LINDT & SPRÜNGLI

ANNUAL REPORT 2013

MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845

LINDT & SPRÜNGLI

CREDO

We are an international group and are recognized as a leader in the market for premium quality chocolate.

We strive for excellence to maximize worldwide market opportunities. We thoroughly understand our consumers, their habits, needs, behavior and attitudes. This understanding serves as the base to create products and services of superior quality and value. We will never make concessions that compromise our quality of product, packaging and execution.

Our working environment attracts and retains the best people.

We encourage, recognize and reward individual innovation, personal initiative and leadership of people throughout the organization. Respect of personal individuality, trust and fair play characterize our working relationships. Teamwork across all disciplines, business segments and geographies is a corporate requirement to create a seamless company of people who support all others for mutual success. We will develop professionals and facilitate communication and understanding across all disciplines.

Our partnership with our consumers, customers and suppliers is mutually rewarding and prosperous.

An in-depth understanding of our consumers‘ needs and our customers‘ and suppliers‘ objectives and strategies enables us to build a mutually rewarding and long lasting partnership.

We want to be recognized as a company which cares for the environment and the communities we live and work in.

Environmental concerns play an ever increasing role in our decision making process. We respect and feel responsible for the needs of the communities in which we live.

The successful pursuit of our commitments guarantees our shareholders an attractive long term investment and the independence of our company.

We wish to remain in control of our destiny. Independence through superior performance will allow us to maintain this control.

INCOME STATEMENT

		2013	2012 [1]	Change in %
Sales	CHF million	2,882.5	2,669.5	8.0
EBITDA	CHF million	503.3	435.9	15.5
in % of sales	%	17.5	16.3	
EBIT	CHF million	404.1	330.1	22.4
in % of sales	%	14.0	12.4	
Net income	CHF million	303.0	244.9	23.7
in % of sales	%	10.5	9.2	
Operating cash flow	CHF million	419.1	381.2	9.9
in % of sales	%	14.5	14.3	

1) 2012 comparatives have been restated. See note 2 in the notes to the Financial Statements.

BALANCE SHEET

		2013	2012 [1]	Change in %
Total assets	CHF million	3,880.7	2,640.9	46.9
Current assets	CHF million	1,965.7	1,714.2	14.7
in % of total assets	%	50.7	64.9	
Non-current assets	CHF million	1,915.0	926.7	106.6
in % of total assets	%	49.3	35.1	
Non-current liabilities	CHF million	507.4	259.5	95.5
in % of total assets	%	13.1	9.8	
Shareholders' equity	CHF million	2,634.7	1,694.4	55.5
in % of total assets	%	67.9	64.2	
Investments in PPE/intangible assets	CHF million	191.4	144.6	32.4
in % of operating cash flow	%	45.7	38.0	

1) 2012 comparatives have been restated. See note 2 in the notes to the Financial Statements.

EMPLOYEES

		2013	2012	Change in %
Average number of employees		8,949	8,157	9.7
Sales per employee	TCHF	322.1	327.3	–1.6

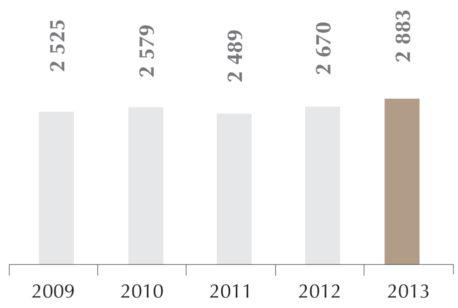
DATA PER SHARE

		2013	2012 [1]	Change in %
Non-diluted earnings per share/10 PC [2]	CHF	1,339	1,079	24.1
Operating cash flow per share/10 PC	CHF	1,833	1,686	8.7
Dividend per share/10 PC	CHF	650 [3]	575	13.0
Payout ratio	%	49.0	53.1	
Shareholders' equity per share/10 PC	CHF	11,523	7,492	53.8
Price registered share at December 31	CHF	48,100	34,515	39.4
Price participation certificate at December 31	CHF	4,021	2,980	34.9
Market capitalization at December 31	CHF million	10,267.6	7,383.8	39.1

1) 2012 comparatives have been restated. See note 2 in the notes to the Financial Statements.
2) Based on weighted average number of registered shares/10 participation certificates.
3) Proposal of the Board of Directors.

SALES

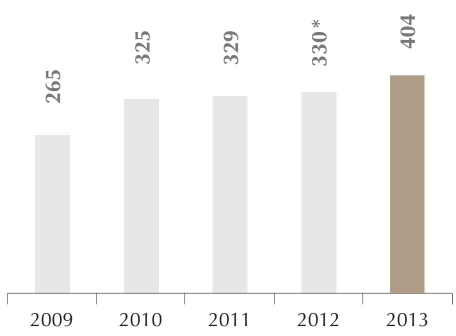
(CHF million)



Organic growth: 2.3% 7.3% 6.0% 6.8% 8.6%

OPERATING PROFIT (EBIT)

(CHF million)



in % of sales: 10.5% 12.6% 13.2% 12.4% 14.0%

*2012 comparatives have been restated. Refer to note 2 of the consolidated financial statement.

CONTENT

ANNUAL REPORT 2013

FINANCIAL YEAR 2013

CHAIRMAN'S REPORT

DEAR SHAREHOLDERS

Lindt & Sprüngli is pleased to look back again on another financial year which proved successful in every respect and clearly exceeded the development of the overall chocolate markets. Despite the still relatively sluggish economic background, organic growth in local currencies outperformed the longterm strategic targets. We were able to win new market shares both in our key markets in Europe and North America and also in the emerging countries where we are building up our own subsidiaries. These good results were achieved in large measure by our consistent quality and innovation policy and demonstrate the sustained success of our business model. In addition, great emphasis is placed on employee retention at Lindt & Sprüngli. The resulting continuity on all hierarchy levels of the organization guarantees long-term oriented strategies with corresponding potential for success.

However, 2013 was also a year of many challenges. Southern Europe is still suffering from a difficult economic environment which affects consumption to a large extent. In the raw materials sector, the whole chocolate industry is confronted with rising costs. The prices of cocoa products, milk, and hazelnuts rose steadily in the past twelve months. Cocoa beans reported the longest upward trend for eleven years. Thanks to optimal raw material procurement, together with effective cost management and constant process improvements, fluctuations of this kind have so far been compensated in part and without the need for substantial price adjustments.

Organic growth in local currencies of 8.6% exceeded our longterm strategic target set at 6 to 8%. In Swiss francs, Group sales rose by 8.0% at CHF 2.88 billion (previous year: CHF 2.67 billion), reflecting the somewhat weaker parities of several currencies (USD, CAD, AUD, GBP) against the Swiss franc; this was not fully compensated by the slightly higher euro exchange rate and affected the sales expressed in Swiss francs by approximately CHF 20.0 million.

