Half-Year Results 2011/12

BARRY CALLEBAUT

Barry Callebaut

With annual sales of about CHF 4.6 billion (EUR 3.6 billion/USD 5.0 billion) for fiscal year 2010/11, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished chocolate product.

Barry Callebaut is present in 27 countries, operates around 40 production facilities and employs a diverse and dedicated workforce of about 6,000 people. Barry Callebaut serves the entire food industry focusing on industrial food manufacturers, artisans and professional users of chocolate (such as chocolatiers, pastry chefs or bakers), the latter with its two global brands Cacao Barry® and Callebaut®. 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. Cost leadership is another important reason why global as well as local food manufacturers work together with Barry Callebaut. Through its broad range of sustainability initiatives and research activities, the company works with farmers, farmer organizations and other partners to help ensure future supplies of cocoa and improve farmer livelihoods.

Significantly outperforming the market: sales volume up 6.7%[1]

Growth in all Regions and across all Product Groups

Investing in profitable growth, optimizing structures and processes

Growth targets confirmed[2]

1 Source: Nielsen September 2011 until January 2012. The global chocolate market was flat.
2 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 unforeseen events.

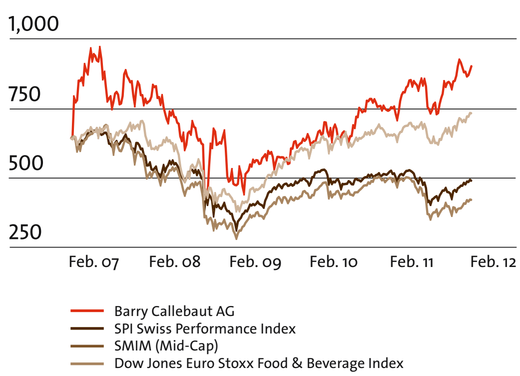
Barry Callebaut at a Glance

Barry Callebaut is organized into different regions: Region Europe (incl. Western and Eastern Europe), Region Americas and Region Asia-Pacific. The globally managed Global Sourcing & Cocoa business is reported as a separate segment like a Region. There are three different Product Groups: Cocoa Products, Food Manufacturers Products and Gourmet & Specialties Products.

	Europe	Americas	Asia-Pacific	Global Sourcing & Cocoa
	Food Manufacturers, Gourmet	Food Manufacturers, Gourmet	Food Manufacturers, Gourmet	Cocoa
	52% of consolidated sales volume	**25% of consolidated sales volume**	**4% of consolidated sales volume**	**19% of consolidated sales volume**
Volume growth vs. prior year	+3.0%	+18.6%	+7.9%	+2.9%
EBIT growth vs. prior year (in local currencies)	(12.2%)	+19.9%	+21.1%	(0.8%)

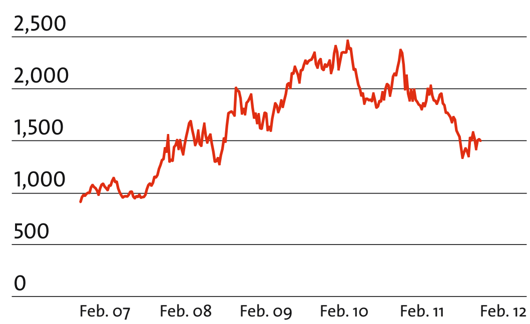
Share price development Barry Callebaut vs. Indices

Rebased (in CHF)



Cocoa price

London Cocoa Terminal Market
in GBP/tonne



Dear Shareholders

Andreas Jacobs
Chairman of the Board

Juergen Steinemann
Chief Executive Officer

With an increase of our sales volume by 6.7% in the past half year, we were – once again – able to significantly outperform the global chocolate market, which was flat over the same period.[1] After a slow start into fiscal year 2011/12, our sales volume rebounded strongly; in the last three months alone, we recorded a sales volume growth of 11.5%.

All Regions and Product Groups contributed to this very positive volume development. Barry Callebaut's sales revenue grew strongly with an increase of 10.4% in local currencies (+3.0% in CHF). In contrast, operating profit (EBIT) decreased by 5.5% in local currencies, –12.5% when translated into Swiss francs. Various factors led to higher expenses, which negatively impacted our operating result: Significant investments in structures to support further growth, ramp-up costs related to the various long-term partnership and outsourcing agreements we recently closed, investments in the acceleration of the growth of our Gourmet business as well as capacity expansions in some of our factories.

We are very proud that in the past half year, Barry Callebaut was able to close two major long-term agreements: In January 2012, we became strategic supplier and innovation partner of choice for Unilever, the global market leader in ice cream. This will nearly double Barry Callebaut's related volumes. The new partnership is a great honor for us as it builds on a successful long-standing collaboration. We also signed an outsourcing agreement with Grupo Bimbo, one of the largest food companies in Latin America. With this, we will deliver up to 32,000 tonnes of chocolate products annually for Bimbo's operations in Mexico, confirming our strategy to further grow in emerging markets.

