

Barry Callebaut acquires Nestlé's Italian industrial chocolate activities

Long term agreement to supply Nestlé subsidiaries

Barry Callebaut, the world's leader in industrial specialty chocolate, has signed an agreement to acquire Nestlé's Italian industrial chocolate business. Through this acquisition, Barry Callebaut becomes the leader in the Italian industrial specialty chocolate business, strengthens its European manufacturing base with a state-of-the-art production site in Verbania (Italy) and secures a bridgehead to further expand its position in other Mediterranean markets.

Zurich/Switzerland; October 15, 1999. Barry Callebaut AG, headquartered in Zurich, Switzerland, announced today the signing of an agreement to acquire Nestlé's industrial chocolate business and assets in Italy. The parties have decided not to disclose the price of the transaction, and have at the same time, signed a long term supply agreement of Barry Callebaut specialty chocolate to Nestlé subsidiaries, primarily in Europe.

Barry Callebaut, the world's leader in industrial specialty chocolate reported net sales of CHF2,2 billion for the fiscal year ended August 31, 1999. The business, acquired from Nestlé will, as of March 1, 2000, add annual sales of CHF 60 million. With this acquisition, Barry Callebaut also achieves market leadership in industrial specialty chocolate in Italy.

The acquired activity, is currently integrated in Nestlé Italiana and includes a state-of-the-art production site located in Verbania, some 100 km north of Milan. Approximately 100 Nestlé Italiana employees will join Barry Callebaut and the Verbania factory will be integrated into Barry Callebaut's existing production network. This enables the company to better serve customers in Italy as well as in the other promising Mediterranean markets.

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