



LINDT & SPRÜNGLI

LETTER TO SHAREHOLDERS
JANUARY – JUNE 2012

Above-average organic growth reaches 5.3% or 2.6% in Swiss francs
Market share gains on all main markets
Pleasant increase of operating profit (EBIT) by 16%
Confirmation of strategic growth and profit targets for the year as a whole

DEAR SHAREHOLDERS

I am pleased to inform you that Lindt & Sprüngli has got off to a good start in the 2012 financial year. With sales and profit figures well above the market average for the first half of the year, we succeeded in further extending the market shares on all our main markets.

Against a background of increasingly severe government debt levels and the accompanying subdued economic performance, market conditions in the first half of 2012 were once again anything but straightforward. The main overall chocolate markets in Europe were still flat in terms of both value and volume. At the same time, consumer sentiment remained rather weak and even deteriorated further, especially in southern Europe. In North America, too, consumers proved increasingly reluctant to spend money because of the prevailing economic uncertainty.

Since the same period in 2011, the euro has once again lost a little ground against the Swiss franc. This continues to place serious challenges on Switzerland as a production site from which LINDT chocolate is exported to more than 80 countries. In order to remain competitive on the international markets, we constantly take new measures designed to alleviate the cost disadvantage through efficiency gains and volume growth.

On the commodities side, cocoa bean prices settled at a slightly lower level than in previous years after a good world harvest. On the other hand, prices of milk, sugar, and nuts remained stubbornly high.

The retail chains continue their efforts to gain a price advantage. With its established traditional products and constant innovation, Lindt & Sprüngli is consistently emphasizing the premium positioning of its brands, and

only takes part in price-promotion campaigns to a very limited extent.

As at June 30, 2012, Group sales reached CHF 1.033 billion. Given the sometimes tense situation on Lindt & Sprüngli's main markets in Europe and North America, this represents good organic growth of 5.3% compared to the same period last year, with a further gain of substantial market shares.

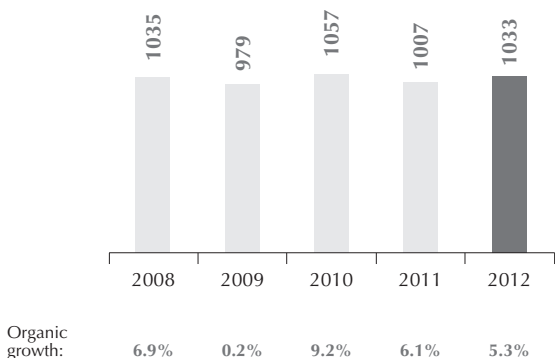
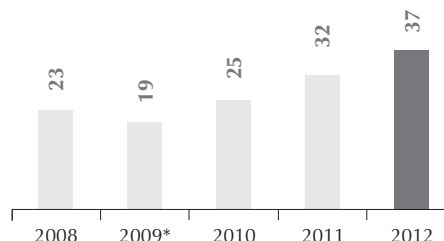
Particularly good progress was made on the key markets of Germany, France, and Switzerland. Lindt & Sprüngli's growth in North America reached 6.7% in local currency terms. The LINDT and GHIRARDELLI brands both contributed to the strong advance on our biggest market, the USA, and in Canada. The impressive inauguration ceremony of a GHIRARDELLI retail outlet in the refurbished Californian "Disneyland" leisure park at Anaheim last June merits a special mention. This new point of sale will help greatly to create a higher profile on the North American market for GHIRARDELLI, our second prominent brand name in the USA.

Innovative ideas for the creation of new events with premium chocolate as a gift item gave a lasting boost to business. For example, Lindt & Sprüngli became the market leader in Switzerland and Canada for Valentine's Day. In Germany, the start of spring saw the successful launch of a FROSKÖNIG (King Frog) range, while new recipes in the unique CHOCOLETTI format added an innovative touch to the start of the summer season.

Geographical expansion continues to proceed: the newly-incorporated subsidiary company in the Peoples' Republic of China opened for business on August 1, 2012. This gives our group of companies an additional presence

GROUP SALES

in CHF million

**NET INCOME*** Before non-recurring charges
in CHF million

on the dynamic Asian market which still has high potential for the future. In addition, two more LINDT Chocolate Cafés were opened in Tokyo. Development of the subsidiary company in South Africa is promising. A LINDT boutique with an attached “Chocolate Studio” was inaugurated there in April 2012.

