



LINDT & SPRÜNGLI

FINANCIAL ANALYSTS CONFERENCE

ANNUAL RESULTS 2010

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HIGHLIGHTS 2010

2010 RESULTS – HIGHLIGHTS I

L&S BACK ON ITS FAMILIAR ROAD TO SUCCESS

ABOVE-AVERAGE ORGANIC SALES GROWTH

- ▶ 7.3 % organic growth for full year and market share gains in all important markets
- ▶ Sales growth in all markets except Australia
- ▶ LINDT & GHIRARDELLI continue to rank among fastest growing brands in the USA

STRENGTHENED PROFITABILITY

- ▶ Solid EBIT margin of 12.6 %(p.y. 10.5%) - despite head-winds of FX and raw material price increase
- ▶ Improvement in net income by +25.3% due to decreasing tax rates
- ▶ Continued priority on market share gains via above-average organic sales growth

2010 RESULTS – HIGHLIGHTS II

L&S BACK ON ITS FAMILIAR ROAD TO SUCCESS

CAPEX

- ▶ Lower investments in 2010: CHF 89 mio. - following substantial capacity increase in prior years
- ▶ Successful start-up of cocoa liquor and chocolate tablet lines in USA

CASH & DIVIDENDS

- ▶ High operating cash generation of CHF 364 mio.
- ▶ Record net liquidity of CHF 540 mio. at year end
- ▶ Proposed dividend: reg. share CHF 450.-/PC CHF 45.- (+12.5 % vs. p.y.)
- ▶ “Agio” position for future tax free distribution to Swiss shareholders: CHF 108 mio.

BUSINESS REVIEW

BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT 2010

ONGOING CHALLENGING ENVIRONMENT

- ▶ Slow but steady economic recovery worldwide
- ▶ High volatility in FX and raw material – cocoa prices at 30 years high
- ▶ Volumes stagnating in most chocolate markets
- ▶ Rising employment rates and progressive improvement of consumer confidence
- ▶ Consumers look again for quality and highly trusted premium products (trading-up)
- ▶ Higher prices accepted mainly for new and innovative products

BUSINESS ENVIRONMENT 2010

GOOD PERFORMANCE BASED ON STREAMLINING IN 2009

- ▶ Successful impact from measures taken in 2009 to safeguard long-term sales and profit growth
 - Structural reorganization of LINDT retail network in USA
 - Major investments in our USA facilities to satisfy growing demand
 - Logistics synergies in Italy by merging warehouses of both subsidiaries
 - Other steps to optimize efficiency and costs
- ▶ Strong brand support and, thus, continued focus on gaining market shares and securing competitiveness rather than profit maximization
- ▶ Continued focus on innovations and on our key brands Lindor, Excellence, as well as on our seasonal business
- ▶ Marketing: Further increase of advertizing and other brand building investments as i.e. Social Media

BUSINESS REVIEW

KEY FIGURES

KEY FIGURES P&L

SOLID SET OF RESULTS WELL IN LINE WITH COMPANY GUIDANCE –
HIGH CASH GENERATION

CHF mio.

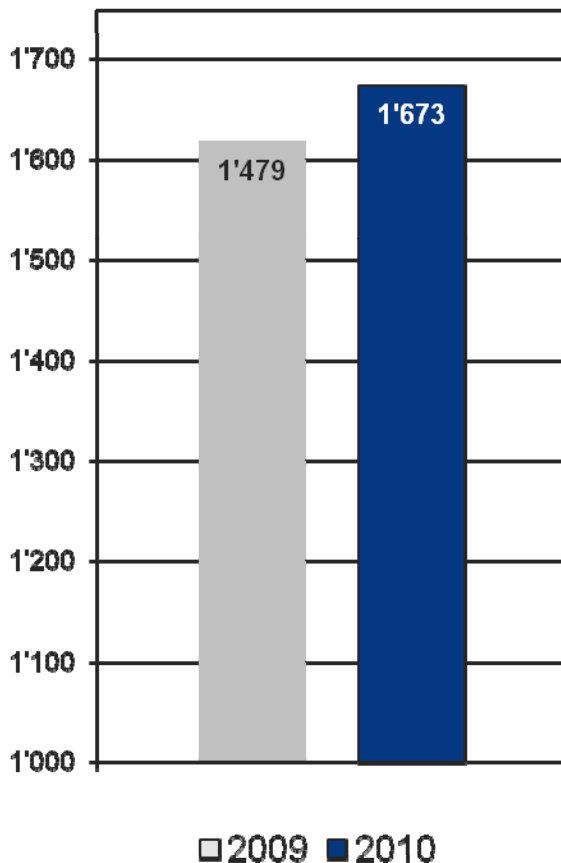
Net Net TRADE SALES	2'579	Organic growth 7.3 % (in CHF: +2.2%)
EBITDA	423	+10.8% vs. p.y. – Margin: 16.4% (09: 15.1%)
EBIT	325	+22.8% vs. p.y. – Margin: 12.6% (09: 10.5%)
NET INCOME	242	+25.3% vs. p.y. – Margin: 9.4% (09: 7.6%)
OPER. CASH FLOW	364	High cash generation
NET LIQUIDITY	540	Excellent base for future growth and returns to shareholders



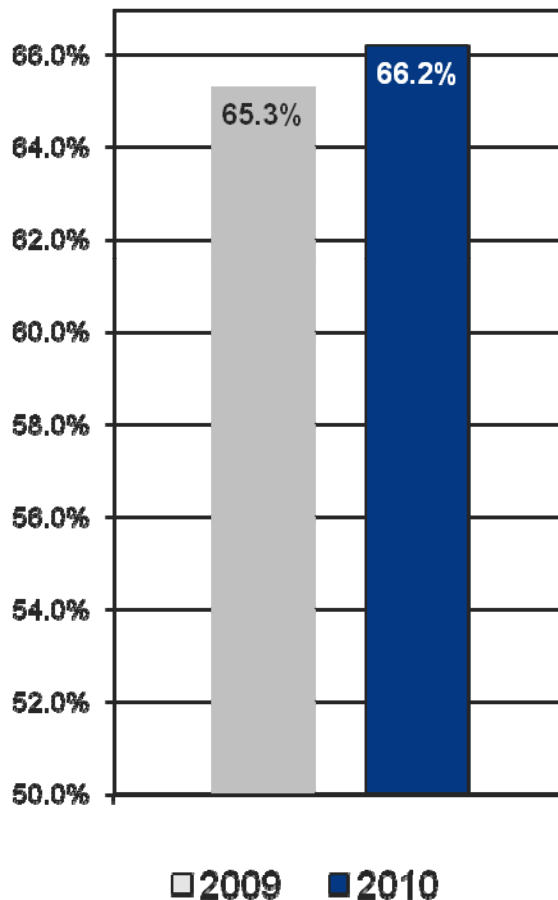
KEY FIGURES – B/S

SOLID BALANCE SHEET (no goodwill activated) & RECORD NET CASH

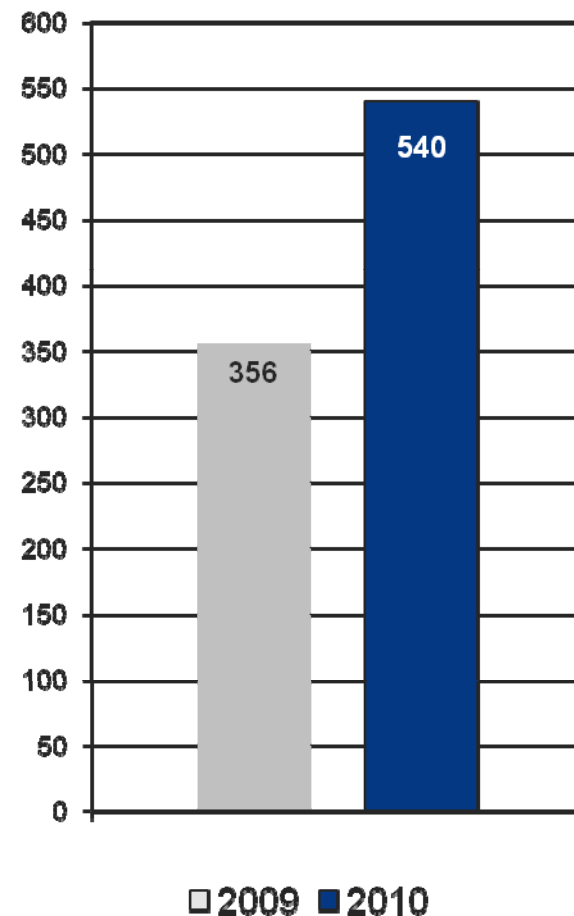
Equity CHF mio.



