BARRY CALLEBAUT

Half-year results 2007/08

letter to investors

Sales volumes up 10.3% to 612,436 tonnes

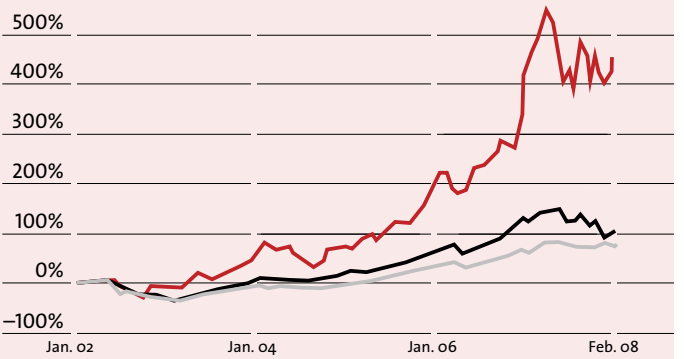
Investing into the future – building strong foundation for profitable growth

Four-year financial targets confirmed

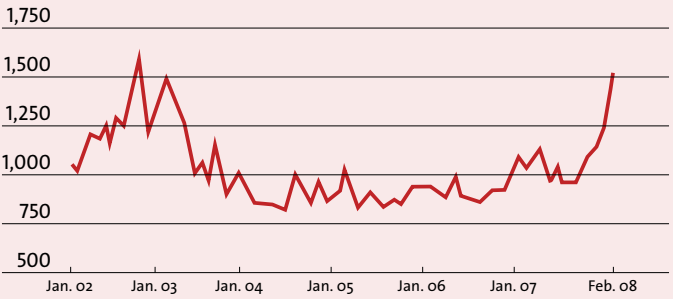
Key figures Barry Callebaut Group

Barry Callebaut AG
SPI Swiss Performance Index
SPI Small & Mid-Cap Index

Share price development Barry Callebaut vs. indices
Performance in %



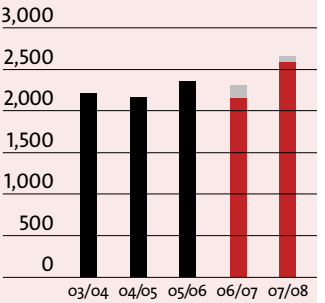
Cocoa price
London Cocoa Terminal Market
in GBP/tonne



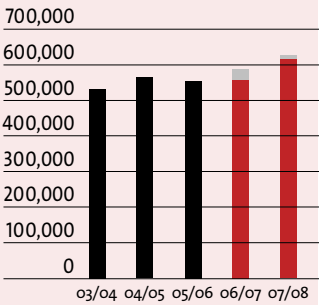
6-month forward delivery prices

Discontinued operations (Brach's)
Continuing operations (excl. Brach's)

Sales revenue
for first 6 months FY 2007/08
in CHF million

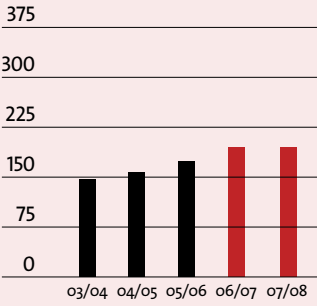


Sales volumes
for first 6 months FY 2007/08
in tonnes

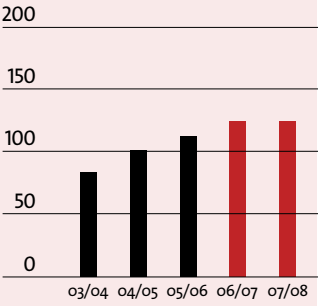


* Continuing operations (excl. Brach's)

EBIT*
for first 6 months FY 2007/08
in CHF million



Net profit
for first 6 months FY 2007/08
in CHF million



For the 6-month period ended end of February		Change (%)	2007/08	2006/07[9]
Income statement				
Sales revenue	CHF m	21.1%	2,585.0	2,134.0
Sales volumes	Tonnes	10.3%	612,436	555,183
EBITDA[1]	CHF m	2.6%	256.5	250.0
Operating profit (EBIT)	CHF m	1.3%	200.4	197.9
Net profit from continuing operations[2]	CHF m	(6.8%)	125.7	134.8
Net profit for the period	CHF m	(0.2%)	124.4	124.7
Cash Flow[3]	CHF m	(0.3%)	251.4	252.1
EBIT per tonne	CHF	(8.2%)	327.2	356.5
as of			**Feb 29, 2008**	**Feb 28, 2007**
Balance sheet				
Total assets	CHF m	24.0%	3,776.3	3,045.7
Net working capital[4]	CHF m	(0.1%)	1,007.3	1008.3
Non-current assets	CHF m	5.0%	1,235.3	1,176.7
Net debt	CHF m	8.0%	958.8	887.5
Shareholder's Equity[5]	CHF m	(5.5%)	1,073.1	1,135.9
Shares				
Share price end of reporting period	CHF	6.5%	894.50	840.00
EBIT per share (issued)	CHF	1.3%	38.76	38.28
Basic earnings per share[6]	CHF	(0.8%)	24.08	24.29
Cash earnings per share[7]	CHF	(0.3%)	48.74	48.89
Other				
Employees		8.0%	7,224	6,691[8]

1 EBIT + depreciation of property, plant and equipment + amortization of intangibles
2 Net profit from continuing operations (including minorities)
3 Operating cash flow before working capital changes
4 Includes current assets and liabilities related to commercial activities and current provisions
5 Total equity attributable to the shareholders of the parent company
6 Based on the net profit for the period attributable to the shareholders of the parent company including the net loss from discontinued operations
7 Operating cash flow before working capital changes/basic shares outstanding
8 Restated for employees in discontinued operations
9 Certain comparatives have been restated or reclassified to conform with the current period's presentation

Barry Callebaut

With annual sales of more than CHF 4 billion for fiscal year 2006/07, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 25 countries, operates about 40 production facilities and employs approximately 7,500 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.

