Letter to Investors

Barry Callebaut reports results for first six months of fiscal year 2005/06:

Continued strong profit growth

- **Business with Industrial and Gourmet customers driving overall growth**
- **Operating profit (EBIT) increased by 10.8% to CHF 177.0 million**
- **Net profit (PAT) up 11.3% to CHF 112.7 million**
- **Restructuring of European consumer business progressing as planned**
- **Three-year financial targets confirmed**

Zurich/Switzerland, April 10, 2006 – Barry Callebaut, the world’s leading manufacturer of high-quality cocoa and chocolate products, announced today its half-year results for the period ended February 28, 2006. Operating profit (EBIT) strongly increased by 10.8% to CHF 177.0 million and net profit (PAT) grew by 11.3% to CHF 112.7 million. EBIT per tonne, the key indicator for operational performance, went up by 12.4% to CHF 320 per tonne, up from CHF 285 per tonne in the same prior-year period. All business units contributed positively to the increase of this ratio.

Sales revenue grew by 8.4%, mainly due to increased physical bean sales [1], positive exchange rate effects and moderately higher cocoa bean prices. Excluding these effects, Barry Callebaut’s sales revenue slightly decreased. Sales volumes went down by 1.4% mainly due to the discontinuation of unprofitable contracts in the consumer business. Without this, sales volumes and revenue on a comparable basis would have increased.

Barry Callebaut achieved this result despite expected shifts of volumes from the second to the third quarter due to Easter being three weeks later than in 2005 and also despite lower sales of semi-finished products as a consequence of the company’s growing in-house need for cocoa liquor and butter in order to manufacture the increasing quantities of chocolate sold to customers.

Patrick De Maeseneire, CEO of Barry Callebaut, said: “During the first six months of fiscal year 2005/06 we have been able to further grow our profitability, and we have made considerable progress in our European consumer business. We are pleased with our half-year results, especially in view of a late Easter in 2006.”

[1] Reported sales volumes only include processed goods. Therefore physical bean sales are not included in the reported sales volumes. However, the related sales revenue is included in the accounts. Bean sales have no significant impact on the Group’s operating profit (EBIT).

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Overview of business performance for the first six months of fiscal year 2005/06

Sales volumes decreased by 1.4% to 553,196 tonnes, down from 561,033 tonnes. While the business units Food Manufacturers and Gourmet & Specialties recorded strong growth, sales volumes in the business units Cocoa and Consumer Products decreased, the latter decline mainly stemming from discontinued unprofitable volumes. Compared to the previous year, the business unit Cocoa increased its sales of cocoa beans. However these activities are not reflected in reported sales volumes, which only include processed goods.

Sales revenue went up by 8.4% to CHF 2,348.3 million from CHF 2,166.1 million in the same prior-year period. This growth is due to the increased bean sales, positive currency effects stemming from U.S. dollar, Canadian dollar, Euro and Brazilian real against CHF as well as slightly higher underlying cocoa bean prices. Excluding these effects, Barry Callebaut's sales revenue decreased slightly by 0.8%. Both the Food Manufacturers and the Gourmet & Specialties business units recorded strong growth in sales revenues, whereas sales revenues in the Consumer Products business unit declined due to the deliberately discontinued unprofitable volumes.

Gross profit increased by 7.3% or 24.4 million to CHF 358.4 million, up from CHF 334.0 million in the previous year. Gross profit is defined as sales revenue minus cost of goods sold, the latter including raw materials as well as all production and distribution-related costs. Excluding the positive currency effects gross profit increased by CHF 15.9 million or 4.8%. In absolute terms the biggest increase came from the business unit Gourmet & Specialties. On a per tonne basis gross profit increased by CHF 53 or 8.8% to CHF 648 per tonne up from CHF 595 per tonne in previous year. Whereas gross profit per tonne in the business unit Food Manufacturers remained stable, all other business units were able to increase this ratio. Excluding currency effects gross profit per tonne increased by CHF 37 or 6.3% up to CHF 633. Among other reasons, the bundling of the sourcing activities allows the Group to take advantage of its purchasing power in the market place and to achieve substantial savings on raw material costs.

