LINDT & SPRÜNGLI

Semi-Annual Report
January – June
2018

MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845

Letter to Shareholders 2018

Dynamic sales and profit growth

Strong Group Sales in Swiss Francs up

+7.7% to CHF 1.67 billion (organic growth +5.1%)

Increase in operating profit (EBIT) by

+11.5% to CHF 117.1 million (+20 bp)

Rise in net income by

+12.7% to CHF 86.0 million

Solid organic growth and market share gains in all regions

+5.0%	+4.0%	+8.4%
«Europe»	«NAFTA»	«Rest of the World»

Dear shareholders

We are pleased to report that Lindt & Sprüngli has had a successful start to the financial year 2018. The Group achieved strong group sales of +7.7% in the first half-year, generating consolidated sales of CHF 1.67 billion (previous year: CHF 1.55 billion). After adjustment for currency translation effects, organic growth increased to +5.1%. The Group is therefore on track to achieve its strategic target of organic sales growth of around +5% for the full financial year.

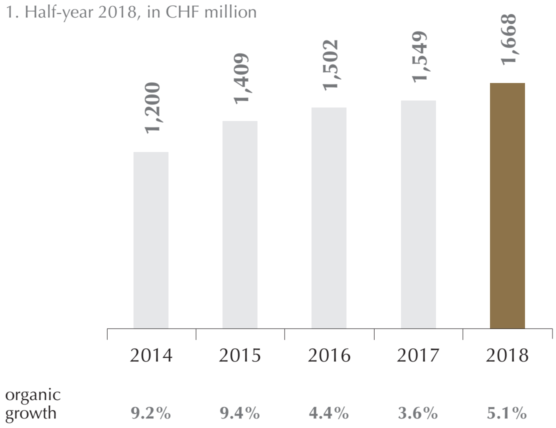
Despite challenging market conditions, Lindt & Sprüngli has once again managed to achieve good organic growth rates and significantly expand its market share in all geographic regions. Market gains were particularly impressive in the large chocolate markets in Europe. Given the background of largely saturated chocolate markets and an exceptionally challenging trading environment, this result is very pleasing. The majority of chocolate markets suffered from flat or stagnating growth affecting most of Europe, including the home market of Switzerland. Nevertheless, we managed to further expand our leading market position thanks to a vibrant seasonal business, the launch of product innovations and the well-performing own chocolate boutiques and cafés.

The "Europe" segment generated sales of CHF 855.6 million, which represents an organic growth of +5.0%. Germany and Italy reported sound results, while sales growth in the UK, Austria, Spain, and the "Nordics" was well above average. Growth rates even hit the high double-digits in the Eastern European markets of Russia, the Czech Republic, Slovakia, and Hungary. Key growth drivers in this segment were our core product lines Lindor and Excellence as well as limited editions of the famous Gold Bunny at Easter. In addition, a sugar-free product line from Italy attracted attention.

As part of our ongoing growth drive in Europe, we instigated major investment projects in the first half of 2018 in order to expand capacities at our production facilities in Switzerland and Germany. In 2018, we are investing over CHF 30 million in modernizing and expanding the Lindt Cocoa Center in Olten, Switzerland, where we produce our cocoa mass for delivery to our European production companies for further processing. This investment is an important step towards strengthening Switzerland's long-term position as a key business location for the Group. At the same time, construction work has started at our Aachen plant in Germany, where we are investing over CHF 25 million in upgrading the logistics warehouse and linking the logistics and production facilities via a fully automated conveyor system.