Key figures by region (unaudited)

		Change (%)	6 months 2007/08	6 months 2006/07[1]
Europe				
Sales revenue	CHF m	23.3%	1,969.9	1,597.7
Sales volume	Tonnes	10.8%	434,339	392'043
EBITDA	CHF m	2.3%	215.5	210.6
EBIT	CHF m	0.6%	171.9	170.8
Americas				
Sales revenue	CHF m	19.2%	455.9	382.5
Sales volume	Tonnes	15.3%	141,318	122,584
EBITDA	CHF m	11.4%	48.9	43.9
EBIT	CHF m	12.1%	40.7	36.3
Asia / Rest of World				
Sales revenue	CHF m	3.5%	159.2	153.8
Sales volume	Tonnes	(9.3%)	36,779	40,556
EBITDA	CHF m	(17.0%)	19.5	23.5
EBIT	CHF m	(17.1%)	17.3	20.9

Key figures by business segment (unaudited)

		Change (%)	6 months 2007/08	6 months 2006/07[1]
Industrial Business Segment				
Sales revenue	CHF m	30.2%	1,678.3	1,289.1
Cocoa	CHF m	19.0%	273.2	229.5
Food Manufacturers	CHF m	32.6%	1,405.1	1,059.6
Sales volume	Tonnes	13.7%	466,570	410,497
Cocoa	Tonnes	1.6%	73,844	72,710
Food Manufacturers	Tonnes	16.3%	392,726	337,787
EBITDA	CHF m	3.9%	153.7	148.0
EBIT	CHF m	2.7%	122.1	118.9
Food Service / Retail Business Segment				
Sales revenue	CHF m	7.3%	906.7	844.9
Gourmet & Specialties	CHF m	15.3%	372.1	322.7
Consumer products	CHF m	2.4%	534.6	522.2
EBITDA	CHF m	0.1%	130.2	130.0
EBIT	CHF m	(1.2%)	107.8	109.1

1 Certain comparatives have been restated or reclassified to conform with the current period's presentation

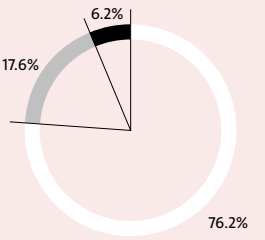
By region

Europe	CHF m 1,969.9
Americas	CHF m 455.9
Asia / Rest of World	CHF m 159.2

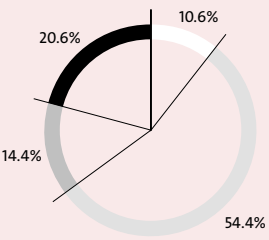
By business unit

Cocoa	CHF m 273.2
Food Manufacturers	CHF m 1,405.1
Gourmet & Specialties	CHF m 372.1
Consumer Products	CHF m 534.6

Sales revenue by region for first 6 months FY 2007/08



Sales revenue by business unit for first 6 months FY 2007/08



Half-year results of fiscal year 2007/08[1]: Strong sales growth, investing into the future

- **Sales volumes rise 10.3% to 612,436 tonnes**
- **Sales revenue up 21.1% to CHF 2,585.0 million**
- **Operating profit (EBIT) up 1.3% to CHF 200.4 million. Compared to the reported half-year 06/07 EBIT figure of CHF 190.0 million operating profit rose 5.5%**
- **Net profit for the period was stable at CHF 124.4 million**
- **Four-year financial targets for the period 2007/08 through 2010/11 confirmed**

Zurich/Switzerland, April 3, 2008 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, today published its results for the first six months of fiscal year 2007/08 ended February 29, 2008. Sales volumes increased 10.3% to 612,436 tonnes, growing three times as fast as the global chocolate market. Sales revenue rose significantly by 21.1% to CHF 2,585.0 million, largely driven by higher cocoa bean and other raw material prices and favorable exchange rate developments. Excluding cocoa price and exchange rate effects, sales revenue rose 15.7%.

Profitability was impacted by the following three factors: Sales prices for branded consumer goods could not be increased until January 1, 2008, which resulted in a delay in price adjustments relative to higher raw material costs. The start-up of the new factories in the high-growth markets of Russia and China resulted in non-recurring additional costs. As previously communicated, large outsourcing contracts are initially associated with high fixed costs and low capacity utilization, leading to a proportionally lower EBIT per tonne. Despite these effects, which will not affect the next six months of the current fiscal year, an operating profit (EBIT)[2] increase of 1.3% to CHF 200.4 million was achieved. Net profit for the period was stable at CHF 124.4 million, adversely affected by a loss on the sale of a minority interest and a higher average group tax rate.

