News Release

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

Satisfactory result in light of lower margins in Cocoa and Consumer businesses

- **Sales volumes up 3% to 293,620 tonnes**
- **Sales revenue down 6% to CHF 1,154.8 million, primarily as a result of lower underlying cocoa bean prices and negative currency effects**
- **Continued strong result in Food Manufacturers and Gourmet & Specialties businesses**
- **Operating profit before amortization (EBITA) at CHF 90.1 million (-6%), due to expected lower margins on semi-finished products and lower profitability in Consumer Products Europe**
- **Cost savings from current restructuring in Germany will only materialize later in the year**
- **Net profit (PAT) down 3% to CHF 55.2 million**
- **Barry Callebaut maintains financial targets for full fiscal year**

Zurich/Switzerland, January 13, 2005 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, announced today its results for the first quarter of fiscal year 2004/05 ended November 30, 2004. The yet again improved results from chocolate products sold to industrial and artisanal customers were impacted by the expected lower margins subsequent to decreased combined ratio margins on semi-finished products and the fact that the cost savings from the ongoing restructuring of the Consumer Products Europe business unit will only materialize in the second semester. Operating profit before amortization (EBITA) went down by 6% to CHF 90.1 million. While sales volume grew 3% sales revenue decreased by 6% primarily as a result of lower underlying cocoa bean prices and negative currency effects. Financial costs were reduced. This resulted in a net profit (PAT) of CHF 55.2 million, which is only 3% less than in the same prior-year period.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "We are satisfied with the results for our first quarter as they are in line with our expectations: We knew that the margins on semi-finished products would be lower and that the cost savings resulting from the restructuring initiated in Consumer Products Europe at the beginning of the fiscal year would only start taking effect in the second half of the fiscal year."

Sales revenue dropped 6% to CHF 1,154.8 million, down from CHF 1,224.7 million in the same prior-year period. This decrease was mostly the result of lower underlying cocoa bean prices and a negative currency effect.

Sales volumes grew 3% to 293,620 tonnes, up from 285,666 tonnes. Half of this increase was organic growth; half of it was attributable to the first-time consolidation of AM Foods, acquired in September 2004 and renamed into Barry Callebaut Sweden.

Operating profit before amortization (EBITA) was CHF 90.1 million or 6% less compared to the CHF 95.4 million in the same prior-year period. The higher contributions from the Food Manufacturers, Gourmet and Consumer Products North America business units were more than offset by the expected lower EBITA contribution from the Cocoa

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business unit, coupled with the negative effect of even further increased hazelnut prices on margins in Consumer Products Europe.

At CHF 20.7 million, **financial cost** was 9% lower (CHF 22.8 million). – At CHF 11.5 million, the tax rate was 17.3%, compared with 18.0% in the same prior-year period. – **Net profit (PAT)** decreased by CHF 1.5 million or 3% only to CHF 55.2 million, down from CHF 56.7 million, primarily due to lower financial cost and the absence of goodwill amortization in line with a change in the IFRS accounting standards.

Shareholders' equity increased by 6% to CHF 846.0 million, compared to CHF 800.9 million at the end of the previous fiscal year on August 31, 2004.

On November 30, 2004, the Group employed a **workforce** of 8,970 people, or 0.4% more than on August 31, 2004, which reflects the seasonality of the chocolate business.

Development of business segments

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 184,733 tonnes, up from the 179,837 tonnes in the same prior-year period, which corresponds to a 3% organic volume growth.

- Cocoa products sold to third-party customers grew by 7% to 33,639 tonnes (31,492 for the same prior-year period), mainly due to increased liquor and powder sales.
- Sales volumes in the Food Manufacturers business unit were 151,094 tonnes, up 2% from 148,345 tonnes. Volume growth was particularly strong in Europe, the U.K., Turkey and Asia-Pacific.

Sales revenue recorded in the Industrial business segment was CHF 600.2 million or a minus of 4% compared to the same prior-year period.

- Due to the lower underlying cocoa bean prices, negative currency effects and the expected lower margins on semi-finished products, sales revenue for the Cocoa business unit decreased by 14% to CHF 137.1 million, down from CHF 158.6 million.
- Lower cocoa bean prices and unfavorable exchange rates led to a flat sales revenue development in the Food Manufacturers business unit. Excluding the negative foreign exchange and cocoa price effects, organic sales revenue growth was 4%.

The violent events in Ivory Coast in November caused enormous volatility of cocoa bean prices in the terminal market in the period under review. The Group's three factories in Ivory Coast were closed for four days in November 2004. They all have been fully operational again since November 11, 2004. Bean purchasing activities as well as the shipping of beans and products were slowed down but Barry Callebaut has been able to meet all of its contractual obligations vis-à-vis customers.

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 decreased by 8% to CHF 554.6 million, down from CHF 601.7 million.

