News Release

Barry Callebaut reports full-year results for fiscal year 2009/10 ended August 31, 2010:

Strong year – dynamic growth

- **Significant sales volume growth: +7.6%**
- **Accelerated sales volume growth of Gourmet & Specialties business: +17.3%**
- **Sales revenue up 11.3% in local currencies (+6.8% in CHF)**
- **Strong operational result: EBIT +7.9% in local currencies (+5.6% in CHF)**
- **Excellent net profit development: +13.5% in local currencies (+10.9% in CHF)**
- **Financial performance targets[1] confirmed and extended by one year through 2012/13**
- **Proposal of a capital repayment of CHF 14.00 per share, up 12% compared to prior year**
- **Mr Jakob Baer proposed for election as additional Board member**

Group key figures for fiscal year 2009/10

		Change in %		12 months up to Aug 31, 2010	12 months up to Aug 31, 2009
		in local currencies	in reporting currency		
GROUP					
Sales volume	mt		7.6	**1,305,280**	1,213,610
Sales revenue	CHF m	11.3	6.8	**5,213.8**	4,880.2
EBITDA	CHF m	5.8	3.2	**470.7**	456.1
Operating profit (EBIT)	CHF m	7.9	5.6	**370.4**	350.8
Net profit	CHF m	13.5	10.9	**251.7**	226.9

Zurich/Switzerland, November 4, 2010 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, reported strong results for fiscal year 2009/10 (ended August 31). With a **sales volume** growth of 7.6%, Barry Callebaut significantly outperformed the global chocolate confectionery market which was basically flat at a growth rate of 0.3%. All regions contributed to this growth. It was particularly strong in those regions where Barry Callebaut had made major investments in the past years: Americas (+15.6%), Asia-Pacific (+15.5%) and Eastern Europe (+11.1%). In terms of Product Groups, Gourmet & Specialties Products managed to accelerate their fast growth pace, recording a sales volume increase of 17.3%.

The strong Swiss franc – Barry Callebaut's reporting currency – had an unfavorable impact on sales revenue, operational profit (EBIT) and net profit. In local currencies, **sales revenue** grew strongly by 11.3% (+6.8% in CHF) and reached CHF 5,213.8 million, driven by a higher sales volume and higher average raw material prices. Further operational efficiency gains, an improved capacity utilization as well as tight cost management programs could more than compensate for the anticipated unfavorable combined cocoa ratio[2], the adverse currency translation effect and fewer one-off gains than in the prior-year period. **Operating profit (EBIT)** growth in local currencies was 7.9%; in CHF, the increase was 5.6%, up to CHF 370.4 million. As a result of lower financing costs, **net profit** grew even faster than EBIT; it rose to CHF 251.7 million, or +13.5% in local currencies (+10.9% in CHF).

Juergen Steinemann, CEO of Barry Callebaut, said: "We have managed to deliver top results. Market conditions were challenging with a still rather fragile world economy, a flat global chocolate market, high raw material prices and important currency fluctuations. Our growth strategy based on the three pillars of expansion, innovation and cost leadership, together with our robust business model, have allowed us to cope well with all these market challenges. The main highlights of the past fiscal year were the successful negotiations of a major long-term global supply agreement with Kraft Foods signed in early September 2010, confirming the trend towards outsourcing and strategic partnerships; the

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[1] 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 major unforeseen event

[2] The "combined cocoa ratio" is the combined sales price for cocoa butter and cocoa powder relative to the cocoa bean price

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opening of our chocolate factory in Brazil, the first one we have in South America; and the gratifying results of our increased focus on our Gourmet & Specialties business."

The global chocolate confectionery market[3]

Until April 2010, the global chocolate confectionery market was flat in volume terms. Thereafter, it began to recover in some regions but, with a slight plus of 0.3%, it still has not returned to its previous long-term average growth rate of 2-3% per year. However, some markets recorded attractive growth rates, such as the United States (+2.7%), Brazil (+3.5%) and China (+8.2%), while growth in Western Europe was still low (+0.9%) and Eastern Europe continued to suffer (-5.3%).

Overview of performance by region in fiscal year 2009/10

Region Europe – Strong performance amidst challenging market conditions

After bottoming out by the end of calendar year 2009, the chocolate confectionary markets in Western Europe saw a stagnating first semester followed by a second half with slightly increasing consumption – Eastern Europe still shows negative growth rates, especially Russia.[3]

Barry Callebaut increased its **sales volume** in Region Europe by 4.1% to 753,011 tonnes. In local currencies, **sales revenue** outperformed volume growth at 4.8%, but was hit by adverse currency effects; in CHF it decreased by 0.5% to CHF 3,042.0 million. **Operating profit (EBIT)** strongly rose to CHF 268.7 million, up 8.3% in local currencies (+6.3% in CHF), as a result of efficiency gains, slight margin improvements and strict cost control.