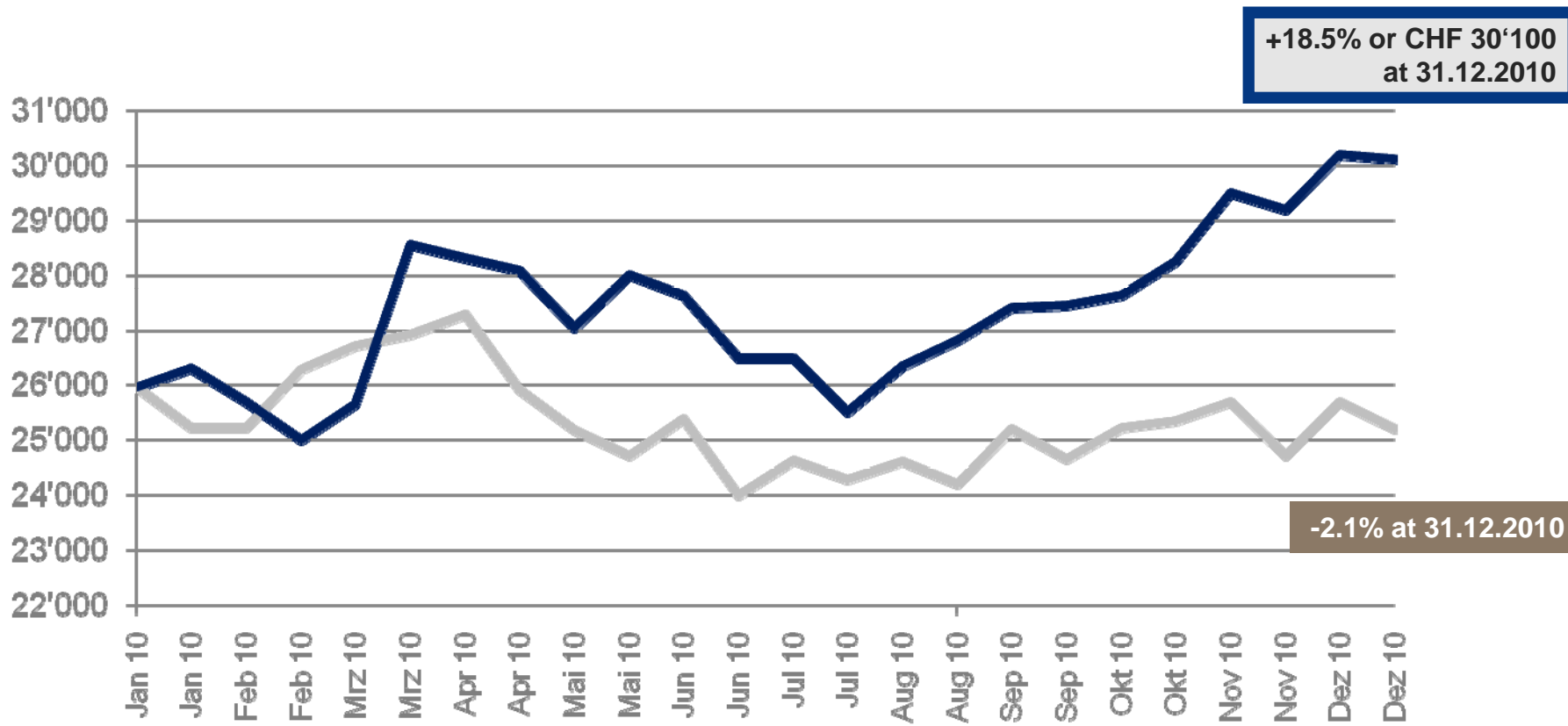
Equity B/S ratio in %



Net Cash Y/E CHF mio.



KEY FIGURES – L&S SHARES OUTPERFORMING SMI



Source VWD,
bi-weekly share prices

— SMI

— LINDT REGISTERED SHARE IN CHF

KEY FIGURES – REGISTERED SHARE

	1992	2006	2007	2008	2009	2010
Dividend (CHF)	39	275	330	360	400	450*
– Increase (CHF)	2	50	55	30	40	50
Dividend Yield	1.4%	0.9%	0.8%	1.6%	1.6%	1.5%
Pay-Out Ratio	16.9%	29.2%	29.5%	31.2%	47.3%	42.8%
Share price at year end (CHF)	2'800	30'700	39'770	22'600	25'405	30'100
Capitalization (CHF mio.) y.e.	492	6'754	8'871	4.868	5.518	6'763

