

Media release

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Barry Callebaut AG:

Strong sales and earnings growth continued in first half of 2002/03

- **Operating profit (EBIT) increases by 25% to CHF 130.4 million, in local currencies increase of 31%**
- **Net profit up 13% to CHF 75.9 million, in local currencies up 20%**
- **Sales volumes up 17% to 480,497 tons**
- **Sales revenues up 44% to CHF 1,906.4 million, in local currencies increase of 52%**
- **Gross profit up 34% to CHF 612.3 million, in local currencies increase of 39%**
- **Refinancing of Group through a senior 5-year loan facility and a debt financing structure in the capital markets finalized**

Zurich/Switzerland, April 9, 2003 – With a further increase in both sales and net profit in the first six months of fiscal 2002/03 ended February 28, 2003, Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, confirmed its growth potential. These good results have been achieved in stagnating and in some regions even contracting chocolate markets. Market shares for Barry Callebaut in the segment of chocolate for industrial customers as well as for artisanal users were further enhanced.

Sales volumes increased by 17% to 480,497 tons from 411,826 tons in the prior-year period. In line with corporate strategy, the Cocoa, Sourcing & Risk Management business unit reduced its sales to third-party customers by another 10%. Sales volumes in the Food Manufacturers business unit grew 4%. The growth registered in the Gourmet & Specialties business unit was 3%. Both growth rates were achieved organically. The sales volume increase in Consumer Products (+ 232%) was mainly the result of the first-time consolidation of the German Stollwerck Group.

Sales revenues recorded an increase of 44% to CHF 1,906.4 million, up from CHF 1,322.3 million in the prior-year period. In local currencies, sales revenues grew 52%. As in the first quarter of fiscal 2002/03, sales revenues grew faster than sales volumes due to the increase in average cocoa bean prices in the period under review compared to the 2001/02 period.

Gross profit, which equals sales revenues less material consumed, jumped by 34% to CHF 612.3 million, up from CHF 456.9 million in the prior-year period. **Operating profit (EBIT)** grew faster than sales volumes, namely by 25% to CHF 130.4 million, up from CHF 104.6 million in the prior-year period. On a per ton basis, operating profit (EBIT) increased by 7% to CHF 271.3 per ton from CHF 254.1 per ton in the prior-year period. In local currencies, operating profit (EBIT) per ton increased by 13% to CHF 285.9. – **Net profit (PAT)** grew 13%, from CHF 67.2 million in the prior-year period to CHF 75.9 million. In constant currency terms, net profit growth was 20%.

It is important to remember the seasonal nature of Barry Callebaut's business. While revenues peak in the period between late August and the end of March as a result of the Christmas and Easter business, they are at their low in the spring and summer months; expenses, however, are spread equally across the fiscal year. Therefore, full-year results cannot be extrapolated from interim results.

Business performance by unit

To further reduce exposure to the volatile cocoa markets, sales to third-party customers in the **Cocoa, Sourcing & Risk Management** business unit were scaled back by another 10% compared to the first quarter of fiscal 2002/03 to 62,127 tons (prior-year period: 69,306 tons).

High cocoa bean prices led to an increase of 33% in sales revenues, bringing sales from CHF 220.5 million in the prior-year period to CHF 293.5 million. Likewise as a result of high cocoa bean prices, gross profit decreased by 16% to CHF 87.9 million, down from CHF 104.4 million in the prior-year period.

Thanks to the successful launch of new chocolates and compounds in all its major markets, the **Food Manufacturers** business unit, which supplies chocolate and compounds to industrial customers, recorded a 4% increase in sales volumes in a generally flat market. Sales volumes went up to 270,312 tons, up from 260,508 tons for the prior-year period. Sales revenues increased by 12% to CHF 826.6 million (prior-year period: CHF 738.4 million). The increase was largely attributable to increased sales prices due to higher cocoa bean prices. Gross profit decreased by 3% to CHF 226.2 million (prior-year period: CHF 233.3 million). At constant exchange rates gross profit would have been CHF 237.8 million (increase of 2%).