Marketing & Sales expenses saw a decrease by CHF 2.8 million or 3.6% to CHF 74.9 million, down from CHF 77.7 million in the previous year. Excluding currency impacts Marketing & Sales expenses dropped by CHF 5.1 million or 6.6%. The reason for this cost reduction is the reduced sales force mainly as a consequence of the restructuring measures in our European consumer business.

General & Administration expenses increased by CHF 4.8 million or 4.3% to CHF 117.1 million, up from CHF 112.3 million in the previous year. CHF 2.8 million of this increase can be allocated to foreign currency effects. A second factor for the increase in G&A expenses is the first-time adoption of IFRS 2, which led to recognition of the costs related to the employee stock ownership plan in the income statement. In the previous year these costs were recorded in equity as treasury share movements. Excluding the impact of this change in accounting rules and currency effects, General & Administration expenses decreased by CHF 2.5 million or 2.2% on a comparable basis.

Other operating income, net decreased by CHF 5.1 million to CHF 10.6 million, down from CHF 15.7 million in prior year. In the prior year this position included curtailments of employee benefit plans.

Operating profit (EBIT) was CHF 177.0 million or 10.8% above the CHF 159.7 million figure from the same prior-year period. Excluding the positive currency effects operating profit grew by 9.0%. All business units contributed positively to the operating result. On a per tonne basis operating profit increased by 12.4% to CHF 320 per tonne, up from CHF 285 per tonne in the previous year. Excluding the currency impact the operating profit increased by 10.6% to CHF 315 per tonne. All business units contributed positively to the increase of this ratio.

Financial cost, net increased by CHF 2.9 million to CHF 41.1 million compared to CHF 38.2 million in the previous year, mainly due to a higher level of average funding in the first six months of fiscal year 2005/06 compared to the same period in the previous year.

Taxes increased to CHF 22.9 million from CHF 20.2 million, due to the higher pre-tax profit. The average group tax rate stands at 16.9% compared to 16.6% in the same prior-year period.

Net profit (PAT) for the period under review increased by 11.3% to CHF 112.7 million, up from CHF 101.3 million in the previous year. Net profit was positively impacted by foreign currency effects of CHF 1.5 million. Excluding these effects net profit grew by CHF 9.9 million or 9.8%.

Net working capital (including short-term provisions) increased by 13.3% or CHF 110.8 million to CHF 941.6 million compared to the level at the end of the fiscal year 2004/05. This increase is mainly attributable to higher trade receivables due to the seasonality of the business, foreign currency impacts, an increase in other current assets as well as a decrease in current liabilities. **Net debt** at the end of February 2006 amounts to CHF 937.5 million, slightly down by 1.7% or CHF 16.0 million compared to August 2005. This decrease is mainly a consequence of the adaptation of the Securitization program to the new IFRS regulations, which led to greater derecognition of trade receivables from the balance sheet. This positive effect was partly offset by foreign currency impacts as well as increased funding needs for higher operating assets due to the seasonality of the business.

Total assets as of the end of February 2006 stood at CHF 2,824.5 million, which represents an increase of CHF 159.7 million or 6% compared to the CHF 2,664.8 million figure at the end of fiscal year 2004/05. The increase can be attributed to higher current assets due to seasonality and currency effects of CHF 70.4 million.

Shareholders' equity increased by 17.9% to CHF 986.4 million as of February 28, 2006, compared to CHF 836.7 million at the end of the previous fiscal year on August 31, 2005. This significant increase was the result of a strong net profit for the period, positive currency translation adjustments in the amount of CHF 25.9 million as well as positive fair value adjustments on interest rate swaps designated as cash flow hedges.

Operating cash flow before working capital changes of CHF 169.3 million was generated in the six-month period ended February 28, 2006 compared to CHF 157.6 million for the 2005 period. Increased working capital due to seasonality consumed part of the operating cash flow. As a consequence **net cash flow from operations** (including working capital changes) was a positive CHF 88.4 million for the first six months of this fiscal year. In the previous year net cash flow from operations including working capital changes was CHF 107.6 million.

Net cash flow from investing activities was CHF (52.9) million and CHF (95.7) million for the six-month period ended February 28, 2006 and 2005, respectively. The current year figure mainly relates to capital expenditures for continuous investments in our on-going operations, whereas the prior year's amount also includes the acquisition of the Vending Mix Business of AM Foods.

