

## News Release

# Barry Callebaut and Stollwerck joining forces

## Strategic expansion of leading market positions

- Achieving together a leading position in Europe and Germany, Europe's largest market
- Strategic expansion of Barry Callebaut's Consumer Products business
- Stollwerck's corporate succession secured with a strong international partner
- High degree of complementarity
- Further progress towards greater and more stable value creation

Zurich/Cologne, April 26, 2002 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, has acquired the Cologne-based Stollwerck Group. Stollwerck is one of Germany's most prominent chocolate manufacturers. The combination of the two companies enables Barry Callebaut to achieve a leading position in the total European cocoa and chocolate market, whilst gaining a stronger position in the German consumer chocolate market. Germany is the largest European market and the second-largest market worldwide for cocoa and chocolate products. The transaction is subject to regulatory approval.

## Operating synergies

The two companies generated combined pro forma sales for fiscal year 2001 of CHF 3,325 million or EUR 2,210 million. The nature of the two businesses is highly complementary. Barry Callebaut, whose historical roots are in Belgium, France and Switzerland, establishes a firm position in the German market through the acquisition of Stollwerck. Barry Callebaut's limited activities in Germany were so far focused on chocolate for industrial customers and to customer label business for retailers. Stollwerck, on the other hand, has a high market share both in branded customer chocolate and customer labels.

Stollwerck will be integrated into the Barry Callebaut Group. Together the two companies will occupy a leading position in the German chocolate market. The synergy potential created through integration has been calculated to amount to CHF 32 million (EUR 22 million). These synergies will be fully realized by the end of fiscal year 2004/05. The acquisition of Stollwerck will entail one-off restructuring costs of CHF 80 million or EUR 56 million, which will be charged to the current year's accounts. The Board of Directors of Barry Callebaut has, however, proposed leaving the dividend for fiscal 2001/02 unchanged from the prior year's level.

## Barry Callebaut: Strategic expansion of Consumer Product business

The acquisition of Stollwerck enables Barry Callebaut to grow its branded or end-consumer activities into a substantial business unit, consistent with its stated strategy of continuously expanding high-quality, high value-added products and services also in the areas of chocolate for industrial customers and Gourmet. At the same time, the transaction further reduces the share of revenue generated by semi-finished products.

This is consistent with Barry Callebaut's intention of deliberately scaling back this type of business for third-party customers, thereby reducing the company's exposure to the price fluctuations for semi-finished products. Barry Callebaut will, however, continue to maintain its vast know-how through the processing of semi-finished products for its own use.

The top priorities in the Food Manufacturers (Chocolate for Industrial Customers) business unit, Barry Callebaut's largest business area, still revolve around extending its cost leadership and expanding its range of services. The Food Service (Gourmet & Specialties) business area will continue to focus on enhancing the growth of innovative, high-quality and high-margin products and services. Barry Callebaut expects to achieve sustained quality growth for the entire Group through consistently following its stated strategy.

### **Stollwerck: Future prospects secured**

For Stollwerck, joining forces with Barry Callebaut secures its future prospects. This applies primarily with regard to the continued strengthening of its premium brands such as Sarotti and Gubor. Dr. h.c. mult. Hans Imhoff, Stollwerck's former majority shareholder and Chairman of the Supervisory Board, has ensured the successful continuation of his life's work in a national and international context through this transaction.

Additional advantages for Stollwerck arise from having access to Barry Callebaut's extensive know-how in the fields of risk management, sourcing, process optimization and innovation. For its part, Stollwerck will be able to contribute expertise in the field of sales and marketing, particularly with regard to brand building.

### **A solid future**

The transaction between Barry Callebaut and Stollwerck brings together two companies rich in tradition and well established in their respective markets. The companies complement each other with regard to geographic reach as well as product, service and customer portfolios. Andreas Schmid, Barry Callebaut's Chairman and CEO, comments on the acquisition as follows: "Working together to take full advantage of future market opportunities is an exciting challenge. Barry Callebaut is now in an even better position to actively participate in the global consolidation process underway in the chocolate industry and to offer our customers the full range of products, from the cocoa bean to the finished chocolate product." Dr. h.c. mult. Hans Imhoff, Chairman of the Supervisory Board of Stollwerck, adds: "The future of Stollwerck AG has always been very important to me. I was, therefore, determined to set the right course and find a partner who was just as crazy about chocolate as I am. We have found the ideal partner in Barry Callebaut. Knowing everything about cocoa beans and knowing how to sell them are two strengths that complement each other well."