Strong emphasis must be placed on the fact that growth – well above the market average – was achieved almost entirely through higher volumes and corresponding market share gains in all markets and product groups, boosted in particular by innovations such as the new lifestyle range HELLO, and leadership in the seasonal business.

Against the background of largely saturated chocolate markets in Europe and North America, Lindt & Sprüngli's above-average growth rates in these regions, even reaching double digits in the USA and the UK, were a particularly noteworthy performance. Our key European markets Germany and France also proved particularly dynamic, well ahead of the market as a whole. Additional market shares were also won in the recessive Italian market. In the Swiss domestic market our already clear leadership was further strengthened while high double-digit growth rates were achieved in the export business. The recently founded subsidiaries in the developing markets Japan, China, and South Africa likewise performed positive. The creation of our own organizations underlines our goal of establishing the LINDT brand in developing markets under our own management.

With sales growth of 19.6% to CHF 242.1 million, the "LINDT Global Retail" Division is becoming increasingly important for our Group and it is a major base for the expansion into new markets. The global network of our own LINDT Chocolate Cafés, LINDT Boutiques in prominent locations and outlets, makes a valuable contribution to the continued strengthening and further anchoring of the LINDT brand image and recognition in key markets as well as in the fast-growing emerging countries.

When preparing the 2013 financial statements, IAS 19 (revised) "Employee benefits" has been applied for the first time. The previous years' comparatives of the balance sheet and income statement have been restated accordingly. The consolidated operating profit (EBIT) rose by 22.4% to CHF 404.1 million (previous year CHF 330.1 million). The increase of the EBIT margin to 14.0% demonstrates the constant reliability of our strategic earnings forecasts. In parallel, the net income also improved to CHF 303.0 million (previous year CHF 244.9 million). The return on sales reached 10.5% with a higher operating cash flow of CHF 419.1 million (previous year CHF 381.2 million). With a balance sheet that remains particularly strong, the company has a capital structure without goodwill and free from debts.

This strong basis allows maintaining and constantly expanding the state-of-the-art industrial and technological predominance. In the last year, CHF 191.4 million were invested primarily in capacity extensions, new technologies, and process optimizations.

Lindt & Sprüngli has also proved itself to be a progressive and committed company with the creation of two foundations of public benefit. The LINDT Cocoa Foundation has set itself the goal of social and ecological sustainability in the cocoa sector. It supplements the longstanding and still ongoing structural and financial efforts of the Group in favor of a sustainable supply chain and the improvement of farmers' living and working conditions.

On the other hand, the LINDT Chocolate Competence Foundation focuses on enhancing the public awareness for the Swiss chocolate tradition and the economic aspects of our industry, and also on the technical know-how transfer in cooperation with universities and other institutes of higher education.

The financial markets proved dynamic in the year under review. Practically all the important stock exchanges reported substantial value gains, including the SMI which rose by 20.2 %. This strong trend was largely outperformed by the Lindt & Sprüngli securities. The registered share reported an above-average improvement of 39.4 %, while the value of the participation certificate improved by 34.9 %. This development reflects the great confidence placed by investors in the structural and economic solidity of our company.

Based on the sound liquidity, strong balance sheet and continuing high cash flow, a new share buyback program representing 5 % of the registered share and participation capital was started at the end of October 2013 and will run until the end of 2014. Based on the closing price of the Lindt & Sprüngli registered share and participation certificate on October 3, 2013, the buyback volume amounts to around CHF 450.0 million.

In the light of these good results, the Board of Directors will be proposing to the Annual Shareholders' Meeting of April 24, 2014, a dividend of CHF 650.– per registered share (CHF 555.– from a withholding-tax-free distribution from the approved capital contribution reserve (agio) and CHF 95.– from available retained earnings) and CHF 65.– per participation certificate (CHF 55.50 from a withholding-tax-free distribution from the premium reserve and CHF 9.50 from available retained earnings). This is equivalent to an increase of 13.0 % on the previous year.

The generation of profitable growth lies at the heart of the long-term strategy on which our business model is based. This has proved successful for the past 20 years and is the foundation for further development potential. Here, our commitment to quality, drive for innovation and marketing expertise play a crucial role. These factors are an integral part of a differentiated, forward-looking vision which holds the key to the long-term success of our Group.

Strong growth in Europe and North America and the accession to new markets require clear strategic objectives to be implemented through a concrete and structured action plan. That is why we increase our spendings for advertising and all kinds of marketing activities year after year; we are also investing large sums for the expansion and optimization of our production capacity. Our know-how in manufacturing processes and technologies put us in a leading position in the chocolate industry.

We know that tomorrow's success is built on today's visions. The positive development of our business, the geographical expansion, and organizational enhancement of our corporate structure led to the strengthening of our top management team in the past financial year. The enlargement of the Group Management and the Extended Group Management is an important and forward-looking step in view of the adaptation of the Group wide organization to the challenges of the future.

Above-average success also requires above-average commitment. Our dedicated and motivated employees have contributed at every level of the Group to the good results reported in the year 2013. The Group Management and Board of Directors owe them a deep debt of gratitude. We also wish to thank our business partners and suppliers for their good cooperation and our shareholders for their loyalty and confidence in the company.

OUTLOOK

The Group Management is assuming that the economic situation will recover somewhat, if only slowly, in the year 2014. However, high raw material prices and the volatile trend of the exchange rates of important foreign currencies will continue to bring about major challenges. What is more, sustained competition in the retail trade is placing prices under ever-increasing pressure to which the weaker labels in particular are more and more exposed. Thanks to our continuous investments in the brand, Lindt & Sprüngli is optimally equipped to master these challenges and we expect to attain our long-term strategic goals again in the financial year 2014.

Ernst Tanner
Chairman and Chief Executive Officer

REVIEW

HIGHLIGHTS

GOLD BUNNY BOAT ON LAKE ZURICH

Switzerland | "Easter ahoy!" – With this hearty cry, the LINDT GOLD BUNNY embarked on the pleasure boat on Lake Zurich between Zurich and Rapperswil. Around 700 passengers on the boat's two decks enjoyed an unforgettable Easter experience involving various activities such as an Easter competition and culinary delights created from LINDT chocolate especially for this occasion.

GOLD BUNNY RAISES MONEY FOR CHARITY

USA | The Lindt & Sprüngli subsidiary in the US invited prominent actors to autograph GOLD BUNNIES, which were then auctioned off for charity. The campaign's patron is Hollywood actress Jennie Garth, whose prominent personality generated a great amount of media coverage.

GREAT EASTER EGG HUNT

UK | One hundred brightly painted Easter eggs went on a seven-week tour together with the LINDT GOLD BUNNY, visiting five English cities and generating advertising exposure to around six million people. After Easter, the artistically decorated Easter eggs were auctioned off, with the proceeds going to the charity "Action for Children."