Outlook

Patrick De Maeseneire, CEO of Barry Callebaut, said: "During the first six months of the current fiscal year we have made significant investments in our future: We have opened two new factories in emerging markets, integrated four new production sites in North America and Europe and phased in three large outsourcing contracts. We are now optimally positioned to accelerate our profitable growth going forward and we will be able to fully benefit from scale effects. The cost environment will remain challenging. Despite the economic and exchange rate uncertainties and the much lower volume growth expected in the third quarter due to the very early Easter, we are confident that we will reach our mid-term financial targets[3], which we have defined as averages over a four-year period (2007/08–2010/11). This, of course, barring any major unforeseen events."

1 Prior year figures have been restated to conform with the current period's presentation
2 Reported EBIT for HY 2006/07, prior to restatements of discontinued operation Brach's, was CHF 190.0 million
3 These are on average: annual top-line growth of 9–11%, EBIT growth 11–14% and net profit growth of 13–16%

Market environment

The first six months of fiscal year 2007/08 were impacted by exceptionally high and volatile raw material prices. Cocoa prices surged by almost 50% between September 2007 and end-February 2008, followed by a sharp correction in mid-March. Cocoa prices are expected to remain volatile. To minimize the effect of raw material price fluctuations, Barry Callebaut applies consistent risk management processes. The combined (cocoa) ratio has recently been moving in a favorable direction and started to impact Barry Callebaut's operation positively at the end of the period under review. Since reaching a historic high in August 2007, milk powder prices have decreased but are still above long-term averages. Energy and transportation costs have increased in correlation with rising oil prices.

Overview of business performance per region in first six months of fiscal year 2007/08

Region Europe: Remarkable volume increase

Region Europe recorded a sales volume growth of 10.8% to 434,339 tonnes. Sales revenue increased 23.3% to CHF 1,969.9 million. Operating profit went up 0.6% to CHF 171.9 million.

In Europe, the **Food Manufacturers** business unit gained market share in the highly competitive and partially saturated market in Western Europe. First deliveries to major outsourcing customers and good demand from smaller customers led to an above-market increase in sales volumes. The EBIT contribution from large outsourcing volumes is proportionally smaller during the phasing-in period but will gradually increase as the utilization of additional production capacity improves. A prolonged start-up period at Barry Callebaut's new chocolate factory in Russia led to additional one-off costs. The **Gourmet & Specialties** business recorded a very good performance as a result of product innovations and increased marketing initiatives. The performance of the **Consumer Products Europe** business unit was flat. Sales prices for branded consumer products could not be increased until January 1, 2008, leading to a delay in price adjustments relative to higher raw material prices.

During the period under review, the biscuit factory Wurzener Dauerbackwaren in Germany was sold in order to focus on Barry Callebaut's core activity, which is chocolate. Barry Callebaut also decided to sell its minority interest in the underperforming French chocolate maker Jacquot, which has been taken over by a competitor. The sale of the minority interest resulted in a loss on disposal and the loss of certain volumes.

Region Americas: Strengthened market position

Sales volumes in Region Americas rose 15.3% to 141,318 tonnes, clearly indicating that Barry Callebaut has consolidated its market position. Sales revenue went up 19.2% to CHF 455.9 million, as the impact of a weaker U.S. dollar versus the reporting currency Swiss franc was more than offset by higher raw material prices. EBIT increased by an outstanding 12.1% to CHF 40.7 million.

North America, in particular the U.S., is a key growth area for Barry Callebaut. The **Food Manufacturers** business unit registered good volume growth, with first deliveries related to major outsourcing contracts on schedule. These initial volumes are being processed at existing Barry Callebaut factories. The opening of the new chocolate factory in Monterrey, Mexico, is planned for the summer 2008 and will absorb additional volumes as the phase-in period progresses. Barry Callebaut's **Gourmet & Specialties** business unit performed well and strengthened its market position, despite an unfavorable exchange rate, as the strong euro relative to the U.S. dollar, increased the costs of imported gourmet products from Europe.

Region Asia & Rest of the World: Investing to capture growth opportunities

Region Asia & Rest of the World registered a 9.3% decrease in sales volume to 36,779 tonnes, while sales revenue increased 3.5% to CHF 159.2 million. Volumes were affected by the sale of the Senegalese consumer products subsidiary Chocosen on February 28, 2007, as prior-year figures still included these volumes. Operating income (EBIT) in the region decreased 17.1% to CHF 17.3 million, reflecting an unsatisfactory performance by the African consumer business. On February 29, 2008 Barry Callebaut sold its Ivorian consumer products subsidiary SN Chocodi SA to CKG Holding, a local industrial investor.

The **Food Manufacturers** business faced production capacity constraints as the Singapore factory was running at full capacity for the second year in a row. Volume growth was therefore not possible in the region prior to the opening of the new factory in China in January 2008. The **Gourmet & Specialties** business unit did particularly well in its premium product range and added a locally produced brand to its portfolio to cater to the price sensitive local market. As part of its geographic expansion into high-growth markets in Asia, Barry Callebaut has agreed to acquire from Kuala Lumpur Kepong Berhad, a Malaysia-based multinational company, a 60% stake in its subsidiary KLK Cocoa. Please see separate press release, published on March 31, 2008.

