BARRY CALLEBAUT

Letter to Investors

Barry Callebaut reports results for first quarter of fiscal year 2005/06:

Good start into new fiscal year

- **Sales volumes up 2.0% to 299,417 tonnes**
- **Sales revenue up 3.8% to CHF 1,198.5 million**
- **Continued strong growth in Food Manufacturers and Gourmet & Specialties**
- **Operating profit (EBIT) increased strongly by 14.7% to CHF 100.1 million**
- **Net profit (PAT) up 15.8% to CHF 63.9 million**
- **Three-year financial targets confirmed**

Zurich/Switzerland, January 11, 2006 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, announced today its results for the first quarter of fiscal year 2005/06 ended November 30, 2005. Sales volumes went up organically by 2% to nearly 300,000 tonnes. As a result of higher sales volumes, slightly higher underlying cocoa bean prices, a better product mix in Consumer Products and positive currency effects, sales revenue grew faster than sales volumes, namely by 3.8% to CHF 1.2 billion. Sales revenue in the Cocoa business unit was affected by the substantially lower powder ratios as expected. In Consumer Products Europe unprofitable volumes were deliberately discontinued in the course of 2005, and this had an effect on the first quarter of the current fiscal year. Operating profit (EBIT), which serves as key indicator for operational performance as of the current fiscal year, rose 14.7% and, at CHF 100.1 million, crossed the CHF 100 million threshold, up from CHF 87.3 million. EBIT per tonne was CHF 334.3, up 12.4% compared to the same prior-year period. As a result of the refinancing transaction of August 2005, financial cost was reduced by 2.4%. Net profit (PAT) went up by 15.8% to CHF 63.9 million (prior-year period: CHF 55.2 million).

Patrick De Maeseneire, CEO of Barry Callebaut, said: "In our seasonally influenced business, the first quarter leading up to Christmas is usually the strongest for us. This year we had a particularly good start into the new fiscal year thanks to the solid growth in our businesses with industrial and artisanal customers and a positive contribution to the Operating profit (EBIT) from our European consumer business. This confirms the upward trend in our Consumer Products Europe business unit. Reasons for this recovery are a better product mix and better sales prices, despite the deliberate reduction in volumes last year and the effect of the historically high hazelnut prices, which will both still have an effect on second-quarter results."

Barry Callebaut AG
P.O. BOX | 8021 Zurich | Switzerland
Phone +41 43 204 04 04 | Fax +41 43 204 04 00

Overview of business performance in the first three months of fiscal year 2005/06

Sales volumes grew 2.0% to 299,417 tonnes, up from 293,620 tonnes. The entire increase is based on organic growth.

Sales revenue increased by 3.8% to CHF 1,198.5 million, up from CHF 1,154.8 million in the same prior-year period. This increase was the result of higher sales volumes as well as positive currency effects and slightly higher underlying cocoa bean prices.

Operating profit (EBIT) was CHF 100.1 million or 14.7% above the CHF 87.3 million from the same prior-year period. All business units contributed to this strong increase in operating profit. However, in absolute terms, the most significant increase was achieved in the Gourmet & Specialities and Food Manufacturers business units.

Financial cost, net decreased by 2.4% to CHF 20.2 million compared to CHF 20.7 million in the previous year. This decrease was attributable to reduced average interest rates compared to the equivalent prior-year period.

Taxes increased to CHF 15.9 million from CHF 11.5 million, mainly due to the higher pre-tax profit. The average group tax rate increased from 17.3% to 19.9% compared to the same prior-year period.

Net profit (PAT) for the period under review increased by 15.8% to CHF 63.9 million, up from CHF 55.2 million in the previous year.

Shareholders' equity increased by 11% to CHF 929.3 million as of November 30, 2005, compared to CHF 836.7 million at the end of the previous fiscal year on August 31, 2005. This significant increase was the result of a strong net profit for the period, positive currency translation adjustments as well as positive fair value adjustments on financial instruments designated as cash flow hedges.

Development of business segments in the first three months of fiscal year 2005/06

Industrial business segment

The Industrial business segment focuses on selling cocoa and chocolate products to industrial processors and consumer goods manufacturers worldwide.

Sales volumes amounted to 199,147 tonnes, an organic volume growth of 7.8% compared to the 184,733 tonnes in the same prior-year period.

