BARRY CALLEBAUT

Media release

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Barry Callebaut AG:

Strong sales and earnings growth in first quarter 2002/03

- **Operating profit (EBIT) increases by 18% to CHF 79.3 million; in local currencies increase of 23%**
- **Net profit up 20% to CHF 48.5 million, in local currencies up 26%**
- **Sales volumes up 19% to 266,763 tons**
- **Sales revenues up 48% of CHF 1,056.9 million, in local currencies increase of 54%**
- **Gross profit up 37% to CHF 330.4 million, in local currencies increase of 41%**
- **Refinancing of Group to be newly structured through a senior 5-year loan facility and a debt financing structure in the capital markets**

Zurich/Switzerland, February 26, 2003 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, announced today results for the three-month period ended November 30, 2002. Quarterly results were published for the first time in connection with the company's refinancing package.

Business development in line with strategic priorities

The company made further progress towards its strategic objectives to enhance its leadership position in chocolate for industrial customers as well as for professional users, to build a successful Consumer Products business through the restructuring and integration of Stollwerck and to focus its sales of cocoa products to key customers.

Sales volumes increased by 19% to 266,763 tons from 223,556 in the prior-year period. Sales volumes in Cocoa, Sourcing & Risk Management were deliberately scaled back by 10%, in line with corporate strategy. On the other hand, sales volumes in the Food Manufacturers business unit increased 5%, and sales volumes in the Gourmet & Specialties business unit grew 4%. Primarily as a result of the Stollwerck acquisition, sales volumes in Consumer Products increased by 259%.

Sales revenues increased by 48% to CHF 1,056.9 million, up from CHF 712.9 million in the prior-year period. In local currencies, sales revenues grew 54%. The increase in sales revenues was faster than volume growth due to the 45% increase in average cocoa bean prices in the quarter under review compared to the 2001/02 period.

Gross profit, defined as sales revenues less material consumed, increased by 37% to CHF 330.4 million, up from CHF 241.8 million in the prior-year period. On a per ton basis, gross profit increased by 15%, which reflects an improved product mix primarily due to the addition of the higher-margin Stollwerck products and to the strategic reduction of sales of lower-margin semi-finished products to third parties. – In line with volume growth, **operating profit (EBIT)** increased by 18% to CHF 79.3 million, up from CHF 67.1 million in the prior-year period. As a percentage of sales revenues, operating profit decreased to 7.5% in the quarter under review from 9.4% in the prior-year period, primarily as a result of the cocoa bean price increase between the two periods. On a per ton basis, operating profit (EBIT) declined by 1.0% to CHF 297.3 per ton from CHF 300.2 per ton in the prior-year period due to adverse exchange rate impact. In local currencies, operating profit (EBIT) per ton went up by 3% to CHF 309.6. – Higher financial costs were offset by lower taxes, resulting in a **net profit (PAT)** of CHF 48.5 million, up 20% from the CHF 40.4 million in the prior-year. In local currencies, net profit growth was 26%. – **Equity** increased to CHF 735.3 million.

The business of Barry Callebaut is influenced by seasonality. Revenues are highest in the period between late August and the end of March as a result of the peak in consumer purchases of chocolate products in the months leading up to the Christmas and Easter holidays. The seasonal nature of the business does not allow multiplying quarterly results in order to arrive at estimates for the full fiscal year.

Business performance by unit

All business units developed and performed in line with our strategic priorities. Interim gross profit per business unit was disclosed for greater transparency.

Grinding capacities were further adjusted to primarily cover internal needs. Sales to third parties in the **Cocoa, Sourcing & Risk Management** business unit were reduced by another 10% as part of the company's effort to focus on sales of cocoa products to key customers. Sales volumes amounted to 33,466 tons and sales revenues amounted to CHF 139.1 million (prior-year period: 37,121 tons and CHF 98.1 million sales revenues, respectively). The significant increase in sales revenues was primarily due to higher cocoa bean prices. Gross profit decreased by 18% to CHF 41.5 million, down from CHF 50.7 million in the prior-year period. The decrease was due to reduced volumes, industry-wide declines in processing margins and negative exchange rate movements.

The **Food Manufacturers** business unit, which supplies chocolate and compounds to industrial customers, reported a 5% increase in sales volumes to 150,233 tons, up from 142,557 tons for the prior-year period. Sales revenues increased by 10% to CHF 462.7 million (prior-year period: CHF 420.3 million). The increase was largely attributable to increased sales prices resulting from the increase in average cocoa bean prices. Particularly strong sales were generated in Asia-Pacific. Gross profit decreased by 3% to CHF 123.4 million (prior-year period: CHF 126.5 million) due to negative exchange rate movements. However, the decrease was partly offset by volume increases.

