



News Release

Committed to a sustainable, responsible cocoa industry: Barry Callebaut and Biolands to replicate tested smallholder cocoa program

- **Barry Callebaut to enter into strategic partnership with Biolands of Tanzania**
- **Biolands is one of world's largest organic smallholder cocoa programs – IMO organic and ISO 9001 certified**
- **Biolands to replicate its successful bottom-up cooperation with farmers in other cocoa producing countries around the world**

Zurich, Switzerland / Dar es Salaam, Tanzania, April 16, 2008 – Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products, has acquired a 49% stake in Biolands, Africa's largest exporter of certified organic cocoa based in Tanzania, after purchasing 100% of Biolands' top-grade cocoa for the past eight years.

The Biolands enterprise is one of the largest organic smallholder cocoa programs in the world. Starting in Tanzania in 1999, Biolands has applied a bottom-up cooperation model, working directly with smallholder farmers to ensure fair prices are paid to the farmers and to improve the quality of cocoa and the farmers' quality of life. This approach guarantees full traceability for every bag of cocoa sold by the 20,000 participating farmers, enabling consumers to know this cocoa has been produced in a sustainable and responsible manner. Biolands cocoa is certified organic by Swiss-based Institute for Marketecology IMO, one of the most renowned international agencies for inspection, certification and quality assurance of eco-friendly products.

Through a bean collection system reaching the villages, farmers are paid directly at delivery. A second payment is made after the season. In addition to providing training in cocoa growing, technical advice and supplies, Biolands has supplied more than 600,000 cocoa seedlings to help improve farms.

“For many farmers, this is the first time they are being treated seriously as partners – as partners who are expected to produce a good product in return for a better price. They feel that their cocoa and their work are valued,” says Eric Smeets, founder and managing director of Biolands. “Without Barry Callebaut's steadfast commitment to buy cocoa from us at a fair price, we wouldn't have been able to achieve our mission, which is to empower local farmers.”

“Biolands' proven track-record based on the direct involvement of cocoa farmers has convinced us to strengthen our relationship,” adds Patrick De Maeseneire, CEO of Barry Callebaut. “Biolands will now replicate their concept in other countries. In our own project in Ivory Coast called ‘Quality Partner’ program we work top-down, i.e. through farmer cooperatives. We intend to test the two models in the field – with the goal to contribute to a sustainable cocoa industry and improve the livelihoods of cocoa farmers and their families in the most effective way.”

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Barry Callebaut (www.barry-callebaut.com):

With annual sales of more than CHF 4 billion for fiscal year 2006/07, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 25 countries, operates about 40 production facilities and employs approximately 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. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

Biolands:

Biolands was founded by Eric Smeets in order to work with Tanzanian smallholder cocoa farmers to assist them to improve the quality and value of their production. This has involved helping them to convert to organic production, improving cultivation practices, planting new trees and introducing grafting among other things. Above all, Biolands has introduced a system which reaches individual farmers enabling both the product to be traceable to precise areas of production and the farmer to receive payments and services directly.

Biolands works with farmers as farmers and not simply as producers of cocoa. It therefore works with smallholders across Mbeya and Ruvuma regions of Tanzania to improve income from other crops such as coffee, paprika and sesame.

Farmers working with Biolands produce about 2,500 metric tonnes of organic cocoa per year.

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