936)
Tax effect on remeasurement of defined benefit plans (note 19)	–	–	5,269	–	–	5,269	–	5,269
Items that will never be reclassified to the income statement	–	–	**(11,667)**	–	–	**(11,667)**	–	**(11,667)**
Other comprehensive income, net of tax	–	–	**(11,667)**	**(8,802)**	**(38,344)**	**(58,813)**	**(356)**	**(59,169)**
Net profit for the year	–	–	252,383	–	–	252,383	2,615	254,998
Total comprehensive income for the year	–	–	**240,716**	**(8,802)**	**(38,344)**	**193,570**	**2,259**	**195,829**
Dividend to shareholders (note 25)	–	–	(79,588)	–	–	(79,588)	(917)	(80,505)
Purchase of treasury shares	–	(18,645)	–	–	–	(18,645)	–	(18,645)
Equity-settled share-based payments (note 4)	–	10,533	2,258	–	–	12,791	–	12,791
as of August 31, 2014	**102,093**	**(11,438)**	**2,145,120**	**(6,981)**	**(438,144)**	**1,790,650**	**5,085**	**1,795,735**
Impact of change in accounting policy (IFRS 9), net of tax	–	–	(2,168)	–	–	(2,168)	–	(2,168)
as of September 1, 2014	**102,093**	**(11,438)**	**2,142,952**	**(6,981)**	**(438,144)**	**1,788,482**	**5,085**	**1,793,567**
Currency translation adjustments	–	–	–	–	(154,089)	(154,089)	(103)	(154,192)
Effect of cash flow hedges (note 26)	–	–	–	(2,507)	–	(2,507)	–	(2,507)
Tax effect on cash flow hedges (note 26)	–	–	–	(379)	–	(379)	–	(379)
Items that may be reclassified subsequently to the income statement	–	–	–	**(2,886)**	**(154,089)**	**(156,975)**	**(103)**	**(157,078)**
Remeasurement of defined benefit plans (note 24)	–	–	(7,857)	–	–	(7,857)	–	(7,857)
Tax effect on remeasurement of defined benefit plans (note 19)	–	–	475	–	–	475	–	475
Items that will never be reclassified to the income statement	–	–	**(7,382)**	–	–	**(7,382)**	–	**(7,382)**
Other comprehensive income, net of tax	–	–	**(7,382)**	**(2,886)**	**(154,089)**	**(164,357)**	**(103)**	**(164,460)**
Net profit for the year	–	–	237,214	–	–	237,214	2,657	239,871
Total comprehensive income for the year	–	–	**229,832**	**(2,886)**	**(154,089)**	**72,857**	**2,554**	**75,411**
Dividend to shareholders (note 25)	–	–	(85,077)	–	–	(85,077)	(2,223)	(87,300)
Capital increase (note 25)	–	–	–	–	–	–	8,855	8,855
Purchase of treasury shares	–	(16,306)	–	–	–	(16,306)	–	(16,306)
Equity-settled share-based payments (note 4)	–	16,163	(3,276)	–	–	12,887	–	12,887
as of August 31, 2015	**102,093**	**(11,581)**	**2,284,431**	**(9,867)**	**(592,233)**	**1,772,843**	**14,271**	**1,787,114**

Consolidated Financial Statements

Summary of Accounting Policies

Organization and business activity

Barry Callebaut AG ("The Company") was incorporated on December 13, 1994, under Swiss law, having its head office in Zurich, Switzerland, at Pfingstweidstrasse 60. Barry Callebaut AG is registered in Switzerland and has been listed on the SIX Swiss Exchange (BARN, ISIN Number: CH0009002962) since 1998. As of August 31, 2015, Barry Callebaut's market capitalization based on issued shares was CHF 5,823.7 million (August 31, 2014: CHF 6,175.0 million). The Group's ultimate parent is Jacobs Holding AG with a share of 50.11% of the shares issued (August 31, 2014: 50.11%).

Barry Callebaut AG and its subsidiaries ("The Group") is one of the world's leading cocoa and chocolate companies, serving the entire food industry, from food manufacturers to artisans and professional users of chocolate such as chocolatiers, pastry chefs or bakers, and products for vending machines. The Group offers a broad and expanding range of chocolate and other cocoa-based products with numerous recipes. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing. The Group is fully vertically integrated along the entire value chain: from sourcing of raw materials to the production of the finest chocolate products.

The principal brands under which the Group operates are Barry Callebaut, Callebaut, Cacao Barry, Carma, Van Leer and Van Houten for chocolate products; Barry Callebaut, Bensdorp, Delfi, Van Houten and Chadler for cocoa powder and Bensdorp, Van Houten, Caprimo, Le Royal and Ögonblink for vending mixes.

The principal countries, in which the Group operates, include Belgium, Brazil, Cameroon, Canada, China, Côte d'Ivoire, France, Germany, Ghana, Indonesia, Italy, Japan, Malaysia, Mexico, the Netherlands, Poland, Russia, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the USA.

Basis of presentation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

For consolidation purposes, Barry Callebaut AG and its subsidiaries prepare financial statements using the historical cost basis as disclosed in the accounting policies below, except for the measurement of derivative financial instruments and trade receivables that are managed and will be sold under the asset backed securitization program that are both measured at fair value and for defined benefit obligation that is accounted for according to the projected unit credit method.

Changes in accounting policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of September 1, 2014:

IFRS 9 – Financial Instruments and related amendments to IFRS 7 regarding transition

The Group has early adopted IFRS 9 Financial Instruments with a date of initial application of September 1, 2014. The main impacts of the new standard were on the classification and measurement of financial assets, the impairment of financial assets and hedge accounting.

Classification and measurement of financial instruments

As a result of the early adoption of IFRS 9, the Group has classified its financial assets as measured at either amortized cost or fair value through profit or loss, depending on its business model for managing those financial assets and the assets' contractual cash flow characteristics. The previous classification as "at fair value through profit or loss," "loans and receivables" and "financial liabilities at amortized costs" was discontinued from September 1, 2014. In accordance with the transitional provisions of IFRS 9, the Group has not restated prior periods but has classified the financial assets held at September 1, 2014 retrospectively according to the business model and based on facts and circumstances under which the assets were held at that date.

The classification of financial liabilities remained unchanged for the Group.

Impairment of financial assets

On September 1, 2014, the Group adjusted the impairment of its financial assets from the incurred loss model under IAS 39 to the expected credit loss concept under IFRS 9. Until August 31, 2014, the Group estimated the incurred losses arising from the failure or inability of customers to make payments when due. These estimates were assessed on an individual basis, taking into account the aging of customers' balances, specific credit circumstances and the Group's historical default experience. Under the new approach, it is no longer necessary for a loss event to occur before an impairment loss is recognized. Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets.

Hedge accounting – cocoa price risk

Prior to the application of IFRS 9, the Group applied fair value hedge accounting to hedge its exposure to changes in fair value of recognized cocoa inventory, which was designated as hedged item and the short future contracts were designated as hedging instruments.

Certain entities in the Group also applied cash flow hedge accounting whereby the cocoa bean futures were designated as hedging instruments to the underlying forecasted sales or purchase contracts to hedge the variability in cash flow that was attributable to the risk of cocoa bean price movements.

After adoption of IFRS 9, starting from September 1, 2014, the Group replaced its previous fair value hedge accounting model with respect to cocoa price risk with a new fair value hedge accounting model. The new model under IFRS 9 facilitates better alignment of hedge accounting with risk management as it makes it possible to apply hedge accounting for specific risk components of non-financial items, such as cocoa ingredients and chocolate inventories and cocoa and chocolate contracts.

Under the new model, the Group applies the net cash settlement exemption to physical cocoa purchase and sales contracts in the trading environment and the fair value option for its executory forward purchase and sale contracts (available under IFRS 9 as an alternative to the off-balance sheet treatment) in the cocoa and chocolate manufacturing environment. This fair value option is applied for those cocoa contracts where the measurement eliminates or significantly reduces an accounting mismatch that would otherwise occur on own use contracts. Contracts accounted for as derivatives and cocoa bean futures are designated as hedging instruments under the new fair value hedge accounting model. This designation is done in order to hedge the cocoa price risk components embedded in the chocolate stocks and sales contracts as well as in the cocoa stocks, purchase and sales contracts (being the hedged items).

The new hedge accounting model primarily affected the amounts recognized for inventories and derivative financial assets and liabilities on the balance sheet (as more inventories and contracts have become eligible for hedge accounting) and did not have a major impact on the income statement.

The following summarizes the classification and measurement changes for the Group's financial assets and financial liabilities on initial application of IFRS 9 (September 1, 2014):

	Original measurement category and carrying amount under IAS 39				New measurement category and carrying amount under IFRS 9		
in thousands CHF	Fair value through profit or loss	Loans and receivables	Financial liabilities at amortized cost	Remeasure-ments upon application of IFRS 9 (September 1, 2014)[1]	Fair value through profit or loss	Amortized cost	Retained earnings effect on September 1, 2014
Cash equivalents	–	85,496	–	–	–	85,496	–
Short-term deposits	–	2,152	–	–	–	2,152	–
Trade receivables	–	455,487	–	(2,168)	64,060	389,259	(2,168)
Derivative financial assets	336,029	–	–	–	336,029	–	–
Other assets	–	89,922	–	–	–	89,922	–
Total assets	**336,029**	**633,057**	**–**	**(2,168)**	**400,089**	**566,829**	**(2,168)**
Bank overdrafts	–	–	17,559	–	–	17,559	–
Short-term debt	–	–	457,551	–	–	457,551	–
Trade payables	–	–	605,860	–	–	605,860	–
Derivative financial liabilities	322,856	–	–	–	322,856	–	–
Long-term debt	–	–	1,416,060	–	–	1,416,060	–
Other liabilities	–	–	176,200	–	–	176,200	–
Total liabilities	**322,856**	**–**	**2,673,230**	**–**	**322,856**	**2,673,230**	**–**

1 The remeasurements included the fair value adjustments on trade receivables that are managed under the asset backed securitization program and are considered as held for sale (fair value adjustment on September 1, 2014, amounted to CHF –0.1 million). The remeasurements also included the adjustment for the impairment of trade receivables held to collect as at September 1, 2014, reflecting the change from the incurred loss model under IAS 39 to the expected credit loss concept under IFRS 9 (CHF –2.1 million).

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The following table compares the closing balances of impairment allowances as at August 31, 2014 with the opening balances of impairment allowances as at September 1, 2014 on initial application of IFRS 9 (excluding the trade receivables that were measured at Fair value through profit or loss both before and after the initial application of IFRS 9)

in thousands CHF	Impairment allowance as at August 31, 2014	Impairment allowance as at September 1, 2014
Cash and cash equivalents	0	0
Short-term deposits	0	0
Trade receivables	(14,476)	(16,553)
Other assets	0	0

The following table compares the closing balances of impairment allowances as at August 31, 2014 with the opening balances of impairment allowances as at September 1, 2014 on initial application of IFRS 9 in case of Trade receivables measured at amortized cost:

in thousands CHF	August 31, 2014	September 1, 2014
Total trade receivables measured at amortized cost	469,963	405,812
Less impairment provision for trade receivables	(14,476)	(16,553)
Total trade receivables measured at amortized cost	**455,487**	**389,259**
Of which:		
Not overdue	431,546	367,395
Impairment provision for trade receivables not overdue	(239)	(2,316)
Past due less than 90 days	13,311	13,311
Impairment provision for trade receivables past due less than 90 days	(143)	(143)
Past due more than 90 days	25,106	25,106
Impairment provision for trade receivables past due more than 90 days	(14,094)	(14,094)
Total trade receivables measured at amortized cost	**455,487**	**389,259**

The impairment allowances on the overdue trade receivables and other financial assets measured at amortized costs remained the same after the change from the incurred loss model under IAS 39 to the expected credit loss concept under IFRS 9. However, the change to the expected credit loss concept resulted in an adjustment of CHF –2.1 million in the case of the trade receivables that are measured at amortized cost and are not overdue. This adjustment was recognized in retained earnings on September 1, 2014.

Amendments to IAS 32 – Financial instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
These amendments clarify when an entity currently has a legally enforceable right to set off financial assets and financial liabilities, and also clarifies the circumstances when gross settlement is equivalent to net settlement. It was applied for the first time retrospectively in accordance with the transitional provisions and did not have a material impact on the Group's Consolidated Financial Statements.

Other amendments to IFRS/IAS
A number of other standards have been amended on miscellaneous points. Some of these amendments are effective for this fiscal year, but did not have a material impact on the Group's Financial Statements, however did result in adjusted or additional disclosures.

Use of judgment and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about judgments made in applying accounting policies that have most significant effects on the amounts recognized in the Consolidated Financial Statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material

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adjustment in the year ending August 31, 2015, are included in the following notes:

Note 1	Acquisitions: fair value measurement and contingent assets
Note 18	Intangible assets – Allocation of goodwill to CGU's/Impairment test: key assumptions underlying recoverable amounts
Note 19	Deferred tax assets and liabilities – Recognition of deferred tax assets: availability of future taxable profits against which tax loss carry-forwards can be utilized
Note 24	Employee benefit obligations – Measurement of defined benefit obligations: key actuarial assumptions
Note 28	Contingent liabilities – uncertainties

Scope of consolidation/subsidiaries

The Consolidated Financial Statements of the Group include all the assets, liabilities, income and expenses of Barry Callebaut AG and the companies which it controls. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Non-controlling interests are shown as a component of equity in the balance sheet, and the share of the net profit attributable to non-controlling interest is shown as a component of the net profit for the year in the Consolidated Income Statement. Newly acquired companies are consolidated from the date control is transferred (the effective date of acquisition), using the acquisition method. Subsidiaries disposed of are included up to the effective date of disposal.

All intragroup balances and unrealized gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the Consolidated Financial Statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Transactions with non-controlling interests

The Group applies the policy of treating transactions with non-controlling interests equal to transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

Interests in equity-accounted investees

Interests in equity-accounted investees comprise investments in associates and joint ventures. Associates are those companies in which the Group has significant influence, but not control. This is normally presumed when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The Group's investment includes goodwill identified on acquisition, net of any impairment losses. The Consolidated Financial Statements include the Group's share of the income and expenses and equity movements of equity-accounted investees from the date that significant influence or joint control commences until the date significant influence or joint control ceases.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into respective functional currencies at the exchange rate prevailing at the year-end date. Any resulting exchange gains and losses are taken to the income statement. If related to commercial transactions or to the measurement of financial instruments in coverage of commercial transactions, such foreign currency gains and losses are classified as cost of goods sold. Otherwise, foreign currency gains and losses are classified as finance income and finance cost.

Foreign currency translation

For consolidation purposes, assets and liabilities of subsidiaries reporting in currencies other than Swiss francs are translated to Swiss francs using year-end rates of exchange. Income and expenses are translated at the average rates of exchange for the year. Differences arising from the translation of financial statements using the above method are recorded as cumulative translation adjustments in other comprehensive income. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal.

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Major foreign exchange rates

	2014/15		2013/14	
	Closing rate	Average rate	Closing rate	Average rate
EUR	1.0748	1.1075	1.2054	1.2226
GBP	1.4780	1.4790	1.5165	1.4850
USD	0.9622	0.9521	0.9148	0.8984

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, checks, bank balances and unrestricted bank deposit balances with an original maturity of 90 days or less. Bank overdrafts that are repayable on demand, forming an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purpose of the Consolidated Cash Flow Statement.

Trade receivables, loans and other receivables

Accounting policy applied from September 1, 2014

Trade receivables – with the exception of those receivables that are managed under the asset-backed securitization program – are stated at amortized cost, less expected impairment losses. Impairment allowances for receivables represent the Group's estimates of expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets. The Group measures the loss allowance for its receivables at an amount equal to the lifetime expected credit losses.

The Group maintains an asset-backed securitization program for trade receivables, transferring the contractual rights to the cash flows of third-party trade receivables at their nominal value minus a discount. These receivables are derecognized from the balance sheet. The net amount reported under "Other current assets" or "Other current liabilities" is the amount of the discount minus the receivables already collected at the balance sheet date, but not yet remitted to the asset-purchasing company (see note 12). Before being sold, the receivables that are managed under the asset-backed securitization program are classified as financial assets measured at fair value through profit or loss.

Accounting policy applied till August 31, 2014

Trade receivables are stated at amortized cost, less anticipated impairment losses. Impairment allowances for receivables represent the Group's estimates of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are assessed on an individual basis, taking into account the ageing of customers' balances, specific credit circumstances and the Group's historical default experience. If the Group is satisfied that no recovery of the amount owing is possible, the receivable is written off and the allowance related to it is reversed. The Group maintains an asset-backed securitization program for trade receivables, transferring the contractual rights to the cash flows of third-party trade receivables at their nominal value minus a discount. These receivables are derecognized from the balance sheet. The net amount reported under "Other current assets" or "Other current liabilities" is the amount of the discount minus the receivables already collected at the balance sheet date, but not yet remitted to the asset-purchasing company (see note 12).

Derivative financial instruments and hedging activities

Derivative financial instruments are accounted for at fair value with fair value changes recognized in the Consolidated Income Statement.

As the Group also acts as cocoa bean trader, certain cocoa bean purchase and sales contracts are net cash settled and therefore, contracts allocated to the same portfolio are treated as derivative contracts.

Additionally, the Group applies the fair value option for its executory forward purchase and sale contracts (available under IFRS 9 as an alternative to the off-balance sheet treatment). These exemptions are applied for those cocoa contracts where the measurement eliminates or significantly reduces an accounting mismatch that would otherwise occur on own use contracts.

Hedge accounting

The operating companies require cocoa beans and semi-finished cocoa products for manufacturing and selling of their products. Thus, the Group is exposed to the cocoa price risk on the purchase side due to increasing cocoa prices, on the sales side and inventory held to decreasing cocoa prices. The Group therefore applies fair value hedge accounting to hedge its cocoa price risk embedded in its chocolate stocks and sales contracts as well as in the cocoa stocks, purchase and sales contracts and uses cocoa bean futures to manage cocoa price risks (Contract Business – see risk management note 26).

The Group is also exposed to increasing sugar prices with regards to its forecasted sugar purchases. The Group therefore applies cash flow hedge accounting when it hedges its sugar price risk embedded in its forecasted sugar purchases with sugar futures.

The Group also enters into long fuel oil swaps to hedge its exposure to fuel oil price movements in its forecasted freight expenditures and it applies cash flow hedge accounting for this hedging relationship.

The Group and its subsidiaries enter into sales and purchase contracts and have highly probable transactions denominated in various currencies and consequently are exposed to foreign currency risks, which are hedged by the Group's centralized treasury department or – in case of legal restrictions – with local banks.

The Group's interest rate risk is managed with interest rate derivatives. Hedge accounting is applied to derivatives that are effective in offsetting the changes in fair value or cash flows of the hedged items. The hedge relationship is documented and the effectiveness of such hedges is tested at regular intervals, at least on a semi-annual basis.

Fair value hedging – for commodity price risks and foreign currency exchange risks related to the Contract Business

Generally, fair value hedge accounting is applied to hedge the Group's exposure to changes in fair value of a recognized asset or liability or an identified portion of such an asset or liability that is attributable to a particular risk, e.g. commodity price risks, and that could affect the Consolidated Income Statement. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative (hedging instrument) is remeasured at fair value, and gains and losses from both are taken to the Consolidated Income Statement.

To reflect its activities of hedging its cocoa price risk exposure embedded in its cocoa and chocolate stocks and unrecognized firm commitments, the Group applies fair value hedge accounting. In this fair value hedge accounting relationship, the chocolate stocks and unrecognized firm sales commitments and the cocoa stocks, unrecognized firm purchase and sales commitments, respectively are designated as hedged items whereby cocoa bean futures are designated as hedging instruments. When cocoa and chocolate inventory is designated as a hedged item, the subsequent cumulative change in the fair value of the inventory attributable to the hedged cocoa price risk is adjusting the carrying amount of the hedged item (change of inventory cost value) with a corresponding gain or loss in the Consolidated Income Statement. When unrecognized firm cocoa and chocolate commitments (purchase and sales contracts) are designated as hedged items, the subsequent cumulative change in the fair value of these contracts attributable to the hedged cocoa price risk is recognized as an asset or a liability (reported as "Derivative financial assets" and Derivative financial liabilities") with a corresponding gain or loss in the Consolidated Income Statement. The hedging instrument is recorded at fair value under "Derivative financial assets" or "Derivative financial liabilities" and the changes in the fair value of the hedging instrument are also recognized in the Consolidated Income Statement.

For foreign currency exchange risks related to firm purchase and sales commitments in certain entities, fair value hedge accounting is applied. The hedge relationship is between the unrecognized firm commitments (hedged items) and the foreign currency forward contracts and monetary items (hedging instruments). The changes in fair value of the hedging instruments (attributable to foreign currency exchange rate movements) are recognized in the Consolidated Income Statement. The cumulative change in the fair value of the hedged items attributable to the foreign currency risk is recognized as "Trade receivables and other current assets" or "Trade payables and other current liabilities" with a corresponding gain or loss in the Consolidated Income Statement.

Cash flow hedging – for commodity price risks (cocoa price risk, sugar and fuel oil) and foreign currency exchange risks arising from forecasted purchase and sales transactions and firm commitments

The Group enters into sugar futures to hedge the sugar price risk exposure embedded in certain forecasted sugar purchases, and into foreign exchange forward and futures contracts to hedge the currency risk arising from these forecasted sugar purchases.

The Group applies cash flow hedge accounting for these hedging relationships whereby the sugar futures and the foreign exchange forwards and futures are designated as hedging instruments to hedge the variability in cash flows attributable to the risk of sugar price movements and to the foreign currency risk respectively in the hedged forecasted sugar purchases.

The Group is also exposed to increasing fuel oil prices in its forecasted freight expenditures. Accordingly, it enters into long fuel oil swaps to hedge this fuel oil price risk exposure embedded in its forecasted freight expenditures, and into foreign exchange forward and futures contracts to hedge the currency risk arising from these forecasted transactions.

The Group applies cash flow hedge accounting for these hedging relationships whereby the long fuel oil swaps and the foreign exchange forwards and futures are designated as hedging instruments to hedge the variability in cash flows attributable to the risk of fuel oil price movements and to the foreign currency risk respectively in its hedged forecasted freight expenditures.

To a small extent, the Group also enters into exchange traded cocoa bean futures to hedge the cocoa price risk arising from forecasted sales of cocoa ingredients, and into foreign exchange forward and futures contracts to hedge the currency risk arising from forecasted cocoa sales transactions denominated in foreign currencies.

The related entities apply cash flow hedge accounting whereby the cocoa bean futures and the foreign exchange forwards and futures are designated as hedging instruments to the underlying forecasted sales to hedge the variability in cash flow that is attributable to the risk of cocoa price movements and to the foreign exchange risk respectively.

Cash flow hedging – for interest rate risks

In general, Barry Callebaut applies cash flow hedge accounting for interest rate derivatives, converting a portion of floating rate borrowings to fixed rate borrowings.

Interest rate derivatives hedging exposures to variability in cash flows of highly probable forecasted transactions are classified as cash flow hedges.

Accounting for cash flow hedges

For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. Gains or losses that are recognized in other comprehensive income are transferred to the Consolidated Income Statement in the same period in which the hedged exposure affects the Consolidated Income Statement. The ineffective part of any gain or loss is recognized immediately in the Consolidated Income Statement at the time hedge effectiveness is tested.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognized in other comprehensive income is kept in other comprehensive income until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in other comprehensive income is immediately transferred to the Consolidated Income Statement.

No hedge accounting designation

The Group's purchasing and sourcing centers and the Group's centralized treasury department have derivative financial instruments that are measured at fair value without applying hedge accounting.

Price List Business commodity risk hedging is based on forecasted sales volume and excluded from hedge accounting, as no derivatives can be clearly designated to the forecasted price list sales. Therefore, these derivatives are carried at fair value with fair value changes recognized in the Consolidated Income Statement.

In respect of the foreign exchange exposure of a recognized monetary asset or liability, no hedge accounting is applied. Any gain or loss on the financial derivative used to economically hedge this risk is recognized in the Consolidated Income Statement, thus compensating the gains and losses that arise from the revaluation of the underlying asset or liability.

Other financial assets

Accounting policy applied from September 1, 2014

Other financial assets are the items that are reported on lines "Loans and other receivables" and "Other current financial assets" in note 12 - Trade receivables and other current assets. These financial assets are accounted for in accordance with IFRS 9, Financial Instruments. Accordingly, other financial assets are classified as measured at amortized cost less expected impairment losses. The Group's other financial assets have contractual cash flows that are solely principal, and interest and the business model's objective is to hold these assets to collect contractual cash flows.

All purchases and sales of financial assets are recognized on the trade date. Financial assets are recognized when the Group becomes a party to the contractual provisions and are initially measured at fair value, which is the consideration given for them, plus transaction costs.

Impairment allowances for other financial assets represent the Group's estimates of expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets. The Group measures the loss allowance for its other financial assets at an amount equal to the lifetime expected credit losses.

Financial assets are derecognized when the Group loses control of the contractual rights to the cash flows of the assets. Such control is lost when the rights and benefits specified in the contract are realized, expired, or are surrendered.

Accounting policy applied till September 1, 2014

Financial assets are accounted for in accordance with IAS 39, Financial Instruments: Recognition and Measurement. Accordingly, financial assets are classified into the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. Financial assets acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as at fair value through profit or loss. All other financial assets, excluding loans and receivables, are classified as available-for-sale.

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All purchases and sales of financial assets are recognized on the trade date. Financial assets are recognized when the Group becomes a party to the contractual provisions and are initially measured at fair value, which is the consideration given for them, plus transaction costs in the case of financial assets and liabilities not at fair value through profit or loss. Available-for-sale and fair value through profit or loss investments are subsequently carried at fair value by reference to their quoted market price at the balance sheet date, without any deduction for transaction costs that the Group may incur on their sale or other disposal.

Gains or losses on measurement to fair value of available-for-sale investments are included directly in equity until the financial asset is sold, disposed of or impaired, at which time the gains or losses are recognized in net profit or loss for the period.

Financial assets are derecognized, using the weighted average method, when the Group loses control of the contractual rights to the cash flows of the assets or when the Group sells, or otherwise disposes of, the contractual rights to the cash flows, including situations where the Group retains the contractual rights but assumes a contractual obligation to pay the cash flows that comprise the financial asset to a third party. Such control is lost when the rights and benefits specified in the contract are realized, expired, or are surrendered.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises the costs of materials, direct production costs including labor costs and an appropriate proportion of production overheads and factory depreciation. Those inventories that are allocated as hedged items in a fair value hedge relationship are adjusted for the change in the fair value attributable to the hedged cocoa price risk. For movements in inventories, the average cost method is applied. Net realizable value is defined as the estimated selling price less costs of completion, and direct selling and distribution expenses.

Intangible assets

Goodwill

Goodwill on acquisitions is the excess of acquisition date fair value of total consideration transferred plus the recognized amount of any non-controlling interest in the acquiree and the acquisition date fair value of assets acquired, liabilities and contingent liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Negative goodwill is recognized directly in the income statement. At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of the cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Research and development costs

Research costs are expensed as incurred.

Development costs for projects relate to software, recipes and product innovation and are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized on a straight-line basis over the period of their expected useful life. The amortization periods adopted do not exceed eight years.

Brand names, licenses and other intangible assets

Other acquired intangible assets include brand names, licenses, customer relationships, patents and trademarks. Patents and licenses are amortized over their period of validity. All other intangible assets are amortized on a straight-line basis over their anticipated useful life not exceeding 20 years.

Property, plant and equipment

Property, plant and equipment are measured at the acquisition or construction cost less accumulated depreciation and accumulated impairment losses. A straight-line method of depreciation is applied through the estimated useful life.

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Estimated useful lives of major classes of depreciable assets are:

Buildings (including warehouses and installations)	20 to 50 years
Plant and machinery	10 to 20 years
Office equipment, furniture and motor vehicles	3 to 10 years

Maintenance and repair expenditures are charged to the income statement as incurred.

The carrying amounts of property, plant and equipment are reviewed at least at each balance sheet date to assess whether they are recoverable in the form of future economic benefits. If the recoverable amount of an asset has declined below its carrying amount, an impairment loss is recognized to reduce the value of the assets to its recoverable amount. In determining the recoverable amount of the assets, expected cash flows are discounted to their present value.

Borrowing costs

Borrowing costs related to the acquisition, construction, or production of a qualifying asset are capitalized in accordance with IAS 23. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are stated as assets of the Group at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs are charged to the income statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under an operating lease are charged to the income statement on a straight-line basis over the term of the lease.

Financial liabilities

This accounting policy applies to the items that are reported on lines “Bank overdrafts,” “Short-term debt,” and “Long-term debt” in the Consolidated Balance Sheet and to the items reported under section “Payables representing financial liabilities” in note 21 - Trade payables and other current liabilities.

These financial liabilities are initially recognized at fair value, net of transaction costs, when the Group becomes a party to the contractual provisions. They are subsequently carried at amortized cost using the effective interest rate method. A financial liability is removed from the balance sheet when the obligation is discharged, cancelled, or expires.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate thereof can be made. Provisions are recorded for identifiable claims and restructuring costs. Restructuring provisions mainly comprise employee termination payments. Specific provisions for restructuring costs are recorded at such time as the management approves the decision to restructure and a formal plan for restructuring is communicated.

Employee benefit obligations/ post-employment benefits

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets and the effect of the asset ceiling, are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized

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immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Some benefits are also provided by defined contribution plans; contributions to such plans are charged to the Consolidated Income Statement as incurred.

Post-retirement benefits other than pensions

Certain subsidiaries provide health care and insurance benefits for a portion of their retired employees and their eligible dependents. The cost of these benefits is actuarially determined and included in the related function expenses over the employees' working lives. The related liability is also included in the position "Employee benefit obligations".