The **Gourmet & Specialties** business unit, whose customers are professional users such as chocolate makers, pastry chefs, hotels and restaurants, reported a 4% increase in sales volumes to 30,505 tons (prior-year period: 29,246 tons) and a 8% increase in sales revenues to CHF 136.7 million, up from CHF 126.5 million in the prior-year period. This increase was largely the result of the business unit's strategy to focus on the high margin segment and to drop low-margin customer label activities as well as on its ability to increase average margins/kg. Gross profit increased by 7% to CHF 45.1 million, up from CHF 42.3 million in the prior-year period, due to volume increases and the higher gross profit margins, offset in part by negative exchange rate movements. As announced on February 17, 2003, Barry Callebaut has signed an agreement with Graverboom B.V. to acquire Dutch-Belgian chocolate company Luijckx Beheer B.V.

In the **Consumer Products** business unit, sales volumes grew by 259% to 52,559 tons, up from 14,632 tons. The increase was nearly entirely attributable to the Stollwerck acquisition. Sales revenues increased by 368%, from CHF 68.0 million in the prior-year period to CHF 318.4 million, with CHF 250.8 million of such increase attributable to the Stollwerck acquisition. The dual strategy of offering branded products as well as customer label products to the market has paid off: above average market share gains in the rapidly growing hard discount segment in Germany, promising sales growth in the branded products, as well as new contracts with international food retailing chains were recorded. As a result of the Stollwerck acquisition, gross profits increased to CHF 120.4 million, compared to CHF 22.3 million in the prior-year period. As announced on January 30, 2003, it is planned to relocate the Gubor production activities and to close the two production plants in Münstertal and Müllheim, Germany, with the objective to optimize the cost structure on the production side.

Review of regional market development

In **Western Europe** sales volumes increased by 31% to 183,953 tons or 69% of the Group's sales volume of 266,763 tons for the first quarter 2002/03, largely as a result of the Stollwerck acquisition. Western Europe has strengthened its position as Barry Callebaut's most important market. The factory in Bussum, the Netherlands, was closed as planned at the end of October 2002. Sales volumes in **Eastern Europe** (4% of the total sales volume) declined by 1% to 9,797 tons.

Sales volumes in the **Americas** (North and Latin America) were down by 3% as a consequence of lower cocoa sales. The Americas accounted for 21% of total sales volumes, or 55,693 tons.

Volumes in **Asia/Pacific** went up over-proportionately by 16% as a result of reinforced sales efforts. This region's share of total volumes amounted to 3%, or 8,399 tons.

Volumes in **Africa and the Middle East** grew by 2%. This region contributed 3% or 8,921 tons to total volumes.

Ivory Coast

After a one-week shutdown of two of Barry Callebaut's three factories in the Ivory Coast, all of Barry Callebaut's Ivory Coast factories are back to working to their full capacity. Barry Callebaut currently believes it will be able to meet all contractual customer obligations that it has entered into.

Anticipating possible effects of the current unstable political situation in the Ivory Coast, the company took precautions to mitigate the impact of these potential risks. These steps include increasing the purchase of cocoa beans from Ghana, Indonesia and Nigeria, installing an additional liquor line in Ghana, accelerating shipments out of the Ivory Coast and building strategic stocks outside of the region, both for finished products and for cocoa beans. Since we are now at the end of the main crop, which starts in October and ends in February, a significant part of the main crop beans harvested in the Ivory Coast have already been shipped to production countries in Europe and in the U.S.

Long-term financing structure

Pursuant to the acquisition of Stollwerck, Barry Callebaut has been analyzing alternatives to improve its long-term capital structure and to lengthen the maturity profile of its debt. In line with these objectives, Barry Callebaut is negotiating a new 5-year senior loan facility with a syndicate of the company's main relationship banks. In parallel, the company intends to undertake a debt financing in the capital markets.

Outlook

Patrick De Maeseneire, Chief Executive Officer of Barry Callebaut, said: “The outlook for the second quarter 2002/03 is positive. Sales recorded so far for the second quarter seem to point towards a good Easter business.”

This press release is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration of an exemption from registration under the U.S. Securities Act of 1933, as amended. Barry Callebaut AG does not intend to register any offering in the United States or to conduct a public offering in the United States. Any public offering of securities to be made in the United States will be made only by means of a prospectus that will contain detailed information about the company and its management and financial statements.

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About Barry Callebaut AG:
With annual sales of CHF 2.6 billion for fiscal year 2001/02, Barry Callebaut is the world’s leading manufacturer of high-quality cocoa and chocolate products. Barry Callebaut operates some 30 production facilities in 16 countries and employs approximately 7,000 people. The company is organized into four strategic business units: Cocoa, Sourcing & Risk Management, Food Manufacturers, Gourmet & Specialties and Consumer Products.