- Cocoa products sold to third-party customers decreased by 2.1% to 32,918 tonnes (33,639 tonnes for the same prior-year period). The main reason for this decline was lower sales of butter and liquor because of Barry Callebaut's own growing needs resulting from the increased sales of chocolate products.
- Sales volumes in the Food Manufacturers business unit were 166,229 tonnes, up 10% from 151,094 tonnes, resulting from a combination of increased outsourcing and market share gains in key markets.

Sales revenue recorded in the Industrial business segment grew by 6.5% to CHF 639.2 million compared to CHF 600.2 million in the same prior-year period.

- In the Cocoa business unit sales revenue decreased by 18.3% to CHF 112.0 million, down from CHF 137.1 million. This significant decrease in sales is mainly due to substantially lower powder ratios, only partly offset by positive currency effects and slightly higher underlying cocoa bean prices. As a reminder, Barry Callebaut mainly sells powder to third parties whereas butter is primarily used for its own production. As the combined ratio remained stable the drop in powder ratios did not negatively impact the operating profit of the business unit.
- The Food Manufacturers business unit managed to increase sales revenue by 13.8% to CHF 527.2 million, up from CHF 463.1 million in the previous year. Organic sales revenue growth, excluding positive foreign exchange effects as well as effects from a slight increase in the cocoa price, was approximately 10.4%. This increase is fully attributable to volume growth.

Food Service/Retail business segment

The Food Service/Retail business segment serves a broad range of customers, from local craftsmen to global retailers. As of the current fiscal year, the Consumer Africa division has been shifted from the Gourmet & Specialties business unit to

Consumer Products. The prior-year figures have been restated accordingly.

Sales revenue grew by 0.8% to CHF 559.3 million, up from CHF 554.6 million.

- Sales revenue recorded in the Gourmet & Specialties business unit increased by 9.2% to CHF 157.4 million, up from CHF 144.0 million. Excluding the positive currency effects, sales revenue in the Gourmet & Specialties business unit increased by 7.6% organically.
- Sales revenue in the Consumer Products business units decreased by 2.1% to CHF 401.9 million, compared to CHF 410.6 million in the same prior-year period. This decrease in sales is mainly related to deliberately discontinued unprofitable customer label contracts. The African consumer business has recently begun picking up.

The implementation of the accelerated restructuring program of the Consumer Products Europe business unit as announced in July 2005 is proceeding according to plan. The improved performance is attributable to progress made with regard to the product mix and sales prices. This offsets the negative effect of the hazelnut prices, which continue to be above average. Other indications of recovery are promising new contracts, including contracts in the area of co-manufacturing for branded consumer goods companies. The first phase of the integration of Consumer Products Europe onto the Group-wide SAP platform has successfully gone live. The second phase – the integration of all administrative processes – will take place in the first semester of calendar year 2006, the third phase in the fall of 2006.

Outlook

"We have had a good Christmas business, our order books for the upcoming Easter season in Food Manufacturers and Gourmet & Specialties look good, and the positive signals from our European consumer business that we had observed in the final quarter of the past fiscal year were confirmed this first quarter. Therefore, even though it is still early in the fiscal year, we confirm the communicated financial targets for the 3-year period 2004/05 through 2006/07, which are on average: organic top-line growth of 3 to 5%, EBIT growth of approximately 10%, and PAT growth of 12-15%. This, of course, barring any major unforeseen event."

* * *

Barry Callebaut
(www.barry-callebaut.com):
With annual sales of more than CHF 4 billion for fiscal year 2004/05, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa, chocolate and confectionery products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut operates more than 30 production facilities in 24 countries and employs more than 8,000 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate (such as chocolatiers, pastry chefs or bakers), to global retailers. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

Half-year results 2005/06 will be published on April 10, 2006 (News release, Shareholders' Letter, Analysts'/Press conference in Zurich).