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Employee stock ownership program

For the employee stock ownership program, Barry Callebaut AG shares are purchased on the market and passed on to satisfy the awards. In accordance with IFRS 2, the compensation costs in relation with share awards granted under the Deferred Share Plan are recognized in the income statement over the vesting period at their fair value as of the grant date.

Other long-term employee benefits

Other long-term employee benefits represent amounts due to employees under deferred compensation arrangements mandated by certain jurisdictions in which the Group conducts its operations. Benefit cost is recognized on an actuarial basis in the income statement. The related liability is included in other long-term liabilities.

Share capital/purchase of treasury shares

Where the Company or its subsidiaries purchase the Company's shares, the consideration paid, including any attributable transaction costs, is deducted from equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in equity.

Dividends

Dividends on ordinary shares are recognized as a liability when they are approved by the shareholders.

Taxes

Current income taxes are recognized based on taxable income, whereas other taxes such as non-recoverable taxes withheld on management fees and royalties received or paid are reported under "Other expenses." Non-recoverable withholding taxes are only accrued if distribution by subsidiary companies is foreseen.

Income taxes are calculated in accordance with the tax regulations in effect in each country.

The Group recognizes deferred income taxes using the balance sheet liability method. Deferred income tax is recognized on all temporary differences arising between the tax values of assets and liabilities and their values in the Consolidated Financial Statements. Deferred income tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Revenue recognition

Revenues from sales and services consist of the net sales turnover of semi-processed and processed goods and services related to food processing.

Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer, which is mainly upon shipment. Appropriate provisions are made for all additional costs to be incurred in connection with the sales including the cost of returns. Additionally, gains and losses related to derivative financial instruments used for hedging purposes are recognized in revenues in accordance with the policies set out in this section.

Revenues and costs related to trading of raw materials, which are fair valued, are netted. Interest income is recognized as it accrues on an effective yield basis, when it is determined that such income will flow to the Group. Dividends are recognized when the right to receive the payment is established.

Government grants

Provided there is reasonable assurance that they will be irrevocably received, grants relating to capital expenditure are deducted from the cost of property, plant and equipment and thus recognized in the income statement on a straight-line basis over the useful life of the asset.

Other grants that compensate the Group for expenses incurred are deferred and recognized in the income

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statement over the period necessary to match them with the costs they are intended to compensate.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Committee.

Discontinued operations

Discontinued operations are separately disclosed, if a component of an entity either has been disposed of, or is classified as held for sale. A component of an entity represents a major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. A component of an entity can be clearly distinguished operationally and for financial reporting purposes, from the rest of the entity. Discontinued operations are separately disclosed from the continued operations in the Consolidated Income Statement. Prior-year financial figures related to the income statement are adjusted accordingly (as if the operation had been discontinued as from the start of the comparative year) and also separately disclosed. Related assets are presented on the balance sheet under "Assets held for sale" and related liabilities under "Liabilities directly associated with assets held for sale," whereas in accordance with IFRS 5, no prior-year restatement has been made for these positions. Cash flow information related to discontinued operations are disclosed separately in the notes.

Introduction of new standards in 2015/16 and later

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after September 1, 2015, and have not been applied in preparing these Consolidated Financial Statements. The impacts on the financial statements of the standards and amendments, which are relevant, are disclosed below the table. The Group does not plan to adopt these standards early

	Effective date	Planned application by the Group in fiscal year
New Standards or Interpretations		
IFRS 14 Regulatory Deferral Accounts	January 1, 2016	Fiscal year 2016/17
IFRS 15 Revenue from Contracts with Customers	January 1, 2018	Fiscal year 2018/19
Revisions and amendments of Standards and Interpretations		
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	January 1, 2016	Fiscal year 2016/17
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	January 1, 2016	Fiscal year 2016/17
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 1, 2016	Fiscal year 2016/17
Equity Method in Separate Financial Statements (Amendments to IAS 27)	January 1, 2016	Fiscal year 2016/17
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	January 1, 2016	Fiscal year 2016/17
Annual Improvements to IFRSs 2012–2014 Cycle	January 1, 2016	Fiscal year 2016/17
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016	Fiscal year 2016/17
Disclosure Initiative (Amendments to IAS 1)	January 1, 2016	Fiscal year 2016/17

IFRS 15 Revenue Recognition

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: revenue may be recognized over time, in a manner that best reflects the company's performance, or at a point in time, when control of the good or service is transferred to the customer. For complex transactions with multiple components and/or variable amounts of consideration, or when the work is carried out under contract for an extended period of time, applying the standard may lead to revenue being accelerated or deferred in comparison with current requirements.

The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. Potential impacts on the Group's Consolidated Financial Statements have not yet been fully assessed.

Notes to the Consolidated Financial Statements

1 Acquisitions

Acquisition in 2014/15

On August 3, 2015, Barry Callebaut Group has closed an agreement to acquire the business consisting of a customer portfolio, brands and manufacturing equipment from nut products manufacturer American Almond Products Co., Inc. American Almond is known as a leader in the U.S. in artisanal nut-based ingredients with a production facility located in Brooklyn, New York. The transaction with American Almond underlines Barry Callebaut's strategic intention to further grow in adjacent ingredients products.

The consideration transferred was CHF 17.0 million fully paid in cash in three tranches: CHF 4.9 million non-refundable down payment at the signing of the agreement; CHF 2.0 million to be deposited on a separate interest bearing escrow account at the close of the agreement which shall be held until the 18-month anniversary of the Closing Date (i.e. January 3, 2017) and CHF 10.1 million closing date payment (i.e. August 3, 2015).

During the reporting period, acquisition-related costs, such as fees for due diligence work and lawyers, in the amount of CHF 0.3 million were expensed (included in "General and administration expenses").

in thousands of CHF	2014/15
Recognized amounts of identifiable assets acquired	
Tangible assets	241
Intangible assets	4,677
Total identifiable net assets	**4,918**
Goodwill	12,050
Total consideration at fair value	**16,968**

The goodwill of CHF 12.1 million arising from the acquisition is attributable to the integration of the business into the Group's existing business and the related synergies as well as getting greater importance for our suppliers (market penetration throughout the production chain). The goodwill has been allocated to Region Americas.

The goodwill recognized is expected to be deductible for income tax purposes.

The revenue included in the Consolidated Income Statement since August 3, 2015, contributed by American Almond, was CHF 1.7 million. American Almond has also contributed CHF 0.3 million to net profit over the same period.

Had American Almond been consolidated from September 1, 2014, it would have contributed revenue of CHF 16.9 million and net profit for the fiscal year of CHF 2.0 million to the Consolidated Income Statement.

Settlement with Petra Foods regarding purchase price dispute

Barry Callebaut and Petra Foods Ltd. reached an amicable commercial settlement and resolved their dispute regarding the determination of the final consideration for the Cocoa Ingredients Division, which Barry Callebaut had acquired from Petra Foods in 2013. As a result of this settlement, Petra Foods paid the lump sum of USD 38.8 million (i.e. CHF 37.5 million) in cash to Barry Callebaut at the end of August 2015, which was reflected in the cash flow from investing activities. With regards to the income statement, CHF 23.9 million was reported on line "Cost of goods sold" and CHF 13.6 million was reported under "Other income." As part of this commercial settlement, the parties also agreed to extend the term of the cocoa supply agreement until end of June 2020.

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Acquisition in 2013/14

On February 18, 2014, the Group acquired the remaining 51% of Biolands Group, its long-time supplier of certified cocoa beans from East and West Africa, increasing its shareholding in the Biolands entities (African Organic Produce AG, Biolands International Ltd., Biopartenaire SA, and Bio United Ltd.) to 100%, thus obtaining control. The following table summarizes the major classes of consideration transferred in connection with the acquisitions mentioned above:

in million CHF	2013/14
Consideration	
Cash paid and contingent consideration	2.1
Fair value of the Group's previously held equity interest	3.3
Total consideration	**5.4**

The arrangement involves a contingent consideration of CHF 0.3 million.

The Group expensed acquisition-related costs, such as fees for due diligence work, lawyers and valuation services, of less than CHF 0.1 million over the course of the project immediately in the Consolidated Income Statement (included in "General and administration expenses").

The following purchase price allocation and fair value of assets and liabilities have been determined on a provisional basis:

in million CHF	2013/14
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current assets	3.2
Non-current assets	0.6
Current liabilities	(2.6)
Non-current liabilities	–
Total identifiable net assets	**1.2**
Goodwill	4.2
Total consideration at fair value	**5.4**

The goodwill of CHF 4.2 million arising from the acquisitions is attributable to synergies expected to be achieved from integrating the business in the Group's existing business and improvements expected from combining the sourcing channels of the acquired businesses with those of the Group. The goodwill has been allocated to Global Cocoa. None of the goodwill recognized is expected to be deductible for income tax purposes.

Related to the acquisition of the Cocoa Ingredients Division of Petra Foods Ltd. closed on June 30, 2013 the measurement period according to IFRS 3 elapsed and the amount established for goodwill is final.

In fiscal year 2013/14, the Group expensed additional transaction related costs, such as fees for lawyers and consultants-related to the acquisition in the total amount of approximately CHF 3.3 million immediately in the Consolidated Income Statement (included in "General and administration expenses").

2 Discontinued operations and disposal

The Group did not have any discontinued operations and disposals in 2014/15 (and in 2013/14).

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3 Segment information

External segment reporting is based on the internal organizational and management structure, as well as on the internal information reviewed regularly by the Chief Operating Decision Maker. Barry Callebaut's Chief Operating Decision Maker has been identified as the Executive Committee, consisting of the Group Chief Executive Officer, the Chief Financial Officer and the Presidents of the Regions Western Europe, Americas and Global Cocoa as well as the Chief Operations Officer and the Chief Innovation & Quality Officer.

The Executive Committee considers the business from a geographic view. Hence, Presidents were appointed for each region. Since the Group's cocoa activities operate independently of the Regions, the Global Cocoa business is reviewed by the Chief Operating Decision Maker as an own segment in addition to the geographical Regions Western Europe, EEMEA (Eastern Europe, Middle East and Africa), Americas and Asia Pacific. For the purpose of the Consolidated Financial Statements, the Regions Western Europe and EEMEA were aggregated since the businesses are similar and meet the criteria for aggregation. Furthermore, the Executive Committee also views the Corporate function independently. The function "Corporate" consists mainly of headquarters services (incl. the Group's centralized treasury department) to other segments. Thus, the Group reports Corporate separately.

The segment Global Cocoa is responsible for the procurement of ingredients for chocolate production (mainly cocoa; sugar, dairy and nuts are also common ingredients) and the Group's cocoa-processing business. Most of the revenues of Global Cocoa are generated with the other segments of the Group.

The regional chocolate business consists of chocolate production related to the Product Groups "Food Manufacturers' Products" focusing on industrial customers and "Gourmet & Specialties Products" focusing on products for artisans and professional users of chocolate such as chocolatiers, pastry chefs or bakers as well as products for vending machines.

Financial information by reportable segments

2014/15 in thousands of CHF	Europe	Americas	Asia Pacific	Global Cocoa	Total Segments	Corporate	Eliminations	Group
Revenues from external customers	2,563,682	1,507,875	269,824	1,900,484	6,241,865	–	–	6,241,865
Revenues from transactions with other operating segments of the Group	4,611	623	–	1,669,368	1,674,602	–	(1,674,602)	–
Net revenue	**2,568,293**	**1,508,498**	**269,824**	**3,569,852**	**7,916,467**	**–**	**(1,674,602)**	**6,241,865**
Operating profit (EBIT)	**289,714**	**130,634**	**26,937**	**47,198**	**494,483**	**(79,662)**	**–**	**414,821**
Depreciation and amortization	**(40,828)**	**(22,978)**	**(6,917)**	**(53,071)**	**(123,794)**	**(2,194)**	**–**	**(125,988)**
Impairment losses	**(569)**	**–**	**–**	**(11,772)**	**(12,341)**	**–**	**–**	**(12,341)**
Total assets	**1,340,869**	**1,080,208**	**162,576**	**2,818,132**	**5,401,785**	**1,371,352**	**(1,343,749)**	**5,429,388**
Additions to property, plant, equipment and intangible assets	(85,877)	(68,558)	(15,406)	(67,586)	(237,427)	(28,726)	–	(266,153)

2013/14 in thousands of CHF	Europe	Americas	Asia Pacific	Global Cocoa	Total Segments	Corporate	Eliminations	Group
Revenues from external customers	2,573,259	1,287,335	249,128	1,756,218	5,865,940	–	–	5,865,940
Revenues from transactions with other operating segments of the Group	66,631	681	–	2,204,104	2,271,416	–	(2,271,416)	–
Net revenue	**2,639,890**	**1,288,016**	**249,128**	**3,960,322**	**8,137,356**	**–**	**(2,271,416)**	**5,865,940**
Operating profit (EBIT)	**268,097**	**126,502**	**27,002**	**81,951**	**503,552**	**(87,307)**	**–**	**416,245**
Depreciation and amortization	**(37,956)**	**(18,656)**	**(6,662)**	**(49,119)**	**(112,393)**	**(2,811)**	**–**	**(115,204)**
Impairment losses	**(721)**	**(3)**	**(16)**	**(27)**	**(767)**	**(35)**	**–**	**(802)**
Total assets	**1,294,836**	**897,696**	**122,754**	**2,866,872**	**5,182,158**	**1,481,385**	**(1,496,029)**	**5,167,514**
Additions to property, plant, equipment and intangible assets	(71,471)	(76,312)	(14,435)	(58,321)	(220,539)	(32,925)	–	(253,463)

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Global Cocoa comprises Group-wide sourcing and Global Cocoa processing functions also for the benefit of all the regions. Therefore some of its operation profits are consequently allocated to the regions.

Segment revenue, segment results (operating profit EBIT) and segment assets are measured based on IFRS principles.

Finance income and costs, the Group's share of result of equity-accounted investees and income taxes are not allocated to the respective segment for internal management purposes.

Additional entity-wide disclosures

Information on geographical regions

Barry Callebaut is domiciled in Switzerland; however, its major revenues are generated in other countries. The following table shows revenues and non-current assets excluding investments in equity-accounted investees, deferred tax assets and pension assets allocated to the entity's country of domicile and the major countries where the Group is generating revenues and/or to those countries where the non-current assets as defined above are material.

	2014/15	2013/14	2014/15	2013/14
in thousands of CHF	Revenues		Non-current assets[1]	
United States	1,039,145	905,570	288,580	243,327
Germany	500,936	453,246	90,764	102,231
Belgium	484,030	481,013	338,371	323,598
France	433,135	432,354	73,843	49,139
United Kingdom	421,824	411,419	48,854	78,275
Brazil[2]	335,392	257,243	70,380	81,610
Mexico	306,171	272,754	30,625	32,875
Italy	298,522	308,908	24,879	25,110
Rest of Europe	1,344,030	1,344,533	439,690	461,393
Rest of Americas	329,488	273,614	118,844	129,100
Rest of Asia Pacific	749,192	725,286	555,781	545,719
Total	**6,241,865**	**5,865,940**	**2,080,611**	**2,072,377**

1 Property, plant and equipment + intangible assets.
2 Comparatives have been provided to conform to the current period's presentation.

Information on Product Groups

The Group has numerous products that are sold to external customers. Therefore, for internal review by the Chief Operating Decision Maker, information on products is aggregated on a Product Group level. The following table breaks down external revenues into Product Groups:

Segment Information by Product Group

in thousands of CHF	2014/15	2013/14
Cocoa Products	1,900,484	1,756,218
Food Manufacturers	3,444,664	3,247,374
Gourmet & Specialties	896,717	862,348
Revenues from external customers	**6,241,865**	**5,865,940**

In fiscal year 2014/15, the biggest single customer contributed CHF 912.2 million or 14.6 % of total revenues reported across various regions (2013/14: CHF 797.7 million or 13.6 %). No other single customer contributed more than 10% of total consolidated revenues.

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4 Personnel expenses

in thousands of CHF	2014/15	2013/14
Wages and salaries	(370,350)	(356,639)
Compulsory social security contributions	(83,420)	(78,085)
Equity-settled share-based payments	(12,887)	(12,791)
Cash-settled share-based payments	–	(10,972)
Expenses related to defined benefit plans	(9,049)	(7,827)
Contributions to defined contribution plans	(2,739)	(2,605)
Increase in liability for long service leave	(32)	(57)
Total personnel expenses	**(478,477)**	**(468,976)**

5 Research and development expenses

in thousands of CHF	2014/15	2013/14
Total research and development expenses	**(20,334)**	**(21,779)**

Research and development expenses not qualifying for capitalization are directly charged to the Consolidated Income Statement and are reported under "Marketing and sales expenses" and "General and administration expenses." The part qualifying for capitalization is reported as addition under internally generated assets in note 18 – Intangible assets.

6 Other income

in thousands of CHF	2014/15	2013/14
Gain on disposal of property, plant and equipment	5,176	1,162
Group training centers, museums, outlets and rental income	5,931	3,801
Sale of shells of cocoa beans and waste	3,612	5,659
Litigations, claims and insurance	3,993	3,169
Release of unused provisions and accruals	2,959	490
Other	17,238	3,908
Total other income	**38,909**	**18,189**

Other income also includes an amount of CHF 13.6 million related to the commercial settlement with Petra Foods Ltd.

7 Other expenses

in thousands of CHF	2014/15	2013/14
Restructuring costs	(11,356)	(4,099)
Loss on sale of waste	–	(4)
Litigations and claims	(2,999)	(3,184)
Costs related to chocolate museums	(359)	(59)
Loss on sale of property, plant and equipment	(399)	(75)
Impairment on property, plant and equipment (note 15)	(11,849)	(10)
Impairment on other intangibles (note 18)	(492)	(792)
Other	(5,462)	(4,049)
Total other expenses	**(32,916)**	**(12,272)**

Restructuring costs include mainly severance payments and relocation costs related to the setup of the Shared Service Center (SSC) in Lodz, Poland, and costs related to the reduction of production capacity in Port Klang, Malaysia.

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8 Finance income

in thousands of CHF	2014/15	2013/14
Interest income	2,366	1,734
Gain on derivative financial instruments	1,375	1,512
Total finance income	**3,741**	**3,246**

9 Finance costs

in thousands of CHF	2014/15	2013/14
Interest expenses	(110,408)	(105,685)
Amortized structuring fees	(3,125)	(3,182)
Charges on undrawn portion of committed credit facilities	(1,846)	(2,380)
Net interest costs related to defined benefit plans	(5,647)	(5,711)
Total interest expenses	**(121,026)**	**(116,958)**
Bank charges and other financial expenses	(4,548)	(4,288)
Foreign exchange losses, net	(8,903)	(718)
Total finance costs	**(134,477)**	**(121,964)**

Interest expenses include the cost of interest rate swaps and result from paying fixed interest rates in exchange for receiving floating interest rates. All interest rate derivative financial instruments are in a cash flow hedge relationship resulting in the fact that changes in fair value are recognized in other comprehensive income.

The increase in interest expenses in fiscal year 2014/15 is mainly attributable to increased working capital requirements.

Structuring fees are mainly attributable to the amortization of fees capitalized for the EUR 350 million Senior Note, issued July 2007, the EUR 600 million Revolving Credit Facility, entered into June 2011 and amended and extended in June 2014, the EUR 250 million Senior Note, issued June 2011, the USD 400 million Senior Note, issued June 2013, the EUR 175 million Term Loan Facility, entered into October 2013, and the Term Loan Agreements entered with Jacobs Holding AG in 2015 (CHF 100 million on February 25, 2015 and CHF 150 million on June 26, 2015).

The charges on the undrawn portion of the EUR 600 million Revolving Credit Facility amount to CHF 1.8 million for 2014/15 (2013/14: CHF 2.4 million).

The foreign exchange losses are mainly attributable to increased price volatility in the global foreign currency markets.

10 Income tax expenses

in thousands of CHF	2014/15	2013/14
Current income tax expenses	(46,886)	(40,935)
Deferred income tax expenses	2,617	(1,475)
Total income tax expenses	**(44,269)**	**(42,410)**

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Reconciliation of income taxes

in thousands of CHF	2014/15	2013/14
Profit before income taxes	284,140	297,408
Expected income tax expenses at weighted average applicable tax rate	(78,731)	(76,272)
Not tax deductible expenses	(4,112)	(4,990)
Tax-deductible items not qualifying as an expense under IFRS	19,513	16,097
Tax-exempt income	6,927	7,513
Income recognized for tax declarations purposes only	(4,312)	(2,010)
Prior-period-related items	1,077	(6,890)
Changes in tax rates	1,445	(857)
Losses carried forward not yet recognized as deferred tax assets	(21,500)	(12,654)
Tax relief on losses carried forward formerly not recognized as deferred tax assets	35,422	37,653
Total income taxes	**(44,269)**	**(42,410)**

For the reconciliation as above, the Group determines the expected income tax rate by weighing the applicable tax rates in the jurisdictions concerned based on the mix of the profit before taxes per jurisdiction, resulting for 2014/15 in a weighted average applicable tax rate of 27.71% (2013/14: 25.65%).

The applicable expected tax rate per company is the domestic corporate income tax rate applicable to the profit before taxes of the company for fiscal year 2014/15. The increase of the weighted average applicable tax rate is due to the less favorable company mix of taxable income.

The tax relief on tax losses carried forward formerly not recognized as deferred tax assets amounts to CHF 35.4 million for the year 2014/15 (2013/14: CHF 37.7 million). The amount consists of CHF 18.5 million tax relief from utilization of tax losses carried forward previously not recognized (2013/14: CHF 8.2 million) and CHF 16.9 million tax losses carried forward recognized as a deferred tax asset for the first time during the year 2014/15 (2013/14: CHF 29.5 million).

11 Earnings per share

in CHF	2014/15	2013/14
Basic earnings per share from continuing operations (CHF/share)	43.25	46.00
Diluted earnings per share (CHF/share)	43.07	45.77

The following amounts of earnings have been used as the numerator in the calculation of basic and diluted earnings per share:

in thousands of CHF	2014/15	2013/14
Net profit for the year attributable to ordinary shareholders, used as numerator for basic earnings per share adjusted for net loss from discontinued operations	237,214	252,383
After-tax effect of income and expenses on dilutive potential ordinary shares	–	–
Adjusted net profit for the year used as numerator for diluted earnings per share	**237,214**	**252,383**

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The following numbers of shares have been used as the denominator in the calculation of basic and diluted earnings per share:

	2014/15	2013/14
Weighted average number of shares issued	5,488,858	5,488,858
Weighted average number of treasury shares held	(3,604)	(2,259)
Weighted average number of ordinary shares outstanding, used as denominator for basic earnings per share	5,485,254	5,486,599
Dilution potential of equity-settled share-based payments	21,818	27,643
Adjusted weighted average number of ordinary shares, used as denominator for diluted earnings per share	**5,507,072**	**5,514,242**

12 Trade receivables and other current assets

as of August 31, in thousands of CHF	2015	2014 [1]
Trade receivables	418,815	455,487
Accrued income	21,276	7,457
Loans and other receivables	111,577	71,328
Other current financial assets	12,470	7,941
Receivables representing financial assets	**564,138**	**542,213**
Fair values of hedged firm commitments	99,111	3,974
Prepayments	122,989	109,461
Other current non-financial assets	922	971
Other taxes and receivables from government	184,763	137,165
Other receivables	**407,785**	**251,571**
Total trade receivables and other current assets	**971,923**	**793,784**

1 Values as published in prior year applying IAS 39. For the value of Trade receivables as of September 1, 2014 upon transition from IAS 39 to IFRS 9, refer to section "Summary of Accounting Policies".

The Group runs an asset-backed securitization program, whereby trade receivables are sold at their nominal value minus a discount in exchange for cash. The amount of the receivables sold net of discounts is CHF 360.3 million as of August 31, 2015 (2014: CHF 294.0 million), that amount being derecognized from the balance sheet. This amount is the combination of the gross value of the receivables sold (CHF 384.0 million as of August 31, 2015, CHF 330.6 million as of August 31, 2014) and the discount (CHF 23.7 million as of August 31, 2015, CHF 36.6 million as of August 31, 2014).

Net amounts payable to the program amounted to CHF 60.4 million as of August 31, 2015 (2014: CHF 18.3 million), consisting of the balance of receivables collected before the next rollover date of CHF 84.1 million (2014: CHF 54.9 million), less the discount on receivables sold of CHF 23.7 million (2014: CHF 36.6 million). These amounts are included in note 21 – Other payables on a netted basis.

The discount is retained by the program to establish a dilution reserve, a yield reserve, and an insurance first loss reserve.

Trade receivables with the fair value of CHF 73.9 million (and CHF 74.0 million nominal amount) as of August 31, 2015, are held for sale under the asset-backed securitization program and are therefore classified as measured at fair value through profit or loss.

Interest expense paid under the asset-backed securitization program amounted to CHF 3.0 million in fiscal year 2014/15 (2013/14: CHF 2.9 million) and is reported under interest expenses.

For detailed information about the expected credit losses calculated on the Group's receivables, refer to note 26 – Credit risk and concentration of credit risk.

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13 Inventories

as of August 31,	2015	2014
in thousands of CHF		
Cocoa beans stocks	512,405	478,297
Semi-finished and finished products	956,764	1,133,760
Other raw materials and packaging materials	160,645	150,057
Total inventories	**1,629,814**	**1,762,114**

As of August 31, 2015, the value of the inventories included CHF 27.9 million fair value hedge adjustment (where cocoa and chocolate inventories were hedged by cocoa bean futures for cocoa bean price risk). For further detail about the hedged inventories, refer to note 26 – Effect of hedge accounting on the financial position and performance.

As of August 31, 2015, inventories amounting to CHF 0.7 million (2014: CHF 9.2 million) are pledged as security for financial liabilities.

In fiscal year 2014/15, inventory write-downs of CHF 22.4 million related to price list business and stocks that are not designated in a hedge relationship were recognized as expenses (2013/14: CHF 8.2 million).

14 Derivative financial instruments and hedging activities

as of August 31,	2015		2014	
in thousands of CHF	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities
Cash flow hedges				
Interest rate risk				
Swaps	4,768	9,492	–	12,588
Cocoa price risk				
Forward and futures contracts	628	2,539	5,386	3,852
Sugar price risk				
Future contracts	–	7,647	–	–
Fuel oil price risk				
Swaps	–	3,405	–	–
Foreign exchange risk				
Forward and futures contracts	857	274	746	409
Fair value hedges				
Cocoa price risk				
Forward and futures contracts[1]	209,188	216,927	–	–
Foreign exchange risk				
Forward and futures contracts[2]	36,963	52,119	13,782	10,701
Other – no hedge accounting				
Raw materials				
Forward and futures contracts and other derivatives[3]	188,144	160,365	307,913	259,716
Foreign exchange risk				
Forward and futures contracts	57,966	926	8,202	35,590
Total derivative financial assets	**498,514**	–	**336,029**	–
Total derivative financial liabilities	–	**453,694**	–	**322,856**

1 Values on this line include the carrying amount of the cocoa futures allocated as hedging instruments (refer to section 4/a Impact of hedging instruments designated in hedging relationships in note 26) and the cocoa and chocolate purchase and sales firm commitments allocated as hedged items (refer to section 4/b Impact of hedged items designated in hedging relationships in note 26) in fair value hedges.

2 Values on this line include the carrying amount of the foreign exchange forward contracts allocated as hedging instruments in fair value hedges (refer to section 4/a Impact of hedging instruments designated in hedging relationships in note 26). The cumulative change in the fair value of the hedged firm purchase and sales commitments attributable to the foreign currency risk is recognized as "Trade receivables and other current assets" or "Trade payables and other current liabilities."

3 From the value of those Derivative financial assets and Derivative financial liabilities as of August 31, 2015 that are related to raw material price risk and are not allocated into hedge accounting relationship, CHF 161.6 million and CHF 4.1 million, respectively, relates to the fair value of executory contracts measured at fair value using the fair value option.

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Derivative financial instruments consist of items used in a cash flow hedging model, items used in a fair value hedging model and derivative instruments, measured at fair value for which no hedge accounting is applied.

The position "Other – no hedge accounting" contains the fair values of derivative financial instruments of the Group's purchasing and sourcing centers and the Group's centralized treasury department, which are not designated into hedge accounting relationship.

For further details about fair value measurement and the hedge accounting relationships as of August 31, 2015 and their impacts, refer to note 26.

15 Property, plant and equipment

2014/15 in thousands of CHF	Land and buildings	Plant and machinery	Office equipment, furniture and motor vehicles	Under construction	Total
At cost					
as of September 1, 2014	**445,794**	**1,507,412**	**106,402**	**129,389**	**2,188,997**
Business combination	–	241	–	–	241
Additions	41,150	91,664	9,010	63,494	205,318
Disposals	(3,821)	(11,936)	(3,139)	(2,194)	(21,090)
Currency translation adjustments	(34,181)	(113,449)	(9,707)	(10,039)	(167,376)
Reclassifications from under construction	13,953	45,073	2,557	(61,583)	0
as of August 31, 2015	**462,895**	**1,519,005**	**105,123**	**119,067**	**2,206,090**
Accumulated depreciation and impairment losses					
as of September 1, 2014	**180,276**	**751,920**	**78,244**	**28**	**1,010,468**
Depreciation charge	15,096	68,289	7,411	–	90,796
Impairment losses	–	11,849	–	–	11,849
Disposals	(2,626)	(2,339)	(2,509)	–	(7,474)
Currency translation adjustments	(13,193)	(63,781)	(7,118)	–	(84,092)
as of August 31, 2015	**179,553**	**765,938**	**76,028**	**28**	**1,021,547**
Net as of August 31, 2015	**283,342**	**753,067**	**29,095**	**119,039**	**1,184,543**

2013/14 in thousands of CHF	Land and buildings	Plant and machinery	Office equipment, furniture and motor vehicles	Under construction	Total
At cost					
as of September 1, 2013	**423,384**	**1,363,950**	**95,164**	**149,713**	**2,032,211**
Business combination	78	1	395	–	474
Additions	21,678	99,972	14,410	73,793	209,853
Disposals	(1,262)	(3,253)	(1,371)	(98)	(5,984)
Currency translation adjustments	(7,981)	(23,135)	(3,327)	(4,831)	(39,274)
Reclassifications from under construction	9,897	69,877	1,131	(89,188)	(8,283)
as of August 31, 2014	**445,794**	**1,507,412**	**106,402**	**129,389**	**2,188,997**
Accumulated depreciation and impairment losses					
as of September 1, 2013	**169,317**	**703,730**	**73,396**	**28**	**946,471**
Depreciation charge	13,892	62,839	6,539	–	83,270
Impairment losses	10	–	–	–	10
Disposals	(34)	(1,934)	(588)	–	(2,556)
Currency translation adjustments	(2,909)	(12,715)	(1,103)	–	(16,727)
as of August 31, 2014	**180,276**	**751,920**	**78,244**	**28**	**1,010,468**
Net as of August 31, 2014	**265,518**	**755,492**	**28,158**	**129,361**	**1,178,529**

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The Group periodically reviews the remaining useful lives of assets recognized in property, plant and equipment.

