News Release

Barry Callebaut reports results for first nine months of fiscal year 2004/05:

Continued strong volume and net profit growth

- **Barry Callebaut recorded a strong 3rd quarter in its businesses with industrial and artisanal customers**
- **Sales volume up 4%**
- **Sales revenue at CHF 3,023.5 million, down 2.5% as a result of lower cocoa bean prices and negative currency effects**
- **EBITA up 2% to CHF 197.3 million**
- **Net profit (PAT) up 29% to CHF 101.8 million, partly due to changes in accounting standards; on a like-for-like basis increase of 7%, in local currencies up 10%**
- **In view of difficult market conditions in Germany, restructuring in Consumer Products Europe to be intensified, entailing a restructuring provision of CHF 49 million in cash and write-offs of CHF 45 million, both to be charged to the accounts in the 4th quarter**
- **EUR 740 million Revolving Credit Facility committed by major relationship banks**

Zurich/Switzerland, July 8, 2005 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, announced today its results for the nine-month period of fiscal year 2004/05 ended May 31, 2005. Chocolate is a seasonal business and the third quarter is usually the slowest period for Barry Callebaut.

Sales volumes went up 4%, of which two-thirds were organic growth. Sales revenue declined by 2.5% as a reflection of lower cocoa bean prices and adverse currency effects. Operating profit before amortization (EBITA) increased by 2% to CHF 197.3 million. Net profit (PAT) jumped by 29% to CHF 101.8 million, partly due to a change in IFRS accounting standards. On a like-for-like basis the increase was a strong 7%, in constant currency terms the increase was 10%.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "We are pleased that our traditional businesses with industrial and artisanal customers continue to do very well in a highly competitive environment. They have contributed overproportionately to the Group's operating profit. Our European consumer business, on the other hand, is still suffering from difficult market conditions, an unfavorable business mix and price pressure. This situation, together with the opportunity to realize additional cost savings, led us to intensify the current restructuring program in Germany. The goal is to make our consumer business the cost leader and to prepare it for profitable growth as of 2006/07, especially in Customer Label Solutions."

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BARRY CALLEBAUT

Overview of business performance in the first nine months of fiscal year 2004/05

Sales volumes grew 4% to 790,134 tonnes, up from 758,401 tonnes. Approximately two-thirds of this increase was organic growth; the rest was attributable to the first-time consolidation of AM Foods, acquired in September 2004.

Sales revenue decreased by 2.5% to CHF 3,024 million in the period ended May 31, 2005, down from CHF 3,101 million in the same prior-year period. This decrease was mostly the result of lower underlying cocoa bean prices and a negative currency effect, partly compensated by a strong volume increase and the impact of the first-time consolidation of AM Foods.

Operating profit before amortization (EBITA) was CHF 197.3 million or 2% above the CHF 193.6 million in the same prior-year period. The higher contributions from the Cocoa, Food Manufacturers, Gourmet & Specialties and Consumer Products North America business units were almost offset by the disappointing result from the Consumer Products Europe business unit. This unit was heavily impacted by an amount of more than CHF 20 million due to the renewed sharp increase in the hazelnut price.

Financial cost, net decreased by 12% to CHF 60.9 million compared to CHF 69.1 million in the previous year. This decrease was attributable to reduced interest rates and average debt compared to the equivalent prior-year period as well as to some minor one-time effects.

Taxes increased to CHF 25.0 million from CHF 21.1 million due to the higher pretax profit whereas the average group tax rate slightly decreased from 21% to 20% compared with the same prior-year period.

Net profit (PAT) for the period under review increased by 29% to CHF 101.8 million from CHF 78.8 million in the previous year, primarily due to lower financial cost and the absence of goodwill amortization in line with a change in the IFRS accounting standards. On a comparable basis, PAT increased by 7%.

Shareholders' equity increased by 8% to CHF 866.7 million as of May 31, 2005, compared to CHF 800.9 million at the end of the previous fiscal year on August 31, 2004.

Development of business segments in the first nine months of fiscal year 2004/05

Industrial business segment

The Industrial business segment focuses on selling cocoa and chocolate products to industrial processors and consumer goods manufacturers worldwide.

Sales volumes amounted to 512,072 tonnes, an organic volume growth of 6% compared to the 484,434 tonnes in the same prior-year period.

- Cocoa products sold to third-party customers grew by 7% to 100,298 tonnes (93,838 for the same prior-year period), mainly due to increased liquor and powder sales.

- Sales volumes in the Food Manufacturers business unit were 411,774 tonnes, up 5% from 390,596 tonnes. Volume growth was particularly strong in Eastern Europe, the U.K., and Asia-Pacific.

Sales revenue recorded in the Industrial business segment was stable at CHF 1,623 million compared to CHF 1,627 million in the same prior-year period.

