BARRY CALLEBAUT

Half-year results 2008/09

Letter to Investors

Global presence, broad product portfolio and cost leadership as advantages in economic crisis

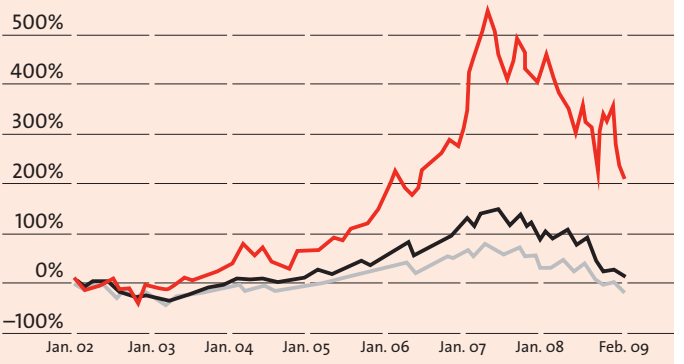
Increased profitability in recessionary markets

2008/09 year of slower volume growth;
Four-year financial targets through 2010/11 confirmed

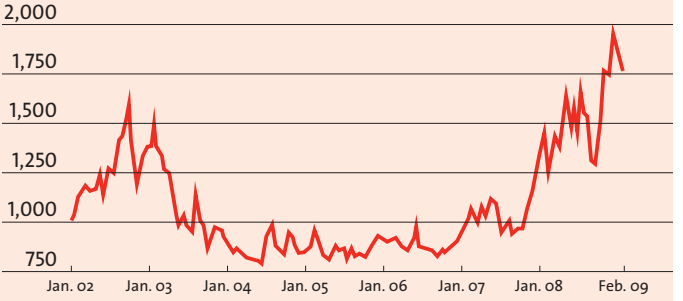
Key figures Barry Callebaut Group

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

Share price development Barry Callebaut vs. indices
Performance in %



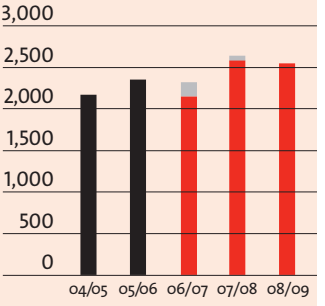
Cocoa price
London Cocoa Terminal Market
in GBP/tonne



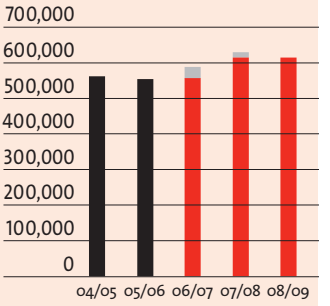
6-month forward delivery prices

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

Sales revenue
for first 6 months FY 2008/09
in CHF million

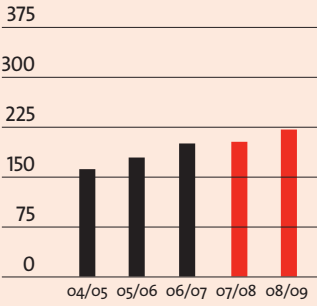


Sales volumes
for first 6 months FY 2008/09
in tonnes

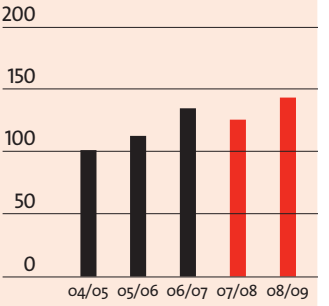


* Continuing operations (excl. Brach's)

EBIT*
for first 6 months FY 2008/09
in CHF million



Net profit
for first 6 months FY 2008/09
in CHF million



For the 6-month period ended end of February		Change (%)	2008/09	2007/08
Income statement				
Sales volumes	Tonnes	(0.1%)	611,920	612,436
Sales revenue	CHF m	(1.6%)	2,543.1	2,585.0
EBITDA[1]	CHF m	4.5%	268.1	256.5
Operating profit (EBIT)	CHF m	9.1%	218.6	200.4
Net profit from continuing operations[2]	CHF m	14.1%	143.4	125.7
Net profit for the period	CHF m	15.3%	143.4	124.4
Cash flow[3]	CHF m	(0.0%)	251.3	251.4
EBIT per tonne	CHF	9.2%	357.2	327.2
as of			**Feb 28, 2009**	**Feb 29, 2008**
Balance sheet				
Total assets	CHF m	(1.9%)	3,704.5	3,776.3
Net working capital[4]	CHF m	13.5%	1,143.2	1,007.3
Non-current assets	CHF m	12.1%	1,384.2	1,235.3
Net debt	CHF m	16.5%	1,116.9	958.8
Shareholder's equity[5]	CHF m	8.9%	1,168.9	1,073.1
Shares				
Share price at the end of the period	CHF	(43.3%)	507.50	894.50
EBIT per share (issued)	CHF	9.1%	42.28	38.76
Basic earnings per share[6]	CHF	15.7%	27.85	24.08
Cash earnings per share[7]	CHF	(0.0%)	48.73	48.74
Other				
Employees		0.1%	7,228	7,224

