BARRY CALLEBAUT

Letter to Investors

Half-year results 2010/11

Sales volume growing twice as fast as the market: +7.1%

Growth drivers: Emerging markets and Cocoa Products for strategic partners

Strong profit growth: Net profit up 17.1%*

* in local currencies

Contents

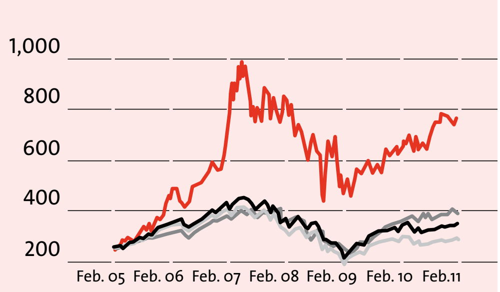
Barry Callebaut
With annual sales of about CHF 5.2 billion/EUR 3.6 billion/USD 4.9 billion for fiscal year 2009/10, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finest finished product. Barry Callebaut is present in 26 countries, operates more than 40 production facilities and employs about 7,500 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. Barry Callebaut is the global leader in cocoa and chocolate innovations and provides a comprehensive range of services in the fields of product development, processing, training and marketing. The company is actively engaged in initiatives and projects that contribute to a more sustainable cocoa supply chain.

Key figures Barry Callebaut Group

For the 6-month period ended February 28,		Change (%) in local currencies	Change (%) in reporting currency	2011	2010
Income statement					
Sales volume	Tonnes		7.1%	706,570	659,536
Sales revenue	CHF m	13.2%	3.1%	2,737.9	2,656.5
EBITDA[1]	CHF m	9.2%	1.4%	264.1	260.5
Operating profit (EBIT)	CHF m	11.4%	4.0%	217.1	208.8
Net profit for the period	CHF m	17.1%	9.0%	158.8	145.7
Cash flow[2]	CHF m		(16.2%)	250.9	299.4
EBIT per tonne	CHF	4.0%	(2.9%)	307.3	316.6
As of February 28,				**2011**	**2010**
Balance sheet					
Total assets	CHF m		(2.2)%	3,979.1	4,068.0
Net working capital[3]	CHF m		(13.5)%	1,054.1	1,218.4
Non-current assets	CHF m		(3.3)%	1,408.4	1,457.2
Net debt	CHF m		(12.5)%	956.2	1,093.4
Shareholders' equity[4]	CHF m		1.7%	1,338.9	1,316.2
Shares					
Share price at the end of the period	CHF		18.3%	763.50	645.50
EBIT per share (issued)	CHF		4.0%	41.99	40.39
Basic earnings per share[5]	CHF		9.2%	30.78	28.18
Cash earnings per share[6]	CHF		(16.2%)	48.57	57.94
Other					
Employees			3.0%	7,422	7,205

1 EBIT + depreciation of property, plant and equipment + amortization of intangibles
2 Operating cash flow before working capital changes
3 Includes current assets and liabilities related to commercial activities and current provisions
4 Total equity attributable to the shareholders of the parent company
5 Based on the net profit for the year attributable to the shareholders of the parent company/basic shares outstanding
6 Operating cash flow before working capital changes/basic shares outstanding

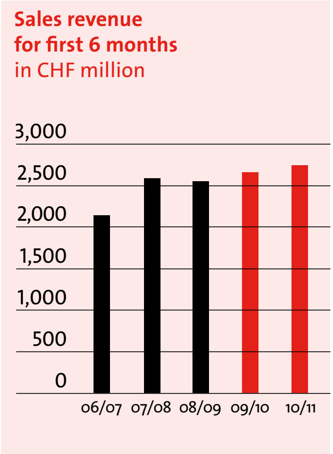
Share price development
Barry Callebaut vs. indices
Rebased (in CHF)

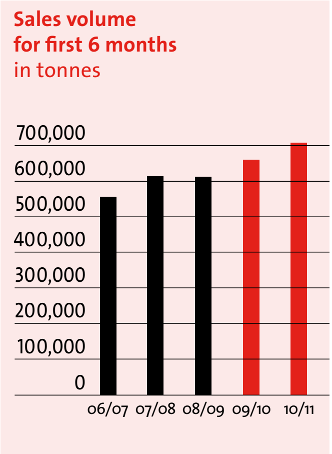


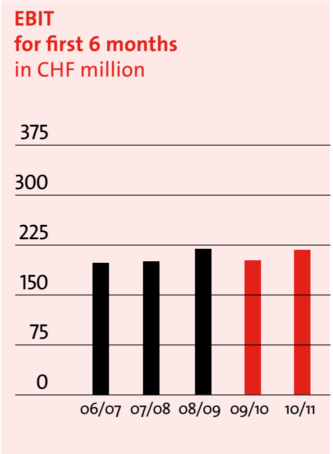
Barry Callebaut AG
SPI Swiss Performance Index
SPI Small & Mid-Cap Index
Dow Jones Euro Stoxx Food & Beverage Index