Impairment loss in property, plant and equipment in fiscal year 2014/15 amounted to CHF 11.8 million (2013/14 CHF 0.0 million) and is related to the immediate reduction of production capacity in Port Klang/Malaysia and in Bangpakong, Thailand.

Repair and maintenance expenses for the fiscal year 2014/15 amounted to CHF 54.8 million (2013/14: CHF 66.5 million).

The fire insurance value of property, plant and equipment amounted to CHF 2,316.4 million as of August 31, 2015 (2014: CHF 2,413.6 million).

As of August 31, 2015, plant and equipment held under finance leases amounted to CHF 3.4 million (2014: CHF 13.2 million). The related liabilities are reported under short-term and long-term debt (see notes 20 and 23).

As of August 31, 2015, financial liabilities of CHF 0.9 million were secured by means of mortgages on properties (2014: CHF 1.8 million).

16 Obligations under finance leases

as of August 31,	2015	2014	2015	2014
in thousands of CHF	Minimum lease payments		Present value of minimum lease payments	
Amounts payable under finance leases				
within one year	116	138	99	112
in the second to fifth year inclusive	211	367	199	335
more than five years	–	–	–	–
Total amount payable under finance leases	**327**	**505**	**298**	**447**
less: future finance charges	(29)	(58)	–	–
Present value of lease obligations	**298**	**447**	**298**	**447**
Amount due for settlement next 12 months (note 20)			99	112
Amount due for settlement after 12 months (note 23)			199	335

The Group entered into finance leasing arrangements for various assets. The weighted average term of finance leases entered into is 15.0 years (2013/14: 6.0 years). The average effective interest rate was 7.1% (2013/14: 7.1%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis, and no arrangement has been entered into for contingent rental payment.

as of August 31,	2015	2014
in thousands of CHF	Net carrying amount of property, plant and equipment under finance lease	
Land and buildings	3,418	12,873
Plant and machinery	–	–
Furniture, equipment and motor vehicles	–	369
Total assets under financial lease	**3,418**	**13,242**

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17 Equity-accounted investees

The carrying amount of equity-accounted investees changed as follows:

in thousands of CHF	2014/15	2013/14
as of September 1,	**1,094**	**5,088**
Disposal of associates and joint ventures	–	(3,818)
Share of (loss)/profit	55	(119)
Dividends received	(134)	–
Exchange rate differences	(65)	(57)
as of August 31,	**950**	**1,094**

On February 18, 2014, the Group's equity interest in two of its associates, African Organic Produce AG and Biolands International Ltd., increased from 49% to 100% and became a subsidiary since that date (see Note 1) and are therefore disclosed as a disposal under this note.

The Group's investments in equity-accounted investees are attributable to the following companies:

Ownership in %	2015	2014
as of August 31,		
Shanghai Le Jia Food Service Co. Ltd., China	50	50
Nordic Industrial Sales AB, Finland	49	49

Summarized financial information in respect of the Group's equity-accounted investees is set out below.

in thousands of CHF	2015	2014
Total current assets	4,596	4,738
Total non-current assets	0	0
Total current liabilities	2,409	2,446
Total non-current liabilities	–	–
Net assets as of August 31,	**2,187**	**2,292**
Group's share of net assets of equity-accounted investees	**950**	**1,094**

in thousands of CHF	2014/15	2013/14
Total revenue	10,669	18,123
Total profit for the year	299	247
Other comprehensive income	–	–
Total comprehensive income	299	247
Group's share of (losses)/profits of equity-accounted investees	**55**	**(119)**

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18 Intangible assets

2014/15 in thousands of CHF	Goodwill	Brand names and licenses	Internally generated intangible assets	Other	Total
At cost					
as of September 1, 2014	**729,746**	**73,110**	**313,302**	**26,782**	**1,142,940**
Business combination	12,050	1,875	–	2,802	16,727
Additions	–	–	41,925	1,942	43,867
Disposals	–	–	(6,309)	(2,226)	(8,535)
Currency translation adjustments	(6,991)	(3,704)	(26,147)	(58)	(36,900)
as of August 31, 2015	**734,805**	**71,281**	**322,771**	**29,242**	**1,158,099**
Accumulated amortization and impairment losses					
as of September 1, 2014	**–**	**42,225**	**197,091**	**9,776**	**249,092**
Amortization charge	–	4,232	26,955	4,005	35,192
Disposals	–	–	(6,141)	(240)	(6,381)
Impairment losses	–	–	396	96	492
Currency translation adjustments	–	(1,422)	(14,142)	(800)	(16,364)
as of August 31, 2015	**–**	**45,035**	**204,159**	**12,837**	**262,031**
Net as of August 31, 2015	**734,805**	**26,246**	**118,612**	**16,405**	**896,068**

2013/14 in thousands of CHF	Goodwill	Brand names and licenses	Internally generated intangible assets	Other	Total
At cost					
as of September 1, 2013	**729,988**	**72,281**	**273,626**	**27,555**	**1,103,450**
Business combination	4,213	–	–	–	4,213
Additions	–	1,113	36,045	1,766	38,924
Disposals	–	–	(383)	(741)	(1,124)
Currency translation adjustments	(4,455)	(284)	(4,949)	(1,118)	(10,806)
Reclassified from under development	–	–	8,963	(680)	8,283
as of August 31, 2014	**729,746**	**73,110**	**313,302**	**26,782**	**1,142,940**
Accumulated amortization and impairment losses					
as of September 1, 2013	**–**	**37,910**	**174,761**	**7,994**	**220,665**
Amortization charge	–	4,412	24,900	2,622	31,934
Disposals	–	–	(267)	(510)	(777)
Impairment losses	–	–	792	–	792
Currency translation adjustments	–	(97)	(3,095)	(330)	(3,522)
as of August 31, 2014	**–**	**42,225**	**197,091**	**9,776**	**249,092**
Net as of August 31, 2014	**729,746**	**30,885**	**116,211**	**17,006**	**893,848**

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Additions to internally generated intangible assets amount to CHF 41.9 million in fiscal year 2014/15 (2013/14: CHF 36.0 million). Additions mainly included costs related to various projects of internally generated software, amounting to CHF 35.4 million in fiscal year 2014/15 (2013/14: CHF 31.3 million). Costs related to the development of recipes and innovations of CHF 5.6 million were also capitalized under internally generated intangible assets (2013/14: CHF 3.7 million).

The remaining amortization period for brand names varies between four and ten years, for licenses up to ten years, for software between one and eight years and for other including patents between one and twelve years. The amortization charge is included in the position "General and administration expenses" in the Consolidated Income Statement.

Impairment testing for cash-generating units containing goodwill

The carrying amount of goodwill for the Group amounts to CHF 734.8 million (2013/14: CHF 729.7 million). The allocation to the segments is as follows:

as of August 31, in million CHF	2015	2014
Global Cocoa	454.3	447.7
Europe	220.4	234.1
Americas	55.7	43.4
Asia Pacific	4.4	4.5
Total	**734.8**	**729.7**

Goodwill acquired in a business combination is allocated to the respective segment that is expected to benefit from the synergies of the combination, at acquisition date. Due to the Group's fully integrated business in the regions, the segments represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. Thus, the impairment test is performed on a segment level.

For the impairment test, the recoverable amount of a cash-generating unit is based on its value in use and is compared to the carrying amount of the corresponding cash-generating unit. Future cash flows are discounted using a pre-tax rate that reflects current market assessments based on the weighted average cost of capital (WACC).

The Group performs its impairment test during the fourth quarter of the fiscal year. This approach was chosen since the Mid-Term Plan covering the next three fiscal years is updated annually at the beginning of the fourth quarter. The Mid-Term Plan is based on the assumption that there are no major changes to the Group's organization. The residual value is calculated from an estimated continuing value, which is primarily based on the third year of the Mid-Term Plan. The terminal growth rate used for determining the residual value does not exceed the expected long-term growth rate of the industry.

Key assumptions used for value-in-use calculations

	2015		2014	
	Discount rate	Terminal growth rate	Discount rate	Terminal growth rate
Global Cocoa	6.5%	1.8%	5.9%	2.1%
Europe	6.3%	0.8%	5.4%	1.6%
Americas	6.4%	0.8%	6.5%	1.3%
Asia Pacific	6.6%	1.8%	6.2%	4.5%

Based on the impairment tests, no need for recognition of impairment losses in fiscal year 2014/15 has been identified.

The key sensitivities in the impairment test are the WACC as well as the terminal growth rate.

The Group has carried out a sensitivity analysis, containing various scenarios. Taking reasonable possible changes in key assumptions into account, no impairment losses have been revealed.

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19 Deferred tax assets and liabilities

Movement in deferred tax assets and liabilities

in thousands of CHF	Inventories	Property, plant, equipment/ intangible assets	Other assets	Provisions	Other liabilities	Tax loss carry-forwards	Total
as of September 1, 2013	**(2,395)**	**(31,944)**	**13,868**	**(9,272)**	**(4,271)**	**63,222**	**29,208**
Charged to the income statement	(6,283)	(8,566)	(19,062)	9,890	19,772	2,774	(1,475)
Charged to equity	–	(6)	74	–	7,966	–	8,034
Currency translation effects	139	366	(940)	84	390	(496)	(457)
as of August 31, 2014	**(8,539)**	**(40,150)**	**(6,060)**	**702**	**23,857**	**65,500**	**35,310**
Charged to the income statement	6,413	5,394	4,742	(1,198)	(22,310)	9,576	2,617
Charged to equity	–	–	(1,355)	–	1,451	–	96
Currency translation effects	1,215	(296)	1,983	(139)	(114)	(1,519)	1,130
as of August 31, 2015	**(911)**	**(35,052)**	**(690)**	**(635)**	**2,884**	**73,557**	**39,153**

For fiscal year 2014/15, deferred tax income recognized in equity amounted to CHF 0.1 million (2013/14: CHF 8.0 million) and relates to the deferred tax impact on remeasurement of defined benefit plans CHF 0.5 million (2013/14: CHF 5.3 million) and to cash flow hedging reserves CHF -0.4 million (2013/14: CHF 2.8 million).

Recognized deferred tax assets and liabilities

The recognized deferred tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are attributable to the following:

as of August 31,	2015			2014		
in thousands of CHF	Assets	Liabilities	Net	Assets	Liabilities	Net
Inventories	6,297	(7,208)	(911)	4,860	(13,399)	(8,539)
Property, plant & equipment/intangible assets	43,921	(78,973)	(35,052)	36,787	(76,937)	(40,150)
Other assets	35,876	(36,566)	(690)	31,642	(37,702)	(6,060)
Provisions	16	(651)	(635)	1,336	(634)	702
Other liabilities	28,197	(25,313)	2,884	33,147	(9,290)	23,857
Tax loss carry-forwards	73,557	–	73,557	65,500	–	65,500
Tax assets/(liabilities)	**187,864**	**(148,711)**	**39,153**	**173,272**	**(137,962)**	**35,310**
Tax offsetting	(89,082)	89,082	–	(78,298)	78,298	–
Reflected in the balance sheet	**98,782**	**(59,629)**	**39,153**	**94,974**	**(59,664)**	**35,310**

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Tax losses carried forward excluded from recognition of related deferred tax assets

Tax losses carried forward not recognized as deferred tax assets have the following expiry dates:

as of August 31,	2015	2014
in thousands of CHF		
Expiry:		
Within 1 year	1,821	6,689
After 1 up to 2 years	19,010	7,574
After 2 up to 3 years	2,265	5,932
After 3 up to 10 years	77,847	98,344
After 10 years	7,277	65,240
Unlimited	263,489	208,036
Total unrecognized tax losses carried forward	**371,709**	**391,815**

Tax losses carried forward are assessed for future recoverability based on a business plan and projection for the related companies. Those are capitalized only if the usage within medium term is probable.

Tax losses carried forward utilized during the year 2014/15 were CHF 117.3 million (2013/14: CHF 74.3 million). The related tax relief amounted to CHF 38.9 million, of which CHF 20.3 million were already recognized as a deferred tax asset in the year before (2013/14: CHF 25.7 million of which CHF 17.5 million were already recognized as a deferred tax asset in the year before).

As of August 31, 2015, the Group had unutilized tax losses carried forward of approximately CHF 587.9 million (2014: approximately CHF 581.3 million) available for offset against future taxable income.

Of the total tax losses carried forward, an amount of CHF 216.2 million has been recognized for deferred taxation purposes resulting in a deferred tax asset of CHF 73.6 million (2013/14: CHF 189.5 million recognized resulting in a deferred tax asset of CHF 65.5 million).

20 Bank overdrafts and short-term debt

as of August 31,	2015	2014	2015	2014
in thousands of CHF	Carrying amounts		Fair values	
Bank overdrafts	**33,266**	**17,559**	**33,266**	**17,559**
Commercial paper	195,672	371,000	195,672	371,000
Short-term debts	161,704	85,733	161,704	85,733
Short-term portion of long-term debts (note 23)	288,430	706	288,430	706
Interest-bearing loans from employees	2	0	2	0
Finance lease obligations (note 16)	99	112	99	112
Short-term debt	**645,907**	**457,551**	**645,907**	**457,551**
Bank overdrafts and short-term debt	**679,173**	**475,110**	**679,173**	**475,110**

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Short-term financial liabilities are mainly denominated in EUR, CHF, USD and XAF as shown in the table below:

as of August 31,	2015			2014		
Split per currency	Amount	Interest range		Amount	Interest range	
in thousands of CHF		from	to		from	to
EUR	340,491	0.14%	3.60%	244,843	0.31%	3.00%
CHF	101,887	0.52%	1.50%	101,513	0.60%	1.50%
USD	128,240	0.34%	4.25%	82,582	0.33%	4.25%
XAF	53,163	2.85%	6.00%	19,830	2.96%	6.00%
TRL	7,384	11.67%	14.00%	8,880	8.69%	8.69%
CLP	15,394	4.48%	4.74%	8,393	3.00%	4.00%
BRL	28,115	12.00%	15.00%	6,093	12.50%	14.00%
Other	4,499	0.45%	11.79%	2,976	0.03%	9.50%
Total	**679,173**	**0.14%**	**15.00%**	**475,110**	**0.03%**	**14.00%**

as of August 31,	2015	2014
in thousands of CHF		
Split fixed/floating interest rate:		
Fixed rate	9,335	1,518
Floating rate	669,838	473,592
Total bank overdrafts and short-term debt	**679,173**	**475,110**

21 Trade payables and other current liabilities

as of August 31,	2015	2014
in thousands of CHF		
Trade payables	651,299	604,822
Amounts due to related parties	680	1,038
Accrued expenses	83,596	82,329
Other payables	154,531	93,871
Payables representing financial liabilities	**890,106**	**782,060**
Accrued wages and social security	79,796	82,241
Fair value of hedged firm commitments	59,490	2,127
Other taxes and payables to governmental authorities	31,535	24,765
Deferred income	38	70
Other liabilities	**170,859**	**109,203**
Total trade payables and other current liabilities	**1,060,965**	**891,263**

The Group also has payables related to the asset-backed securitization program, see note 12.

Other payables also consist of outstanding ledger balances with commodity brokers.

22 Provisions

2014/15 in thousands of CHF	Restructuring	Litigation & claims	Other	Total
as of September 1, 2014	**1,216**	**8,767**	**6,353**	**16,336**
Additions	2,949	1,099	3,390	7,438
Use of provisions	(779)	(329)	(3,747)	(4,855)
Release of unused provisions	–	(2,628)	(331)	(2,959)
Currency translation adjustments	(192)	(1,855)	(106)	(2,153)
as of August 31, 2015	**3,194**	**5,054**	**5,559**	**13,807**
of which:				
Current	**3,194**	**2,765**	**3,374**	**9,333**
Non-current	**–**	**2,289**	**2,185**	**4,474**

2013/14 in thousands of CHF	Restructuring	Litigation & claims	Other	Total
as of September 1, 2013	**132**	**7,304**	**9,804**	**17,240**
Change in Group structure – acquisitions	–	–	542	542
Additions	1,238	1,599	293	3,130
Use of provisions	(135)	(67)	(3,582)	(3,784)
Release of unused provisions	–	(40)	(450)	(490)
Currency translation adjustments	(19)	(29)	(254)	(302)
as of August 31, 2014	**1,216**	**8,767**	**6,353**	**16,336**
of which:				
Current	**1,216**	**3,921**	**3,498**	**8,635**
Non-current	**–**	**4,846**	**2,855**	**7,701**

Restructuring
Additions to restructuring provisions in 2014/15 are mainly related to the setup of the Shared Service Center (SSC) in Lodz, Poland, with the aim to further strengthen the cost management and "Cost Leadership" position by bundling transactional activities across Europe as well as immediate reduction of production capacity in Port Klang/Malaysia.

Litigation & claims
The amount includes provisions for certain litigations and claims that have been set up to cover legal and administrative proceedings that arise in the ordinary course of business.

The position includes claims from customers for product liability and recalls generally covered by a global insurance policy to the extent they are not covered. In management's opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as of August 31, 2015.

Other provisions
Other provisions relate mainly to amounts that have been provided to cover the negative outcome of onerous contracts and a smaller portion is related to tax matters.

23 Long-term debt

as of August 31,	2015	2014	2015	2014
in thousands of CHF	Carrying amounts		Fair values	
Senior notes	1,013,733	1,070,460	1,138,177	1,217,485
Long-term debts	450,685	338,509	450,685	338,509
Less current portion (note 20)	(288,430)	(706)	(288,430)	(706)
Interest-bearing loans from employees	92	65	92	65
Long-term other loans	(120)	7,397	(120)	7,397
Finance lease obligation (note 16)	199	335	199	335
Total long-term debt	**1,176,159**	**1,416,060**	**1,300,603**	**1,563,085**

On July 13, 2007, the Group issued a 6% Senior Note with maturity in 2017 for an amount of EUR 350 million. The Senior Note has been issued at a price of 99.005% and includes a coupon step-up clause of 0.25% (limited to 1.00% per annum) per downgraded notch per rating agency.

On June 15, 2011, the Group issued a 5.375% Senior Note with maturity in 2021 for an amount of EUR 250 million. The Senior Note has been issued at a price of 99.26% and includes a coupon step-up clause of 0.25% (limited to 1.00% per annum) per downgraded notch per rating agency. The coupon currently amounts to 5.625%.

On June 15, 2011, the Group entered into a EUR 600 million Revolving Credit Facility (as amended and extended as per June 17, 2014) with maturity in 2019.

On June 20, 2013, the Group issued a 5.5% Senior Note with maturity in 2023 for an amount of USD 400 million. The Senior Note has been issued at a price of 98.122% and includes a coupon step-up clause of 0.25% (limited to 1.00% per annum) per downgraded notch per rating agency.

On October 24, 2013, the Group entered into a EUR 175 million Term Loan Facility with maturity in 2016.

On February 25, 2015, the Group entered into a CHF 150 million fixed-rate Term Loan Agreement with Jacobs Holding AG with maturity in 2017.

On June 26, 2015, the Group entered into a CHF 100 million fixed-rate Term Loan Agreement with Jacobs Holding AG with maturity in 2016.

The EUR 350 million Senior Note, the EUR 250 million Senior Note, the EUR 600 million Revolving Credit Facility, the USD 400 million Senior Note and the EUR 175 million Term Loan Facility all rank pari passu. The Senior Notes as well as the EUR 600 million Revolving Credit Facility and the EUR 175 million Term Loan Facility are guaranteed by Barry Callebaut AG and certain of its subsidiaries.

In addition, there exists financial covenants related to the Revolving Credit Facility and the Term Loan Facility which comprise of key figures related to profitability per tonne, interest cover ratio and tangible net worth value.

As a result, the maturity profile of the long-term debt can be summarized as follows:

as of August 31,	2015	2014
in thousands of CHF		
2015/16	–	238,089
2016/17	527,668	431,316
2017/18	3,161	3,826
2018/19	3,095	90,021
2019/20 (and thereafter for 2014)	3,059	652,808
2020/21 and thereafter (for 2015)	639,176	–
Total long-term debt	**1,176,159**	**1,416,060**

The weighted average maturity of the total debt decreased from 5.3 to 4.8 years.

Long-term financial liabilities are to a major extent denominated in EUR, USD and CHF and at fixed interest rates.

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as of August 31,	2015			2014		
Split per currency	Amount	Interest range		Amount	Interest range	
in thousands of CHF		from	to		from	to
EUR	643,223	2.00%	7.11%	1,011,403	1.32%	7.11%
USD	371,253	5.50%	5.50%	378,174	3.00%	5.50%
CHF	149,778	0.82%	0.82%	–	–	–
BRL	–	–	–	13,256	4.50%	8.00%
JPY	11,895	1.67%	1.67%	13,215	1.67%	1.67%
Other	10	6.50%	6.50%	12	6.80%	6.80%
Total long-term debt	**1,176,159**	**0.82%**	**7.11%**	**1,416,060**	**1.32%**	**8.00%**

as of August 31,	2015	2014
in thousands of CHF		
Split fixed/floating interest rate:		
Fixed rate	1,175,606	1,288,732
Floating rate	553	127,328
Total long-term debt	**1,176,159**	**1,416,060**

24 Employee benefit obligations

A. Defined benefit plans

The Group operates, apart from legally required social security schemes, a number of independent defined retirement benefit plans and other post-retirement or long-term employee benefit plans, which conform to local legal and tax requirements. The majority of the Group's reported employee benefit obligations relates to plans located in the U.S., Belgium, United Kingdom, and Switzerland.

Defined benefit plans cover employees and certain family members in the event of retirement, disability, death in service or termination of employment. Other non-retirement-related defined benefit plans in a small number of Group entities include post-retirement benefit plans as well as long-service award plans for active employees. In most cases, these plans are externally funded in vehicles that are legally separate from the employer and operated by external service providers. However, for certain Group entities representing a small minority of the reported employee benefit obligations, no independent plan assets exist for defined benefit plans. For these plans, the related unfunded liability is included in the balance sheet.

The Group's employee benefit schemes are exposed to changes in legislation and to investment return and matching risks, longevity risks and solvency risks. These risks may all require additional contributions and are therefore reviewed on a regular basis by the companies' management or by the relevant Board of Trustees as follows:

- Changes in legislation: monitoring of country-specific legislation changes
- Investment return risk: analysis and optimization of the allocation and performance of assets as well as monitoring of compliance with investment guidelines
- Investment matching risk: analysis and optimization of asset-liability matching and periodic fair valuation of assets and liabilities
- Longevity risk: analysis of mortality assumptions and monitoring of demographic development
- Solvency risk: monitoring of solvency of external solution providers

Employee benefit plans in Switzerland

The retirement benefit plans for all Swiss Group entities are defined benefit plans where contributions are expressed as a percentage of the insured actual salary. Members benefit from a guaranteed minimum interest on accrued savings and conversion rates at retirement in accordance with the Swiss Federal Law on compulsory occupational pension plans (BVG). This law defines the minimum pensionable salary and the minimum retirement credits. In addition to retirement benefits, the Swiss retirement benefit plans also provide for temporary partial or total disability benefits as well as for pre-retirement death benefits including widows' and orphans' benefits.

The benefit plans are outsourced to external insurance companies, which are responsible for the operation of the plan including the allocation of plan assets. The governance and the supervision as well as the responsibility to make changes in the plan lie with a Board of Trustees. It consists equally of employer and employee nominated representatives.

The applicable regulation requires the retirement benefit plans of all Swiss Group entities to be funded on the basis of employer and employee contributions, including risk premiums and savings contributions. In case of under-funding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, or reduction of benefits or combination of both.

Other benefit plans

In the U.S., the Group maintains a retirement benefit plan only for pensioners and deferred pensioners related to a discontinued operation. In addition, the Group offers a defined post-retirement medical benefit plan for active employees. This plan is governed by a Board of Trustees.

In Belgium, the Group operates defined benefit plans for events of retirement, actual and potential early retirement, temporary and permanent disability and death in service as well as a long-service award plan. The retirement benefit plans are funded by a combination of employer and employee contributions as regulated by the Belgian Pension Act.

In the United Kingdom, the Group operates a defined benefit retirement scheme in which members receive benefits based on the final salary with the contributions paid by the employer and the employees. This plan is, however, closed to new entrants and frozen for the existing beneficiaries as of January 31, 2014. As of February 1, 2014, all eligible employees are covered by a defined contribution plan which is run by a Board of Trustees in accordance with the UK Pension legislation.

For all of its defined benefit plans, the Group expects to pay CHF 13.8 million in employer contributions in fiscal year 2015/16.

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The amounts recognized in the Consolidated Balance Sheet are determined as follows:

as of August 31,	2015	2014	2015	2014
in thousands of CHF	Defined benefit pension plans		Other long-term employment benefit plans	
Present value of funded obligations	314,106	302,572	–	–
Fair value of plan assets	(190,045)	(183,017)	–	–
Excess of liabilities (assets) of funded obligations	**124,061**	**119,555**	**–**	**–**
Present value of unfunded obligations	13,301	10,567	11,927	16,871
Net employee benefit obligations recognized in the balance sheet (recognized as a liability)	**137,362**	**130,122**	**11,927**	**16,871**

The changes in the present value of the employee benefit obligations are as follows:

	2014/15	2013/14	2014/15	2013/14
in thousands of CHF	Defined benefit pension plans		Other long-term employment benefit plans	
Present value of defined benefit obligation as of September 1,	**313,139**	**279,683**	**16,871**	**16,166**
Currency translations	402	–	–	–
Current service cost	14,809	13,038	595	887
Past service cost	(2,139)	(2,487)	(3)	–
Remeasurements trough P&L	–	–	(429)	–
Interest expense	9,179	9,565	516	745
Losses (gains) on curtailment	42	3	(251)	112
Total recognized in income statement	**22,293**	**20,119**	**428**	**1,744**
Actuarial losses (gains)	9,296	23,895	–	163
thereof				
Arising from changes in demographic assumptions	3,176	2,305	–	(85)
Arising from changes in financial assumptions	9,049	16,006	–	85
Arising from experience adjustments	(2,929)	5,584	–	163
Total recognized in other comprehensive income	**9,296**	**23,895**	**–**	**163**
Reclassifications	2,185	45	(2,185)	(152)
Exchange differences on foreign plans	(5,440)	282	(2,648)	(289)
Benefits received	4,410	3,237	–	(664)
Benefits paid	(18,476)	(14,122)	(539)	(97)
Total other	**(17,321)**	**(10,558)**	**(5,372)**	**(1,202)**
Present value of defined benefit obligation as of August 31,	**327,407**	**313,139**	**11,927**	**16,871**
thereof				
funded obligations	314,106	302,572	–	–
unfunded obligations	13,301	10,567	11,927	16,871

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The movement in the fair value of plan assets is as follows:

	2015	2014	2015	2014
in thousands of CHF	Defined benefit pension plans		Other long-term employment benefit plans	
Opening fair value of plan assets as of September 1,	**183,017**	**163,306**	**–**	**–**
Currency translations	325	–	–	–
Interest income	4,047	4,599	–	–
Contributions by employees	3,575	3,726	–	–
Total recognized in income statement	**7,947**	**8,325**	**–**	**–**
Return on plan assets excl. interest income	1,439	7,122	–	–
Total recognized in other comprehensive income	**1,439**	**7,122**	**–**	**–**
Unrecognized assets	–	12	–	–
Contributions by employer	12,352	13,168	–	–
Exchange differences on foreign plans	(1,843)	782	–	–
Benefits received	4,410	3,237	–	–
Benefits paid	(17,277)	(12,935)	–	–
Total other	**(2,358)**	**4,264**	**–**	**–**
Fair value of plan assets as of August 31,	**190,045**	**183,017**	**–**	**–**

The plan assets consist of the following categories of securities:

as of August 31.	2015	2014
in thousands of CHF	Defined benefit pension plans	
Equities	77,644	91,538
Bonds	44,742	26,324
Insurance portfolio	58,441	54,935
Cash and other assets	9,218	10,220
Total fair value of plan assets	**190,045**	**183,017**

The plan assets do not include ordinary shares issued by the Company nor any property occupied by the Group or one of its affiliates.

