LINDT & SPRÜNGLI

LETTER TO SHAREHOLDERS
JANUARY – JUNE 2011

Lindt & Sprüngli continues to grow faster than the markets and gains market shares
Above-average organic growth in local currencies of 6.1%
Successful efficiency programs reduce negative currency-related influences
Operating result (EBIT) sees substantial increase of 23.9%
Positive outlook in local currencies: targets confirmed for year as a whole

DEAR SHAREHOLDERS

During the first half of 2011, and following a brief recovery from the previous worldwide financial and economic crisis, some European countries, as well as the USA, became increasingly affected by problems associated with excessive levels of debt and currency issues. The negative effects of these rather parlous developments and the savings measures and tax increases introduced by the governments of the most affected countries had an impact on spending power, and, by implication, on consumer mood. In addition, raw material prices, which were largely driven by speculation, put a strain on the position of manufacturers.

Given this challenging economic environment, I am delighted to inform you that Lindt & Sprüngli made a good start to the financial year 2011, and has already recorded notable increases, significantly above the market average, in terms of both sales and profits during the first six months.

Whereas most chocolate markets as a whole recorded rather modest growth in terms of value of around 3% during the first half of 2011, growth in terms of volume remained relatively flat almost everywhere. This makes it all the more pleasing to see that the majority of Lindt & Sprüngli subsidiaries grew faster than the markets and thereby contributed to the positive half-yearly results. The LINDT brand was further strengthened in all countries, acquiring market shares in most cases.

Particularly good progress was made in the important main European markets of Germany, France, and Italy, as well as by LINDT and GHIRARDELLI in North America. Lindt & Sprüngli also recorded solid growth in Switzerland. Only the UK subsidiary failed to meet expectations, given the especially difficult economic climate.

The start of May 2011 saw the establishment of a subsidiary in South Africa, a clear sign that the Group is forging ahead with its geographical expansion.

The spread of discount chains means competition is increasingly price-focused. As a consequence of this, manufacturers are more and more under pressure in terms of the conditions imposed by their trade partners. The market is becoming dominated by increasingly aggressive promotional activities. In line with our consistent approach of positioning ourselves as a premium brand, Lindt & Sprüngli is firmly adhering to its existing pricing policy, and is only involved in such activities to a very limited extent.

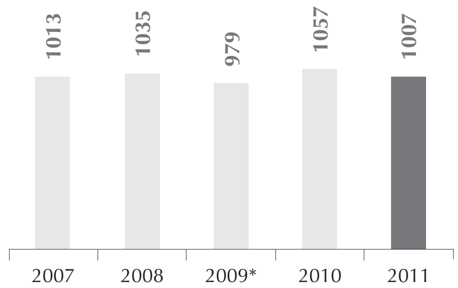
The increased costs of raw materials, namely for our key raw material, cocoa beans, are expected to remain extremely volatile on a high niveau. Thanks to efficiency improvement programs and excellent cost management, we always look to absorb these costs ourselves as far as possible.

As at June 30, 2011, Lindt & Sprüngli has achieved Group sales of CHF 1.007 billion. This represents significant organic growth in local currencies of 6.1% compared with the same strong period in the previous year. This pleasing increase, however, was reduced by a total of 10.8% as a result of negative currency-related impacts, and resulted in a decrease of 4.7% after conversion into Swiss francs. Organic growth was mainly achieved by increases in volume and improvements to the product mix, as well as selective price increases in some markets. As ever, the launch of new and successful products played a decisive role in this, providing further proof that Lindt & Sprüngli is at the forefront of innovation.

GROUP SALES

Above-average organic growth

* restated according to new accounting principles
in CHF million

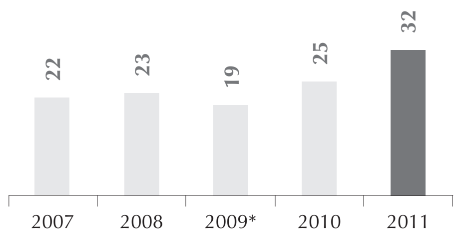


Organic growth:	12.3%*	6.9%*	0.2%	9.2%	6.1%

NET INCOME

Proof of good performance in 1st half of 2011

* before non-recurring charges
in CHF million



Operating profit (EBIT) for the first half of 2011 stands at CHF 42 million. This equates to an increase of 23.9% compared with the same period for 2010. At CHF 32.1 million, net income is some 29.4% higher than last year's value. The cash flow situation is even better. As at the end of June 2011, the company has net liquidity of CHF 593 million, an increase of CHF 147 million on the first half of the previous year (CHF 446 million).

By creating an "Extended Group Management" we set the course in March 2011 for the ongoing geographical expansion of the Group.

The share buy-back program agreed by the Board of Directors was implemented as planned in May of this year. Until the end of 2012, a maximum of 5% of the share and participation capital is to be bought back via separate SIX Swiss Exchange trading lines. As at June 30, 2011, securities to the value of CHF 31 million have been procured.

Despite the considerable ongoing uncertainties besetting the worldwide financial and economic environment, Lindt & Sprüngli is adhering to the strategic sales and profit targets announced in March 2011 and expects organic growth in local currencies of 6 to 8% as well as an increase in the operating profit margin of 20 to 40 base points for the full year 2011. The focus here remains on the acquisition of market shares in key markets and the geographical expansion into growth markets. Even given the background volatility in terms of raw materials and currencies, Lindt & Sprüngli will stick to its proven "premium" strategy and maintain a high level of advertising activity throughout the second half of the year.

Ernst Tanner
Chairman and Chief Executive Officer
Chocoladefabriken Lindt & Sprüngli AG

SEMI-ANNUAL REPORT 2011

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	2011 January–June	2010 January–June	Change in%
Sales growth in local currencies			6.1
Sales	**1,006.7**	1,056.6	**–4.7**
Other income	4.1	5.5	
Total income	**1,010.8**	1,062.1	**–4.8**
Total expenses	–968.8	–1,028.2	
Operating profit (EBIT)	**42.0**	33.9	**+23.9**
Net financial result		–0.1	
Income before taxes	**43.4**	33.8	**+28.4**
Taxes	–11.3	–9.0	
SEMI-ANNUAL NET INCOME	**32.1**	24.8	**+29.4**
Employees	7,160	6,984	**+2.5**

KEY FIGURES BALANCE SHEET (unaudited)

CHF million	30.6.2011	%	31.12.2010	%
Assets				
Property, plant, and equipment	707.3		740.1	
Intangible assets and financial assets	110.1		111.9	
Total non-current assets	**817.4**	**36.8**	852.0	33.7
Inventories	409.3		392.1	
Receivables/other assets	390.7		724.4	
Securities and cash	604.9		556.2	
Total current assets	**1,404.9**	**63.2**	1,672.7	66.3
Total assets	**2,222.3**	**100.0**	2,524.7	100.0
Liabilities				
Total shareholders' equity	**1,541.7**	**69.4**	1,672.5	66.2
Total non-current liabilities	**203.3**	**9.1**	209.6	8.3
Accounts payable to supplier/other	157.5		236.6	
Accrued liabilities	308.6		390.1	
Bank and other borrowings	11.2		15.9	
Total current liabilities	**477.3**	**21.5**	642.6	25.5
Total liabilities and shareholders' equity	**2,222.3**	**100.0**	2,524.7	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 17, 2012	Net sales for 2011
March 1, 2012	Year-end presentation 2011 for press (morning)
	Year-end presentation 2011 for financial analysts (afternoon)
April 26, 2012	114th Annual General Meeting
August 21, 2012	Semi-annual report, January to June 2012