



Business Review | Region EMEA

Strong growth across the Region

Region EMEA delivered a solid performance with well above market volume growth in both the Food Manufacturers and the Gourmet businesses in Western as well as Eastern Europe.

The European chocolate confectionery market still declined by 1.2%¹, showing some signs of recovery in the last quarter confirming that consumption is generally picking up again.

Our sales volume in Region EMEA (Europe, Middle East, Africa) increased by +6.6% to 814,236 tonnes.

In Western Europe, sales volume growth was strong in the Food Manufacturers business, especially in Germany, the British Isles and the Netherlands, as well as in Gourmet. Beverages increased by more than a third, positively impacted by the successfully completed integration of FrieslandCampina Kievit. Furthermore, we opened our first Van Houten™ Beverage Academy center in Kageröd, Sweden, a center of expertise offering customers specialized services for chocolate, cocoa and all powder-based beverage products.

In EEMEA (Eastern Europe, Middle East, Africa), sales volume with Food Manufacturers grew significantly, driven by Turkey and Russia and many new customer wins, in contrast to a difficult economic environment. Strong growth also was seen in Gourmet, with increased sales under the Gourmet brand Callebaut®.

Sales revenue was up +9.7% in local currencies (+6.8% in CHF) to CHF 2,739.0 million due to higher raw material prices and the sale of higher value-added products. The Gourmet & Specialties business again achieved solid volume growth, driven by new product launches, new packaging, entering new categories such as chocolate drinks, thus outperforming the Food Service market.

Operating profit (EBIT) for the Region increased by +4.4% in local currencies (–0.1% in CHF) to CHF 289.5 million, fuelled by a strong product mix and more sales of margin-accretive specialties and decorations products.

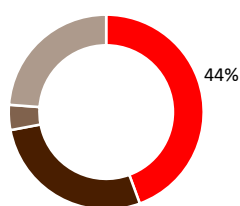
¹Source: Nielsen, September 2015 – August 2016.

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As an extension of the existing strategic partnership with Mondelez International, we announced our intention to acquire and integrate their chocolate production facility in Halle, Belgium, in our network in September 2016. This transaction also includes a long-term agreement to supply

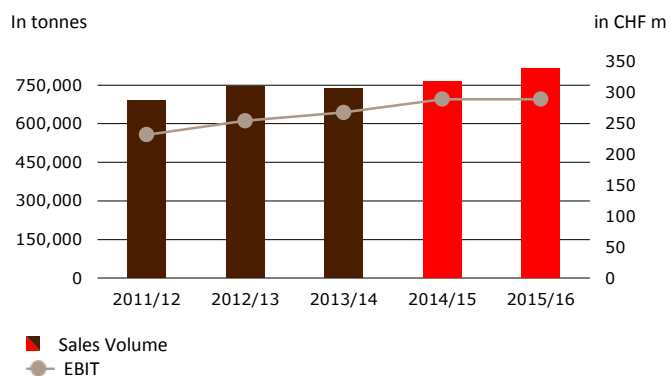
Mondelez International with an additional 30,000 tonnes of liquid chocolate per annum. The expected closing of the transaction is by the end of December 2016, after completing works council consultations.

Sales Volume per Region



- EMEA
- Americas
- Asia Pacific
- Global Cocoa

Sales Volume



20
factories

Key figures for Region EMEA

		Change %		2015/16	2014/15
		in local currencies	in CHF		
Sales volume	Tonnes		6.6%	814,236	763,646
Sales revenue	CHF m	9.7%	6.8%	2,739.0	2,563.7
EBITDA	CHF m	5.4%	1.1%	334.2	330.5
Operating profit (EBIT)	CHF m	4.4%	(0.1%)	289.5	289.7