On February 28, 2006, the Group employed a **workforce** of approximately 8,300 people, or 2.6% less than on August 31, 2005, mainly due to the ongoing restructuring efforts of the Group in its consumer business, partly offset by increased headcount due to seasonality.

Development of business segments in the first six months of fiscal year 2005/06

Industrial business segment

The Industrial business segment focuses on selling cocoa and chocolate products to industrial processors and consumer goods manufacturers worldwide.

<u>Sales volumes</u> amounted to 365,679 tonnes, an organic volume growth of 3.0% compared to the 355,032 tonnes in the same prior-year period.

- Cocoa products sold to third-party customers decreased by 4.2% to 63,906 tonnes. The main reason for this decline was lower sales of butter and liquor because of Barry Callebaut's growing in-house needs resulting from the increased sales of chocolate products.

- Sales volumes in the Food Manufacturers business unit were 301,773 tonnes, up 4.7% from 288,331 tonnes, resulting from higher sales mainly in North America, Germany and the U.K.

<u>Sales revenue</u> recorded in the Industrial business segment grew by 16.4% to CHF 1,316.0 million compared to CHF 1,130.1 million in the same prior-year period.

- In the Cocoa business unit sales revenue increased by 44.9% to CHF 364.6 million, up from CHF 251.7 million. This increase resulted from the significantly higher sales of cocoa beans in the second quarter. As mentioned earlier, reported sales volumes include only processed goods but no raw material sales. Adjusted for these raw material sales, revenue of the Cocoa business unit decreased by 6.8% compared to prior year.

- The Food Manufacturers business unit managed to increase sales revenue by 8.3% to CHF 951.4 million, up from CHF 878.4 million in the previous year. Excluding positive foreign exchange effects as well as the impact of a slight increase in the cocoa price, organic sales revenue growth was approximately 5.3%. This increase is mainly attributable to volume growth.

Operating profit (EBIT) for the Industrial business segment increased by 11.4% to CHF 109.5 million in the six-month period ended February 28, 2006, up from CHF 98.3 million in the prior-year period. The business units Cocoa and Food Manufacturers both contributed to the strong increase in operating profit. The above-mentioned physical bean sales did not have a significant impact on the profitability of the business segment.

After a severe winter in Russia, work on Barry Callebaut's new factory near Moscow resumed. The factory is scheduled to start operations at the beginning of 2007. In China, Barry Callebaut has continued to evaluate several alternatives for establishing a regional presence with own production capacities in order to obtain better access to this important market.

Food Service/Retail business segment

The Food Service/Retail business segment serves a broad range of customers, from local craftsmen to global retailers. As of the current fiscal year, the Consumer Africa division is no longer reported under the Gourmet & Specialties business unit, but is now included in the Consumer Products business unit. The prior-year figures have been restated accordingly.

Sales revenue decreased slightly by 0.4% to CHF 1,032.3 million, down from CHF 1,036.0 million.

- Sales revenue in the Gourmet & Specialties business unit increased by 10.8% to CHF 305.1 million, up from CHF 275.4 million. Excluding the positive currency effects, sales revenue in this business unit increased by 8.4% organically.

- Sales revenue in the Consumer Products business unit decreased by 4.4% to CHF 727.2 million, compared to CHF 760.6 million in the same prior-year period. This decrease mainly came from discontinued unprofitable volumes. Sales revenue in the African consumer business remained at the level of the same prior-year period.

Operating profit (EBIT) for the Food Service/Retail business segment increased strongly by 11.5% to CHF 93.9 million in the six-month period ended February 28, 2006, up from CHF 84.2 million in the prior-year period. Both business units contributed positively to the operating profit.

In the European consumer business, major efficiency gains resulted from the ongoing migration of operations to the existing SAP platform and an optimization of the distribution infrastructure in Germany. The business portfolio has been strengthened through additional co-manufacturing agreements with industrial food processors, new contracts with retailers outside Germany as well as the launch of new branded products at the confectionery trade show ISM in the beginning of the year.