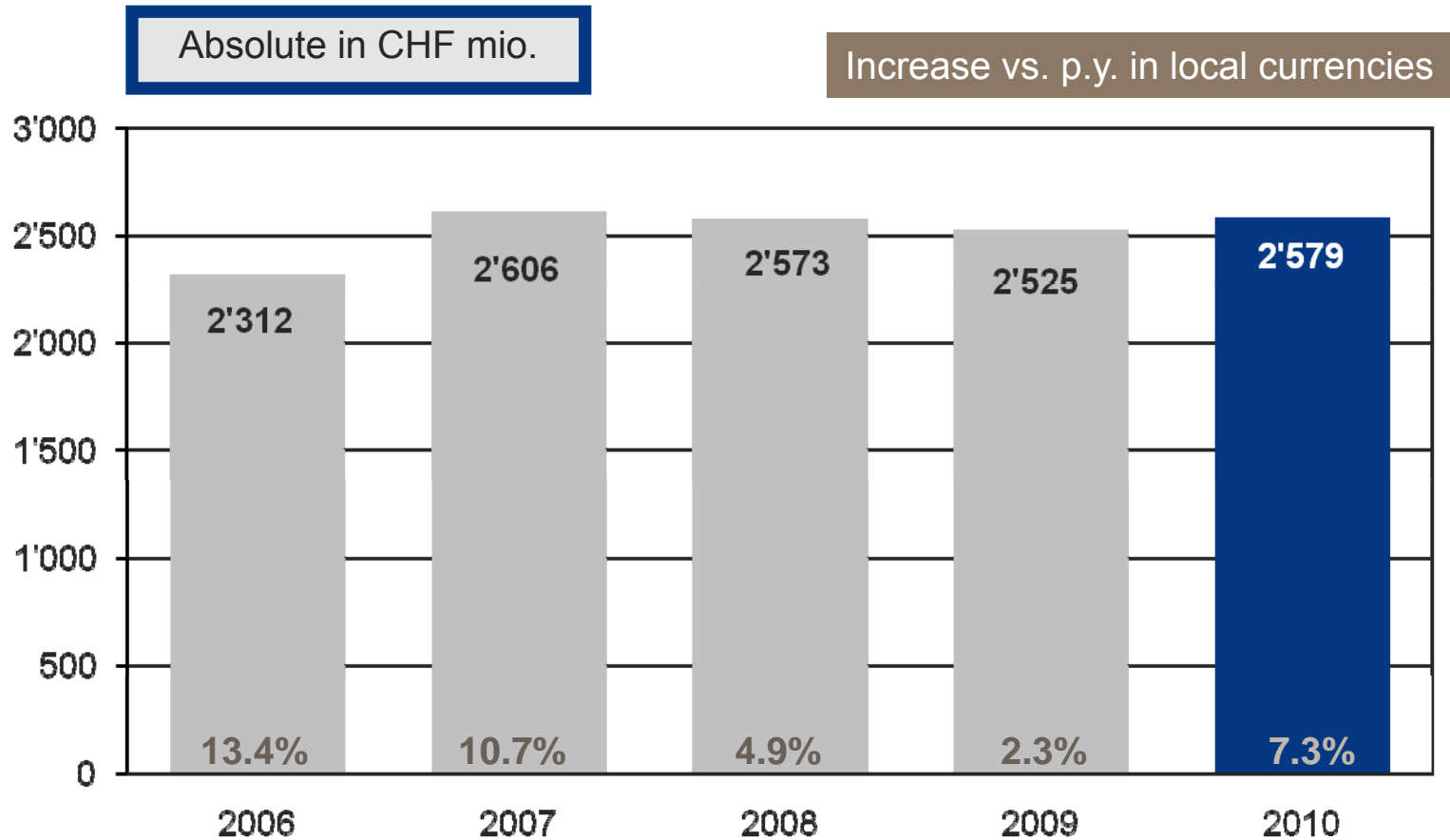
* PROPOSED TO THE GENERAL SHAREHOLDERS' MEETING

BUSINESS REVIEW

SALES ANALYSIS

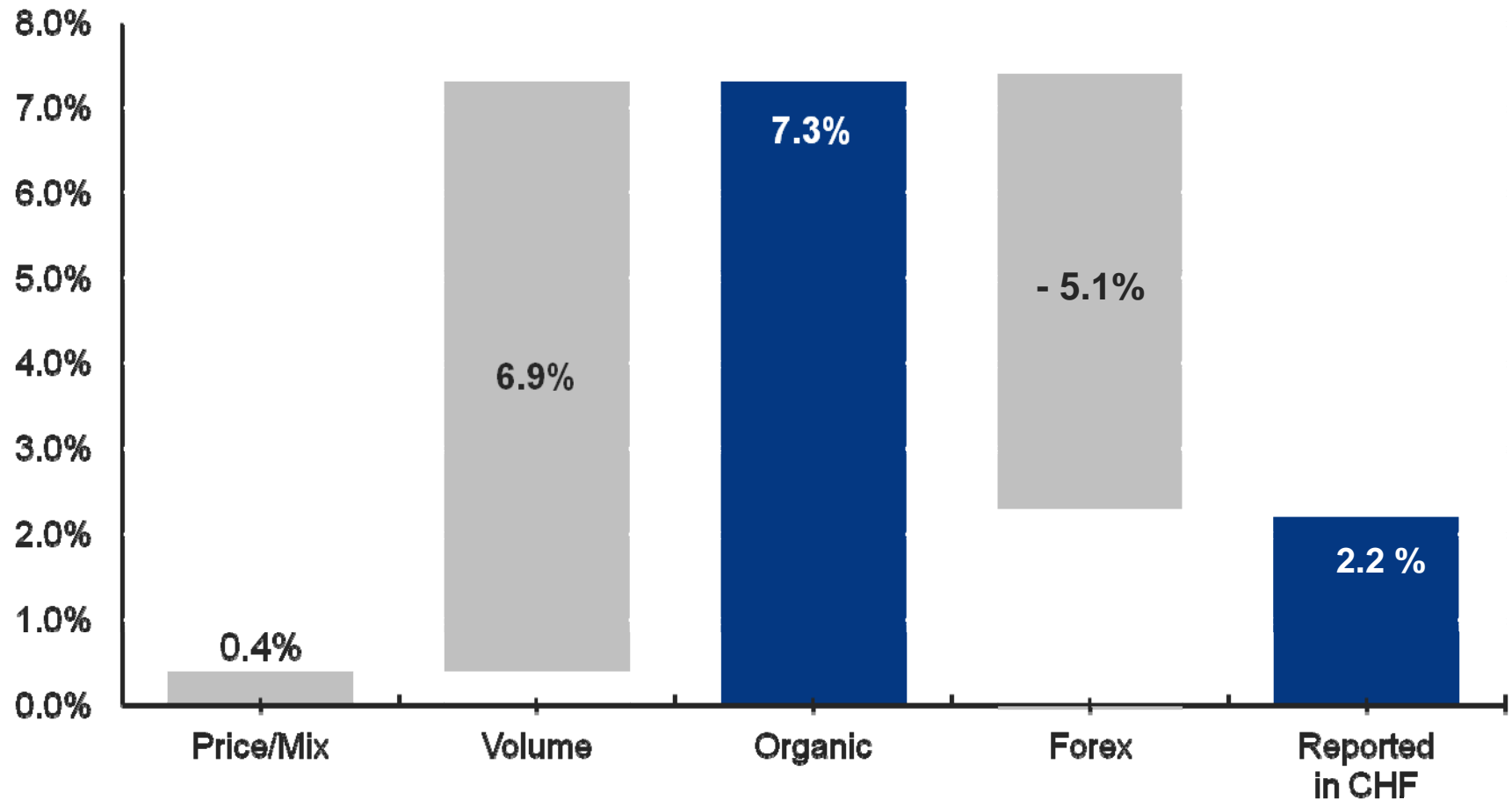
SALES ANALYSIS I

ORGANIC GROWTH 5 YEARS



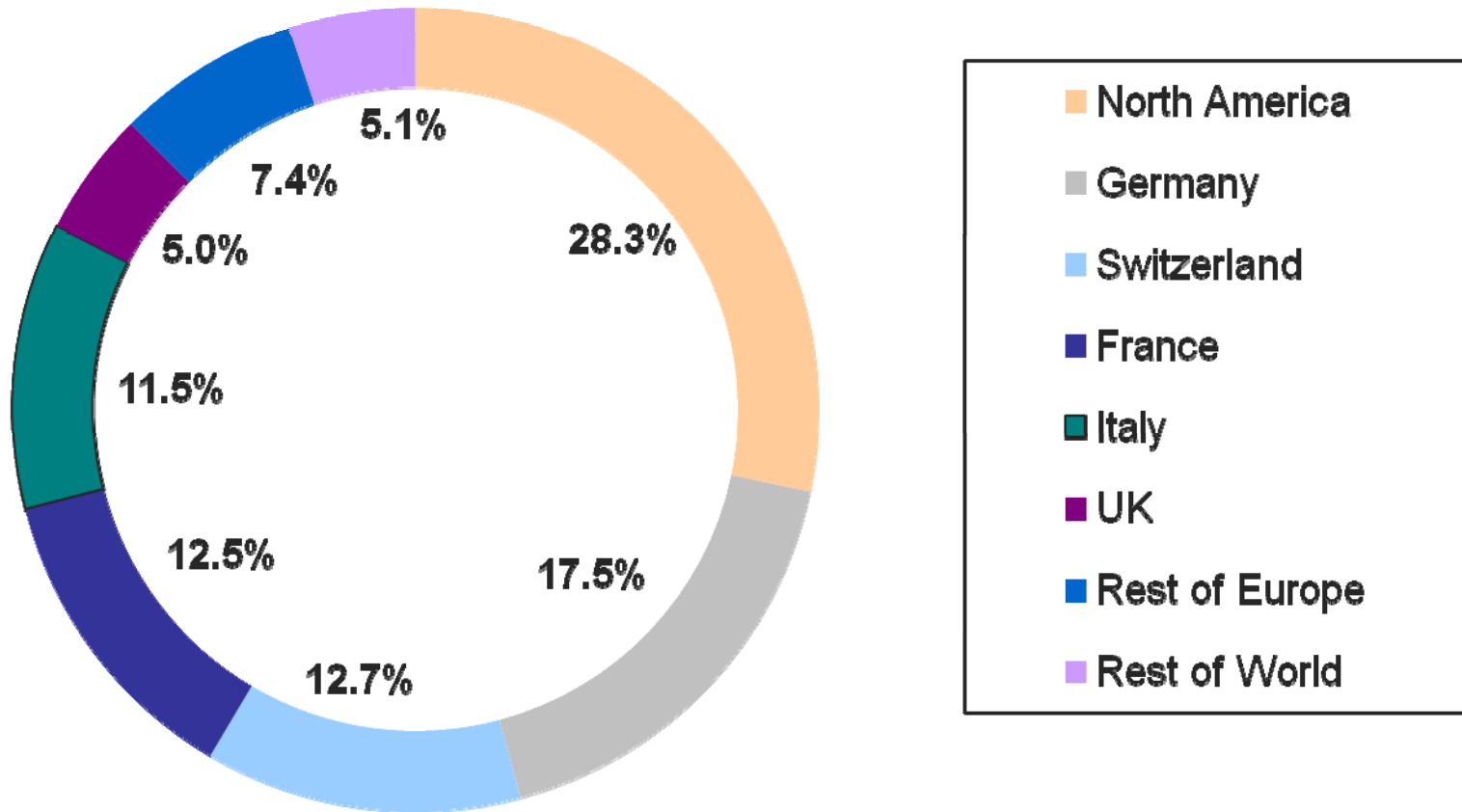
SALES ANALYSIS – DRIVERS

DYNAMIC VOLUME GROWTH 2010



SALES ANALYSIS – MARKETS

Total NNTS 2010: CHF 2'579 mio.



BUSINESS REVIEW

CORPORATE SOCIAL RESPONSIBILITY

&

SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

INHERENT PART OF THE LINDT PREMIUM BRAND

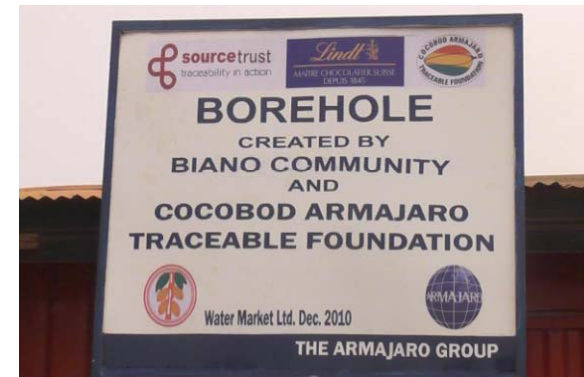
- ▶ High commitment in every aspect of corporate action
- ▶ Clearly formulated corporate policies
- ▶ Complete control of the supply chain from bean to premium chocolate



- ▶ Transparent communication on CSR activities through our website:
<http://www.lindt.com/ch/swf/ger/das-unternehmen/social-responsibility/>

Cocoa bean sourcing Ghana – Traceable back to farmer

- ▶ Lindt supporting infrastructure projects in villages supplying us with cocoa beans
- ▶ Premium paid for traceability & social projects in 2010 on top of market price USD 1.2 mio.
- ▶ Project update: During 2010, Lindt executed various projects in the villages it sources its high quality Ghana beans
 - School
 - Water supply / Boreholes
 - Malaria nets
 - Farmer education



Energy Usage

- ▶ Lindt Goal to reduce CO₂ output per ton produced by 2 % p.a.
- ▶ Implementation of 4'250 m² solar panels in Lindt Italy with
 - Production 320 MWh/year
 - Reduction of CO₂ emissions by 214 tons/year
- ▶ Additional roof insulation in L&S Germany estimated energy savings ca. 110'000 KWh p.a.
- ▶ Use of cocoa bean shells for CO₂ neutral energy production in L&S USA 4KWh/kg shells