1 EBIT + depreciation of property, plant and equipment + amortization of intangibles
2 Net profit from continuing operations (before minorities)
3 Operating cash flow before working capital changes
4 Includes current assets and liabilities related to continuing 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 excluding the net loss from discontinued operations/basic shares outstanding
7 Operating cash flow before working capital changes/basic shares outstanding

Barry Callebaut

With annual sales of more than CHF 4.8 billion for fiscal year 2007/08, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 26 countries, operates about 40 production facilities and employs around 7,000 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.

Key figures by region (unaudited)

		Change (%)	6 months 2008/09	6 months 2007/08
Europe				
Sales volume	Tonnes	(5.2%)	411,634	434,339
Sales revenue	CHF m	(8.0%)	1,811.8	1,969.9
EBITDA	CHF m	(2.1%)	210.9	215.5
EBIT	CHF m	1.5%	174.5	171.9
Americas				
Sales volume	Tonnes	7.0%	151,183	141,318
Sales revenue	CHF m	17.8%	537.0	455.9
EBITDA	CHF m	9.6%	53.6	48.9
EBIT	CHF m	19.7%	48.7	40.7
Asia / Rest of World				
Sales volume	Tonnes	33.5%	49,103	36,779
Sales revenue	CHF m	22.0%	194.3	159.2
EBITDA	CHF m	53.4%	29.9	19.5
EBIT	CHF m	45.1%	25.1	17.3

Key figures by business segment (unaudited)

		Change (%)	6 months 2008/09	6 months 2007/08
Industrial Business Segment				
Sales volume	Tonnes	3.6%	483,306	466,570
Cocoa	Tonnes	30.1%	96,093	73,844
Food Manufacturers	Tonnes	(1.4%)	387,213	392,726
Sales revenue	CHF m	3.6%	1,739.3	1,678.3
Cocoa	CHF m	36.9%	373.9	273.2
Food Manufacturers	CHF m	(2.8%)	1,365.4	1,405.1
EBITDA	CHF m	7.9%	165.9	153.7
EBIT	CHF m	12.4%	137.2	122.1
Food Service / Retail Business Segment				
Sales revenue	CHF m	(11.3%)	803.8	906.7
Gourmet & Specialties	CHF m	(8.5%)	340.6	372.1
Consumer products	CHF m	(13.4%)	463.2	534.6
EBITDA	CHF m	(1.3%)	128.5	130.2
EBIT	CHF m	3.1%	111.1	107.8

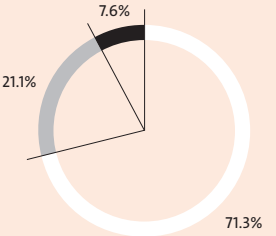
By region

Europe	CHF m 1,811.8
Americas	CHF m 537.0
Asia / Rest of World	CHF m 194.3

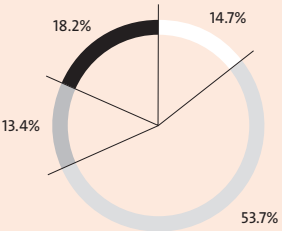
By business unit

Cocoa	CHF m 373.9
Food Manufacturers	CHF m 1,365.4
Gourmet & Specialties	CHF m 340.6
Consumer Products	CHF m 463.2

Sales revenue by region for first 6 months FY 2008/09



Sales revenue by business unit for first 6 months FY 2008/09



Half-year results of fiscal year 2008/09: Increased profitability in recessionary markets

- **Sales volumes remain stable at 611,920 tonnes in a declining global chocolate market**
- **Sales revenue increases 4.7% in local currencies. In Swiss francs: CHF 2,543.1 million (H1 2007/08: CHF 2,585.0 million)**
- **Operating profit (EBIT) increased 17.6% in local currencies. In Swiss francs: CHF 218.6 million (H1 2007/08: CHF 200.4 million)**
- **Net profit for the period rose 23.2% in local currencies. In Swiss francs: CHF 143.4 million (H1 2007/08: CHF 124.4 million)**
- **Barry Callebaut sees fiscal year 2008/09 as a year of slower volume growth; confirms its mid-term financial targets[1]**