Public interest in the LINDT “Chocolateria” in Kilchberg, where courses and activities of all kinds on the theme of chocolate have been organized regularly by the LINDT Maîtres Chocolatiers, since the ceremonial inauguration in November 2011 by our brand ambassador Roger Federer, surpassed all our expectations from the outset. This innovative communication format provides an ideal platform for making a wide audience much more aware of our passion, know-how and brand values.

As at June 30, 2012, the operating profit (EBIT) stood at CHF 48.7 million, equivalent to an increase of 16% on the same period last year. The accompanying rise of 50 basis points in the operating profit margin exceeds the medium to long-term target. At CHF 36.6 million, the net income was 14% higher than at the end of June last year (CHF 32.1 million). At closing date, operating cash flow amounted to CHF 159 million (June 30, 2011: CHF 228 million). The reduction versus same period in 2011 is primarily explained by higher raw material inventory. The main reason for the decrease of the net cash position standing at CHF 416 million (December 31, 2011: CHF 486 million) is the ongoing share buyback program which is progressing rapidly. As at June 30, 2012, shares

and participation certificates representing in all 4.62% (out of a total target of 5%) of the corporate capital had been bought back. The program should therefore be completed on schedule by the end of the year. At the Shareholders’ Meeting of April 26, 2012, the decision was taken to cancel 3,300 registered shares and 53,000 participation certificates already repurchased with a corresponding reduction of the corporate capital.

Outlook

The euro crisis and general economic background conditions seem likely to become still more challenging in the second half of the year with consumer sentiment further impaired in a number of countries. Despite these difficult conditions, Lindt & Sprüngli is adhering to its medium to long-term sales and profit targets, and for the year 2012 as a whole expects to achieve organic growth in local currency terms of between 6 and 8%, with an increase in the operating profit margin of 20 to 40 basis points. The continuous gain of new market shares on key markets and geographical expansion into growth markets will remain the topmost priority. In addition, emphasis will be placed on further intensification of our marketing and advertising activities.

Ernst TannerChairman and Chief Executive Officer
Chocoladefabriken Lindt & Sprüngli AG

SEMI-ANNUAL REPORT 2012

When analyzing the Group's semi-annual earnings, it is important to bear in mind the seasonal and gift-oriented nature of the premium chocolate business: 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 around 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.

KEY FIGURES INCOME STATEMENT (unaudited)

CHF million	2012 January–June	2011 January–June	Change in%
Sales growth in local currencies			5.3
Sales	1,032.6	1,006.7	2.6
Other income	4.6	4.1	
Total income	1,037.2	1,010.8	2.6
Total expenses	-988.5	-968.8	
Operating profit (EBIT)	48.7	42.0	16.0
Net financial result	0.1	1.4	
Income before taxes	48.8	43.4	12.4
Taxes	-12.2	-11.3	
SEMI-ANNUAL NET INCOME	36.6	32.1	14.0
Employees	7,450	7,160	4.1

KEY FIGURES BALANCE SHEET (unaudited)

CHF million	30.6.2012	%	31.12.2011	%
Assets				
Property, plant, and equipment	769.5		742.1	
Intangible assets and financial assets	124.6		130.4	
Total non-current assets	894.1	40.4	872.5	34.7
Inventories	472.5		402.5	
Receivables/other assets	411.2		745.1	
Securities and cash	437.4		495.9	
Total current assets	1,321.1	59.6	1,643.5	65.3
Total assets	2,215.2	100.0	2,516.0	100.0
Liabilities				
Total shareholders' equity	1,511.1	68.2	1,619.1	64.4
Total non-current liabilities	211.2	9.5	214.2	8.5
Accounts payable to supplier/other	168.8		258.6	
Accrued liabilities	303.0		415.7	
Bank and other borrowings	21.1		8.4	
Total current liabilities	492.9	22.3	682.7	27.1
Total liabilities and shareholders' equity	2,215.2	100.0	2,516.0	100.0

Extensive figures and notes on the Semi-Annual Report in English and German are available on www.lindt.com (Investors – Financial Information).

Lindt & Sprüngli will report on the further course of business on the following dates:

January 15, 2013	Net sales for 2012
March 1, 2013	Year-end presentation 2012 for press (morning) Year-end presentation 2012 for financial analysts (afternoon)
April 18, 2013	115th Shareholders' Meeting
August, 2013	Semi-annual report, January to June 2013