



News Release

Inauguration of Barry Callebaut's chocolate factory in China: Intention to grow sales out of China by six times by 2012

- **Barry Callebaut inaugurates chocolate factory in Suzhou, near Shanghai, as well as a Chocolate Academy, which serves as a teaching and knowledge sharing platform for chocolate artisans**
- **Factory has an annual capacity of 25,000 metric tonnes a year and will supply industrial and artisanal customers**
- **Suzhou selected as regional head office and hub for developing Asian markets**

Zurich, Switzerland/Suzhou, China, (January 9, 2008) – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, today inaugurated its new state-of-the-art chocolate factory and its 8th Chocolate Academy, both located about 100 km west of Shanghai in Suzhou, People's Republic of China.

The factory, with a total production capacity of 25,000 metric tonnes a year and built in the record time of only 12 months, will enable Barry Callebaut to move closer to its growing customer base in Asia-Pacific, in particular in China. Barry Callebaut's chocolate sales in the region rose around 20% in 2006/07. Barry Callebaut has been present in Asia-Pacific with a chocolate factory in Singapore since 1997. The Singapore factory ran at full capacity in the past fiscal year, which limited the company's ability to capture the region's growth potential.

The new Chocolate Academy in Suzhou, which employs two French pastry chefs promoting the Group's specialized Gourmet brands Callebaut (for Belgian chocolate), Cacao Barry (for French chocolate) and Carma (for Swiss chocolate), will offer training courses for chocolate artisans and also serve as a knowledge exchange platform in a region that traditionally lacks a chocolate culture. An application lab and a pilot plant will provide training for industrial customers and will be led by a Belgian specialist.

With its new factory and Chocolate Academy in Suzhou, the company aims to grow its sales out of China by six times by 2012. The total investment amounted to approximately USD 20 million. The factory will employ about 35 people, with another 25 employees in sales and administrative functions.

Starting from a very low base of annual chocolate consumption of about 100 grams per capita in China – while the highest annual chocolate consumption per capita, in Western Europe, is more than 11 kilograms per capita –, the Chinese chocolate market offers a dynamic growth potential of an expected 8.8% per annum in the next five years, according to business intelligence provider Euromonitor. This compares with a 2 to 3% annual growth rate for the global chocolate market. Barry Callebaut's new site in Suzhou will serve as the head office for Region Asia Pacific and as a hub to supply national and multinational food manufacturers and a growing number of artisanal customers in the region. It will not manufacture any end-consumer products.

Patrick De Maeseneire, CEO of Barry Callebaut, said: *“China will be our key target market in Asia for the next coming years. Today's consumption per capita may be low and may pick up only slowly in rural areas. But the development speed of urban areas along the belt from Beijing to Shanghai and to Hong Kong is breathtaking. There alone, we are talking of about 500 million potential chocolate consumers who start traveling, who are open to novelties*



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including new foods and who have enough disposable income to buy chocolate, which is seen as a premium product. Through our industrial and artisanal customers, whom we will serve out of Suzhou, we can offer Chinese consumers and tourists visiting China new and exquisite taste experiences.”

“Demand for chocolate in China is growing at an incredible speed and will be further spurred by the Olympics in 2008 and the World Expo in Shanghai in 2010. With the growth in income, consumption of chocolate will become more accessible to a larger part of the population,” says Maurizio Decio, Barry Callebaut Vice President Asia.

Certain volumes, which were previously produced in Barry Callebaut’s factory in Singapore and exported to China, will now be transferred to the new facility in Suzhou. The free capacity in Singapore will be used to serve rising demand for chocolate products in other Asian countries.

The opening ceremony of the factory and the Chocolate Academy in Suzhou took place in the presence of the regional authorities and Andreas Jacobs, Chairman of Barry Callebaut, Patrick De Maeseneire, CEO, and Maurizio Decio, Vice President Asia..

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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 products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 23 countries, operates 38 production facilities and employs about 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.

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