To strengthen our sustainable sourcing activities on the ground, we entered into a joint venture with Indonesian P.T. Comextra Majora. As part of the joint venture, a new cocoa processing facility will be built in Makassar (Indonesia).

In early 2012, we announced the acquisition of La Morella Nuts. The Spanish company is known as a specialist in producing a variety of high quality nut-based

1 Source: Nielsen September 2011 until January 2012

ingredients. With the integration of La Morella Nuts, we will further extend our nut offerings both in the Gourmet and the Food Manufacturers business in all our Regions. In line with our intention to accelerate the growth of our Gourmet & Specialties Products business, we also acquired Mona Lisa Food Products, Inc., a leader in chocolate decorations products in the U.S. Mona Lisa will complement our center of competence for chocolate decorations in Europe and expand our global decorations portfolio.

In order to help to ensure the long-term global supply of cocoa, we made "Sustainable Cocoa" a fourth pillar of our company's ambitious growth strategy. In line with this, we recently launched our newest cocoa sustainability initiative, called "Cocoa Horizons" – the most ambitious sustainability program in Barry Callebaut's history. The aim is to boost productivity on cocoa farms, increase cocoa quality and improve family livelihoods in key cocoa producing countries. For this, we will invest CHF 40 million over 10 years in farmer training, infrastructure and community education as well as in health programs.

The implementation and ramp-up of recently signed long-term partnership agreements as well as the integration of newly acquired companies will form the basis for our future growth. Looking ahead, we also have a full pipeline of further business opportunities. To ensure we remain within our long-term profitability goals, we initiated a comprehensive process reengineering project in Western Europe. After the sale of our Consumer Products business Stollwerck, we want to adapt our internal structures and processes and optimize the value chain in order to increase our operational efficiency. This will pave the way for further profitable growth in the region.

Taking all the above into account, we are confident that we will achieve our financial targets.[2]