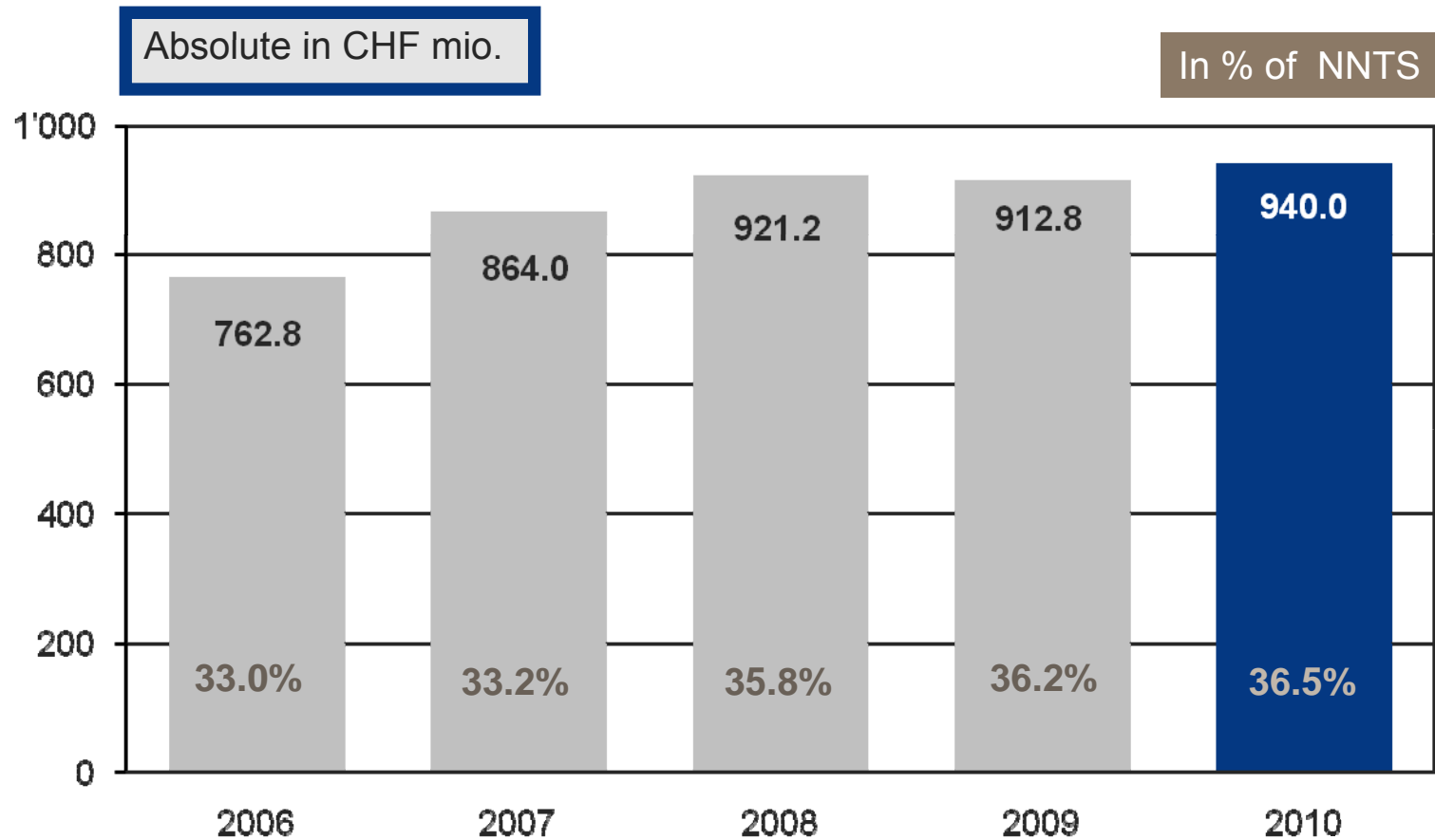


FINANCIALS

OPERATING PERFORMANCE

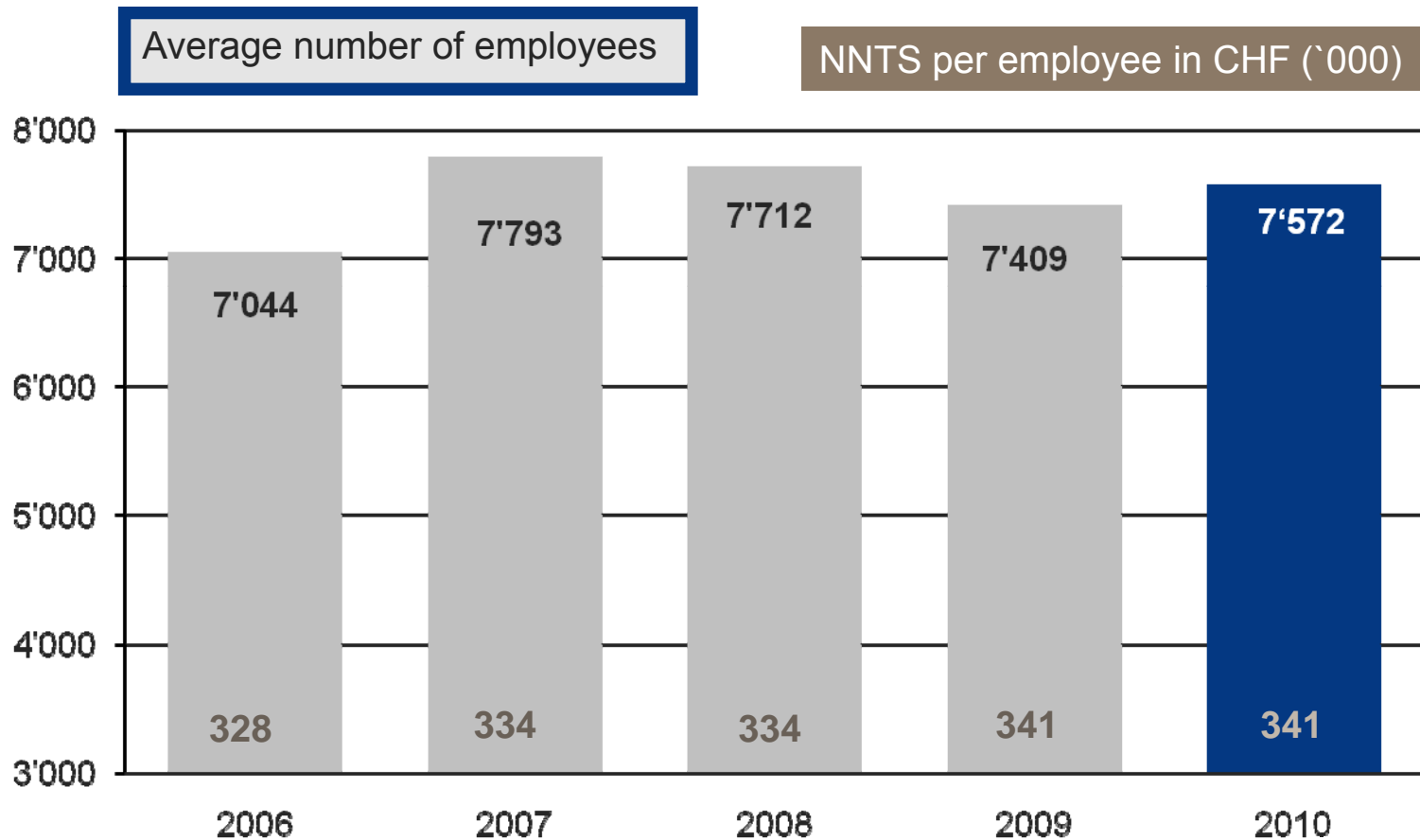
MATERIAL COSTS

MATERIAL COSTS +/- INVENTORY CHANGE:
FURTHER INCREASE OF COST MARGIN



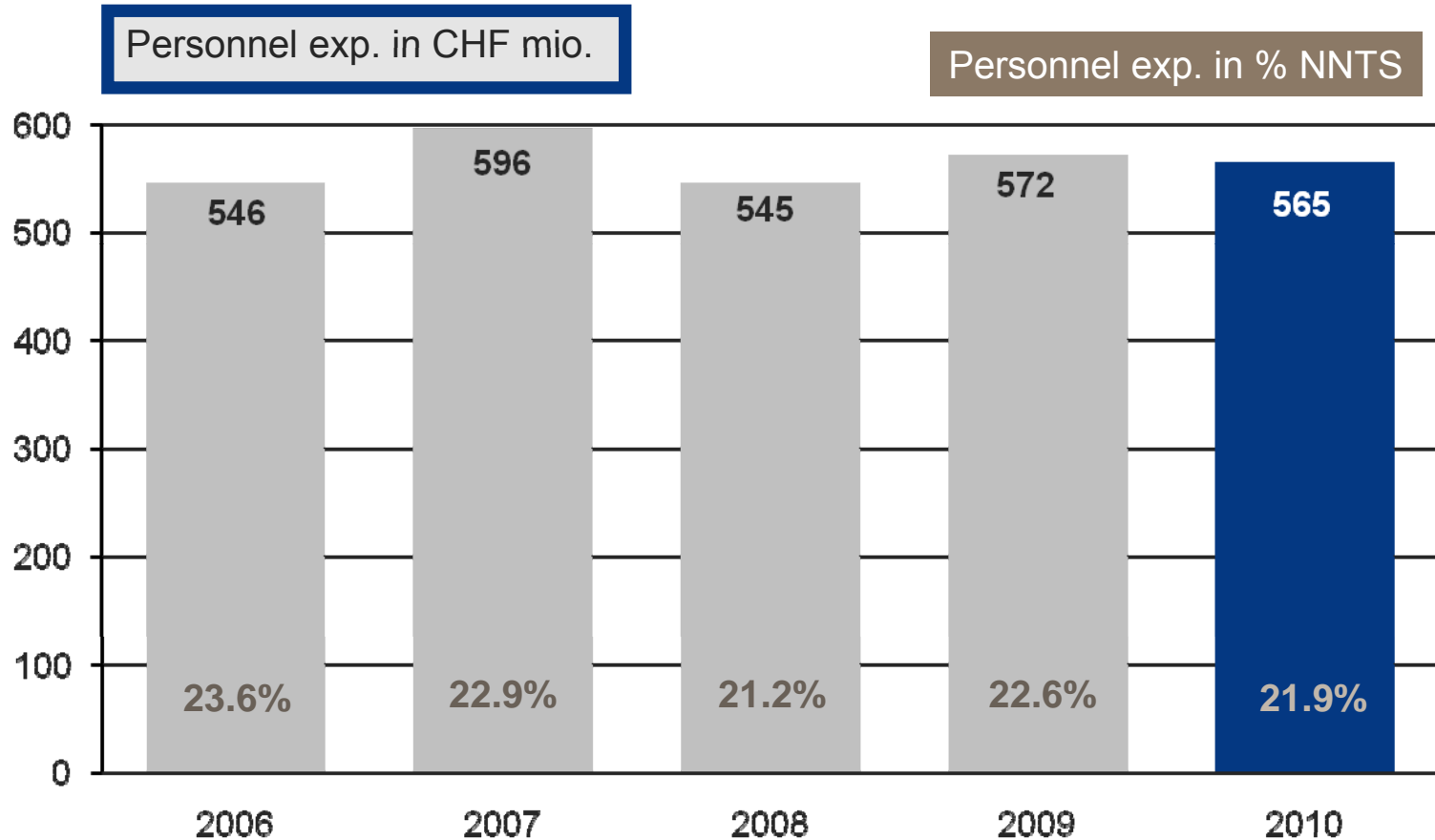
HEADCOUNT & NNTS PER EMPLOYEE

INCREASE OF STAFF – MAINLY IN MANUFACTURING