Zurich/Switzerland, April 2, 2009 – During the first half of fiscal year 2008/09, Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, succeeded in significantly increasing its profitability in an exceptionally difficult environment. Sales volumes remained stable at 611,920 tonnes in a declining global chocolate market. The period under review was characterized by adverse currency effects, in particular the weakening of the euro, pound sterling and the dollar currencies against the group's reporting currency, Swiss franc. In local currencies sales revenue grew by 4.7%, while operating profit (EBIT) rose 17.6%. In Swiss francs, sales revenue came in at CHF 2,543.1 million and EBIT rose to CHF 218.6 million. The strong profitability increase was achieved thanks to margin improvements, tight cost control, efficiency measures and the beneficial impact of higher cocoa product margins. Net profit rose 23.2% in local currencies. In Swiss francs, net profit increased to CHF 143.4 million.

Outlook

Patrick De Maeseneire, CEO of Barry Callebaut, said: "Barry Callebaut's results are satisfactory in the context of a declining global chocolate market. We succeeded in maintaining our sales volumes and considerably increased our profitability by taking appropriate strategic actions and efficiency measures in good time. The environment will remain challenging in the second semester and currency volatility will continue. Softening cocoa butter prices will have an adverse effect on margins, which we intend to partly offset through continued efficiency gains and cost cutting. Due to the unprecedented economic crisis, we see fiscal year 2008/09 as a year of slower volume growth of around 2–4% – clearly outpacing the global chocolate market. Profits in local currencies are expected to be in line with our targets[1]. We have seen a strong start to our third quarter, supported by a late Easter, and our order book is higher than last year. We are therefore confident that volume growth will resume and accelerate in the second semester, which allows us to confirm our four-year financial targets[1], barring any major unforeseen events."

Major events

Barry Callebaut has taken major steps to focus on its core Food Manufacturers and Gourmet business. In February 2009, Barry Callebaut sold its Asian consumer products business "Van Houten Singapore" to Hershey's. In March 2009, Barry Callebaut and Spanish private label chocolate group Natra, signed a Memorandum of Understanding concerning the possible integration of Barry Callebaut's European consumer chocolate business into Natra.

In March 2009, Barry Callebaut Brasil and Bunge Alimentos, a subsidiary of Bunge Limited and major agribusiness company in Brazil, signed a distribution agreement for Brazil whereby Bunge will assume the exclusive distribution of artisanal chocolate products made by Barry Callebaut in Brazil through the Food Service channel. The distribution agreement will leverage Barry Callebaut's manufacturing expertise and Bunge's strong distribution network in the country. In addition, Barry Callebaut will build a new 20,000-tonne chocolate factory in the southeast region of Brazil and intends to start production by end 2009 (see separate press release).

1 Four-year growth targets for 2007/08–2010/11 on average: Volumes: 9–11%, EBIT: 11–14%, net profit 13–16%

Overview of business performance per region in first six months of fiscal year 2008/09

Market environment

The first six months of fiscal year 2008/09 were characterized by an unprecedented economic crisis. Consumer sentiment deteriorated significantly, leading to negative growth in global chocolate consumption for the first time in more than a decade. In some key Western European and North American chocolate markets, consumption declined by between 5% and 9%. Many food manufacturers, artisans and retailers reduced their stocks in the wake of economic uncertainties and were reluctant to place new orders. Private label products gained ground as consumers became more price-sensitive. Chocolate markets in Eastern Europe and Asia continued to grow at high single-digit percentage rates.

Region Europe

Barry Callebaut's sales volumes in Europe, excluding disposals, declined in line with negative market trends in key chocolate countries such as France, Belgium, Italy and Spain. However, the recent capacity expansion in Eastern Europe allowed Barry Callebaut to offset some of the negative growth in Western Europe. Overall **sales volumes** declined by 5.2% to 411,634 tonnes in Europe. **Sales revenue** was almost flat in local currencies. In Swiss franc terms, sales revenue came in 8.0% lower at CHF 1,811.8 million. Barry Callebaut succeeded in considerably increasing its **operating profit** (EBIT) in the region. In local currencies, EBIT was up 10.5%. In Swiss franc terms, operating profit increased 1.5% to CHF 174.5 million. Profitability improved on cost-cutting measures, margin increases and a good profitability of cocoa products.

Region Americas

In Region Americas, Barry Callebaut achieved an impressive volume growth of 7.0% to 151,183 tonnes despite extremely challenging market conditions. **Sales revenue** was up 22.6% in local currencies. In Swiss francs, sales revenue rose by 17.8% to CHF 537.0 million. **Operating profit** (EBIT) increased by 25.7% in local currencies. In Swiss franc terms, EBIT increased 19.7% to CHF 48.7 million. The strong sales and profit performance in the Americas reflects Barry Callebaut's ability to gain market share even in an overall declining market. It is also a reflection of the success of Barry Callebaut's recent factory expansion in North America.

