

Press release

Barry Callebaut plans to acquire Chadler Group

Barry Callebaut, the world's leading producer of industrial specialty chocolate, has signed a letter of intent to acquire all of the shares of Brazilian cocoa grinder Chadler Industrial da Bahia SA, together with its 100% subsidiary Chadler (USA) Inc. subject to a satisfactory due diligence review of Chadler.

Zürich/Switzerland; Ilheus, Salvador/Brazil; Swedesboro/New Jersey/USA, February 10, 1999. Barry Callebaut AG, Zürich/Switzerland, announced today the signing of a letter of intent to acquire all of the shares of Chadler Industrial da Bahia SA, Ilheus/Salvador/ Brazil, along with its 100% American subsidiary Chadler (USA) Inc., Swedesboro/New Jersey. Chadler's two production facilities reported consolidated sales of over USD 100 million. The transaction is subject to due diligence, board and regulatory approvals and is expected to be closed by April 1999.

In Brazil (traditionally one of the most important cocoa growing countries) Chadler is the third largest cocoa grinder. Its main products are cocoa butter, specialty cocoa powder and cocoa cake which are traded in US dollars. The acquisition of Chadler Brazil will be an excellent addition to Barry Callebaut's strong sourcing position in Ivory Coast and Cameroon. As the first Barry Callebaut plant operating in South America, Chadler Industrial da Bahia SA will serve as a platform to establish stronger links with the existing strategic corporate accounts operating in the Mercosur markets and as a basis to enter the local market for industrial specialty chocolate.

Chadler (USA) Inc. is the third largest cocoa presser in the United States and is well renowned for its specialty semi-finished products. Within the context of the Barry Callebaut Group, Chadler (USA) Inc. will facilitate sourcing for the Group's North American operations. Based on its expertise, the Swedesboro site is expected to become the center of the Group's US specialty cocoa powder business.

Barry Callebaut operates 19 plants in Africa, Europe, North America and Asia Pacific, employs more than 3,000 people and generates annual sales of around CHF 2.2 billion. Pierre Vermaut, Chairman of the Board of Barry Callebaut AG, stated: "The agreement to acquire the Chadler US and Brazilian operations gives Barry Callebaut an excellent opportunity to improve our overall cost basis while gaining access to the Mercosur market for industrial specialty chocolate and cocoa products. I am also particularly glad to welcome Urs Joho, President of Chadler, and his associates in the Barry Callebaut Group."

For further information:

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