***

Contacts:
Barry Callebaut AG
P.O. Box
8021 Zurich, Switzerland
phone: +41 43 204 04 04
fax: +41 43 204 04 00
www.barry-callebaut.com

For investors and financial analysts:
Dieter A. Enkelmann, CFO
Barry Callebaut AG
phone: +41 43 204 04 20
fax: +41 43 204 04 00
e-mail: dieter_enkelmann@barry-callebaut.com

For the media:
Gaby Tschofen
VP Corporate Communications
phone: +41 43 204 04 60
fax: +41 43 204 04 00
e-mail:gaby_tschofen@barry-callebaut.com

Key Figures for Barry Callebaut (unaudited)

in CHF		Change (%)	3 months up to Nov 30, 2005	3 months up to Nov 30, 2004
Income Statement				
Sales revenue *in local currencies*	CHF m	3.8	1,198.5 *1,172.2*	1,154.8
Sales volume	mt	2.0	299,417	293,620
Operating profit (EBIT) *in local currencies*	CHF m	14.7	100.1 *98.5*	87.3
EBIT per tonne *in local currencies*	CHF	12.4	334.3 *328.8*	297.3
Net profit (PAT) *in local currencies*	CHF m	15.8	63.9 *63.2*	55.2
Cash flow (1)	CHF m	10.3	92.0	83.4
Shares				
EBIT per share	CHF	14.6	19.36	16.89
Earnings per share (undiluted)	CHF	15.7	12.36	10.68
Earnings per share (diluted)	CHF	15.7	12.36	10.68
Balance Sheet			**Nov 30, 2005**	**Aug 31, 2005**
Balance sheet total	CHF m	12.5	2,997.0	2,664.8
Net working capital	CHF m	31.5	1,092.4	830.8
Non-current assets	CHF m	0.2	1,170.8	1,168.2
Net debt	CHF m	18.0	1,125.3	953.5
Shareholders' equity	CHF m	11.1	929.3	836.7
Others				
Employees		1.4	8,661	8,542

1) Net profit + depreciation of tangible assets + amortization of goodwill and other intangibles

Key figures by business segment (unaudited)

in CHF		**Change (%)**	**3 months up to Nov 30, 2005**	**3 months up to Nov 30, 2004**
Industrial Business Segment				
Sales revenue	CHF m	6.5	639.2	600.2
- Cocoa	*CHF m*	*-18.3*	*112.0*	*137.1*
- Food Manufacturers	*CHF m*	*13.8*	*527.2*	*463.1*
Sales volumes	mt	7.8	199,147	184,733
- Cocoa	*mt*	*-2.1*	*32,918*	*33,639*
- Food Manufacturers	*mt*	*10.0*	*166,229*	*151,094*
Food Service/Retail Business Segment (2)				
Sales revenue	CHF m	0.8	559.3	554.6
- Gourmet & Specialties	*CHF m*	*9.2*	*157.4*	*144.0*
- Consumer Products	*CHF m*	*-2.1*	*401.9*	*410.6*

2) The Consumer Products business in Africa has been shifted from the business unit Gourmet & Specialties to the business unit Consumer Products. The prior-year figures have been restated accordingly.

Consolidated statement of income (unaudited)

for the 3-month period ended	Nov. 30, 2005	Nov. 30, 2004
in millions of Swiss Francs		
Revenue from sales and services	1,198.5	1,154.8
Costs of goods sold	-1'005.8	-980.1
Gross profit	192.7	174.7
Marketing & Sales	-38.2	-39.8
General & Administration	-55.0	-51.6
Other income and expense, net	0.6	4.0
Operating profit (EBIT)	100.1	87.3
Financial cost, net	-20.2	-20.7
Profit before taxes and minority interest	79.9	66.6
Taxes	-15.9	-11.5
Profit before minority interest	64.0	55.1
Minority interest	-0.1	0.1
Net profit	**63.9**	**55.2**
Basic earnings per share (CHF/share)	12.36	10.68
Diluted earnings per share (CHF/share)	12.36	10.68

Consolidated Balance Sheet (unaudited)

Assets

in millions of Swiss Francs

	as of Nov. 30, 2005	as of Aug. 31, 2005
Current assets		
Cash and cash equivalents and short-term deposits	66.9	27.2
Trade accounts receivable	520.4	322.7
Inventories	972.3	892.2
Other current assets	266.6	254.5
	1,826.2	**1,496.6**
Non-current assets		
Property, plant and equipment	737.7	725.9
Investments	6.9	6.9
Intangible assets	376.2	379.9
Long-term deposits	11.9	12.0
Other non-current assets	38.1	43.4
	1,170.8	**1,168.2**
Total assets	**2,997.0**	**2,664.8**

