



## Financial Statements of Barry Callebaut AG

### Income Statement

for the fiscal year in thousands of CHF	2017/18	2016/17
<b>Income</b>		
Dividend income	50,000	5,700
License income	64,641	64,037
Management fees	40,074	37,258
Other financial income	4,166	1,236
Other operating income	9	20,327
<b>Total income</b>	<b>158,890</b>	<b>128,558</b>
<b>Expenses</b>		
Financial expenses	(10,500)	(14,401)
Personnel expenses	(65,801)	(59,359)
Other operating expenses	(37,688)	(46,422)
Depreciation of property, plant and equipment	(531)	(562)
Amortization of intangible assets	(668)	(807)
<b>Total expenses</b>	<b>(115,188)</b>	<b>(121,552)</b>
<b>Profit before taxes</b>	<b>43,702</b>	<b>7,006</b>
Direct taxes	–	(869)
<b>Net profit for the year</b>	<b>43,702</b>	<b>6,137</b>

### Available earnings

in thousands of CHF	2017/18	2016/17
<b>Available earnings as of September 1</b>	<b>1,537,619</b>	<b>1,531,438</b>
Dividends to shareholders (gross)	(69,873)	–
Dividends on treasury shares	40	44
Net profit	43,702	6,137
<b>Available earnings as of August 31</b>	<b>1,511,488</b>	<b>1,537,619</b>



## Financial Statements of Barry Callebaut AG

### Balance Sheet

Assets	2018	2017
as of August 31, in thousands of CHF		
<b>Current assets</b>		
Cash and cash equivalents	161	290
Other short-term receivables from Group companies	89,115	55,068
Short-term interest-bearing loans to Group companies	38	182
Prepaid expenses and accrued income	1,353	2,603
<b>Total current assets</b>	<b>90,667</b>	<b>58,143</b>
<b>Non-current assets</b>		
Investments in Group companies	2,256,326	2,256,255
Property, plant and equipment	1,674	1,233
Intangible assets		
Trademarks	431	583
Patents/R&D Development projects	1,814	1,320
Other	169	283
<b>Total non-current assets</b>	<b>2,260,414</b>	<b>2,259,673</b>
<b>Total assets</b>	<b>2,351,081</b>	<b>2,317,816</b>
<b>Liabilities and shareholders' equity</b>		
as of August 31, in thousands of CHF		
<b>Short-term liabilities</b>		
Bank overdrafts	7	1,981
Trade accounts payable		
to third parties	2,836	996
to Group companies	12,594	2,165
to shareholders	137	153
Short-term interest-bearing loans from Group companies	755,851	664,378
Short-term provisions	40,437	31,768
Accrued expenses and deferred income	22,902	28,208
<b>Total short-term liabilities</b>	<b>834,764</b>	<b>729,649</b>
<b>Total liabilities</b>	<b>834,764</b>	<b>729,649</b>
<b>Shareholders' equity</b>		
Share capital <sup>1</sup>	110	40,014
Legal capital reserves		
Reserves from capital contributions	39	39
Legal retained earnings		
General legal retained earnings	25,600	25,600
Voluntary retained earnings		
Available earnings		
Profit brought forward	1,467,786	1,531,482
Net profit for the year	43,702	6,137
Treasury shares	(20,920)	(15,105)
<b>Total shareholders' equity</b>	<b>1,516,317</b>	<b>1,588,167</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,351,081</b>	<b>2,317,816</b>

1 The share capital as of August 31, 2018, consists of 5,488,858 fully paid-in shares at a nominal value of CHF 0.02 (prior year: 5,488,858 shares with a nominal value of CHF 7.29).



## Financial Statements of Barry Callebaut AG

### Notes to the Financial Statements

#### 1 Principles

##### 1.1 General aspects

These financial statements have been prepared in accordance with the provisions of the new Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Due to rounding, the figures presented in the tables may not add up precisely.

##### 1.2 Investments

Investments are stated at historical costs less any allowance for impairment.

##### 1.3 Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the date of acquisition. In case of resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

##### 1.4 Share-based payments

Should treasury shares be used for share-based payment programs for Board members and employees, the difference between the original acquisition costs and any consideration paid by the employees at grant date is recognized as personnel expenses.

##### 1.5 Short-term interest-bearing liabilities

Short-term interest-bearing liabilities are recognized on the balance sheet at nominal value.

##### 1.6 Long-term interest-bearing liabilities

Long-term interest-bearing liabilities are recognized on the balance sheet at nominal value.

##### 1.7 Revenue recognition for Management fees and Licence income

Management fees and license income are recorded as revenue as at the date of invoicing.

##### 1.8 Foregoing a cash flow statement and additional disclosures in the notes

As Barry Callebaut AG has prepared its Consolidated Financial Statements in accordance with International Financial Reporting Standard (IFRS), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.