Region Asia & Rest of the World

Barry Callebaut's **sales volumes** in the region grew by 33.5% to 49,103 tonnes, driven by continued good sales in China and Japan. **Sales revenue** rose by 24.0 % in local currencies and 22.0% in Swiss francs to CHF 194.3 million. **Operating profit** increased by 47.1% in local currencies. In Swiss francs, EBIT increased 45.1% to CHF 25.1 million, in part benefiting from extraordinary effects. In December 2008, Barry Callebaut took over a production facility near Osaka in Japan, formerly owned by Japanese confectionary maker Morinaga.

Development of business segments in first six months of fiscal 2008/09

Industrial business segment

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

Barry Callebaut expanded its cocoa processing capacities in the U.S., Africa and Asia and increased sales of cocoa products to take advantage of the higher cocoa product margins. Barry Callebaut's recent geographic expansion in Eastern Europe, Asia and the Americas is paying off. Market share gains in these regions partly compensated for lower growth in Western Europe. Cost savings and margin improvements in industrial chocolate resulted in a significantly higher operating profit in this segment.

Food Service/Retail business segment

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.

Restaurant businesses around the world are suffering under the economic crisis. As a consequence, sales of Gourmet chocolate products to the Horeca (hotel, restaurant, catering) segment have decreased. However, this means consumers are eating more meals at home, which has led to higher demand for chocolate products from the bakeries and small confectioners segment. The Consumer Products business unit benefited from an increase in demand for private label products and price increases implemented in 2008, which increased profitability.

Financial Review for the first six months of fiscal year 2008/09

Consolidated Statement of Income

Sales volumes remained almost flat at 611,920 tonnes compared to 612,436 tonnes in the first six months of the prior fiscal year. While the regions Asia/Rest of the World and, to a lesser extent, Americas continued to grow strongly, European volumes are lower due to declining consumption and destocking measures in the light of the economic downturn.

Sales revenue, as a consequence of unfavorable currency translation impacts, edged downwards by 1.6 % to CHF 2,543.1 million (first half of 2007/08: CHF 2,585.0 million). Excluding currency translation effects sales revenue increased by 4.7%; whereas Europe slightly declined also in local currencies, the other regions still achieved strong growth rates.

Gross profit rose by 1.4 % to CHF 383.2 million, up from CHF 378.0 million, owing to an intensified focus on costs and margin development.

Marketing and Sales expenses decreased to CHF 63.8 million, compared to CHF 67.0 million in the prior period. **General & Administration expenses** declined by 8.7 % from CHF 132.6 million to CHF 121.1 million in the period under review. The reduction of both items is partly a result of the Group's continued focus on costs and partly due to foreign currency effects.

Other income remained almost unchanged at CHF 28.5 million (prior year: CHF 28.1 million). Both years included one-off results from disposals of subsidiaries.

Other expense rose by 34.4 % to CHF 8.2 million, compared with CHF 6.1 million in the 2007/08 period. The increase is mainly related to higher severance payments.

Operating profit (EBIT) was CHF 218.6 million or 9.1% above the year-ago result. Excluding currency translation impacts, EBIT was up 17.6%. Despite a tougher economic climate, Barry Callebaut was able to raise its profitability, thanks to the early implementation of cost saving programs, margin improvements and the better profitability of cocoa products.

Financial income fell by 34.6 % to CHF 5.3 million (prior year: CHF 8.1 million), mainly due to lower fair value adjustments on derivative financial instruments.

Financial expense grew to CHF 55.2 million from CHF 51.3 million in the year-ago period. An increase in the Group's average net debt position led to higher interest expenses.

Result from investments in associates and joint ventures amounts to CHF 0.3 million (prior year: CHF –0.1 million). Last year's Statement of Income additionally included a **loss on disposal of financial assets** in the amount of CHF 6.8 million.

Taxes increased slightly to CHF 25.6 million, a plus of 4.1%. A favourable mix of taxable income resulted in a decrease in the Group's average tax rate to 15.1 % compared to 16.4 % in the first half year 2007/08.

Net profit from continuing operations rose by 14.1 % to CHF 143.4 million from CHF 125.7 million (excluding currency translation effects the increase amounted to 21.9%).

Net profit for the period increased to CHF 143.4 million, compared with CHF 124.4 million for the comparable period, a plus of 15.3 % (excluding currency translation effects up 23.2%). The Group had for the period under review no operations to disclose as discontinued while the prior year results were affected by the disposal of the US sugar-candy business Brach's.