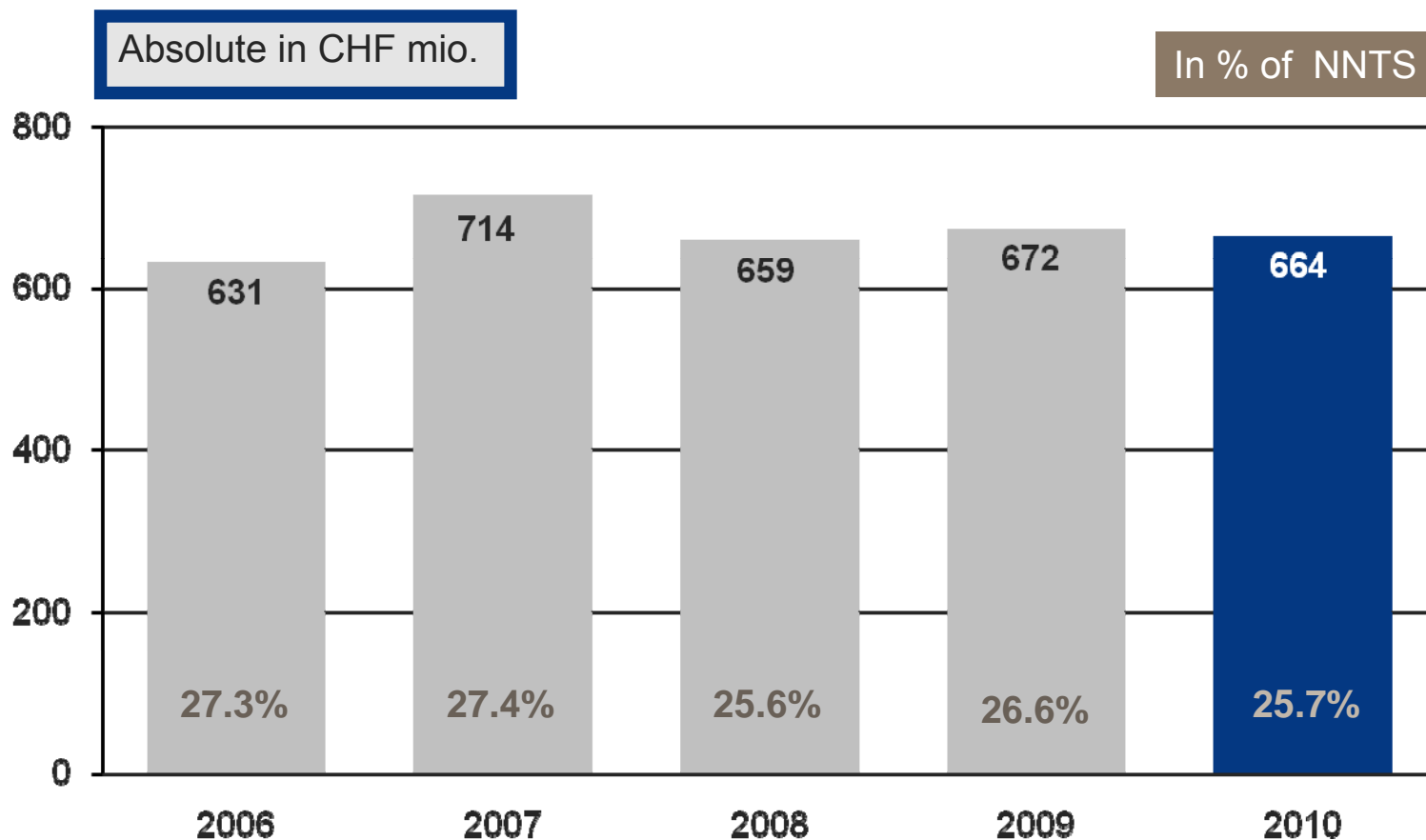
PERSONNEL EXPENDITURE

DECREASE OF COST MARGIN DUE VOLUME- AND EFFICIENCY GAINS



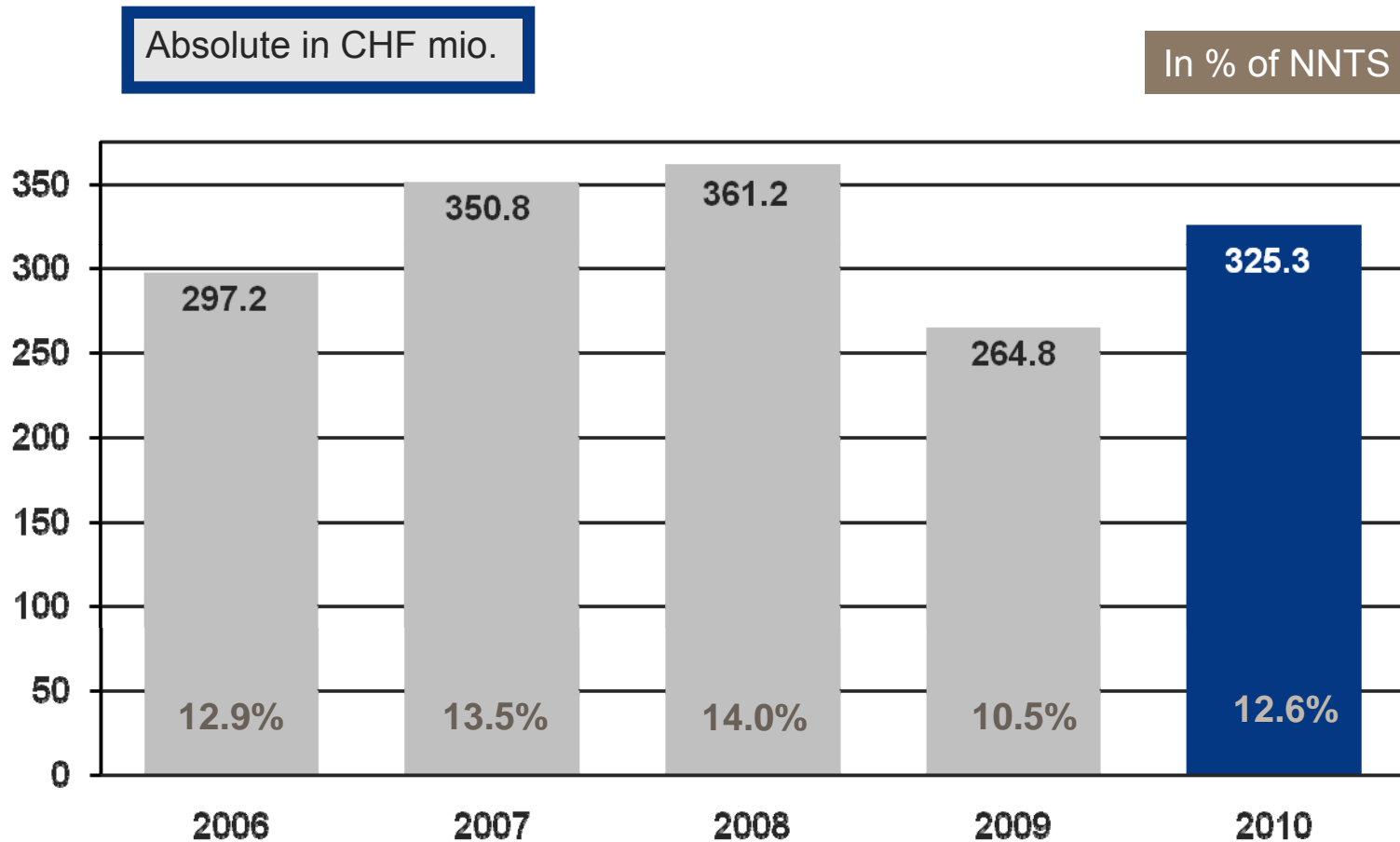
OPERATING EXPENSES

2009 IMPACTED BY EXTRAORDINARY CHARGES – „LIKE FOR LIKE“
INCREASE IN 2010 BASED ON HIGHER ADVERTISING EXPENSES



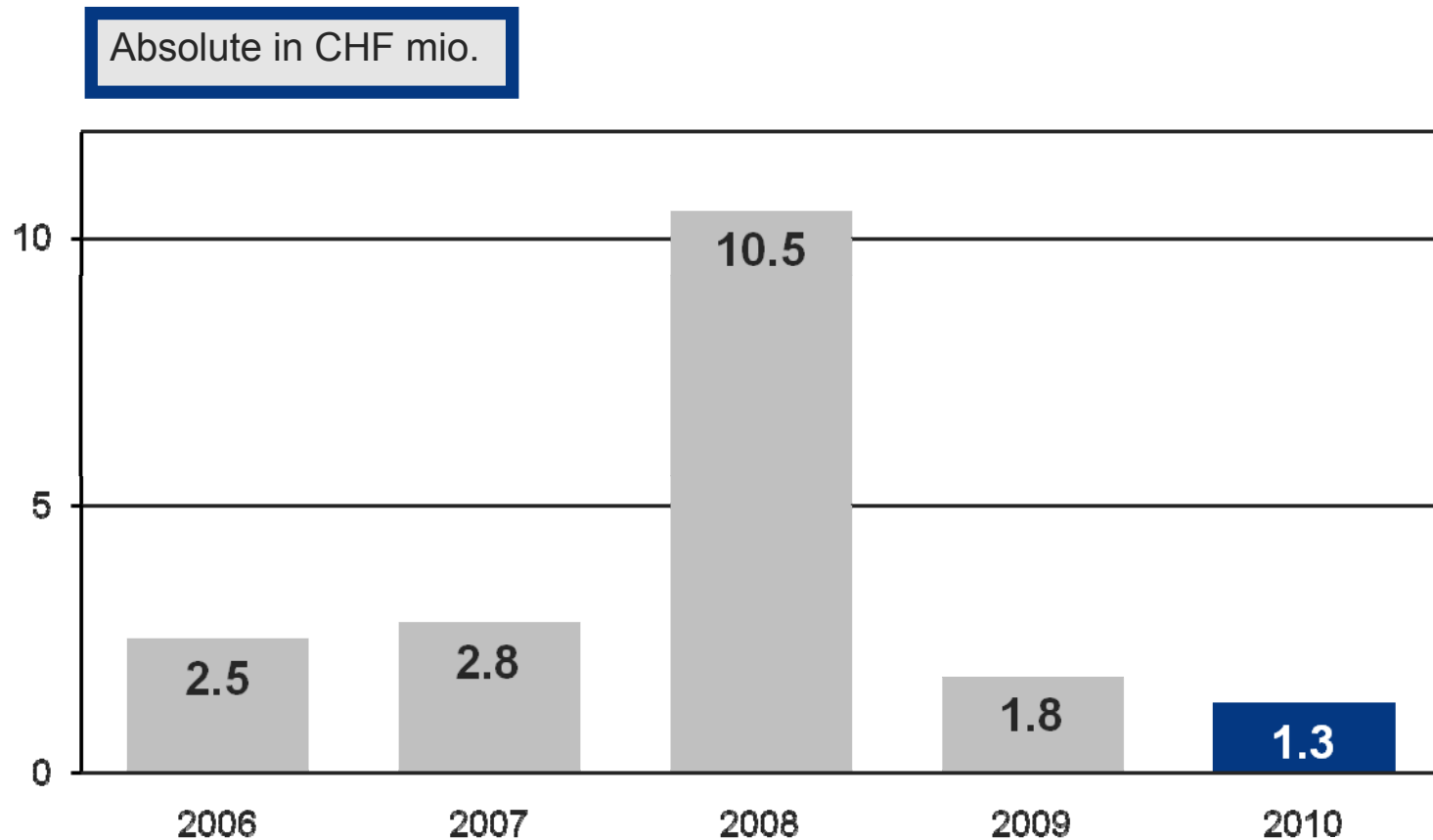
OPERATING PROFIT (EBIT)

