



# News Release

## Major cooperation between Barry Callebaut and Nestlé in Europe: **Barry Callebaut to expand production capacity in Italy, France – long-term supply agreement**

- **Barry Callebaut AG announces its intention to acquire approx. 100,000 metric tonnes production capacity from Nestlé SA in Italy and France to capture growth opportunities in the fast-growing Mediterranean region.**
- **The proposed transaction also foresees Nestlé to enter into a long-term agreement with Barry Callebaut for the supply of liquid chocolate and the production of some Nestlé consumer products.**
- **Confirms the outsourcing trend in the chocolate industry.**

Zurich/Switzerland, February 15, 2007 – Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products, announces its intention to acquire from Nestlé the cocoa liquor and liquid chocolate production facility at the chocolate factory in San Sisto/Italy as well as a chocolate factory in Dijon/France. At the same time, Nestlé would enter into a long-term agreement with Barry Callebaut for the supply of 43,000 tonnes p.a. of liquid chocolate and the production of some Nestlé consumer products. The Pan-European project, which also incorporates a commitment to supply Nestlé in Russia with liquid chocolate, spans three countries. Barry Callebaut would be able to use the existing capacity at the acquired sites and intends to install additional capacity of 25,000 tonnes to better serve its growing industrial and artisanal customer base in the promising Southern European markets.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "The planned transaction is an excellent opportunity for Barry Callebaut to increase our production capacity for cocoa liquor and chocolate for industrial and artisanal customers in the fast-growing Mediterranean markets. It would also mark an important step ahead in our strategy to be the outsourcing partner of choice for co-manufacturing brand packaged consumer products. With a limited investment the supply agreement with Nestlé would increase our sales volume as of next fiscal year 2007/08 and would provide us with free production capacity allowing us to target the Southern European markets in a more tightly focused way."

The two parties expect the final agreement to be signed during the summer of 2007, after completing works council consultations. The transaction is subject to regulatory approvals. The two parties have decided not to disclose any financials of the transaction.

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### **Barry Callebaut ([www.barry-callebaut.com](http://www.barry-callebaut.com)):**

*With annual sales of more than CHF 4 billion (EUR 2.7 billion) for fiscal year 2005/06, 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 25 countries and employs approximately 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.*

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