- In the Cocoa business unit the higher volumes were more than offset by the lower underlying cocoa bean prices, negative currency effects and the lower sales prices for powder. Thus, sales revenue for the Cocoa business unit decreased by 8% to CHF 373 million, down from CHF 403 million.
- The Food Manufacturers business unit managed to increase sales revenue by 2% to CHF 1,250 million from CHF 1,224 million in the previous year, despite lower cocoa bean prices and unfavorable exchange rates. Organic sales revenue growth, excluding foreign exchange as well as cocoa and other raw material price change effects, was approximately 8%.

Food Service/Retail business segment

The Food Service/Retail business segment serves a broad range of customers, from local craftsmen to global retailers.

Sales revenue declined by 5% to CHF 1,401 million, down from CHF 1,473 million.

- Sales revenue recorded in the Gourmet & Specialties business unit increased by 3% to CHF 427 million, up from CHF 414 million, helped by the acquisition of AM Foods. While the Gourmet division saw organic growth of 5%, the Consumer Africa division experienced a strong decline caused by the difficult political and economic environment, mainly in Ivory Coast and Cameroon, respectively. The Beverages division increased sales revenue due to the acquisition of AM Foods. In total, sales revenue in the Gourmet & Specialties business unit decreased by 6% organically.
- Sales revenue in the Consumer Products business units decreased by 8% to CHF 974 million compared to CHF 1,059 million in the prior year period. In both the European and the North American business unit, the main factors contributing to this decrease were negative currency impacts, a decrease in volumes and an adverse product mix which in North America was specifically impacted by decreasing sales volumes and margins in the fruit snack business.

Restructuring intensified in Consumer Products Europe

Against the backdrop of the weak development of the German and other Western European economies and in order to realize additional cost savings, the Board of Directors of Barry Callebaut AG has decided to intensify the current restructuring program in the Consumer Products Europe business unit.

The primary focus is on bringing the European consumer business onto the same SAP platform that is successfully in operation at the Group's other European chocolate businesses. This will allow the integration of the Consumer Products Europe business unit's key processes and functions into the Barry Callebaut Group with the goal of achieving the envisaged cost leadership in the Group's consumer business. This can now be done faster because Stollwerck is a wholly-owned subsidiary of Barry Callebaut after the squeeze-out of the minority shareholders. The head office of Consumer Products Europe with the key functions in sales, marketing and administration will remain in Cologne, Germany. The business unit will continue to focus on Customer Label Solutions, the Sarotti brand for innovations and co-manufacturing services for branded consumer goods companies and other third parties, such as Genuport, the new distribution partner for the Gubor business.

As part of the Group's continuous program to drive efficiency, some measures will also be completed in the 4th quarter in the Consumer North America business unit as well as in the African operation.

A restructuring provision of CHF 49 million will be set aside to cover the cash expenses related to measures already initiated or upcoming, including costs for logistics improvements, systems optimizations and employee severance payments. In Europe, the majority of people affected have already been notified. For any additional measures – once determined – consultation with the respective social partners will be initiated without delay. The plan does not foresee any factory closures.

In addition, some fixed assets (such as buildings and idle machines) and some current assets (such as packaging material and various small raw material positions) will be partly/fully impaired in the total amount of CHF 45 million.

The total restructuring amount of CHF 94 million will be charged to the current year's accounts. The cash-out related to the restructuring expenses will be fully financed from internal resources. The cost savings and improvements in the gross margin as a result of the restructuring program are expected to reach between CHF 40 to 50 million in year three and recurring thereafter. Barry Callebaut is convinced that these cost savings, together with the comprehensive growth plan that is ready for implementation, will turn Consumer Products Europe into a profitable business in fiscal year 2005/06 and make it fit for growth as of fiscal year 2006/07.

EUR 740 million Revolving Credit Facility committed by major relationship banks

Barry Callebaut entered into a syndicated EUR 740 million Revolving Credit Facility committed by the major relationship banks. The facility is split into three parts: a Revolving Credit Facility of EUR 325 million with a tenor of +1 +1 +5 years, a Revolving Committed Facility of EUR 250 million with a tenor of +1 +1 +3 years as back-up for the Commercial Paper program, and finally a Revolving Facility of EUR 165 million with a tenor of +1 +1 +5 years as back-up line to refinance the High Yield Bond callable as from March 2007 onwards. This will allow Barry Callebaut primarily to call and refinance the expensive High Yield Bond at substantially reduced costs. The conditions of the new facility are more favorable and flexible compared to the existing facility initially signed in March 2003, and reflect Barry Callebaut's improving financial standing. The facility will substantially extend the maturity profile and increase the liquidity. The facility will be opened to further syndication over the next few weeks.

Outlook

With regard to full fiscal year 2004/05 CEO Patrick De Maeseneire said: "Sales volumes contracted in June were good. However, August is always the decisive month for our 4th quarter: Production for Halloween and Christmas will be starting up, and the ice-cream business will be in full swing, leading to additional demand if the weather is hot and, thus, to a strong fourth quarter. Based on our current assumptions, we believe that the result from operations, prior to restructuring costs, will meet market expectations for the full fiscal year 2004/05."