Consolidated Balance Sheet and financing structure

Net working capital rose year-on-year by CHF 135.9 million to CHF 1,143.2 million. The Group was holding at the end of the period under review higher stock volumes than a year ago, caused by the net impact of acquisitions and disposals of subsidiaries. To some extent this was also caused by higher raw material prices, a more short-term order pattern, later Easter and destocking effects at the Group's customers. Foreign currency translation impacts only partly offset these effects.

Net debt rose to CHF 1,116.9 million from CHF 958.8 million at the end of the period a year ago. The Group had to draw down higher amounts from the credit facilities available mainly to finance the higher net working capital and higher net investments in property, plant and equipment and subsidiaries. These effects were partly mitigated by foreign currency translation impacts.

Total assets were slightly lower than at the year-ago period end (February 28, 2009: CHF 3,704.5 million; February 29, 2008: CHF 3,776.3 million). The reduction was mainly caused by a devaluation of most currencies against the Group's reporting currency, Swiss franc.

Shareholders' equity rose by 8.9 % to CHF 1,168.9 million (from CHF 1,073.1 million a year ago). This development is due to a strong increase in profit after taxes in the second half of fiscal year 2007/08 and the period under review and despite an unfavourable movement of the foreign currencies against the Swiss franc and a capital reduction by CHF 59.5 million. Compared to August 31, 2008 the shareholders' equity slightly decreased by 0.6 % as the negative impact on currency translation differences arising in consolidation and the reduction of the share capital in lieu of a dividend more than offset the net profit for the period.

Consolidated Statement of Cash Flows

Operating cash flow before working capital changes remained stable at CHF 251.3 million (prior year period CHF 251.4 million). In the current financial year mainly the higher inventories as explained above had a negative impact on cash flows, which led to a decrease of the **net cash flow from operating activities** amounting to an outflow of CHF 46.2 million, compared to an outflow CHF 41.3 million in the comparable period.

Net cash outflow from investing activities was CHF 93.6 million for the six-month period ended February 28, 2009, compared to CHF 13.1 million the year before. The prior-year comparable benefited from considerable cash flows from the disposal of subsidiaries.

Consolidated Statement of Income (unaudited)

For the 6-month period ended in million CHF	Feb 28, 2009	Feb 29, 2008
Revenue from sales and services	**2,543.1**	**2,585.0**
Cost of goods sold	(2,159.9)	(2,207.0)
Gross profit	**383.2**	**378.0**
Marketing and sales expenses	(63.8)	(67.0)
General and administration expenses	(121.1)	(132.6)
Other income	28.5	28.1
Other expenses	(8.2)	(6.1)
Operating profit (EBIT)	**218.6**	**200.4**
Financial income	5.3	8.1
Financial expenses	(55.2)	(51.3)
Loss on disposal of financial assets	–	(6.8)
Result from investments in associates and joint ventures	0.3	(0.1)
Profit before income taxes	**169.0**	**150.3**
Income taxes	(25.6)	(24.6)
Net profit from continuing operations	**143.4**	**125.7**
Net loss from discontinued operations, net of tax	–	(1.3)
Net profit for the period	**143.4**	**124.4**
of which attributable to the shareholders of the parent company	143.6	124.2
of which attributable to minority interests	(0.2)	0.2

Earnings per share from continuing and discontinued operations

Basic earnings per share (CHF/share)	27.85	24.08
Diluted earnings per share (CHF/share)	27.78	24.00

Earnings per share from continuing operations

Basic earnings per share (CHF/share)	27.85	24.33
Diluted earnings per share (CHF/share)	27.78	24.25

Consolidated Balance Sheet (unaudited)

Assets

as of in million CHF	Feb 28, 2009	Aug 31, 2008[1]	Feb 29, 2008
Current assets			
Cash and cash equivalents	39.4	35.2	55.6
Short-term deposits	7.8	0.9	1.1
Trade receivables	315.4	331.3	390.1
Inventories	1,432.5	1,414.6	1,355.4
Derivative financial assets	225.4	321.0	380.9
Current tax assets	4.9	2.9	1.3
Other current assets	294.9	199.8	356.6
Total current assets	**2,320.3**	**2,305.8**	**2,541.0**
Non-current assets			
Property, plant and equipment	863.3	890.9	730.5
Financial assets	0.2	0.2	0.2
Investments in associates and joint ventures	3.7	3.5	0.5
Intangible assets	468.7	471.3	431.6
Deferred tax assets	37.0	45.3	39.9
Other non-current assets	11.3	12.4	32.6
Total non-current assets	**1,384.2**	**1,423.7**	**1,235.3**
Total assets	**3,704.5**	**3,729.5**	**3,776.3**