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 artisanal 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 holding company, Barry Callebaut AG, has been listed on the SWX Swiss Exchange since June 1998 (ticker symbol BARN). The fully paid-up share capital amounts to CHF 517 million, divided into registered shares with a nominal value of CHF 100 each. On November 30, 2002, the close of the first quarter of fiscal 2002/03, the market capitalization was CHF 812 million.

Fiscal year 2002/03 will close on August 31, 2003. Results for the second quarter 2002/03 will be published on April 9, 2003.

www.barry-callebaut.com

Key Figures (unaudited pro-forma financial statement)

in CHF		Change in %	3 months up to 30.11.2002	3 months up to 30.11.2001
Financial key figures				
Sales revenue	CHF m	48.3%	**1,056.9**	712.9
Sales volume	Tons	19.3%	**266,763**	223,556
Gross profit	CHF m	36.6%	**330.4**	241.8
Operating profit (EBIT)	CHF m	18.2%	**79.3**	67.1
Net profit (PAT)	CHF m	20.0%	**48.5**	40.4
Cash flow (1)	CHF m	23.5%	**80.4**	65.1
EBIT per share	CHF	18.2%	**15.34**	12.98
Earnings per share, undiluted	CHF	14.4%	**9.39**	8.21
Earnings per share, diluted	CHF	20.0%	**9.37**	7.81
Sales volumes				
by business unit				
• Cocoa, Sourcing&Risk Mgt	Tons	-9.8%	**33,466**	37,121
• Food Manufacturers	Tons	5.4%	**150,233**	142,557
• Gourmet & Specialties	Tons	4.3%	**30,505**	29,246
• Consumer Products	Tons	259.2%	**52,559**	14,632
by region				
• Western Europe	Tons	31.2%	**183,953**	140,231
• Eastern Europe	Tons	-0.8%	**9,797**	9,875
• Americas	Tons	-3.0%	**55,693**	57,424
• Asia / Pacific	Tons	15.5%	**8,399**	7,270
• Africa and Middle East	Tons	1.9%	**8,921**	8,755
Sales revenue				
by business unit				
• Cocoa, Sourcing&Risk Mgt	CHF m	41.8%	**139.1**	98.1
• Food Manufacturers	CHF m	10.1%	**462.7**	420.3
• Gourmet & Specialties	CHF m	8.1%	**136.7**	126.5
• Consumer Products	CHF m	368.2%	**318.4**	68.0
Balance Sheet				
Total assets	CHF m	42.1%	**3,058.5**	2,151.9
Net working capital	CHF m	26.2%	**980.9**	777.1
Non-current assets	CHF m	31.4%	**1,060.8**	807.1
Net debt	CHF m	49.1%	**1,114.0**	747.3
Equity	CHF m	0.5%	**735.3**	731.9
Employees		40.1%	**7,084**	5,057

(1) Net profit + depreciation of tangible assets + amortization of goodwill and other intangibles
(2) Trade accounts receivable + Inventories + Other current assets – Trade accounts payable – Provisions – Other current liabilities

in EUR		Change in %	3 months up to 30.11.2002	3 months up to 30.11.2001
Sales revenue	EUR m	48.0%	**716.6**	484.1
Operating profit (EBIT)	EUR m	18.0%	**53.8**	45.6
Net profit (PAT)	EUR m	20.1%	**32.9**	27.4
Total assets	EUR m	41.9%	**2,073.7**	1,461.3
Net working capital	EUR m	26.0%	**665.1**	527.7
Non current assets	EUR m	31.2%	**719.2**	548.1
Net debt	EUR m	48.8%	**755.3**	507.5
Equity	EUR m	0.3%	**498.5**	497.0
in USD		**Change in %**	**3 months up to 30.11.2002**	**3 months up to 30.11.2001**
Sales revenue	USD m	66.0%	**712.3**	429.1
Operating profit (EBIT)	USD m	32.2%	**53.4**	40.4
Net profit (PAT)	USD m	34.6%	**32.7**	24.3
Total assets	USD m	59.2%	**2,061.4**	1,295.2
Net working capital	USD m	41.4%	**661.1**	467.7
Non current assets	USD m	47.2%	**715.0**	485.8
Net debt	USD m	66.9%	**750.8**	449.8
Equity	USD m	12.5%	**495.6**	440.5

Barry Callebaut is a Swiss corporation and as such presents its financial statements in Swiss francs (CHF). For convenience, some selected financial data were translated from Swiss francs into Euros (EUR) at the rate of CHF 1.4749 and CHF 1.4726, respectively, to EUR 1 and from Swiss francs into US dollars (USD) at the rate of CHF 1.4837 and CHF 1.6614, respectively, to USD 1. (Closing rates as of November 30, 2002 and November 30, 2001, respectively).