## Financial Statements of Barry Callebaut AG

### 2 Information on balance sheet and income statement items

#### 2.1 Prepaid expenses and accrued income

Short-term prepaid expenses and accrued income contain receivables for withholding tax, VAT and pension fund.

#### 2.2 Investments

as of August, 31				2018	2017
Name and domicile	Municipality of registration	Share capital	Purpose	Percentage of ownership <sup>1</sup>	
ADIS Holding Inc., Panama	Panama City	CHF 41,624,342	In liquidation	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 Manufacturing Halle B.V.B.A, Belgium	Halle	EUR 15,488,952	Production	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%
Cabosse Naturals N.V., Belgium	Halle	EUR 61,500	Research and Development	99.00%	0%
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%

1 Capital rights (percentage of ownership) correspond with voting rights.

Barry Callebaut AG controls all entities of the Barry Callebaut Group either directly or indirectly through above listed companies. All subsidiaries are listed in note 29 “Group entities” to the Consolidated Financial Statements of Barry Callebaut AG.

#### 2.3 Short-term interest-bearing loans from Group companies

as of August 31, in thousands of CHF	Maturity	Interest	2018	2017
Short-term loan from Group companies	20.09.2017	0.390%	–	661,800
Short-term loan from Group companies	20.09.2018	0.640%	754,500	–
			–	–
Bank overdraft from Group companies	n/a	0.390%	1,351	2,578
<b>Total</b>			<b>755,851</b>	<b>664,378</b>

## Financial Statements of Barry Callebaut AG

### 2.4 Accrued expenses and deferred income

Accrued expenses and deferred income mainly consist of income tax payables and accruals related to short-term incentives to employees.

### 2.5 Share capital and authorized capital

Share capital in the amount of CHF 109,777.16 consists of 5,488,858 registered shares at a par value of CHF 0.02 each.

### 2.6 Reserves from capital contributions

The reserves from capital contributions include the premium from capital increases minus the dividends distributed to date.

From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital. The Swiss Federal Tax Administration (SFTA) has confirmed that it will recognize disclosed reserves from capital contributions as a capital contribution as per art. 5 para. 1bis Withholding Tax Act.

### 2.7 Treasury shares

	Number of transactions	Lowest rate in CHF	Highest rate in CHF	Average rate of transaction in CHF	Quantity
<b>Inventory as of September 1, 2016</b>	–	–	–	–	<b>11,228</b>
Purchase	28	1,180	1,411	1,304	13,090
Allocations to management	3	–	–	1,156	(10,625)
Allocations to board members	1	–	–	1,304	(2,190)
<b>Inventory as of August 31, 2017</b>	–	–	–	–	<b>11,503</b>
Purchase	22	1,502	1,990	1,765	12,930
Allocations to management	4	–	–	1,332	(10,762)
Allocations to board members	1	–	–	–	(2,010)
<b>Inventory as of August 31, 2018</b>	–	–	–	–	<b>11,661</b>

As at balance sheet date, acquisition costs for directly held treasury shares amounted to CHF 20,920,219 (previous year: CHF 15,104,657).

### 2.8 Dividend income

In the reporting year, dividend income amounted to CHF 50,000,000 (previous year: CHF 5,700,000). This year's amount is fully related to the dividend distributed by Barry Callebaut Sourcing AG, Switzerland, for the 2016/17 business year.

### 2.9 Other financial income

Other financial income consists mostly of exchange gains.

### 2.10 License income

License income contains Royalties from Group companies. They are related to the usage of brands and trademarks.

### 2.11 Management fees

Barry Callebaut AG provides a variety of business support services for the benefit of its Group companies. These services include a wide variety of business support services such as management support services, information management services (i.e. information technology related services), accounting and finance, human resources, consulting, tax and legal service, etc.

## Financial Statements of Barry Callebaut AG

### 2.12 Financial expenses

for the fiscal year in thousands of CHF	2017/18	2016/17
Bank interest and fees	182	249
Interest to Group companies	3,860	4,557
Exchange losses	6,458	9,595
<b>Total</b>	<b>10,500</b>	<b>14,401</b>

### 2.13 Other operating expenses

for the fiscal year in thousands of CHF	2017/18	2016/17
Fees lawyers and consulting	14,362	12,672
Other expenses third parties	7,568	9,606
Assistance fees related parties	1,000	1,460
Assistance fees Group companies	14,758	22,684
<b>Total</b>	<b>37,688</b>	<b>46,422</b>

## 3 Other information

### 3.1 Full-time equivalents

The average number of employees of Barry Callebaut AG during the financial year, expressed as full-time equivalents, exceeded 50, but did not exceed 250, as in the prior year.