April 2, 2012

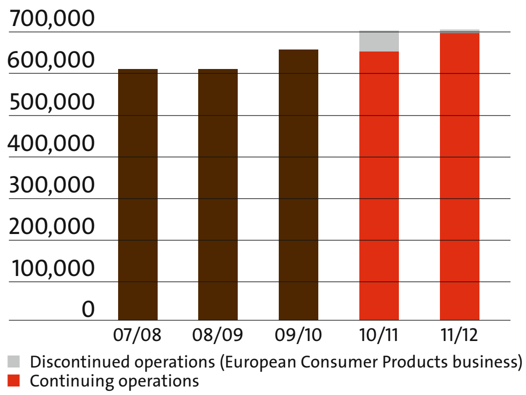
Andreas Jacobs
Chairman of the Board

Juergen Steinemann
Chief Executive Officer

2 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 unforeseen events

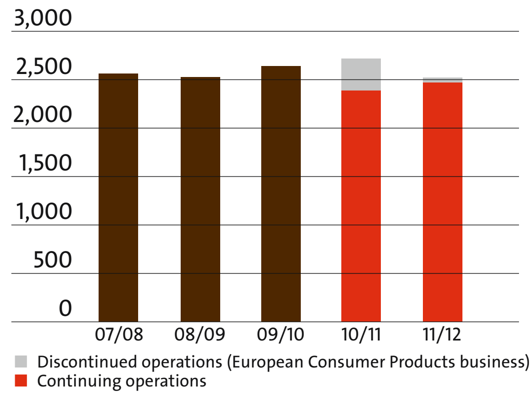
Sales volume for first 6 months

in tonnes



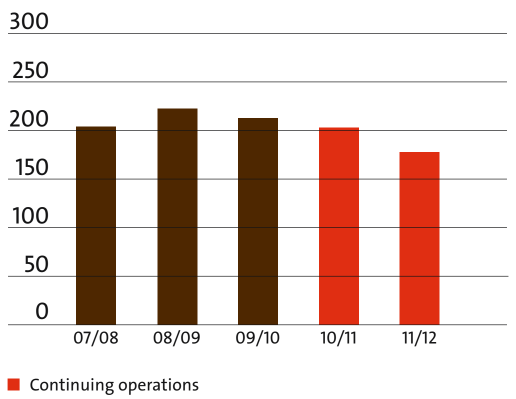
Sales revenue for first 6 months

in CHF million



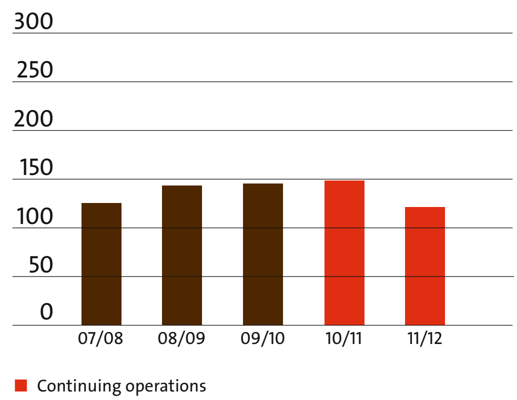
EBIT for first 6 months

in CHF million



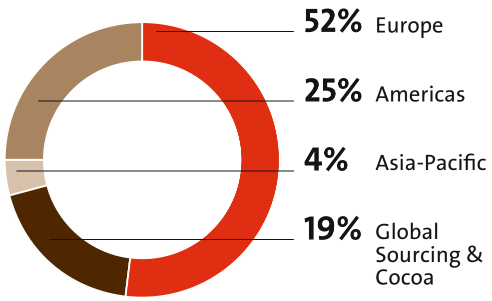
Net profit for first 6 months

in CHF million



Sales volume by Region* for first 6 months

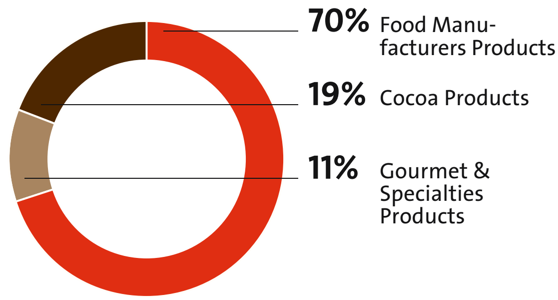
in tonnes



* Continuing operations

Sales volume by Product Group* for first 6 months

in tonnes



* Continuing operations

Key figures

Barry Callebaut
Half-Year Results 2011/12
(unaudited)

Consolidated Income Statement

For the 6-month period ended February 29/28,		Change (%) in local currencies	Change (%) in reporting currency	2012	2011[1]
Sales volume	Tonnes		6.7%	699,058	655,065
Sales revenue	CHF m	10.4%	3.0%	2,476.9	2,404.0
Gross profit	CHF m	2.9%	(3.9%)	338.2	351.8
EBITDA[2]	CHF m	(2.4%)	(9.5%)	215.1	237.7
Operating profit (EBIT)	CHF m	(5.5%)	(12.5%)	175.1	200.2
Net profit from continuing operations[3]	CHF m	(11.3%)	(18.0%)	121.8	148.6
Cash flow[4]	CHF m		(10.8%)	223.9	250.9
EBIT per tonne[5]	CHF	(11.4%)	(18.0%)	250.5	305.6

Consolidated Balance Sheet

as of February 29/28,		Change (%)	2012	2011[1]
Total assets	CHF m	(2.6%)	3,875.7	3,979.1
Net working capital[6]	CHF m	(0.9%)	1,045.1	1,054.1
Non-current assets	CHF m	(3.9%)	1,353.1	1,408.4
Net debt	CHF m	1.0%	965.5	956.2
Shareholders' equity[7]	CHF m	(2.8%)	1,301.0	1,338.9

Shares

For the 6-month period ended February 29/28,		Change (%)	2012	2011[1]
Share price (end of period)	CHF	16.0%	886.0	763.5
EBIT per share[8]	CHF	(12.5%)	33.87	38.72
Basic earnings per share[9]	CHF	(18.0%)	23.63	28.80
Cash earnings per share[10]	CHF	(10.8%)	43.34	48.57

Other

as of February 29/28,	2012	2011[1]
Employees	6,199	7,422

1 Due to the discontinuation of the European Consumer Products business certain comparatives related to the Income Statement have been restated to conform with the current period's presentation. Balance Sheet and Cash Flow Statement related values incl. key figures based on those and the number of employees have not been restated
2 EBIT + depreciation of property, plant and equipment + amortization of intangibles (all excluding discontinued operations)
3 Including non-controlling interest
4 Operating cash flow before working capital changes
5 EBIT/sales volume of the continuing operations
6 Includes current assests and liabilities related to commercial activities and current provisions
7 Total equity attributable to the shareholders of the parent company
8 Based on EBIT/basic shares outstanding
9 Based on the net profit for the year attributable to the shareholders of the parent company excl. net result from discontinued operations/basic shares outstanding
10 Operating cash flow before working capital changes/basic shares outstanding

Key figures by Region and Product Group

Barry Callebaut
Half-Year Results 2011/12

Key figures by Region and Product Group – from continuing operations (unaudited)