The **Gourmet & Specialties** business unit, which serves professional users such as chocolate makers, pastry chefs, hotels and restaurants, reported a 3% increase in sales volumes to 55,605 tons (prior-year period: 54,197 tons) and an 8% increase in sales revenues to CHF 249.7 million, up from CHF 231.4 million in the prior-year period. This increase was largely the result of the business unit's focus on high-margin products, the introduction of a single pricing policy for all distributors serving NAFTA countries and the enhanced quality of Vending Mix products, allowing for higher selling prices. Gross profit increased by 6% to CHF 82.3 million, up from CHF 78.0 million in the prior-year period, due to volume increases and the higher gross profit margins. At constant exchange rates gross profit would have been CHF 83.8 million or an increase of 7%. In line with Barry Callebaut's intention to grow this business unit's share of total sales, the company acquired Dutch-Belgian chocolate company Luijckx Beheer B.V., which specializes in manufacturing and trading high-quality chocolate products and decorations. The transaction closed on March 3, 2003.

In the **Consumer Products** business unit, sales volumes increased to 92,453 tons, up from 27,815 tons, mostly as a result of the Stollwerck acquisition. Sales revenues increased from CHF 132.0 million in the prior-year period to CHF 536.6 million, with CHF 415.1 million of the increase attributable to the Stollwerck acquisition. The dual strategy of offering both branded and customer label products is paying off. As a consequence of the Stollwerck acquisition, gross profits increased to CHF 215.9 million, compared to CHF 41.2 million in the prior-year period. The planned relocation of the Gubor production activities to Norderstedt near Hamburg and the closure of the two production plants in Münstertal and Müllheim, Germany, as of September 30, 2003, with the objective of optimizing production costs, are moving ahead.

Review of regional market developments

In **Western Europe** sales volumes went up by 27% to 325,270 tons, corresponding to 67% of the Group's sales volume of 480,497 tons for the period under review, largely as a result

of the Stollwerck acquisition. Western Europe is Barry Callebaut's most important market. Sales volumes in **Eastern Europe** (4% of the total sales volume) grew 4% to 17,822 tons.

Sales volumes in the **Americas** (North and Latin America) were down by 2% as a consequence of reduced cocoa sales. The Americas accounted for 22% of total sales volumes, or 104,568 tons.

Volumes in **Asia/Pacific** jumped by 14% subsequent to reinforced sales efforts. This region's share of total volumes amounted to 3%, or 15,297 tons.

Volumes in **Africa and the Middle East** decreased by 2% against the background of the difficult political situation in several countries in this region. The region contributed 4% or 17,540 tons to total volumes.

Long-term financing structure

Barry Callebaut has successfully concluded a 5-year senior loan facility with a syndicate of its main relationship banks and has placed a 9¼% Senior Subordinated Notes in the amount of EUR 165 million, maturing in 2010, in the capital markets. The proceeds have been used to refinance existing indebtedness. By putting this long-term refinancing structure in place Barry Callebaut has improved its debt profile, reduced its short-term debt exposure and strengthened its overall liquidity.

Outlook

Patrick De Maeseneire, Chief Executive Officer of Barry Callebaut, commented: "Despite generally flat or even declining markets and the depressed consumer mood we were able to enhance our leadership position in chocolate for industrial customers as well as for artisanal users with market shares of 39% and 35%, respectively. The currently prevailing political and economic uncertainties make forecasts very difficult. Having said this, barring any major unforeseen event, I am confident that we will be able to exceed the CHF 200 million EBIT threshold for full fiscal year 2002/03."

For further information see Barry Callebaut's "Letter to Investors" with a more detailed review of operations published on the internet (www.barry-callebaut.com, go to "Investors/Documentation").

This press release is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration of an exemption from registration under the U.S. Securities Act of 1933, as amended. Barry Callebaut AG does not intend to register any offering in the United States or to conduct a public offering in the United States. Any public offering of securities to be made in the United States will be made only by means of a prospectus that will contain detailed information about the company and its management and financial statements.

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About Barry Callebaut AG:

With annual sales of CHF 2.6 billion for fiscal year 2001/02, Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate products. Barry Callebaut operates some 34 production facilities in 16 countries and employs approximately 7,000 people. The company is organized into four strategic business units: Cocoa, Sourcing & Risk Management, Food Manufacturers, Gourmet & Specialties and Consumer Products.

The company's customers range from industrial processors, such as the world famous branded consumer goods manufacturers who produce chocolate, confectionery, biscuits, dairy products, ice cream and breakfast cereals incorporating Barry Callebaut's products, to artisanal users, including hotels, gastronomy, chocolate makers, pastry chefs and bakers, to partners in the food retailing industry for whom the Barry Callebaut Group produces branded, customer label and other consumer products. Barry Callebaut also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

The holding company, Barry Callebaut AG, has been listed on the SWX Swiss Exchange since June 1998 (ticker symbol BARN). The fully paid-up share capital amounts to CHF 517 million, divided into registered shares with a nominal value of CHF 100 each. On February 28, 2003, the close of the second quarter of fiscal 2002/03, the market capitalization was CHF 838 million.