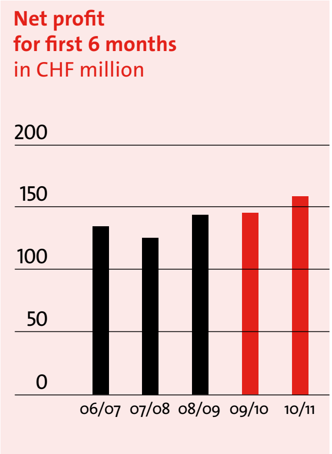
Cocoa price
London Cocoa Terminal Market
in GBP/tonne

Key figures by region and product group







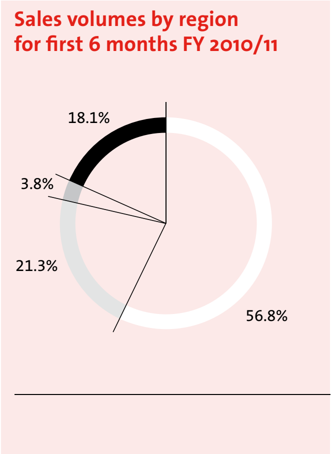


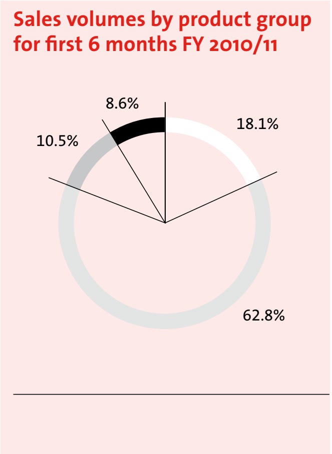
By region

Europe	401,648 tonnes
Americas	150,198 tonnes
Asia-Pacific	26,683 tonnes
Global Sourcing & Cocoa	128,041 tonnes

By product group

Cocoa Products	128,041 tonnes
Food Manufacturers Products	443,559 tonnes
Gourmet & Specialties Products	74,493 tonnes
Consumer Products	60,477 tonnes





Key figures by region (unaudited)

For the 6-month period ended February 28,		Change (%) in local currencies	Change (%) in reporting currency	2011	2010
Europe					
Sales volume	Tonnes		2.3%	401,648	392,426
Sales revenue	CHF m	6.0%	(6.4%)	1,538.9	1,645.0
EBITDA	CHF m	0.0%	(6.9%)	180.7	194.0
EBIT	CHF m	0.0%	(5.9%)	155.6	165.4
Americas					
Sales volume	Tonnes		9.8%	150,198	136,833
Sales revenue	CHF m	15.9%	9.5%	504.6	460.7
EBITDA	CHF m	(0.1%)	(6.6%)	46.9	50.2
EBIT	CHF m	0.8%	(4.3%)	40.5	42.3
Asia-Pacific					
Sales volume	Tonnes		9.4%	26,683	24,391
Sales revenue	CHF m	18.2%	15.9%	119.6	103.2
EBITDA	CHF m	45.3%	32.9%	16.2	12.2
EBIT	CHF m	53.1%	44.2%	13.7	9.5
Global Sourcing & Cocoa					
Sales volume	Tonnes		20.9%	128,041	105,886
Sales revenue	CHF m	35.8%	28.4%	574.8	447.6
EBITDA	CHF m	65.2%	46.3%	49.0	33.5
EBIT	CHF m	76.9%	60.3%	37.2	23.2

Key figures by product group (unaudited)

For the 6-month period ended February 28,		Change (%) in local currencies	Change (%) in reporting currency	2011	2010
Industrial Products					
Sales volume	Tonnes		8.9%	571,600	524,645[1]
Cocoa Products	Tonnes		20.9%	128,041	105,886
Food Manufacturer Products	Tonnes		5.9%	443,559	418,759[1]
Sales revenue	CHF m	17.5%	7.8%	1,992.3	1,848.4[1]
Cocoa Products	CHF m	35.8%	28.4%	574.8	447.6
Food Manufacturer Products	CHF m	11.7%	1.2%	1,417.5	1,400.8[1]
EBITDA	CHF m	20.9%	12.0%	191.6	171.1
EBIT	CHF m	22.6%	13.9%	161.1	141.4
Food Service/Retail Products					
Sales volume	Tonnes		0.1%	134,970	134,891[1]
Gourmet & Specialties Products	Tonnes		5.1%	74,493	70,900
Consumer Products	Tonnes		(5.5%)	60,477	63,991[1]
Sales revenue	CHF m	3.3%	(7.7%)	745.6	808.1[1]
Gourmet & Specialties Products	CHF m	13.0%	1.8%	389.3	382.3
Consumer Products	CHF m	(5.4%)	(16.3%)	356.3	425.8[1]
EBITDA	CHF m	(9.6%)	(14.8%)	101.2	118.8
EBIT	CHF m	(8.8%)	(13.1%)	86.0	99.0

1 Figures have been restated to conform to the current period's presentation. The adjustments relate to a shift of Consumer Products business volume to the Food Manufacturers Products business in the light of the carve-out exercise.