SAY IT WITH THE LINDT TEDDY

Switzerland | Have you wanted to give someone a truly special message for a long time? Just before Christmas, there was a unique opportunity to do just that in German-speaking Switzerland! Numerous visitors went to the TEDDY caravan and made a personal Christmas video or photo message to surprise their loved ones at Christmas time.

HELLO – NICE TO SWEET YOU

Switzerland | The new HELLO range was launched in Switzerland with a big bang – the largest product launch in Lindt & Sprüngli's history. In one of the many advertising promotions, around 220,000 HELLO samples were given away at Zurich's central station.

DIVA PRODUCT LAUNCH

Germany | The new LINDT DIVA truffles are extravagant and exquisite. The unique truffle compositions are coated with golden dust and entices with its delicate filling in one of four flavors: Irish Cream, Marc de Champagne, Rosé Marc de Champagne, and Chocolate. The classically elegant packaging, which presents the pralinés like gems in a jewelry box, tops off the exclusive look; a wonderful opportunity to enjoy your own piece of luxury.

NEW: LINDOR CARAMEL

Switzerland | The popular LINDOR truffles have been a success story for more than sixty years. A new flavor was added in 2013, and proved to be an instant hit. As part of a large-scale sampling campaign, a million truffles were handed out in Switzerland. Discover LINDOR Caramel in its softest form, and be seduced by the combination of the finest LINDT milk chocolate and creamy caramel. By the way: they're Roger's favorites, too!

20TH ANNIVERSARY OF THE CHOCOLATE MUSEUM

Cologne | There was cause for celebration in Cologne, as the Chocolate Museum celebrated its 20th anniversary and held a chocolate festival at which the LINDT Master Chocolatiers presented their creations. Since 2006, LINDT has been a partner of this cultural center, one of Germany's most popular museums with around a million visitors per year.

PARTNERSHIP WITH THE SWISS MUSEUM OF TRANSPORT

Lucerne | The Lindt & Sprüngli Chocolate Competence Foundation announced a long-term partnership with the Swiss Museum of Transport in Lucerne. This involves developing the multimedia theme world "Swiss Chocolate Adventure," which is set to open in June 2014. Seated inside pralinés on wheels, visitors will experience the chocolate adventure with all five senses.

OPENING OF LINDT CHOCOLATE BOUTIQUE IN A PRIME LOCATION

Paris | The already existing LINDT Boutiques in Paris have been joined by a new addition in a prominent location near the Opera. This will enhance consumers' awareness of the brand while showcasing the product range in a truly unique way, creating a memorable shopping experience that will leave a lasting impression.

NEW PRODUCTION HALL

Aachen | Following the groundbreaking ceremony for an extensive plant expansion project at our subsidiary in Germany in the fall of 2011, the new 15,000 m^2 production hall was officially inaugurated in the year under review. This means that our German subsidiary is now ideally equipped to meet the growing demand in our most important European market.

LINDT PROMOTION IN MOSCOW

Russia | Each year in September, the Russian metropolis Moscow celebrates its city birthday with manifold activities. In 2013, the LINDT Master Chocolatiers are part of the festivities for the first time and hand out 600,000 LINDOR truffles throughout the city.

MEET & GREET WITH ROGER FEDERER

Kilchberg | A large-scale international competition gave lucky winners the unique opportunity to meet LINDT brand ambassador Roger Federer in person. In addition, 20 children from the winter relief project run jointly by Lindt & Sprüngli and the Roger Federer Foundation were invited to spend an action-packed day at the LINDT Chocolateria in Kilchberg.

ATTENZIONE! MEGA PROMO IN ITALY

Perugia / Rome | The LINDT TEDDY made a real impression at the International Chocolate Exhibition in Perugia. Just a few weeks later, the new LINDT Boutique opened in Rome. Ultralarge tablets and LINDOR truffles were paraded through the city to draw people's attention; a successful advertising campaign in every respect.

GHIRARDELLI GOES HOLLYWOOD

California | The existing partnership between Ghirardelli and Disney at Disneyland in Anaheim, California, was extended. In mid-November, a GHIRARDELLI store was opened in a prime location on Hollywood Boulevard, close to the famous Disney cinema "El Capitan" and in best company with the famous stars on the "walk of fame."

MACY'S PARADE

New York City | The traditional Macy's Thanksgiving Day Parade takes place each year in New York City. This year, an outsized LINDT Master Chocolatier float was featured for the first time, attracting lots of attention and enthralling the crowd. Organized by the department store of the same name, the event drew millions of spectators.

MARKETS

As the leading global supplier in the premium chocolate segment, Lindt & Sprüngli operates 20 subsidiaries worldwide and eight production sites in Europe and the USA. Via its own organization and numerous distribution partners, the group of companies is present round the world in over 120 countries.

SWITZERLAND

Chocoladefabriken Lindt & Sprüngli (Schweiz) AG ended the financial year successfully with sales up by 7.6 % at CHF 313.0 million (previous year: CHF 291.0 million) and won new market shares.

With sales worth CHF 313.0 million, Chocoladefabriken Lindt & Sprüngli (Schweiz) AG achieved growth above the market average at 7.6 %. The strong Swiss franc continued to affect the domestic economy and tourism business adversely. The discount chains continued to expand, placing further pressure on prices. In a slow-growing overall chocolate market, LINDT further increased its already very high market shares thanks to professional marketing and dynamic sales plans. The addition of the caramel flavor to the LINDOR line proved a successful introduction, quickly becoming one of the best-selling LINDOR variants which was also particularly well received in other countries. Additional offers such as the EXCELLENCE fan box boosted the tablet segment. However, the major product launch in the year under review was the introduction of the HELLO lifestyle collection. The extensive launch program involved a unique appearance with a major trading partner in Switzerland and a large scale sample distribution action at Zurich's central station. Leadership in the important seasonal business was further extended by innovative marketing activities and new product offerings. Significant examples include the GOLD BUNNY auction for the benefit of a charitable organization and the "Say it with TEDDY" campaign which generated countless new contacts. Another highlight was the successful event with Roger Federer and children from the joint winter assistance promotional program in the LINDT Chocolateria. Here children were given an opportunity to make their own chocolate art works under guidance from the LINDT Master Chocolatiers and with the help of Roger Federer.

GERMANY

With sales of EUR 407.3 million, Chocoladefabriken Lindt & Sprüngli GmbH reported growth of 7.5 % (previous year: EUR 378.8 million). The launch of the DIVA product line once again underlined LINDT's great ability to innovate.

