News Release

Barry Callebaut welcomes decision of SIX Swiss Exchange Sanction Commission

Zurich/Switzerland, July 20, 2010 – Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, welcomes the decision by the Sanction Commission of SIX Swiss Exchange announced today, under which Barry Callebaut is cleared of all charges relating to application of IFRS in its consolidated financial statements for fiscal year 2007/08.

Expert opinions differ regarding application of IAS 2 and IAS 39

On November 6, 2008, Barry Callebaut published the 2007/08 consolidated financial statements audited by KPMG AG (KPMG). KPMG confirmed that the consolidated financial statements gave a fair presentation of the company's financial position and financial performance in accordance with International Financial Reporting Standards (IFRS). SIX Exchange Regulation, as the regulatory authority for listed companies, also reviewed the financial statements and concluded that two standards had been violated: IAS 2 in connection with the valuation of inventories and IAS 39 in connection with treatment of inventories as hedging instruments in a fair value hedge accounting model. In response, Barry Callebaut submitted an opinion by KPMG in the subsequent sanction proceedings stating that the reporting method selected offered the best possible way to provide information about the business model. In addition, Barry Callebaut submitted an opinion from the Institute of Accounting, Controlling and Auditing at the University of St. Gallen that also confirms that the accounting model used by Barry Callebaut is consistent with IFRS rules. The Sanction Commission mandated a partner of PricewaterhouseCoopers AG (PwC) to provide an expert opinion as an additional expert. This opinion represents a third view of how IAS2 and IAS 39 can best be applied to Barry Callebaut's business model.

As a result, the Sanction Commission held that different recognized experts had arrived at different results regarding application of IFRS and had reached different opinions as to the best way to report information to investors. According to the Commission, the company had obviously relied to a considerable degree on expert knowledge in order to achieve adequate compliance with IFRS. As a consequence, the Sanction Commission cleared Barry Callebaut and its representatives of all charges and did not issue a sanction or require payment of the costs of the proceedings.

In the view of Barry Callebaut, both the method favored by KPMG and the method favored by the PwC expert for valuing inventories and applying hedge accounting would ultimately lead to the same result. Accordingly, the profit figures reported by Barry Callebaut in the audited 2007/08 annual report are correct.

Change in the application of IAS 2 and IAS 39 as of fiscal year 2010/11

Due to the fact that acknowledged experts arrived at different interpretations regarding the accounting model to be used, Barry Callebaut has decided to modify the accounting model used to date.

In the revised model, *inventories* will be valued at the lower of cost and net realizable value. In the future, the broker-trader exemption, according to which inventories are fair valued, will no longer be applied nor will such inventories be designated as hedging instruments to hedge *firm sales commitments* for chocolate. The latter will consequently no longer be fair valued. The cocoa price risks related to inventories exceeding these firm sales commitments will be hedged with *cocoa futures in a fair value hedge relationship*.

This revised model, which will be introduced prospectively as from fiscal year 2010/11, will produce essentially the same result with regard to presentation in the income statement as the accounting model used to date. The differences will involve only some changes in the presentation of the balance sheet and disclosures provided in the notes. In accordance with IFRS, prior-year figures will not be restated.

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About Barry Callebaut (www.barry-callebaut.com):
With annual sales of about CHF 4.9 billion for fiscal year 2008/09, 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 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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