The amounts recognized in the Consolidated Income Statement are as follows:

	2014/15	2013/14	2014/15	2013/14
in thousands of CHF	Defined benefit pension plans		Other long-term employment benefit plans	
Current service costs	14,809	13,038	595	887
Net interest expense	5,132	4,966	516	745
Net currency translations	77	–	–	–
Past service cost	(2,139)	(2,487)	(3)	–
Losses (gains) on curtailments and settlements	42	3	(251)	112
Remeasurements	–	–	(429)	–
Contributions by employees	(3,575)	(3,726)	–	–
Total defined benefit expenses	**14,346**	**11,794**	**428**	**1,744**
Actual return on plan assets	**5,486**	**11,721**	**–**	**–**

in thousands of CHF	2014/15	2013/14
Total defined contribution expenses	**(2,739)**	**(2,605)**

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The defined benefit expenses are recognized in the following line items in the Consolidated Income Statement:

in thousands of CHF	2014/15	2013/14
Cost of goods sold	(2,753)	(1,206)
Marketing and sales expenses	(1,314)	(1,103)
General and administration expenses	(4,548)	(4,196)
Research and development expenses	(379)	(272)
Other income	2	94
Other expenses	(57)	(1,144)
Finance costs	(5,725)	(5,711)
Total defined benefit expenses recognized in income statement	**(14,774)**	**(13,538)**

Actuarial assumptions

Weighted average actuarial assumptions used are as follows:

	2014/15	2013/14	2014/15	2013/14
	Defined benefit pension plans		Other long-term employment benefit plans	
Discount rate	2.6%	3.1%	4.4%	4.6%
Expected rate of pension increase	0.9%	1.0%	0.9%	0.7%
Expected rate of salary increase	0.8%	1.2%	1.2%	1.7%
Medical cost trend rates	0.0%	0.0%	9.0%	2.0%

The applicable mortality tables in the Group's major defined benefit plans and underlying longevity assumptions are summarized in the following table:

Country	Mortality table	2015	2014	2015	2014
		Life expectancy at age 65 for a male member currently aged 65		Life expectancy at age 65 for a female member currently aged 65	
Switzerland	LPP 2010	19	19	21	21
Belgium	MRIFR	18	18	21	21
United Kingdom	S1NMA / S1NFA	18	18	20	20
Medical cost trend rates	RP-2000	18	18	20	20

Sensitivity analysis

Reasonable and possible changes at the reporting date to one of the relevant actuarial assumptions, with all other assumptions held constant, would have affected the defined benefit obligations by the amounts shown below:

as of August 31,	2015	2014	2015	2014
in thousands of CHF	Increase		Decrease	
Discount rate (1% movement)	(58,226)	(47,995)	58,226	47,995
Expected rate of pension increase (1% movement)[1]	(20,037)	–	20,037	–
Expected rate of salary increase (1% movement)	15,876	13,629	(15,876)	(13,629)
Expected rate of future mortality decrease (1% movement)[1]	6,680	–	(6,680)	–

1 The impact of a change in the expected rate of pension increase and the expected rate of future mortality decrease have been calculated in FY 2014/15 for the first time.

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B. Equity compensation benefits

Share awards are granted to participants according to individual contracts and the current employee stock ownership program.

Deferred Share Plan 2011–2014

The former Deferred Share Plan 2011-2014 has reached its end. The remaining tranches of the share awards granted under this plan will continue to vest until fiscal year 2015/16. The cash settlement of the performance-based component of this plan amounting to CHF 10,971,901 occurred in September 2014 but had been fully accrued in the financial statements for the period ended August 31, 2014, and relevant disclosures were made for key management in the previous year. 11,838 share awards were granted in fiscal year 2013/14 (2014/15: zero as the plan was discontinued) with an average fair value of the share awards of CHF 882 per share.

Long-Term Incentive Plan

The new, open-ended deferred share plan called "Long-Term Incentive Plan" or abbreviated "LTIP" was implemented in autumn 2014 for periods starting on or after September 1, 2014. The granting of share awards under the LTIP is based on a target lump sum determined for each plan participant in a discretionary manner by the Board of Directors (BoD) and its Nomination & Compensation Committee (NCC), respectively. To arrive at the number of share awards, the target lump sum determined for each participant in a fiscal year is divided by the average share price of the last three months of the preceding fiscal year. The share awards defined in this way vest in three tranches over three fiscal years, i.e. 30% after one year, 30% after two years and 40% after three years from the granting date. The first two tranches vest subject to the LTIP participant continuing to be employed by Barry Callebaut. The final 40% tranche vests subject to meeting a performance criterion which is defined as the relative performance (3-year Compound Annual Growth Rate) of the Barry Callebaut share versus the share performance of a peer group. The overperformance of the Barry Callebaut share price versus the benchmark share price of the peer group is incentivized by applying a multiplier of 25 on the overperformance in %, whereas in case of underperformance, a multiplier of 12.5 applies. However, a cap and a floor apply at 5% over- or underperformance, so that the vesting for the last tranche can vary between 75% and 150% of the initially determined number of share awards granted, respectively, between 37.5% and 225% of the share awards granted for the final performance related tranche. Share awards to Members of the Executive Committee may only vest to the extent that the actual market value of the share awards to vest in any given year does not exceed 160% of the target lump sum defined at the last grant date for the respective plan participant ("Value Cap").

The share awards granted entitle the participants to full shareholders rights upon vesting. The vesting periods range between one and three years. In case of resignation or dismissal, the initially granted, but not yet vested share awards are forfeited. The Group currently uses treasury shares for this program.

The fair value of the share awards granted in the first and second (not performance related) tranche is estimated by taking the market price at grant date less the present value of the expected dividends that will not be received on these rights during the vesting period. 5,348 share awards were granted in fiscal year 2014/15 with an average fair value of CHF 992.

The fair value of the share awards granted in relation to the third, performance-related tranche is assessed as per grant date based on a valuation performed by experts applying the "Monte Carlo simulation" method. In fiscal year 2014/15, 2,600 share awards with an average fair value of CHF 782 were granted to members of the Executive Committee and 972 share awards with an average fair value of CHF 942 to other plan participants.

Board of Directors

For the Board of Directors (BoD), share awards are granted outside these plans each year for the respective calendar year by the NCC which determines a fixed number of share awards for the BoD members. The total number of share awards granted for 2014/15 amounted to 2,190 with an average fair value of CHF 1,029 per share (2013/14: 1,760 share awards with an average fair value of CHF 1,055 per share).

Recognition in financial statements

The fair value of the share awards at grant date is recognized over the vesting period as a personnel expense under either of these share plans. For 2014/15, the amount thus recognized (before taxes) was CHF 12.9 million with a corresponding increase in equity (2013/14: CHF 12.8 million). Of the amount recognized in 2014/15, CHF 4.8 million related to the Deferred Share Plan 2011–2014 (2013/14 CHF 11.0 million), CHF 5.8 million to the Long-Term Incentive Plan (2013/14 zero) and CHF 2.3 million to the BoD plan (2013/14 CHF 1.8 million).

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25 Equity

Share

as of August 31,	2015	2014	2013
in thousands of CHF			
Share capital is represented by 5,488,858 (2014: 5,488,858; 2013: 5,488,858) authorized and issued shares of each CHF 18.60 fully paid in (in 2014: 18.60; in 2013: 18.60)	102,093	102,093	102,093

The issued share capital is divided into 5,488,858 registered shares with a nominal value of CHF 18.60 (2014: CHF 18.60). All of the issued shares are fully paid and validly issued and are not subject to calls for additional payments of any kind. The Company has one class of shares, which carries no right to a fixed dividend.

By resolution of the Annual General Meeting on December 10, 2014, the shareholders approved the proposed dividend payment of CHF 15.50 per share, effected through a dividend payment from reserves from capital contributions. The respective payment to the shareholders in the amount of CHF 85,077,300 took place on March 2, 2015.

For fiscal year 2013/14, the payout of CHF 14.50 per share effected through a dividend payment from reserves from capital contributions. The respective payment in the amount of CHF 79,588,441 took place on March 3, 2014.

Treasury shares are valued at weighted average cost and, in accordance with IFRS, have been deducted from equity. The book value of the treasury shares as of August 31, 2015 amounted to CHF 11.6 million (2014: CHF 11.4 million).

The fair value of the treasury shares as of August 31, 2015 amounted to CHF 11.8 million (2014: CHF 11.0 million).

As of August 31, 2015, the number of outstanding shares amounted to 5,477,774 (2014: 5,479,102) and the number of treasury shares to 11,084 (2014: 9,756). During this fiscal year, 15,443 shares have been purchased, 14,115 transferred to employees under the employee stock ownership program and 0 sold (2013/14: 17,287 purchased; 11,291 transferred and 0 sold).

Retained earnings

As of August 31, 2015, retained earnings contain legal reserves of CHF 32.0 million (2014: CHF 31.9 million), which are not distributable to the shareholders pursuant to Swiss law.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Cumulative translation adjustments comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

Movements in non-controlling interests

in thousands of CHF	2014/15	2013/14
as of September 1,	**5,085**	**3,743**
Non-controlling share of profit/(loss)	2,657	2,615
Dividend paid to non-controlling shareholders	(2,223)	(917)
Capital increase[1]	8,855	–
Currency translation adjustment	(103)	(356)
as of August 31,	**14,271**	**5,085**

1 The capital increase has been effected trough a debt-equity swap without cash impact

The non-controlling interests are individually not material for the Group.

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26 Financial risk management

The nature of its business exposes the Group to a variety of financial risks including the effects of changes in market prices (commodity prices, foreign exchange rates, interest rates) as well as credit risks and liquidity risks.

The Group's overall strategy for managing these risks is consistent with the Group's objectives to maintain cost leadership, reduce earnings volatility in a cost-effective manner and minimize potential adverse effects of such market exposures on the financial performance of the Group. The Group's risk management continuously monitors the entities' exposures to commodity price risk, foreign currency risk and interest rate risk as well as the use of derivative instruments.

The Group manages its business based on the following two business models:

- Contract Business: sales contracts for cocoa ingredients and industrial or gourmet chocolate, where Barry Callebaut has entered into contracts with customers to deliver fixed quantities at fixed prices. These contractually fixed prices are generally based on the forward market prices of the raw material components valid at the contract date for the forward delivery date, at which the cocoa ingredients or chocolate is planned to be delivered to the customers.
- Price List Business: Barry Callebaut sets price lists for certain gourmet products. These price lists are normally updated at intervals of six to twelve months. Customers buy products based on the issued price lists without fixed commitments on quantities.

1 Commodity price risks

a) Commodity risk management

The Group Commodity Risk Committee (GCRC) is a committee consisting of key risk management stakeholders of the Group who meet on a regular basis (at least every six weeks) to discuss Group Commodity Risk Management issues. The GCRC monitors the Group's Commodity Risk Management activities and acts as the decision-taking body for the Group in this respect. The members of the GCRC include the Group's Chief Executive Officer (CEO), the Group's Chief Financial Officer (CFO) – acting as Chairman of the committee –, the President of Global Cocoa, and the Head of Group Reporting & Risk Management (GRM).

The GCRC reports via the GRM to the Group's Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) and must inform the latter about key Group Commodity Risk issues and the key mitigation decisions taken. The AFRQCC reviews and approves GCRC requests and makes sure that the commodity risk management strategy is consistent with the Group's objectives. It also sets the Group's Value at Risk (VaR) limit for the major raw material components. The AFRQCC makes recommendations to the Board of Directors if deemed necessary and advises the Board of Directors on important risk matters and/or asks for approval.

In order to quantify and manage the Group's consolidated exposure to commodity price risks, the concept of historical VaR is applied. The VaR concept serves as the analytical instrument for assessing the Group's commodity price risk incurred under normal market conditions. The VaR indicates the loss which, within a time horizon of ten days for raw materials, will not be exceeded at a confidence level of 95%, using seven years of historical market prices for each major raw material component. The VaR is complemented through the calculation of the expected shortfall and worst cases as well as the use of stress test scenarios.

However, liquidity, credit and fuel price risks are not included in the calculation, and the VaR is based on a static portfolio during the time horizon of the analysis. The GCRC breaks down the Group VaR limit into VaR limits for Global Cocoa and for Global Sourcing. The heads of Global Cocoa and Global Sourcing allocate limits in metric tons to the related risk reporting units. The Board of Directors is the highest approval authority for all Group Commodity Risk Management (GCRM) matters and approves the GCRM Policy as well as the Group VaR limit.

The VaR framework of the Group is based on the standard historical VaR methodology; taking 2,000 days (equivalent to seven years) of the most recent prices, based on which the day-to-day relative price changes are calculated. This simulation of past market conditions is not predicting the future movement in commodity prices. Therefore, it does not represent actual losses. It only represents an indication of the future commodity price risks. VaR is applied to materials with prices considered to exceed certain volatility levels (cocoa beans and cocoa products, dairy products, sugar and sweeteners, nuts, oils and fats). As of August 31, 2015, the Group had a total VaR for raw materials of CHF 12.7 million (2014: CHF 24.9 million) well within the Group limit.

b) Cocoa price risk and the Group's hedging strategy

The manufacturing of the Group's products requires raw materials such as cocoa beans, sweeteners, dairy, nuts, oil and fats. Therefore, the Group is exposed to commodity price risks. In this respect, the Group's purchasing and sourcing centers make sourcing and risk management decisions for cocoa beans, semi-finished cocoa products and non-cocoa raw materials including hedging commodity price risk exposures. Within the overall limits as defined by the AFRQCC, the Group's purchasing and sourcing centers can also act as a broker-trader with the objective to generate profits from fluctuations in raw material prices or broker-trader margins.

The fair value of the Group's open sales and purchase commitments and inventory changes are continuously in line with price movements in the respective commodity markets. It is the Group's policy to hedge its cocoa price risk resulting from its inventory, cocoa derivatives and purchase and sales contracts. The cocoa price risk component in cocoa stock and purchase and sales contracts and chocolate stocks and sales contracts is hedged with exchange traded or over-the-counter cocoa bean derivatives applying fair value hedge accounting. The Group also applies cash flow hedge accounting whereby the cocoa price risk and foreign exchange risk from forecasted cocoa sales are hedged with cocoa bean futures and foreign exchange forward contracts.

In order to calculate the cocoa bean price risk exposure, embedded in the various cocoa ingredients and chocolate stocks, purchase and sales contracts, the cocoa processing entities translate the various cocoa ingredient volumes in these positions into cocoa bean equivalent, using technical yields (to calculate, how much cocoa beans are needed to produce those cocoa ingredient volumes). These technical ratios vary according to cocoa ingredient types and cocoa processing units. The chocolate entities calculate the bean equivalent in their positions using the prevailing market/commercial ratios. This is the approach and ratios the entities use according to the Group's risk management strategy when they enter into the appropriate volume of hedging instruments in order to hedge the cocoa bean price risk component in their positions. For cocoa bean positions, the Group uses a hedging ratio of 1:1.

The Group also uses the same hedging ratios in hedge accounting as described above.

The cocoa bean price risk component is contractually specified in the purchase and sales contracts of cocoa ingredients and chocolate products. Therefore, the cocoa bean price risk component is considered separately identifiable and reliably measurable in the Group's hedged items (cocoa ingredients purchase contracts, cocoa stocks, chocolate stocks, cocoa ingredients sales contracts and chocolate sales contracts) as well as in its hedging instruments (cocoa bean futures and other contracts accounted for as derivatives).

Certain ineffectiveness can arise during the hedging process. The main sources of hedge ineffectiveness are considered to be timing differences between entering into the hedged items and into the hedging instruments and differences between the maturity profile of the hedged items and the hedging instruments.

c) Sugar price risk hedges

In 2015, the group applies cash flow hedge accounting for the hedging relationships when it hedges its sugar as well as its foreign exchange risks attributable to its forecasted sugar purchases with sugar futures and with foreign exchange forward contracts respectively. When the Group enters into agreements with sugar suppliers where the price of the forecasted sugar purchases will be indexed to the raw sugar world market price, it hedges these forecasted sugar purchases with sugar futures, using a hedging ratio of 1:1.

The raw sugar world market price risk component is a contractually specified element in the hedged items. Therefore, the raw sugar world market price risk component is considered separately identifiable and reliably measurable in the Group's hedged items (forecasted sugar purchases) as well as in its hedging instruments (sugar futures).

Certain ineffectiveness can arise during the hedging process. The main sources of hedge ineffectiveness are considered to be timing differences between entering into the hedged items and into the hedging instruments and differences between the maturity profile of the hedged items and the hedging instruments.

d) Fuel price risk hedges

In 2015, the Group entered into cash flow hedge relationships to hedge its fuel oil price exposures as well as its foreign exchange risks attributable to its forecasted freight expenditures with fuel oil swaps and with foreign exchange forward contracts respectively, applying a hedging ratio of 50% for the hedging of both risk components.

The Rotterdam IFO 380 Monthly Bunker Price is a separately identifiable and reliably measurable risk component in the forecasted freight expenditures, which is hedged by fuel oil swaps that are indexed to Fuel Oil 3,5 Percent Barges FOB Rotterdam Platt's European prices. The commodities behind both the hedged price component and the prices used in the hedging SWAP's are derivatives of crude oil, and there is a very strong correlation between the movements in the two prices.

Certain ineffectiveness can arise during the hedging process. The main sources of hedge ineffectiveness are considered to be differences between the maturity profile of the hedged items and the hedging instruments and certain potential deviations between the estimated and actual hedging ratio.

The related accounting treatments are explained in the section “Summary of Accounting Policies” under the caption “Derivative financial instruments and hedging activities.”

The following table provides an overview over the periods in which the current cash flow hedges with regards to interest rate risk, cocoa price risk, sugar price risk, fuel oil price risk and foreign exchange risk are expected to impact the Consolidated Income Statement (amounts before taxes).

as of August 31, 2015	First year	Second year	After two years	Total
in thousands of CHF				
Interest rate risk	1,188	1,309	380	2,877
Cocoa price risk	(2,080)	81	–	(1,999)
Sugar price risk	(4,219)	(3,428)	–	(7,647)
Fuel oil price risk	(1,703)	(1,371)	(331)	(3,405)
Foreign exchange risk	636	106	–	742

The amounts recognized within other comprehensive income as at August 31, 2014 regarding cocoa price risk and foreign exchange risk were expected to impact the Consolidated Income Statement within one year.

2 Foreign currency risks

The Group operates across the world and consequently is exposed to multiple foreign currency risks, albeit primarily in EUR, GBP and USD. The Group actively monitors its transactional currency exposures and consequently enters into currency hedges with the aim of preserving the value of assets, commitments and anticipated transactions. The related accounting treatment is explained in the section “Summary of Accounting Policies” under the caption “Derivative financial instruments and hedging activities.”

All risks related to foreign currency exposures of assets and liabilities, certain unrecognized firm commitments and highly probable forecasted purchases and sales are centralized – to the extent possible – within the Group’s centralized treasury department, where the hedging strategies are defined.

Accordingly, the consolidated currency exposures are hedged in compliance with the Group’s Treasury Policy, mainly by means of forward currency contracts entered into with financial institutions of a high credit rating. The Group’s Treasury Policy imposes a dual risk control framework of both open position limits and near-time fair valuation of the net currency exposures. Both levels of control are substantially interlinked, avoiding excessive net currency exposures and substantial volatility in the Consolidated Income Statement.

The Group’s Treasury department is supervised by the Group Finance Committee, which meets on a monthly basis. The Group Finance Committee monitors the Group’s foreign currency risk position and acts as a decision-taking body for the Group in this respect. The Group Finance Committee consists of the Group’s CFO, the Head of Group Controlling, the Group’s Head of Treasury, the Head of Group Reporting & Risk Management, and other Group Finance stakeholders.

The Group’s Treasury Policy, giving guidance on treasury risk management including foreign currency and interest rate risks, is approved and annually reviewed by the AFRQCC. The Group’s Risk Management department reviews the consistency of the Group’s treasury management strategy with the Group’s Treasury Policy and reports the status to the Group’s CFO periodically. The AFRQCC is informed by the CFO about the status and important matters in their quarterly meetings and approves requests of the Group’s Finance Committee on important treasury risk matters including foreign currency risks for recommendation to the Board of Directors. The Board of Directors is the highest approval authority for all Group Treasury Risk Management matters.

The table below provides an overview of the net exposure of EUR, GBP and USD against the main functional currencies in the Group. According to the Group’s Treasury Policy, foreign exchange exposures are hedged as from identification on an intra-day basis in line with the approved exposure limits. In case of deviation from the agreed foreign exchange exposure limits, approval has to be sought from the Group’s Finance Committee. Companies with the same functional currency are shown in one group. EUR exposures of the reporting units in Ivory Coast and Cameroon with functional currency CFA franc are not included, as the CFA franc has an exchange rate pegged to the EUR (EUR long exposures of totally 473 million as per August 31, 2015 and 323 million as per August 31, 2014).

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Net foreign currency exposures

as of August 31,	2015			2014		
Net exposure in thousands of EUR/GBP/USD	EUR	GBP	USD	EUR	GBP	USD
EUR	–	(8,286)	6,642	–	(1,172)	933
CHF	2,293	(717)	3,859	503	1,599	2,312
CAD	(345)	–	(288)	(145)	–	(96)
USD	(3,491)	1,138	–	(3,720)	(338)	–
BRL	(377)	–	956	(1,379)	–	2,951
SGD	–	–	–	(85)	(17)	(735)
CNY	–	–	(2,702)	(3)	–	(1,083)
MYR	46	–	759	(329)	(281)	1,890
RUB	47	–	1,097	(3,645)	–	582
SEK	–	–	–	–	–	–
JPY	(116)	–	(365)	(154)	(56)	(1,656)
Total	**(1,943)**	**(7,865)**	**9,958**	**(8,957)**	**(265)**	**5,098**

In order to quantify and manage the Group's consolidated exposure to foreign currency risks, the concept of historical VaR has been implemented. The VaR concept serves as the analytical instrument for assessing the Group's foreign currency risk incurred under normal market conditions. The VaR indicates the loss, which, within a time horizon of one day, will not be exceeded at a confidence level of 95% using seven years of historical market prices for each major currency pair. The VaR is complemented with the calculation of the expected shortfall and worst cases. The VaR is based on static exposures during the time horizon of the analysis. The simulation of past market conditions is not predicting the future movement in foreign currency rates. Therefore, it does not represent actual losses. It only represents an indication of future foreign currency risks. As of August 31, 2015, the Group had a VaR of CHF 1.4 million (2014: CHF 1.0 million).

Value at Risk per main exposure currencies

as of August 31,	2015	2014
Value at Risk on net exposures in thousands of CHF Total for the Group and per main exposure currencies		
Total Group	**1,394**	**978**
CHF	4	14
EUR	1,418	1,004
USD	95	63
GBP	117	19
Others	65	37
Diversification effect	18%	14%

3 Interest rate risks

The Group is exposed to changes in interest rates through its short- and long-term debt obligations mainly located in the Group's centralized treasury department. The Group's centralized treasury department centrally manages and oversees the financing lines of the Group, and the related interest rate risks and – to the extent possible – provides the necessary liquidity in the required functional currency towards the companies of the Group. Consequently, the Group's debt obligations are adjusted with the real currency mix of the Group's liabilities in order to reflect the correct exposure to interest rates.

It is the Group's policy to manage its interest cost using an optimal mix of fixed and floating rate debt. This is achieved by entering into interest rate derivative instruments, in which it exchanges fixed and floating interest rates. To avoid volatility in the Consolidated Income Statement, cash flow hedge accounting is applied to those derivative instruments.

As described in the caption "Foreign currency risks," the Group's Finance Committee, which meets on a monthly basis, monitors the Group's interest risk positions and acts as a decision-taking body for the Group in this respect.

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The Group's Treasury Policy also covers the management of interest rate risks. As for foreign currency risks, the Group's Risk Management department supervises the compliance of the treasury interest rate risk management strategy with the Group's Treasury Policy and reports the status periodically to the Group's CFO, who informs the AFRQCC in their quarterly meetings. The AFRQCC approves requests from the Group Finance Committee on important treasury matters, including interest rate risks, and provides recommendations thereon to the Board of Directors, which is the highest approval authority for all Group treasury matters.

The following schedule provides an overview of all interest bearing items per year-end closing.

as of August 31,	2015	2014
in thousands of CHF		
Fixed interest bearing items		
Carrying amount of financial liabilities	1,184,941	1,109,435
Reclassification due to interest rate derivative	161,217	180,815
Net fixed interest position	**1,346,158**	**1,290,250**
Floating interest bearing items		
Carrying amount of financial assets	(127,328)	(87,648)
Carrying amount of financial liabilities	670,391	781,735
Reclassification due to interest rate derivative	(161,217)	(180,815)
Net floating interest position	**381,846**	**513,272**

Sensitivity analysis on interest rate risks

The following table shows the impact of a parallel shift of interest rates by 100 basis points (bps) up and 10 bps down on the Group's equity and income statement, net of tax. The calculation is performed on both, the portion of the outstanding debt (excluding the asset-backed securitization program; see note 12) at floating interest rates and the outstanding derivatives exchanging floating into fixed interest rates at the respective year-end. This sensitivity analysis only indicates the potential impact for the respective fiscal year at the prevailing conditions in the financial markets. Consequently, it does not represent actual or future gains or losses, which are strictly managed and controlled, as clearly indicated in the Group's Treasury Policy.

as of August 31,	2015				2014			
Impact on	Income statement		Equity		Income statement		Equity	
in thousands of CHF	100 bps increase	10 bps decrease	100 bps increase	10 bps decrease	100 bps increase	10 bps decrease	100 bps increase	10 bps decrease
Floating rate bearing items	(2,723)	145	–	–	(3,850)	385	–	–
Interest rate swaps	–	–	40,601	(4,328)	–	–	7,767	(785)
Total interest rate sensitivity	**(2,723)**	**145**	**40,601**	**(4,328)**	**(3,850)**	**385**	**7,767**	**(785)**

4 Effect of hedge accounting on the financial position and performance

a) Impact of hedging instruments designated in hedging relationships

The impact of hedging instruments designated in hedging relationships as of August 31, 2015 on the Group's Consolidated Balance Sheet is as follows:

in CHF million unless otherwise noted	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the Consolidated Balance Sheet where the hedging instrument is reported	Fair value changes of the hedging instrument used as a basis to calculate hedge ineffectiveness
		Assets	Liabilities		
Cash flow hedges					
Interest rate risk					
Swaps	564.3	4.8	9.5	Derivative financial assets Derivative financial liabilities	6.8
Cocoa price risk					
Futures contracts	(27.0)	0.6	2.5	Derivative financial assets Derivative financial liabilities	(1.8)
Sugar price risk					
Futures contracts	64.3	–	7.6	Derivative financial liabilities	(7.6)
Fuel oil price risk					
Swaps	16.7	–	3.4	Derivative financial liabilities	(3.4)
Foreign exchange risk					
Forward and futures contracts	76.4	0.9	0.3	Derivative financial assets Derivative financial liabilities	0.6
Fair value hedges					
Cocoa price risk					
Futures contracts	124.2	62.8	74.8	Derivative financial assets Derivative financial liabilities	(23.8)
Foreign exchange risk					
Forward and futures contracts	(283.1)	37.0	52.1	Derivative financial assets Derivative financial liabilities	(21.6)
Monetary items	(3.1)	359.0	362.1	Cash and cash equivalents Trade receivables and other current assets Short-term debt Trade payables and other current liabilities	(23.9)

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b) Impact of hedged items designated in hedging relationships

The impact of hedged items designated in hedging relationships as of August 31, 2015 on the Group's Consolidated Balance Sheet is as follows:

in CHF million	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item		From the accumulated amount of fair value hedge adjustments: part related to hedged items that ceased to be adjusted for hedging gains or losses		Line item in the Consolidated Balance Sheet where the hedged item is reported	Fair value changes of the hedged item used as a basis to calculate hedge ineffectiveness	Cash flow hedge reserve
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities			
Cash flow hedges									
Interest rate risk									
Forecasted interest payments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(6.8)	1.6
Cocoa price risk									
Forecasted cocoa sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.8	(2.2)
Sugar price risk									
Forecasted sugar purchases	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7.4	(6.9)
Fuel oil price risk									
Forecasted fuel oil expenditures	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.9	(2.8)
Foreign exchange risk									
Forecasted purchase and sales transactions denominated in foreign currency	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(1.2)	0.4
Fair value hedges									
Cocoa price risk									
Cocoa and chocolate stocks	909.1		27.9		(0.7)		Inventories	20.0	n/a
Cocoa and chocolate purchase and sales firm commitments	146.4	142.1	146.4	142.1	–	1.9	Derivative financial assets Derivative financial liabilities	3.2	n/a
Foreign exchange risk									
Firm purchase and sales commitments denominated in foreign currency	99.1	59.5	99.1	59.5	0.3	–	Trade receivables and other current assets Trade payables and other current liabilities	43.0	n/a

c) Impact of the hedging relationships on the Consolidated Income Statement and other comprehensive income
The above hedging relationships affected the Consolidated Income Statement and other comprehensive income, as follows:

Cash flow hedges	Change in the fair value of the hedging instrument recognized in other comprehensive income	Hedge ineffectiveness recognized in the Consolidated Income Statement	Line item in the Consolidated Income Statement where the hedge ineffectiveness is reported	Amount reclassified from the cash flow hedge reserve to profit or loss	Line item in the Consolidated Income Statement impacted by the reclassification from cash flow hedge reserve
in CHF million					
Interest rate risk	6.8	–	n/a	(0.8)	Finance costs
Cocoa price risk	(1.4)	0.0	n/a	3.2	Cost of goods sold
Sugar price risk	(7.6)	(0.2)	Cost of goods sold	–	n/a
Fuel oil price risk	(3.1)	–	n/a	–	n/a
Foreign exchange risk	2.3	(0.6)	Cost of goods sold	(1.6)	Cost of goods sold

This table includes the changes in the fair value of the hedging instruments recognized in other comprehensive income throughout the entire fiscal year 2014/15 (also including hedge accounting relationships ended before August 31, 2015). The table in section “4/a Impact of hedging instruments designated in hedging relationships” (refer to column “Fair value changes of the hedging instrument used as a basis to calculate hedge ineffectiveness”) includes the fair value changes on those hedging instruments that are related to hedge accounting relationships, which were still active at August 31, 2015.