Liabilities and equity

as of in million CHF	Feb 28, 2009	Aug 31, 2008[1]	Feb 29, 2008
Current liabilities			
Bank overdrafts	54.1	59.7	54.1
Short-term debt	394.0	397.6	419.1
Trade payables	421.7	465.8	425.7
Current tax liabilities	35.4	32.9	41.6
Provisions	6.6	7.8	6.8
Derivative financial liabilities	284.5	299.3	423.4
Other current liabilities	391.1	428.5	587.4
Total current liabilities	**1,587.4**	**1,691.8**	**1,958.1**
Non-current liabilities			
Long-term debt	718.0	621.9	544.2
Deferred tax liabilities	58.3	64.4	55.7
Employee benefit obligations	122.6	134.4	137.8
Provisions	1.8	1.7	1.1
Other non-current liabilities	47.3	38.9	2.2
Total non-current liabilities	**948.0**	**861.4**	**741.0**
Total liabilities	**2,535.4**	**2,553.2**	**2,699.1**
Equity			
Share capital	262.1	321.6	321.6
Retained earnings and other reserves	906.8	854.3	751.5
Total equity attributable to the shareholders of the parent company	**1,168.9**	**1,175.9**	**1,073.1**
Minority interests	0.2	0.4	4.1
Total equity	**1,169.1**	**1,176.3**	**1,077.2**
Total liabilities and equity	**3,704.5**	**3,729.5**	**3,776.3**

1 Audited

Condensed Consolidated Statement of Cash Flows (unaudited)

For the 6-month period ended	Feb 28, 2009	Feb 29, 2008[1]
in million CHF		
Profit before income taxes	169.0	150.3
Non-cash items of income and expenses	82.3	101.1
Operating cash flow before working capital changes	**251.3**	**251.4**
(Increase) decrease in working capital	(251.2)	(237.3)
Interest paid	(28.5)	(39.9)
Income taxes paid	(17.8)	(15.4)
Net cash flow from operating activities	**(46.2)**	**(41.3)**
Purchase of property, plant and equipment	(62.3)	(82.0)
Proceeds from sale of property, plant and equipment	0.8	10.2
Acquisition of subsidiaries, net of cash acquired	(12.2)	(38.8)
Proceeds from disposal of subsidiaries, net of cash disposed	–	123.8
Other investing cash flows	(19.9)	(26.2)
Net cash flow from investing activities	**(93.6)**	**(13.1)**
Net cash flow from financing activities	**146.9**	**81.9**
Effect of exchange rate changes on cash and cash equivalents	2.7	(0.9)
Net increase (decrease) in cash and cash equivalents	**9.8**	**26.6**
Cash and cash equivalents at the beginning of the period	(24.5)	(25.1)
Cash and cash equivalents at the end of period	(14.7)	1.5
Net increase (decrease) in cash and cash equivalents	**9.8**	**26.6**
Cash, banks and checks	39.4	55.6
Bank overdrafts	(54.1)	(54.1)
Cash and cash equivalents as defined for the cash flow statement	**(14.7)**	**1.5**

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

Consolidated Statement of Changes in Equity (unaudited)

	Attributable to the shareholders of the parent company							
	Share capital	Treasury shares	Retained earnings	Hedging reserves	Cumulative translation adjustments	Total	Minority interests	Total equity
in million CHF								
as of August 31, 2007	381.1	(16.7)	702.2	4.8	(12.3)	1,059.1	3.9	1,063.0
Currency translation adjustments					(48.8)	(48.8)	0.1	(48.7)
Effect of cash flow hedges				(4.6)		(4.6)		(4.6)
Net income recognized directly in equity				**(4.6)**	**(48.8)**	**(53.4)**	**0.1**	**(53.3)**
Net profit for the period			124.2			124.2	0.2	124.4
Total recognized income			**124.2**	**(4.6)**	**(48.8)**	**70.8**	**0.3**	**71.1**
Capital reduction	(59.5)					(59.5)		(59.5)
Dividends to minorities							(0.1)	(0.1)
(Acquisitions) sale in treasury shares (net)		(6.2)				(6.2)		(6.2)
Equity settled share-based payments		17.7	(8.8)			8.9		8.9
as of February 29, 2008	**321.6**	**(5.2)**	**817.6**	**0.2**	**(61.1)**	**1,073.1**	**4.1**	**1,077.2**
as of August 31, 2008	321.6	(13.6)	908.3	(1.2)	(39.1)	1,176.0	0.4	1,176.4
Currency translation adjustments					(82.5)	(82.5)		(82.5)
Effect of cash flow hedges				(6.9)		(6.9)		(6.9)
Net income recognized directly into equity				**(6.9)**	**(82.5)**	**(89.4)**	**0.0**	**(89.4)**
Net profit for the period			143.6			143.6	(0.2)	143.4
Total recognized income			**143.6**	**(6.9)**	**(82.5)**	**54.2**	**(0.2)**	**54.0**
Capital reduction	(59.5)					(59.5)		(59.5)
(Acquisitions) sale in treasury shares (net)		(6.7)				(6.7)		(6.7)
Equity settled share-based payments		11.7	(6.8)			4.9		4.9
as of February 28, 2009	**262.1**	**(8.6)**	**1,045.1**	**(8.1)**	**(121.6)**	**1,168.9**	**0.2**	**1,169.1**

