

Press Release/Letter to Shareholders

Barry Callebaut strengthens global market share

Barry Callebaut, the world leader in specialty chocolate, reports a volume growth in core products of 8.5% to 607,745 metric tons. The consolidated sales increased by 4.6% to CHF 2.3 billion. Barry Callebaut processed 12% of the world cocoa bean crop and claims a market share of 38% in the open specialty chocolate market. Net income for the fiscal year ended August 31, 1999 grew from CHF 94.7 million to CHF 100.2 million.

The Board of Directors proposes to the General Assembly of Shareholders the payment of a dividend of CHF 6.50 (previous year CHF 6.00) per share.

Zurich, November 16, 1999. Barry Callebaut increased shipments in core products by 8.5% to 607,745 metric tons in a flat global chocolate market. While the chocolate consumption in the mature chocolate markets remained stable, the difficult economic situation in Eastern Europe impaired a more rapid growth. The volume growth is thus attributable to internal growth (+2.0%) and to acquisitions (+6.5%), reflecting Barry Callebaut's strategy to gain market share by organic growth and through acquisitions. Barry Callebaut processed 12% of the world cocoa bean crop and claims now a market share of 38% in the open specialty chocolate market.

Despite lower cocoa prices, consolidated sales were up by 4.6% to CHF 2.3 billion. Cash flow increased from CHF 170.7 million to CHF 177.2 million. Operating income (EBIT) declined from CHF 148.1 million to CHF 130.2 million reflecting Barry Callebaut's target to gain market share. As important, however, was the negative margin development for semi-finished products in 1999.

Net income grew by 5.8% from CHF 94.7 million to CHF 100.2 million. Lower financial charges and the reversal of a tax accrual account for this evolution. Barry Callebaut thus reports earnings per share of CHF 19.4 versus CHF 18.3 the year before.

The acquired Van Leer (USA), Carma (Switzerland) and Chadler (USA, Brazil) businesses will further strengthen Barry Callebaut's market position. The acquisition of Nestlé's Italian specialty chocolate business reflects the outsourcing trend in the chocolate industry.

The Board of Directors proposes to the General Assembly of Shareholders the payment of a dividend of CHF 6.50 (previous year CHF 6.00) per share.

As already announced earlier, Board and Management are subject to the following changes: Remaining as member of the Board of Directors, Pierre Vermaut will hand over Chairmanship to Andreas Schmid. The Board of Directors proposes to elect Mr. Andreas W. Keller, Chairman and CEO of Eduard Keller AG and Diethelm & Co. AG Group, Zürich, as a new member to the Board of Directors. Mr. Andreas

Schmid is appointed Chief Executive Officer of the Barry Callebaut Group and Dr. Ralph Schmitz-Dräger will serve as Chief Financial Officer. Chief Operating Officer is Onno Bleeker.

Key Figures	1998/1999	1997/1998	Change in %
(money figures in CHF million)			
Volume core products in tons	607,745	560,006	8.5
Income from sales and services	2,262.3	2,162.6	4.6
Operating income (EBIT)	130.2	148.1	-12.1
Net income (PAT)	100.2	94.7	5.8
Current assets	885.8	773.6	14.5
Non-current assets	734.2	691.0	6.2
Balance sheet total	1,620.0	1,464.7	10.6
Shareholders equity	619.6	578,1	7.2

The General Assembly of Shareholders will be held at the Zurich Marriott Hotel in Zurich/Switzerland on December 10, 1999 at 2:30 p.m.

For further information: Andreas Schmid, Barry Callebaut Zürich,
 Phone ++41-(0)1 388 6139
 Fax ++41-(0)1 388 6153