Half-year results for fiscal year 2010/11: Growing twice as fast as the market

- **Sales volume up by 7.1%**
- **EBIT up by 11.4% in local currencies (+4.0% in CHF); net profit up by 17.1% in local currencies (+9.0% in CHF)**
- **Emerging markets and Cocoa Products for strategic partners the main growth drivers**
- **Confirmation of four-year growth targets until 2012/13[1]**

Zurich/Switzerland, April 1, 2011 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, grew twice as fast as the global chocolate market in the first half of fiscal year 2010/11, ended February 28: Sales volume increased by 7.1% to 706,570 tonnes while the global chocolate market grew by +3.6%[2]. Emerging markets and Cocoa Products for strategic partners were the main growth drivers. Food Manufacturers Products and Gourmet & Specialties Products showed good growth. The strong Swiss franc – Barry Callebaut's reporting currency – affected the overall good results both on sales revenue and on profit level. Sales revenue went up to CHF 2,737.9 million, an increase of +3.1% (+13.2% in local currencies). Due to good cost control as well as a favorable combined cocoa ratio[3], Barry Callebaut achieved significant operational improvements: Operating profit (EBIT) was up by 4.0% to CHF 217.1 million (+11.4% in local currencies). As a result of lower financial expenses and favorable tax rates, net profit rose to CHF 158.8 million, up by 17.1% in local currencies (+9.0% in CHF).

Juergen Steinemann, CEO of Barry Callebaut, said: "Once again, we managed to significantly outperform the global chocolate market by growing twice as fast. We are pleased that our growth was particularly strong in emerging markets. All strategic Product Groups showed good momentum, resulting in double-digit profit growth in local currencies. In recent months, we faced a challenging political situation in Côte d'Ivoire, the world's most important cocoa-growing country. In order to avoid supply problems we have put in place a contingency plan and stepped up our sourcing and production activities in other countries. We believe we have taken those steps necessary to enable us to honor our customer contracts and meet our commitments during 2011. However, our primary concern during this difficult time is the safety and welfare of our employees and everyone living in Côte d'Ivoire. We remain committed to the cocoa farming communities and hope for a peaceful resolution of the current situation."

Outlook

Barry Callebaut is confident that its good performance in the past six months will continue in the second half of fiscal year 2010/11 despite the challenging situation in Côte d'Ivoire. Thanks to the company's robust cost-plus business model, its global footprint, as well as its proven position as a preferred strategic partner, Barry Callebaut expects to surpass the average market growth rates and is therefore confirming its four-year financial guidance[1].

Sales performance by Region in the first half of fiscal year 2010/11

Region Europe

Overall, the European chocolate market showed divergent growth momentum: A slight decline in Western Europe (–1.8%)[2] – the larger part of the region – and a return to positive rates in Eastern Europe (+7.4%). Barry Callebaut increased its sales volume by 2.3% to 401,648 tonnes in the Region. In Western Europe, the Gourmet & Specialties Products business delivered a very good performance and gained market share. In Eastern Europe, both Food Manufacturers and Gourmet achieved double-digit volume growth. Sales revenue was at CHF 1,538.9 million, up by 6.0% in local currencies (–6.4% in CHF). Operating profit (EBIT) was affected by weaker Consumer Products results as well as negative currency effects and came in at CHF 155.6 million (flat in local currencies, –5.9% in CHF).

Region Americas

The chocolate confectionary market in the U.S. has continued to recover and showed a significant volume growth of 7.1%[2]. Sales volume for the entire Region grew by 9.8% to 150,198 tonnes. Food Manufacturers Products business recorded double-digit growth rates mainly driven by strong performances with Corporate Accounts in North America and good growth in emerging markets. The gourmet market started to recover in the second quarter. Barry Callebaut improved as well, especially with its global brands "Cacao Barry"

1 Four-year growth targets for 2009/10–2012/13: On average 6–8% volume growth and average EBIT growth in local currencies at least in line with volume growth, barring any major unforeseen event.
2 Source: Nielsen September 2010 until January 2011.
3 The "combined cocoa ratio" is the combined sales price for cocoa butter and cocoa powder relative to the cocoa bean price.

and "Callebaut". Sales revenue in the Region went up to CHF 504.6 million (+9.5%), corresponding to a significant increase of 15.9% in local currencies. Due to a competitive market environment and investments in emerging markets, operating profit (EBIT) was up by 0.8% in local currencies and amounted to CHF 40.5 million (–4.3% in CHF).

Region Asia-Pacific

Asian confectionary markets continued to grow. Barry Callebaut's sales volume significantly increased by 9.4% to 26,683 tonnes, led by India, Japan, Malaysia and China. Gourmet recorded double-digit volume growth driven by good sales of the two global brands. In the Food Manufacturers Products business, both sales volume and profitability performed well, with global as well as local accounts. At CHF 119.6 million, sales revenue was up by 18.2% in local currencies (+15.9% in CHF). Operating profit (EBIT) jumped to CHF 13.7 million (+53.1% in local currencies or +44.2% in CHF), driven by increased volumes and better economies of scale.