Eurogran, the Danish vending mix specialist acquired in summer 2009, as well as Spanish compound and chocolate maker Chocovic, acquired in December 2009, have now been fully integrated into the Barry Callebaut Group and made a positive contribution to sales volume, sales revenue and EBIT. In the factory in Lodz, Poland, a second chocolate production line went on stream in October 2010.

Region Americas – Substantial growth in a mixed market environment

The mature economies of the United States and Canada slowly returned to positive GDP growth after being hit hard by the financial crisis. However, consumer confidence softened and the economic recovery stalled in the second half of the fiscal year. In contrast, the developing regions of Brazil and Mexico showed consistent strength. Chocolate consumption in the United States dipped to low levels in early 2010 but rebounded strongly in the third quarter of fiscal year 2009/10. Overall, the chocolate market in the U.S. grew by 2.7% while the Brazilian chocolate market increased by 3.5%.[3]

In this mixed market environment, Barry Callebaut's Region Americas achieved a strong **sales volume** growth of 15.6% to 291,399 tonnes, driven by long-term outsourcing and supply agreements with key Corporate Accounts as well as through broad-based growth in the Gourmet business. **Sales revenue** went up to CHF 998.2 million, corresponding to an increase of 15.7% in local currencies (+10.8% in CHF). **Operating profit (EBIT)** rose considerably by 6.3% in local currencies (+7.2% in CHF) and came in at CHF 92.5 million, positively influenced by the volume growth in both Food Manufacturers and Gourmet & Specialties Products business, partly offset by infrastructure investments to support the ongoing growth, including the start-up costs for the new chocolate factory in Brazil, inaugurated in May 2010. This factory which will primarily manufacture Gourmet products is now operational.

Region Asia-Pacific – A strong growth story continues

In 2009 economic growth ratesin Asia-Pacific were mixed, ranging from a GDP decline of 5.2% in Japan to an impressively resilient growth rate of around 9.0% for China. In 2010, GDP growth in the region is expected to range between 4.5% and 9.5%, with the exception of Japan.[4] However, the general growth dynamics in Asia did not translate into higher chocolate consumption across all markets in fiscal year 2009/10. While some chocolate markets, such as China, India, Indonesia and Malaysia showed significant growth, Japan – one of the major markets – was flat.[3]

[3] Source: Nielsen, September 2009 – August 2010

[4] Source: The World Bank, summer 2010

In Region Asia-Pacific, Barry Callebaut increased its **sales volume** by 15.5% to 47,984 tonnes. **Sales revenue** went up by 23.2% in local currencies (+21.4% in CHF) and came in at CHF 211.1 million. Key drivers for this strong growth were higher demand for quality chocolate, including the company's imported European Gourmet products, and market share gains. Due to the disposal of the Asian consumer business in the previous fiscal year, **operating profit (EBIT)** decreased by 27.4% in local currencies (-28.4% in CHF) and amounted to CHF 20.9 million. Without this one-off effect, EBIT grew 87.6% in local currencies (+85.0% in CHF).

Global Sourcing & Cocoa[5] - Creating value through core ingredients

In fiscal year 2009/10 **cocoa** prices were very volatile and reached new historical highs driven by fears of a poor crop and heavy speculative buying. Prices jumped aggressively in the initial months, reaching a 33-year high at the London terminal market in July 2010, but then fell back to close at GBP 1,954 per tonne on August 31, 2010, around last year's level. While the world **sugar** price has shown a significant upside move due to a deficit production for the second crop in a row, the sugar price in the regulated EU region, where Barry Callebaut sources the majority of its sugar supplies, was stable, even somewhat declining. Prices for skimmed **milk powder** went up considerably in the first half of the fiscal year to then stabilize at a relatively high level.

Global Sourcing & Cocoa strongly increased the **volume** of cocoa products sold to third-party customers by 8.2% to 212,886 tonnes. North and South America were the top performers, with both showing double-digit growth. **Sales revenue** came in at CHF 962.5 million, a significant increase in local currencies of 29.9% (+28.5% in CHF), due to both higher cocoa bean prices and higher volumes. There was high demand for cocoa powder since the market segments using cocoa powder as an ingredient – mainly the bakery, ice cream and beverage industries – did not suffer as much from the global economic crisis as the chocolate confectionery market where cocoa butter is used to a great extent. Due to the stagnation in the global chocolate market, cocoa butter stocks further increased. As a result the (forward) combined cocoa ratio was under pressure because the high cocoa powder prices could not compensate for the low cocoa butter prices. The combined cocoa ratio showed a recent improvement but it is too early to say whether this will last. **Operating profit (EBIT)** grew to CHF 54.5 million, +5.4% in local currencies (+3.9% in CHF).