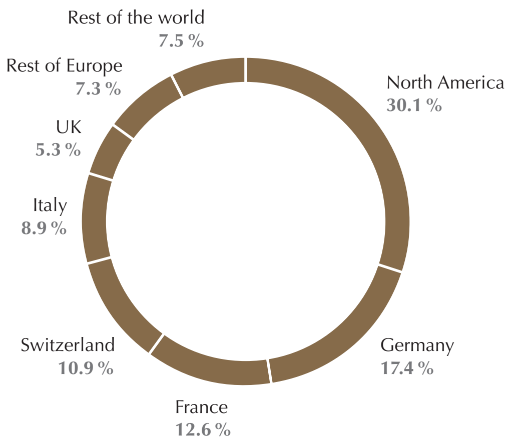
In the year under review, the economic environment improved as the economy grew and demand rose. This positive underlying sentiment also affected the trend of the overall chocolate market which reported further modest growth. Despite the fact that the hard discounters again expanded more strongly than the rest of the trade in the year under review and the market saw aggressive price promotions, Chocoladefabriken Lindt & Sprüngli GmbH still managed to step up its sales by a substantial 7.5 % to EUR 407.3 million. This good result is attributable in part to product innovations. Seasonal variants were added to the HELLO line which had been launched with great success in 2012 and distribution was expanded all over the world. Not least because of the innovative marketing strategy for HELLO, Lindt & Sprüngli was awarded with the German marketing prize. The elegant DIVA collection, another innovation which attracted wide attention, symbolizes glamor and luxury and was also promoted by a substantial marketing package. To satisfy the continuing dynamic demand for LINDT products and pave the way for future growth, a new production bay was inaugurated at the Aachen manufacturing site following the commissioning of a major logistic complex in the previous year.

FRANCE

Lindt & Sprüngli SAS increased its sales by 6.6 % to EUR 295.0 million (previous year: EUR 276.8 million) and won further market shares in all segments.

Substantial tax increases had an adverse impact on purchasing power and consumer sentiment which remains at low level. The chocolate market as a whole proved correspondingly weak. Nevertheless, Lindt & Sprüngli SAS managed to step up its sales by 6.6 % to EUR 295.0 million and won new market shares in every segment. As a leader in the tablet segment, LINDT is the only chocolate brand which has been able to report continuous growth for the last ten years. One-half of all tablet innovations of the past two years achieved

SALES BY REGIONS



No. 1

Lindt & Sprüngli is the worldwide leader in the premium chocolate segment

LINDOR

More than

3,000,000,000

LINDOR truffles produced in 2013

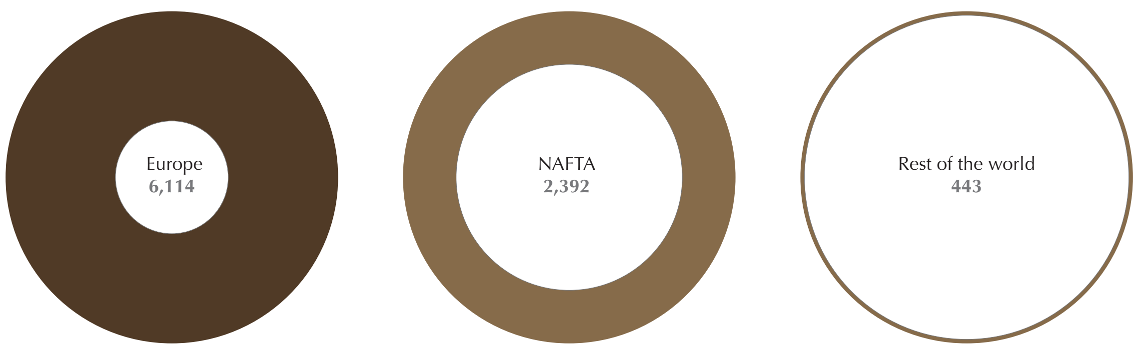
LINDT GOLD BUNNY

LEADER IN THE SEASONAL BUSINESS

GOLD BUNNY sold more than 135 million times

NUMBER OF EMPLOYEES WORLDWIDE

Total **8,949** as per December 31, 2013



market rankings among the top 10 and top 20 tablets. Attractive pralinés mixes such as the new CONNAISSEURS and the local PYRENEENS specialty complete the range in this segment. Over and above current advertising, new TV spots for CHAMPS-ELYSEES, PYRENEENS and CONNAISSEURS were broadcast and sales supported by impressive promotions such as the Festival du Chocolat “Les Jours Follement Lindt.” The expansion of the sales team made an important contribution to maintaining good relations with trade partners and strengthening our presence at the point of sale. Because of the excellent volume growth a comprehensive investment program to extend the French production facility was adopted, including the creation of new jobs.

ITALY

Lindt & Sprüngli SpA and Caffarel SpA achieved a consolidated result of EUR 209.6 million and continued to win new market shares.

The economic environment in Italy is suffering from the highest rate of unemployment in the past 30 years and very subdued consumer sentiment. Thanks to a successful product strategy, LINDT nevertheless managed to win new market shares on a declining overall chocolate market. The traditional trade continues to suffer under the shift towards other distribution channels. On the other hand, the current trade trend, where chocolate sales were driven mainly by the tablet business in which LINDT is particularly well placed with its wide range, proved slightly positive. The performance of the EXCELLENCE tablets with a high cocoa content was particularly strong. LINDOR stood up well with innovative recipes like Cappuccino or Coconut and a strong presence at the point of sale. Impressive sample distribution campaigns and all kinds of marketing measures also helped to further extend LINDT’s leading position. Thanks to an optimized product mix and many in-store activities, the seasonal business was also positive.

CAFFAREL products continue to be available only in the traditional trade which is losing further ground to the modern trade. However, this special distribution channel remains an ideal platform for emphasizing the high quality of exclusive CAFFAREL specialties. For instance, the classic GIANDUIOTTO product proved even more popular.

NORTH AMERICA

Lindt & Sprüngli (USA) Inc., Lindt & Sprüngli (Canada) Inc. and the Ghirardelli Chocolate Company reported cumulative sales worth USD 943.2 million (previous year: USD 853.7 million) representing organic growth of 11.4 %. Once again, LINDT and GHIRARDELLI were the fastest-growing chocolate brands in the premium segment.

The economy in the USA recovered very slowly from the aftermath of the financial crisis; this was reflected in a slight reduction of unemployment figures and moderate economic growth. Growth of the overall chocolate market was driven primarily by the premium segment. With substantial sales growth of 15.4 %, LINDT as the acknowledged market leader in the premium segment made an important contribution to this development and – together with GHIRARDELLI – remains the fastest-growing premium chocolate label in the USA. Sales were driven by successful market launches, including the extension of the EXCELLENCE line to include a number of innovative flavors. In the important Easter business, another GOLD BUNNY auction was organized for a good cause, further strengthening the position of the GOLD BUNNY as an Easter icon. The year’s highlight was the LINDT Master Chocolatier’s truck at the traditional Macy’s Thanksgiving Day parade in New York. The parade was watched by some 3.5 million spectators along the route and seen by over 50 million Americans on television. Never before had there been such a unique opportunity for the LINDT brand to reach so many people at a single event.

