Barry Callebaut announces full integration of operations: Accelerating strategy implementation

- Barry Callebaut is the preferred solutions provider to the entire food industry from the bean to the shelf
- The implementation of this strategy in the business with global retailers will be accelerated
- Dedicated factory approach ("Centers of excellence") will also lead to cost leadership in consumer business
- Planned transfer of production from Cologne to designated praline factory in Norderstedt, Germany; Cologne factory to be closed
- Organizational changes require management alignment
- Strong fourth quarter

Zurich/Switzerland, September 10, 2004 – Barry Callebaut AG, the world's leading cocoa and chocolate company, will organize its production and logistics activities into a fully integrated and centrally managed "Operations" unit. The "Operations" unit will be responsible for introducing the dedicated factory approach with Centers of Excellence – already successfully implemented in the Group's industrial activities – to the consumer business as well, in order to better satisfy customer requirements and to achieve cost leadership. The Stollwerck factory in Cologne will be closed and further efficiency improvements will be initiated in other factories of the Group.

Accelerating implementation of "preferred partner" strategy across all businesses

The strategy of Barry Callebaut is to be the preferred solutions provider from the bean to the shelf for the entire food industry. The execution of this strategy, which has already been successfully implemented in the company's activities with industrial and artisanal customers, will be accelerated in the business with consumer products. The customers for consumer products fall into two categories: firstly, global retailers; secondly global branded consumer goods companies, which are increasingly seeking to outsource the manufacturing of their finished products in order to focus on marketing and sales. Barry Callebaut, with its comprehensive solutions from the bean to the shelf, already has a number of important contracts in this area.

Barry Callebaut's CEO Patrick De Maeseneire comments: "We have reason to believe that the situation in Germany with a still weak domestic economy, strong growth of customer label products and increased price pressure on suppliers, will persist. Furthermore, the situation in Germany might soon become manifest in other markets as well because the large retailers are expanding rapidly and consumers everywhere are showing a growing interest for quality at the lowest price. We are determined to tap into the strong market growth driven by the worldwide demand of the big retailers for customer labels, and we also want to benefit from the demand of the big branded consumer goods companies for molding and packaging. This is why we have decided to accelerate the implementation of our consumer strategy. We will work on two levels in parallel: tailor-made customer label solutions, extending from product development to sales support, and cost leadership".

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Optimization of manufacturing network

Centralized operations unit

The key to cost leadership in Barry Callebaut's industrial business is its dedicated factory approach with Centers of Excellence. The same approach will now be extended across the entire manufacturing network. The Group's more than 30 production facilities around the world, which were so far the responsibility of the respective business units, will be integrated into a centrally managed "Operations" unit supplying all of Barry Callebaut's business units. The manufacturing of products will be concentrated, and each factory will focus on the products it is best suited for, i.e. Centers of Excellence. This will result in more specific expertise, longer production runs, and optimized stock and capacity management. Furthermore, the separation of Operations from Sales and Marketing will allow the business units to fully focus on serving their specific customer segments.

Capacity reduction in Germany

Stollwerck AG, a German subsidiary of Barry Callebaut AG, has announced today its intention to close its factory in Cologne, Germany, as of the end of March 2005. Negotiations with the German Works Council on a balance of interest for the approximately 150 employees in production affected by the closure will start immediately. The European Works Council has also been informed.

The products made today in Cologne will be transferred to other sites operated by the Group, primarily to the modern Norderstedt facility near Hamburg, Germany, which offers a production capacity of approx. 30,000 tonnes compared to approx. 7,000 tonnes in Cologne. This will result in the concentration of praline production in Germany at one dedicated factory. Approximately 80 new jobs will be created in Norderstedt which will first be offered to the factory workers in Cologne. Cologne, however, will remain the main office for Stollwerck.

The production transfer and the closure of the Cologne factory are fully covered by the CHF 80 million restructuring provision set aside at the time of the Stollwerck acquisition.

Integration of three Swiss offices into one

In order to achieve operational efficiencies, the Group's three Swiss offices in the greater Zurich area – Barry Callebaut's head office in Dübendorf, Barry Callebaut Sourcing in Zug and Barry Callebaut (Switzerland) including the Chocolate Academy in Dübendorf – will be merged into one office in Zurich as of the beginning of 2005.

Organizational changes require management alignment

With immediate effect, Onno Bleeker, so far President Food Manufacturers, has been appointed Chief Operations Officer responsible for global production and supply chain. His successor as President Food Manufacturers will be Massimo Garavaglia, with the Group since 1992 and until now Manager Mediterranean countries/Middle East/Eastern Europe. Financial risk management will be strengthened and report to the CFO. Rudolf Schwab, BU President Sourcing & Risk Management since 1996, has decided to reorientate himself outside the company. The Board of Directors wishes to thank Rudolf Schwab for his many

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years of service and his successful contribution to the company's development. Steven Retzlaff, CFO of Barry Callebaut Sourcing before becoming Division Head of Cocoa, will assume responsibility for both Cocoa and Sourcing and join Barry Callebaut's Senior Management Team with immediate effect. Because of the reorganization of the Barry Callebaut Group, Richard Crux, President Consumer Products Europe and Speaker of the Executive Board of Stollwerck AG, has decided to leave the company. His departure from the company is perfectly amicable. To ensure the transition Richard Crux will continue to be at Barry Callebaut's disposal. The Board of Directors wishes to thank him for the services rendered. Stefan von Klebelsberg, with more than 15 years of experience in the food industry and currently Chairman of the Management Board of Chupa Chups Van Melle in Bonn, Germany, was appointed President Consumer Products Europe and member of Barry Callebaut's Senior Management Team as well as Chairman of the Executive Board of Stollwerck AG. (see separate sheet for CVs.)