EBIT MARGIN INCREASE + 50 BASIS POINTS vs. 2009 RESTATED
FOR EXTRAORDINARY ITEMS



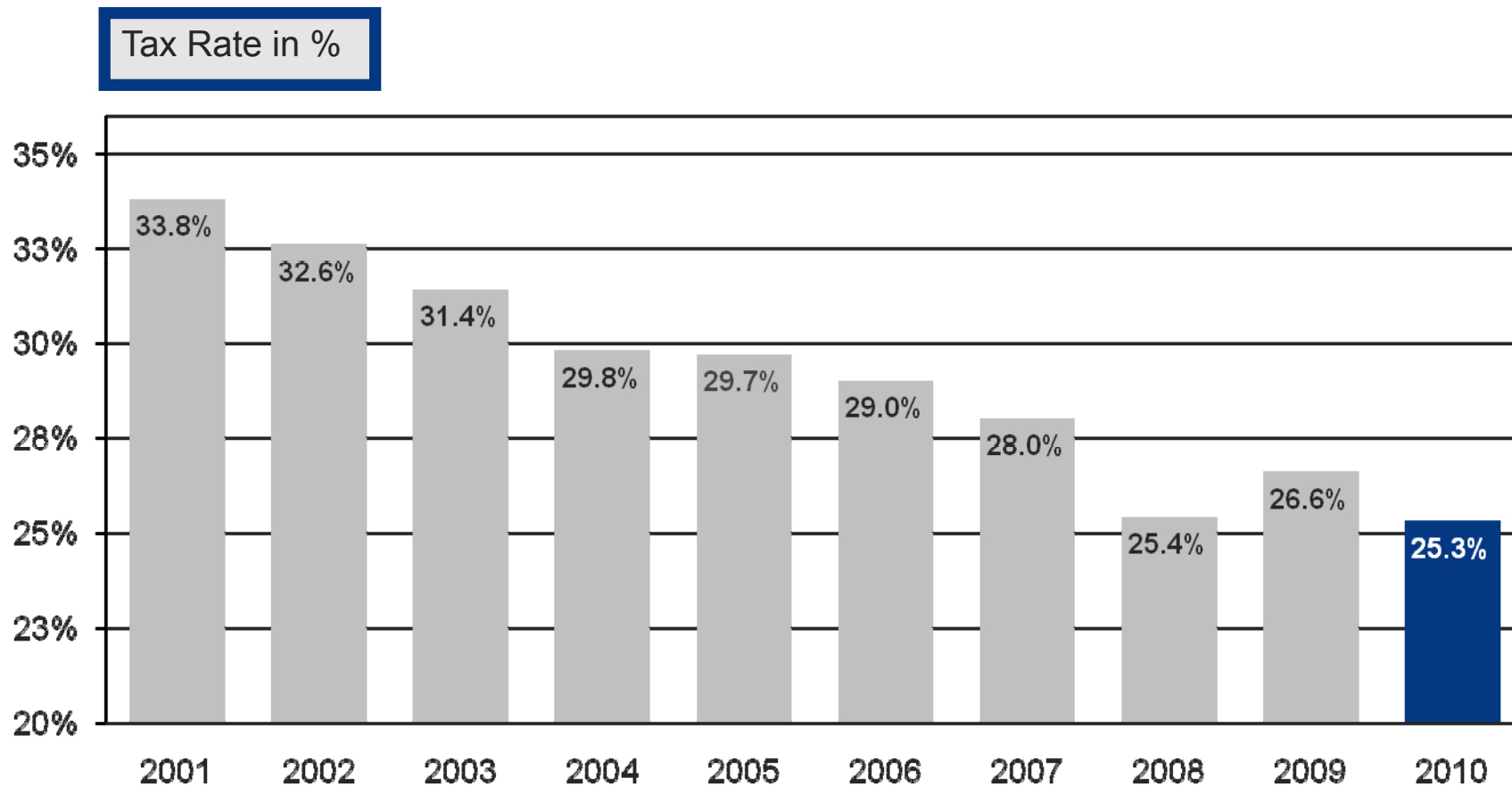
NET FINANCIAL EXPENSES

ONLY SMALL POSITIVE EFFECTS OF HIGHER CASH POSITION - LOW INTEREST RATES ON CHF LOW RISK INVESTMENTS



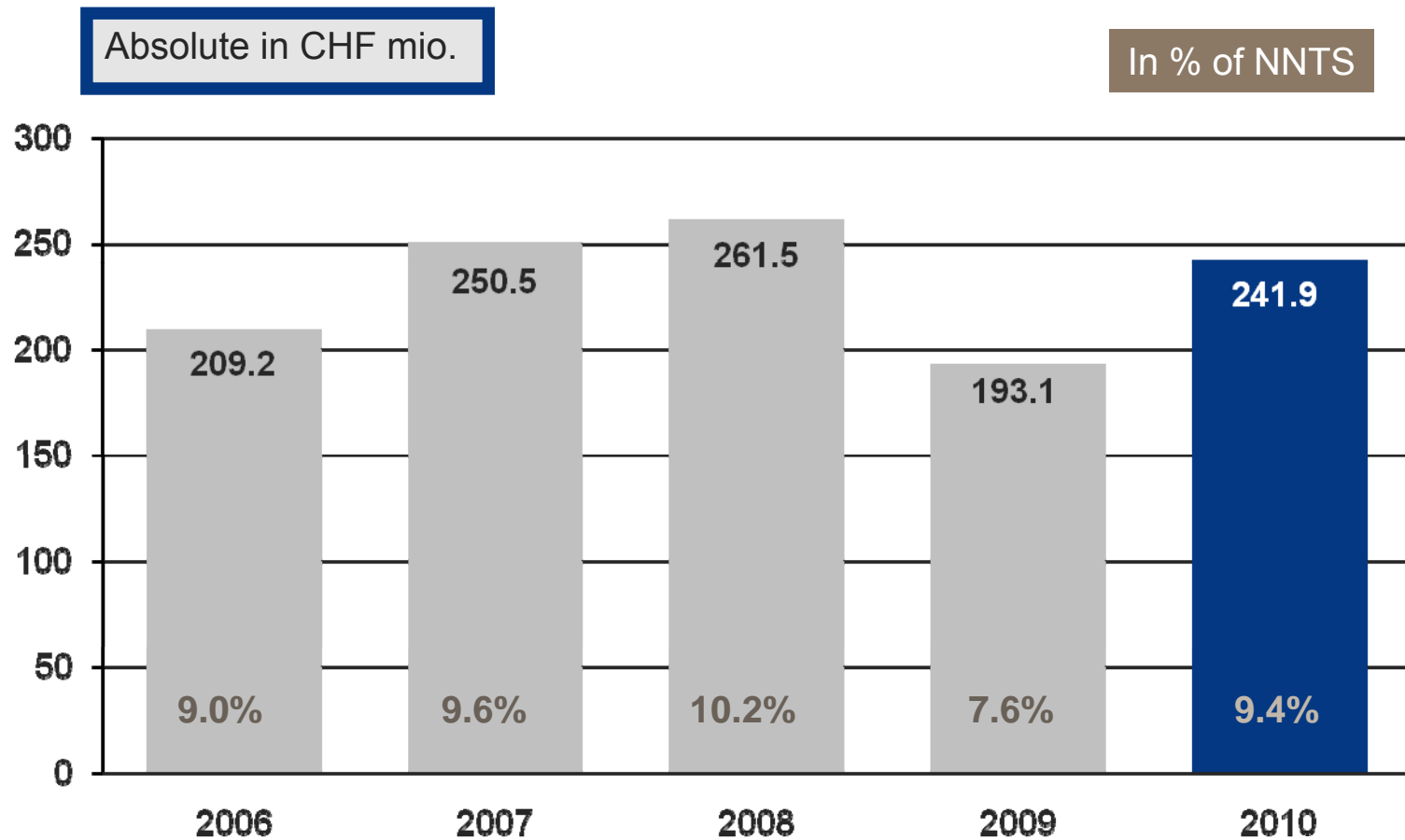
CORPORATE TAX RATE

TAX RATE BENEFITTING FROM HIGHER BEFORE TAX INCOME IN US COMPANIES – RATE TO STABILIZE AROUND 25.5%



NET INCOME

NET INCOME STRONGLY IMPACTED BY CURRENCY TRANSLATION EFFECT IN 2010



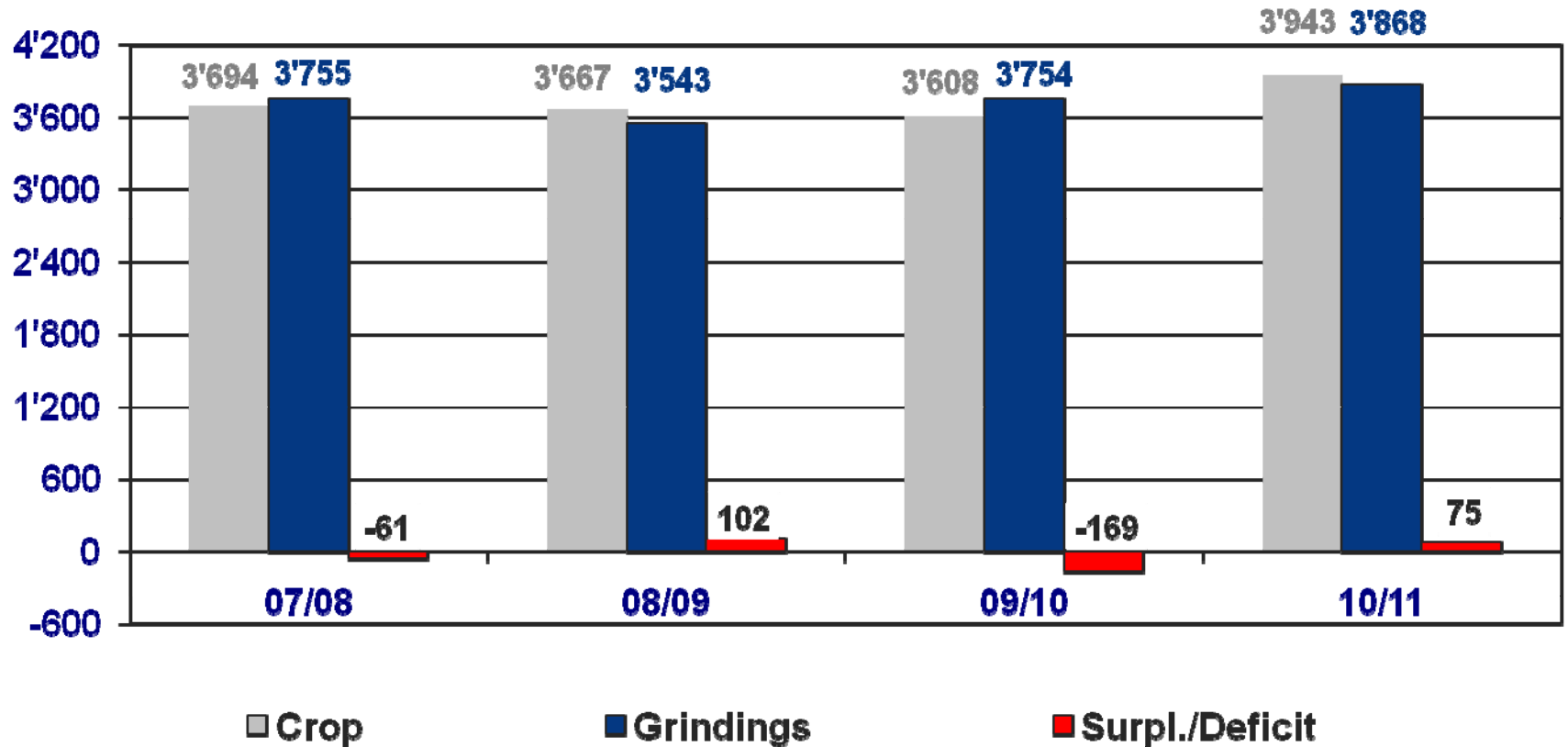
FINANCIALS

RAW MATERIALS & PACKAGING

COCOA CROP / GRINDING BALANCE



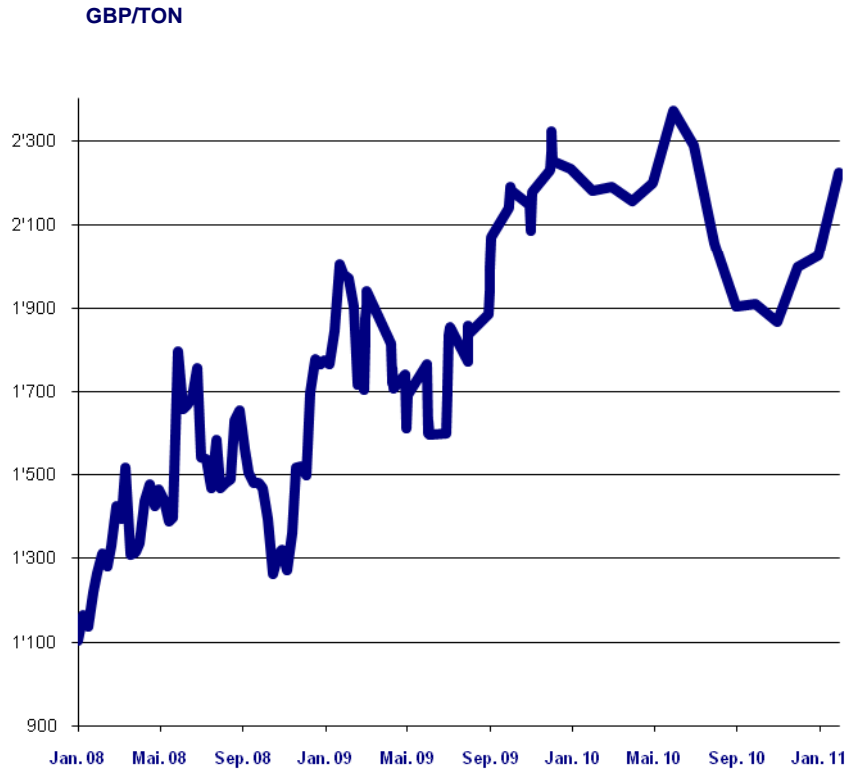
COCOA BEANS '000 T



Source: CRA 02.11



COCOA LONDON TERMINAL



BUTTER RATIO



NUT & ALMOND PRICES 2008 – 2010



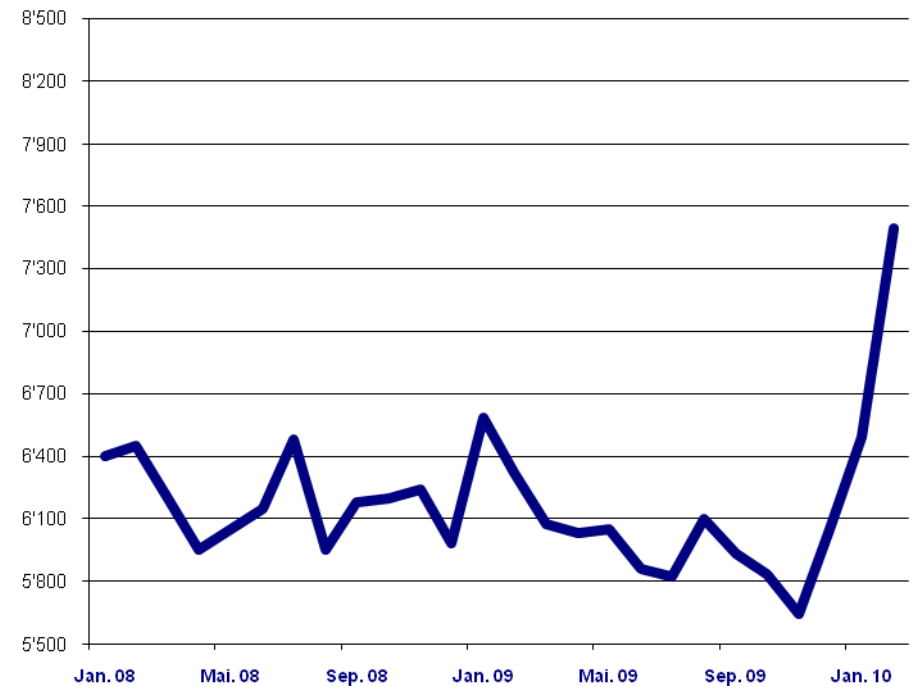
HAZELNUTS

USD/TON

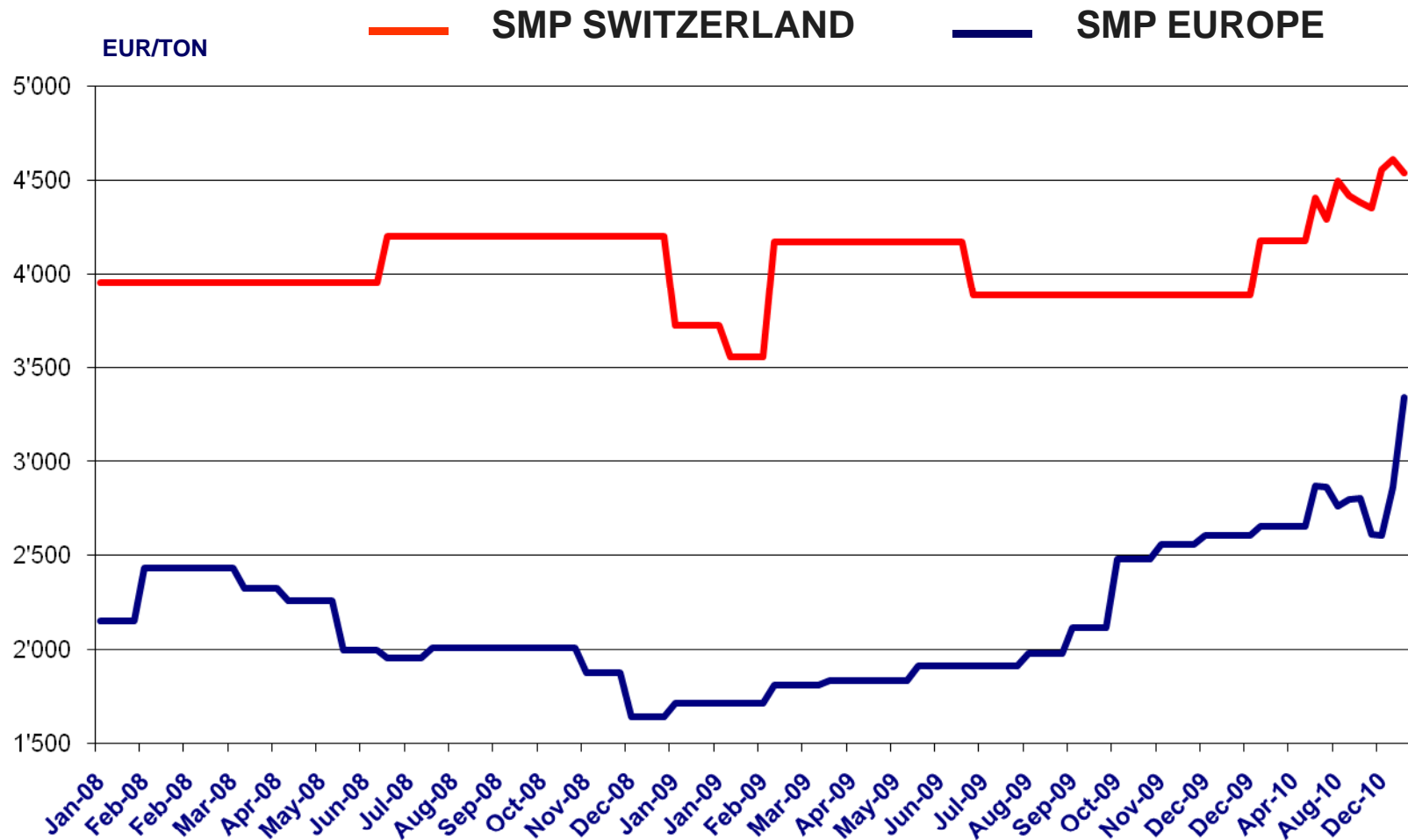


ALMONDS

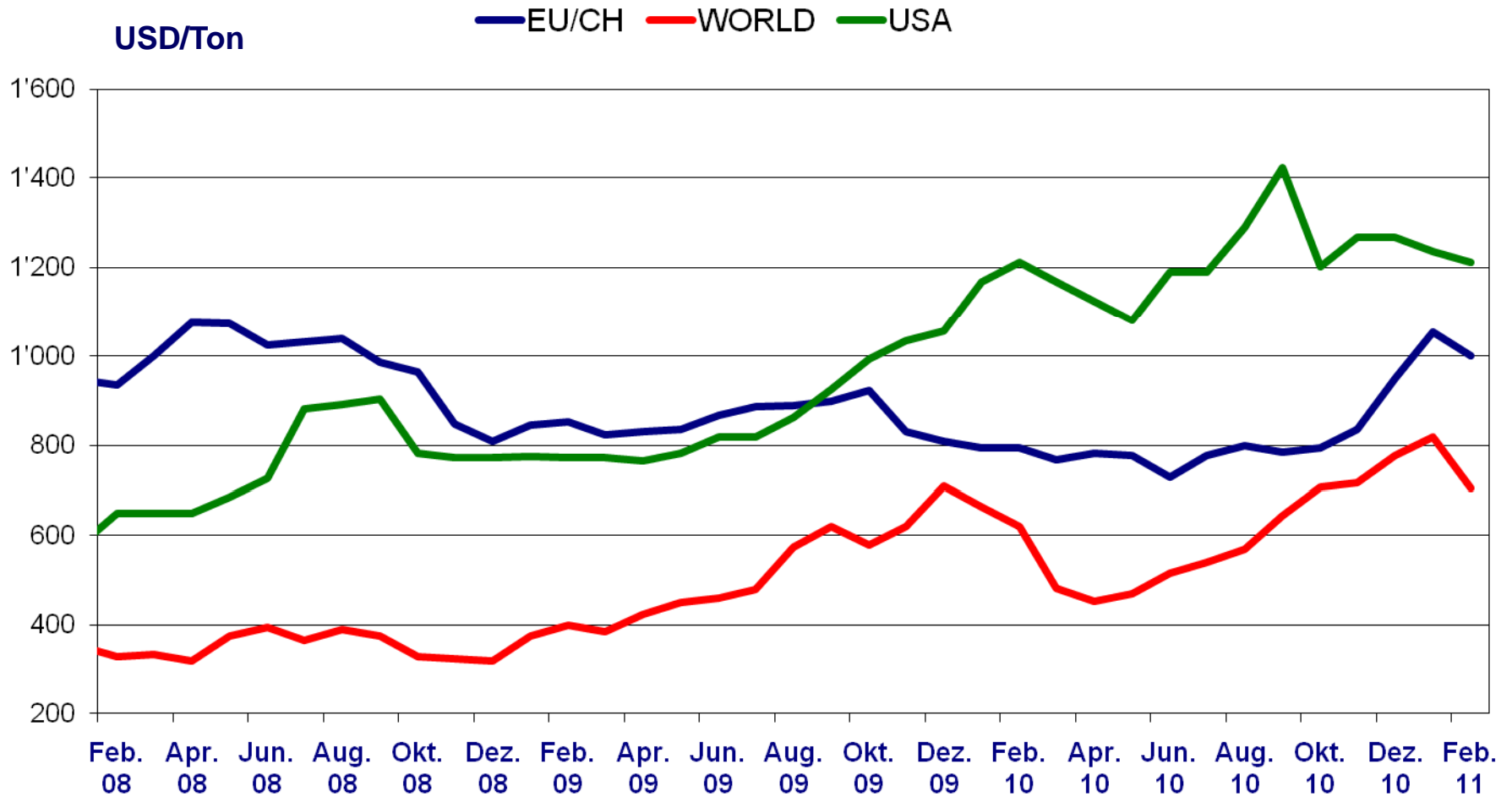
CHF/TON



MILK PRICES EUROPE & SWITZERLAND 2008 – 2010



SUGAR PRICES 2008 – 2010





COCOA PRODUCTS



- Terminal Market short term
- Bean Differentials
- Butter Ratio



OTHER RAW MATERIALS



- Milk
- Sugar
- Hazelnuts
- Almonds