To support Barry Callebaut's geographic expansion and to further strengthen its footprint in fast-growing Asian markets, the company has signed an agreement to acquire the remaining 40% stake in Barry Callebaut Malaysia Sdn Bhd, formerly operating under the name of KLK Cocoa. In April 2008, the Barry Callebaut Group acquired 60% of KLK Cocoa in order to expand its global cocoa processing capacities.

Global Sourcing & Cocoa[4]

Cocoa prices declined during the second half of 2010 before moving sharply higher again. The uncertain situation in Côte d'Ivoire has pushed bean prices to record levels on high volatility. This development and ongoing strong demand for cocoa powder have helped the (forward) combined cocoa ratio to return to high levels. Other raw materials, such as sugar, faced a tight supply situation due to unfavorable weather conditions. During the period under review, prices reached new record highs. Milk powder prices increased significantly on higher demand. The upward price trend accelerated in the wake of lowered supply forecasts and was well above historical price levels at the end of February.

Sales volume of cocoa products sold to third-party customers rose by 20.9% to 128,041 tonnes, positively influenced by strong powder sales and cocoa products for strategic partners. Sales revenue grew 35.8% in local currencies (+28.4% in CHF) to CHF 574.8 million, driven by higher cocoa bean and cocoa powder prices. Supported by the favorable combined cocoa ratio, operating profit (EBIT) surged +76.9% in local currencies (+60.3% in CHF) and amounted to CHF 37.2 million.

Development by product group in the first half-year of fiscal year 2009/10

Cocoa Products business see "Global Sourcing & Cocoa".

Food Manufacturer Products business grew in all regions, with a volume increase of 5.9% to 443,559 tonnes, supported by increased demand for specialties products as well as compounds and fillings. Sales revenue was at CHF 1,417.5 million, which corresponds to a growth in local currencies of 11.7% (+1.2% in CHF).

Operating Profit (EBIT) for the Industrial Products Group (Cocoa Products and Food Manufacturers Products) stood at CHF 161.1 million, significantly up 22.6% in local currencies (+13.9% in CHF) thanks to higher volumes, margin improvements and a more favorable result from the cocoa processing operations.

Gourmet & Specialties Products business grew its sales volume by 5.1% to 74,493 tonnes in the period under review, driven by double-digit growth rates in emerging markets. Growth would have been even stronger had it not been for a late Easter. In emerging markets, our two global brands benefited from a recovering Hotel/Restaurant/Catering (HORECA) segment. Barry Callebaut's European Beverages division could not reach prior-year figures due to the current expansion of the specialized factory in Kågeröd, Sweden. Sales revenue increased considerably by 13.0% in local currencies to CHF 389.3 million (+1.8% in CHF).

4 The figures reported under "Global Sourcing & Cocoa" include all sales of cocoa products to third-party customers in all Regions while the figures shown under the respective Region show all chocolate sales.

Consumer Products business was impacted by lower volumes in Germany, where the overall chocolate market contracted by –7.8% vs. the prior year[2]. Aggressive price pressure in the market, significant raw material price increases that could not be promptly passed on to customers, as well as negative currency effects had a negative impact on sales revenue and profitability. In total, Consumer Products' sales volume declined by 5.5% to 60,477 tonnes. Sales revenue amounted to CHF 356.3 million, corresponding to a decrease of 5.4% in local currencies (–16.3% in CHF). Some price increases were recently accepted by the market.

Operating profit (EBIT) for the Food Service/Retail Products Group (Gourmet & Specialties and Consumer Products) was at CHF 86.0 million, down 8.8% in local currencies (–13.1% in CHF), affected by the factors mentioned above.

2 Source: Nielsen September 2010 until January 2011.

Financial Review of the half-year results for fiscal year 2010/11

Consolidated Income Statement[1]

Sales volume rose 7.1% to 706,570 tonnes. All regions contributed to the strong growth with the biggest absolute contributions stemming from region Americas and Global Sourcing & Cocoa. The main drivers of this growth were higher volume in emerging markets and with strategic partners.

Sales revenue grew by 3.1% to CHF 2,737.9 million. Growth in constant currencies amounted to 13.2% which can be attributed to the volume growth and raw material price increases passed on to customers.

Gross profit grew 1.6% (9.8% in constant currencies) to CHF 396.4 million. The Group benefited from an improved combined cocoa ratio and managed to achieve further efficiency improvements in its operations. However, these positive effects were partly offset by the impact of increased margin pressure accompanying the high raw material prices.

Marketing and sales expenses came in at CHF 59.5 million, 6.0% lower than in the previous year. This is attributable to currency effects. In local currencies, these costs would have been up 4.2%, still below the volume growth rate, which is the result of the continued focus on costs.

General & administration expenses rose 1.3% to CHF 126.3 million (9.5% in constant currencies).

Other income amounted to CHF 15.3 million, slightly below the prior year's amount of CHF 16.5 million. This position includes operating but non-sales-related income such as contract cancellation fees, gains on disposal of assets and waste products as well as the third-party income from the Group's Training Center, Schloss Marbach.

