

News Release



New major player in Vending Mix products to emerge: Barry Callebaut acquires AM Foods from Arla Foods

- **Assuming together a leading role in Europe in the growing business of vending mix products**
- **Divestiture by Arla Foods of a non-strategic business**
- **Strategic complementation of Barry Callebaut's offering of vending mixes for increasing out-of-home consumption**

Zurich, Switzerland / Viby, Denmark, July 5, 2004 – Barry Callebaut, the world's leading cocoa and chocolate company, signed an agreement with Arla Foods amba of Denmark on July 2, 2004, to acquire the business of Arla's subsidiary AM Foods K/S.

AM Foods produces and sells chocolate and cappuccino vending mix products primarily to the food service sector in the key markets of Europe as well as Scandinavia and Eastern Europe and has been in this business for more than 30 years.

AM Foods will be integrated into Barry Callebaut's Gourmet & Specialties business unit. This acquisition underscores Barry Callebaut's strategic intention to grow this business unit's share of total sales. Subsequent to this acquisition, Barry Callebaut and AM Foods will become a major player in the European chocolate and cappuccino vending mix business with full R&D capabilities, a dedicated production facility, sales of approximately CHF 91 million (EUR 60 million) and 100 employees.

The two parties have agreed not to disclose the price of the transaction. The transaction is subject to approval by the competent competition authorities. The closing is expected to take place on September 1, 2004.

AM Foods to complete Barry Callebaut's Gourmet & Specialties offering

Barry Callebaut's Gourmet & Specialties business unit achieved sales revenues of CHF 476.4 million (EUR 319.8 million) in fiscal year 2002/03. Vending Mix accounted for approx. one tenth of total sales.

AM Foods, with a sales volume of 14,000 tons, sales revenue of DKK 256 million (CHF 52.2 million, EUR 34.5 million) and an operating profit of DKK 21.2 million (CHF 4.3 million, EUR 2.9 million) in fiscal year 2002/03 (as of September 30, 2003) is a leading supplier of vending mix products.



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Both companies are highly complementary in terms of geographic presence, capabilities and product range.

Benoît Villers, president of Barry Callebaut's Gourmet & Specialties business unit, says: "The business with cocoa and chocolate blends for vending machines and the hotel/restaurant business is an integral part of our activities. The acquisition of AM Foods allows us to achieve two goals: First, to have our own high-quality production facility and, second, to strengthen our position in Europe, a region where out-of-home consumption is rapidly growing and which is still under-equipped with vending machines in comparison to North America or Japan".

Bengt Mårtensson, group executive director at Arla Foods says: "Arla Foods intends to focus on its core activities within the dairy industry. Vending Mix has therefore become a non-strategic business, which is the reason for our divestiture. We are pleased to have found a buyer in Barry Callebaut who has a business fully dedicated to vending mix products. Being part of the world's number 1 in cocoa and chocolate will allow AM Foods and its qualified employees to further thrive and grow".

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About Barry Callebaut:

With annual sales of CHF 3.6 billion (EUR 2.4 million) in fiscal year 2002/03 (as of August 31, 2003), Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate products. Barry Callebaut operates more than 30 production facilities in 17 countries and employs approximately 8,500 people. The company is organized into two strategic business segments: Industrial business and Food Service/Retail business.

The company's customers range from industrial processors, such as the world famous branded consumer goods manufacturers who produce chocolate, confectionery, biscuits, dairy products, ice cream and breakfast cereals incorporating Barry Callebaut's products, to professional users, including hotels, gastronomy, chocolate makers, pastry chefs and bakers, to partners in the food retailing industry for whom the Barry Callebaut Group produces branded, customer label and other consumer products. Barry Callebaut also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

The Gourmet & Specialties business unit, which is part of the Food Service/Retail business segment, recorded sales of CHF 476.4 million (EUR 319.8 million) for fiscal year 2002/03. Its main brands are Cacao Barry, Callebaut and Carma.

www.barry-callebaut.com

About AM Foods:

AM Foods, established in 1996, is specialized in the production and sale of chocolate and cappuccino vending mix products. These products are made in the state-of-the-art production site in Kågeröd, Sweden, about 100 kilometers from Copenhagen, Denmark. AM Foods offers a complete product range of more than 100 high-quality instant beverages, both branded and private label, dedicated for vending, catering and retail channels. The branded assortment is marketed under the brand names Caprimo® and Ögonblink®.

The focus of AM Foods' sales activities is on the key markets of Europe as well as Scandinavia and Eastern Europe. Customers are multinationals/ coffee companies, wholesalers of vending mixes, vending operators and retailers.

The company has produced instant milk-based beverages for more than 30 years. It became a wholly-owned subsidiary of Arla Foods in 2000 with the merger between MD Foods and Arla. AM Foods employs about 75 people. In fiscal year 2002/03 (as of September 30, 2003), the company reported sales of DKK 256 million (CHF 52.2 million / EUR 34.5 million). It is domiciled in Kågeröd, Sweden.

www.amfoods.com