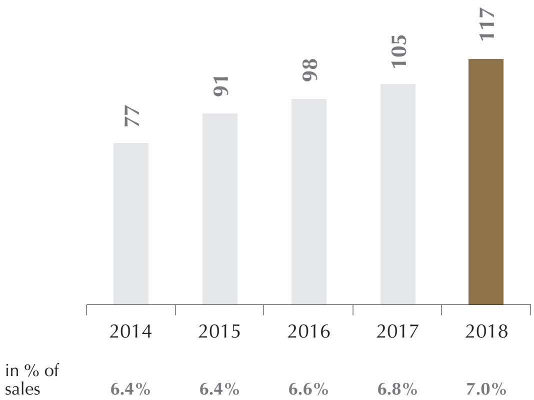
Group Sales

1. Half-year 2018, in CHF million



Operating Profit (EBIT)

1. Half-year 2018, in CHF million



Despite a challenging trading environment, the "NAFTA" segment was able to report solid organic growth of +4.0% in the first half of 2018, with total sales amounting to CHF 564.1 million. A highlight in this segment was the excellent results achieved by Lindt in Canada and Lindt USA. After a challenging previous period in a stagnating market, Lindt achieved good growth during the reporting period, mainly thanks to more eye-catching point-of-sale displays for the leading brands Lindor and Excellence. Ghirardelli's sales also grew faster than the overall market. Russell Stover posted good sales with an innovative sugar-free chocolate range launched in the second half of 2017 containing Stevia, a natural plant extract. Overall, Russell Stover managed to stabilize its sales, with only a modest dip in the first half of 2018.

> *"For the planned volume growth in North America, we are investing in the expansion of our US plant in Stratham."* *Ernst Tanner*

As No. 1 in the premium segment and No. 3 in the US chocolate market as a whole, Lindt & Sprüngli has an almost unbroken record of consistent sales and volume growth in recent years. To support Lindt & Sprüngli's expansion drive in North America, the Board of Directors has decided to expand the US plant in Stratham: around CHF 200 million will be invested over the next 3 to 4 years in the construction of new high-tech production lines for cocoa and chocolate mass.

The "Rest of the World" segment once again reported impressive organic sales growth of +8.4%, amounting to CHF 248.5 million. This positive result underlines the growing importance of these markets for the Lindt & Sprüngli Group. Sales in China doubled, but are still at a modest level. Growth rates in Brazil, Japan, and South Africa were once again in the high double-digits, thanks to the solid groundwork done in recent years and the steadily growing market presence of our premium chocolate products. The growth and distribution strategies we have tailored specifically to local consumer preferences are starting to pay off. The global distributor business also reported a dynamic sales performance.

> *"We are well on track to achieve our goal of having a 100% verified supply chain for cocoa beans by 2020."* *Dieter Weisskopf*

Our Global Retail business with our own chocolate boutiques and cafés, also achieved impressive growth in the first half of 2018. Many new openings at locations enjoying a high footfall, like at Europa-Park (Germany), in Siena (Italy), and in Okayama (Japan) were celebrated. A total of 40 to 50 new store openings are planned for the 2018 financial year.

The improvement in markets for our most important raw material, cocoa beans, was only temporary. Although prices briefly dipped to a multi-year low around the turn of the year, they have since rebounded sharply. Prices for cocoa butter have also risen significantly since 2017 and are still high – currently at a 10-year peak (apart from a short interruption). Prices eased slightly for other key ingredients such as hazelnuts and sugar.

A successful sourcing strategy for raw materials and additional efficiency improvements helped to reduce material and personnel costs as a percentage of sales. The Group's average headcount increased from 12,784 in the previous year to 13,168 in the first half of 2018. At the same time, we stepped up investments in our brands. This led to an improvement in operating profit (EBIT) to CHF 117.1 million as of June 30, 2018 (previous year: CHF 105.0 million), an increase of +11.5%. Net profit improved by 12.7% year-on-year to CHF 86.0 million (previous year: CHF 76.0 million). Operational cash flow amounted to CHF 333.7 million (previous year: CHF 343.9 million). Total assets as at June 30, 2018, amounted to CHF 6.6 billion and the already solid equity ratio further increased to 62.9% (December 31, 2017: 60.1%).

In March 2018, Lindt & Sprüngli started a buyback program for its registered shares and participation certificates worth up to CHF 500 million, running till the end of July 2019. This is possible thanks to our high level of liquidity, solid balance sheet and consistently high cash flow. The buyback program is proceeding as planned. On June 30, 2018 shares and participation certificates worth CHF 104.4 million had already been repurchased, equivalent to 0.7% of the total share capital.