Fair value hedges

in CHF million	Hedge ineffectiveness recognized in the Consolidated Income Statement	Line item in the Consolidated Income Statement where the hedge ineffectiveness is reported
Cocoa price risk	(0.6)	Cost of goods sold
Foreign exchange risk	(2.5)	Cost of goods sold

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For sources of hedge ineffectiveness, refer to section Commodity price risks in this note.

The following table provides further information about the effect of cash flow hedges on equity:

in thousands of CHF	Cocoa price risk	Sugar price risk	Fuel oil price risk	Foreign exchange risk	Interest rate risk	Total hedging reserve
as of September 1, 2013	**(3,064)**	**–**	**–**	**2,373**	**2,512**	**1,821**
Movements in the period:						
Gains/(losses) taken into equity	(3,607)	–	–	(2,788)	(6,115)	(12,510)
Transfer to the Consolidated Income Statement for the period	2,764	–	–	(204)	(1,517)	1,043
Income taxes	(254)	–	–	425	2,594	2,765
Currency translation adjustment	(7)	–	–	(109)	16	(100)
as of August 31, 2014	**(4,168)**	**–**	**–**	**(303)**	**(2,510)**	**(6,981)**
as of September 1, 2014	**(4,168)**	**–**	**–**	**(303)**	**(2,510)**	**(6,981)**
Movements in the period:						
Gains/(losses) taken into equity	(1,355)	(7,647)	(3,149)	2,280	6,782	(3,089)
Transfer to the Consolidated Income Statement for the period	3,165	–	–	(1,626)	(753)	786
Thereof:						
Due to hedged cash flows that are no longer expected to occur	–	–	–	–	–	–
Due to hedged item affected the Consolidated Income Statement	3,165	–	–	(1,626)	(753)	786
Income taxes	485	779	347	59	(2,049)	(379)
Currency translation adjustment	(325)	–	3	(36)	154	(204)
as of August 31, 2015	**(2,198)**	**(6,868)**	**(2,799)**	**374**	**1,624**	**(9,867)**

5 Timing, nominal amount and pricing of hedging instruments

As mentioned earlier in this note, the Group's risk management continuously monitors the entities' exposures to commodity price risk, foreign currency risk and interest rate risk as well as the use of derivative instruments.

Information about the maturity of the nominal amount and interest rates attached to the swaps held by the group as of August 31, 2015 to hedge its interest rate risk:

	Period of maturity			
	First year	Second to fifth year	After five years	Total
Nominal amount (CHF million)	–	188.1	376.2	564.3
Average interest rate	–	1.58%	1.17%	

Exchange traded cocoa bean futures and other contracts accounted for as derivatives are designated as hedging instruments under the new hedge accounting model in order to hedge the cocoa price risk components embedded in the chocolate stocks and sales contracts as well as in the cocoa stocks, purchase and sales contracts (being the hedged items).

As of August 31, 2015, the Group held the following cocoa bean futures and other contracts accounted as derivatives to hedge the cocoa price risk exposure on its hedged items:

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	Period of maturity			
	September – December current year	January – May next year	After May next year	Total
Nominal amount (in tonnes, net long/(short))	(51,622)	53,587	25,999	27,964
Average price (in CHF per tonne)	2,983	2,988	2,985	

As described earlier in this note, the Group Commodity Risk Committee (GCRC) monitors the Group's Commodity Risk Management (GCRM) activities, meets on a regular basis (at least every six weeks) to discuss Group Commodity Risk Management issues and acts as the decision-taking body for the Group in this respect.

As of August 31, 2015, the Group held the following sugar futures to hedge the sugar price risk exposure on its forecasted sugar purchases:

	Period of maturity			
	October current year – May next year	July – October next year	After October next year	Total
Nominal amount (in tonnes, long)	85,496	97,232	41,728	224,456
Average price (in CHF per tonne)	272	291	305	

As of August 31, 2015, the Group held the following fuel oil swaps to hedge the fuel oil price risk exposure on its forecasted freight expenditures:

	Period of maturity			
	September current year – June next year	July – December next year	After next year	Total
Nominal amount (in tonnes, long)	16,468	9,145	20,715	46,328
Average price (in CHF per tonne)	349	354	373	

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Information about the foreign exchange forwards and futures in case of the major foreign currency hedging pairs held by the Group as of August 31, 2015 to hedge its foreign exchange risk:

	Period of maturity			
	Current year	Next year	After next year	Total
GBP exposure hedging in entities whose functional currency is EUR				
Nominal amount (CHF million, long/(short))	87.7	(260.2)	(3.5)	(176.0)
Average foreign exchange rate (EUR/GBP)	0.727	0.724	0.729	
USD exposure hedging in entities whose functional currency is EUR				
Nominal amount (CHF million, long/(short))	(108.6)	17.9	15.8	(74.9)
Average foreign exchange rate (EUR/USD)	1.140	1.125	1.134	
GBP exposure hedging in entities whose functional currency is USD				
Nominal amount (CHF million, long/(short))	34.8	(60.1)	3.4	(21.9)
Average foreign exchange rate (USD/GBP)	0.643	0.642	0.645	
USD exposure hedging in entities whose functional currency is BRL				
Nominal amount (CHF million, long/(short))	(2.3)	–	–	(2.3)
Average foreign exchange rate (BRL/USD)	0.293	–	–	

6 Credit risk and concentration of credit risk

Credit risk arising from customers, i.e. the risk of counter parties defaulting, is governed by the Group's credit management policy. This policy defines the Group's credit management process such as the roles and responsibilities of the regional credit control organization, the initial customer account approval, setting and changing credit limits and payment terms, regular monitoring controls, collection effort process, credit insurance procedures and credit allowances. System embedded controls ensure that new customer orders and deliveries are not processed if a specific customer credit limit is breached due to outstanding or overdue open amounts. Further, the Group has a credit insurance program whereby all customers with outstanding amounts larger than 70k EUR are insured as far as possible. The total amount of all uninsured customers is monitored on a monthly basis by Group's Insurance Department and reported to the Group's Finance Committee and the Audit, Finance, Risk, Quality and Compliance Committee.

The Group's credit risk also arises from derivative financial instruments, i.e. foreign exchange derivatives, interest rate derivatives, and commodity derivatives. The Group has foreign exchange and interest rate derivatives with 10–15 banks acting on an international scale and having sound credit ratings. In case of commodity derivatives, the Group enters into future deals in the New York and the London terminal markets, mainly with 5–6 counterparties, and the open positions per counterparty offset each other to a large extent leading to limited minimal open balances (as also represented by the similar value of derivative financial assets and liabilities on the balance sheet). Counterparty exposures towards such financial institutions and referring limit utilization is monitored on a regular basis by the Group's centralized treasury department and reported to the Group's Finance Committee and the Audit, Finance, Risk, Quality and Compliance Committee.

As of August 31, 2015, the largest customer represents 9% (2014: 9%) whereas the ten biggest customers represent 27% (2014: 23%) of trade receivables. Due to the diverse geographic and large customer base, the Group has no material credit risk concentration. The extent of the Group's credit risk exposure is represented on the one hand by the aggregate balance of amounts receivable, reduced by the effects of netting arrangements with counterparties. The maximum nominal credit risk exposure in the event all other parties fail to perform their obligation was CHF 1,111.7 million as of August 31, 2015 (2014: CHF 874.0 million).

Financial assets measured at amortized cost other than trade receivables were assessed individually for impairment allowance and there was no impairment recognized on them in the fiscal year 2014/15.

For the calculation of impairment losses on financial assets, the Group uses a provision matrix as presented below:

	Expected credit loss
Trade receivables	
Not overdue	A percentage of the receivable calculated by taking the annualized Credit Default Swap (CDS) rates of the counterparties, increased by a 25 basis point (bp) premium and pro-rated to the payment term of the receivable.
	In case of customers that do not have a CDS publicly available, the annualized risk premium of their country of domicile is used, also increased by a 25 bp premium and pro-rated to the payment term of the receivable.
Past due less than 90 days	Trade receivables past due less than 90 days are assessed individually for impairment allowance based on expected credit losses or following the approach described above in this table.
Past due more than 90 days	Trade receivables past due more than 90 days are assessed individually for impairment allowance based on expected credit losses or following the approach described above in this table.
Other receivables and short-term deposits	
Not overdue	A percentage of the receivable calculated by taking the annualized CDS rates of the counterparties, increased by a 25 bp premium and pro-rated to the payment term of the receivable.
	In case of counterparties that do not have a CDS publicly available, the annualized risk premium of their country of domicile is used, also increased by a 25 bp premium and pro-rated to the payment term of the receivable.
Past due less than 90 days	Other receivables and short-term deposits past due less than 90 days are assessed individually for impairment allowance based on expected credit losses or following the approach described above in this table.
Past due more than 90 days	Other receivables and short-term deposits past due more than 90 days are assessed individually for impairment allowance based on expected credit losses or following the approach described above in this table.

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The following table summarizes the expected credit losses on the Group's trade receivables at balance sheet date:

Ageing of trade receivables

in thousands of CHF	August 31, 2015	September 1, 2014[1]
Total trade receivables measured at amortized cost	366,116	405,812
Less lifetime expected credit losses for trade receivables	(21,194)	(16,553)
Total trade receivables measured at amortized cost	**344,922**	**389,259**
Of which:		
Not overdue	288,077	367,395
Lifetime expected credit losses for trade receivables not overdue	(845)	(2,316)
Expected credit loss rate	0.29%	0.63%
Past due less than 90 days	48,675	13,311
Lifetime expected credit losses for trade receivables past due less than 90 days	(219)	(143)
Expected credit loss rate	0.45%	1.07%
Past due more than 90 days	29,364	25,106
Lifetime expected credit losses for trade receivables past due more than 90 days	(20,130)	(14,094)
Expected credit loss rate	68.55%	56.14%
Total trade receivables measured at amortized cost	344,922	389,259

1 This table shows the carrying amount and expected credit losses related to trade receivables measured at amortized cost as of September 1, 2014 in line with the recognition and measurement criteria of IFRS 9. For the carrying amount and expected credit losses related to trade receivables measured at amortized cost as of August 31, 2014, based on the recognition and measurement criteria of IAS 39, refer to the Group's 2013/14 Annual Report.

The movements in expected credit losses for trade receivables were as follows:

Movements in impairment provision for trade receivables

in thousands of CHF	2014/15	2013/14
as of September 1,	**16,553**	**13,614**
Changes to expected credit losses on financial assets already recognized at the beginning of the fiscal year	4,376	1,816
Changes to expected credit losses on new financial assets originated during the fiscal year	7,394	2,360
Write-offs	(2,588)	(1,740)
Unused amounts reversed	(2,751)	(1,301)
Currency translation adjustment	(1,790)	(273)
as of August 31,	**21,194**	**14,476**
Effect of transition to IFRS 9 on September 1, 2014	–	2,077
as of September 1, 2014	**–**	**16,553**

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Accordingly, impairment losses for the fiscal year 2014/15 were CHF 9.0 million being the combination of new impairment losses of 11.8 million and reversal of unused impairment allowances of CHF 2.8 million. This value is reported on line "Revenue from sales and services" in the Consolidated Income Statement.

In case of the CHF 2.6 million written off in fiscal year 2014/15, CHF 0.9 million is still subject to enforcement activity.

The Group has insured certain credit risks through a credit insurance policy. A number of customers with significant outstanding amounts are covered by that policy.

The following table provides a breakdown of the trade receivables of the group based on their credit risk profile:

	Gross carrying amount	
in thousands of CHF	as of August 31, 2015	as of September 1, 2014
insured receivables	253,258	263,995
uninsured receivables with an individual balance over CHF 1 million	13,169	11,555
uninsured receivables with an individual balance below CHF 1 million	78,495	113,709
Total	**344,922**	**389,259**

As described in the Summary of accounting policies section, the Group measures the loss allowance for all of its receivables at an amount equal to the lifetime expected credit losses.

7 Liquidity risk

Liquidity risk arises through a surplus of financial obligations over available financial assets due at any point in time. The Group's liquidity is ensured by means of regular Group-wide monitoring and planning of liquidity coordinated by Group's centralized treasury department. Financing needs are covered through a combination of adequate credit lines with financial institutions as well as through short-term and long-term debt capital market products (see note 23).

Contractual maturities

The table below provides an overview of contractual maturities for financial liabilities and derivatives.

as of August 31, 2015	In the first year	In the second to the fifth year	After five years	Contractual amount
in thousands of CHF				
Non-derivative financial liabilities				
Bank overdrafts	(33,266)	–	–	(33,266)
Short-term debt	(645,907)	–	–	(645,907)
Trade payables	(651,979)	–	–	(651,979)
Long-term debt	(60,295)	(708,467)	(731,972)	(1,500,734)
Other liabilities	(238,127)	–	–	(238,127)
Derivatives				
Interest rate derivatives	(3,140)	(15,387)	14,615	(3,912)
Currency derivatives				
Inflow	5,024,769	115,704	–	5,140,473
Outflow	(4,836,584)	(58,008)	–	(4,894,592)
Commodity derivatives (gross settled)				
Inflow	1,210,472	144,766	–	1,355,238
Outflow	(1,524,788)	(14,063)	–	(1,538,851)
Commodity derivatives (net settled)				
Inflow	89,003	2,357	–	91,360
Outflow	(245,982)	(149)	–	(246,131)
Total net	**(1,915,824)**	**(533,247)**	**(717,357)**	**(3,166,428)**

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as of August 31, 2014	In the first year	In the second to the fifth year	After five years	Contractual amount
in thousands of CHF				
Non-derivative financial liabilities				
Bank overdrafts	(17,559)	–	–	(17,559)
Short-term debt	(457,551)	–	–	(457,551)
Trade payables	(605,860)	–	–	(605,860)
Long-term debt	(152,798)	(879,381)	(782,867)	(1,815,046)
Other liabilities	(176,200)	–	–	(176,200)
Derivatives				
Interest rate derivatives	(3,194)	(9,052)	–	(12,246)
Currency derivatives				
Inflow	5,366,038	104,113	–	5,470,151
Outflow	(5,277,080)	(102,994)	–	(5,380,074)
Commodity derivatives (gross settled)				
Inflow	1,199,909	63,954	–	1,263,863
Outflow	(2,008,522)	–	–	(2,008,522)
Commodity derivatives (net settled)				
Inflow	59,275	–	–	59,275
Outflow	(158,591)	–	–	(158,591)
Total net	**(2,232,133)**	**(823,360)**	**(782,867)**	**(3,838,360)**

8 Fair value of financial instruments

a) Methods and assumptions

The carrying value of the following financial instruments approximates fair value because of the short period to maturity:

- Cash and cash equivalents
- Bank overdrafts
- Short-term deposits
- Short-term debt
- Other receivables and payables representing financial instruments

Therefore, in the fair value disclosures in this section, their fair value is considered the same as their book value.

Long-term debt

In calculating the fair value of long-term debts, future principal and interest payments are discounted at market interest rates.

Derivative financial assets and liabilities

The fair value measurement of some derivatives requires assumptions and management's assessment of certain market parameters. Whenever possible, fair valuation is based on market prices. If required, a valuation model (including discounted cash flows, dealer or supplier quotes for similar instruments or recent arm's-length transactions) is used which takes into account the specific characteristics of the underlying assets or commodities such as the cost of carry, differentials for the properties and technical ratios reflecting production yield.

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Carrying amount and fair value of each class of financial asset and liability are presented in the table below:

as of August 31, 2015	Financial assets (mandatorily) measured at fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities (mandatorily) measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
in thousands of CHF						
Cash and cash equivalents	–	125,151	–	–	125,151	125,151
Short-term deposits	–	2,177	–	–	2,177	2,177
Trade receivables	73,893	344,922	–	–	418,815	418,815
Derivative financial assets[1]	498,514	–	–	–	498,514	498,514
Other assets	–	148,136	–	–	148,136	148,136
Total assets	**572,407**	**620,386**	**–**	**–**	**1,192,793**	**1,192,793**
Bank overdrafts	–	–	–	33,266	33,266	33,266
Short-term debt	–	–	–	645,907	645,907	645,907
Trade payables	–	–	–	651,979	651,979	651,979
Derivative financial liabilities[1]	–	–	453,694	–	453,694	453,694
Long-term debt	–	–	–	1,176,159	1,176,159	1,300,602
Other liabilities	–	–	–	238,127	238,127	238,127
Total liabilities	**–**	**–**	**453,694**	**2,745,438**	**3,199,132**	**3,323,575**

1 From the value of Derivative financial assets and Derivative financial liabilities as of August 31, 2015, CHF 161.6 million and CHF 4.1 million, respectively, relates to the fair value of executory contracts measured at fair value using the fair value option.

as of September 1, 2014[1]	Financial assets (mandatorily) measured at fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities (mandatorily) measured at fair value through profit or loss	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
in thousands of CHF						
Cash and cash equivalents	–	85,496	–	–	85,496	85,496
Short-term deposits	–	2,152	–	–	2,152	2,152
Trade receivables	64,060	389,259	–	–	453,319	453,319
Derivative financial assets	336,029	–	–	–	336,029	336,029
Other assets	–	89,922	–	–	89,922	89,922
Total assets	**400,089**	**566,829**	**–**	**–**	**966,918**	**966,918**
Bank overdrafts	–	–	–	17,559	17,559	17,559
Short-term debt	–	–	–	457,551	457,551	457,551
Trade payables	–	–	–	605,860	605,860	605,860
Derivative financial liabilities	–	–	322,856	–	322,856	322,856
Long-term debt	–	–	–	1,416,060	1,416,060	1,563,085
Other liabilities	–	–	–	176,200	176,200	176,200
Total liabilities	**–**	**–**	**322,856**	**2,673,230**	**2,996,086**	**3,143,111**

1 This table shows the carrying amount and fair value of financial assets and liabilities as of September 1, 2014 in line with the recognition and measurement criteria of IFRS 9. For the carrying amount and fair value of financial assets and liabilities as of August 31, 2014, based on the recognition and measurement criteria of IAS 39, refer to the Group's 2013/14 Annual Report.

b) Fair value hierarchy of financial instruments
The fair value measurements of financial assets and liabilities are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.
The fair value hierarchy has the following levels:

- Level 1: The fair value is based on unadjusted, quoted prices in active markets which give the best possible objective indication for the fair value of a financial asset or liability. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those

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prices represent actual and regularly occurring market transactions on an arm's-length basis.

- Level 2: The estimation of the fair value is based on the results of a valuation model. The valuation model for commodity derivatives includes quoted prices in active markets, recent arm's-length transactions or dealer and supplier quotes adjusted for the specific characteristics of the underlying commodities such as the cost of carry, differentials for the properties and conversion yields. Corroborated market data is used for the valuation of foreign exchange and interest rate derivatives. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: The valuation models used are based on parameters and assumptions not observable on the market.

The following table summarizes the use of level with regard to financial assets and liabilities which are measured at fair value:

as of August 31, 2015	Level 1	Level 2	Level 3	Total
in thousands of CHF				
Trade receivables	–	–	73,893	73,893
Derivative financial assets[1]	47,603	450,911	–	498,514
Derivative financial liabilities[1]	57,662	396,032	–	453,694
Long-term debt	1,138,177	162,425	–	1,300,602

1 From the value of Derivative financial assets and Derivative financial liabilities as of August 31, 2015, CHF 161.6 million and CHF 4.1 million, respectively, relates to the fair value of executory contracts measured at fair value using the fair value option. The fair value of each executory contract measured at fair value using the fair value option was calculated using the methods described in Level 2.

as of September 1, 2014[1]	Level 1	Level 2	Level 3	Total
in thousands of CHF				
Trade receivables	–	–	64,060	64,060
Derivative financial assets	38,544	297,485	–	336,029
Derivative financial liabilities	40,501	282,355	–	322,856
Long-term debt	–	1,563,086	–	1,563,086

1 This table shows the use of levels with regards to financial assets and liabilities that are measured at fair value as of September 1, 2014 in line with the recognition and measurement criteria of IFRS 9. For the use of levels with regards to financial assets and liabilities that are measured at fair value as of August 31, 2014, based on the recognition and measurement criteria of IAS 39, refer to the Group's 2013/14 Annual Report.

The value of the Trade receivables measured at fair value as of September 1, 2014 and August 31, 2015 (CHF 64,060 thousand and CHF 73,893 thousand, respectively) was calculated using a discounted cash flow method based on the nominal value and the discount rates between the Group and the counterparty.

There have been no transfers between the fair value hierarchy levels during the fiscal years 2014/15 and 2013/14.

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9 Capital management

The Group continues to apply its policy to maintain a sound capital base to support the continued development of the business. The Board of Directors seeks to maintain a prudent balance between debt and equity. In compliance with bank covenants, there is also a minimum Tangible Net Worth value (Equity – Intangible assets) set at CHF 500 million.

The target payout ratio to shareholders is set at 30–35% of the net profit in the form of a share capital reduction and repayment and/or dividend. Dividends will be paid from reserves from capital contributions as long as such remain available. The target ratio and the form of the payout recommended by the Board are reviewed on an annual basis and are subject to the decision of the Annual General Meeting of Shareholders.

The Group's subsidiaries have complied with applicable local statutory capital requirements.

10 Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangement and similar agreements:

				Related amounts not set off in the balance sheet		
as of August 31, 2015	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial liabilities/assets set off in the balance sheet	Net amounts of financial assets/liabilities presented in the balance sheet	Financial instruments	Cash collateral received or deposited	Net amount
in thousands of CHF						
Derivative financial assets	715,454	(216,940)	498,514	(46,162)	(5,132)	447,220
Derivative financial liabilities	670,634	(216,940)	453,694	(46,162)	(68,989)	338,543

				Related amounts not set off in the balance sheet		
as of August 31, 2014	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial liabilities/assets set off in the balance sheet	Net amounts of financial assets/liabilities presented in the balance sheet	Financial instruments	Cash collateral received or deposited	Net amount
in thousands of CHF						
Derivative financial assets	581,657	(245,628)	336,029	(24,648)	(3,666)	307,715
Derivative financial liabilities	568,484	(245,628)	322,856	(24,648)	(44,223)	253,985

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

Per the terms of each agreement, an event of default includes failure by a party to make payment when due; failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within periods of 30 to 60 days after notice of such failure is given to the party; or bankruptcy. The cash collateral received and deposited are reported on lines "Trade payables and other current liabilities" and "Trade receivables and other current assets" in the Consolidated Balance Sheet.

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27 Related parties

The following shareholders hold a participation of more than 3% of the issued share capital of the Group's ultimate parent Barry Callebaut AG:

as of August 31,	2015	2014
Jacobs Holding AG, Zurich, Switzerland	50.11%	50.11%
Renata Jacobs	8.48%	8.48%
Massachusetts Mutual Life Insurance Company[1]	3.09%	3.05%

1 Including all subsidiaries controlled by the parent company. For further details, see the respective notification published on July 25, 2015 via SIX Exchange Regulation: https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Significant transactions and balances between the Group and related parties are as follows:

in thousands of CHF	Nature of cost/revenue	2014/15	2013/14
Purchases from related parties		**–**	**(6,361)**
African Organic Produce AG[1]	Cost of goods sold	–	(6,361)
Operating expenses charged by related parties		**(5,227)**	**(5,092)**
Jacobs Holding AG	Management services	(2,015)	(1,535)
Adecco Group	Human resources services	(3,112)	(3,456)
Other		(100)	(101)
Trade payables to related parties		**680**	**1,038**
Jacobs Holding AG		135	7
Adecco Group		520	887
Other		25	144
Debt instruments due to related parties		**249,694**	**99,367**
Jacobs Holding AG		249,694	99,367

1 On February 18, 2014, the Group acquired the remaining 51% of Biolands Group, including its entity African Organic Produce AG, and thus fully consolidates all Biolands entities as of this date. Purchases from African Organic Produce AG in the financial year 2013/14 until the time of the acquisition are therefore reported as purchases from related parties.

Compensation of key management personnel

The key management personnel is defined as the Board of Directors and the Executive Committee. Key management compensation consists of the following:

in million CHF	2014/15	2013/14
Short-term employee benefits	9.8	16.8
Post-employment benefits	2.3	1.7
Share-based payments	10.3	9.8
Total	**22.4**	**28.3**

Further details related to the requirements of the Swiss Transparency law (Art. $663b^{bis}$ and 663c Swiss Code of Obligations) are disclosed in note 6 in the Financial Statements of Barry Callebaut AG and in the Remuneration Report.

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28 Commitments and contingencies

Capital commitments

as of August 31, in thousands of CHF	2015	2014
Property, plant & equipment	5,400	12,368
Intangible assets	1,625	3,093
Total capital commitments	**7,025**	**15,461**

Operating lease commitments

Operating lease commitments represent rentals payable by the Group for certain vehicles, equipment, buildings and offices. Equipment and vehicle leases were negotiated for an average term of 2.2 years (2013/14: 2.4 years).

The future aggregate minimum lease payments under non-cancelable operating leases are due as follows:

as of August 31, in thousands of CHF	2015	2014
In the first year	16,228	17,579
In the second to the fifth year	42,667	38,610
After five years	20,800	23,215
Total future operating lease commitments	**79,695**	**79,404**

in thousands of CHF	2014/15	2013/14
Lease expenditure charged to the statement of income	16,767	18,198

Contingencies

Group companies are involved in various legal actions and claims as they arise in the ordinary course of the business. This includes claims from customers for product liability and recalls, which are generally covered by a global insurance policy. Provisions have been made, where quantifiable, for probable outflows not covered by insurance. In the opinion of management, after taking appropriate legal advice, the future settlements of such actions and claims will not have a material effect on the Group’s financial position.

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29 Group entities

The principal subsidiaries of Barry Callebaut as of August 31, 2015, are the following:

Country	Subsidiary	Municipality of registration	%-owned	Currency	Capital
Switzerland	Barry Callebaut Sourcing AG	Zurich	100	CHF	2,000,000
	Barry Callebaut Schweiz AG	Dübendorf	100	CHF	4,600,000
	Barry Callebaut Cocoa AG	Zurich	100	CHF	100,000
	Barry Callebaut Management Services AG	Zurich	100	CHF	100,000
	African Organic Produce AG	Zurich	100	CHF	100,000
Belgium	Barry Callebaut Services N.V.	Lebbeke-Wieze	100	EUR	929,286,000
	Barry Callebaut Belgium N.V.	Lebbeke-Wieze	100	EUR	61,537,705
	International Business Company Belgium B.V.B.A.	Kortrijk (Heule)	100	EUR	65,000
	Pierre Iserentant SA	Thimister-Clermont	100	EUR	260,908
Brazil	Barry Callebaut Brasil SA	São Paulo	100	BRL	71,600,810
Cameroon	Société Industrielle Camerounaise des Cacaos SA	Douala	78.35	XAF	1,147,500,000
	SEC Cacaos SA	Douala	100	XAF	10,000,000
Canada	Barry Callebaut Canada Inc.	St.-Hyacinthe	100	CAD	2,000,000
Chile	Barry Callebaut Chile SpA	Santiago	100	CLP	3,001,000,000
China	Barry Callebaut (Suzhou) Chocolate Co., Ltd.	Suzhou	100	USD	205,091,078
	Barry Callebaut (Suzhou) Chocolate R&D Center Co., Ltd.	Suzhou	100	USD	13,966,280
Côte d'Ivoire	Société Africaine de Cacao SA	Abidjan	100	XAF	25,695,651,316
	Barry Callebaut Négoce SA	Abidjan	100	XAF	3,700,000,000
	Biopartenaire SA	Yamoussoukro	100	XAF	200,000,000
Czech Republic	Barry Callebaut Czech Republic s.r.o.	Prague-Vinohrady	100	CZK	200,000
Denmark	Barry Callebaut Denmark ApS	Hostebro	100	DKK	500,000
Ecuador	Barry Callebaut Ecuador SA	Guayaquil	100	USD	50,000
France	Barry Callebaut Manufacturing France SAS	Hardricourt	100	EUR	6,637,540
	Barry Callebaut France SAS	Hardricourt	100	EUR	67,900,000
	Barry Callebaut Nord Cacao SAS	Gravelines	100	EUR	3,307,000
Germany	Barry Callebaut Deutschland GmbH	Norderstedt	100	EUR	77,600
	C.J. van Houten & Zoon Holding GmbH	Norderstedt	100	EUR	72,092,155
	Schloss Marbach GmbH	Öhningen	100	EUR	1,600,000
	Barry Callebaut Manufacturing Norderstedt GmbH & Co. KG	Norderstedt	100	EUR	50,100
	Barry Callebaut Cocoa Germany GmbH	Hamburg	100	EUR	25,000
Ghana	Barry Callebaut Ghana Ltd.	Tema	100	USD	9,204,219
Great Britain	Barry Callebaut Manufacturing (UK) Ltd.	Banbury, Oxfordshire	100	GBP	15,467,852
	Barry Callebaut (UK) Ltd.	Banbury, Oxfordshire	100	GBP	3,200,000
	Barry Callebaut Vending UK Ltd.	Chester	100	GBP	40,000
Hong Kong	Van Houten (Asia Pacific) Ltd.	Hong Kong	100	HKD	2
India	Barry Callebaut India Private Ltd.	Maharashtra	100	INR	268,400,000
Indonesia	P.T. Barry Callebaut Comextra Indonesia	Makassar	60	IDR	30,750,000
	P.T. Papandayan Cocoa Industries	Bandung	100	USD	40,000,000
	P.T. Barry Callebaut Indonesia	Bandung	100	IDR	12,593,000
Italy	Barry Callebaut Italia S.p.A.	Assago	100	EUR	104,000
	Barry Callebaut Manufacturing Italy Srl.	Milano	100	EUR	2,646,841
	Dolphin Srl.	Milano	100	EUR	110,000
Japan	Barry Callebaut Japan Ltd.	Amagasaki	100	JPY	835,000,000

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Country	Subsidiary	Municipality of registration	%-owned	Currency	Capital
Malaysia	Barry Callebaut Malaysia Sdn Bhd	Petaling Jaya	100	MYR	35,000,000
	Selbourne Food Services Sdn Bhd	Petaling Jaya	100	MYR	500,000
	Barry Callebaut Services Asia-Pacific Sdn Bhd	Petaling Jaya	100	MYR	16,000,000
	Delfi Cocoa (Malaysia) Sdn Bhd	Johor Bahru	100	MYR	–
Mexico	Barry Callebaut Mexico Distributors SA de CV	Escobedo N.L.	100	MXN	117,196,530
	Barry Callebaut Servicios SA de CV	Escobedo N.L.	100	MXN	50,000
	Barry Callebaut Mexico, S. de R.L. de CV	Monterrey	100	MXN	11,000,000
	Barry Callebaut Cocoa Mexico SA de CV	Monterrey	100	MXN	107,795
	Barry Callebaut Management Services Mexico de CV	Monterrey	100	MXN	107,795
Philippines	Cocoa Ingredients (Philippines) Inc.	Makati City	100	PHP	8,114,000
Poland	Barry Callebaut Manufacturing Polska Sp. z o.o.	Lodz	100	PLN	10,000,000
	Barry Callebaut Polska Sp. z o.o.	Lodz	100	PLN	50,000
	Barry Callebaut SSC Europe Sp. Z.o.o.	Lodz	100	PLN	2,000,000
Russia	Barry Callebaut NL Russia LLC	Moscow-Chekhov	100	RUB	800,000,000
	Gor Trade LLC	Moscow-Chekhov	100	RUB	58,000,000
Serbia	Barry Callebaut South East Europe d.o.o.	Belgrade	100	RSD	1,185,539
Sierra Leone	Bio United Ltd.	Freetown	100	SLL	114,000,000
Singapore	Barry Callebaut Chocolate Asia Pacific Pte Ltd.	Singapore	100	SGD	100,000,000
	Barry Callebaut Cocoa Asia Pacific Pte Ltd.	Singapore	100	USD	244,242,738
	Cocoa Ingredients Holdings Pte Ltd.	Singapore	100	USD	1
	Barry Callebaut Europe Holding Pte Ltd.	Singapore	100	EUR	95,400,000
Spain	Barry Callebaut Ibérica SL	Barcelona	100	EUR	25,000
	Barry Callebaut Manufacturing Ibérica, S.A.U.	Gurb	100	EUR	987,600
	La Morella Nuts S.A.	Castellvell del Camp	100	EUR	344,553
Sweden	Barry Callebaut Sweden AB	Kågeröd	100	SEK	100,000
	ASM Foods AB	Mjölby	100	SEK	2,000,000
Tanzania	Biolands International Ltd.	Moshi	100	TZS	40,000,000
Thailand	Siam Cocoa Products Co., Ltd.	Bangkok	100	THB	125,000,000
The Netherlands	Barry Callebaut Nederland B.V.	Zundert	100	EUR	21,435,000
	Barry Callebaut Decorations B.V.	Zundert	100	EUR	18,242
	Hoogenboom Benelux B.V.	Zundert	100	EUR	18,152
	Dings-Décor B.V.	Nuth	70	EUR	22,689
	Barry Callebaut Cocoa Netherlands B.V.	Zaandam	100	EUR	18,000
Turkey	Barry Callebaut Eurasia Gida Sanayi Ve Ticaret Ltd. Sti.	Istanbul	100	TRL	50,000,000
USA	Barry Callebaut Cocoa USA Inc.	Chicago, IL	100	USD	7,663
	Barry Callebaut North America Holding Inc.	Wilmington, DL	100	USD	100,001,001
	Barry Callebaut USA LLC	St. Albans, VT	100	USD	100,190,211

Barry Callebaut has some dormant companies which are not enclosed as principal subsidiaries, e.g. Barry Callebaut Manufacturing Germany GmbH, Barry Callebaut Holding (UK) Ltd, Selbourne, Barry Callebaut Nigeria, Adis Holding Inc., Barry Callebaut USA Holding, Inc., BC USA Service company Inc., Omnigest SAS, Alliance Cacao SA.