For the 6-month period ended February 29/28,		Change (%) in local currencies	Change (%) in reporting currency	2012	2011[1]
By Region					
Europe					
Sales volume	Tonnes		3.0%	361,987	351,468
Sales revenue	CHF m	4.7%	(3.2%)	1,174.6	1,214.0
EBITDA	CHF m	(9.9%)	(16.1%)	130.4	155.5
EBIT	CHF m	(12.2%)	(18.2%)	114.5	140.0
Americas					
Sales volume	Tonnes		18.6%	176,898	149,191
Sales revenue	CHF m	18.0%	10.2%	548.4	497.5
EBITDA	CHF m	20.9%	13.4%	51.9	45.8
EBIT	CHF m	19.9%	12.4%	44.3	39.4
Asia-Pacific					
Sales volume	Tonnes		7.9%	28,514	26,425
Sales revenue	CHF m	5.5%	1.5%	119.8	118.0
EBITDA	CHF m	19.3%	14.5%	18.4	16.1
EBIT	CHF m	21.1%	16.3%	15.7	13.5
Global Sourcing & Cocoa					
Sales volume	Tonnes		2.9%	131,659	127,981
Sales revenue	CHF m	17.0%	10.4%	634.1	574.5
EBITDA	CHF m	2.3%	(5.4%)	46.3	49.0
EBIT	CHF m	(0.8%)	(8.6%)	33.9	37.1
By Product Group					
Sales volume					
Cocoa Products	Tonnes		2.9%	131,659	127,981
Food Manufacturers Products	Tonnes		8.2%	489,778	452,648
Gourmet & Specialties Products	Tonnes		4.3%	77,621	74,436
Sales revenue					
Cocoa Products	CHF m	17.0%	10.4%	634.1	574.5
Food Manufacturers Products	CHF m	8.5%	0.7%	1,451.6	1,441.5
Gourmet & Specialties Products	CHF m	7.9%	0.8%	391.2	388.0

1 Due to the discontinuation of the European Consumer Products business, certain comparatives have been restated to conform with the current period's presentation

Financial Review of the Half-Year Results for fiscal year 2011/12

Explanatory comments to the Consolidated Interim Financial Statements

On July 8, 2011, the Group signed an agreement to sell its European Consumer Products business (Stollwerck) to Baronie Group in Belgium with closing of the transaction on September 30, 2011. The results of this business are therefore no longer included in the Group's financial performance figures for the continuing business but reported separately under the line "Net result from discontinued operations, net of tax". Prior year figures of the Consolidated Income Statement and sales volumes have been restated whereas, in accordance with IFRS 5, the prior year figures have not been restated in the Consolidated Balance Sheet. In accordance with IFRS 5, the Consolidated Statement of Cash Flows includes the cash flows from discontinued operations.

Consolidated Income Statement [1]

Sales volume rose by 6.7% to 699,058 tonnes, to which all Regions and Product Groups contributed. The biggest absolute contribution to growth came from Region Americas. Growth was particularly supported by higher volume in emerging markets and with strategic partners.

Sales revenue grew by 3.0% to CHF 2,476.9 million, at a slower rate than volume due currency translation effects. Growth in constant currencies amounted to 10.4%, which can be attributed to the volume growth as well as price increases for certain raw materials that could be largely passed on to customers.

Gross profit decreased by 3.9% to CHF 338.2 million due to foreign currency impacts; it grew by 2.9% in constant currencies. The development is lagging behind volume development mainly due to higher operations and logistic costs resulting from increased expenses related to the ramp-up for recent long-term partnership and outsourcing agreements, namely investments into footprint and structures.

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

Marketing and sales expenses amounted to CHF 47.6 million, 3.5% higher than in the previous year. In local currencies, these costs would have been up 11.1%. This is the result of costs related to further expansion of the gourmet business, namely expansion of marketing for the global brands and the sales organization, particularly in new markets and emerging markets, while the Group's relationships with its customers were further strengthened.

General & administration expenses rose 7.4% to CHF 120.6 million (13.1% in constant currencies). This is partly due to costs incurred for the recently launched sustainability initiative "Cocoa Horizons" and projects in quality enhancement. On the other hand there were higher expenses in relation with the growth of the business including the implementation of recent outsourcing deals and acquisitions as well as for investments in additional operating structures.

Other income amounted to CHF 8.8 million, down 38.5% compared to the prior year's amount of CHF 14.3 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.

Other expenses decreased by 51.3% to CHF 3.7 million. This amount is mainly related to litigation, pension, severance payments and losses on disposal of assets.

Operating profit (EBIT) decreased by 12.5% to CHF 175.1 million, partly due to currency impacts. In constant currencies, EBIT would have been 5.5% lower than in the comparable period.

Financial income grew from CHF 5.0 million to CHF 6.2 million, partly due to a higher foreign currency exchange result.

Financial expenses increased by 9.5% to CHF 38.0 million, mainly due to higher interest expenses resulting from the EUR 250 million corporate bond issued in June 2011 and an increase in liquidity premiums on foreign exchange swap markets.

Result from investments in associates and joint ventures decreased from CHF 0.9 million to CHF 0.3 million due to a lower profit contribution from joint ventures.

Income taxes decreased from CHF 22.8 million to CHF 21.8 million. The Group's effective tax rate amounted to 15.2% for the first six months, up from 13.3% in the prior-year period. This is the result of a slightly less favorable mix of profit before taxes and non-recurring tax savings reported in the prior year period.

Net profit for the period from continuing operations decreased by 18.0% to CHF 121.8 million; excluding currency translation effects, it decreased by 11.3%.

Net result from discontinued operations is related to the discontinued European Consumer Products business (Stollwerck) and amounted to CHF –31.7 million. This loss resulted from an operating profit of the discontinued operations of CHF 2.4 million and financial and income tax expenses of CHF –3.6 million in combination with losses incurred on the disposal of CHF –30.5 million in total (consisting of recycling of cumulative translation adjustments CHF –8.3 million, net loss on the disposal CHF –13.6 million, transaction and separation costs CHF –8.6 million). Prior-year net profit from discontinued operations amounted to CHF 10.2 million.