The continuing successful expansion of our Lindt & Sprüngli Farming Program is showing a positive impact: in 2017 over 60,000 farmers already benefited from our Program, and 79% of the sourced cocoa beans were traceable and externally verified. After initial success in Ghana, Ecuador, Madagascar, and Papua New Guinea, we have expanded the Program to the Dominican Republic in the first half of 2018. As a result, all the countries from which we currently source our cocoa beans are covered by the Program. We are therefore well on track to achieve our declared goal of having a 100% traceable and verified supply chain for cocoa beans by 2020. Important elements of the Program are a farmer premium for every ton of cocoa beans they supply, as well as professional training in business skills, good farming practices, and socially and environmentally responsible cultivation methods in order to increase crop yields and consequently family income. On top of that, improvements in the local infrastructure, such as the water supply, support the development of village communities. In short, the Program allows us to continuously improve the sustainability of our supply chain while at the same time guaranteeing the high quality of cocoa beans, that we demand.

Outlook

The Lindt & Sprüngli Group anticipates continuing organic growth of around +5% for the full financial year. We expect growth in the second half of the year to stay roughly the same as in the first half. We also expect our operating profit (EBIT) margin to improve by 20-40 basis points in the full year, in line with our mid- to long-term target range.

Ernst Tanner
Executive Chairman of the Board of Directors

Dr Dieter Weisskopf
CEO Lindt & Sprüngli Group

Key Figures Income Statement

CHF million	January–June 2018	January–June 2017	Change in %
Sales growth (in local currencies)			**5.1**
Sales	**1,668.2**	**1,548.7**	**7.7**
Other income	8.4	7.3	15.1
Total income	**1,676.6**	**1,556.0**	**7.8**
Total expenses	–1,559.5	–1,451.0	7.5
Operating profit (EBIT)	**117.1**	**105.0**	**11.5**
Net financial result	–6.1	–4.3	41.9
Income before taxes	**111.0**	**100.7**	**10.2**
Taxes	–25.0	–24.4	2.5
Net income	**86.0**	**76.3**	**12.7**

Key Figures Balance Sheet

CHF million	June 30, 2018	%	December 31, 2017	%
Assets				
Property, plant and equipment	1,321.7		1,289.3	
Other non-current assets	3,030.8		2,905.2	
Total non-current assets	**4,352.5**	**65.7%**	**4,194.5**	**60.1%**
Inventories	859.4		731.4	
Accounts receivable and other assets	611.8		1,196.5	
Securities and cash	801.0		853.2	
Total current assets	**2,272.2**	**34.3%**	**2,781.1**	**39.9%**
Total assets	**6,624.7**	**100.0%**	**6,975.6**	**100.0%**
Liabilities				
Total shareholders' equity	**4,168.3**	**62.9%**	**4,195.0**	**60.1%**
Total non-current liabilities	**1,770.9**	**26.7%**	**1,730.8**	**24.8%**
Accounts payable and other payables	203.6		325.5	
Accrued liabilities	466.9		677.6	
Bank and other financial liabilities	15.0		46.7	
Total current liabilities	**685.5**	**10.4%**	**1,049.8**	**15.1%**
Total liabilities and shareholders' equity	**6,624.7**	**100.0%**	**6,975.6**	**100.0%**

Employees

		January–June 2018	January–June 2017	Change in %
Average number of employees		13,168	12,784	3.0
Sales per employee	TCHF	126.7	121.1	4.6

Consolidated Balance Sheet
(unaudited)