Development of business segments in first six months of fiscal 2007/08

Industrial business segment: Driving growth

The Industrial business segment focuses on selling cocoa and chocolate products to industrial food processors and consumer goods manufacturers worldwide. It consists of the Food Manufacturers and Global Cocoa & Sourcing business units.

Barry Callebaut has considerably expanded its cocoa processing capacities with the acquisition of the FPI factory in the U.S., the agreement to acquire KLK Cocoa in Malaysia and the expansion of its cocoa factories in San Pedro, Ivory Coast, and Louviers, France. The combined (cocoa) ratio has had a positive impact on Barry Callebaut's operations since February 2008.

Food Service/Retail business segment: Strong Gourmet performance

The Food Service/Retail business segment serves a broad range of customers, from local craftsmen (such as chocolatiers, pastry chefs, bakers, hotels, restaurants, caterers) to global retailers. It consists of the Gourmet & Specialties and the Consumer Products business units.

A strong performance by the Gourmet & Specialties business unit was offset by a negative one-off impact related to the delay in passing on high raw material costs at the Consumer Products business unit. Sales prices for branded consumer products were could not be increased until January 1, 2008.

Four-year financial targets confirmed

In November 2007, Barry Callebaut increased its mid-term financial targets. These targets are quantified as averages over a four-year period. To achieve these performance goals, Barry Callebaut is making significant investments and has expanded its global factory network. As previously communicated, these investments involve significant start-up costs and the installation of additional production capacities. These factors slowed Barry Callebaut's EBIT growth during the first half of the current financial year but will accelerate EBIT growth going forward. To offset rising input costs deriving from increasing raw material and energy prices, Barry Callebaut has launched a cost reduction program, which is expected to have a positive impact of approximately CHF 20 million in the second semester. Taking all these factors into account, Barry Callebaut confirms its ambitious performance targets[3] for the four-year period to 2010/11, barring any major unforeseen events.

3 These are on average: annual top-line growth of 9–11%, EBIT growth of 11–14% and net profit growth of 13–16%

Overview of business performance for the first six months of fiscal year 2007/08

Explanatory comments to the Consolidated Financial Statements

On September 14, 2007, the Group signed an agreement to sell its U.S. sugar-candy business Brach's to Farley's & Sathers Candy Company Inc. The transaction closed on November 15, 2007. The results of this business are therefore no longer included in the Group's financial performance figures for the continuing business but reported separately under the line "net loss from discontinued operations". Prior year figures of the Consolidated Statement of Income and sales volumes have been restated whereas, in accordance with IFRS 5, the prior year figures have not been restated in the Consolidated Balance Sheet. In accordance with IFRS 5, the Consolidated Statement of Cash Flows includes the cash flows from discontinued operations.

Sales volumes increased by 10.3% to 612,436 tonnes, compared to 555,183 tonnes in the first six months of the prior fiscal year.

Sales revenue grew by 21.1% to CHF 2,585.0 million from CHF 2,134.0 million in the prior year fuelled by the sharp increase in the prices of various raw materials and a moderate foreign exchange effect.

Gross profit grew only slightly by 0.3% to CHF 378.0 million, up from CHF 377.0 million in the previous year. Especially in Europe, the sharp price increases in raw materials could not be fully passed on to customers or then only after a delay. The phasing-in of new factories and outsourcing agreements plus higher energy costs also affected the gross margin for the period. As a result, gross profit per tonne decreased by 9.1% or CHF 62 to CHF 617 per tonne, from CHF 679 per tonne in the previous year.

Marketing & Sales expenses increased by CHF 4.3 million or 6.9% to CHF 67.0 million, from CHF 62.7 million in the previous year, mainly due to the strengthening of the sales force, especially in the Gourmet & Specialties business unit.

General & Administration expenses increased by CHF 9.5 million or 7.7% to CHF 132.6 million, up from CHF 123.1 million in the previous year. This is mainly due to the growth of the business and increased efforts related to innovation.

Other income contains the gain on disposal of the Consumer Products entities Wurzener Dauerbackwaren GmbH in Germany and SN Chocodi SA in Ivory Coast as well as a number of other smaller non-recurring items. As a result of these disposals, other income increased significantly to CHF 28.1 million compared to CHF 14.8 million in the prior year.

Other expense amounted to CHF 6.1 million compared to CHF 8.1 million in the prior year. This position contains non-recurring expenses such as litigation and severance payments and restructuring expenses.

Operating profit (EBIT) was CHF 200.4 million or 1.3% above the CHF 197.9 million in the same prior year period. As a consequence of a lower gross margin and the increase in fixed costs, EBIT per tonne decreased by 8.2% to CHF 327 per tonne, down from CHF 356 per tonne in the previous year.

Financial income increased to CHF 8.1 million from CHF 5.1 million in the prior year mainly as a result of fair value adjustments on financial derivatives.

Financial expense increased by CHF 4.2 million to CHF 51.3 million compared to CHF 47.1 million in the previous year, mainly due to higher interest rates on floating debt and off-balance sheet financing as well as a higher level of average funding in the first six months of fiscal year 2007/08 compared to the same period in the previous year.