Other expenses decreased by CHF 1.2 million to CHF 8.8 million. This amount is mainly related to litigation and severance payments as well as losses on disposal of assets.

Operating profit (EBIT) grew by 4.0% to CHF 217.1 million. In constant currencies, EBIT would have been 11.4% higher than in the comparable period.

Financial income grew to CHF 5.0 million, benefiting from gains on financial derivatives.

Financial expenses decreased by 9.9% to CHF 39.1 million, partly because the Group had lower losses on foreign exchange transactions and partly due to foreign currency translation effects.

Result from investments in associates and joint ventures increased slightly to CHF 0.9 million due to a higher profit contribution from joint ventures.

Income taxes increased by CHF 3.8 million to CHF 25.1 million. The Group's effective tax rate amounted to 13.6% for the first six months, a slight increase compared to 12.8% in the prior-year period. This is due to minor shifts in the mix of taxable income.

Net profit for the period increased by 9.0% to CHF 158.8 million. Excluding currency translation effects, the Group's net profit is up by 17.1%.

1 Comparables refer to the prior-year period unless otherwise stated.

Consolidated Balance Sheet and financing structure[1]

Net working capital decreased considerably by 13.5% to CHF 1,054.1 million, despite the volume growth of the Group. This can be attributed to currency translation effects as well as lower receivables and higher payables resulting from efforts to reduce average working capital.

Net debt decreased significantly to CHF 956.2 million (–12.5%) mainly due to positive foreign currency translation effects.

Total assets decreased by 2.2% to CHF 3,979.1 million, as the increase based on volume growth was more than compensated by the aforementioned reduction of working capital and currency translation effects.

Shareholders' equity rose by 1.7% to CHF 1,338.9 million. This is mainly due to strong growth in profit after tax since February 28, 2010, partly offset by the capital reduction of CHF 72.4 million and negative currency translation effects. Compared to August 31, 2010, shareholders' equity rose by 2.8%, despite negative currency translation effects of CHF 58.2 million recognized in equity.

Consolidated Cash Flow Statement[1]

Operating cash flow before working capital changes decreased by 16.2% to CHF 250.9 million. **Net cash flow from operating activities** amounted to an outflow of CHF 9.9 million, which represents a decrease in the outflow of CHF 48.1 million. The investments in net working capital resulting from the growth of the business and increasing raw material prices were more than compensated by the effects of hedging and efforts to reduce working capital.

Net cash outflow from investing activities amounted to CHF 94.6 million, which is higher than last year, as a result of higher investments in property, plant and equipment as well as intangible assets.

1 Comparables refer to the prior-year period unless otherwise stated.

Consolidated Income Statement (unaudited)

For the 6-month period ended February 28, in million CHF	**2011**	2010
Revenue from sales and services	**2,737.9**	**2,656.5**
Cost of goods sold	(2,341.5)	(2,266.2)
Gross profit	**396.4**	**390.3**
Marketing and sales expenses	(59.5)	(63.3)
General and administration expenses	(126.3)	(124.7)
Other income	15.3	16.5
Other expenses	(8.8)	(10.0)
Operating profit (EBIT)	**217.1**	**208.8**
Financial income	5.0	0.9
Financial expenses	(39.1)	(43.4)
Result from investments in associates and joint ventures	0.9	0.7
Profit before income taxes	**183.9**	**167.0**
Income taxes	(25.1)	(21.3)
Net profit for the period	**158.8**	**145.7**
of which attributable to:		
– shareholders of the parent company	159.0	145.6
– non-controlling interests	(0.2)	0.1

Earnings per share from continuing operations

Basic earnings per share (CHF/share)	30.78	28.18
Diluted earnings per share (CHF/share)	30.65	28.10

Consolidated Statement of Comprehensive Income (unaudited)

For the 6-month period ended February 28,	2011	2010
in million CHF		
Net profit for the period	**158.8**	**145.7**
Cash flow hedges, net of tax	8.2	(0.5)
Currency translation differences	(58.2)	(20.2)
Other comprehensive income for the period, net of tax	**(50.0)**	**(20.7)**
Total comprehensive income for the period	**108.8**	**125.0**
of which attributable to:		
– shareholders of the parent company	109.2	125.0
– non-controlling interests	(0.4)	0.0

Consolidated Balance Sheet (unaudited)

Assets

As of	Feb 28, 2011	Aug 31, 2010[1]	Feb 28, 2010
in million CHF			
Current assets			
Cash and cash equivalents	22.2	17.4	84.4
Short-term deposits	1.1	0.7	0.4
Trade receivables and other current assets	508.1	587.4	749.2
Inventories	1,494.8	1,186.2	1,499.0
Current income tax assets	1.7	2.8	7.1
Derivative financial assets	542.8	370.5	270.7
Total current assets	**2,570.7**	**2,165.0**	**2,610.8**
Non-current assets			
Property, plant and equipment	809.2	830.9	869.8
Investments in associates and joint ventures	4.3	3.5	4.6
Intangible assets	540.6	512.5	523.0
Deferred income tax assets	45.4	51.4	50.0
Other non-current assets	8.9	7.5	9.8
Total non-current assets	**1,408.4**	**1,405.8**	**1,457.2**
Total assets	**3,979.1**	**3,570.8**	**4,068.0**