CHF million	June 30, 2018		December 31, 2017	
Assets				
Property, plant and equipment	1,321.7		1,289.3	
Intangible assets	1,387.1		1,378.7	
Financial assets	1,593.8		1,483.5	
Deferred tax assets	49.9		43.0	
Total non-current assets	**4,352.5**	**65.7%**	**4,194.5**	**60.1%**
Inventories	859.4		731.4	
Accounts receivable	422.4		1,047.5	
Other receivables	142.8		130.9	
Accrued income	3.9		4.0	
Derivative assets	42.7		14.1	
Marketable securities and short-term financial assets	1.6		0.2	
Cash and cash equivalents	799.4		853.0	
Total current assets	**2,272.2**	**34.3%**	**2,781.1**	**39.9%**
Total assets	**6,624.7**	**100.0%**	**6,975.6**	**100.0%**
Liabilities				
Share and participation capital	24.3		24.1	
Treasury stock	–187.2		–84.0	
Retained earnings and other reserves	4,323.2		4,246.2	
Equity attributable to shareholders	**4,160.3**		**4,186.3**	
Non-controlling interests	8.0		8.7	
Total equity	**4,168.3**	**62.9%**	**4,195.0**	**60.1%**
Bonds	997.7		997.5	
Loans	0.5		0.7	
Deferred tax liabilities	483.4		444.2	
Pension liabilities	177.8		174.8	
Other non-current liabilities	7.1		7.7	
Provisions	104.4		105.9	
Total non-current liabilities	**1,770.9**	**26.7%**	**1,730.8**	**24.8%**
Accounts payable to suppliers	144.7		217.3	
Other accounts payable	51.0		53.2	
Current tax liabilities	7.9		55.0	
Accrued liabilities	466.9		677.6	
Derivative liabilities	9.5		37.5	
Bank and other borrowings	5.5		9.2	
Total current liabilities	**685.5**	**10.4%**	**1,049.8**	**15.1%**
Total liabilities	**2,456.4**	**37.1%**	**2,780.6**	**39.9%**
Total liabilities and shareholders' equity	**6,624.7**	**100.0%**	**6,975.6**	**100.0%**

The accompanying notes form an integral part of the consolidated semi-annual statements.

Consolidated Income Statement
(unaudited)

CHF million	January–June 2018		January–June 2017	
Income				
Sales	1,668.2	100.0%	1,548.7	100.0%
Other income	8.4		7.3	
Total income	**1,676.6**	**100.5%**	**1,556.0**	**100.5%**
Expenses				
Material expenses	–626.8	–37.6%	–611.8	–39.5%
Changes in inventories	67.8	4.1%	88.2	5.7%
Personnel expenses	–443.3	–26.6%	–416.0	–26.9%
Operating expenses	–470.7	–28.2%	–432.9	–28.0%
Depreciation, amortization and impairment	–86.5	–5.2%	–78.5	–5.1%
Total expenses	**–1,559.5**	**–93.5%**	**–1,451.0**	**–93.7%**
Operating profit (EBIT)	**117.1**	**7.0%**	**105.0**	**6.8%**
Financial income	1.8		1.9	
Financial expense	–7.9		–6.2	
Income before taxes	**111.0**	**6.7%**	**100.7**	**6.5%**
Taxes	–25.0		–24.4	
Net income	**86.0**	**5.1%**	**76.3**	**4.9%**
of which attributable to non-controlling interests	0.8		0.8	
of which attributable to shareholders of the parent	85.2		75.5	
Non-diluted earnings per share/10 PC (in CHF)	355.0		318.2	
Diluted earnings per share/10 PC (in CHF)	353.4		316.0	

The accompanying notes form an integral part of the consolidated semi-annual statements.

Statement of Comprehensive Income
(unaudited)

CHF million	January–June 2018	January–June 2017
Net income	86.0	76.3
Other comprehensive income after taxes		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	71.7	123.8
Items that may be reclassified subsequently to profit or loss		
Hedge accounting	60.5	19.7
Currency translation	6.5	–87.7
Total comprehensive (loss)/income	**224.7**	**132.1**
of which attributable to non-controlling interests	–0.3	0.7
of which attributable to shareholders of the parent	225.0	131.4

Consolidated Statement of Changes in Equity
(unaudited)

