BARRY CALLEBAUT

News release

Barry Callebaut AG – Successful fiscal year 2002/03:
Strong operational improvements, dividend increase

- **Sales revenue increased by 36% to approx. CHF 3.6 billion (at constant exchange rates up 42%)**
- **Sales volumes rose by 17% to 891,048 tonnes**
- **Solid organic growth in the Food Manufacturers and Gourmet & Specialties business units**
- **Operating profit (EBIT) up 20% to CHF 208.7 million, thus achieving financial target of at least CHF 200 million in EBIT for fiscal 2002/03**
- **Net profit up 1.6% due to higher financing costs; however, benefit of improved debt profile and reduced interest volatility risk thanks to new financing structure**
- **Stollwerck integration and restructuring operationally and financially on track**
- **Dividend increase from CHF 6.90 to CHF 7.00 per registered share proposed**

Zurich/Switzerland, November 11, 2003 – Barry Callebaut AG, the world's leading manufacturer of cocoa and chocolate products, increased its sales revenue, operating profit (EBIT) and net profit once more, despite geopolitical uncertainties and a weak economic environment in key regions throughout the world.

In fiscal 2002/03 (ended August 31) **consolidated sales revenue** increased by 36% to approx. CHF 3.6 billion. Sales revenue was negatively impacted by the strong Swiss franc. At constant exchange rates, sales revenue grew 42%. Contributing to the increase were the solid organic growth in the Food Manufacturers and the Gourmet & Specialties business units, higher average cocoa prices and the first-time consolidation of Stollwerck for the entire fiscal year and of Luijckx for six months. **Sales volumes** rose by 17% to 891,048 tonnes, with the sales increase in the Consumer Products business unit at a disproportionately high 288% and the deliberate decrease of sales of semi-finished products to third-party customers in Cocoa amounting to -11%.

Operating profit (EBIT) rose by 20% to CHF 208.7 million and, thus, exceeded the target communicated at the beginning of the fiscal year of achieving an EBIT of at least CHF 200 million; EBIT growth at constant exchange rates was 25%. **EBIT per tonne**, as an indicator of profitability, improved by 3% to CHF 234.2 (+7% at constant exchange rates). CHF 31.4 million of the total of CHF 80 million in restructuring provisions set aside in the 2001/02 fiscal year in connection with the acquisition of Stollwerck have been used so far. The restructuring of Stollwerck is progressing according to plan, both from a financial and an operational perspective, and will be completed in summer 2004. The average tax rate has slightly increased but has been maintained at a moderate 19%. At CHF 103.2 million, **net profit** was 1.6% above the previous year's level, excluding the effect of the Stollwerck restructuring provision of CHF 80 million, which had led to a reported net profit of CHF 21.1 million for 2001/02. **Earnings per share** are CHF 20.00. Net profit growth was slower than EBIT growth because of higher financing costs related to the Group's new financing structure, which has improved its debt maturity profile and reduced the interest volatility risk. At the Annual General Meeting, shareholders will be asked to approve an **increased dividend of CHF 7.00** per registered share.

Patrick G. De Maeseneire, Chief Executive Officer, comments the past fiscal year as follows: “We successfully completed our transformation from an industrial cocoa and chocolate manufacturer to a fully vertically integrated provider of solutions to the food industry. Today we offer cocoa and chocolate products in virtually every possible form and vertical range of manufacture, from the cocoa bean to the finished product on the store shelf. We have managed to add businesses that are close to the consumer while at the same time expanding our positions in the industrial and artisanal customer segments. We are pleased with the results achieved.”

Business performance

Economic conditions

The global economy remained weak throughout the 2002/03 fiscal year, having a negative effect on consumer sentiment. Chocolate sales therefore stagnated in most countries, even declining in some cases. In Western Europe, the German consumer market was affected particularly severely and the extremely hot summer weather in Europe also took its toll. Developments in Eastern Europe were more positive. Momentum did not come from North America until the second half of the calendar year. In Asia-Pacific, the tourism and gastronomy sectors suffered a massive setback as a result of the SARS epidemic. The difficult economic and political situation in various Middle Eastern countries and the implications of the war in Iraq also had a negative effect. Business with consumer products in Africa, on the other hand, was promisingly robust.