Outlook

Looking forward, CEO Patrick De Maeseneire said: "Our business is seasonal. With the late Easter holiday this year, some volumes are expected to shift from the second to the third quarter. Efficiency improvements in our European consumer business are coming along as planned, and we are confident we'll make further progress and achieve profitability for this business unit in fiscal year 2005/06. We expect a further decline in the combined (cocoa) ratio, having an effect on the profitability of our Cocoa business unit in the second half of this fiscal year as well as in 2006/07. Nevertheless, and despite changes in the accounting standards (IFRS) with regard to employee stock ownership programs, we confirm the communicated financial targets for the 3-year period 2004/05 through 2006/07. This as always, of course, barring any major unforeseen events."

Barry Callebaut
(www.barry-callebaut.com):
With annual sales of more than CHF 4 billion for fiscal year 2004/05, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa, chocolate and confectionery products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut operates more than 30 production facilities in 24 countries and employs more than 8,000 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate (such as chocolatiers, pastry chefs or bakers), to global retailers. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

Fiscal year 2005/06 ends on August 31, 2006.

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Key Figures for Barry Callebaut Group (unaudited)

in CHF		**Change (%)**	**6 months up to Feb 28, 2006**	**6 months up to Feb 28, 2005**
Income Statement				
Sales revenue *in local currencies*	CHF m	8.4 *5.5*	2,348.3 *2,285.6*	2,166.1
Sales volume	mt	-1.4	553,196	561,033
Gross profit *in local currencies*	CHF m	7.3 4.8	358.4 349.9	334.0
Operating profit (EBIT) *in local currencies*	CHF m	10.8 9.0	177.0 174.1	159.7
EBIT per tonne *in local currencies*	CHF	12.4 10.6	320.0 314.7	284.7
Net profit (PAT) *in local currencies*	CHF m	11.3 9.8	112.7 111.2	101.3
Cash flow (1)	CHF m	7.2	169.0	157.7
Shares				
EBIT per share *in local currencies*	CHF	10.8 9.0	34.24 33.67	30.89
Earnings per share (undiluted)	CHF	11.2	21.8	19.6
Earnings per share (diluted)	CHF	11.2	21.8	19.6
Balance Sheet			**Feb 28, 2006**	**Aug 31, 2005**
Balance sheet total	CHF m	6.0	2,824.5	2,664.8
Net working capital	CHF m	13.3	941.6	830.8
Non-current assets	CHF m	2.4	1,196.0	1,168.2
Net debt	CHF m	-1.7	937.5	953.5
Shareholders’ equity	CHF m	17.9	986.4	836.7
Others				
Employees		-2.6	8,318	8,542

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

Key figures by business segment (unaudited)

in CHF		Change (%)	6 months up to Feb 28, 2006	6 months up to Feb 28, 2005
Industrial Business Segment				
Sales revenue	CHF m	16.4	1,316.0	1,130.1
- Cocoa	*CHF m*	*44.9*	*364.6*	*251.7*
- Food Manufacturers	*CHF m*	*8.3*	*951.4*	*878.4*
Sales volumes	mt	3.0	365,679	355,032
- Cocoa	*mt*	*-4.2*	*63,906*	*66,701*
- Food Manufacturers	*mt*	*4.7*	*301,773*	*288,331*
EBIT (3)	CHFm	11.4	109.5	98.3
EBITDA (3)	CHF m	8.5	136.4	125.6
Food Service/Retail Business Segment (2)				
Sales revenue	CHF m	-0.4	1,032.3	1,036.0
- Gourmet & Specialties	*CHF m*	*10.8*	*305.1*	*275.4*
- Consumer Products	*CHF m*	*-4.4*	*727.2*	*760.6*
EBIT (3)	CHFm	11.5	93.9	84.2
EBITDA (3)	CHF m	8.6	120.9	111.4

2) The Consumer Products business in Africa has been shifted from the business unit Gourmet & Specialties to the business unit Consumer Products. The prior-year figures have been restated accordingly.

3) 2004/05 figures have been restated to reflect the organizational changes in relation with the centralized coordination of our manufacturing facilities and supply chain as well as the centralized administration shared services, as from September 1, 2005.