Consolidated Financial Statements

30 Risk assessment disclosure required by Swiss law

Group Risk Management

Barry Callebaut's Group Risk Management (GRM) is a corporate function responsible for the group wide Enterprise Risk Management (ERM) process under the direction and as approved by the Audit, Finance, Risk, Quality and Compliance Committee (AFRQCC) of the Board of Directors. The Group's ERM Framework is designed to create an aggregate view on all existing major risks, enabling the Group to systematically evaluate, prioritize and control the Group's risk portfolio.

The ERM is based on the framework of the Committee for Sponsoring Organizations (COSO) and classifies risks into the following major risk categories: Strategic, Operational, Financial and Compliance risks. The Group's ERM is multidimensional in the form that risks are identified, assessed and controlled at the level of Regions and also at the level of specialized Corporate Functions, such as Quality Assurance, Group Finance, Operations & Supply Chain Organization (OSCO), Information Management, Global Human Resources, Innovations, Research and Development and Group Legal. Risk management activities are in the responsibility of Regions and Corporate Functions but overseen and controlled by GRM. Thus, events and risks on all levels can be identified, addressed and managed efficiently and effectively.

Financial risk management is described in more detail in note 26.

The results of the Group's ERM are presented to the Executive Committee and the AFRQCC annually or immediately in case of emergency events or risks.

31 Subsequent events

Approval of the Financial Statements

The Consolidated Financial Statements were authorized for issue by the Board of Directors on November 2, 2015 and are subject to approval by the Annual General Meeting of Shareholders on December 9, 2015.

In response to market conditions and to fully leverage its scale in cocoa, Barry Callebaut will adapt its business model through the Cocoa Leadership project. This multi-year project (until 2018/19), which is one of the company's strategic initiatives announced a year ago, comprises the immediate reduction of production capacity in Port Klang/Malaysia and plans to close the cocoa factory in Bangpakong, Thailand, in January 2016. The restructuring amount cannot yet be determined as the Group is still in discussion with the social partners. It is expected to be in the range of a low double digit CHF million amount.

There are no other subsequent events that would require any modification of the value of the assets and liabilities or additional disclosures.

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Report of the Statutory Auditor to the General Meeting of Shareholders of

Barry Callebaut Ltd, Zurich

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Barry Callebaut Ltd, which comprise the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes on pages 35 to 100 for the year ended 31 August 2015.

Board of Directors' Responsibility
The board of directors is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 August 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

François Rouiller
Licensed Audit Expert
Auditor in Charge

Patricia Bielmann
Licensed Audit Expert

Zurich 2 November 2015

Financial Statements of Barry Callebaut AG

Income Statement

for the fiscal year ended August 31,	2014/15	2013/14
in CHF		
Income		
Dividend income	33,500,000	43,500,000
Finance income	3,114,521	882,102
License income	44,048,739	39,928,580
Management fees	28,323,362	32,619,948
Other income	13,455,111	24,042,542
Total income	**122,441,733**	**140,973,172**
Expenses		
Personnel expenses	(39,387,370)	(50,993,301)
Finance costs	(9,206,786)	(9,795,021)
Depreciation of property, plant and equipment	(515,835)	(436,361)
Amortization of intangible assets	(2,499,301)	(3,971,765)
Unrealized loss on treasury shares	–	(615,138)
Other expenses	(32,307,270)	(40,247,295)
Total expenses	**(83,916,562)**	**(106,058,881)**
Profit before income taxes	**38,525,171**	**34,914,291**
Income taxes	(1,413,367)	(555,066)
Net profit for the year	**37,111,804**	**34,359,225**

Retained earnings

in CHF	2014/15	2013/14
Retained earnings as of September 1,	**1,432,489,439**	**1,406,242,319**
Dividend on treasury shares	27,652	87
Decrease/(increase) of reserve for treasury shares	(143,115)	(8,112,192)
Capital reduction on treasury shares	–	–
Net profit for the year	37,111,804	34,359,225
Retained earnings as of August 31,	**1,469,485,780**	**1,432,489,439**

Financial Statements of Barry Callebaut AG

Balance Sheet

Assets

as of August 31, in CHF	2015	2014
Current assets		
Cash and cash equivalents	110,174	208,890
Treasury shares	10,963,982	10,820,867
Accounts receivable from Group companies	22,475,758	31,064,593
Short-term loans granted to Group companies	73,060	49,311
Other current assets	1,656,806	2,515,073
Total current assets	**35,279,780**	**44,658,734**
Non-current assets		
Property, plant and equipment	1,393,372	1,247,605
Investments in Group companies	2,250,912,768	2,250,912,768
Intangible assets		
Trademarks	168,447	1,609,947
Patents/Product development costs	1,478,337	1,710,399
Other	329,679	626,983
Total non-current assets	**2,254,282,603**	**2,256,107,702**
Total assets	**2,289,562,383**	**2,300,766,436**

Liabilities and shareholders' equity

as of August 31, in CHF	2015	2014
Current liabilities		
Bank overdrafts	7,980	1,572,897
Accounts payable to third parties	2,323,034	2,378,338
Accounts payable to Group companies	43,541,624	9,103,773
Accounts payable to shareholders	135,000	7,125
Short-term loans from Group companies	351,055,795	488,938,491
Accrued liabilities	29,988,493	38,993,041
Accrued taxes	1,124,748	449,219
Total current liabilities	**428,176,674**	**541,442,884**
Non-current liabilities		
Long-term loans from Group companies	150,000,000	–
Total non-current liabilities	**150,000,000**	**–**
Total liabilities	**578,176,674**	**541,442,884**
Shareholders' equity		
Share capital[1]	102,092,759	102,092,759
Legal reserves		
Reserves from capital contributions	102,625,860	187,703,159
Other legal reserves	25,600,070	25,600,070
Reserve for treasury shares	11,581,240	11,438,125
Retained earnings	1,469,485,780	1,432,489,439
Total shareholders' equity	**1,711,385,709**	**1,759,323,552**
Total liabilities and shareholders' equity	**2,289,562,383**	**2,300,766,436**

1 The share capital as of August 31, 2015 consists of 5,488,858 fully paid-in shares at a nominal value of CHF 18.60 as in prior year.

Financial Statements of Barry Callebaut AG

Notes to the Financial Statements

1 Liens, guarantees and pledges in favor of third parties

The Company is a co-debtor for bank loans of max. EUR 775 million (CHF 833.0 million; 2013/2014: CHF 934.2 million) obtained by Barry Callebaut Services N.V., Belgium, whereof the maximal liability is limited to the freely distributable retained earnings (CHF 1,469.5 million less 35% withholding tax). The Company is a co-debtor for related party loans of CHF 150 million obtained by Barry Callebaut Services N.V., Belgium, on February 25, 2015 and of CHF 100 million obtained by Barry Callebaut Services N.V., Belgium, on June 26, 2015. Furthermore, the Company is also a co-debtor to the Senior Notes of EUR 350 million (CHF 376.2 million; 2013/2014: CHF 421.9 million) issued by Barry Callebaut Services N.V., Belgium, on July 13, 2007, to the Senior Notes of EUR 250 million (CHF 268.7 million; 2013/2014 CHF 301.4 million) issued by Barry Callebaut Services N.V., Belgium, on June 15, 2011, as well as to the Senior Notes of USD 400 million (CHF 385.1 million; 2013/2014: CHF 365.9 million) issued by Barry Callebaut Services N.V., Belgium, on June 20, 2013. Additionally, the Company issued several guarantees for various credit facilities granted to direct and indirect subsidiaries for an amount of up to CHF 3,139.7 million (2013/2014: CHF 1,140.4 million).

The Swiss Barry Callebaut entities form a VAT subgroup and, hence, every company participating in the subgroup is liable for VAT liabilities of other subgroup participants.

2 Fire insurance value of property, plant and equipment

as of August 31,	2015	2014
in CHF		
Fire insurance value of property, plant and equipment	**7,380,000**	**8,100,000**

Financial Statements of Barry Callebaut AG

3 Investments

as of August, 31					2015	2014
Name and domicile	Municipale of registration	Share capital		Purpose	Percentage of Investment	
ADIS Holding Inc., Panama	Panama City	CHF	41,624,342	Dormant	100%	100%
Barry Callebaut Belgium N.V., Belgium	Lebbeke-Wieze	EUR	61,537,705	Production, sales	99.99%	99.99%
Barry Callebaut Cocoa AG, Switzerland	Zurich	CHF	100,000	Sales	100%	100%
Barry Callebaut Decorations B.V., The Netherlands	Zundert	EUR	18,242	Production, sales	100%	100%
Barry Callebaut Management Services AG, Switzerland	Zurich	CHF	100,000	Management services	100%	100%
Barry Callebaut Nederland B.V., The Netherlands	Zundert	EUR	21,435,000	Holding	100%	100%
Barry Callebaut Nigeria Ltd., Nigeria	Lagos	NGN	10,000,000	Sales	1%	1%
Barry Callebaut Schweiz AG, Switzerland	Dübendorf	CHF	4,600,000	Production, sales	100%	100%
Barry Callebaut Services N.V., Belgium	Lebbeke-Wieze	EUR	929,286,000	Centralized treasury, management services	99.99%	99.99%
Barry Callebaut Sourcing AG, Switzerland	Zurich	CHF	2,000,000	Sourcing	100%	100%
C.J. van Houten & Zoon Holding GmbH, Germany	Norderstedt	EUR	72,092,155	Holding	100%	100%
Schloss Marbach GmbH, Germany	Öhningen	EUR	1,600,000	Conference and training center	100%	100%

Investments are stated at cost less any allowance for impairment.

4 Treasury shares

The Company held 11,084 treasury shares as of August 31, 2015 (2014: 9,756). In 2014/15, the Company bought 15,443 shares at an average price of CHF 1,055.91 per share (2013/14: 17,287 shares at an average price of CHF 1,078.55) and transferred 14,115 shares at an average price of CHF 1,145.12 per share (2013/14: 11,291 shares transferred at an average price of CHF 887.73). In both years, the Company did not sell any treasury shares. Treasury shares are measured at the lower of cost or market. As of August 31, 2015, the treasury shares have been measured at average price of CHF 1,061.29 per share (2013/14: average price of CHF 1,109.15 per share).

5 Significant shareholders

as of August 31,	2015	2014
Jacobs Holding AG, Zurich, Switzerland	50.11%	50.11%
Renata Jacobs	8.48%	8.48%
Massachusetts Mutual Life Insurance Company[1]	3.09%	3.05%

1 Including all subsidiaries controlled by the parent company. For further details, see the respective notification published on May 6, 2014 via SIX Exchange Regulation: http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html

Financial Statements of Barry Callebaut AG

6 Disclosures according to Art. 663c Code of Obligations

Holding of shares and options[1]

Number of shares as of August 31,	2015	2014
Board of Directors		
Andreas Jacobs (Chairman)[2]	3,760	3,260
Andreas Schmid (Vice Chairman)	7,858	7,678
Ajai Puri	–	360
James L. Donald	1,080	900
Jakob Baer	720	540
Nicolas Jacobs	159,359	159,179
Timothy E. Minges	296	116
Fernando Aguirre	296	116
Wai Ling Liu	–	–
Executive Committee		
Juergen Steinemann, CEO Barry Callebaut Group	10,913	8,063
Victor Balli, CFO Barry Callebaut Group	900	729
Massimo Garavaglia, President Western Europe	–	233
David S. Johnson, President Americas	1,964	2,261
Steven Retzlaff, President Global Cocoa	1,000	628
Dirk Poelman, Chief Operations Officer	1,490	1,274
Peter Boone, Chief Innovation & Quality Officer	4	–

1 Including shares of related parties to the individual BoD/Executive Committee member.
2 Excluding the 50.11% participation held by Jacobs Holding AG (see note 5).

7 Risk assessment disclosures

Barry Callebaut AG as the ultimate parent of the Barry Callebaut Group is fully integrated into the Group-wide Risk Management (GRM) process and the respective Enterprise Risk Management Model.

The Group's general Risk Management process and the Financial Risk Management in particular are described in the Group's Consolidated Financial Statements in notes 26 and 30, respectively.

8 Subsequent events

There are no subsequent events that would require any modification of the value of the assets and liabilities or additional disclosures.

9 Appropriation of available earnings and reserves

The Board of Directors proposes the following appropriation of retained earnings and reserves:

9.1 Allocation from reserves from capital contributions to free reserves

in the amount of CHF 79,588,441.

9.2 Dividend payout of CHF 14.50 per share out of the free reserves as per note 9.1

in the amount of CHF 79,588,441.

9.3 Carry-forward of the balance of retained earnings

of CHF 1,469,485,780.

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Report of the Statutory Auditor to the General Meeting of Shareholders of

Barry Callebaut Ltd, Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Barry Callebaut Ltd, which comprise the balance sheet, income statement and notes on pages 102 to 106 for the year ended 31 August 2015.

Board of Directors' Responsibility
The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 August 2015 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

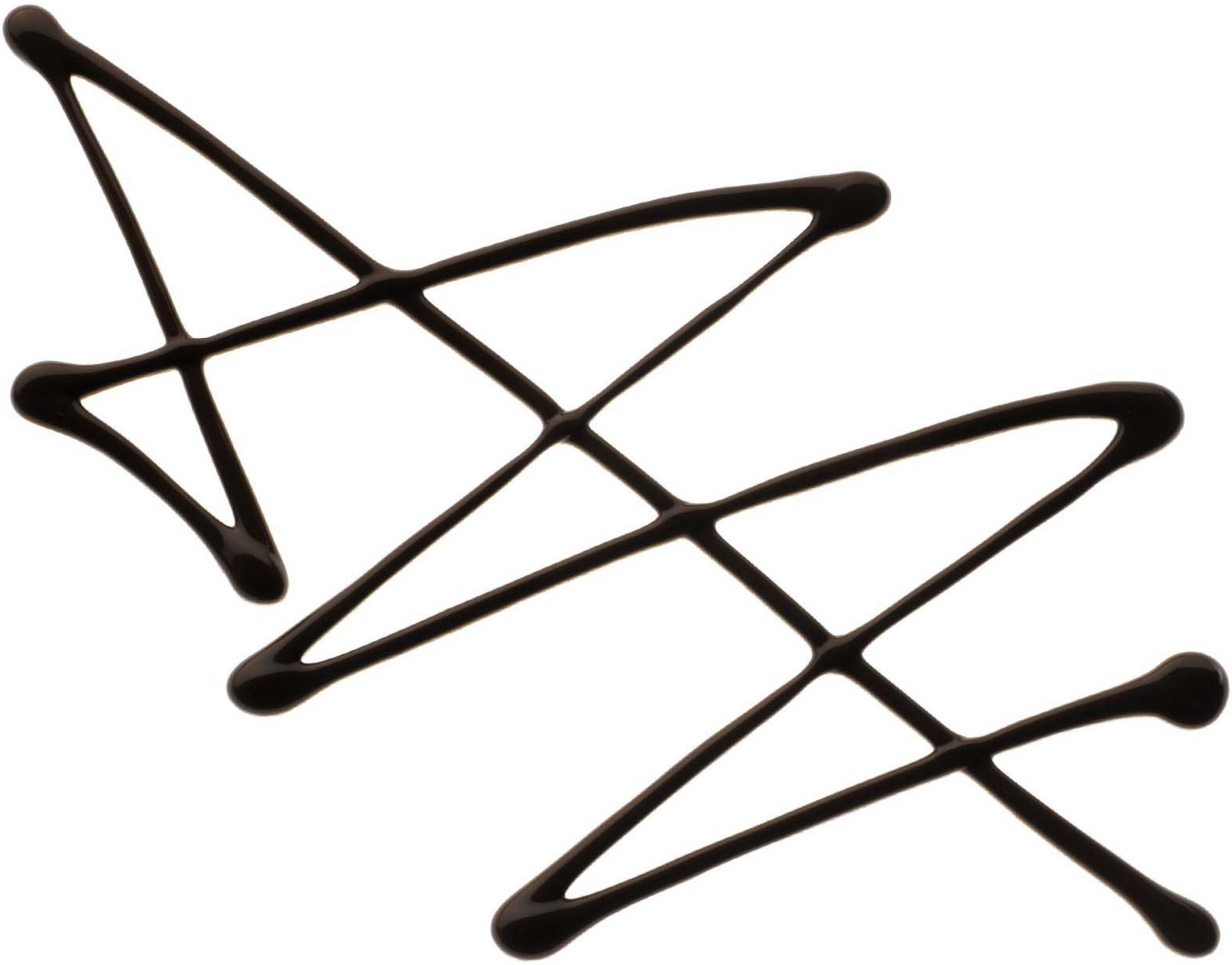
KPMG AG

François Rouiller
Licensed Audit Expert
Auditor in Charge

Patricia Bielmann
Licensed Audit Expert

Zurich 2 November 2015

Governance



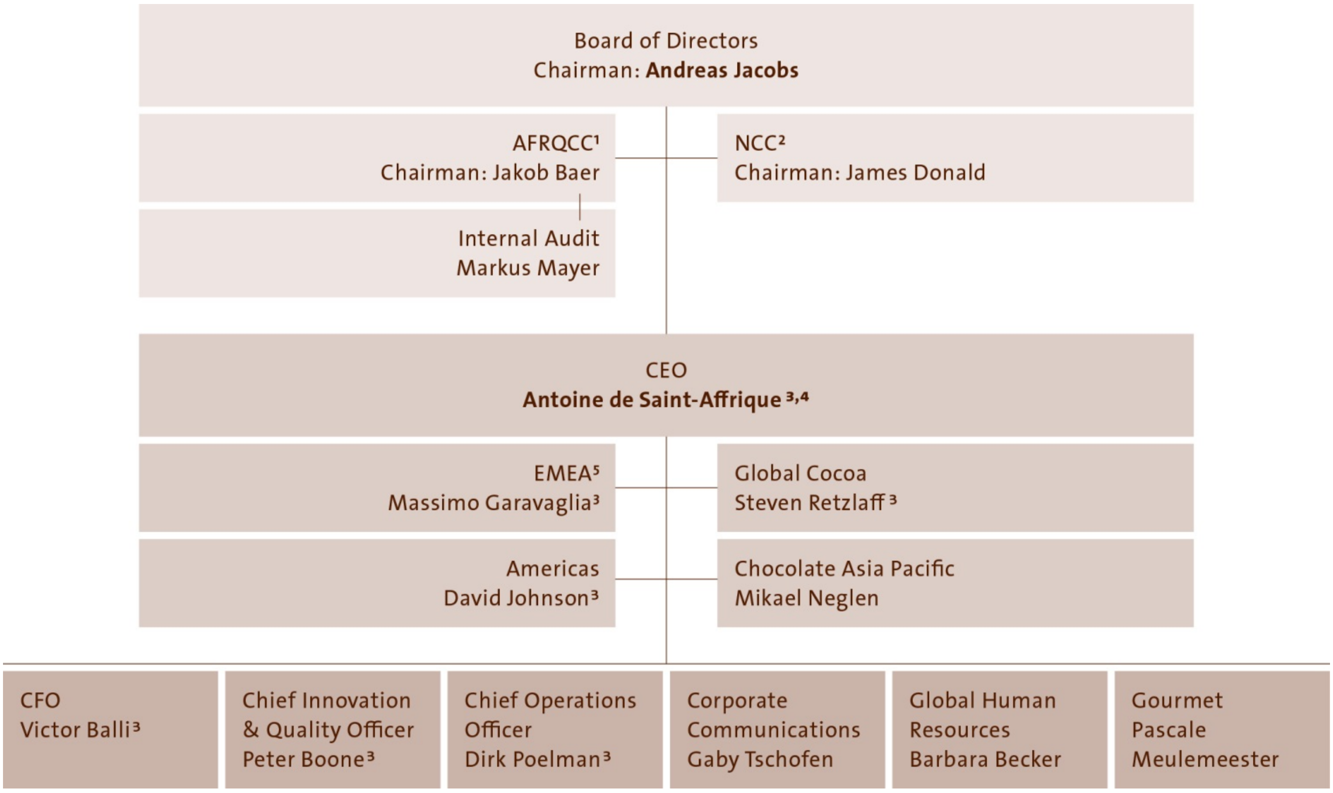
Corporate Governance

The information that follows is provided in accordance with the Directive on Information Relating to Corporate Governance issued by the SIX Exchange Regulation (DCG). The principles and rules of Corporate Governance as practiced by Barry Callebaut AG are laid down in the Articles of Incorporation, the Internal Regulations of the Board and the Charters of the Board Committees. These are reviewed regularly by the Board of Directors and adapted as needed.

Group structure and shareholders

As of November 4, 2015, the Barry Callebaut Group is organized into different regions: Region EMEA (incl. Western and Eastern Europe, Middle East and Africa), Region Americas and Region Asia Pacific. The globally managed Global Cocoa is, like a Region, reported as a separate segment. The figures under the respective Regions show all chocolate sales, while the figures reported under Global Cocoa include all sales of cocoa products to third-party customers in all Regions.

The Group's business can also be separated into three different Product Groups: Food Manufacturers Products, Gourmet & Specialties Products and Cocoa Products.



1 AFRQCC: Audit, Finance, Risk, Quality & Compliance Committee.
2 NCC: Nomination & Compensation Committee.
3 Member of the Executive Committee.
4 Juergen Steinemann until September 30, 2015.
5 Until September 30, 2015, Europe, consisting of Western Europe and EEMEA (Eastern Europe, Middle East and Africa).

Corporate Governance

The structure of the financial reporting is explained in note 3 to the Consolidated Financial Statements on page 54. Barry Callebaut AG (the "Company") was incorporated on December 13, 1994 under Swiss law, having its head office in Zurich, Switzerland, at Pfingstweidstrasse 60. The Company is registered in Switzerland and has been listed on the SIX Swiss Exchange (BARN, ISIN Number: CH0009002962) since 1998. The Company has not requested the admission to trading of its shares on any other stock exchange. As of August 31, 2015, the total number of issued shares in the Company was 5,488,858, and thus Barry Callebaut's market capitalization based on issued shares was CHF 5,823.7 million (August 31, 2014: CHF 6,175 million).

The principal subsidiaries of the Company are listed in note 29 to the Consolidated Financial Statements on pages 98-99. The significant shareholders of the Company are listed in note 27 to the Consolidated Financial Statements on page 96, with Jacobs Holding AG as a majority shareholder with a participation of 50.11% of the issued share capital (August 31, 2014: 50.11%). There are no cross-shareholdings equal or higher than 5% of the issued share capital.

Capital structure

The information required by the DCG regarding the capital structure is provided in note 25 (share capital, movements in the share capital) to the Consolidated Financial Statements on page 77. The Company has no convertible bonds outstanding. The Extraordinary General Meeting of Shareholders held on April 22, 2013, created authorized share capital of a maximum nominal amount of CHF 9.3 million for the purpose of financing the acquisition of the Cocoa Ingredients Division from Petra Foods Ltd. The Board of Directors of Barry Callebaut AG subsequently decided to increase the share capital by issuing 318,858 newly created shares (approx. 6% of the existing shares) in June 2013 for the aforementioned purpose. The Annual General Meeting of Shareholders, held on December 10, 2014, deleted the authorized capital that was not used in the above-mentioned transaction in the Articles of Incorporation of the Company. Except for the above-mentioned capital increase, there were no changes in the capital structure during the fiscal year 2014/15, nor during the prior three fiscal years.

Board of Directors

The Board of Directors is ultimately responsible for the policies and management of the Company. The Board of Directors establishes the strategic, accounting, organizational and financing policies to be followed, and appoints the Executive Committee, to which the Board of Directors has delegated the operational management of the Company. Besides its non-transferable and inalienable duties pursuant to Swiss corporate law, the Board of Directors has retained certain competencies as set forth in the Company's Internal Regulations and in a detailed tabular Annex thereto, both of which are publicly accessible on the website of Barry Callebaut (https://www.barry-callebaut.com/about-us/investors/corporate-governance/functioning-board). As set forth in the company's Articles of Incorporation, no Member of the Board of Directors may hold more than 15 additional mandates, of which no more than five may be in stock-exchange-listed companies.

As of August 31, 2015, the Board of Directors consisted of nine members, i.e. of eight non-executive members and the acting CEO, Juergen Steinemann. Each Director is elected by the Shareholders of Barry Callebaut AG at the Annual General Meeting of Shareholders for a term of office of one year and may be re-elected for successive terms.

After having served on the Board of Directors for three years, Ajai Puri did not stand for re-election at the Annual General Meeting of Shareholders held on December 10, 2014. The Board of Directors under the Chairmanship of Andreas Jacobs thanks Ajai Puri for his valuable contributions to the development of Barry Callebaut.

The composition of the Board of Directors of Barry Callebaut AG as of August 31, 2015, is as follows:

Name	Nationality	Member since	Function	AFRQCC	NCC
Andreas Jacobs	German	2003	Chairman		
Juergen Steinemann	German	2014	Vice Chairman		
Fernando Aguirre	U.S./Mexican	2013	Director		Member
Jakob Baer	Swiss	2010	Director	Chairman	
James "Jim" Donald	U.S.	2008	Director		Chairman
Nicolas Jacobs	Swiss	2012	Director		Member
Wai Ling „Winnie" Liu	Hong Kong-Chinese	2014	Director		Member
Timothy Minges	U.S.	2013	Director	Member	
Andreas Schmid	Swiss	1997	Director	Member	

Patrick De Maeseneire, CEO of Jacobs Holding AG, proposed for election as new Board member and Vice Chairman to the Annual General Meeting of Shareholders on December 9, 2015.

Corporate Governance

Andreas Jacobs
Chairman, German national

Andreas Jacobs (1963) was appointed Chairman of the Board of Directors of Barry Callebaut AG in December 2005. He had served as a member of the Board of Directors of Barry Callebaut AG since 2003.

From 1991 to 1993, Andreas Jacobs worked as a consultant and project manager at The Boston Consulting Group in Munich. Since 1992, Andreas Jacobs has been an independent entrepreneur with a stake in several companies plus minority interests in several other companies.