Ghirardelli Chocolate Company achieved sales growth of 9.2 %, so continuing the success story of previous years. Thanks to successful product innovations and comprehensive advertising support, the SQUARES became a key growth driver. In addition, filled tablets, especially the “Intense Dark” chocolate line, attracted growing demand. Further gains were made in the important seasonal business with the addition of “Peppermint Bark”. The proprietary chain of restaurant and retail outlets makes a key contribution to the overall result and was extended with the inauguration of two prominent new stores in Atlanta and Hollywood.

The annual GHIRARDELLI Chocolate Festival in mid-September once again proved a magnet for the public with over 40,000 visitors to the chocolate attractions on show.

With a sales gain of 8.9 %, **Lindt & Sprüngli (Canada) Inc.** has confirmed its leading position in the premium segment and performed strongly to win new market shares. The growth of the Canadian economy has slackened and consumer sentiment proved somewhat subdued. On the chocolate market, the trend towards premium chocolate gathered pace and was led by LINDT. Successful product launches and the expansion of own stores made a substantial contribution to growth and to brand strengthening. The LINDT presence at the Roger's Cup in Montreal and the Toronto International Film Festival, combined with large-scale sample distribution activities, turned out to be a great success.

UNITED KINGDOM

Lindt & Sprüngli (UK) Ltd. reported impressive sales growth of 16.0 % in a challenging economic environment.

The government's stringent austerity policy, high unemployment and rising inflation reduced consumer purchasing power. That makes LINDT's above-average performance with new market share gains still more pleasing. Established product lines such as LINDOR and EXCELLENCE were extended to include new flavors. Innovations were also launched in the market, including the new pralinés "Master Chocolatier Collection." In the Easter business an impressive GOLD BUNNY stage setting with Easter eggs designed by artists attracted much attention. As part of "The LINDT Big Egg Hunt" event the exhibition with over 100 items on show toured five cities over a period of seven weeks, thus reaching millions of people. At many other events, such as "Taste of London," "Coffee Week," and "Salon du Chocolat," the art of the Master Chocolatiers was celebrated and LINDT chocolate was offered for tasting.

REST OF EUROPE

Lindt & Sprüngli (Austria) Ges.m.b.H. completed a successful year with sales growth of 4.8 %. Thanks to big advertising campaigns and exclusive events including "Lindormania," **Lindt & Sprüngli (España) SA** made some gains in a very tense economic environment. **Lindt & Sprüngli (Nordic) AB** serves the markets of Sweden, Finland, and Norway and achieved excellent sales growth, attributable among other factors to strong Christmas business. **Lindt & Sprüngli (Czechia) s.r.o.** also developed well and continues on the road to success five years after its inception. **Lindt & Sprüngli (Poland) Sp. z o.o.** looks back on a good business year. The LINDOR products which were backed by an extensive supporting package are particularly popular. The **Lindt & Sprüngli (Russia) LLC.** subsidiary company, founded in the previous year, began its operational activity in mid 2013.

REST OF WORLD

With sales growth of 8.8 %, **Lindt & Sprüngli (Australia) Pty. Ltd.** won substantial new market shares in an expanding overall chocolate market and has become established as the leading brand. The main growth drivers were LINDOR and EXCELLENCE as well as the CREATION product line with filled tablets. **Lindt & Sprüngli (South Africa) Pty. Ltd.** continues to make headway. Here too LINDOR is the most popular product and the assortment is constantly being extended to include new variants. At the "Taste Festival" in Cape Town, Durban, and Johannesburg, more than 50,000 visitors had an opportunity to sample LINDOR truffles. In the Middle East the United Arab Emirates, Qatar, and Saudi Arabia, where there is great, sustained demand for LINDT premium products, proved particularly dynamic. In China, where the chocolate market is growing constantly, LINDT's presence in key big cities was further extended. In Hong Kong too LINDT made above-average gains with its two LINDOR and EXCELLENCE brands, backed by numerous on-site events. One important example is the "LINDT Chocolate Dinner" held in a Grand Hotel where chocolate fans were able to enjoy a six course menu prepared with EXCELLENCE chocolate. The development of **Lindt & Sprüngli Japan Co. Ltd.** with its own boutiques is equally pleasing. Japan remains LINDT's strongest pillar in the Asian continent. In Latin America, the buoyant economic growth of previous years slackened slightly. However, the local chocolate markets are reporting constant growth. In this region, the distribution of LINDT products is being constantly extended and the degree of familiarity with the brand enhanced by numerous marketing activities.

DUTY-FREE / TRAVEL RETAIL

In the duty-free / travel retail sector, LINDT is represented at more than 500 airports worldwide and reports highly dynamic growth. Own outlets and shop-in-shop concepts are located especially at busy and strategically important airports, including Dubai, Delhi, São Paulo and other big cities. The product offering appeals to purchasers with particularly attractive gift packaging and many new articles. The product presentation is additionally enhanced by exciting live appearances of the LINDT Master Chocolatiers and attractive promotions.

GLOBAL RETAIL

With sales growth of 19.6 % to CHF 242.1 million, the Global Retail Division has become an important success factor within the Group. Distribution through own retail outlets and Chocolate Cafés does much to strengthen the image of, and familiarity with, the LINDT name all over the world. The year under review saw many inaugurations to enhance this favorable trend and pave the way for additional growth. Significant examples include the new Chocolate Cafés in Tokyo and the LINDT Boutique at a prominent location in Rome. The inauguration of the Group's biggest LINDT Flagship Boutique close to the Paris Opera deserves a special mention. From the outset, visitor numbers exceeded all expectations here. The assortment available from this boutique comprises LINDT chocolate, together with handmade specialties by the Master Chocolatiers and a very wide selection of Pick & Mix products. In the course of the extended cooperation with Disney Corp., a GHIRARDELLI Store was inaugurated in the year under review next to a Disney Cinema on Hollywood Boulevard.

PROCUREMENT

In the course of the year the cocoa bean market proved increasingly volatile because of poor harvest forecasts and speculation. Towards the end of the year, the cocoa price was very high at GBP 1,730 per tonne. Milk production fell because of the continuing imbalance between high production costs and low market prices. On the other hand, demand remains robust so that prices rose steeply. In recent years global sugar production has increased by almost one-quarter. Because of existing stock levels and a satisfactory harvest, prices remain stable. The cost of hazelnuts, however, has risen constantly since the beginning of the year. Due to climatic factors, the Turkish harvest in 2013 was down on the previous year and this could not be offset by higher production in Italy. The global almond harvest was good, but strong demand pushed prices up to record highs. Packaging material costs remained stable.

CHANGES IN COMMUNICATION

At Lindt & Sprüngli innovation has tradition

CHANGES IN COMMUNICATION

Marketing has always played a key role in the consumer goods sector. Over the years, this important discipline has evolved into a hugely multifaceted area of expertise. It has long involved much more than simply advertising products. Marketing starts at a much earlier stage, namely in the form of extensive market and consumer research. Only those who know and understand the needs of consumers and the market can also develop and provide the products that fully meet these expectations. As well as identifying new consumer habits and trends, it is also necessary to be actively involved in shaping them. Once the key findings have been obtained, the next step is about developing the product that is best suited to fully meetings consumers' wishes. When this has been achieved, the marketing process is rounded off with suitably professional and creative product communication.