Consolidated statement of income (unaudited)

for the 6-month period ended	Feb 28, 2006	Feb 28, 2005
in millions of Swiss Francs		
Revenue from sales and services	**2'348.3**	**2'166.1**
Costs of goods sold	-1'989.9	-1'832.1
Gross profit	**358.4**	**334.0**
Marketing & Sales	-74.9	-77.7
General & Administration	-117.1	-112.3
Other income and expense, net	10.6	15.7
Operating profit (EBIT)	**177.0**	**159.7**
Financial cost, net	-41.1	-38.2
Profit before taxes	**135.9**	**121.5**
Taxes	-22.9	-20.2
Profit for the period	**113.0**	**101.3**
of which attributable to minority interests	0.3	0.0
of which attributable to the Group (1)	112.7	101.3
Earnings per share (CHF/share) (2)	21.80	19.60
Diluted earnings per share (CHF/share) (2)	21.80	19.60

1) Net profit (PAT)

2) Based on profit for the period attributable to the Group (PAT)

Consolidated Balance Sheet (unaudited)

	as of Feb 28, 2006	as of Aug 31, 2005

Assets

in millions of Swiss Francs

Current assets		
Cash and cash equivalents and short-term deposits	78.9	27.2
Trade accounts receivable	374.1	322.7
Inventories	905.0	892.2
Other current assets	270.5	254.5
	1'628.5	**1'496.6**
Non-current assets		
Property, plant and equipment	744.3	725.9
Investments	7.0	6.9
Intangible assets	375.3	379.9
Long-term deposits	12.7	12.0
Other non-current assets	56.7	43.5
	1'196.0	**1'168.2**
Total assets	**2'824.5**	**2'664.8**

Liabilities and shareholders' equity

in millions of Swiss Francs

Current liabilities		
Bank overdrafts and short-term debt	424.5	233.7
Trade accounts payable	259.7	271.2
Provisions	22.6	39.7
Other current liabilities	325.7	327.8
	1'032.5	**872.4**
Non-current liabilities		
Long-term debt	604.6	759.0
Deferred tax liabilities	44.6	40.7
Employee benefits	143.7	142.7
Provisions	3.2	4.4
Other non-current liabilities	3.7	3.5
	799.8	**950.3**
Total liabilities	**1'832.3**	**1'822.7**
Equity		
Share capital	476.7	476.7
Retained earnings and reserves	509.7	360.0
Total equity attributable to the Group (1)	**986.4**	**836.7**
Minority interests	5.8	5.4
Total equity	**992.2**	**842.1**
Total liabilities and equity	**2'824.5**	**2'664.8**

1) Shareholders' equity

Consolidated cash flow statement (unaudited)

for the 6-month period ended	**Feb 28, 2006**	**Feb 28, 2005**
in millions of Swiss Francs		
Operating cash flow before working capital changes	**169.3**	**157.6**
(Increase) Decrease in trade accounts receivable and other current assets	(49.0)	34.6
(Increase) Decrease in inventories	11.8	56.6
(Increase) Decrease in other non-current assets	(4.4)	(6.3)
Increase (Decrease) in current liabilities	(39.3)	(134.9)
Net cash flow from operations	**88.4**	**107.6**
Net cash flow from investing activities	**(52.9)**	**(95.7)**
Net cash flow from financing activities	**(29.4)**	**(48.2)**
Effect of change in minority interests	0.0	(0.2)
Effects of exchange rate changes	0.6	(0.6)
Net increase (decrease) in cash and cash equivalents	**6.7**	**(37.1)**
Cash and cash equivalents at beginning of the period	(1.4)	(1.8)
Cash and cash equivalents at end of the period	**5.3**	**(38.9)**
Cash and cash equivalents	49.5	42.5
Bank overdrafts	(44.2)	(81.4)
Cash and cash equivalents as defined for the cash flow statement	**5.3**	**(38.9)**