Liabilities and equity

As of	Feb 28, 2011	Aug 31, 2010[1]	Feb 28, 2010
in million CHF			
Current liabilities			
Bank overdrafts	60.0	13.5	46.0
Short-term debt	294.7	175.9	361.7
Trade payables and other current liabilities	864.5	769.5	847.0
Current income tax liabilities	50.9	42.0	46.8
Derivative financial liabilities	554.2	371.1	414.4
Provisions	15.6	15.5	16.1
Total current liabilities	**1,839.9**	**1,387.5**	**1,732.0**
Non-current liabilities			
Long-term debt	624.8	699.5	770.5
Employee benefit obligations	100.3	105.1	118.4
Provisions	5.9	5.9	8.6
Deferred income tax liabilities	58.4	58.7	74.3
Other non-current liabilities	10.4	10.9	47.4
Total non-current liabilities	**799.8**	**880.1**	**1,019.2**
Total liabilities	**2,639.7**	**2,267.6**	**2,751.2**
Equity			
Share capital	125.1	197.5	197.5
Retained earnings and other components of equity	1,213.8	1,104.8	1,118.7
Total equity attributable to the shareholders			
of the parent company	**1,338.9**	**1,302.3**	**1,316.2**
Non-controlling interests	0.5	0.9	0.6
Total equity	**1,339.4**	**1,303.2**	**1,316.8**
Total liabilities and equity	**3,979.1**	**3,570.8**	**4,068.0**

1 Audited

Condensed Consolidated Cash Flow Statement (unaudited)

For the 6-month period ended February 28,	**2011**	2010
in million CHF		
Profit before income taxes	183.9	167.0
Non-cash items of income and expenses	67.0	132.4
Operating cash flow before working capital changes	**250.9**	**299.4**
(Increase) decrease in working capital	(225.9)	(330.0)
Interest paid	(25.0)	(22.3)
Income taxes paid	(9.9)	(5.1)
Net cash flow from operating activities	**(9.9)**	**(58.0)**
Purchase of property, plant and equipment	(46.5)	(33.9)
Proceeds from sale of property, plant and equipment	0.2	2.6
Purchase of intangible assets	(47.3)	(10.6)
Acquisition of subsidiaries, net of cash acquired	–	(33.2)
Other investing cash flows	(1.0)	3.3
Net cash flow from investing activities	**(94.6)**	**(71.8)**
Net cash flow from financing activities	**61.9**	**163.5**
Effect of exchange rate changes on cash and cash equivalents	0.9	–
Net increase (decrease) in cash and cash equivalents	**(41.7)**	**33.7**
Cash and cash equivalents at the beginning of the period	3.9	4.7
Cash and cash equivalents at the end of period	(37.8)	38.4
Net increase (decrease) in cash and cash equivalents	**(41.7)**	**33.7**
Cash and cash equivalents	22.2	84.4
Bank overdrafts	(60.0)	(46.0)
Cash and cash equivalents as defined for the cash flow statement	**(37.8)**	**38.4**

Consolidated Statement of Changes in Equity (unaudited)

	Attributable to the shareholders of the parent company							
	Share capital	Treasury shares	Retained earnings	Hedging reserves	Cumulative translation adjustments	Total	Non-controlling interests	Total equity
in million CHF								
As of September 1, 2009	262.1	(4.6)	1,129.0	(5.0)	(126.0)	1,255.5	0.6	1,256.1
Currency translation adjustments					(20.1)	(20.1)	(0.1)	(20.2)
Effect of cash flow hedges				(0.5)		(0.5)		(0.5)
Other comprehensive income				**(0.5)**	**(20.1)**	**(20.6)**	**(0.1)**	**(20.7)**
Net profit for the period			145.6			145.6	0.1	145.7
Total comprehensive income			**145.6**	**(0.5)**	**(20.1)**	**125.0**	**0.0**	**125.0**
Capital reduction	(64.6)					(64.6)		(64.6)
(Acquisitions) sale in treasury shares (net)		(3.1)				(3.1)		(3.1)
Equity-settled share-based payments		7.4	(4.0)			3.4		3.4
As of February 28, 2010	**197.5**	**(0.3)**	**1,270.6**	**(5.5)**	**(146.1)**	**1,316.2**	**0.6**	**1,316.8**
As of September 1, 2010	197.5	(3.2)	1,379.0	(7.0)	(264.0)	1,302.3	0.9	1,303.2
Currency translation adjustments					(58.0)	(58.0)	(0.2)	(58.2)
Effect of cash flow hedges				8.2		8.2		8.2
Other comprehensive income				**8.2**	**(58.0)**	**(49.8)**	**(0.2)**	**(50.0)**
Net profit for the period			159.0			159.0	(0.2)	158.8
Total comprehensive income			**159.0**	**8.2**	**(58.0)**	**109.2**	**(0.4)**	**108.8**
Capital reduction	(72.4)					**(72.4)**		**(72.4)**
(Acquisitions) sale in treasury shares (net)		(4.9)				(4.9)		(4.9)
Equity-settled share-based payments		4.7				4.7		4.7
As of February 28, 2011	**125.1**	**(3.4)**	**1,538.0**	**1.2**	**(322.0)**	**1,338.9**	**0.5**	**1,339.4**

Notes to the condensed Consolidated Interim Financial Statements (unaudited)

General information

Barry Callebaut AG ("the Company") is incorporated under Swiss law. The address of the registered office is Pfingstweidstrasse 60, Zurich. The Company is listed on the SIX Swiss Exchange.