Barry Callebaut nevertheless posted encouraging volume growth in the year under review and succeeded in strengthening its market shares in its business with industrial and artisanal customers. This enabled Barry Callebaut to reinforce its strong position as the world’s leading manufacturer of high-quality cocoa and chocolate products.

After expanding the consumer products business, Barry Callebaut grouped its activities into two clearly defined business segments as of September 1, 2003: the Industrial Business Segment and the Food Service/Retail Business Segment. The segment reporting for fiscal 2002/03 already reflects this new structure.

Development of business segments

The **Industrial Business Segment** is composed of the Sourcing & Risk Management and the Food Manufacturers business units and thus comprises all asset- and capital-intensive activities. The Food Manufacturers unit supplies the food industry worldwide with chocolate as well as with cocoa and semi-finished products, while the Sourcing & Risk Management unit primarily secures in-house requirements for top-quality raw materials such as cocoa, milk powder, sugar, nuts, dried fruits and semi-finished products.

The past fiscal year was characterized by extremely volatile cocoa prices. Barry Callebaut’s business models are structured in such a way that fluctuations in the prices of raw materials are largely neutralized in the income statement. However, higher cocoa prices are reflected in the higher carrying value of cocoa inventories in the balance sheet.

Barry Callebaut generated mainly organic sales revenue growth of 9% to CHF 2,193.9 million in this business segment (61% of Group sales revenue). Sales volumes amounted to 631,146 tonnes, made up of 510,319 tonnes (+5% or more than 24,000 tonnes) in the Food Manufacturers unit and 120,827 tonnes – or a deliberate reduction of 11% in sales to third-party customers – in Cocoa. Operating profit (EBIT) rose by 14% to CHF 142.3 million. Total segment assets amounted to CHF 1,815.4 million, including current assets, which were influenced by the higher average price of cocoa during the past fiscal year. EBIT over total segment assets amounted to 7.8%, up from 7.1% in the previous year.

The **Food Service/Retail Business Segment** consists of the Gourmet & Specialties and the Consumer Products business units. Its products are closer to end-consumers and distinguished by greater value added. Customers of this segment range from craftsmen to internationally active retailers.

Sales revenue with artisanal users and retailers grew by 126% to CHF 1,377.4 million in fiscal year 2002/03, or 39% of Group sales revenue. This hefty increase is primarily attributable to the first-time consolidation of Stollwerck and, to a much lesser extent, to the acquisition of Luijckx, but also to good organic volume growth in the Gourmet & Specialties business unit. Operating profit (EBIT) rose by 31% to CHF 104.3 million. The increase is partly attributable to the consolidation of Stollwerck and Luijckx and solid organic EBIT growth from Gourmet & Specialties driven by both higher volumes and higher margins. Total segment assets amounted to CHF 776.5 million. The relatively low amount of current assets shows that the operational activities of this segment, which are mainly molding and packaging activities, are less capital intensive than the activities in the Industrial Business segment. EBIT over total segment assets was at 13.4%, compared to 33.6% in the previous year. The very high ratio in the previous year is typical for the Gourmet business, which outsources production and which represented the major part of this business segment prior to the Stollwerck acquisition. – Brach's Confections Holding, Inc., acquired in September 2003, will be consolidated as of September 1, 2003.

Focus on future growth

Barry Callebaut intends to further expand in the **Industrial Business Segment** in the coming year by taking advantage of the outsourcing trend underway in the food manufacturing industry, by leveraging its proven innovation power and by exploring new geographic opportunities.