Consolidated statement of equity (unaudited)

for the period ended February 28, 2006

in millions of Swiss Francs	Share capital	Legal reserves	Retained earnings	Treasury shares	Hedging reserve	Cumulative translation adjustment	Total equity attributable to the Group	Minority interests	Total equity
as of August 31, 2004	517.0	240.5	89.0	(9.8)	(0.5)	(35.3)	800.9	6.9	807.8
Capital reduction and repayment [1)]	(40.3)						(40.3)		(40.3)
Transactions in treasury shares			(5.9)	5.0			(0.9)		(0.9)
Equity reserve cash flow hedges					(1.1)		(1.1)		(1.1)
Current year translation adjustments						(17.6)	(17.6)	(0.2)	(17.8)
Negative goodwill Brach's [2)]			17.5				17.5		17.5
Profit for the period			101.3				101.3	(0.0)	101.3
as of February 28, 2005	**476.7**	**240.5**	**201.9**	**(4.8)**	**(1.6)**	**(52.9)**	**859.8**	**6.7**	**866.5**
as of August 31, 2005	476.7	240.5	157.1	(2.5)	(5.5)	(29.6)	836.7	5.4	842.1
Transactions in treasury shares			0.1	(5.0)			(4.9)		(4.9)
Equity reserve cash flow hedges					16.0		16.0		16.0
Current year translation adjustments					0.1	25.8	25.9	0.1	26.0
Profit for the period			112.7				112.7	0.3	113.0
as of February 28, 2006	**476.7**	**240.5**	**269.9**	**(7.5)**	**10.6**	**(3.8)**	**986.4**	**5.8**	**992.2**

1) Instead of a dividend, the annual shareholders' meeting held on December 8, 2004 decided on a share capital reduction of CHF 7.80 per share (total share capital reduction of CHF 40.3 million). After this transaction, the share capital is represented by 5,170,000 authorized and issued shares of each CHF 92.20, fully paid in.

2) The remaining negative goodwill of the Brach's acquisition has been recorded into equity as at September 1, 2004 in line with the requirements of IFRS 3.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

for the period ended February 28, 2006

1 Accounting policies and basis of presentation

Barry Callebaut AG's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS, formerly International Accounting Standards or IAS) and the provisions of the Swiss Code of Obligations. These unaudited interim condensed Financial Statements are stated in accordance with the regulations of IAS 34 "Interim Financial Statements".

These interim Financial Statements should be read in conjunction with the audited Financial Statements included in the Barry Callebaut Annual Report 2004/05.

Compared to the accounting policies and conventions applied in the Annual Report, the following changes have been introduced in accordance with new or modified rules of IFRS:

- According to IFRS 2 share based payments are now reflected in the consolidated statement of income whereas under the old plans such payments were reflected in the consolidated statement of equity.
- The amendment of IAS 1 requires minority interests to be disclosed within equity. The presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of equity have been modified accordingly. For the calculation of key figures, the part of equity and profit attributable to the Group – i.e. excluding minorities - is taken into account.
- The Group is currently working on the implementation of the changes due to the amendments of IAS 32 and 39 relevant mainly in relation with the valuation and disclosure of its open commitments, inventories and financial instruments. From today's perspective, no significant impact on the consolidated income statement is expected.

2 Capital expenditure

Capital expenditure for the six-month period ended February 28, 2006 amounted to CHF 52.9 million. (CHF 95.7 million for the six-month period ended February 28, 2005, including the acquisition of the Vending Mix Business of AM Foods).

Capital expenditure is related to continuous investments in connection with our on-going production operations. There were no major disposals in the six-month period ended February 28, 2006 (nor in the six-month period ended February 28, 2005).

3 Overview of Business Performance

The Group's business is typically influenced by seasonality in revenues and expenses over the course of the year. Historically, consumer purchases of chocolate products are highest in the months before Christmas and Easter. As a result, sales of semi-finished and processed products to customers are highest in the period between late August and the end of November, which includes production for the Christmas season, and, to a lesser degree, in the pre-Easter season.

In the six-month period ended February 28, 2006 revenues increased by 8.4% to CHF 2,348.3 million from CHF 2,166.1 million. Sales volumes at the same time decreased by 1.4% from 561,033 to 553,196 metric tonnes.

Operating profit (EBIT) strongly increased by 10.8% to CHF 177.0 million from CHF 159.7 million in the previous year. Net profit (PAT) increased by CHF 11.4 million (or 11.3 %) from CHF 101.3 million to CHF 112.7 million.