Result on disposal of financial assets amounts to a negative CHF 6.9 million and is related to the loss realized on the sale of a minority investment.

Taxes increased up to CHF 24.6 million from CHF 21.1 million. The average group tax rate went up to 16.4% compared to 13.5% in the prior year period.

Net profit from continuing operations for the period under review decreased by 6.8% to CHF 125.7 million compared to CHF 134.8 million in the year before. The decrease is attributable to the loss on the disposal of a minority investment and higher taxes.

Net loss from discontinued operations net of tax amounts to CHF 1.3 million compared to a loss of CHF 10.1 million in the previous year and represents the net result of the disposed Brach's business up to the date of closing and costs related to the discontinuation of the business.

Net profit for the period under review remained stable at CHF 124.4 million compared to CHF 124.7 million for the same period in the prior fiscal year.

Net working capital including current provisions was stable at CHF 1,007.3 million compared to CHF 1,008.3 million at the end of February 2007. Trade receivables and inventory significantly increased due to the higher raw material prices and business growth. However, this increase was offset by the disposal of Brach's and an increase in trade payables and other current liabilities. The increase of net working capital of 14.0% compared to the amount of CHF 883.9 million on August 31, 2007 is mainly attributable to raw material prices and seasonality effects.

Net debt at the end of February 2008 amounted to CHF 958.8 million, up by CHF 71.3 million or 8.0% compared to the year before and by CHF 28.6 million or 3.1% compared to August 31, 2007. This is due to increased needs for the financing of business growth.

Total assets as of the end of February 2008 stood at CHF 3,776.3 million, which represents an increase of CHF 730.6 million or 24.0% compared to the CHF 3,045.7 million one year before. The increase can mainly be attributed to higher raw material prices resulting in higher fair values and carrying amounts for derivative financial instruments as well as inventories and receivables. Compared to the amount of CHF 3,186.7 million at the end of August 2007, total assets increased by 18.5% or CHF 589.6 million. In addition to the effects explained above, this is due to seasonal effects.

Shareholders' equity decreased by 5.5% to CHF 1,073.1 million as of February 29, 2008, compared to CHF 1,135.9 million the year before. This development is due to the loss recognized on the discontinued Brach's business in the second half of 2007, the earlier recognition of the capital reduction compared to last year and a significant negative currency translation effect, which more than offset the increase from the net profit. Compared to August 31, 2007, shareholders' equity is up by CHF 14.0 million or 1.3% as the increase from the net profit was almost offset by the capital reduction and negative currency translation adjustments.

Operating cash flow before working capital changes amounted to CHF 251.4 million for the six-month period ended February 29, 2008 compared to CHF 252.1 million for the prior year period. Increased working capital due to seasonality and significantly higher raw material prices lowered the operating cash flow. As a consequence, **net cash flow from operations** (including working capital changes) amounted to a net outflow CHF 41.3 million for the first six months of this fiscal year compared to a net inflow of CHF 87.3 million in the prior year period.

Net cash outflow from investing activities was CHF 13.1 million for the six-month period ended February 29, 2008 compared to a net outflow of CHF 54.7 million in the prior year. In both years the figure contains continuous investments in our ongoing operations. This year includes significant investments in new factories, which were more than offset by the effect of the disposal of Brach's, Wurzener Dauerbackwaren GmbH and SN Chocodi SA.

On February 29, 2008, the Group employed a **workforce** of approximately 7,200 people compared to approximately 7,600 on August 31, 2007.

Consolidated Statement of Income (unaudited)

For the 6-month period ended in million CHF	Feb 29, 2008	Feb 28, 2007[3]	
Revenue from sales and services	**2,585.0**	**2,134.0**	**21.1%**
Cost of goods sold	(2,207.0)	(1,757.0)	25.6%
Gross profit	**378.0**	**377.0**	**0.3%**
Marketing & Sales	(67.0)	(62.7)	6.9%
General & Administration	(132.6)	(123.1)	7.7%
Other income	28.1	14.8	89.9%
Other expense	(6.1)	(8.1)	(24.7%)
Operating profit (EBIT)	**200.4**	**197.9**	**1.3%**
Financial income	8.1	5.1	58.8%
Financial expense	(51.3)	(47.1)	8.9%
Result on disposal of financial assets	(6.9)	0.0	n.a.
Profit before income taxes	**150.3**	**155.9**	**(3.6%)**
Income taxes	(24.6)	(21.1)	16.6%
Net profit from continuing operations	**125.7**	**134.8**	**(6.8%)**
Net loss from discontinued operations, net of tax	(1.3)	(10.1)	(87.1%)
Net profit for the period	**124.4**	**124.7**	**(0.2%)**
of which attributable to the shareholders of the parent company	124.2	125.2	(0.8)
of which attributable to minority interests	0.2	(0.5)	(140.0%)
Earnings per share from continuing and discontinued operations			
Basic earnings per share (CHF/share)[1]	24.08	24.29	(0.8%)
Diluted earnings per share (CHF/share)[1]	24.00	24.15	(0.6%)
Earnings per share from continuing operations			
Basic earnings per share (CHF/share)[2]	24.33	26.24	(7.3%)
Diluted earnings per share (CHF/share)[2]	24.25	26.10	(7.1%)