The **Food Service/Retail Business** segment will continue to selectively expand in the coming years:

The Gourmet & Specialties business unit will continue to broaden its range of ready-to-use and ready-to-sell products – for example the "*Chocolat de l'Artisan*" range sold to end consumers through the Gourmet channel – in order to become a solutions provider for artisanal users of cocoa and chocolate who have to counter mounting competition, a lack of qualified personnel and shorter weekly working hours in many countries.

In the Consumer Products business, comprehensive solutions and differentiation are also becoming increasingly important. As one of the few suppliers offering both branded and customer label products, Barry Callebaut is uniquely positioned to become the service provider of choice to global retailers in the confectionery category. Going forward into the second phase of restructuring now underway at Stollwerck, the product range and brand portfolio will be further streamlined to enhance profitability. Geographically, the focus will be on the core markets Germany, Belgium, France and – after the acquisition of Brach's in September 2003 – the U.S. The operational restructuring of Brach's is well on track and will be completed at year-end 2003.

Proposals to the Annual General Meeting

The Board proposes to the Annual General Meeting a dividend increase from CHF 6.90 to CHF 7.00 for each registered share.

At the Annual General Meeting on December 10, 2003, Mr Pierre Vermaut will retire from the Board of Directors of Barry Callebaut AG after more than 20 years of service to the Group of which six years on the Board. It is proposed that Dr Walther Andreas Jacobs (40), Chairman of the Board of Brach's Confections Holdings, Inc., be elected to the Board of Directors. With the term of office of the Board of Directors being one year, the existing board members Andreas Schmid (Chairman), Dr Johann Christian Jacobs (Vice-Chairman), Rolando Benedick and Andreas W. Keller will stand for re-election for another term of office.

Outlook

Patrick G. De Maeseneire, Chief Executive Officer, on the prospects for the current fiscal year 2003/04: "The economic signals we got during the first two months of the current fiscal year do not give us sufficient evidence that the world economy is recovering in a sustainable way. All in all, I am more positive on the US market and more cautious on Europe. Past results, our current order book and the innovations underway clearly prove, however, that Barry Callebaut is well positioned and capable of generating growth in both of its business segments even under difficult conditions."

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Barry Callebaut:
With annual sales of approx. CHF 3.6 billion for fiscal year 2002/03, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate products – from the cocoa bean to the finished product on the store shelf. After the acquisition of Brach's Confections Holding, Inc. in September 2003, Barry Callebaut operates more than 30 production facilities in 17 countries and employs approximately 9,400 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate such as chocolatiers, pastry chefs or bakers, to retailers. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

www.barry-callebaut.com

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Media conference of Barry Callebaut AG

Date:	Tuesday, November 11, 2003
Time:	10.00-11.00 am
Location:	Widder Hotel, Widder-Saal, Rennweg 7, 8001 Zurich, Switzerland

Analysts' conference of Barry Callebaut AG

Date:	Tuesday, November 11, 2003
Time:	12.00-13.00 pm, followed by lunch and dessert buffet
Location:	Widder Hotel, Widder-Saal, Rennweg 7, 8001 Zurich, Switzerland

If you cannot attend the analysts' conference in person, you are invited to listen in and to ask questions by telephone. Please dial:
+41 91 610 56 00 (for callers from Europe)
+1 866 291 41 66 (for callers from North America)
+44 207 107 0611 (for callers from the U.K.)
You will be asked to identify yourself.

The conference language will be English.

A replay of the conference will be available as of November 11, 2003, (02.00 p.m. CET) for 72 hours under **+41 91 612 43 30** (Europe), **+1 412 858 14 40** (US) and **+44 207 866 43 00** (U.K.) - Code '**335**' (followed by the # sign).