Liabilities and shareholders' equity

in millions of Swiss Francs

	as of Nov. 30, 2005	as of Aug. 31, 2005
Current liabilities		
Bank overdrafts and short-term debt	606.3	233.7
Trade accounts payable	223.4	271.2
Provisions	30.3	39.7
Other current liabilities[1)]	413.2	327.8
	1,273.2	**872.4**
Non-current liabilities		
Long-term debt	597.8	759.0
Deferred tax liabilities	41.8	40.7
Employee benefits	142.4	142.7
Provisions	3.4	4.4
Other non-current liabilities	3.6	3.5
	789.0	**950.3**
Total liabilities	**2,062.2**	**1,822.7**
Minority interests	**5.5**	**5.4**
Shareholders' equity		
Share capital	476.7	476.7
Retained earnings and reserves	452.6	360.0
	929.3	**836.7**
Total liabilities and shareholders' equity	**2,997.0**	**2,664.8**

1) Includes income tax payable

Consolidated cash flow statement (unaudited)

for the 3-month period ended	Nov. 30, 2005	Nov. 30, 2004
in millions of Swiss Francs		
Operating cash flow before working capital changes	**92.2**	**83.4**
(Increase) Decrease in trade accounts receivable and other current assets	(198.9)	(95.2)
(Increase) Decrease in inventories	(64.8)	54.0
(Increase) Decrease in other non-current assets	6.2	(0.5)
Increase (Decrease) in current liabilities	24.7	(58.0)
Net cash flow from operations	**(140.6)**	**(16.3)**
Net cash flow from investing activities	**(23.0)**	**(79.5)**
Net cash flow from financing activities	**160.3**	**133.0**
Effect of change in minority interests	0.1	(0.4)
Effects of exchange rate changes	0.2	(0.3)
Net increase (decrease) in cash and cash equivalents	**(3.0)**	**36.5**
Cash and cash equivalents at beginning of the period	(1.4)	(1.8)
Cash and cash equivalents at end of the period	**(4.4)**	**34.7**
Cash and cash equivalents	61.6	79.3
Bank overdrafts	(66.0)	(44.6)
Cash and cash equivalents as defined for the cash flow statement	**(4.4)**	**34.7**

Consolidated statement of equity (unaudited)

for the period ended November 30, 2005

in millions of Swiss Francs	**Share capital**	**Legal reserves**	**Retained earnings**	**Treasury shares**	**Hedging reserve**	**Cumulative translation adjustment**	**Total**
at August 31, 2004	517.0	240.5	89.0	(9.8)	(0.5)	(35.3)	800.9
Transactions in treasury shares			0.2	0.5			0.7
Equity reserve cash flow hedges					(1.8)		(1.8)
Current year translation adjustments						(26.5)	(26.5)
Negative goodwill Brach's [2]			17.5				17.5
Net profit for the period			55.2				55.2
at November 30, 2004	**517.0**	**240.5**	**161.9**	**(9.3)**	**(2.3)**	**(61.8)**	**846.0**
at August 31, 2005	476.7 [1]	240.5	157.1	(2.5)	(5.5)	(29.6)	836.7
Transactions in treasury shares			0.2	(1.9)			(1.7)
Equity reserve cash flow hedges					12.4		12.4
Current year translation adjustments						18.0	18.0
Net profit for the period			63.9				63.9
at November 30, 2005	**476.7**	**240.5**	**221.2**	**(4.4)**	**6.9**	**(11.6)**	**929.3**

1) Instead of a dividend the annual shareholders' meeting held on December 8, 2004 decided on a share capital reduction of CHF 7.80 per share (total share capital reduction of CHF 40.3 million). After this transaction, the share capital is represented by 5,170,000 authorized and issued shares of each CHF 92.20, fully paid in.

2) The remaining negative goodwill of the Brach's acquisition has been recorded into equity as at September 1, 2004 in line with the requirements of IFRS 3.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

for the period ended November, 2005

1 Accounting policies and basis of presentation

Barry Callebaut AG's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS, formerly International Accounting Standards or IAS) and the provisions of the Swiss Code of Obligations. These unaudited interim condensed Financial Statements are stated in accordance with the regulations of IAS 34 "Interim Financial Statements", except for disclosure of segmental EBIT, which is provided on a semestrial basis only. These interim Financial Statements should be read in conjunction with the audited Financial Statements included in the Barry Callebaut Annual Report 2004/05.