1 Based on the net profit for the year attributable to the shareholders of the parent company including the net loss from discontinued operations
2 Based on the net profit for the year attributable to the shareholders of the parent company excluding the net loss from discontinued operations
3 Certain comparatives have been restated or reclassified to conform with the current period's presentation

Consolidated Balance Sheet (unaudited)

Assets

as of in million CHF	Feb 29, 2008	Aug 31, 2007	Feb 28, 2007[2]
Current assets			
Cash & cash equivalents	55.6	35.7	56.3
Short-term deposits	1.1	5.4	5.7
Trade receivables	390.1	297.5	338.7
Inventories	1,355.4	1,102.1	1,087.0
Derivative financial assets	380.9	168.4	158.4
Income tax assets	1.3	1.8	0.0
Other current assets	356.6	241.1	222.9
Assets held for sale	0.0	123.4	0.0
Total current assets	**2,541.0**	**1,975.4**	**1,869.0**
Non-current assets			
Property, plant and equipment	730.5	724.1	715.3
Financial assets	0.2	7.3	8.0
Investments in associates	0.5	0.5	0.0
Intangible assets	431.6	411.0	394.2
Deferred tax assets	39.9	43.7	51.1
Other non-current assets	32.6	24.7	8.1
Total non-current assets	**1,235.3**	**1,211.3**	**1,176.7**
Total assets	**3,776.3**	**3,186.7**	**3,045.7**

Liabilities and equity

as of in million CHF	Feb 29, 2008	Aug 31, 2007	Feb 28, 2007
Current liabilities			
Bank overdrafts	54.1	60.9	53.6
Short-term debt	419.1	349.7	314.9
Trade payables	425.7	384.7	354.4
Income tax liabilities	41.6	36.2	44.4
Provisions	6.8	5.1	12.7
Derivative financial liabilities	423.4	74.3	84.1
Other current liabilities	587.4	408.2	277.7
Liabilities directly associated with assets held for sale	0.0	34.5	0.0
Total current liabilities	**1,958.1**	**1,353.6**	**1,141.8**
Non-current liabilities			
Long-term debt	544.2	564.5	584.6
Deferred tax liabilities	55.7	54.5	38.7
Employee benefit obligations	137.8	147.0	138.2
Provisions	1.1	1.9	0.8
Other non-current liabilities	2.2	2.3	1.5
Total non-current liabilities	**741.0**	**770.2**	**763.8**
Total liabilities	**2,699.1**	**2,123.8**	**1,905.6**
Equity			
Share capital	321.6	381.0	435.3
Retained earnings and other reserves	751.5	678.0	700.6
Total equity attributable to the shareholders of the parent company[1]	**1,073.1**	**1,059.0**	**1,135.9**
Minority interests	4.1	3.9	4.2
Total equity	**1,077.2**	**1,062.9**	**1,140.1**
Total liabilities and equity	**3,776.3**	**3,186.7**	**3,045.7**

1 Shareholder's equity
2 Certain comparatives have been restated or reclassified to conform with the current period's presentation

Condensed Consolidated Statement of Cash Flows (unaudited)

For the 6-month period ended	Feb 29, 2008	Feb 28, 2007[1]
in million CHF		
Operating cash flow before working capital changes	**251.4**	**252.1**
(Increase) decrease in trade receivables and other current assets	(110.7)	(57.5)
(Increase) decrease in inventories	(77.8)	(52.6)
(Increase) decrease in other current assets	(148.3)	9.8
Increase (decrease) in trade payables	64.2	43.8
Increase (decrease) in other current liabilities and use of provisions	35.2	(44.7)
Cash generated from operations	**14.0**	**150.9**
(Interest paid)	(39.9)	(33.3)
(Income taxes paid)	(15.4)	(30.3)
Net cash flow from operating activities	**(41.3)**	**87.3**
Cash outflow for purchase of property, plant and equipment and acquisition of subsidiaries	(153.5)	(63.4)
Cash inflow from sale of property, plant and equipment and disposal of subsidiaries	134.0	4.9
Other items	6.4	3.8
Net cash (outflow) inflow from investing activities	**(13.1)**	**(54.7)**
Net cash (outflow) inflow from financing activities	**81.9**	**(23.7)**
Effect of exchange rate changes on cash and cash equivalents	(0.9)	(0.4)
Net increase (decrease) in cash and cash equivalents	**26.6**	**8.5**
Cash and cash equivalents at beginning of year	(25.1)	(5.8)
Cash and cash equivalents at end of year	1.5	2.7
Net increase (decrease) in cash and cash equivalents	**26.6**	**8.5**
Cash & Banks	55.5	56.3
Marketable securities	0.1	0.0
Bank overdrafts	(54.1)	(53.6)
Cash and cash equivalents as defined for the cash flow statement	**1.5**	**2.7**