Net profit for the period (including discontinued operations) decreased from CHF 158.8 million to CHF 90.1 million.

Consolidated Balance Sheet and financing structure [1]

Net working capital decreased slightly by 0.9% to CHF 1,045.1 million. This reduction is the result of favorable currency translation effects, the decrease resulting from the sale of the European Consumer Products business and reduced inventory value (volume and price driven), almost offset by the increase of commodity related derivatives used for hedging purposes and higher receivables due to growth.

Net debt increased slightly to CHF 965.5 million favorably impacted by the sale of the European Consumer Products business and currency translation effects. These effects were more than offset by new borrowings to finance the growth of the business, including organic growth and acquisitions.

Total assets decreased by 2.6% to CHF 3,875.7 million, as the increase based on volume growth and acquisitions was more than compensated by the sale of the European Consumer Products business and currency translation effects.

Shareholders' equity decreased by 2.8% to CHF 1,301.0 million. This is mainly due to the dividend of CHF 80.1 million and negative currency translation effects partly offset by the net profit achieved since February 28, 2011. Compared to August 31, 2011, shareholders' equity rose by 6.9% due to the net profit and positive cumulative translation adjustments for the 6-month period.

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

Consolidated Cash Flow Statement[1]

Operating cash flow before working capital changes decreased by 10.8% to CHF 223.9 million due to the lower profits from the continuing business and the costs incurred during the sale of the European Consumer Products business.

Net cash flow from operating activities amounted to an outflow of CHF –54.5 million compared to CHF –9.9 million in prior year. This is the result of the decrease in Operating cash flow before working capital changes mentioned above and slightly higher cash out for working capital changes as a result of the Group's growth.

Net cash inflow from investing activities amounted to CHF 25.4 million compared to the net cash outflow of CHF 94.6 million last year. Higher expenditures on property, plant and equipment resulting from investments in capacity expansions to cope with the Group's growth were more than compensated for by the proceeds from the sale of the European Consumer Products business.

Net cash inflow from financing activities amounted to CHF 70.8 million compared to CHF 61.9 million in prior year. This position mainly includes the net of proceeds from and repayment of borrowings.

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

Consolidated Income Statement (unaudited)

For the 6-month period ended February 29/28,	2012	2011
in million CHF		restated[1]
Revenue from sales and services	**2,476.9**	**2,404.0**
Cost of goods sold	(2,138.7)	(2,052.2)
Gross profit	**338.2**	**351.8**
Marketing and sales expenses	(47.6)	(46.0)
General and administration expenses	(120.6)	(112.3)
Other income	8.8	14.3
Other expenses	(3.7)	(7.6)
Operating profit (EBIT)	**175.1**	**200.2**
Financial income	6.2	5.0
Financial expenses	(38.0)	(34.7)
Result from investments in associates and joint ventures	0.3	0.9
Profit before income taxes	**143.6**	**171.4**
Income taxes	(21.8)	(22.8)
Net profit from continuing operations	**121.8**	**148.6**
Net result from discontinued operations, net of tax	(31.7)	10.2
Net profit for the period	**90.1**	**158.8**
of which attributable to:		
– shareholders of the parent company	90.4	159.0
– non-controlling interests	(0.3)	(0.2)
Earnings per share from continuing and discontinued operations		
Basic earnings per share (CHF/share)	17.50	30.78
Diluted earnings per share (CHF/share)	17.40	30.65
Earnings per share from continuing operations[2]		
Basic earnings per share (CHF/share)	23.63	28.80
Diluted earnings per share (CHF/share)	23.50	28.63

1 Due to the discontinuation of the European Consumer Products business, certain comparatives have been restated to conform with the current period's presentation. See Discontinued Operations – Note 3

2 Based on the net profit for the period attributable to the shareholders of the parent company excluding the net result from discontinued operations

Consolidated Statement of Comprehensive Income (unaudited)

For the 6-month period ended February 29/28, in million CHF	2012	2011
Net profit for the period	**90.1**	**158.8**
Effect of cash flow hedges, net of tax	(6.1)	8.2
Currency translation differences	74.2	(58.2)
Other comprehensive income for the period, net of tax	**68.1**	**(50.0)**
Total comprehensive income for the period	**158.2**	**108.8**
of which attributable to:		
– shareholders of the parent company	158.8	109.2
– non-controlling interests	(0.6)	(0.4)

Consolidated Balance Sheet (unaudited)