Andreas Jacobs is member of the Board of Directors of Jacobs Holding AG, where he served as Executive Chairman from 2004 until April 2015. From 2006 until 2015, he served on the Board of Directors of Adecco management & consulting S.A., first as member and since 2012 as Vice Chairman. He is Chairman of Triventura AG and Minibar AG. All these companies are based in Switzerland. Furthermore, he is President of Niantic Holding GmbH, Germany, and Member of the Board of Directors of various small private companies. Andreas Jacobs is also a Member of the Advisory Board of Dr. August Oetker KG and since January 2015 Chairman of INSEAD.

Andreas Jacobs studied law at the Universities of Freiburg im Breisgau, Munich and Montpellier and subsequently obtained a postgraduate degree in European competition law (Dr. iur.) from the University of Freiburg im Breisgau. Afterwards he obtained an MBA from INSEAD in Fontainebleau.

Juergen Steinemann
Vice Chairman, German national

Juergen Steinemann (1958) was appointed Chief Executive Officer of Barry Callebaut AG in August 2009 and served in that role until the end of September 2015. He remains available to Barry Callebaut AG for the transition of the Chief Executive Officer role to Antoine de Saint-Affrique until March 31, 2016. Juergen Steinemann has also been appointed as Director of Barry Callebaut AG in December 2014 and has served since then on the Board as its Vice Chairman.

Before joining Barry Callebaut, Juergen Steinemann served as a member of the Executive Board of Nutreco and as Chief Operating Officer since October 2001. Nutreco is a leading global animal nutrition and aquaculture company, headquartered in the Netherlands.

From 1999 to 2001, Juergen Steinemann served as Chief Executive Officer of Unilever's former subsidiary Loders Croklaan, which produced and marketed specialty oils and

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fats for the chocolate, bakery and functional foods industry. Between 1990 and 1998, Juergen Steinemann was with the former Eridania Béghin-Say Group, where he held various senior positions in business-to-business marketing and sales, ultimately in the "Corporate Plan et Stratégie" unit at the head office in Paris.

Since April 2014, Juergen Steinemann has been a member of the Board of Directors of Lonza Group AG, Switzerland, and since September 2015 he has served as member of the Board of Directors of Metro Group AG.

Juergen Steinemann graduated from his economics/business studies at the European Business School in Wiesbaden, Germany, London and Paris in 1985.

Fernando Aguirre

Director, Mexican/U.S. national

Fernando Aguirre (1957) served as Chairman and CEO of Chiquita Brands International Inc., a leading international food manufacturer, from 2004 until 2012. Prior to Chiquita, Fernando Aguirre worked in various management positions for more than 23 years at The Procter & Gamble Co, such as President of Special Projects, President of the Global Feminine Care business unit, Vice President of Global Snacks and U.S. Food Products business units, Vice President of Laundry & Cleaning Products, Latin America, and Regional Vice President, Latin America, North.

At present, Fernando Aguirre is a member of the board of directors of Aetna Inc., a Fortune 100 publicly held company mainly focused on health care benefits and insurance, where he serves on the Audit Committee and also on the Nominating and Governance Committee. He was recently elected to serve on the board of Coveris, a privately held company which is an international manufacturer and distributor of flexible packaging. He also served on the board of Levi Strauss & Co. from 2010 to 2014, on the board of Coca Cola Enterprises from 2005 to 2010, and as a member of the International Board of the Juvenile Diabetes Research Foundation from 2006 to 2012. He is a member of the Board of the Procter & Gamble Alumni Association and also a member of the Advisory Council of the Bechtler Museum of Modern Art in Charlotte, North Carolina. At present, he is the owner and CEO of the Erie Seawolves professional baseball team, an affiliate of the Detroit Tigers. He is also Vice Chairman of the Myrtle Beach Pelicans an affiliate of the Chicago Cubs.

He holds a Bachelor of Science in Business Administration from Southern Illinois University Edwards-ville and earned Harvard Business School graduate status in 2009.

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Jakob Baer
Director, Swiss national

Jakob Baer (1944) started his career in 1971 at the Federal Finance Administration. From 1975 until 1991, he was with Fides Group, where he held various positions, including Consultant, Head of Legal Department, Branch Office Manager Zurich, and Member of the Division Management Advisory Services. During 1991/1992, Jakob Baer led the planning and execution of the management buyout of the Advisory Services unit of Fides Group, which became part of KPMG Switzerland. He was a member of the Executive Committee of KPMG Switzerland from 1992 until 1994. From 1994 to 2004, he held the position of Chief Executive Officer of KPMG Switzerland and was a member of KPMG's European and International Leadership Boards. Jakob Baer was Counsel at Niederer Kraft & Frey AG, attorneys at law, Zurich, Switzerland, from 2004 to 2009. Jakob Baer served as a member of the Board of Directors of Adecco from 2004 until April 2012, of Swiss Re and of Allreal Holding AG, each from 2005 until April 2014.

Jakob Baer is Chairman of Stäubli Holding AG and member of the Board of Directors of Rieter Holding AG and IFBC AG, all in Switzerland.

He was admitted to the bar (1971) and subsequently obtained a doctorate degree in law (Dr. iur.) from the University of Berne, Switzerland.

James "Jim" Donald
Director, U.S. national

Jim Donald (1954) served from October 1996 to October 2002 as Chairman, President & Chief Executive Officer of Pathmark Stores, Inc., a USD 4.6 billion regional supermarket chain located in New York, New Jersey and Pennsylvania. Prior to that time, he held a variety of senior management positions with Albertson's, Inc., Safeway, Inc. and Wal-Mart Stores, Inc. From October 2002 to March 2005, Jim Donald served as President of Starbucks, North America. Under his leadership, Starbucks experienced strong growth and performance. Jim Donald was also President & Chief Executive Officer of Starbucks Corporation from April 2005 to January 2008. Furthermore, Jim Donald served as President and CEO of Haggan, Inc., a 33-store Pacific Northwest grocery company based in Bellingham, from September 2009 until March 2011. Then, from February 2012 until August 2015, Jim Donald served as CEO of Extended Stay, a large U.S.-based hotel chain.

From 2008 until June 2013, he also served as a Board Member of Rite Aid Corporation, one of the leading drug-

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store chains in the U.S. with more than 4,900 stores in 31 states.

Jim Donald graduated with a Bachelor's degree in Business Administration from Century University, Albuquerque, New Mexico.

Nicolas Jacobs
Director, Swiss national

Nicolas Jacobs (1982) started his career at Goldman Sachs in 2006. In 2007, he joined Barry Callebaut as a Trader in the Global Sourcing & Cocoa business unit. As of 2008, he acted as Managing Director of the cocoa and chocolate operations of Barry Callebaut in South America. From 2011 until 2014, Nicolas served as a Senior Director for Global M&A and Development for Burger King Corporation, a subsidiary of Restaurant Brands International Inc. (TSX, NYSE: QSR).

Since 2015, Nicolas has been Managing Partner of Consumer Investment Partners (CIP) AG, Zug, a private equity company focused on investments in the consumer goods space.

Furthermore, Nicolas Jacobs has been a Board Member of Jacobs Holding AG since 2008 and has served as Executive Co-Chairman since April 2015.

Nicolas Jacobs holds a Master's degree in law from the University of Zurich, a Master of Finance of London Business School and he obtained a Master of Business Administration from INSEAD in Fontainebleau.

Wai Ling "Winnie" Liu
Director, Hong Kong-Chinese national

Winnie Liu (1968) started her career as Executive Trainee with the Swire Group, a UK Conglomerate in Hong Kong. From 1992 until 1999, she worked for Nestlé in Hong Kong, lastly as National Sales Head. She then served for Mars (Effems Food) China from 1999 until 2004, where she held several positions in Sales, Marketing and Key Account Management. From 2005 until 2007, Winnie Liu served as Regional Managing Director Southeast Asia (Singapore, Malaysia, Thailand, Philippines, and Indonesia) of adidas, where she was responsible for Total Business including Retail, Wholesale, Production and Supply Chain. In 2008, she joined Tesco China, which operates over 130 hyper-markets and 14 express shops and employs more than 26,000 staff. She first started as Chief Marketing Officer, then was appointed President for a Region, and last served as Chief Operating Officer. After Tesco, Winnie became the CEO of ENZO jewelry chain stores (Luxury Retail) in Greater China, from 2013 until 2015.

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Winnie Liu graduated with a Bachelor's degree in Social Sciences, a Major's degree in Management Studies and a Minor in Economics & Psychology from the University of Hong Kong in 1990.

Timothy Minges
Director, U.S. national

Timothy Minges (1958) is currently Senior Vice President Chief Customer Officer, PepsiCo North America Beverages and a member of PepsiCo's Executive Committee. He has been working with PepsiCo for the past 32 years and was, until 2013, responsible for the entire PepsiCo operations throughout greater China. He joined PepsiCo in 1983 in the finance department of Frito-Lay North America and was promoted to a series of roles in finance, sales and general management. Timothy moved to Asia in 1994 as General Manager of Frito-Lay Thailand and later assumed a series of roles, including President Asia Pacific 1999–2003.

Timothy sits on the Board of the North American Coffee Partnership, a PepsiCo joint venture with Starbucks. Timothy formerly served on the Boards of Tingyi-Asahi Beverage Holding Co Ltd, Calbee Foods Japan, as well as two listed companies, Pepsi-Cola Philippines and Serm Suk Thailand. He holds a Bachelor of Science in Accounting from Miami University, Oxford, Ohio, and has completed the Pepsi Executive Development Program at Yale School of Management.

Andreas Schmid
Director, Swiss national

Andreas Schmid (1957) was appointed CEO of Jacobs Holding AG in 1997. In 1999, he became Chairman of the Board of Directors and CEO of Barry Callebaut AG. In June 2002, he handed over the CEO function but continued to assume the responsibility of Chairman until December 2005. After that he assumed the role of the Vice Chairman and has been serving as ordinary member of the Board of Directors since December 2014.

He started his career in 1984 at Union Bank of Switzerland. Following a position as assistant to a Swiss industrialist, he was CEO and Managing Director of Kopp Plastics (PTY) Ltd. in South Africa from 1989 to 1992. He then worked for the Jacobs Group in various staff and line functions until 1993. From 1993 to 1997, Andreas Schmid was President of the Mövenpick Consumer Goods Division and a member of the worldwide Group Executive Board of Management. Between 2007 and 2011, Andreas Schmid was Chairman of the Supervisory Board of Symrise AG, and between 2002 and 2006 he chaired the Board of Kuoni Travel Holding AG.

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He was a member of the Board of Adecco SA from 1999 to 2004 and a member of the Advisory Board of the Credit Suisse Group from 2001 to 2007, before the Advisory Board was dissolved. He was member of the Board of Directors of Badrutt's Palace Hotel AG from 2006 until 2015.

Andreas Schmid is Chairman of Oettinger Davidoff Group, Chairman of the Board of Directors of Flughafen Zurich AG and Chairman of the Board of Directors of gategroup Holding AG. He has been a member of the Board of Directors of Steiner AG since 2008, and in 2010, he was appointed a member of the Board of Directors of Wirz Partner Holding AG and the Advisory Board of Allianz Global Corporate Specialty AG. Furthermore, Andreas Schmid is Chairman of the Board of Trustees of the Swiss foundation avenir suisse, a think tank for social and economic issues.

Andreas Schmid holds a Master's degree in law and studied economics at the University of Zurich.

Functioning of the Board

The Board of Directors constitutes itself at its first meeting subsequent to the Company's Annual General Meeting of Shareholders, with the exception of the Chairman and the Members of the Compensation Committee, who are elected by the Annual General Meeting of Shareholders pursuant to the Articles of Incorporation and Swiss corporate law. The Board of Directors elects the Vice Chairman. It meets as often as business requires, but at least four times per fiscal year. The meetings usually take place in Zurich. If possible, the Board of Directors meets once per year at one of the Barry Callebaut production sites and combines this meeting with a visit to the local operation. During fiscal year 2014/15, the Board of Directors met eight times. Three meetings lasted eight hours, one three hours, three meetings lasted one hour and one meeting lasted half an hour. The four latter meetings took place in the form of conference calls. In the fiscal year 2014/15, the Board of Directors held one of the regular meetings in the context of a three-day visit to Singapore and Malaysia.

The Chairman invites the Members of the Board to the meetings in writing, indicating the agenda and the motions for resolution thereto. The invitations are sent out at least ten business days prior to the meeting. Each Member of the Board can request that the Chairman call for a meeting without undue delay. In addition to the materials for Board meetings, the Members of the Board receive monthly financial reports.

At the request of one Member of the Board, members of the Executive Committee are invited to attend meetings. The Board of Directors can determine by majority vote that other third parties, for example external consultants, may attend part or all of the meetings. In the fiscal year under review, the CEO, the CFO and, depending on the agenda items, other Members of the Executive Committee or Management were present at all Board meetings and all Committee meetings. At the end of each physical Board meeting, there is a closed Board session without the participation of the Management. Two Board conference calls regarding the CEO succession took place entirely without the participation of the CEO and the CFO. On the occasion of a Board meeting in Zurich, the Members of the Board met for an additional risk management workshop which lasted four and a half hours.

Resolutions are adopted by a simple majority of the Members of the Board being present or represented. Resolutions can also be adopted by unanimous circular decision. Members of the Board may only be represented by a fellow Member of the Board. In the event of a tie vote, the proposal is deemed not to be resolved. Resolutions made at the Board meetings are documented through written minutes of the meeting.

Members of the Board may request any information necessary to fulfill their duties. Outside of meetings, any Members of the Board may request information from Members of the Executive Committee concerning the Group's business development. Requests for information must be addressed to the Chairman of the Board.

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The Board of Directors has formed the following Committees:

Audit, Finance, Risk, Quality & Compliance Committee
Jakob Baer (Chairman), Andreas G. Schmid and Timothy Minges.

The role of the Audit, Finance, Risk, Quality & Compliance Committee ("AFRQCC") is to assist the Board of Directors in carrying out its responsibilities. The Board of Directors has not delegated any decision power to the AFRQCC. The primary task of the AFRQCC is to assist the Board of Directors in carrying out its responsibilities and make recommendations regarding the Company's accounting policies, financial reporting, internal control system, legal and regulatory compliance and quality management. In addition, the AFRQCC reviews the basic risk management principles and guidelines, the hedging and financing strategies as well as the bases upon which the Board of Directors determines risk tolerance levels and limits for exposures of raw material positions. For details of the risk management system, see notes 26 and 30 to the Consolidated Financial Statements on pages 78-95 and 100.

The AFRQCC further assists the Board of Directors in fulfilling its oversight responsibility of the external auditors. The AFRQCC recommends the external auditors, reviews the quality of their work, their qualification and independence, the audit fees, the external audit coverage, the reporting to the Board of Directors and/or the AFRQCC, and assesses the additional non-audit services as well as the annual financial statements and the notes thereto. The external auditors attended one meeting of the AFRQCC in fiscal year 2014/15; furthermore, the Chairman of the AFRQCC has met the lead external auditor two times outside AFRQCC meetings. A new lead audit partner was appointed for fiscal year 2014/15.

The Company has its own Internal Audit Department, which reports to the Chairman of the AFRQCC. The AFRQCC reviews the quality of the Internal Audit Department. The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities. Significant findings of the Internal Audit Department as well as the respective measures of the Management are presented and reviewed in the meetings of the AFRQCC and, in material cases, in the meetings of the Board of Directors. The AFRQCC reviews the annual plan of the Internal Audit Department based on a risk assessment. In the last fiscal year, the Internal Audit Department was supported on one project by third-party experts.

Pursuant to the Group's "Fraud Response and Whistleblowing Policy," the Fraud Committee, chaired by the Group's General Counsel, evaluates and, as the case may be, investigates alleged violations of the Code of Conduct under the supervision of the Chairman of the AFRQCC. The Fraud Committee reports all pending cases to the AFRQCC on a regular basis.

The AFRQCC meets as often as business requires, but at least three times per fiscal year. The meetings usually take place in Zurich. In the last fiscal year, the Committee met six times. The meetings lasted two to three hours. One of the meetings took place in the context of the Board of Directors' three-day visit to Singapore and Malaysia.

Nomination & Compensation Committee
James L. Donald (Chairman), Fernando Aguirre, Nicolas Jacobs and Winnie Liu

The Company's Compensation Committee is elected by the Annual General Meeting of Shareholders and advises the Board of Directors in determining and verifying the compensation strategy and regulations of the Group as well as in preparing the motions for the attention of the General Meeting of Shareholders regarding the compensation of the Board of Directors and the Executive Committee. It further assists the Board of Directors in defining and monitoring the performance criteria and it makes recommendations to the Board of Directors with respect to the selection, nomination, compensation, evaluation, and, when necessary, the replacement of key executives. It consequently acts as Nomination & Compensation Committee ("NCC"). The Board of Directors has not delegated any decision power to the NCC. The NCC establishes jointly with the CEO a general succession planning and development policy. The NCC reviews and recommends the remuneration to be paid to Members of the Board of Directors and the Members of the Executive Committee. It also ensures a transparent Board and Executive Committee nomination process and evaluates potential conflicts of interest involving executive management and Members of the Board. The NCC monitors the developments of the regulatory framework for compensation of the top management and the Board of Directors on an ongoing basis and develops suggestions for the respective adaptations of the Group's compensation system. In doing so, it advised the Board of Directors with respect to the adaptation of Group's compensation system and the changes of the Articles of Incorporation necessary for the implementation of the requirements of the Swiss Federal Council's "Ordinance against Excessive Compensation at Listed Companies" ("OaEC") adopted by the Annual General Meeting of Shareholders held on December 10, 2014 (see the Remuneration Report for further information).

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The NCC meets as often as business requires, but at least three times per fiscal year. The meetings usually take place in Zurich. Last year, the NCC met six times, one of which was in the form of a conference call. The meetings lasted two hours. One of the meetings took place in the context of the Board of Directors' three-day visit to Singapore and Malaysia. The Members of the NCC took part individually or in pairs in assessment interviews with several CEO succession candidates.

Executive Committee

The Executive Committee consists of seven functions and is headed by the Chief Executive Officer. For external activities of each Member of the Executive Committee, see the respective curriculum vitae. No Member of the Executive Committee may hold more than five additional mandates, of which no more than two may be in stock exchange-listed companies.

Name	Function	Nationality	Member since
Antoine de Saint-Affrique	Chief Executive Officer	French	As from October 1, 2015
Juergen Steinemann	Chief Executive Officer	German	2009 (until September 30, 2015)
Victor Balli	Chief Financial Officer	Swiss	2007
Peter Boone	Chief Innovation & Quality Officer	Dutch	2012
Massimo Garavaglia	Western Europe	Italian	2004
David Johnson	Americas	U.S.	2009
Dirk Poelman	Chief Operations Officer (COO)	Belgian	2009
Steven Retzlaff	Global Cocoa	U.S./Swiss	2008

1 Until September 30, 2015, Region Europe, consisting of Western Europe and EEMEA (Eastern Europe, Middle East and Africa).

Antoine de Saint-Affrique

Chief Executive Officer, French national

Antoine de Saint-Affrique (1964) is Chief Executive Officer of Barry Callebaut AG and has been appointed to that role as of October 1, 2015.

From September 2011 until September 2015, Antoine de Saint-Affrique has served as President Unilever Foods and Member of Unilever's Group Executive Committee, where he was accountable for businesses with a combined turnover of EUR 12.4 billion.

Prior to this, Antoine de Saint-Affrique was Executive Vice President of Unilever's Skin category – an area of the business which includes leading brands such as Dove, Lux, Lifebuoy and Pond's. From early 2005 to mid 2009, Antoine was Executive Vice President for Unilever's Central and Eastern Europe region – an area covering 21 countries. He was based in Moscow. Before joining Unilever in 2000, Antoine was Marketing Vice President and a Partner at Amora Maille, a foods company which was acquired under a leveraged buy-out from the Danone Group. He served as a reserve naval officer between 1987 and 1988.

Antoine has a degree in business administration from ESSEC (1987) in Paris, and a qualification in executive education from Harvard Business School. Since 2004, he has led the marketing course at Mines ParisTech (Corps des Mines).

A French national, Antoine has lived in Africa, the U.S., Hungary, the Netherlands and Russia, and is now based in

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the U.K. He is a Non-Executive Director and a member of the audit committee at ophthalmic company Essilor International, the world leader in corrective lenses. He has also been Conseiller du Commerce Extérieur since 2004.

Victor Balli
Chief Financial Officer, Swiss national

Victor Balli (1957) was appointed Chief Financial Officer and member of the Executive Committee in February 2007.

Before joining Barry Callebaut, Victor Balli was with Minibar since 1996. He began his career at Minibar as Chief Financial Officer and additionally held the position of Chief Executive Officer EMEA as of 2005. During this time, he also served as executive director and board member of several group companies of Niantic, a family investment holding. From 1991 to 1995, he worked as a Principal with Adinvest AG, a corporate finance advisory company with offices in Zurich, San Francisco, New York, and London. From 1989 to 1991, Victor Balli served as Director of Corporate Finance with Marc Rich & Co. Holding in Zug. He started his professional career in 1985, working as a Financial Analyst & Business Development Manager with EniChem International SA in Zurich and Milan.

Victor Balli holds a Master’s degree in Economics from the University of St. Gallen and a Master’s degree as a Chemical Engineer from the Swiss Federal Institute of Technology in Zurich.

Massimo Garavaglia
President EMEA, Italian national

Massimo Garavaglia (1962) was appointed President EMEA (Europe, Middle East, Africa) as of October 1, 2015.

He is a member of the Executive Committee of Barry Callebaut AG. From 1990 to 1992, Massimo Garavaglia was sales manager for an Italian food products importer. He joined Callebaut Italy S.p.A. in 1992 as the country manager for Italy. After the merger between Callebaut and Cacao Barry in 1996, he was Barry Callebaut’s country manager in Italy until 2003. From 2003 until September 2004, he headed the region consisting of the Mediterranean Countries/Middle East/Eastern Europe. From September 2004 until 2006, he was President Food Manufacturers. Subsequently he served as President Americas until 2009. From 2009 to September 2015, he served as President Western Europe.

Massimo Garavaglia holds a Master’s degree in Economics and Business Administration from Bocconi University, Milan.

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David Johnson
CEO and President Americas, U.S. national

David Johnson (1956) was appointed Chief Executive Officer and President Americas in May 2009 and is a member of the Executive Committee of Barry Callebaut AG.

Before joining Barry Callebaut, David Johnson served as Chief Executive Officer and member of the board for Michael Foods, Inc., a food processor and distributor headquartered in Minnetonka, MN, U.S.

From 1986 to 2006, David Johnson was with Kraft Foods Global, Inc. At Kraft Foods, he held several senior positions in different divisions, including marketing, strategy, operations, procurement and general management. His last position was President Kraft North America and Corporate Officer Kraft Foods Global, Inc. He started his career in 1980 at RJR Nabisco.

David Johnson is a member of the board of directors of Arthur J. Gallagher & Co., an international insurance brokerage and risk management company with headquarters in Itasca, IL, U.S.

David Johnson holds both a Bachelor's and a Master's degree in business from the University of Wisconsin.

Dirk Poelman
Chief Operations Officer, Belgian national

Dirk Poelman (1961) was appointed Chief Operations Officer (COO) in September 2006 and member of the Executive Committee in November 2009, as well as Chief Innovation Officer (CIO) ad interim from June to December 2012. Since 1984, he has been working with Callebaut – which merged with Cacao Barry in 1996 – in various positions and countries: first as Engineering Manager, then as Production Manager, Operations Director and Chief Manufacturing Officer.

In 1997, Dirk Poelman became Executive Vice President Operations, responsible for the operations of the Group, and a member of the Senior Management Team. In 2004, he was appointed Vice President Operations and Research & Development.

Dirk Poelman holds an industrial engineering degree in electro-mechanics from the Catholic Industrial High School in Aalst, Belgium.

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Steven Retzlaff
President Global Cocoa, U.S. and Swiss national

Steven Retzlaff (1963) was appointed President Global Cocoa (until August 2013 Global Sourcing & Cocoa) and member of the Executive Committee of Barry Callebaut AG in January 2008.

He joined Barry Callebaut in 1996 and has held various senior finance and general management positions. He is Vice Chairman of the World Cocoa Foundation and Vice Chairman of the European Cocoa Association.

From 1987 through 1993, he worked for KPMG in San Francisco and Zurich and from 1993 to 1996 at JMP Newcor in Zug, Switzerland.

Steven Retzlaff holds a Bachelor of Arts in Economics from Whitman College. He also studied at the Institute of European Studies in Madrid and at INSEAD in Fontainebleau.

Peter Boone
Chief Innovation & Quality Officer, Dutch national

Peter Boone (1970) was appointed to the position of Chief Innovation Officer and member of the Executive Committee at Barry Callebaut as of December 3, 2012 and also assumed responsibility for Quality Assurance as of June 24, 2013.

From November 2010 to December 2012, Peter Boone worked with Unilever as Chief Marketing Officer responsible for Australia and New Zealand. He was a member of the regional executive board. In his function as Chief Marketing Officer (CMO), he was responsible for the marketing of all brands in all categories in Australia and New Zealand.

Peter Boone started his career at the Information Services division of ITT Corp., where he worked in various marketing roles. In 1996, he joined Unilever as a Strategy Analyst at the Head Office in Rotterdam, Netherlands. Peter Boone also held other positions at Unilever such as Global Vice President Spreads & Cooking Products Category, Global Vice President Brand Development at the Unilever Headquarters in Rotterdam, the Netherlands, and Vice President Marketing & Sales Latin America Foods Solutions based in São Paulo, Brazil.

Peter Boone holds a Doctorate in Business Administration (PhD) from the Erasmus University in Rotterdam, Netherlands.

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Shareholders' participation

Each share of Barry Callebaut AG carries one vote at the General Meeting of Shareholders. Voting rights may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights.

Until December 2014, no shareholder holding more than 5% of the share capital could be registered as a shareholder with voting rights with respect to the shares such shareholder holds in excess thereof. This restriction has been deleted in the context of the revision of the Articles of Incorporation adopted by the General Meeting of Shareholders held on December 10, 2014.

Shareholders may register their shares in the name of a nominee approved by the Company and may exercise their voting rights by giving instructions to the nominee to vote on their behalf. However, a nominee holding more than 3% of the share capital will be registered as nominee for shareholders with voting rights only if it discloses the identity of each beneficial owner of shares claiming 0.5% or more of the share capital. No nominee holding more than 8% of the share capital may be registered as a shareholder with respect to the excess shares. The Board of Directors may, however, on a case-by-case basis, permit some or all of the excess shares to be registered with voting rights. In fiscal year 2014/15, no such exception was requested.

A resolution passed at the General Meeting of Shareholders with a majority of at least two thirds of the shares represented at such meeting is required to change the restrictions on the transferability of registered shares. Shareholders may be represented at the General Meeting of Shareholders by their respective legal representative, another shareholder or the independent proxy pursuant to the "Ordinance against Excessive Compensation at Listed Companies" (OaEC). The Articles of Incorporation follow the majority rules and the provisions on convocation prescribed by the Swiss law concerning general meetings of shareholders. Shareholders with registered voting rights who together represent at least 0.25% of the share capital or of the votes may call for the inclusion of an item on the agenda. Such request for inclusion must be made in writing at least 60 days prior to the date of the General Meeting of Shareholders setting forth the items to be included on the agenda and the motions put forward by the shareholders.

Notice of the General Meeting of Shareholders is given by way of one-time publication in the Company's official publication organ (Swiss Official Gazette of Commerce, *"Schweizerisches Handelsamtsblatt"*). Shareholders registered in the share register with voting rights at the date specified in the invitation may additionally receive an invitation to the General Meeting of Shareholders in writing. Furthermore, the Company is offering its shareholders the opportunity to register with the online platform "Sherpany" and thus the possibility to submit their voting instructions to the independent proxy in an efficient manner. The published disclosures on significant shareholders of the Company are accessible via the disclosure platform of SIX Exchange Regulation: http://www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html

Change of control and defense measures

According to the Swiss Stock Exchange and Securities Trading Act, an investor who acquires 33⅓% of all voting rights in the Company has to submit a take-over offer for all shares outstanding. The Company has not elected to change or opt out of this rule.

There are no change of control clauses in the employment contracts with the Members of the Board of Directors nor of the Executive Committee.

External auditors

At the Annual General Meeting of Shareholders of the Company held on December 8, 2005, the shareholders voted to appoint KPMG AG, Zurich, as statutory auditors. The statutory auditors are appointed annually by the General Meeting of Shareholders for a term of office of one year. The current lead auditor in charge has exercised this function since fiscal year 2014/15. Pursuant to the Swiss Code of Obligations, the lead auditor in charge may exercise her/his role during a maximum of seven years. The current lead auditor in charge may therefore exercise his function until and including fiscal year 2021/22.

For fiscal year 2014/15, the remuneration for the audit of the accounting records and the financial statements of the Company, and the audit of the Group's consolidated financial statements, amounted to CHF 2.4 million. The remuneration was evaluated by the AFRQCC in view of the scope and the complexity of the Group. The performance of the auditors is monitored by the AFRQCC, to whom they present a detailed report on the result of the audit of the Group. Prior to the presentation to the AFRQCC, the lead auditor in charge reviews the audit findings with the Chairman of the AFRQCC without the presence of any Members of the Management.

KPMG received a total amount of CHF 0.4 million for additional services, i.e. for transaction and other advisory (incl. due diligence). Adequate measures for the avoidance of potential conflicts of interests between the different services provided by KPMG were observed.

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Information policy

The Company is committed to continuous and open communication with its shareholders, potential investors and other stakeholders based on the principles of transparency and equal treatment, i.e. simultaneous provision of price-sensitive information and no selective disclosure.