1 Certain comparatives have been restated or reclassified to conform with the current period's presentation

Consolidated Statement of Changes in Equity (unaudited)

in million CHF	Share capital	Treasury shares
as of August 31, 2006[1]	435.3	(9.4)
Currency translation adjustments		
Effective portion of changes in fair value of cash flow hedges		
Net change in fair value of cash flow hedges transferred to statement of income		
Total gains and losses recognized directly into equity		
Net profit for the period		
Total recognized income and expense		
Capital reduction and repayment		
Movement of minority interests		
Acquisition of treasury shares		(2.3)
Sale of treasury shares		0.0
Equity settled share based payments		9.7
as of February 28, 2007[1]	**435.3**	**(2.0)**
as of August 31, 2007	381.0	(16.7)
Currency translation adjustments		
Effective portion of changes in fair value of cash flow hedges		
Net change in fair value of cash flow hedges transferred to statement of income		
Total gains and losses recognized directly into equity		
Net profit for the period		
Total recognized income and expense		
Capital reduction and repayment	(59.5)	
Dividend to minorities		
Movement of minority interests		
Acquisition of treasury shares		(6.2)
Sale of treasury shares		
Equity settled share based payments		17.7
as of February 29, 2008	**321.5**	**(5.2)**

1 Certain comparatives have been restated or reclassified to conform with the current period's presentation

Retained earnings[1]	Hedging reserves	Cumulative translation adjustments	Total equity attributable to the shareholders of the parent company	Minority interests	Total equity
580.6	14.9	(22.2)	999.2	4.2	1,003.4
	0.1	5.5	5.6	0.5	6.1
	3.9		3.9		3.9
	0.0		0.0		0.0
	4.0	**5.5**	**9.5**	**0.5**	**10.0**
125.2			125.2	(0.5)	124.7
125.2	**4.0**	**5.5**	**134.7**	**0.0**	**134.7**
			0.0		0.0
			0.0		0.0
			(2.3)		(2.3)
0.0			0.0		0.0
(5.4)			4.3		4.3
700.4	**18.9**	**(16.7)**	**1,135.9**	**4.2**	**1,140.1**
702.2	4.8	(12.2)	1,059.1	3.9	1,063.0
	0.0	(48.8)	(48.8)	0.1	(48.7)
	0.0		0.0		0.0
	(4.6)		(4.6)		(4.6)
	(4.6)	**(48.8)**	**(53.4)**	**0.1**	**(53.3)**
124.2			124.2	0.2	124.4
124.2	**(4.6)**	**(48.8)**	**70.8**	**0.3**	**71.1**
			(59.5)		(59.5)
			0.0	(0.1)	(0.1)
			0.0	0.0	0.0
			(6.2)		(6.2)
			0.0		0.0
(8.8)			8.9		8.9
817.6	**0.2**	**(61.0)**	**1,073.1**	**4.1**	**1,077.2**

Notes to the condensed Consolidated Interim Financial Statements (unaudited)

Basis of presentation and accounting policies

These Financial Statements are the unaudited condensed Consolidated Interim Financial Statements for the six-month period ended February 29, 2008. They have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the audited Financial Statements included in the Barry Callebaut Annual Report 2006/07.

The accounting policies and conventions are the same applied in the Annual Report for financial year 2006/07, except for the following changes that have been introduced in accordance with new or modified rules of IFRS and IFRIC interpretations thereon:

Standard/Interpretation	Impact	Effective date	1st time application
IAS 1 – Presentation of Financial Statements			
Amendment: Capital Disclosures	**	January 1, 2007	Reporting year 2007/08
IFRS 7 – Financial Instruments: Disclosures	**	January 1, 2007	Reporting year 2007/08
IFRIC 10 – Interim Financial Reporting and Impairment	*	November 1, 2006	Reporting year 2007/08
IFRIC 11 – Group and treasury share transactions	*	March 1, 2007	Reporting year 2007/08

* No or no significant impacts on the Consolidated Financial Statements of the Barry Callebaut Group
** Mainly additional disclosures on the full year Consolidated Financial Statements 2007/08 of the Barry Callebaut Group

1 Segment information[1]

Business segment information in million CHF (6 months)	Industrial Business		Food Service & Retail Business		Corporate/ unallocated		Consolidated	
	07/08	06/07	**07/08**	06/07	**07/08**	06/07	**07/08**	06/07
Revenue from external sales	1,678.3	1,289.1	906.7	844.9			2,585.0	2,134.0
Operating profit (EBIT)	122.1	118.9	107.8	109.1	(29.5)	(30.1)	200.4	197.9

Geographical segment information in million CHF (6 months)	Europe		Americas		Asia-Pacific/ Rest of World		Corporate/ unallocated		Consolidated	
	07/08	06/07	**07/08**	06/07	**07/08**	06/07	**07/08**	06/07	**07/08**	06/07
Revenue from external sales	1,969.9	1,597.7	455.9	382.5	159.2	153.8			2,585.0	2,134.0
Operating profit (EBIT)	171.9	170.8	40.7	36.3	17.3	20.9	(29.5)	(30.1)	200.4	197.9

1 Certain comparatives have been restated or reclassified to conform with the current period's presentation

2 Seasonality

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 finished 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.

3 Selected additional financial information

In the six-month period ended February 29, 2008 sales revenues grew by 21.1% to CHF 2,585.0 million from CHF 2,134.0 million. Sales volumes increased by 10.3% from 555,183 to 612,436 metric tonnes.

Costs of Goods Sold increased to CHF 2,207.0 million up by 25.6% compared to last year's CHF 1,757.0. The position includes raw material costs of CHF 1,748.8 million, compared to CHF 1,350.9 million in the prior year period.