### 3.2 Liens, guarantees and pledges in favor of third parties

- The Company is a co-debtor for bank loans of max. EUR 750 million (CHF 847.9 million; 2016/17: CHF 853.6 million) obtained by Barry Callebaut Services N.V., Belgium, on June 22, 2017, whereof the maximal liability is limited to the freely distributable retained earnings (CHF 1,511.5 million less 35% withholding tax).
- The Company is also a co-debtor to the Senior Notes of EUR 250 million (CHF 282.6 million; 2016/17: CHF 285.7 million) issued by Barry Callebaut Services N.V., Belgium, on June 15, 2011, to the Senior Notes of USD 400 million (CHF 388.4 million; 2016/17: CHF 383.3 million) issued by Barry Callebaut Services N.V., Belgium, on June 20, 2013, as well as to the Senior Notes of EUR 450 million (CHF 508.7 million, 2016/17: CHF 514.2 million) issued by Barry Callebaut Services N.V., Belgium, on May 24, 2016. The maximal liability is limited to the freely distributable retained earnings (CHF 1,511.5 million less 35% withholding tax).
- The Company issued several guarantees for various credit facilities granted to direct and indirect subsidiaries for an amount of up to CHF 1,336.3 million (2016/17: CHF 1,332.6 million).

### 3.3 Contingent liabilities

Until December 31, 2015, the Swiss Barry Callebaut entities formed a VAT subgroup. As long as respective period has not been closed by VAT authorities, liabilities among subgroup participants are still possible.



## Financial Statements of Barry Callebaut AG

### 3.4 Significant shareholders

as of August 31,	2018	2017
Jacobs Holding AG, Zurich, Switzerland	50.11%	50.11%
Renata Jacobs	8.48%	8.48%
Massachusetts Mutual Life Insurance Company <sup>1</sup>	3.64%	3.65%

1 Including all subsidiaries controlled by the parent company.

### 3.5 Shareholdings of the Board of Directors and the Executive Committee

#### Shareholdings of the Board of Directors

Number of shares as of August 31,		2018	2017
Name	Function		
Patrick De Maeseneire	Chairman	750	250
Jakob Baer	Vice Chairman	1,330	1,080
Fernando Aguirre		460	280
James (Jim) Donald		1,620	1,440
Nicolas Jacobs <sup>1</sup>		93,066	92,886
Elio Leoni Sceti		–	n/a
Timothy Minges		855	656
Juergen Steinemann		15,578	13,979
Wai Ling Liu <sup>2</sup>		n/a	160
Andreas Schmid <sup>2</sup>		n/a	8,218
<b>Total shares held by Board of Directors</b>		<b>113,659</b>	<b>118,949</b>

1 Excluding the 50.11% participation held by Jacobs Holding AG (see note 3.4).

2 No disclosures for August 31, 2018, as Wai Ling Liu and Andreas Schmid left the Board of Directors at the last Annual General Meeting.

#### Shareholdings of the Executive Committee

Number of shares as of August 31,		2018	2017
Name	Function		
Antoine de Saint-Affrique	Chief Executive Officer	1,298	476
Peter Boone	CEO & President Americas	82	–
Ben De Schryver	President APAC	–	n/a
Massimo Garavaglia	President EMEA	1,778	900
Carole Le Meur	Chief Human Resources Officer	143	38
Pablo Perversi	Chief Innovation, Sustainability & Quality Officer	82	–
Dirk Poelman	Chief Operations Officer	1,282	1,636
Steven Retzlaff	President Global Cocoa	1,873	1,128
Remco Steenbergen	Chief Financial Officer (as from March 2018)	219	n/a
Victor Balli	Chief Financial Officer (until February 2018)	n/a	1,453
Dave Johnson	CEO & President Americas (until August 2017)	n/a	2,000
<b>Total shares held by Executive Committee</b>		<b>6,757</b>	<b>7,631</b>



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### 3.6 Shares granted to the Board of Directors and employees

	2017/18	2017/18	2016/17	2016/17
	Quantity	Value (CHF)	Quantity	Value (CHF)
Granted to Members of the Board	1,830	3,477,000	2,010	2,337,630
Granted to employees <sup>1</sup> of Barry Callebaut AG and subsidiaries	7,316	10,297,743	7,948	9,494,884

1 Employees include all participants in the share plan of the Group including employees on the payroll of subsidiaries of which Barry Callebaut AG is the ultimate parent.

### 3.7 Significant events after the balance sheet date

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

### 3.8 Proposed appropriation of available earnings

in thousands of CHF	
Balance carried forward as of September 1, 2017	1,537,619
Dividend to shareholders (gross)	(69,873)
Dividend on treasury shares	40
Net income	43,702
<b>Voluntary retained earnings as of August 31, 2018</b>	<b>1,511,488</b>
Treasury shares	(20,920)
<b>Available retained earnings as of August 31, 2018</b>	<b>1,490,568</b>
<b>Proposed appropriation of available earnings by the Board of Directors</b>	
Dividend of CHF 24.00 per share	(131,733)
<b>Balance carry forward</b>	<b>1,358,835</b>

The board of directors proposes to the 2018 Annual General Meeting a dividend of CHF 24.00 per share.

The dividend is expected to be paid on or about January 9, 2019.