PACKAGING



- Paper & Cardboard
- Metals & Flexibles



OUTLOOK 2011

OUTLOOK - EXTERNAL ENVIRONMENT

KEY THEMES 2011

LINDT & SPRÜNGLI RESPONSE

CONSUMER INTEREST IN CHOCOLATE

- ▶ Slowdown in volume growth of chocolate consumption in Western hemisphere

- ▶ Continuous launch of innovating concepts
- ▶ Priority on market share gains

INPUT COSTS / COMMODITY INFLATION

- ▶ Substantial & continuous cost increase of raw materials

- ▶ Price increases to consumers in 2nd half 2011 likely, due to cocoa, sugar, milk and packaging cost development

COST SAVING & PRODUCTIVITY

- ▶ Ongoing pressure on cost savings and productivity increase to absorb input cost effect

- ▶ Fixed cost absorption via higher volumes
- ▶ Saving initiatives in all areas

GEOGRAPHICAL EXPOSURE

- ▶ US economy perceived healthier than Western Europe
- ▶ Increasing importance of emerging markets

- ▶ Stronghold in North-American market >30% of sales
- ▶ Enter cautiously emerging markets with differentiated approaches

SHARE BUY-BACK 2011 / 2012

BUY-BACK OF MAX. 5 % OF TOTAL CAPITAL

BUY-BACK PROGRAM 2011 / 12

- ▶ Board of Directors has decided to initiate buy-back program for Lindt registered shares and Lindt participation certificates (PCs)

SIZE OF PROGRAM

- ▶ Re-purchase of maximum 5 % of total share/PC capital (ca. CHF 310 mio.)

TIMING

- ▶ 2011 up to maximum 31.12.2012

TECHNIQUE

- ▶ Re-purchase via separate trading line (second line) – less withholding tax
- ▶ Shares / PC's to be retired by means of capital reduction

FINANCIAL GUIDANCE & GROWTH EXPECTATIONS NEXT YEARS

MID- / LONG TERM SALES AND PROFIT TARGETS

Unchanged Guidance

Organic Growth	6 – 8 % p.y.
EBIT Margin	+ 20 to 40 basis points (*)
CAPEX	CHF 120 – 140 mio.

CONTINUED HIGH CASH GENERATION

() Depending on background conditions i.e. raw material & FX*

DISCLAIMER

This presentation contains forward looking statements which reflect management's current views and estimates. The forward looking statements involve risks and uncertainties that could cause actual results to differ from those expressed in the forward looking statements. Potential risks and uncertainties include among others factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures and regulatory developments.



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