CHF million	Note	Share-/ PC-capital	Treasury stock	Share premium	Hedge accounting	Retained earnings	Currency translation	Equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at January 1, 2017		**23.7**	**–100.3**	**317.6**	**–43.5**	**3,665.2**	**–195.4**	**3,667.2**	**6.8**	**3,674.0**
Total comprehensive income		–	–	–	19.7	199.4	–87.7	131.4	0.7	132.1
Capital increase [1]	4	0.3	–	88.0	–	–	–	88.3	0.2	88.5
Share-based payment		–	1.8	–	–	9.3	–	11.1	–	11.1
Reclass into retained earnings		–	–	–71.2	–	71.2	–	–	–	–
Distribution of profits		–	–	–	–	–208.9	–	–208.9	–	–208.9
Balance as at June 30, 2017		**24.0**	**–98.5**	**334.4**	**–23.8**	**3,736.2**	**–283.1**	**3,689.1**	**7.7**	**3,696.8**
Balance as at January 1, 2018		**24.1**	**–84.0**	**347.0**	**–27.6**	**4,135.9**	**–209.1**	**4,186.3**	**8.7**	**4,195.0**
Comprehensive income		–	–	–	60.5	156.9	7.6	225.0	–0.3	224.7
Capital increase [1]	4	0.2	–	68.3	–	–0.8	–	67.7	–	67.7
Purchase of treasury shares	4	–	–104.4	–	–	–	–	–104.4	–	–104.4
Sale of own shares [1]	4	–	0.6	–	–	0.3	–	0.9	–	0.9
Share-based payment		–	0.6	–	–	7.6	–	8.2	–	8.2
Reclass into retained earnings		–	–	–100.9	–	100.9	–	–	–	–
Distribution of profits		–	–	–	–	–223.4	–	–223.4	–0.4	–223.8
Balance as at June 30, 2018		**24.3**	**–187.2**	**314.4**	**32.9**	**4,177.4**	**–201.5**	**4,160.3**	**8.0**	**4,168.3**

1 All directly attributable transaction costs related to capital increase and the gain on sale of registered shares are recognized in retained earnings.

The accompanying notes form an integral part of the consolidated semi-annual statements.

Consolidated Cash Flow Statement
(unaudited)

CHF million		**January–June 2018**		January–June 2017
Net income	86.0		76.3	
Depreciation, amortization and impairment	86.5		78.5	
Changes in provisions, value adjustments and pension assets	–20.8		–19.1	
Decrease (+)/increase (–) of accounts receivable	632.7		628.0	
Decrease (+)/increase (–) of inventories	–128.9		–155.4	
Decrease (+)/increase (–) of other receivables	–12.2		–53.8	
Decrease (+)/increase (–) of accrued income and derivative assets and liabilities	3.9		1.9	
Decrease (–)/increase (+) of accounts payable	–71.3		–25.8	
Decrease (–)/increase (+) of other payables and accrued liabilities	–253.1		–210.8	
Non-cash effective items [1]	10.9		24.1	
Cash flow from operating activities (operating cash flow)		**333.7**		**343.9**
Investments in property, plant and equipment	–113.7		–79.9	
Disposals of property, plant and equipment	0.2		0.5	
Investments in intangible assets	–3.5		–6.4	
Disposals (+)/investments (–) in financial assets (excluding pension assets)	–0.1		–	
Investments in marketable securities and short-term financial assets	–1.5		–	
Cash flow from investment activities		**–118.6**		**–85.8**
Proceeds from borrowings	–		13.1	
Repayments of borrowings	–7.8		–	
Proceeds from loans	4.0		18.3	
Capital increase (including premium)	67.7		88.3	
Purchase of treasury stock	–104.4		–	
Distribution of profits	–223.4		–208.9	
Cash flow with non-controlling interests	–0.4		0.2	
Cash flow from financing activities		**–264.3**		**–89.0**
Net increase (+)/decrease (–) in cash and cash equivalents		**–49.2**		**169.1**
Cash and cash equivalents as at January 1	853.0		592.2	
Exchange gains/(losses) on cash and cash equivalents	**–4.4**	**848.6**	**–1.7**	**590.5**
Cash and cash equivalents as at June 30		**799.4**		**759.7**
Interest received from third parties [2]		0.4		0.2
Interest paid to third parties [2]		2.1		5.8
Income tax paid [2]		91.6		64.0

1 As of June 30, 2018 movements of CHF 1.2 million result from translation of foreign exchange balances (2017: CHF 12.1 million).
2 Included in cash flow from operating activities.