Assets

As of	Feb 29, 2012	Aug 31, 2011[1]	Feb 28, 2011
in million CHF			
Current assets			
Cash and cash equivalents	83.7	42.0	22.2
Short-term deposits	1.7	0.4	1.1
Trade receivables and other current assets	674.6	462.8	508.1
Inventories	1,149.2	1,065.7	1,494.8
Current income tax assets	2.5	2.1	1.7
Derivative financial assets	610.9	245.9	542.8
Assets held for sale	0.0	235.8	0.0
Total current assets	**2,522.6**	**2,054.7**	**2,570.7**
Non-current assets			
Property, plant and equipment	753.8	655.9	809.2
Investments in associates and joint ventures	4.5	4.0	4.3
Intangible assets	509.5	465.9	540.6
Deferred income tax assets	77.0	76.7	45.4
Other non-current assets	8.3	5.9	8.9
Total non-current assets	**1,353.1**	**1,208.4**	**1,408.4**
Total assets	**3,875.7**	**3,263.1**	**3,979.1**

Liabilities and equity

As of	Feb 29, 2012	Aug 31, 2011[1]	Feb 28, 2011
in million CHF			
Current liabilities			
Bank overdrafts	16.6	17.3	60.0
Short-term debt	318.2	130.0	294.7
Trade payables and other current liabilities	901.4	657.2	864.5
Current income tax liabilities	72.9	70.1	50.9
Derivative financial liabilities	416.1	143.6	554.2
Provisions	8.7	7.4	15.6
Liabilities directly associated with assets held for sale	0.0	222.5	0.0
Total current liabilities	**1,733.9**	**1,248.1**	**1,839.9**
Non-current liabilities			
Long-term debt	716.1	685.0	624.8
Employee benefit obligations	48.6	47.9	100.3
Provisions	6.7	5.4	5.9
Deferred income tax liabilities	51.5	50.1	58.4
Other non-current liabilities	17.0	9.8	10.4
Total non-current liabilities	**839.9**	**798.2**	**799.8**
Total liabilities	**2,573.8**	**2,046.3**	**2,639.7**
Equity			
Share capital	125.1	125.1	125.1
Retained earnings and other components of equity	1,175.9	1,092.0	1,213.8
Total equity attributable to the shareholders of the parent company	**1,301.0**	**1,217.1**	**1,338.9**
Non-controlling interests	0.9	(0.3)	0.5
Total equity	**1,301.9**	**1,216.8**	**1,339.4**
Total liabilities and equity	**3,875.7**	**3,263.1**	**3,979.1**

1 Audited

Condensed Consolidated Cash Flow Statement (unaudited)

For the 6-month period ended February 29/28,	2012	2011
in million CHF		
Profit before income taxes from continuing operations	143.6	171.4
(Loss)/Profit before income taxes from discontinued operations	(31.4)	12.5
Non-cash items of income and expenses	111.7	67.0
Operating cash flow before working capital changes	**223.9**	**250.9**
(Increase) in working capital	(247.9)	(225.9)
Interest paid	(13.3)	(25.0)
Income taxes paid	(17.2)	(9.9)
Net cash flow from operating activities	**(54.5)**	**(9.9)**
Purchase of property, plant and equipment	(81.3)	(46.5)
Proceeds from sale of property, plant and equipment	2.6	0.2
Purchase of intangible assets	(19.3)	(47.3)
Acquisition of subsidiaries, net of cash acquired	(7.0)	–
Proceeds from disposal of subsidiaries	132.2	–
Other investing cash flows	(1.8)	(1.0)
Net cash flow from investing activities	**25.4**	**(94.6)**
Net cash flow from financing activities	**70.8**	**61.9**
Effect of exchange rate changes on cash and cash equivalents	0.7	0.9
Net increase (decrease) in cash and cash equivalents	**42.4**	**(41.7)**
Cash and cash equivalents at beginning of period	24.7	3.9
Cash and cash equivalents at end of period	67.1	(37.8)
Net increase (decrease) in cash and cash equivalents	**42.4**	**(41.7)**
Cash and cash equivalents	83.7	22.2
Bank overdrafts	(16.6)	(60.0)
Cash and cash equivalents as defined for the cash flow statement	**67.1**	**(37.8)**

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 interest	Total equity
in million CHF								
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, net of tax				8.2		8.2		8.2
Other comprehensive income net of tax				**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/repayment	(72.4)					(72.4)		(72.4)
(Purchase) 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**
As of September 1, 2011	**125.1**	**(7.5)**	**1,560.3**	**2.1**	**(462.9)**	**1,217.1**	**(0.3)**	**1,216.8**
Currency translation adjustments					74.5	74.5	(0.3)	74.2
Effect of cash flow hedges, net of tax				(6.1)		(6.1)		(6.1)
Other comprehensive income net of tax				**(6.1)**	**74.5**	**68.4**	**(0.3)**	**68.1**
Net profit for the period			90.4			90.4	(0.3)	90.1
Total comprehensive income			**90.4**	**(6.1)**	**74.5**	**158.8**	**(0.6)**	**158.2**
Dividend to shareholders			(80.1)			(80.1)		(80.1)
Movements in non-controlling interests						0.0	1.8	1.8
(Purchase) sale in treasury shares (net)		(0.3)				(0.3)		(0.3)
Equity-settled share-based payments		7.8	(2.3)			5.5		5.5
As of February 29, 2012	**125.1**	**0.0**	**1,568.3**	**(4.0)**	**(388.4)**	**1,301.0**	**0.9**	**1,301.9**

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 28, 2012, are unaudited.