Notes to the condensed Consolidated Interim Financial Statements (unaudited)

General information

Barry Callebaut AG ("the Company") is incorporated under Swiss law. The address of the registered office is Pfingstweidstrasse 60, Zurich. The Company is listed on the SIX Swiss Exchange.

These condensed Consolidated Financial Statements, approved by the Board of Directors for issue on March 31, 2009, were not audited.

Basis of presentation and accounting policies

The condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied in these condensed Consolidated Financial Statements correspond to those pertaining to the most recent annual Consolidated Financial Statements for the financial year 2007/08. A detailed description of the accounting policies is published in the notes to the annual Consolidated Financial Statements of the Annual Report 2007/08.

The preparation of condensed Consolidated Interim Financial Statements requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. In the reporting period, the Group has not made significant changes to its judgements, estimates or assumptions, established in preparation of the last annual report.

The Group has adopted all applicable new IFRS standards or interpretations and changed its accounting policies where necessary:

IFRIC 12 – Service Concession Arrangements

The adoption of this interpretation did not have an effect on the financial position or the results of the Group.

IFRIC 13 – Customer Loyalty Programmes

The Group does not grant costumer loyalty award credits to its customers. Thus, the adoption of IFRIC 13 did not have an effect on the financial position or the result of the Group.

IFRIC 14 / IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group has evaluated the surplus situation in its pension plans according to IFRIC 14. Based on the assessment, the funding surplus attributable to the employer represents an economic benefit to the Group and no adjustments were necessary to the defined benefit assets in the balance sheet as a result of the first-time application of IFRIC 14.

The following changes in IFRS may affect the Group for periods beginning after August 31, 2009:

Standard/Interpretation	Assessment	Effective Date	Planned adoption by Barry Callebaut
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation	*	October 1, 2008	September 1, 2009
Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements	*	January 1, 2009	September 1, 2009
Amendments to IFRS 2 – Share-based Payment – Vesting conditions and cancellations	*	January 1, 2009	September 1, 2009
Amendments to IFRS 7 – Financial Instruments: Disclosure	**	January 1, 2009	September 1, 2009
IFRS 8 – Operating Segments	**	January 1, 2009	September 1, 2009
IAS 1 Revised – Presentation of Financial Statements	**	January 1, 2009	September 1, 2009
IAS 23 Revised – Borrowing Costs	*	January 1, 2009	September 1, 2009
Amendments to IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation	***	January 1, 2009	September 1, 2009
IFRIC 15 – Agreements for the Construction of Real Estate	*	January 1, 2009	September 1, 2009
IFRS 3 Revised – Business Combinations	*	July 1, 2009	September 1, 2009
Amendments to IAS 27 – Consolidated and Separate Financial Statements	*	July 1, 2009	September 1, 2009
IAS 39 – Financial Instruments: Recognition and Measurement – eligible hedged items	*	July 1, 2009	September 1, 2009
Improvements to IFRSs	***	January 1, 2009/ July 1, 2009	September 1, 2009
IFRIC 17 – Distributions of Non-cash Assets to Owners	***	July 1, 2009	September 1, 2009
IFRIC 18 – Transfers of Assets from Customers	*	July 1, 2009	September 1, 2009

* No impact or no significant impact is expected on the Group's Consolidated Financial Statements
** The impact on the Group's Consolidated Financial Statements is expected to result in additional disclosures or changes in presentation
*** The impact on the Group's Consolidated Financial Statements can not yet be determined with sufficient reliability

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.