These condensed Consolidated Interim Financial Statements, approved by the Board of Directors for issue on March 30, 2011, were not audited.

Basis of presentation and accounting policies

The condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies applied in these condensed Consolidated Interim Financial Statements correspond to those pertaining to the most recent annual Consolidated Financial Statements for the fiscal year 2009/10, except for the valuation of inventories and the adaption of useful lives for strategic software-related intangible assets, as described below.

The Company modified its accounting model used for inventory valuation. It is introduced prospectively as from fiscal year 2010/11 and prior year figures were not restated in accordance with IFRS. In the revised model, the broker-trader exemption is no longer applied, but going forward, inventories will be measured at the lower of cost and net realizable value. The cocoa price risks related to cocoa inventories exceeding the firm sales commitments for chocolate are hedged with cocoa futures in a fair value hedge relationship. The cost of cocoa inventories comprises the costs of materials, direct production costs including labor costs and an appropriate proportion of production overheads and factory depreciation. For movements in inventories, the average cost method is still applied. Net realizable value is defined as the estimated selling price less costs of completion and direct selling and distribution expenses. The modification primarily affects the amounts recognized for inventories and firm sales commitments on the balance sheet.

During its annually performed review of the useful lives of assets, the Group has come to the conclusion that certain strategic software-related assets have a useful life longer than the previously used maximum term of 5 years. Consequently, any new software projects as well as qualifying items with a residual value have been assessed and useful lives adapted according to the outcome. The useful life span for software intangibles has therefore been increased to not exceeding 8 years. The effect of the reassessment of useful lives led to a decrease of the amortization charge for the first six months of the fiscal year 2010/11 by CHF 1.1 million, which is accounted for as a change in estimates in accordance with IAS 8.

Apart from these adaptations, the Accounting Policies of the Group as published under the Consolidated Financial Statements in the Annual Report 2009/10 remain unchanged.

The Group has adopted all applicable new or amended IFRS standards or interpretations and changed its accounting policies where necessary:

IFRS 2 – Share-based payments (effective January 1, 2010)

These amendments clarify the accounting for group-settled share-based payment transactions. In these arrangements, the subsidiary receives goods or services from employees of suppliers, but its parent or another entity in the group must pay those suppliers. The adoption of the amendment did not result in a material impact on the presentation of the Group's result of operations, financial position and cash flows.

IAS 32 – Financial Instruments: Classification of rights issued (effective February 1, 2010)

Under the amendment rights, options and warrants otherwise meeting the definition of equity instruments in IAS 32 issued to acquire a fixed number of an equity's own non-derivative equity instruments for a fixed amount in any currency are classified as equity instruments provided the offer is made pro rata to all existing owners of the same class of the entity's own non-derivative equity instruments. The adoption of the amendment did not result in a material impact on the presentation of the Group's result of operations, financial position and cash flows.

IFRIC 19 – Extinguishing financial liabilities with equity instruments (effective July 1, 2010)

The interpretation addresses divergent accounting by entities issuing equity instruments in order to extinguish all or part of a financial liability (often referred to as debt-equity swaps). The adoption of the amendment did not result in a material impact on the presentation of the Group's result of operations, financial position and cash flows.

Improvements to IFRS (effective January 1, 2010)

Several standards have been modified on miscellaneous points. The adoption of the improvements did not result in a material impact on the presentation of the Group's result of operations, financial position and cash flows.

The following changes in IFRS may affect the Group for periods beginning after August 31, 2011:

IFRS 7 – Financial Instruments: Disclosures (effective July 1, 2011)

The IASB introduced enhanced disclosure requirements to IFRS 7 Financial Instruments as part of its comprehensive review of off-balance sheet activities. The amendments are designed to ensure that users of financial statements are able to more readily understand transactions involving the transfer of financial assets (for example, securitisations), including the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

IFRS 9 – Financial Instruments (effective January 1, 2013)

This standard introduces new requirements for the classification and measurement of financial assets. All recognized financial assets that are currently in the scope of IAS 39 will be measured at either amortized cost or fair value. The standard gives guidance on how to apply the measurement principles. A fair value option is available as an alternative to amortized cost measurement. All equity investments within the scope of IFRS 9 are to be measured on the consolidated balance sheet at fair value with the default recognition of gains and losses in profit or loss. Only if the equity instrument is not held for trading can an irrevocable election be made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. All derivatives within the scope of IFRS 9 are required to be measured at fair value. This includes derivatives that are settled by the delivery of unquoted equity instruments; however, in limited circumstances cost may be an appropriate estimate of fair value. The Group has not yet decided whether it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