Depreciation for the six-month period ended February 28, 2006 amounted to CHF 50.4 million. (CHF 50.3 million for the six-month period ended February 28, 2005). Amortization for the six-month period ended February 28, 2006 amounted to CHF 5.9 million. (CHF 6.1 million for the six-month period ended February 28, 2005). No significant impairment losses had to be recognized during the six-month period ended February 28, 2006.

The Group employed 8'318 employees as of February 28, 2006 compared to 8'542 as of August 31, 2005. Wages and salaries for the six-month period ended February 28, 2006 amounted to CHF 262.1 million. (CHF 243.0 million for the six-month period ended February 28, 2005). Current year wages and salaries are influenced by the first time adaption of IFRS 2, which leads to a recognition of the costs related to the employee stock ownership plan in the income statement. Prior year wages and salaries were positively impacted by a gain on employee benefit curtailment.

Research and development cost for the six-month period ended February 28, 2006 amounted to CHF 6.1 million. (CHF 5.8 million for the six-month period ended February 28, 2005).

4 Earnings per share

Basic and diluted earnings per share are calculated on the net result for the respective periods and on the weighted average number of ordinary shares issued as per end of each period as disclosed hereunder. As the outstanding treasury shares do not have dilutive potential, these are not taken into account for the calculation of the denominator for basic earnings per share.

in millions of Swiss Francs	**Feb 28, 2006**	**Feb 28, 2005**
Net result attributable to ordinary shareholders, used as numerator for basic earnings per share	112.7	101.3
After-tax effect of income and expense on dilutive potential ordinary shares	-	-
Adjusted net result used as numerator for diluted earnings per share	112.7	101.3
Weighted average number of shares issued	5'170'000	5'170'000
Weighted average number of ordinary shares outstanding, used as denominator for basic earnings per share	5'170'000	5'170'000
Adjusted weighted average number of ordinary shares, used as denominator for diluted earnings per share	5'170'000	5'170'000

5 Dividends

At the shareholders' meeting in December 8, 2005 it has been decided, that instead of a dividend payment share capital will be reduced by CHF 8.00 per share (reduction of nominal value from CHF 92.20 to CHF 84.20). The respective payment was executed on March 1, 2006. An interim dividend is not foreseen.

6 Segment information

Primary segment information

	Industrial Business		Food Service & Retail Business		Corporate/ Unallocated		Consolidated	
In millions of Swiss Francs	**6 mths 05/06**	6 mths 04/05	**6 mths 05/06**	6 mths 04/05	**6 mths 05/06**	6 mths 04/05	**6 mths 05/06**	6 mths 04/05
Revenue from external sales	1'316.0	1'130.1	1'032.3	1'036.0	-	-	2'348.3	2'166.1
Operating profit (EBIT)	109.5	98.3	93.9	84.2	(26.4)	(22.8)	177.0	159.7

The presentation of the primary segment reflects the organizational changes in relation with the centralized coordination of our manufacturing facilities and supply chain as well as the centralized administration shared services. Prior year operating profit (EBIT) has been restated accordingly.

Secondary segment information

	Europe		Americas		Asia-Pacific/Africa		Consolidated	
In millions of Swiss Francs	**6 mths 05/06**	6 mths 04/05	**6 mths 05/06**	6 mths 04/05	**6 mths 05/06**	6 mths 04/05	**6 mths 05/06**	6 mths 04/05
Revenue from external sales	1'633.4	1'514.2	557.7	516.5	157.2	135.4	2'348.3	2'166.1