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 2010/11.

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

Amendments to IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets (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 securitizations), including the possible effects of any risks that remain with the entity that transfers the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. This amendment will have an impact on the disclosures of the Group's annual report starting from fiscal year 2011/12.

Improvements to IFRS (effective January 1, 2011)
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, 2012:

Amendments to IAS 1 – Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (effective July 1, 2012)
The IASB introduced changes to the presentation of items of other comprehensive income. The amendments require that an entity presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met. The amendments change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, the entity is still allowed to use other titles. 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.

IAS 19 – Employee Benefits (effective January 1, 2013)
The amendments eliminate the option known as the "corridor approach", with all actuarial gains and losses being recognized in other comprehensive income, and enhance the disclosure requirements for defined benefit plans. As a result of these amendments net interest income will be calculated using the discount rate used to measure the obligation. The Group has not yet decided whether or not it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

IAS 27 – Consolidated and Separate Financial Statements (effective January 1, 2013)
This standard has been amended due to the release of IFRS 10 – Consolidated Financial Statements. IAS 27 carries forward the existing accounting for separate financial statements, with some minor clarifications. The Group has not yet decided whether or not it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

IAS 28 – Investments in Associates (effective January 1, 2013)
This standard has been amended due to the release of IFRS 11 – Joint Arrangements. Some minor clarifications have been added. The Group has not yet decided whether or not it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

Amendments to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective January 1, 2014)
These amendments clarify when an entity currently has a legally enforceable right to set off financial assets and financial liabilities, and also clarifies the circumstances when gross settlement is equivalent to net settlement. The amendments are to be applied retrospectively. The Group has not yet decided whether or not it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

Amendments to IFRS 7 – Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective January 1, 2013)
These amendments include minimum disclosure requirements related to financial assets and financial liabilities that are offset in the statement of financial position, and are subject to enforceable master netting agreements or similar agreements. The amendments are to be applied retrospectively. The Group has not yet decided whether or not it will early adopt the standard. Thus, potential impacts on the Group's consolidated financial statements were not yet fully assessed.

IFRS 9 – Financial Instruments and related amendments to IFRS 7 regarding transition (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.

For a financial liability designated as at fair value through profit or loss using the fair value option, the charge in the liability's fair value attributable to charges in the liability's credit risk is recognized directly in other comprehensive income, unless it creates or increases an accounting mismatch.

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.

IFRS 10 – Consolidated Financial Statements (effective January 1, 2013)

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are in the scope of SIC-12. The consolidation procedures are carried forward from IAS 27. 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.

IFRS 11 – Joint Arrangements (effective January 1, 2013)

This standard establishes principles for financial reporting by parties to a joint arrangement. This standard principally addresses two aspects: first, that the structure of the arrangement was the only determinant of the accounting and, second, that an entity had a choice of accounting treatment for interests in jointly controlled entities. IFRS 11 improves on IAS 31 by establishing principles that are applicable to the accounting for all joint arrangements. 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.

IFRS 12 – Disclosure of Interests in Other Entities (effective January 1, 2013)

This standard addresses the need for improved disclosure of a reporting entity's interests in other entities when the reporting entity has a special relationship with those other entities. The standard integrates and makes consistent the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities and present those requirements in a single IFRS as it was observed that the disclosure requirements of IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures overlapped in many areas. 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.

IFRS 13 – Fair Value Measurement (effective January 1, 2013)
This standard defines fair value, sets out in a single IFRS a framework for measuring fair value, and requires disclosures about fair value measurements. The Group has not yet decided whether or not 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, 2012, are not expected to affect the Group:

- Amendments to IAS 12 – Income taxes – Deferred Tax: Recovery of Underlying Assets (effective January 1, 2012)

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.

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 29/28,	Global Sourcing & Cocoa		Europe		Americas		Asia-Pacific		Corporate		Group	
in million CHF	2012	2011[1]	2012	2011[1]	2012	2011[1]	2012	2011[1]	2012	2011	2012	2011[1]
Revenue from external customers	634.1	574.5	1,174.6	1,214.0	548.4	497.5	119.8	118.0	0.0	0.0	2,476.9	2,404.0
Operating profit (EBIT)	**33.9**	**37.1**	**114.5**	**140.0**	**44.3**	**39.4**	**15.7**	**13.5**	**(33.3)**	**(29.8)**	**175.1**	**200.2**

Revenue by geographic regions is stated by customer location

Revenue by Product Group

For the 6-month period ended February 29/28,	2012	2011[1]
in million CHF		
Cocoa Products	634.1	574.5
Food Manufacturers Products	1,451.6	1,441.5
Gourmet & Specialties Products	391.2	388.0

1 Figures have been restated to conform to the current period's presentation. The adjustments mainly relate to the discontinuation of the European Consumer Products business

2 Acquisitions

On September 30, 2011, the Group increased its share in Barry Callebaut Pastry Manufacturing Ibérica SL from 80% to 99%. The related cash outflow of CHF 1.8 million is included in the cash flow statement.