Depreciation for the six-month period ended February 29, 2008 amounted to CHF 45.8 million (CHF 44.1 million for the six-month period ended February 28, 2007). Amortization for the six-month period ended February 29, 2008 amounted to CHF 10.3 million (CHF 8.0 million for the six-month period ended February 28, 2007). No significant impairment losses had to be recognized during the six-month period ended February 29, 2008.

Research and development cost for the six-month period ended February 29, 2008 amounted to CHF 11.8 million (CHF 7.2 million for the six-month period ended February 28, 2007).

The Group employed 7,224 employees as of February 29, 2008 compared to 7,592 as of August 31, 2007. Wages and salaries for the six-month period ended February 29, 2008 amounted to CHF 275.7 million (CHF 238.3 million for the six-month period ended February 28, 2007).

Capital expenditure for fixed and intangible assets amounted to CHF 114.6 million (CHF 55.9 million for the six-month period ended February 28, 2007). Apart from continuos investments and expansions in connection with our on-going production operations, this year's amount includes the investments in the new factories in Russia, China and Mexico.

4 Acquisitions

Cash outflow for acquisition of businesses for the six-month period ended February 29, 2008 amounts to CHF 38.8 million and mainly includes the acquisition of FPI Food Processing International in Philadelphia with effective date of December 17, 2007. This resulted in a goodwill of CHF 8.9 million. Since the valuation of the assets and liabilities of businesses recently acquired is still in progress, the values are determined provisionally.

The sales and the profit for the period are not significantly impacted by acquisitions.

5 Disposals

In February 2008, the Group has disposed of its Consumer Products subsidiaries Wurzener Dauerbackwaren GmbH, Germany, and SN Chocodi SA, Ivory Coast. The transactions resulted in a net cash inflow of CHF 42.5 million and a total gain of CHF 19.5 million.

In December 2007 the minority investment in Jacquot SA, formerly reported under financial assets, has been sold resulting in a loss of CHF 6.9 million.

On February 28, 2007 the consumer business in Senegal (Chocosen SA) was sold to local management. No significant impact on the financial statements resulted from this sale.

6 Discontinued operations

On September 14, 2007, the Group signed an agreement to sell its U.S. sugar-candy business Brach's to Farley's & Sathers Candy Company Inc. With closing of the transaction as of November 15, 2007 the sugar confectionary business in Brach's was disposed of. The business has been reported under "discontinued operations" since the prior fiscal year end and based on the expected purchase consideration, an impairment had been recorded.

The net loss from discontinued operation of CHF (1.3) million includes the net result of the discontinued business until the closing date of the transaction and the result on disposal including foreign currency effects. Since the consideration received is still subject to final adjustments, the values are determined provisionally. The transaction resulted in a net cash inflow of CHF 81.3 million.

7 Dividends / Capital reduction and repayment

At the shareholders' meeting on November 29, 2007 it has been decided that instead of a dividend payment share capital will be reduced by CHF 11.50 per share (reduction of the nominal value from CHF 73.70 to CHF 62.20). The respective payment was executed on March 3, 2008. An interim dividend is not foreseen.

8 Contingencies

As of February 29, 2008 the Group was not aware of any new major changes with regard to contingent liabilities in comparison with the situation as of August 31, 2007.

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.

9 Related parties

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

10 Subsequent events

On March 31, 2008 the Group announced the signing of an agreement to acquire from Kuala Lumpur Kepong Berhad, a Malaysia-based multinational company involved in plantations, manufacturing, retailing and property development, a 60% stake in its subsidiary KL Kepong Cocoa Products Sdn.Bhd. The transaction is expected to be closed by the end of April 2008. The agreement includes a call and a put option for the remainder of the shares in the years three to five after closing.

Forward looking statement

Certain statements in this Letter to Investors regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forwardlooking statements are intended to be identified by words such as "believe," "estimate," "intend," "may," "will," "expect," and "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 Barry Callebaut's future financial results are discussed in this Letter to Investors as well as in the Annual Report FY 2006/07. 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 that are accurate only as of today, April 3, 2008. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

Contacts

Barry Callebaut head office
Barry Callebaut AG
West-Park
Pfingstweidstrasse 60
8005 Zurich, Switzerland
Phone +41 43 204 04 04
Fax +41 43 204 04 00
www.barry-callebaut.com

Mailing address
Barry Callebaut AG
P.O. Box
8021 Zurich, Switzerland

Investor Relations
Daniela Altenpohl
Head of Investor Relations
Phone +41 43 204 04 23
Fax +41 43 204 04 19
investorrelations@barry-callebaut.com

Media
Josiane Kremer
Corporate Communications
Phone +41 43 204 04 58
Fax +41 43 204 04 00
media@barry-callebaut.com

Address changes
SAG SEGA Aktienregister AG
P.O. Box
4609 Olten, Switzerland
Phone +41 62 311 61 11
Fax +41 62 311 61 12

Agenda

	Date
9-month key sales figures 2007/08	July 1, 2008
Annual Results 2007/08, Zurich	November 6, 2008
Annual General Meeting 2007/08, Zurich	December 4, 2008

BARRY CALLEBAUT