The following changes in IFRS for periods beginning after August 31, 2011 are not expected to affect the Group:

IFRS 1 – First-time adoption of international financial reporting standards
IAS 12 – Income taxes (effective January 1, 2012)
IAS 24 – Related party disclosures (effective January 1, 2011)
IFRIC 14 – Prepayments of a minimum funding requirement (effective January 1, 2011)
Improvements to IFRS (May 2010; effective January 1, 2011)

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. In the reporting period, apart from the adaptations mentioned above, the Group has not made significant changes to its judgments, estimates or assumptions, established in preparation of the last annual report.

Uncertain political situation in Côte d'Ivoire

Since the presidential elections in 2010 in Côte d'Ivoire, the world's biggest cocoa origin country, is in a political impasse. In view of that situation, restrictive economic measures or regulations have been issued by national and international bodies. Barry Callebaut complies notably with the EU Council Regulation No 25/2011 which imposes certain specific restrictive measures directed against certain persons and entities, including the port authorities of Abidjan and San Pedro. Apart from production assets, the Group holds inventory positions of cocoa beans and semi-finished products in the Côte d'Ivoire which currently cannot be exported due to the restrictive measures. The political situation in Côte d'Ivoire, the duration of the restrictive measures and their potential impact are beyond Barry Callebaut's control. Management has initiated contingency measures in order to avoid supply problems and honor the Group's customer contracts and commitments.

Seasonality

The Group's business is typically influenced by seasonality in revenues and expenses over the course of the year. Historically, consumer purchases of chocolate products are highest in the months before Christmas and Easter. As a result, sales of semi-finished and finished products to customers are highest in the period between late August and the end of November, which includes production for the Christmas season, and, to a lesser degree, in the pre-Easter season.

1. Segment information

For the 6-month period ended February 28,	Global Sourcing & Cocoa		Europe		Americas		Asia-Pacific		Corporate		Group	
in million CHF	**10/11**	09/10	**10/11**	09/10	**10/11**	09/10	**10/11**	09/10	**10/11**	09/10	**10/11**	09/10
Revenue from external customers	574.8	447.6	1,538.9	1,645.0	504.6	460.7	119.6	103.2	0.0	0.0	2,737.9	2,656.5
Operating profit (EBIT)	**37.2**	**23.2**	**155.6**	**165.4**	**40.5**	**42.3**	**13.7**	**9.5**	**(29.9)**	**(31.6)**	**217.1**	**208.8**

Revenue by geographic regions is stated by customer location.

Revenue by product group

in million CHF	**2010/11**	2009/10
Cocoa Products	574.8	447.6
Food Manufacturer Products	1,417.5	1,400.8[1]
Gourmet & Specialties Products	389.3	382.3
Consumer Products	356.3	425.8[1]

1 Figures have been restated to conform to the current period's presentation. The adjustments relate to a shift of Consumer Products business volume to the Food Manufacturers Products business in the light of the carve-out exercise.

2. Acquisitions/Disposals

The initial accounting for the acquisition of the Chocovic Group in the comparable period has been completed in the meantime. The finalization of the valuation of the defined benefit obligations of the purchase accounting did not lead to any adjustments.

There is no change in composition of the Group in the first six months of fiscal year 2010/11.

3. Other selected explanatory financial information

Contingencies

Barry Callebaut is not aware of any new significant litigations or other contingent liabilities compared to the situation as of August 31, 2010.

Dividends/Capital reduction and repayment

By resolution of the Annual General Meeting on December 7, 2010, Barry Callebaut AG instead of a dividend payment reduced its share capital by CHF 14.00 per share (reduction of the nominal value of one share from CHF 38.20 to CHF 24.20; to reduce the share capital by CHF 72.4 million). The respective payment to the shareholders has taken place on March 1, 2011. The Company does not intend to pay an interim dividend.

4. Subsequent events

To support Barry Callebaut's geographic expansion and to further strengthen its footprint in fast-growing emerging markets such as Asia, the company has signed an agreement to acquire the remaining 40% stake in Barry Callebaut Malaysia Sdn Bhd as foreseen in the initial agreement under the title of a put and call option. The price of this acquisition will amount to approximately CHF 36 million. In April 2008, the Barry Callebaut Group had acquired 60% of the company and the put option was accounted for as a liability since then.

Forward-looking statement

Certain statements in this Letter to Investors regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as "believe," "estimate," "intend," "may," "will," "expect," and "project" and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events.

Actual results may vary materially from those targeted, expected or projected due to several factors. The factors that may affect Barry Callebaut's future financial results are discussed in this Letter to Investors as well as in the Annual Report 2009/10. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of today, April 1, 2011. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

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Financial calendar

	Date
9-month key sales figures 2010/11	June 30, 2011
Full-year results 2010/11, Zurich	November 10, 2011
Annual General Meeting 2010/11, Zurich	December 8, 2011

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