Outlook for fiscal year 2003/04

With regard to fiscal year 2003/04 CEO Patrick De Maeseneire said: "We have just closed our books. What I can say is that despite a very competitive environment we had a strong fourth quarter in all our businesses and all our markets, and we believe that we will meet market expectations". Results for fiscal year 2003/04 (ended August 31), 2004 will be published on November 10, 2004.

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

With annual sales of approx. CHF 3.6 billion (EUR 2.4 billion) for fiscal year 2002/03 (closed on August 31, 2003), Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa, chocolate and confectionery products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut operates more than 30 production facilities in 20 countries and employs approx. 8,500 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.

Fiscal year 2003/04 closed on August 31, 2004. The results will be published on November 10, 2004 (press conference and analysts' conference).

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Curricula Vitae



Onno J. Bleeker

Onno J. Bleeker (1957), member of the Senior Management Team, has been appointed Chief Operations Officer at Barry Callebaut responsible for global production and supply chain, effective September 10, 2004.

Onno Bleeker started his career with Verba, a food trading and distributing company that had the agency for Callebaut in the Netherlands. He became partner and General Manager of Verba. Verba was sold to Callebaut in 1988. Between 1989 and 2001 he

held a number of high-level executive positions within Callebaut and from 1996 within the Barry Callebaut Group, formed through the merger of Cacao Barry and Callebaut. From January 2002 until August 2002 Onno Bleeker was partner and Managing Director of Mebrom Gas and Components International N.V., an international distributor of industrial and refrigerating gases and components. He is still Chairman and Partner of Mebrom. In August 2002 Onno Bleeker was appointed President Cocoa and Food Manufacturers and member of the Senior Management Team of Barry Callebaut AG.

Onno Bleeker studied business at the London Business School.



Massimo Garavaglia

Massimo Garavaglia (1966) has been appointed President Food Manufacturers and member of the Senior Management Team of Barry Callebaut AG effective September 10, 2004.

From 1990 to 1992, Massimo Garavaglia was sales manager for an Italian food products importer. Joining Barry Callebaut Italia SpA in 1992, he served as country manager for Italy until August 2003. From then until today he has been Manager Mediterranean countries / Middle East / Eastern Europe.

Massimo Garavaglia holds a Master's Degree in Economics and Business Administration from Bocconi University, Milan, Italy.



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Curricula Vitae



Steven Retzlaff

Steven Retzlaff (1963) has been appointed President Sourcing & Cocoa and member of the Senior Management Team of Barry Callebaut AG effective September 10, 2004.

Steven Retzlaff started his career in 1987 at KPMG Peat Marwick, San Francisco, as an auditor and was promoted to Supervising Audit Senior in 1990. From 1990 to 1993 Steven Retzlaff worked as a Supervising Audit Senior and Audit Manager for KPMG Fides, Zurich. He then joined JMP Newcor AG, Zug, as Director

of European Finance and Operations, where he worked for three years. In May 1996, Steven Retzlaff joined Barry Callebaut as CFO of Barry Callebaut Sourcing AG. From 1999 to 2001, he served as CFO Swiss Operations (BC Sourcing AG and BC Switzerland AG). From 2001 to 2003 he was CFO of the business unit Cocoa, Sourcing & Risk Management. In addition to his CFO function, Steven Retzlaff worked as Cocoa Division Head from 2003 to 2004 before he focused solely on his Cocoa Division Head function.

Steven Retzlaff is a Certified Public Accountant (CPA) and holds a Bachelor of Arts in Economics from Whitman College. He also studied at the Institute of European Studies in Madrid/Spain and at INSEAD in Fontainebleau/France.



Stefan von Klebelsberg

Stefan von Klebelsberg (1959) has been appointed President Consumer Products Europe, member of the Senior Management Team of Barry Callebaut AG and Chairman of the Executive Board of Stollwerck AG.

In 1987, Stefan von Klebelsberg joined Suchard Tobler GmbH, Bremen/Germany, and was nominated Sales Manager for Department Stores in 1990. The same year he joined Hochland AG, Heimenkirch/Germany, where he was promoted to Managing

Director Sales in 1995 and member of the Executive Board in 1998. Since 2001 he has been Chairman of the Management Board of Chupa Chups van Melle GmbH & Co. KG, Bonn/Germany. His activities focused on restructuring the entire company including the merger and integration of the two organizations Chupa Chups and van Melle. This year, a third shareholder, who is the owner of the brand Fisherman's Friend, entered this joint venture.

Stefan von Klebelsberg holds a Master's Degree in Social and Commercial Science from the University of Innsbruck/Austria.

September 10, 2004

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