- Sales revenue recorded in the Gourmet & Specialties business unit increased by 2% to CHF 158.2 million, up from CHF 154.6 million. Organic growth was 1%. The very strong growth in Europe, the U.K. and Asia-Pacific was partially offset by the decline in sales in the Consumer Africa division as a result of the continued political crisis in Ivory Coast, which is negatively affecting private consumption.
- Net sales revenue in the Consumer Products business units decreased by 11% to CHF 396.4 million (CHF 447.1 million), primarily due to negative currency effects, in combination with an unfavorable business mix development and a line-item reclassification of promotional activities and discounts in Germany as well as lower sales in North America, entirely driven by the fruit snacks business. Gross sales revenue (i.e. sales before discounts, quantity rebates, etc.) went down by 9%, at constant exchange rates by 6%. Initial price increases were implemented in Germany as of January 1, 2005; if prices cannot be increased in the current contract renegotiations, unprofitable volumes of up to approximately 10,000 tonnes will be discontinued once the underlying contracts expire.

  The further restructuring of the Consumer Products Europe business unit as announced in September 2004 is progressing according to plan: The production transfer from Cologne to Norderstedt has started and the Cologne factory will be closed in two steps at the end of March and the end of June 2005. After finalizing the negotiations with the German Works Council the restructuring of the sales force commenced in January; it will be completed by the end of August 2005. Cost savings resulting from these measures will start taking effect in the second half of the current fiscal year.

Outlook

With regard to full fiscal year 2004/05 CEO Patrick De Maeseneire said: “After a strong month in December we are expecting a good second quarter in terms of sales. With the financial benefits of the restructuring in Germany expected to come through later in the year, we are confident we can meet the communicated financial targets for the full year, barring any major unforeseen event.”

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For further information see Barry Callebaut’s “Letter to Investors” with more detailed financial information published on the internet (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 approx. 9,000 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.

Half-year results for fiscal year 2004/05 will be published on April 11, 2005.

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A conference call for analysts, institutional investors and journalists will take place as follows:

Date: Thursday, January 13, 2005
Time: 09:00am to approx. 10:00am CET / 08:00am to approx. 09:00am GMT

5 to 10 minutes before the conference call is scheduled to begin please dial:

+41 91 610 56 00 (for callers from Europe)
+44 207 107 0611 (for callers from the UK)
+1 866 291 41 66 (for callers from North America)

You will be asked to give your name and the password "**chocolate**".

The conference language will be English. Questions may also be asked in German or French.

A playback of the conference call will be available one hour after the call for 72 hours under **+41 91 612 43 30** (Europe), **+44 207 866 43 00** (UK) and **+1 412 317 00 88** (US) - Code '**522**' (followed by the # sign).

The news release, the more comprehensive Letter to Investors and the slides for the conference call can be downloaded from our website (www.barry-callebaut.com) as of January 13, 2005, 07:15am CET.

Key Figures for the Barry Callebaut Group

		Change (%)	3 months up to Nov. 30, 2004	3 months up to Nov. 30, 2003
Income Statement				
Sales revenue *in local currencies*	CHF m	-5.7 *-3.3*	1,154.8 *1,184.1*	1,224.7
Sales volume	mt	2.8	293,620	285,666
Operating profit before amortization (EBITA) *in local currencies*	CHF m	-5.6 *-4.1*	90.1 *91.5*	95.4
EBITA per tonne *in local currencies*	CHF	-8.1 *-6.7*	306.9 *311.6*	334.0
Net profit (PAT) (1) *in local currencies*	CHF m	-2.6 *-1.1*	55.2 *56.1*	56.7
Cash flow (2)	CHF m	-5.3	83.4	88.1
Shares				
EBITA per share	CHF	-5.6	17.43	18.45
Earnings per share (undiluted)	CHF	-2.1	10.76	10.99
Earnings per share (diluted)	CHF	-2.6	10.68	10.96
			Nov. 30, 2004	**Aug. 31, 2004**
Balance Sheet				
Balance sheet total	CHF m	3.4	2,855.7	2,760.5
Net working capital	CHF m	11.8	1,021.4	914.0
Non-current assets	CHF m	1.8	1,120.0	1,099.9
Net debt	CHF m	10.7	1,044.3	943.0
Shareholders’ equity	CHF m	5.6	846.0	800.9
Other				
Employees		0.4	8,970	8,933

1) Comparable prior year figure includes goodwill amortization (net) of CHF 1.6 m
2) Net profit + depreciation of tangible assets + amortization of goodwill and other intangibles

Key figures by business segment

		Change (%)	3 months up to Nov. 30, 2004	3 months up to Nov. 30, 2003
Industrial Business Segment				
Sales revenue	CHF m	-3.7	600.2	623.0
- Cocoa	*CHF m*	*-13.6*	*137.1*	*158.6*
- Food Manufacturers	*CHF m*	*-0.3*	*463.1*	*464.4*
Sales volumes	mt	2.7	184,733	179,837
- Cocoa	*mt*	*6.8*	33,639	*31,492*
- Food Manufacturers	*mt*	*1.9*	*151,094*	*148,345*
Food Service/Retail Business Segment				
Sales revenue	CHF m	-7.8	554.6	601.7
- Gourmet & Specialties	*CHF m*	*2.3*	*158.2*	*154.6*
- Consumer Products	*CHF m*	*-11.3*	*396.4*	*447.1*