Key Figures for Barry Callebaut AG

in CHF		Change (%)	2002/03	2001/02	2000/01
Income Statement					
Sales revenue *in local currencies*	CHF m	36.2 *41.6*	3,571.3 *3,712.9* (3)	2,621.8 --	2,548.6 --
Sales volume	mt	17.1	891,048	760,680	787,302
EBITDA (2)	CHF m	24.4	333.1	267.8 (1)	266.2
Operating profit (EBIT) *in local currencies*	CHF m	20.5 *25.2*	208.7 *216.8* (3)	173.2 (1) --	168.0 --
Net profit (PAT) *in local currencies*	CHF m	1.6 *7.3*	103.2 *109.0* (3)	101.6 (1) --	97.1 --
Cash flow (4)	CHF m	16.0	227.7	196.2 (1)	195.3
Balance Sheet					
Balance sheet total	CHF m	2.3	2,712.7	2,651.6	2,049.2
Net working capital	CHF m	15.2	955.1	828.7	765.9
Non-current assets	CHF m	-1.9	1,049.9	1,070.6	823.1
Net debt (5)	CHF m	7.3	1,030.1	960.1	786.2
Shareholders' equity	CHF m	9.5	759.2	693.5	697.4
Ratios					
Return on capital employed (ROCE) (6)	%	-1.8	15.0%	15.3% (8)	14.0%
Return on equity (ROE)	%	-1.5	13.6%	13.8% (8)	13.9%
EBIT per tonne *in local currencies*	CHF	2.9 *6.9*	234.2 *243.3* (3)	227.7 (1) --	213.4 --
Debt-to-equity ratio	%	-2.0	135.7%	138.4%	112.7%
Shares					
EBIT per share	CHF	20.5	40.4	33.5 (1)	32.5
Earnings per share	CHF	1.6	20.0	19.6 (1)	18.8
Dividend per share (7)	CHF	1.4	7.00	6.90	6.70
Other					
Employees		3.3	7,837	7,583	4,911

1) Key figures for fiscal year 2001/02 are based on a normalized result excluding restructuring provisions in the amount of CHF 80 million.
2) EBIT + depreciation of tangible assets + amortization of goodwill and other intangibles
3) 2002/03 key figures consolidated at 2001/02 exchange rates
4) Net profit + depreciation of tangible assets + amortization of goodwill and other intangibles
5) Includes subordinated debt
6) EBITA / Average (capital employed – goodwill)
7) Based on a dividend proposal of CHF 7.00 for 2002/03
8) For fiscal year 2001/02 the ratio is calculated based on a normalized result excluding restructuring provisions in the amount of CHF 80 million and based on a pro-forma balance sheet excluding Stollwerck.

Key figures by business segment

in CHF		Change (%)	2002/03	2001/02
Industrial Business Segment				
Sales revenue	CHF m	9.0	2,193.9	2,012.8
- Cocoa	*CHF m*	*-1.0*	*614.2*	*620.3*
- Food Manufacturers	*CHF m*	*13.4*	*1,579.7*	*1,392.5*
Sales volumes	mt	1.5	631,146	621,953
- Cocoa	*mt*	*-11.1*	*120,827*	*135,914*
- Food Manufacturers	*mt*	*5.0*	*510,319*	*486,039*
EBIT	CHF m	13.9	142.3	125.0
EBITDA	CHF m	6.5	214.8	201.7
Segment assets	CHF m	2.6	1,815.4	1,769.6
EBIT / Segment assets	%	11.0	7.84%	7.06%
Food Service/Retail Business Segment				
Sales revenue	CHF m	126.2	1,377.4	609.0
- Gourmet & Specialties	*CHF m*	*12.5*	*476.4*	*423.6*
- Consumer Products	*CHF m*	*386.0*	*901.0*	*185.4*
EBIT (1)	CHF m	30.8	104.3	79.8
EBITDA (1)	CHF m	62.3	152.9	94.2
Segment assets	CHF m	5.5	776.5	735.8
EBIT / Segment assets (2)	%	nmf	13.44%	33.61%

(1) EBIT and EBITDA for fiscal 2001/02 are based on a normalized result excluding restructuring provisions in the amount of CHF 80 million.
(2) For fiscal 2001/02, segment assets linked to the Stollwerck acquisition have been excluded.

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