Fiscal year 2002/03 will close on August 31, 2003. Results for the nine-month period ending on May 31, 2003 will be published on July 1, 2003.

www.barry-callebaut.com

Key Figures (unaudited pro-forma financial statement)

in CHF		Change in %	6 months up to 28.02.2003	6 months up to 28.02.2002
Financial key figures				
Sales revenue	CHF m	44.2%	1,906.4	1,322.3
Sales volume	Tons	16.7%	480,497	411,826
Gross profit	CHF m	34.0%	612.3	456.9
Operating profit (EBIT)	CHF m	24.7%	130.4	104.6
Net profit (PAT)	CHF m	12.9%	75.9	67.2
Cash flow ⁽¹⁾	CHF m	20.0%	137.2	114.3
EBIT per ton	CHF	6.8%	271.3	254.1
EBIT per share	CHF	24.6%	25.22	20.24
Earnings per share, undiluted	CHF	7.6%	14.70	13.66
Earnings per share, diluted	CHF	12.9%	14.67	13.00
Sales volumes				
<i>by business unit</i> ⁽²⁾				
• Cocoa, Sourcing & Risk Mgt	Tons	-10.4%	62,127	69,306
• Food Manufacturers	Tons	3.8%	270,312	260,508
• Gourmet & Specialties	Tons	2.6%	55,605	54,197
• Consumer Products	Tons	232.4%	92,453	27,815
<i>by region</i>				
• Western Europe	Tons	26.8%	325,270	256,500
• Eastern Europe	Tons	3.7%	17,822	17,180
• Americas	Tons	-2.1%	104,568	106,778
• Asia / Pacific	Tons	14.3%	15,297	13,380
• Africa and Middle East	Tons	-2.5%	17,540	17,988
Sales revenue				
<i>by business unit</i> ⁽²⁾				
• Cocoa, Sourcing & Risk Mgt	CHF m	33.1%	293.5	220.5
• Food Manufacturers	CHF m	11.9%	826.6	738.4
• Gourmet & Specialties	CHF m	7.9%	249.7	231.4
• Consumer Products	CHF m	306.7%	536.6	132.0
Balance Sheet				
Total assets	CHF m	27.8%	2,789.3	2,181.9
Net working capital	CHF m	5.8%	950.9	899.1
Non-current assets	CHF m	26.6%	1,023.1	808.2
Net debt	CHF m	23.0%	1,072.9	872.4
Equity	CHF m	-2.9%	709.2	730.2
Employees		46.8%	6,986	4,759

(1) Net profit + depreciation of tangible assets + amortization of goodwill and other intangibles

(2) Prior year figures have been brought in line with the current split of Business Unit responsibilities

in EUR		Change in %	6 months up to 28.02.2003	6 months up to 28.02.2002
Sales revenue	EUR m	45.5%	1,303.2	895.6
Operating profit (EBIT)	EUR m	25.8%	89.1	70.8
Net profit (PAT)	EUR m	14.1%	51.9	45.5
Total assets	EUR m	29.0%	1,906.9	1,477.9
Net working capital	EUR m	6.7%	650.0	609.0
Non-current assets	EUR m	27.8%	699.4	547.4
Net debt	EUR m	24.1%	733.5	590.9
Equity	EUR m	-2.0%	484.8	494.6
in USD		Change in %	6 months up to 28.02.2003	6 months up to 28.02.2002
Sales revenue	USD m	80.6%	1,400.7	775.4
Operating profit (EBIT)	USD m	56.3%	95.8	61.3
Net profit (PAT)	USD m	41.4%	55.7	39.4
Total assets	USD m	60.2%	2,049.5	1,279.4
Net working capital	USD m	32.5%	698.7	527.2
Non-current assets	USD m	58.6%	751.7	473.9
Net debt	USD m	54.1%	788.3	511.6
Equity	USD m	21.7%	521.1	428.2

Barry Callebaut is a Swiss corporation and as such presents its financial statements in Swiss francs (CHF). For convenience, some selected financial data were translated from Swiss francs into Euros (EUR) at the rate of CHF 1.4628 and CHF 1.4764, respectively, to EUR 1 and from Swiss francs into US dollars (USD) at the rate of CHF 1.3610 and CHF 1.7054, respectively, to USD 1. (Closing rates as of February 28, 2003 and February 28, 2002, respectively).