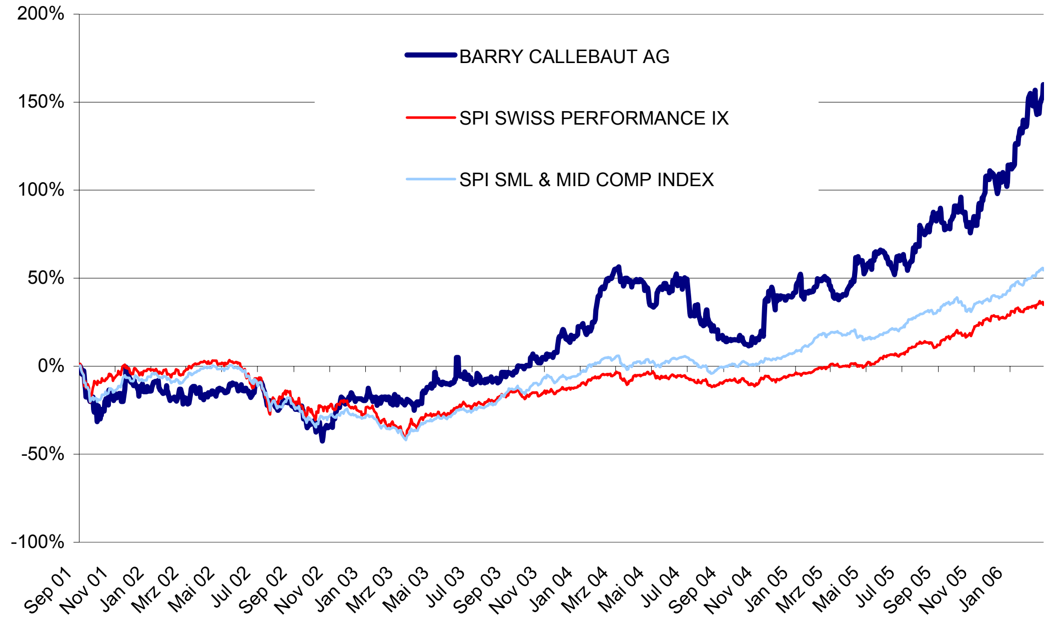
7 Contingencies

As of February 28, 2006 the Group was not aware of any new major contingent liability in comparison with the situation as of August 31, 2005. The existing contingent liabilities are primarily in respect of bank and other guarantees arising in the ordinary course of business from which it is anticipated that no material obligations will arise.

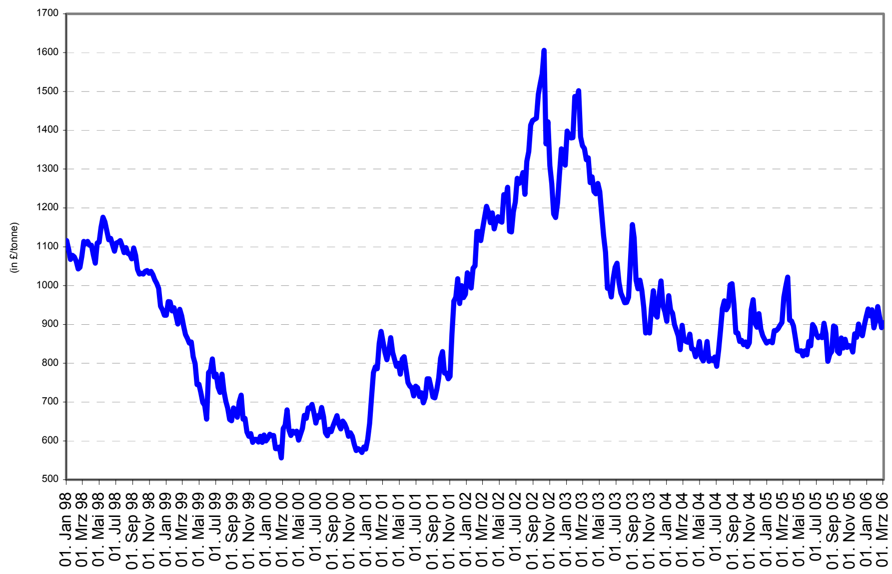
8 Related parties

Transactions with related parties are carried out on commercial terms and conditions and at market prices.

Share Price Performance



London Cocoa Terminal Market
6-month forward delivery prices



Sales volumes by region 6 months up to 28.02.2006 (in mt)	
Total	**553,196**
Europe	361,825
Americas	154,662
Asia-Pacific/Africa	36,709

Sales revenue by business unit 6 months up to 28.02.2006 (in CHF millions)	
Total	**2,348.3**
Cocoa	364.6
Food Manufacturers	951.4
Gourmet & Specialties	305.1
Consumer Products	727.2

Sales revenue by region 6 months up to 28.02.2006 (in CHF millions)	
Total	**2,348.3**
Europe	1,633.4
Americas	557.7
Asia-Pacific/Africa	157.2