Notes to the Semi-Annual report

1. Accounting Principles

The unaudited consolidated semi-annual report as at June 30, 2018, has been prepared in accordance with the requirements of IAS 34 – Interim Financial Reporting. Except for the changes described hereafter, the accounting principles outlined in the annual financial statements for the year ended December 31, 2017 have been applied consistently. The condensed form of financial statements has been applied to this report.

New IFRS standards and interpretations

The Lindt & Sprüngli Group has implemented all new or amended accounting standards and interpretations to the IFRS, which must be applied for the reporting period beginning January 1, 2018, including IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers.

None of these new or amended accounting standards and clarifications resulted in any significant changes to the accounting policies of the Lindt & Sprüngli Group or had significant impact on the recognition or measurement in the consolidated financial statements as of June 30, 2018.

Impact of first time adoption of IFRS 9 – Financial Instruments

IFRS 9 – Financial Instruments replaces IAS 39. Except for equity instruments reclassified from available-for-sale financial assets to the respective fair value through profit or loss category totalling CHF 1.4 million as of December 31, 2017, the implementation of IFRS 9 has not affected the recognition, measurement and classification of the Group's financial instruments. In accordance with the transitional provisions of IFRS 9 and due to the limited impact of the first time adoption, comparative figures and disclosures are not restated.

The effect of applying the 'expected credit loss' model according to IFRS 9 to the valuation of accounts receivable as of June 30, 2018 is considered immaterial.

The majority foreign currency forwards and raw material futures in place as at December 31, 2017 qualified as cash flow hedges under IFRS 9. The Group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9. Therefore, these relationships are treated as continuing hedges.

Impact of first time adoption of IFRS 15 – Revenue from Contracts with Customers

On January 1, 2018 the Lindt & Sprüngli Group has adopted IFRS 15 – Revenue from Contracts with Customers which resulted in changes in accounting policies. The new standard combines, enhances and replaces specific guidance on recognising revenue with a single standard. It defines a five-step model to recognise revenue from customer contracts. In accordance with the transition provisions in IFRS 15, the Lindt & Sprüngli Group has adopted the new rules retrospectively, but has not had to restate the comparatives for the 2017 financial year. The Lindt & Sprüngli Group has undertaken a review of the main types of commmercial arrangements used with customers under this model and has concluded that the application of IFRS 15 does not materially impact the consolidated results or financial position.

Estimates and assumptions

When preparing the semi-annual report, Management makes estimates and assumptions that have an impact on the disclosed assets and liabilities at the balance sheet date, as well as the disclosed expenses and income in the reporting period. The actual results may differ from these estimates.

2. Seasonality

When analyzing the Lindt & Sprüngli Group's results in the first half of the year, it is important to bear in mind the seasonal and gift-oriented nature of the premium chocolate business. Experience shows that the Lindt & Sprüngli Group makes less than 40% of its annual sales during the first half of each year, but at the end of June these sales are charged with approximately half of the fixed costs of production, administration, and marketing. This means that the profitability of the Lindt & Sprüngli Group in relation to sales in the first half of the year cannot be equated with its profitability over the year as a whole. Likewise, the balance of accounts receivable is substantially lower at the end of the first half of the year than at the end of the year (declining orders during the summer season compared to the Christmas business).

3. Segment Information

The management of the Lindt & Sprüngli Group is organized by means of companies of individual countries. For the definition of business segments to be disclosed, the Lindt & Sprüngli Group has aggregated subsidiaries of individual countries on the basis of similar economic characteristics (foreign exchange risks, growth outlooks, same economic areas), similar products and trading environment, and economic attributes (gross profit margins).