Based on the expectation of a continued strong operational performance in the businesses with industrial and artisanal customers for the full fiscal year, the Board of Directors intends to propose keeping the total amount of dividends/capital repayment for 2004/05 unchanged from the previous year, deviating from the company's usual dividend policy of distributing an annual dividend in the amount of 35% of the company's consolidated annual net profit.

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For more detailed financial information see Barry Callebaut's "Letter to Investors" posted on the company's website (www.barry-callebaut.com, go to "Investors/Documentation").

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Barry Callebaut (www.barry-callebaut.com):
With annual sales of more than CHF 4 billion for fiscal year 2003/04, 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 22 countries and employs more than 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.

Fiscal year 2004/05 will close on August 31, 2005. Results for fiscal year 2004/05 will be published on November 10, 2005 (press conference and analysts' conference).

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Financial calendar for the remainder of fiscal year 2004/05:

Annual results 2004/05: November 10, 2005
News release, Press conference and analysts' conference in Zurich

Annual General Meeting 2004/05: December 8, 2005 in Zurich

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News Release

Contacts

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A conference call for Analysts, Institutional Investors and Journalists will take place as follows:

Date:	**Friday, July 8, 2005**
Time:	**09:00 a.m. (CET) / 08:00 a.m. (GMT)**

Conference language will be English; questions may also be asked in German or French.

You can follow the conference by telephone or audio web cast.

Please call the conference center approximately 5 minutes prior to the conference time and quote “chocolate”:

Dial-in numbers: **+41 91 610 56 00 (for callers from Europe)**
+44 207 107 0611 (for callers from the UK)
+1 (1) 866 291 4166 (for callers from the US)

To access the live audio web cast streaming, please follow the link on our homepage (www.barry-callebaut.com). Participants are advised to log on to the web cast and register their details 10 minutes prior to its commencement. A slight delay between the sound heard and slide changeovers may be experienced. You may therefore want to download your own copy of the presentation from our website.

The replay of the teleconference will be available 45 min. after the end of the call for 72 hours under **+41 91 612 43 30** (Europe), **+44 207 108 6233** (UK) and **+1 (1) 866 416 2558** (US) – **Code ‘740’** (followed by the # sign).

If you need assistance, please contact Ms Susanne Düggelin (phone: +41 43 204 04 62 or e-mail: susanne_dueggelin@barry-callebaut.com).

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Key Figures for Barry Callebaut (unaudited)

in CHF		Change (%)	9 months up to May 31, 2005	9 months up to May 31, 2004
Income Statement				
Sales revenue *in local currencies*	CHF m	-2.5 *-0.6*	**3,023.5** ***3,082.1***	3,100.9
Sales volume	mt	4.2	**790,134**	758,401
Operating profit before amortization (EBITA) *in local currencies*	CHF m	1.9 *2.9*	**197.3** ***199.3***	193.6
EBITA per tonne *in local currencies*	CHF	-2.2 *-1.2*	**249.7** ***252.2***	255.3
Net profit (PAT) *in local currencies*	CHF m	29.2 *31.9*	**101.8** ***103.9***	78.8
Cash flow (1)	CHF m	2.2	**185.9**	181.9
Shares				
EBITA per share	CHF	2.1	**38.2**	37.4
Earnings per share (undiluted)	CHF	29.5	**19.79**	15.28
Earnings per share (diluted)	CHF	29.1	**19.68**	15.24
			May 31, 2005	**Aug. 31, 2004**
Balance Sheet				
Balance sheet total	CHF m	0.7	**2,779.7**	2,760.5
Net working capital	CHF m	7.8	**985.5**	914.0
Non-current assets	CHF m	4.6	**1,150.1**	1,099.9
Net debt	CHF m	12.8	**1,063.3**	943.0
Shareholders' equity	CHF m	8.2	**866.7**	800.9

Key figures by business segment (unaudited)

in CHF		Change (%)	9 months up to May 31, 2005	9 months up to May 31, 2004
Industrial Business Segment				
Sales revenue	CHF m	-0.3	**1,622.5**	1,627.4
- Cocoa	*CHF m*	*-7.6*	***372.7***	*403.4*
- Food Manufacturers	*CHF m*	*2.1*	***1,249.8***	*1,224.0*
Sales volumes	mt	5.7	**512,072**	484,434
- Cocoa	*mt*	*6.9*	***100,298***	*93,838*
- Food Manufacturers	*mt*	*5.4*	***411,774***	*390,596*
Food Service/Retail Business Segment				
Sales revenue	CHF m	-4.9	**1,401.0**	1,473.5
- Gourmet & Specialties	*CHF m*	*3.2*	***427.2***	*414.1*
- Consumer Products	*CHF m*	*-8.1*	***973.8***	*1,059.4*

1) Net profit + depreciation of tangible assets + amortization of goodwill and other intangibles