On January 10, 2012, the Group obtained control of La Morella Nuts S.A., a Spanish company active in manufacturing nut based ingredients, by acquiring 100% of the shares and voting interests.

The following summarizes the major classes of consideration transferred:

in million CHF	2011/12
Consideration	
Cash paid	7.0
Consideration deferred	8.6
Total consideration transferred	**15.6**

The deferred payments are contractually due at the first, second and third anniversary of the closing date and do not qualify as contingent consideration with the seller nor are there other arrangements for contingent consideration.

The Group expensed acquisition-related costs, such as fees for due diligence work, lawyers and valuation services, of CHF 0.2 million over the course of the project immediately in the Consolidated Income Statement (included in "General and administration expenses"), of which all was recognized in the current fiscal period.

The following purchase price allocation and fair value of assets and liabilities have been determined on a provisional basis:

in million CHF	2011/12
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current assets	11.8
Non current assets	7.8
Current liabilities	13.6
Non-current liabilities	3.9
Total identifiable net assets	**2.1**
Goodwill	13.5
Total consideration at fair value	**15.6**

The goodwill of CHF 13.5 million arising from the acquisition is attributable to the skills and technical talents of the La Morella work force, synergies expected to be achieved from integrating the company in the Group's existing business and economies of scale expected from combining the operations and sales and sourcing channels of the Group and La Morella. None of the goodwill recognized is expected to be deductible for income tax purposes.

The revenue included in the Consolidated Income Statement since January 10, 2012, contributed by La Morella, was CHF 6.1 million. La Morella has also contributed a profit of CHF 0.3 million over the same period.

Had La Morella been consolidated from September 1, 2011, it would have contributed revenue of CHF 19.7 million and a net profit for the period of CHF 0.8 million to the Consolidated Income statement.

3 Discontinued Operations

On July 8, 2011, the Group signed an agreement with the Belgian based Baronie Group on the sale of its European Consumer Products business. The Group completed the sale (transfer of ownership and control) with closing date on September 30, 2011.

The figures for both the first half of fiscal year 2010/11 and of fiscal year 2011/12 include the results of this operation as well as costs in connection with its discontinuation and are disclosed under the line "Net Result of Discontinued Operations, net of tax".

The net loss from discontinued operations of CHF –31.7 million in the first half of fiscal year 2011/12 includes the net result of the discontinued business until the closing date of the transaction and the result on disposal including foreign currency effects. Since the consideration received is still subject to final adjustments, the values are determined provisionally. The transaction resulted in a net cash inflow of CHF 132.2 million.

Result of the discontinued operations

For the 6-month period ended February 29/28, in million CHF	2011/12	2010/11
Revenue from sales and services	63.2	351.8
Operating expenses [1]	(60.8)	(334.8)
Operating result before disposal costs	**2.4**	**17.0**
Transaction and separation costs [2]	(30.5)	(0.1)
Financial items	(3.3)	(4.4)
Income taxes	(0.3)	(2.3)
Net result from discontinued operations [3]	**(31.7)**	**10.2**
Earnings per share from continuing operations		
Basic earnings per share (CHF/share)	(6.14)	1.97
Diluted earnings per share (CHF/share)	(6.10)	1.96

1 Operating epenses include depreciation and amortization of CHF 1.4 million (2010/11: CHF 9.4 million)
2 Transaction and separation costs include loss on disposal of net assets (CHF 22.2 million) and negative translation effects accumulated in equity since acquisition (CHF 8.3 million)
3 The net result from discontinued operations for the first 6 months of fiscal year 2011/12 includes non-cash expenses in the amount of CHF 32.0 million

4 Other selected explanatory financial information

Purchase of property, plant and equipment

The cash out for property, plant and equipment amounted to CHF –81.3 million. This represents a significant increase compared to the previous year's amount of CHF –46.5 million, which originated mainly from investments into capacity expansions in relation with strategic partnership agreements.

Contingencies

Barry Callebaut is not aware of any new significant litigations or other contingent liabilities compared to the situation as of August 31, 2011.

Dividends/Capital reduction and repayment

By resolution of the Annual General Meeting on December 8, 2011, the shareholders approved the proposed dividend payment of CHF 15.50 per share out of free reserves originating from reserves from capital contributions. The dividend was paid on March 1, 2012. The Company does not intend to pay any interim dividend.

5 Subsequent events

To further strengthen its share in the fast growing Decoration Business, Barry Callebaut has signed an agreement to aquire 100% of the shares of Mona Lisa Food Products, Inc., a company based in the U.S., with effect of March 1, 2012. Due to the short period of time since signature and pending negotiation on final adjustments, acquisition accounting has not been prepared yet.

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Financial calendar

July 5, 2012
9-month key sales figures 2011/12

November 7, 2012
Full-year results 2011/12, Zurich

December 5, 2012
Annual General Meeting 2011/12, Zurich

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 2010/11. 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 2, 2012. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

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