Development by product group in fiscal year 2009/10

Food Manufacturers Products increased its sales volume by 8.3% to 830,849 tonnes, driven by solid growth in all regions, the further implementation of previously signed outsourcing contracts and strong sales of decorations, as well as compounds and fillings. While growing 9.6% in local currencies, sales revenue growth in CHF was 4.3% due to negative currency translation effects; sales revenue was CHF 2,716.7 million.

Operating profit (EBIT) for the Industrial Products Group (Cocoa Products and Food Manufacturers Products) stood at CHF 290.6 million, up 7.5% in local currencies (+6.3% in CHF), as a result of higher volumes, efficiency gains and continuous improvements.

Gourmet & Specialties Products managed to accelerate their fast growth pace as a result of a stronger focus on the business with artisanal customers, strengthened distribution, an adjusted product range and market share gains in all regions. With more at-home consumption than prior to the global economic crisis, for example in North America, the business in the bakery, pastry and confectioners segments was holding up while the Hotel/Restaurant/Catering (HORECA) segment was generally still soft. Sales volume grew significantly by 17.3% to 133,048 tonnes, partly supported by scope effects resulting from the recent acquisitions of Eurogran in Denmark and Chocovic in Spain. In the beverage business, Barry Callebaut is now the market leader in Europe. Sales revenue amounted to CHF 707.6 million, up 19.4% in local currencies (+14.3% in CHF).

[5] Please note that the figures reported under "Global Sourcing & Cocoa" include all sales of cocoa products (also called "semi-finished products") to third-party customers in all regions while the figures shown under the respective region show all chocolate sales.

Consumer Products underwent a change in scope due to the divestment of the Asian consumer business in the previous year and reclassification of certain Food Manufacturers Products into Consumer Products in line with the segment reporting changes introduced this year. This had an impact on sales volume, sales revenue and operational profit (EBIT). Consumer Products managed to grow its international sales and to improve its country portfolio. Sales volume overall declined by 5.7% to 128,497 tonnes. Sales revenue amounted to CHF 827.0 million, a decrease of -4.6% in local currencies or -8.8% in CHF.

Operating profit (EBIT) for the Food Service/Retail Products Group (Gourmet & Specialties and Consumer Products) was CHF 146.0 million, up 1.9% in local currencies (-0.8% in CHF). Excluding the one-off gain of CHF 17.9 million related to the aforementioned sale of the Asian Consumer business in the prior year, EBIT went up 16.0% in local currencies and 12.9% in CHF.

Fine-tuning Barry Callebaut's growth strategy

The past two challenging years confirmed the validity of Barry Callebaut's growth strategy based on the three pillars geographic expansion, innovation and cost leadership. However, the strategic pillar "geographic expansion" needed some fine-tuning because, apart from geographic expansion, there are also opportunities to expand in scale, breadth and depth.

First, Barry Callebaut intends to further strengthen the global leadership position of its Gourmet & Specialties business by managing it as a unit that is 'independent from but interdependent with' its industrial business. This means that dedicated management teams have been appointed for the Gourmet & Specialties businesses in Western Europe and North America, the biggest markets, who will get their own profit and loss responsibility within the region to even better steer the implementation of the Gourmet strategy. The better segmentation of the different customer groups and markets will allow Barry Callebaut to adapt its product range and service offering to meet their specific needs. At the same time, the Gourmet & Specialties business will remain interdependent with the Group's industrial factories and benefit from their scale and manufacturing efficiency. Beyond this, the international gourmet brands Callebaut and Cacao Barry will be developed into global brands and marketing activities will be built around them.

Second, when looking at the business with industrial customers, Barry Callebaut will take a three-pronged approach: 1) driving the current market consolidation and strengthening the position in the mature markets of Western Europe and North America; 2) achieving the full potential in the recently entered emerging markets, such as Russia, China, Japan, Mexico and Brazil; 3) carefully analyzing the entry to other emerging markets. Implementing existing outsourcing volumes and strategic partnerships as well as securing further outsourcing deals with regional and local food manufacturers will remain an essential part of Barry Callebaut's business strategy.