2 Capital expenditure

Capital expenditure for the three-month period ended November 30, 2005 amounted to CHF 23.0 million. (CHF 79.5 million for the three-month period ended November 30, 2004, including the acquisition of the Vending Mix Business of AM Foods).

Capital expenditure is related to continuous investments in connection with our on-going production operations. There were no major disposals in the three-month period ended November 30, 2005 (nor in the three-month period ended November 30, 2004).

3 Overview of Business Performance

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 processed 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.

In the three-month period ended November 30, 2005 revenues increased by 3.8% to CHF 1,198.5 million from CHF 1,154.8 million. Sales volumes at the same time have been increased by 2.0% from 293,620 to 299.417 metric tonnes.

Operating profit (EBIT) strongly increased by 14.7% to CHF 100.1 million from CHF 87.3 million in the previous year. Net profit (PAT) increased by CHF 8.7 million (or 15.8 %) from CHF 55.2 million to CHF 63.9 million.

No significant impairment losses had to be recognized during the three-month period ended November 30, 2005.

The Group employed 8,661 employees as of November 30, 2005 compared to 8'542 as at August 31, 2005.

The cocoa beans stock as of November 30, 2005 amounts to CHF 378.0 million (CHF 290.9 million as of August 31, 2005).

4 Earnings per share

Basic and diluted earnings per share are calculated on the net result for the respective periods and on the weighted average number of ordinary shares issued as per end of each period as disclosed hereunder. As the outstanding treasury shares do not have dilutive potential, these are no longer taken into account for the calculation of the denominator for basic earnings per share.

in millions of Swiss Francs	**Nov. 30, 2005**	**Nov. 30, 2004**
Net result attributable to ordinary shareholders, used as numerator for basic earnings per share	63.9	55.2
After-tax effect of income and expense on dilutive potential ordinary shares	-	-
Adjusted net result used as numerator for diluted earnings per share	63.9	55.2
Weighted average number of shares issued	5,170,000	5,170,000
Weighted average number of ordinary shares outstanding, used as denominator for basic earnings per share	5,170,000	5,170,000
Adjusted weighted average number of ordinary shares, used as denominator for diluted earnings per share	5,170,000	5,170,000

5 Dividends

At the shareholders' meeting in December 8, 2005 it has been decided, that instead of a dividend payment share capital will be reduced by CHF 8.00 per share (reduction of nominal value from CHF 92.20 to CHF 84.20). The respective payment to the shareholders is foreseen for March 1, 2006. An interim dividend is not foreseen.

6 Segment information

Primary segment information

	Industrial Business		**Food Service & Retail Business**		**Corporate/ Unallocated**		**Consolidated**	
In millions of Swiss Francs	**3 mths 05/06**	3 mths 04/05	**3 mths 05/06**	3 mths 04/05	**3 mths 05/06**	3 mths 04/05	**3 mths 05/06**	3 mths 04/05
Revenue from external sales	639.2	600.2	559.3	554.6	-	-	1,198.5	1,154.8

Secondary segment information

	Europe		**Americas**		**Asia-Pacific/Africa**		**Consolidated**	
In millions of Swiss Francs	**3 mths 05/06**	3 mths 04/05	**3 mths 05/06**	3 mths 04/05	**3 mths 05/06**	3 mths 04/05	**3 mths 05/06**	3 mths 04/05
Revenue from external sales	838.0	817.3	289.8	266.8	70.7	70.7	1,198.5	1,154.8

