

Barry Callebaut Half-Year Results

Barry Callebaut increased sales

Barry Callebaut reports a net sales increase of 4 % to CHF 1.23 billion for the first six months of the business year 1999/2000. Especially in the new markets outside Western Europe and North America the global market leader for industrial speciality chocolate generated growth above average. In spite of major business expansions and the consequences of generally lower raw material prices the company managed to maintain its operating income of 87.4 million CHF (+ 1 %) at the level of the previous year. Net income for the period decreased to 61.9 million CHF due to extraordinary tax impacts. Barry Callebaut targets an increase of operating income by at least 10 % for the entire business year 1999/2000.

Zurich, April 3, 2000. In the first half of the current business year (September 1, 1999 to February 29, 2000), Barry Callebaut recorded worldwide sales of 374'000 tons of semi-finished and finished products, representing an increase of 13 % over the same period of the previous year. Barry Callebaut, the global market leader in industrial specialty chocolate and related products, consequently increased market share in its relevant markets. The company's progress was particularly notable in Asia/Pacific, in Southern and Eastern Europe and in South America.

These higher volumes led to an increase in sales from 1'184 million CHF in the corresponding period of the last year to 1'230 million CHF. Operating income (EBIT) of 87.4 million CHF exceeded expectations (previous year: 86.8 million CHF; + 1 %). On the one hand, it proved possible to absorb the initial expenditure for integration of its acquired companies Chadler (Brazil and USA), SACO (Ivory Coast) and Carma in Switzerland. On the other hand, the company has been able to cope with overall price declines in semi-finished products. The latter account for more than one fifth of sales volumes and have been under pressure as a result of a significant fall in cocoa bean prices.

Net income of 61.9 million CHF is not quite comparable with the figure of 74.5 million CHF reported for the previous year, extraordinary tax provisions having been released in 1998/99 as a result of the merger between Barry and Callebaut.

Prospects for the second half-year

As of March 1, 2000, the European and African activities of Van Houten together with Nestlé's industrial chocolate business in Italy will be completely integrated and consolidated within the Group. This will result in a turnover increase of some 200 million CHF per annum. Van Houten improves Barry Callebaut's position in the higher-margin segment of the business with gourmet products and specialties. The new partnership with Nestlé confirms yet again the unique position of Barry Callebaut as the preferred outsourcing partner for leading manufacturers of branded consumer goods.

As raw cocoa prices have since stabilised and margins now show signs of picking up again, Barry Callebaut expects an improvement for semi-finished products in months to come.

On the basis of the results achieved and taking current trends into account, Barry Callebaut targets an operating income increase of at least 10 % for the entire business year 1999/2000.

The half-year statement in figures

	6 months up to 29.2.2000	6 months up to 28.2.1999	%age change
Key financial figures (in CHF million)			
Income from sales and services	1'229.9	1'184.4	+ 4 %
Operating income	87.4	86.8	+ 1 %
Net income	61.9	74.5	- 17 %
Net working capital	701.3	537.5	+ 30 %
Non-current assets	812.8	693.5	+ 17 %
Net debt	801.4	560.6	+ 43 %
Shareholder's Equity	660.4	617.9	+ 7 %

Sales volumes (in tons)

Sales volumes total	373'760	330'036	+ 13 %
processed products	288'735	267'577	+ 8 %
semi-finished products	85'025	62'459	+ 36 %
Americas	104'323	84'877	+ 23 %
Western Europe	233'573	220'206	+ 6 %
Eastern Europe	16'596	11'237	+ 48 %
Asia/Pacific	12'613	7'802	+ 62 %
Other countries	6'655	5'914	+ 13 %

(Unaudited figures)

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