Outlook

Looking ahead, CEO Juergen Steinemann said: "The results of the past fiscal year and our fine-tuned strategy give us the confidence to confirm our financial performance targets and to extend the period by one year to 2012/13*. With regard to the economic situation we are cautiously optimistic. We believe that growth will continue to pick up, albeit with geographic variations. As a consequence, we assume that the global chocolate market will grow by approximately 1-2%, i.e. still below the long-term average of 2-3% per annum. We expect raw material prices to stay above the historical averages and to remain volatile. This is why we will focus on securing our long-term supply of cocoa beans – the foundation of our business. Our strategic priorities will be accelerating the growth of our Gourmet business, implementing recent outsourcing and strategic partnership agreements, setting the stage for the next wave of geographic growth in emerging markets, and enhancing our organizational structures to successfully manage our further growth."

* These targets are on average 6-8% volume growth per annum and average EBIT growth in local currencies at least in line with volume growth – barring any major unforeseen events

Proposals to the Annual General Meeting

Par value reduction in lieu of a dividend
The Board of Directors proposes to the Annual General Meeting of December 7, 2010 to increase the repayment to shareholders by 12%, from CHF 12.50 to CHF 14.00 per share, representing a payout ratio of 28.8%. Instead of a dividend payment, the Board of Directors proposes to reduce the share capital of the company through the reduction of the par value per share from CHF 38.20 to CHF 24.20. The par value reduction of CHF 14.00 will be paid out to shareholders in March 2011, subject to approval by the shareholders at the Annual General Meeting.

Board of Directors
All Board members will stand for re-election for another term of office of one year. Further, the Board of Directors proposes to the Annual General Meeting that Mr. Jakob Baer, former CEO of KPMG (Switzerland) and today member of the Board of major companies such as Swiss Re, Adecco, Rieter and Allreal, be elected as additional member of the Board of Directors (see separate CV). He is foreseen as successor to long-time Board member Urs Widmer who intends to step down from the Board as of the Annual General Meeting 2011 due to retirement.

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For more detailed financial information see Barry Callebaut's "Annual Report 2009/10" (only available in English on November 4, 2010; German version to be available as of November 12, 2010), as well as the company's "Letter to Investors", both posted on the company's website (www.barry-callebaut.com/documentation).

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Barry Callebaut www.barry-callebaut.com :
With annual sales of about CHF 5.2 billion / EUR 3.6 billion / USD 4.9 billion for fiscal year 2009/10, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finest finished product. Barry Callebaut is present in 26 countries, operates more than 40 production facilities and employs about 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. 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. The company is actively engaged in initiatives and projects that contribute to a more sustainable cocoa supply chain.

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Financial calendar for fiscal year 2010/11 (September 1, 2010 to August 31, 2011):

Annual General Meeting 2009/10	December 7, 2010
3-month key sales figures 2010/11 (news release)	January 12, 2011
Half-year results 2010/11 (news release & conference)	April 1, 2011, Zurich
9-month key sales figures 2010/11 (news release)	June 30, 2011
Full-year results 2010/11 (news release & conference)	November 10, 2011, Zurich
Annual General Meeting 2010/11	December 8, 2011, Zurich

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Contacts

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Media and Analysts'/Institutional Investors' conferences of Barry Callebaut AG

Date: Thursday, November 4, 2010
Location: Barry Callebaut Head Office, Chocolate Academy, Groundfloor, Pfingstweidstrasse 60, Westpark, 8005 Zurich/Switzerland

Time: **Media** 09:30 am to 10:30 am CET
Analyst/Institutional Investors: 11:30 am to approx. 01:00 pm CET

The conference can be followed by telephone or audio Webcast.

	Media	**Analyst/Institutional Investors**
Switzerland	0565 800 012	0565 800 012
Belgium	02 401 25 18	02 401 25 18
France	0176 728 973	0176 728 973
Germany	0692 222 4956	0692 222 4956
UK	+44 (0) 1452 561 488	+44 (0) 1452 561 488
Japan	0053 112 2150	0053 112 2150
China North	1080 074 413 74	1080 074 413 74
China South	1080 044 111 98	1080 044 111 98
USA	1 877 328 4999	1 877 328 4999
Canada	1 866 992 3610	1 866 992 3610
Rest of the world	+44 (0) 1452 561 488	+44 (0) 1452 561 488
Pin Code:	**15850034**	**15572148**

To **access the live audio Webcast streaming**, please follow the below link:
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* * *

A **playback** of the conference will be available 1.5 hours after the conferences. The **phone conference replays** will be available for one month, accessible under:

	Media	**Analyst/Institutional Investors**
International Dial-in	(+44) (0) 1452 55 00 00	(+44) (0) 1452 55 00 00
USA Dial-in	1 866 247 4222	1 866 247 4222
Pin code	**15850034** followed by the **#** sign	**15572148** followed by the **#** sign

The **Webcast replays** will be available for three months, accessible as follows:
Media http://gaia.world-television.com/barry-callebaut/20101104/media/
Analyst/Institutional Investors http://gaia.world-television.com/barry-callebaut/20101104/analyst/

All details can also be found on the Barry Callebaut website.