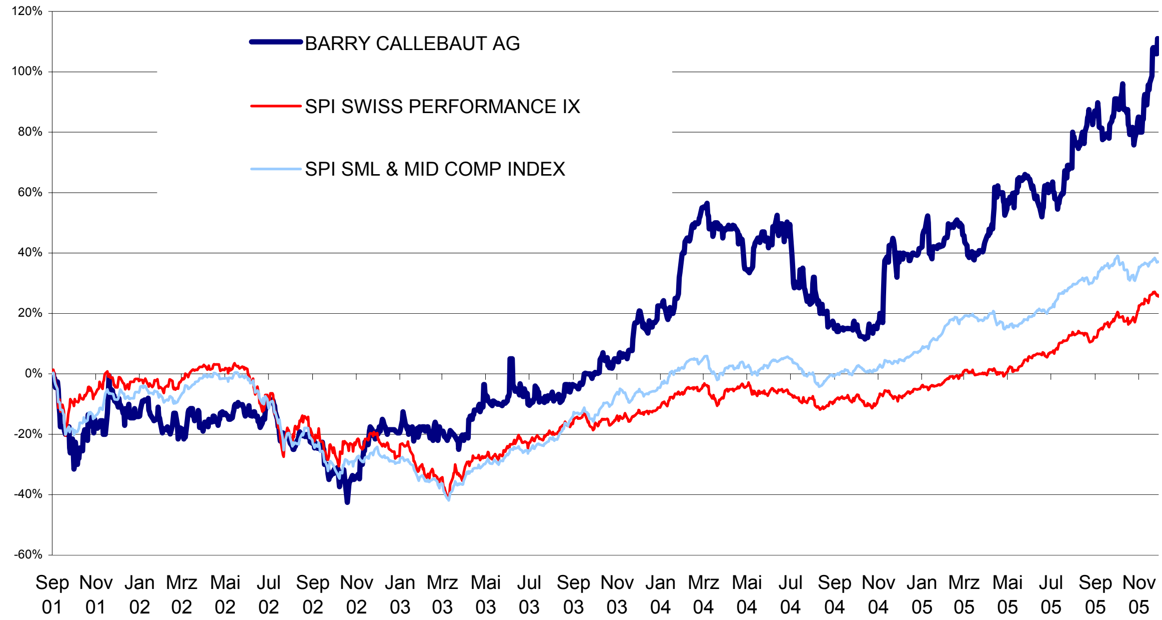
7 Contingencies

At November 30, 2005 the Group was not aware of any new major contingent liability in comparison with the situation as per end of August 2005. The existing contingent liabilities are primarily in respect of bank and other guarantees arising in the ordinary course of business from which it is anticipated that no material obligations will arise.

8 Related parties

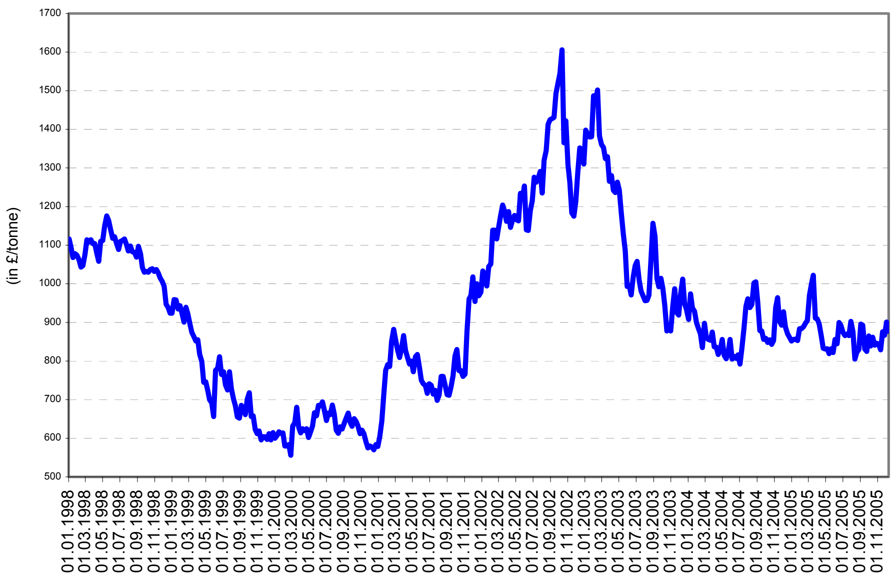
Transactions with related parties are carried out on commercial terms and conditions and at market prices.

Share Price Performance



London Cocoa Terminal Market

6-month forward delivery prices



Sales volumes by region 3 months up to 30.11.2005 (in mt)	
Total	**299,417**
Europe	200,555
Americas	80,623
Asia-Pacific/Africa	18,239

Sales revenue by business unit 3 months up to 30.11.2005 (in CHF millions)	
Total	**1,198.5**
Cocoa	112.0
Food Manufacturers	527.2
Gourmet & Specialties	157.4
Consumer Products	401.9

Sales revenue by region 3 months up to 30.11.2005 (in CHF millions)	
Total	**1,198.5**
Europe	838.0
Americas	289.8
Asia-Pacific/Africa	70.7