Lindt & Sprüngli not only demonstrates its substantial marketing expertise through its constant cultivation of established traditional products and the launch of numerous successful innovations that catch the mood of the times and meet the needs of the market and consumers, but also by means of very accomplished external communication. The daily flood of information is one of the main reasons why external communication is becoming increasingly important, as it is now more crucial than ever to stand out clearly from the crowd. This also includes visually appealing packaging and an exceptional backdrop at the point of sale, with the construction of entire chocolate worlds that convey the product values and brand message to customers.

The communication history of Lindt & Sprüngli dates back to the mid-19th century, when one began to use newspaper advertisements to draw attention to the company's existence. Shortly afterwards, a comprehensive range of initial communication tools such as posters and enamel signs were developed, facilitated by the technical innovation of color printing.

Brand and product communication then started to gain in prominence with the arrival of the first branded items such as the world's first delicately melting chocolate tablet, the LINDT Surfin, in 1879. With adjectives like "unique" and "unmistakable," ever greater efforts were made to appeal to the chocolate-buying public and hammer home to consumers the added value of the company's product in the early age of the consumer society, thus creating lasting trust.

Product communication saw another fundamental change with the advent of new channels of communication such as television in the mid-1950s and the Internet in the mid-1990s. This development also resulted in changed communication requirements among consumers, leading to another shift in communication policy by the company.

Moving pictures and the integration of the product in a short story enabled a much more vivid and sensory form of contact with consumers, which remains one of the most efficient communication tools to this day. With the advent of the Internet, the new millennium then heralded the dawn of the cyber age. This new type of networking enables consumers to receive information much more quickly, more individually and in a more targeted way. The new technical possibilities also allow a dialog between the company and the consumers, who soon start to share information with each other. This results in a totally new form of communication that is much more diverse and complex than anything that has gone before.

At Lindt & Sprüngli, we believe a good marketing mix is very important. In-depth knowledge of the markets and consumer habits, regular launches of innovative products, unique point-of-sale presences, and the global high-level brand campaign with the LINDT Master Chocolatiers are the basis for the lasting success of Lindt & Sprüngli, and have made LINDT the world's leading premium chocolate brand.

On the next few pages, we would like to take you, our readers, on a fascinating journey through Lindt & Sprüngli's brand and product communication over the last two centuries, which has made a substantial contribution towards helping our business grow and succeed as part of our professional approach to marketing.

PACKAGING
THE FIRST "ADVERTISING SPACE"

BLACK AND WHITE

In 1879, Rodolphe Lindt created the LINDT Surfin tablet, the world's first melt-in-the-mouth chocolate. It is still made today using the original recipe, making it the oldest branded item in Switzerland. Back then, the tablet was wrapped in plain white paper, with the company name in black lettering. The signature on the packaging was there to inspire confidence. Design elements were only added much later.

1935

1970

2013

Design elements: The LINDT "milk" that was produced in 1935 marked a turning point in the company's branding strategy. Until then, the LINDT name had only been used for the classic dark chocolates made according to Rodolphe Lindt's original recipe. Now the company management decided to use the image of the famous LINDT trademark on other products too. The design of the wrapper for the tablet also marked a new era, because it showed a picture of the contents, the "milk."

ADVERTISING AS AN ART FORM

Photo poster around 1910

This metal sign with Cyrillic writing dates from the years of major export successes between 1910 and 1918.

Poster around 1910

Shop poster around 1920

THE BELLE EPOQUE

Towards the end of the 19th century, posters, enamel signs, and reverse glass paintings were being used more and more. During the Belle Epoche period, artists were often employed to design lavish and unique pieces.

ACQUIRING NEW CUSTOMERS

The year 1883

NATIONAL EXHIBITION 1883

Switzerland's first National Exhibition in Zurich attracted 1.7 million visitors. Sprüngli presented its products in the Machine Hall in Platzspitz park in Zurich, and showed the general public how chocolate is made.

BUILDING CUSTOMER LOYALTY

COLLECTION FEVER

Collector's albums came into fashion around 1900 and not only encouraged customer loyalty but also served an educational purpose. Since people did not yet travel much at that time, the images of exotic or adventurous scenes aroused their curiosity. The little pictures enclosed with the chocolate showed faraway countries, wild animals, and unfamiliar plants. Anyone who completed a set by collecting and exchanging the pictures could stick them in a collector's album, supplied by the company at cost price.

A set from the year 1900:
science fiction, under the slogan "The year 2000 technology"

ADVERTISING EVEN IN TIMES OF CRISIS

— Color lithography by Albert Bütschi, 1930, printed by J. C. Müller AG, Zurich

Patriotism and love of the fatherland: In the mid-1930s, patriotic motifs appeared – little wonder, in view of the global situation and the threat from beyond Switzerland's borders.

— Advertisement from 1944

When peace returns… During the war years 1939–1945, raw materials were in short supply and food was rationed, so chocolate manufacturers had to fall back on different ingredients. In 1944, a very special advertising campaign was launched, because the company did not want consumers to forget about their products.