1 Segment information

Business segment information in million CHF (6 months)	Industrial Business		Food Service & Retail Business		Corporate/ unallocated		Consolidated	
	08/09	07/08	**08/09**	07/08	**08/09**	07/08	**08/09**	07/08
Revenue from external sales	1,739.3	1,678.3	803.8	906.7			2,543.1	2,585.0
Operating profit (EBIT)	137.2	122.1	111.1	107.8	(29.7)	(29.5)	218.6	200.4

Geographical segment information in million CHF (6 months)	Europe		Americas		Asia-Pacific/ Rest of World		Corporate/ unallocated		Consolidated	
	08/09	07/08	**08/09**	07/08	**08/09**	07/08	**08/09**	07/08	**08/09**	07/08
Revenue from external sales	1,811.8	1,969.9	537.0	455.9	194.3	159.2			2,543.1	2,585.0
Operating profit (EBIT)	174.5	171.9	48.7	40.7	25.1	17.3	(29.7)	(29.5)	218.6	200.4

2 Acquisitions

On September 17, 2008, Barry Callebaut has acquired a 100 % stake in the Belgian company International Business Company (IBC). The acquired entity is mainly active in the field of chocolate decoration.

On December 1, 2008, the Group has acquired a business from the Japanese confectionery Morinaga & Co. Ltd., which includes a long-term supply agreement to Morinaga. For the purpose of the acquisition, the Group's subsidiary in Japan took over mainly production assets and employees.

The acquisitions led to a cash outflow of CHF 12.2 million; additionally payments in the amount of CHF 10.5 million are deferred over the next 5 years. As a result of the purchase price allocation in respect of those acquisitions, a goodwill of CHF 9.2 million was recorded in the Balance Sheet and a negative goodwill of CHF 0.9 million was recognized directly in the Statement of Income. Since the valuation of the assets and liabilities of businesses recently acquired is still in process, the values are determined provisionally.

in million CHF	Carrying amounts	Recognized fair values on acquisition
Inventories	1.0	1.0
Trade receivables and other current assets	2.1	2.1
Property, plant and equipment, intangible assets	12.9	17.5
Financial liabilities	(0.5)	(0.5)
Other current liabilities and deferred income	(0.6)	(0.6)
Other non-current liabilities	(1.7)	(2.7)
Deferred tax, net	0.0	(1.4)
Fair value of net assets acquired		**15.4**
Goodwill on acquisition		9.2
Negative goodwill on acquisition		(0.9)
Consideration, paid in cash[1]		**(13.2)**
Consideration, deferred		**(10.5)**
Cash and cash equivalents less bank overdrafts (net) acquired		(1.0)
Cash outflow for acquisitions of subsidiaries, net of cash and bank overdrafts acquired		**(12.2)**

1 Including legal and consultancy fees in the amount of CHF 0.7 million

The goodwill amounting to CHF 9.2 million reflects the value of highly skilled staff, the immediate access to manufacturing resources and the anticipated synergies for the Group's strategically targeted regional expansion path in selected businesses.

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

The initial accounting for the acquisition of Food Processing International Inc. (FPI) in the comparable period which was determined only provisionally at the past fiscal year end, has been completed in the meantime. The finalization of the purchase accounting did not lead to any adjustments.

3 Disposals

On February 28, 2009, Barry Callebaut has sold its Consumer Products subsidiary Van Houten Asia-Pacific (Singapore) Pte Ltd to The Hershey Company and licensed the Van Houten brand name and trademarks to Hershey's for use in relation to the sale of consumer products in Asia-Pacific, the Middle East, and Australia/New Zealand.

The transaction resulted in a total gain of CHF 16.5 million (net of transaction costs). The respective payment was received subsequent to the balance sheet date.

4 Other selected explanatory financial information

Contingencies

Barry Callebaut is not aware of any new significant litigations or other contingent liabilities compared to the situation as of August 31, 2008.

Dividends / Capital reduction and repayment

By resolution of the Annual General Meeting on December 4, 2008, Barry Callebaut AG instead of a dividend payment reduced its share capital by CHF 11.50 per share (reduction of the nominal value of one share from CHF 62.20 to CHF 50.70; to reduce the share capital by CHF 59.5 million). The respective payment to the shareholders has taken place on March 2, 2009. The Company does not intend to pay an interim dividend.

5 Subsequent events

The Group has signed a memorandum of understanding with the Spanish chocolate maker Natra S.A. on March 2, 2009, regarding the possible integration of Barry Callebaut's European consumer chocolate business into Natra. The closing of the transaction depends on various conditions precedent. At the time these Interim Financial Statements were prepared, the outcome could not be determined reliably.

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 forward-looking 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 2007/08. 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 2, 2009. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

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Agenda

	Date
9-month key sales figures 2008/09	June 25, 2009
Annual Results 2008/09, Zurich	November 12, 2009
Annual General Meeting 2008/09, Zurich	December 8, 2009

BARRY CALLEBAUT