The three business segments to be disclosed are:

- "Europe", consisting of the European companies and business units including Russia;
- "NAFTA", consisting of the companies in the USA, Canada, and Mexico; and
- "All other segments", consisting of the companies in Australia, Japan, South Africa, Hong Kong, China, and Brazil as well as the business units Distributors and Duty Free.

Due to the increasing integration of the four companies in the USA with regards to sales, logistics and administration, these now form one operating segment. As a consequence, they are reported to the Chief Operating Decision Maker only on a consolidated level. This has no impact on the business segments reported, as all four companies have already been part of the business segment „NAFTA".

The Lindt & Sprüngli Group considers the operating result as the segment result. Transactions between segments are valued and recorded in accordance with the cost plus method.

Segment income

	Segment Europe		Segment NAFTA		All other segments			Total
CHF million	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Sales	985.6	879.4	566.9	562.5	248.5	230.8	1,801.0	1,672.7
./. Sales between segments	130.0	119.6	2.8	4.4	–	–	132.8	124.0
Third party sales	**855.6**	**759.8**	**564.1**	**558.1**	**248.5**	**230.8**	**1,668.2**	**1,548.7**
Operating profit	96.1	83.7	–16.0	–11.3	37.0	32.6	117.1	105.0
Net financial result							–6.1	–4.3
Income before taxes							**111.0**	**100.7**
Taxes							–25.0	–24.4
Net income							**86.0**	**76.3**

4. Share and Participation Capital

	Number of registered shares [1]	Number of participation certificates [2]	Registered shares (CHF million)	Participation certificates (CHF million)	**Total** (CHF million)
At January 1, 2017	**136,088**	**1,013,136**	**13.6**	**10.1**	**23.7**
Capital increase	–	30,801	–	0.3	0.3
At June 30, 2017	**136,088**	**1,043,937**	**13.6**	**10.4**	**24.0**
At January 1, 2018	**136,088**	**1,048,153**	**13.6**	**10.5**	**24.1**
Capital increase	–	19,005	–	0.2	0.2
At June 30, 2018	**136,088**	**1,067,158**	**13.6**	**10.7**	**24.3**

1 At par value of CHF 100.–
2 At par value of CHF 10.–

The conditional capital as at June 30, 2018, has a total of 405,084 (428,305 as at June 30, 2017) participation certificates with a par value of CHF 10. Of this total, 150,634 (173,855 as at June 30, 2017) are reserved for employee stock option programs; the remaining 254,450 (254,450 as at June 30, 2017) participation certificates are reserved for capital market transactions. In the six-month period ended June 30, 2018, a total of 19,005 employee options were exercised at an average exercise price of CHF 3,590 (for the six-month period ended June 30, 2017: 30,801 employee options were exercised at an average exercise price of CHF 2,902).

	2018		2017	
Balance treasury stock	Registered shares	Participation certificates	Registered shares	Participation certificates
Balance as at January 1	**1,524**	**–**	**1,909**	**–**
Retirements	–27	–	–50	–
Buy-back program	77	16,005		
Balance as at June 30	**1,574**	**16,005**	**1,859**	**–**
Average sales price of retirements (in CHF)	71,325	–	63,124	–
Average cost of buy-back program (in CHF)	74,131	6,166		

Within the framework of the buy-back program started on March 12, 2018, the Group acquired registered shares and participation certificates worth CHF 104,4 million. The program amounting up to CHF 500 million will end no later than July 31, 2019.

5. Dividends

The proposed dividend – CHF 930 (CHF 880 in 2017) per registered share and CHF 93 (CHF 88 in 2017) per participation certificate – was approved at the annual shareholders' meeting held on May 3, 2018. The dividends were paid as of May 11, 2018.