The Group provides detailed information on its business activities and financial performance in its annual and half-year reports and press releases, at conferences for media and financial analysts as well as at the Annual General Meeting of Shareholders. Further, representatives of the Group regularly meet (current and potential) investors in personal meetings as well as present the Company and the Group at industry events and investor conferences.

Presentations are also made available on the Group's website, which is updated continuously. The financial calendar for the fiscal year 2014/15 and contacts are published on page 135.

The published media releases of Barry Callebaut are accessible via https://www.barry-callebaut.com/about-us/media/news.

To subscribe to the Group's electronic news alerts please go to: https://www.barry-callebaut.com/about-us/media/subscribe-our-news-releases.

Remuneration Report

At the last General Meeting of Shareholders held on December 10, 2014, the shareholders of Barry Callebaut AG adopted a substantial amendment to the Company's Articles of Incorporation, namely for the implementation of the mandatory requirements set out in the "Minder Initiative" and the Swiss Federal Council's "Ordinance against Excessive Compensation at Listed Companies" ("OaEC"), respectively. The present Remuneration Report is based on these requirements as well as on the Art. 663c paragraph 3 of the Swiss Code of Obligations and the Corporate Governance Directive issued by the SIX Exchange Regulation.

This Remuneration Report describes the fundamental principles of the top management remuneration system at Barry Callebaut and how the respective decisions are made. Furthermore, it discloses the remuneration of the Members of the Board of Directors, the Executive Committee as a whole and the highest individual remuneration of a Member of the Executive Committee. Also disclosed are the shareholdings of the Members of the Board of Directors and the Executive Committee (reproduction of note 6 to the Financial Statements of Barry Callebaut AG on page 106), as well as further remuneration related information.

Fundamental principles and governance related to top management remuneration

The fundamental principles of top executive compensation are laid out in the Total Reward Policy that has been adopted by the Board of Directors in fiscal year 2014/15. Barry Callebaut believes in the principle that commitment and performance of its officers, managers and employees should be rewarded, reflecting the relevant market conditions, the performance of Barry Callebaut as a Company and the individual employee's contribution. Barry Callebaut aims at ensuring that the rewards attract and retain talented individuals, and that the employees' ongoing career development at Barry Callebaut is supported. Market information is taken into account for the determination of individual salaries. However, as a general rule, the target salary packages at Barry Callebaut, including those for the top management, are not linked to any external benchmark and are therefore determined on a discretionary basis. Barry Callebaut has a performance-oriented culture and uses an annual Performance Management and Development Process ("PMDP") to help track and measure the contributions of all employees to the achievement of business results as well as their personal and professional development.

Pursuant to the OaEC as implemented in the Company's Articles of Incorporation, the General Meeting of Shareholders approves the total remuneration of the Members of the Board of Directors and the Executive Committee. The General Meeting of Shareholders approves the motions of the Board of Directors on an annual basis and with binding effect with regard to:

a) the aggregate maximum amount of the compensation of the Board of Directors for the forthcoming term of office;
b) the aggregate maximum amount of the fixed compensation of the Executive Committee for the forthcoming financial year;
c) aggregate maximum amount of the short-term and the long-term variable compensation of the Executive Committee for the past financial year.

The General Meeting of Shareholders votes separately on the aggregate compensation of the Board of Directors and the Executive Committee.

The Board of Directors reports to the General Meeting of Shareholders on the remuneration system and the actual remuneration of the past fiscal year in the Remuneration Report. The Remuneration Report is subject to a consultative vote of the General Meeting of Shareholders.

The Nomination & Compensation Committee assists the Board of Directors in fulfilling its responsibility by evaluating the remuneration strategy and proposing individual compensation packages for the Board of Directors, the Members of the Executive Committee and other key members of the Management (for further details please refer to the "Functioning of the Board" section in the Corporate Governance Report).

Remuneration Report

The General Meeting of Shareholders has elected the following members to the NCC:

Name	Nationality	Member of the NCC since
James Donald (Chairman)	U.S.	2008
Nicolas Jacobs	Swiss	2012
Fernando Aguirre	Mexican/U.S.	2013
Wai Ling „Winnie“ Liu	Hong Kong-Chinese	2014

Remuneration of the top management

Remuneration of the Board of Directors

The remuneration structure of the Board of Directors is annually reviewed and determined at the discretion of the Board of Directors and not linked to any external benchmarks. It is comprised of fixed directors' fees and grants of Barry Callebaut AG share awards. The share awards granted to the Members of the Board of Directors vest, and the respective shares are transferred without further restrictions after one year of service on the Board. The Board remuneration is not related to any performance criteria. No lump sum expenses are paid. The remuneration of the Members of the Board is subject to the mandatory social security contributions, half of which are borne by the Members of the Board and are listed in the full amount below under "Other compensation." Pursuant to the Articles of Incorporation, the Members of the Board are in principle eligible for pension fund contributions by the Company. However, in the fiscal year 2014/15 no such contributions were made with respect to non-executive Members of the Board. The disclosure of the remuneration of Juergen Steinemann is split into his remuneration as Member and Vice Chairman of the Board of Directors and his remuneration as CEO and Member of the Executive Committee, which is disclosed below in the section related to the remuneration of the Members of the Executive Committee.

Remuneration of the Board of Directors for fiscal year 2014/15 (audited figures)

in CHF BoD Member	Compensation fix	Other compensation[1]	Total cash-related remuneration	Number of shares[2]	Value of shares[3]	Total remuneration 2014/15
Andreas Jacobs Chairman/Delegate	400,000	–	400,000	500	518,833	918,833
Juergen Steinemann[4] Vice Chairman	–	–	–	167	172,944	172,944
Fernando Aguirre Member of the NCC[7]	125,000	–	125,000	180	186,780	311,780
Jakob Baer Chairman of the AFRQCC[5]	140,000	33,355	173,355	180	186,780	360,135
James "Jim" Donald Chairman of the NCC[7]	140,000	–	140,000	180	186,780	326,780
Nicolas Jacobs Member of the NCC	125,000	38,606	163,606	180	186,780	350,386
Wai Ling "Winnie" Liu[8] Member of the NCC[7]	83,333	9,865	93,198	180	186,780	279,978
Timothy Minges Member of the AFRQCC[5]	125,000	–	125,000	180	186,780	311,780
Ajai Puri[6]	41,667	–	41,667	60	62,260	103,927
Andreas Schmid Member of the AFRQCC[5]	152,500	41,899	194,399	180	186,780	381,179
Total remuneration Board of Directors	**1,332,500**	**123,725**	**1,456,225**	**1,987**	**2,061,498**	**3,517,722**

1 Including social security and pension contributions as well as other benefits.
2 Number of shares granted in relation to the fiscal year under review; vesting subject to meeting service and/or performance conditions. Grants to BoD are based on the calendar year.
3 Value defined as closing share price at grant date, which might be historical rates before the fiscal year under review.
4 At the General Meeting of Shareholders held on December 10, 2014, Juergen Steinemann was elected as a member of the BoD and succeeded Andreas Schmid in the role of the Vice Chairman.
5 Audit, Finance, Risk, Quality & Compliance Committee.
6 At the General Meeting of Shareholders held on December 10, 2014, Ajai Puri did not stand for re-election to the BoD and the NCC, but continued to be a consultant for strategic and corporate governance issues to the BoD for the year 2015. For these services, he received a compensation of CHF 83,333 in cash and 120 shares which are not included in the above table.
7 Nomination & Compensation Committee.
8 At the General Meeting of Shareholders held on December 10, 2014, Wai Ling Liu was elected as a member of the BoD and the NCC.

Remuneration Report

Remuneration of the Board of Directors for fiscal year 2013/14 (audited figures)

in CHF BoD Member	Compensation fix	Other compensation[1]	Total cash-related remuneration	Number of shares[2]	Value of shares[3]	Total remuneration 2013/14
Andreas Jacobs Chairman/Delegate	400,000	–	400,000	500	498,583	898,583
Andreas Schmid Vice Chairman Member of the AFRQCC[5]	180,000	83,984	263,984	180	179,490	443,474
Fernando Aguirre Member of the NCC[5]	125,000	–	125,000	180	179,490	304,490
Jakob Baer Chairman of the AFRQCC[4]	140,000	35,232	175,232	180	179,490	354,722
James "Jim" Donald Chairman of the NCC[5]	140,000	–	140,000	180	179,490	319,490
Markus Fiechter Member of the AFRQCC[4]	62,500	55,034	117,534	–	–	117,534
Nicolas Jacobs Member of the NCC[5]	125,000	38,011	163,011	180	179,490	342,501
Timothy Minges Member of the AFRQCC[4]	125,000	–	125,000	180	179,490	304,490
Ajai Puri Member of the NCC[5]	125,000	–	125,000	180	179,490	304,490
Total remuneration Board of Directors	**1,422,500**	**212,261**	**1,634,761**	**1,760**	**1,755,013**	**3,389,774**

1 Including social security and pension contributions as well as other benefits.
2 Number of shares granted in relation to the fiscal year under review; vesting subject to meeting service and/or performance conditions. Grants to the Board of Directors are based on the calendar year.
3 Value defined as closing share price at grant date, which might be historical rates before the fiscal year under review.
4 Audit, Finance, Risk, Quality & Compliance Committee.
5 Nomination & Compensation Committee.

Remuneration of the Executive Committee

The current target remuneration of the Executive Committee is not linked to any external benchmarks. The individual packages are reviewed annually and determined at the discretion of the Board of Directors, upon proposal of the NCC, based on the framework set out in the Executive Total Reward Policy as defined by the Board of Directors and considering market data from various sources, position size, the profile of and the negotiations with the respective manager. The remuneration framework for the Executive Committee of Barry Callebaut consists of three main compensation elements, a fixed annual base salary, an annual short-term cash bonus pursuant to the Company's Short-Term Incentive Plan and a long-term incentive comprised of share grants pursuant to the Company's Long-Term Incentive Plan, as well as other benefits.

Base salary	Annual gross base salary	• Determined at the discretion of the Board of Directors based on various market sources of market data, position, profile of the candidate and individual negotiations. • CEO 20%–40%, Executive Committee 25%–35%
Variable annual bonus	Barry Callebaut Short-Term Incentive Plan ("STIP")	• Financial (75%–80%) and personal strategic targets (20%–25%) • Maximum payout: 150% • Knock-out threshold: 75%, i.e. below a target achievement of 75% there is no bonus payout • Payout in cash annually after release of full-year results, subject to the Company reporting a net profit and achievement of financial as well as personal strategic targets. • CEO 20%–40%, Executive Committee 25%–35%
Share awards	Barry Callebaut Long-Term Incentive Plan 2014 ("LTIP")	• As from 2014: LTIP; until 2014: "Deferred Share Plan 2011–2014" (last share awards vesting in 2016) • Grant values approved by the Board per participant; number of share awards defined through division of share grant by average share price over three months prior to the granting decision • Vesting of share awards over a three-year vesting cycle: 30% in the first and second year, 40% in the third year subject to meeting performance criteria • Performance criteria: The final payout of shares is depending on the relative performance of the Barry Callebaut share compared to a basket of benchmark companies (see details below). • 35%–60%, Executive Committee 30%–50%

Remuneration Report

Base salary
The base salary consists of the fixed annual gross base salary, which is defined by the Board of Directors following the review and proposal of the Nomination and Compensation Committee. The annual gross base salaries are not linked to any external benchmarking and are therefore defined at the discretion of the Board of Directors.

Short-term incentive plan (STIP)
In fiscal year 2014/15, the target short-term bonus was 100% of the fixed annual base salary of each Member of the Executive Committee. The short-term bonus is paid out as a lump sum cash payment and the payout is linked to meeting certain performance criteria with respect to one fiscal year. The maximum payout to the Members of the Executive Committee is capped at 150% of the target payout, depending on the achievement of the performance criteria.

These performance criteria for the Members of the Executive Committee have been defined by the Board of Directors upon evaluation and recommendation of the NCC. For the fiscal year 2015/16, the bonus of the Executive Committee depends to 20% for the Group CEO and CFO, and to 25% for the other Members of the Executive Committee, respectively, on the achievement of individual strategic targets and to 80% and 75%, respectively, of the achievement of financial business targets. The financial business targets for fiscal year 2015/16 are divided into the below sub-targets (the percentage figures indicating the weight of the respective target within the respective financial business targets). Different to the targets for fiscal year 2014/15, all Members of the Executive Committee have an Economic Value Added (EVA) target for fiscal year 2015/16.

Name	CEO/CFO	Regional Presidents	COO/CIO
Group EBIT	25%	15%	35%
Group EBIT/MT	15%	–	10%
Group volume	30%	–	20%
EVA	20%	15%	15%
Earnings per share	10%	–	–
Regional EBIT	–	30%* 15%**	–
Regional EBIT/MT	–	15%**	–
Regional volume	–	20%	–
Working capital	–	20%	20%
Total	**100%**	**100%**	**100%**

*President Global Cocoa **Presidents EMEA/Americas

Deferred Share Plan 2011–2014:
The granting of shares to management for the fiscal years 2011/12 until 2013/14 had been regulated by a Deferred Share Plan 2011–2014. For that period (the "Grant Cycle"), an annual share value was determined by the Board of Directors for each individual plan participant. The number of share awards to be granted to each participant with respect to each fiscal year was calculated by dividing the annual share grant value by the average closing price of the Company's shares during the last three months of the previous fiscal year. The granted share awards vested according to the following schedule: 30% after one year, 30% after two years and 40% after three years. Actual shares were transferred upon vesting of the share awards. The vesting was subject to service criteria, but not subject to any performance criteria. However, in addition, each participant was entitled to receive an upside bonus calculated on each share award granted during the Grant Cycle. That upside bonus was payable if the average share price over the past three months at the end of the Grant Cycle exceeded a certain hurdle share price defined by the Board of Directors at the onset of the Grant Cycle (which is defined as the share price at the onset multiplied with a 3-year Compound Annual Growth Rate of 7%). The rationale for the upside bonus was to compensate the Management for a change from the system of share award grants based on a fixed amount of shares to a system of share award grants based on grant value. As the share price development of the Company over the relevant three years exceeded the hurdle share price defined by the Board of Directors, the participants of the Deferred Share Plan 2011–2014 received an upside bonus, amounting to CHF 10,971,901, of which CHF 6,708,526 was paid out to the Executive Committee following the completion of fiscal year 2013/14. The respective amounts were included under "Compensation variable" in the remuneration of the Executive Committee in the Annual Report 2013/14 in note 6 to the Financial Statements of Barry Callebaut AG on pages 140–141, reproduced in the Corporate Governance Report on page 166.

Remuneration Report

Long-Term Incentive Plan (LTIP)
For fiscal year 2014/15, the new LTIP was implemented and the share awards granted for the plan participants' service in the fiscal year 2014/15 were based on that new LTIP. No further grants were made under the old Deferred Share Plan 2011 – 2014.

The granting of share awards under the LTIP is based on a target lump sum determined for each plan participant in a discretionary manner by the Board of Directors based on the recommendation of its Nomination & Compensation Committee. The target lump sum for each participant in a fiscal year is divided by the average share price of the last three months of the preceding fiscal year. The share awards defined in this way vest in three tranches over three fiscal years, i.e. 30% after one year, 30% after two years and 40% after three years from the granting date. The first two tranches vest subject to the LTIP participant continuing to be employed by Barry Callebaut. The final 40% tranche vests subject to meeting a performance criterion which is defined as the relative performance (3-year Compound Annual Growth Rate) of the Barry Callebaut share versus the share performance of a peer group. The overperformance of the Barry Callebaut share price versus the benchmark share price of the peer group is incentivized by applying a multiplier of 25 on the overperformance in %, whereas in the case of underperformance, a multiplier of 12.5 applies. However, a cap and a floor apply at 5% over- or underperformance, so that the vesting for the last tranche can vary between 75% and 150% of the initially determined number of share awards granted, respectively, between 37.5% and 225% of the share awards granted for the final performance-related tranche. Share awards to Members of the Executive Committee may only vest to the extent that the actual market value of the share awards to vest in any given year does not exceed 160% of the target lump sum defined at the last grant date for the respective plan participant ("Value Cap"). Furthermore, the Board of Directors reserves the right to suspend or adjust the transfer of the shares in case of a negative result from continuous operations of the Barry Callebaut Group. Once, the shares are transferred, they are free of any sales restrictions. Shares are only transferred upon the vesting of the respective share awards.

The following table gives an overview on the different performance scenarios and the respective impact on the total opportunity of the share participants, expressed in % of the originally granted number of share awards (subject to the respective plan participant's continued service over the entire vesting cycle, the Value Cap not being reached and Barry Callebaut reporting a positive profit after tax):

Performance achievement scenario	Share awards vesting 2014/15	Share awards vesting 2015/16	Share awards vesting 2016/17	Total share awards vested over a vesting cycle
100% achievement of performance criteria	30%	30%	40%	100%
Top achievement of performance criteria (cap)	30%	30%	90%	150%
Lowest achievement of performance criteria (floor)	30%	30%	15%	75%
Total opportunity	30%	30%	15-90%	75-150%

Other benefits
Other benefits encompass, among others, social security contributions, post-employment benefits, pension contributions, insurance premiums, relocation allowances, housing or other cost of living allowances, car allowances, and gross-ups for tax equalization of certain benefits. The benefits for each Member of the Executive Committee are subject to the specific situation, market practice and the negotiations after consideration to the total value of the individual's package and the role.

Remuneration Report

Remuneration of the Executive Committee for fiscal year 2014/15 (audited figures)

in CHF	Compensation fix	Compensation variable	Post employment benefits[2]	Other compensation	Total cash-related remuneration	Number of shares[3]	Value of shares[4]	Total remuneration 2014/15
Remuneration Executive Committee[1]	**3,893,051**	**3,797,248**	**2,280,143**	**808,738**	**10,779,180**	**6,504**	**6,011,878**	**16,791,058**
Highest individual remuneration within Executive Committee: **Juergen Steinemann,** CEO Barry Callebaut Group	1,130,000	1,060,201	1,101,771	512,566	3,804,538	2,956	2,687,300	6,491,838

1 Disclosure relates to the Executive Committee as in place on August 31, 2015, i.e.: Juergen Steinemann, Victor Balli, Massimo Garavaglia, Steven Retzlaff, David Johnson, Dirk Poelman and Peter Boone.
2 Including social security and pension contributions.
3 Number of shares granted in relation to the fiscal year 2014/15; vesting subject to meeting service and/or performance conditions.
4 Value defined as closing share price at grant date, which might be historical rates before the fiscal year under review.

Remuneration of the Executive Committee for fiscal year 2013/14 (audited figures)

in CHF	Compensation fix	Compensation variable[2]	Post employment benefits[3]	Other compensation	Total cash-related remuneration	Number of shares[4]	Value of shares[5]	Total remuneration 2013/14
Remuneration Executive Committee[1]	**3,923,352**	**10,685,954**	**1,510,800**	**764,566**	**16,884,672**	**8,876**	**7,842,137**	**24,726,809**
Highest individual remuneration within Executive Committee: **Juergen Steinemann,** CEO Barry Callebaut Group	1,130,000	2,083,852	819,602	485,540	4,518,994	3,892	3,430,993	7,949,986

1 Disclosure relates to the Executive Committee as in place on August 31, 2014, i.e.: Juergen Steinemann, Victor Balli, Massimo Garavaglia, Steven Retzlaff, David Johnson, Dirk Poelman and Peter Boone.
2 Includes upside bonus pursuant to the deferred share plan 2011–2014, which led to an extraordinary payout of CHF 6.7 million as a result of the overperformance of the share price versus target share price over the past three fiscal years.
3 Including social security and pension contributions.
4 Number of shares granted in relation to the fiscal year 2013/14; vesting subject to meeting service and/or performance conditions.
5 Value defined as closing share price at grant date, which might be historical rates before the fiscal year under review.

Shareholdings of the Board of Directors and the Executive Committee

Shareholdings of the Board of Directors

Number of shares as of August 31,		2015	2014
Name	Function		
Andreas Jacobs[1]	Chairman	3,760	3,260
Juergen Steinemann[2]	Vice Chairman (as of December 10, 2014)	10,913	n/a
Fernando Aguirre		296	116
Jakob Baer		720	540
James “Jim” Donald		1,080	900
Nicolas Jacobs		159,359	159,179
Wai Ling “Winnie” Liu		–	n/a
Timothy Minges		296	116
Ajai Puri		n/a	360
Andreas Schmid	Vice Chairman (until December 10, 2014)	7,858	7,678
Total shares held by Board of Directors		**184,282**	**180,212**

1 Excluding the 50.11% participation held by Jacobs Holding AG (see Note 5 to the Financial Statements of Barry Callebaut AG)
2 Juergen Steinemann's shareholdings are listed in both tables, since he was member of the Board of Directors as well as of the Executive Committee on August 31, 2015.

Remuneration Report

Shareholdings of the Executive Committee

Number of shares as of August 31,		2015	2014
Name	Function		
Juergen Steinemann[1]	CEO Barry Callebaut Group	10,913	8,063
Victor Balli	CFO Barry Callebaut Group	900	729
Peter Boone	Chief Innovation & Quality Officer	4	–
Massimo Garavaglia	President Western Europe	–	233
Dave Johnson	CEO and President Americas	1,964	2,261
Dirk Poelmann	Chief Operations Officer	1,490	1,724
Steven Retzlaff	President Global Cocoa	1,000	628
Total shares held by Executive Committee		**16,271**	**13,638**

1 Juergen Steinemann's shareholdings are listed in both tables, since he was member of the Board of Directors as well as of the Executive Committee on August 31, 2015.

Consideration paid for services of the majority shareholder

In line with the practice of the past years, Barry Callebaut AG and Jacobs Holding AG, Zurich, have entered into an auxiliary services agreement, under which Jacobs Holding AG offers certain management and consultancy services to Barry Callebaut AG. In fiscal year 2014/15, the total compensation paid by Barry Callebaut AG under this agreement amounted to CHF 1.5 million (excl. VAT). The contract is renewable annually.

Loans and credits

During fiscal year 2014/15, no loans or credits were granted to Members of the Board of Directors and to Members of the Executive Committee, nor to related parties.

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Report of the Statutory Auditor to the General Meeting of

Barry Callebaut Ltd, Zurich

We have audited the remuneration report dated 2 November 2015 of Barry Callebaut Ltd for the year ended 31 August 2015. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections “Remuneration of the Board of Directors (audited)”, “Remuneration of the Executive Committee (audited)” and “loans and credits (audited)” on pages 125 to 130 of the compensation report.

Responsibility of the Board of Directors
The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor’s Responsibility
Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the remuneration report for the year ended 31 August 2015 of Barry Callebaut Ltd complies with Swiss law and articles 14–16 of the Ordinance.

KPMG AG

François Rouiller
Licensed Audit Expert
Auditor in Charge

Patricia Bielmann
Licensed Audit Expert

Zurich 2 November 2015

Glossary

A

ACTICOA™
A process developed by Barry Callebaut which conserves to a very high degree the polyphenols naturally present in the cocoa bean, that may otherwise be destroyed during the chocolate production process.

B

Butter
Refers to cocoa butter, the fat of the cocoa bean.

British Retail Consortium (BRC)
BRC is one of the five food safety standards recognized by the Global Food Safety Initiative, a platform that groups global retailers and a large number of food manufacturers.

C

Cocoa butter ratio
Price of 1 tonne of cocoa butter relative to the price of 1 tonne of cocoa beans.

Cocoa Horizons
In 2012, Barry Callebaut launched its CHF 40 million cocoa sustainability initiative to boost farm productivity, increase quality and improve family livelyhoods in key cocoa producing countries over the next ten years.

Cocoa powder ratio
Price of 1 tonne of cocoa powder relative to the price of 1 tonne of cocoa beans.

Combined cocoa ratio
Combined sales prices for cocoa butter and cocoa powder relative to the cocoa bean price.

Compound
Consists of a blend of sugar, vegetable oil, cocoa liquor, powder and other products. Vegetable oil is substituted for cocoa butter to reduce product cost and to develop special melting profiles.

Conche
A large tank with a powerful stirring device inside that kneads the chocolate mixture slowly over a long time. Contact with air, heat and friction results in several different physical and chemical processes, necessary for the final taste and mouthfeel of the chocolate.

Controlled Fermentation
Barry Callebaut developed a way to "control" and optimize cocoa fermentation. With the so-called Controlled Fermentation method, defined microorganisms provide a consistent, predictable and 100% "superior grade" cocoa bean quality. This in turn leads to improved flavor characteristics, zero default cocoa beans, enhanced levels of functional components (e.g. flavanols), and improved processability.

Criollo
Criollo is known as the prince among cocoa trees. This variety is fragile and produces small harvests. It grows primarily in South and Central America, and accounts for only 10% of the world crop. The cocoa has a pale color and a unique aroma. It is used in the production of high-quality chocolate and for blending.

D

Dark chocolate
Dark chocolate is chocolate that contains more than 43% cocoa solids coming from cocoa liquor and butter. This is the chocolate most often used for premium chocolate confections. Besides cocoa ingredients, it contains sugar, vanilla, and often lecithin.

Drying
After fermentation, the beans still contain 60% moisture, which must be reduced to 8% or less in order to ensure optimum conservation during storage and transportation. Drying can either be done by spreading the beans out in the sun or by placing them on a heated surface or by hot air. Thorough drying avoids the formation of molds.

Dutching
A treatment used during the making of cocoa powder in which cocoa solids are treated with an alkaline solution to neutralize acidity. This process darkens the cocoa and develops a milder chocolate flavor.

E

EBIT
Operating profit (Earnings Before Interest and Taxes).

EBITDA
Operating profit before depreciation and amortization (Earnings Before Interest, Taxes, Depreciation and Amortization).

Glossary

EVA
Economic Value Added, or EVA, is an estimate of a firm's economic profit – being the value created in excess of the required return of the company's investors (being shareholders and debt holders). In other words: EVA is the profit earned by the firm less the cost of financing the firm's capital.

F

Fermentation
Fermentation is a delicate stage in cocoa bean processing. Beans and pulp are heaped in piles, covered with banana leaves or put in boxes and left to ferment for several days. During fermentation, the beans lose their natural bitterness and astringency.

Flavanol
A specific type of polyphenol, known for its antioxidant activity.

Forastero
Forastero are the most commonly grown and used cocoa beans. Compared to Criollo, Forastero is a stronger tree that is easier to cultivate and produces higher yields. They make up about 90% of the world's production and are grown mainly in West Africa. The cocoa has a pungent aroma.

G

Global Reporting Initiative (GRI)
The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI's Sustainability Reporting Framework enables all companies and organizations to measure and report their sustainability performance. By reporting transparently and with accountability, organizations can increase the trust that stakeholders have in them, and in the global economy. www.globalreporting.org

I

Industry Protocol
Also known as Harkin-Engel Protocol. The Protocol was signed in 2001 by cocoa and chocolate manufacturers, industry and trade associations, government organizations and NGOs in response to reports of children working under abusive labor conditions on cocoa farms in West Africa. The signatories condemned abusive labor practices, in particular the worst forms of child labor as defined by the International Labor Organization (ILO), and committed to work together to address the issue. Barry Callebaut is a signer of the Protocol.

L

Liquor
Also known as cocoa liquor or cocoa mass. The thick liquid paste that is produced in the grinding process.

M

Milk chocolate
Chocolate with at least 25% cocoa solids coming from cocoa liquor and butter to which powdered milk, sugar, vanilla, and lecithin has been added. Good milk chocolate contains 30% chocolate liquor. Premium milk chocolate contains even more.

Molding
The process of creating figures and shapes out of chocolate. Chocolate is melted to 45 °C, then cooled below its crystallization point, then heated again to 30 °C. Following this tempering process, the chocolate is poured onto the inner surface of the molds, also heated to 30 °C. After cooling, the final product is unmolded to reveal a glossy chocolate figure.

N

Nib
The cocoa bean without shell.

P

Polyphenols
Cocoa beans contain polyphenols of unusually high quality and effectiveness. Some display antioxidant properties. By inhibiting oxidation, they protect body cells from damage caused by the oxidative effects of free radicals, which contribute to the aging process and to certain heart and brain diseases.

Powder
Refers to cocoa powder and is the product that remains when a large part of the cacao butter is removed from the cocoa liquor.

R

Roasting
Roasting is a heating process aimed at developing the chocolate aroma. Roasting certain foods not only makes them more digestible, but also more aromatic. Cocoa beans are roasted to a greater or lesser extent depending on what they are being used for. Cocoa powder needs more intense roasting, whereas chocolate requires finer roasting.

S

Semi-finished products
Examples include cocoa liquor, cocoa butter and cocoa powder. Also called cocoa products

Glossary

T

Trinitario
Trinitario beans are a cross of Criollo and Forastero cocoa. It has characteristics of both: The trees are easy to cultivate, and the cocoa beans have a strong, but relatively refined aroma.

V

Viscosity
The measure of the flow characteristics of a melted chocolate.

Vegetable fats
Sometimes used as a less expensive alternative to cocoa butter in chocolate products.

W

White chocolate
White chocolate is made from cocoa butter (at least 20%), powdered milk, sugar, and vanilla. It contains no cocoa liquor, which explains the ivory color of white chocolate.

Contact & Financial calendar

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Financial calendar

December 9, 2015

Annual General Meeting of Shareholders 2014/15, Zurich

January 20, 2016

3-month key sales figures 2015/16

April 6, 2016

Half-year results 2015/16, Zurich

July 7, 2016

9-month key sales figures 2015/16

November 2, 2016

Full-year results 2015/16, Zurich

December 7, 2016

Annual General Meeting of Shareholders 2015/16, Zurich

Forward-looking statement

Certain statements in this Letter to Investors regarding the business of the Barry Callebaut Group are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as "believe", "estimate", "intend", "may", "will", "expect", "project" and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. The factors that may affect the Barry Callebaut Group's future financial results are discussed in the Annual Report 2014/15. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements. The Barry Callebaut Group does not undertake to publish any update or revision of any forward-looking statements.

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