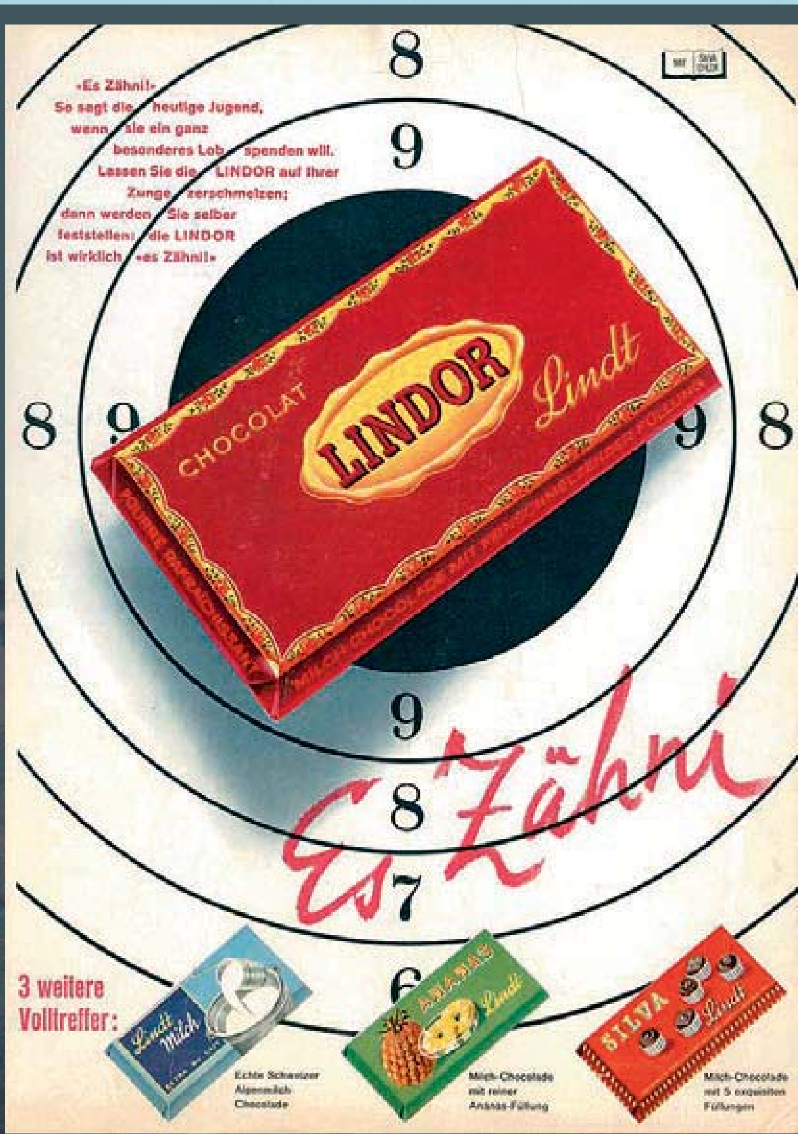
— Advertisement from 1946

End of the war: The symbolic dove of peace brings back fine LINDT chocolates, even though by no means all products were fully available so soon after the end of the war. Raw materials continued to be scarce and production was unable to keep up with the sudden rise in demand.

THE UPTURN

ECONOMIC BOOM OF THE POST-WAR YEARS

In the 1950s, demand for chocolate grew rapidly and marketing began to focus more on product communication. This was when many classic products were created that are still in the range today, such as the CRESTA and LINDOR tablets.



—
Vintage LINDOR advertisement: "Bull's eye", street poster from 1950

This LINDOR poster is an early example of a special form of advertising. The main focus was on the LINDOR tablet but, in what is called "cross-promotion," three more tablets were shown lower down in the picture.

—
CRESTA advertisement from the year it was launched, 1957

Sales hit: the CRESTA tablets came on to the market in 1957. Thanks to constant publicity, they turned into bestsellers that are still available in the product range today.

Poster from 2013

COMMUNICATION ON LEADER PRODUCTS

A great deal of importance was always attached to product communication. That's why increasing sums are invested in marketing activities every year. The main focus is on products that are already successfully established in the market. Continuity in communication enables us to build up product brands that will remain strong in the long term, are widely known and have a loyal customer base.

LINDOR TRUFFLES

The LINDOR tablet was created and advertised for the first time in 1949. A highly successful companion product came along around 20 years later, with the launch of LINDOR truffles. The vision that LINDOR would develop into a complete success became reality. LINDOR truffles are still the most successful LINDT product by far. In 2013, more than three billion LINDOR truffles in all flavors were enjoyed all around the world!

LINDT EXCELLENCE

As far back as the late 1980s, LINDT played a leading role in the growing popularity of chocolate with a very high cocoa content. The EXCELLENCE tablet, of which over 300 million were sold worldwide in 2013, has now become one of the most successful products. A consistently high rate of innovation and steady investment in marketing this product has strengthened its market-leading position.

LINDT GOLD BUNNY

The GOLD BUNNY has been growing steadily in popularity for over 60 years and, thanks to a comprehensive marketing package, has now become the absolute epitome of Easter time. In 2013, it hopped over counters worldwide more than 135 million times.

SUCCESSFUL TV COMMERCIALS
FROM CARTOONS TO THE LINDT MASTER CHOCOLATIERS

THE RISE OF TV ADVERTISING
With the arrival of the television set in homes in the mid-1950s, there was a paradigm shift in the publicity world. Through the addition of visual and acoustic elements, advertising on TV became more multi-faceted and reached a far wider audience.

Premium quality – right from the start: even from the very first TV commercials, it was all about finding the perfect chocolate gift, whether for your nearest and dearest at home or for your grandchild at Easter.

MASTER CHOCOLATIERS

The mid-1990s saw the start of the most successful publicity strategy in the company's history, building on the concepts of quality, tradition, craftsmanship, innovation, and passion. It was an umbrella-brand campaign which continued to gain in appeal over many years and is still used successfully today: the LINDT Master Chocolatiers.

GLOBAL UMBRELLA BRAND CAMPAIGN

TASTINGS

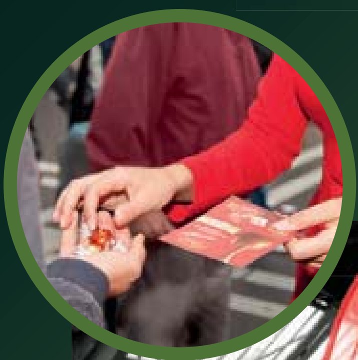
In this age of globalization, any communication strategy has to work worldwide. This has been achieved by the LINDT Master Chocolatiers. In an entirely unique way, they represent the LINDT brand, the premium products, the uncompromising quality, and the company's all-round expertise in chocolate-making and are recognized by consumers everywhere. The campaign is universally applicable, not only in different languages but also on different platforms such as TV or print media, at points of sale, at tasting sessions, and live shows in LINDT Boutiques and Chocolate Cafés and at many other events.


LIVE SHOWS
EVENTS
TV SPOTS
PRINT ADVERTISING
„Die Sinnliche…“

MILLIONS OF SWEET MOMENTS

COMMUNICATION AT THE PONTS OF SALE (POS)...
At the point-of-sale products are presented in an eye-catching setting, whether in a shop window or inside the shop and on the shelves. By creating stunning brand worlds, LINDT makes its products stand out effectively from the rest.

GOLD BUNNY shopping window decoration at Alex Department Store, Berlin

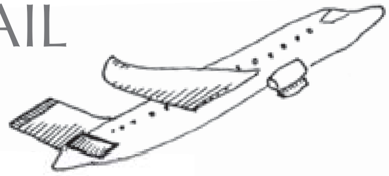


LINDOR promotion at Zurich Central Station

... AND BEYOND!
Within the framework of impressive sampling activities, the products are being promoted to a large audience. In this way, consumers get the opportunity to convince themselves directly of the fine chocolates.

HELLO promotion at Zurich Central Station

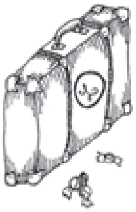
EXCLUSIVE SALES CHANNELS
DUTY FREE & GLOBAL RETAIL



DUTY FREE

LINDT products are currently available at over 500 airports worldwide, either in its own boutiques, shop-in-shops or in other points of sale. At the main hubs of Zurich, Frankfurt, Dubai, São Paulo, Rio de Janeiro, and Buenos Aires, LINDT is even the no. 1 brand for confectionery.