6. Financial Instruments, Fair Value, and Hierarchy Levels

The following table shows the carrying amounts and fair values of financial instruments recognized in the consolidated balance sheet, analyzed by categories and hierarchy levels:

		June 30, 2018		December 31, 2017	
CHF million	Level [1]	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets					
Fair value through profit or loss					
Derivative assets	1	34.0	34.0	–	–
Derivative assets	2	8.7	8.7	14.1	14.1
Marketable securities and short-term financial assets	1 / 2	1.6	1.6	0.2	0.2
Investments third parties	3	1.4	1.4	1.4	1.4
Total		**45.7**	**45.7**	**15.7**	**15.7**
Other financial assets at amortized cost [2]					
Total		**1,286.6**	**1,286.6**	**1,992.5**	**1,992.5**
Total financial assets		**1,332.3**	**1,332.3**	**2,008.2**	**2,008.2**
Financial liabilities					
Fair value through profit or loss					
Derivative liabilities	1	0.4	0.4	23.8	23.8
Derivative liabilities	2	9.1	9.1	13.7	13.7
Total		**9.5**	**9.5**	**37.5**	**37.5**
Other financial liabilities at amortized costs					
Bonds	1	997.7	1,013.3	997.5	1,025.1
Loans		0.5	0.5	0.7	0.7
Other non-current liabilities		7.1	7.1	7.7	7.7
Accounts payable		144.7	144.7	217.3	217.3
Other accounts payable		51.0	51.0	53.2	53.2
Bank and other borrowings		5.5	5.5	9.2	9.2
Total		**1,206.5**	**1,222.1**	**1,285.6**	**1,313.2**
Total financial liabilities		**1,216.0**	**1,231.6**	**1,323.1**	**1,350.7**

1 Level 1 - The fair value measurement of same financial instruments is based on quoted prices in active markets.
Level 2 - The fair value measurement of same financial instruments is based on observable market data, other than quoted prices in Level 1.
Level 3 - Valuation technique using non-observable data.
For financial instruments with a short term maturity date it is expected that the carrying amounts are a reasonable approximation of the respective fair values.
2 Contains cash and cash equivalents, accounts receivable, other receivables (excluding prepayments and current tax assets), and loans to third parties.

7. Events after the Balance Sheet Date

The unaudited consolidated semi-annual financial statements were approved for publication by the Audit Committee of the Board of Directors on July 23, 2018. No other events have occurred up to July 23, 2018, which would necessitate adjustments to the carrying values of the Lindt & Sprüngli Group's assets or liabilities, or which require additional disclosure.

Information

Upcoming Events

January 15, 2019	Net-sales 2018
March 05, 2019	Full-year results 2018
May 02, 2019	121st Annual Shareholders' Meeting
July 23, 2019	Semi-annual report 2019

Investor Relations

Chocoladefabriken Lindt & Sprüngli AG
Seestrasse 204
CH-8802 Kilchberg
Phone + 41 44 716 25 37
E-Mail: investorrelations-in@lindt.com
www.lindt-spruengli.com

Share Register

Chocoladefabriken Lindt & Sprüngli AG
Share register
c/o Nimbus AG
P.O. Box
CH-8866 Ziegelbrücke
Phone + 41 55 617 37 37
Fax + 41 55 617 37 38
E-Mail: lindt@nimbus.ch

Media Relations

Chocoladefabriken Lindt & Sprüngli AG
Seestrasse 204
CH-8802 Kilchberg
Phone + 41 44 716 24 86
E-Mail: media@lindt.com
www.lindt-spruengli.com

Forward-looking statements:

Some of the statements expressed in the semi-annual report are based on forward-looking assumptions. The actual results may vary from these for a variety of reasons, including among others factors such as general economic conditions, fluctuations within the currency and raw materials sector, and changes to the regulatory landscape. Forward-looking statements made in this report are neither updated nor revised. The semi-annual report is published in German and English, with the German version being binding.

Imprint

Project lead: Chocoladefabriken Lindt & Sprüngli AG
Design, production, print: NeidhartSchön AG, Zurich

LINDT & SPRÜNGLI

CHOCOLADEFABRIKEN
LINDT & SPRÜNGLI AG
SEESTRASSE 204, CH–8802 KILCHBERG
SWITZERLAND

www.lindt-spruengli.com