If you need assistance, please contact Ms Tamara Frey (phone: +41 43 204 0459 or e-mail: tamara_frey@barry-callebaut.com).

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Key figures for the Barry Callebaut Group for fiscal year 2009/10 (audited)

		Change in %		12 months up to Aug 31, 2010	12 months up to Aug 31, 2009*
		in local currencies	in reporting currency		
GROUP					
Sales volume	mt		7.6%	1,305,280	1,213,610
Sales revenue	CHF m	11.3%	6.8%	5,213.8	4,880.2
EBITDA	CHF m	5.8%	3.2%	470.7	456.1
Operating profit (EBIT)	CHF m	7.9%	5.6%	370.4	350.8
Net profit for the year	CHF m	13.5%	10.9%	251.7	226.9
BY REGION					
Europe					
Sales volume	mt		4.1%	753,011	723,099
Sales revenue	CHF m	4.8%	(0.5%)	3,042.0	3,056.3
EBITDA	CHF m	7.1%	4.1%	324.1	311.4
Operating profit (EBIT)	CHF m	8.3%	6.3%	268.7	252.7
Americas					
Sales volume	mt		15.6%	291,399	252,159
Sales revenue	CHF m	15.7%	10.8%	998.2	901.1
EBITDA	CHF m	7.0%	7.1%	108.1	100.9
Operating profit (EBIT)	CHF m	6.3%	7.2%	92.5	86.3
Asia-Pacific					
Sales volume	mt		15.5%	47,984	41,544
Sales revenue	CHF m	23.2%	21.4%	211.1	173.9
EBITDA	CHF m	(26.3%)	(27.5%)	26.2	36.1
Operating profit (EBIT)	CHF m	(27.4%)[1]	(28.4%)[1]	20.9	29.2
Global Sourcing & Cocoa					
Sales volume	mt		8.2%	212,886	196,808
Sales revenue	CHF m	29.9%	28.5%	962.5	748.9
EBITDA	CHF m	5.8%	3.6%	75.2	72.6
Operating profit (EBIT)	CHF m	5.4%	3.9%	54.5	52.5

* Certain comparatives have been restated to conform with the current period's presentation

[1] +87.6% in local currencies (+85.0% in CHF) excl. the one-off gain on the disposal of the Asian consumer business in the prior year

		Change in %		12 months up to Aug 31, 2010	12 months up to Aug 31, 2009*
		in local currencies	in reporting currency		
BY PRODUCT GROUP					
Industrial Products					
Sales volume	mt		8.3%	1,043,735	963,858
Cocoa Products	mt		8.2%	212,886	196,808
Food Manufacturers Products	mt		8.3%	830,849	767,050
Sales revenue	CHF m	14.1%	9.7%	3,679.2	3,354.5
Cocoa Products	CHF m	29.9%	28.5%	962.5	748.9
Food Manufacturers Products	CHF m	9.6%	4.3%	2,716.7	2,605.6
EBITDA	CHF m	6.1%	4.4%	350.5	335.8
Operating profit (EBIT)	CHF m	7.5%	6.3%	290.6	273.5
Food Service / Retail					
Products					
Sales volume	mt		4.7%	261,545	249,752
Gourmet & Specialties Products	mt		17.3%	133,048	113,466
Consumer Products	mt		(5.7%)	128,497	136,286
Sales revenue	CHF m	5.1%	0.6%	1,534.6	1,525.7
Gourmet & Specialties Products	CHF m	19.4%	14.3%	707.6	619.0
Consumer Products	CHF m	(4.6)%	(8.8%)	827.0	906.7
EBITDA	CHF m	1.8%	(1.1%)	183.1	185.2
Operating profit (EBIT)	CHF m	1.9%[1]	(0.8%)[1]	146.0	147.2

* Certain comparatives have been restated to conform with the current period's presentation
[1] +16.0% in local currencies (+12.9% in CHF) excl. the one-off gain on the disposal of the Asian consumer business in the prior year