**Seller takes a stake in Barry Callebaut – public offer to minority shareholders**

The total value (enterprise value) of the acquisition, including financial liabilities, amounts to CHF 256 million (EUR 175 million). In a first step, the transaction includes 96% of the Stollwerck shares held by Imhoff Industrie-Holding and the charitable Imhoff Foundation. The purchase price will be paid in part with Barry Callebaut shares, thus making the Imhoff Group an important shareholder of Barry Callebaut.

Once the acquisition has been approved, Barry Callebaut will make a mandatory public offer to buy out the remaining shareholders of Stollwerck AG (4%) in accordance with stock exchange regulations. The parties involved in the transaction anticipate that the regulatory approval required to carry out the transaction will be granted in the near term. Barry Callebaut's public offer to the minority shareholders will be based on an average price for Stollwerck shares. The weighted average share price during the three months preceding the close of trading on April 24, 2002 amounted to approx. EUR 273. The fixing of the offer price will remain subject to approval by the responsible German regulatory authorities.

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**To editorial staff:**

Please note the separate invitation to Barry Callebaut's and Stollwerck's joint press conferences as scheduled below:

Zurich (Switzerland)

Date: Friday, April 26, 2002  
Time: 11 a.m. – 12 a.m.  
Location: Börse SWX, Convention Point, Bid & Ask Room  
Selnaustrasse 30, 8001 Zurich, Switzerland

Cologne (Germany)

Date: Friday, April 26, 2002  
Time: 2.30 p.m. – 3.30 p.m.  
Location: Stollwerck Chocolate Museum, Rheinauhafen, 50678 Cologne, Germany

**About Barry Callebaut AG:**

Annual sales of CHF 2.5 billion in fiscal year 2000/01 make Barry Callebaut the world's leading manufacturer of high-quality cocoa and chocolate products. The company processes 14% of the global cocoa harvest, operates 24 production facilities in 16 countries and employs about 5,000 people. The company is divided into the four strategic business areas Risk Management, Sourcing & Semi-Finished Products (Cocoa & Sourcing), Food Manufacturers (Chocolate for Industrial Clients), Food Service (Gourmet & Specialties) and Consumer Products in select niches and distribution channels.

Its clients range from industrial processors, such as the world famous branded consumer goods manufacturers who produce chocolate, confectionery, biscuits, dairy products, ice cream and breakfast cereals incorporating its products, to artisanal users, including hotels, gastronomy, chocolate makers, pastry chefs and bakers. Barry Callebaut also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

The holding company, Barry Callebaut AG, has been listed on the SWX Swiss Exchange since June 1998 (ticker symbol BARN). The fully paid-up share capital amounts to CHF 517 million, divided into registered shares with a nominal value of CHF 100 each. On February 28, 2002, the close of the first semester of fiscal 2001/02, the market capitalization was CH 820,737,500. Fiscal year 2001/02 will close on August 31, 2002.

[www.barry-callebaut.com](http://www.barry-callebaut.com)

**Stollwerck AG:**

Stollwerck Group's corporate history goes back to 1839. In 2001 the company generated sales of some EUR 750 mn and had about 5,000 employees. Roughly three fifths of sales were generated in Germany, making Stollwerck a leading player in Europe's largest market. The remaining approximately 40% of sales were generated in Eastern Europe and export markets across the world. Stollwerck's Eastern European activities and Susi specialty shops have been sold in the meantime.

The Western European activities of Stollwerck AG sold to Barry Callebaut AG generated sales of around CHF 774 m or EUR 530 m in 2001 and include eight production facilities located in Germany, Belgium and Switzerland, employing approx. 2,500 people.

Stollwerck's strengths lie in a range of well-recognized, well-established brands in the middle and premium market segments that are consistently and successfully marketed and constantly innovated. The Sarotti brand has performed exceptionally well with annual sales growth clearly surpassing the corresponding market growth rates. Other brands generating substantial sales for Stollwerck are Gubor, Alpia and Sprengel. This underscores the company's skills as a full-range supplier with regard to price categories, market segment and consumer needs.

Stollwerck AG is listed on the Düsseldorf, Frankfurt, Berlin and Hamburg Stock Exchanges.

[www.stollwerck.de](http://www.stollwerck.de)