—
LINDT Chocolate Boutique, Zurich Airport



GLOBAL RETAIL

In LINDT Chocolate Boutiques, Shops and Cafés around the world, the product range is beautifully presented to display LINDT's chocolate-making expertise.

—
LINDT Chocolate Boutique Paris, France

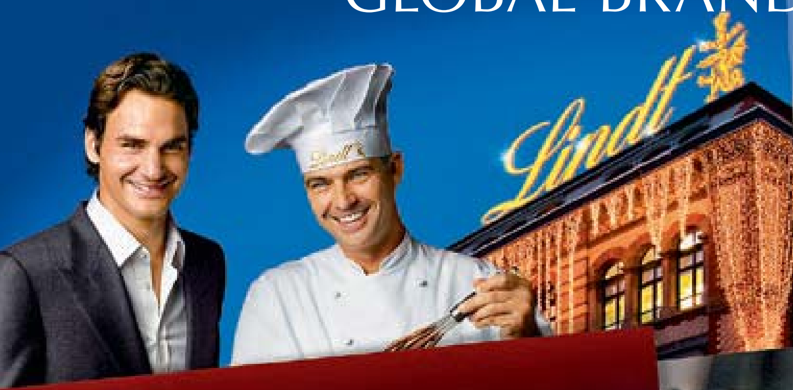
—
LINDT Chocolate Café, Sydney, Australia

SUPERLATIVE EVENTS

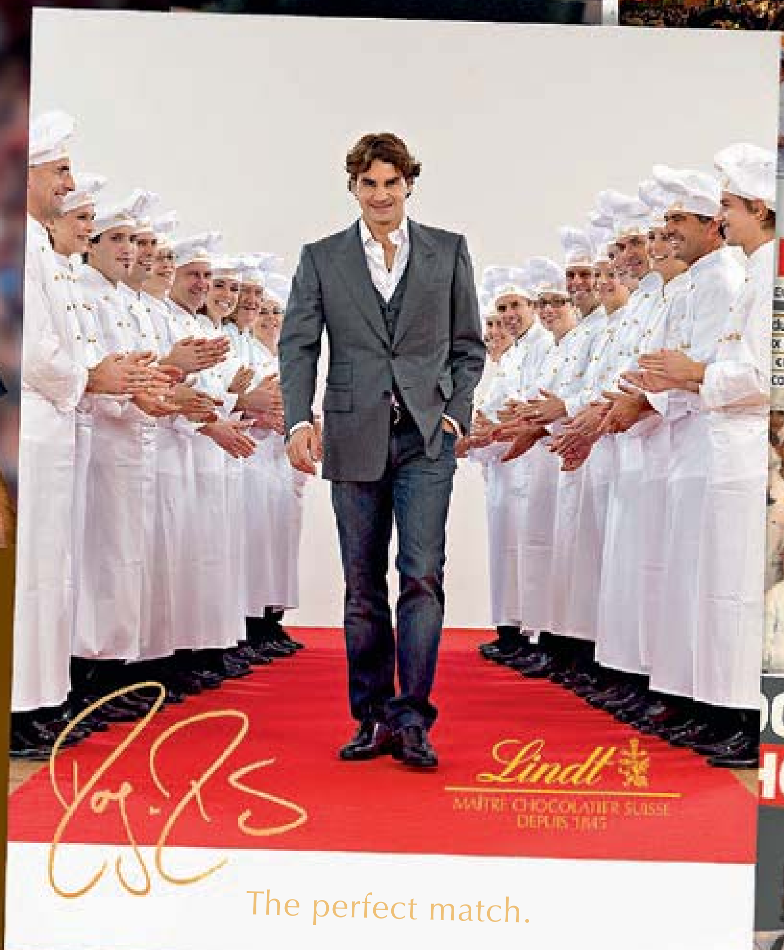
BUILDING EMOTIONS
The new millennium has brought changed communication requirements on the part of consumers. The brand has to be shown in a new light. Events of all kinds help to make chocolate-lovers excited about the products and anchor the brand firmly in their consciousness.

The magical LINDT Christmas Lighting Event: In 2010, with its magical Christmas Lighting Event in Kilchberg, LINDT kicked off a campaign with a new dimension. In front of over 8,000 excited spectators, CEO Ernst Tanner, brand ambassador Roger Federer, and Master Chocolatier Urs Liechti switched on the Christmas lights on the facade of the over 100-year-old factory building.

GLOBAL BRAND AMBASSADOR



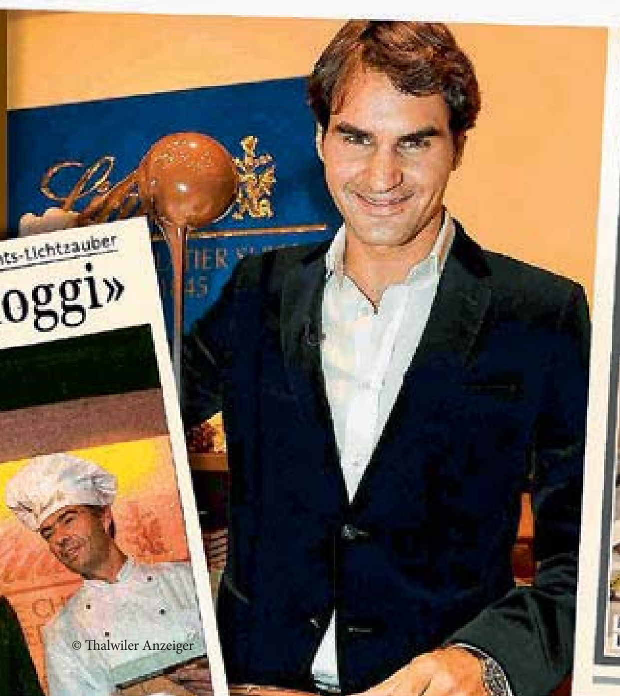
© Blick



GLOBAL BRAND AMBASSADOR

Since 2009, tennis champion Roger Federer has been the global brand ambassador for his favorite chocolate, LINDT. He uniquely embodies Lindt & Sprüngli's underlying values of Swissness, premiumness, quality and passion, and, with his global presence and popularity, he helps to establish the LINDT brand in the main markets. He also takes time to attend various events, giving thousands of LINDT fans sweet moments that they will remember for a long time.

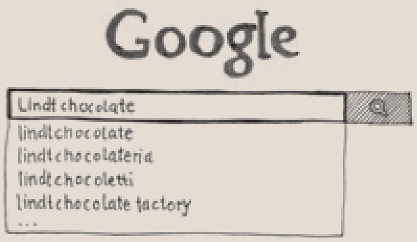
© Le Matin



© Thalwiler Anzeiger

DIGITAL REVOLUTION
SOCIAL MEDIA AND WEB 2.0

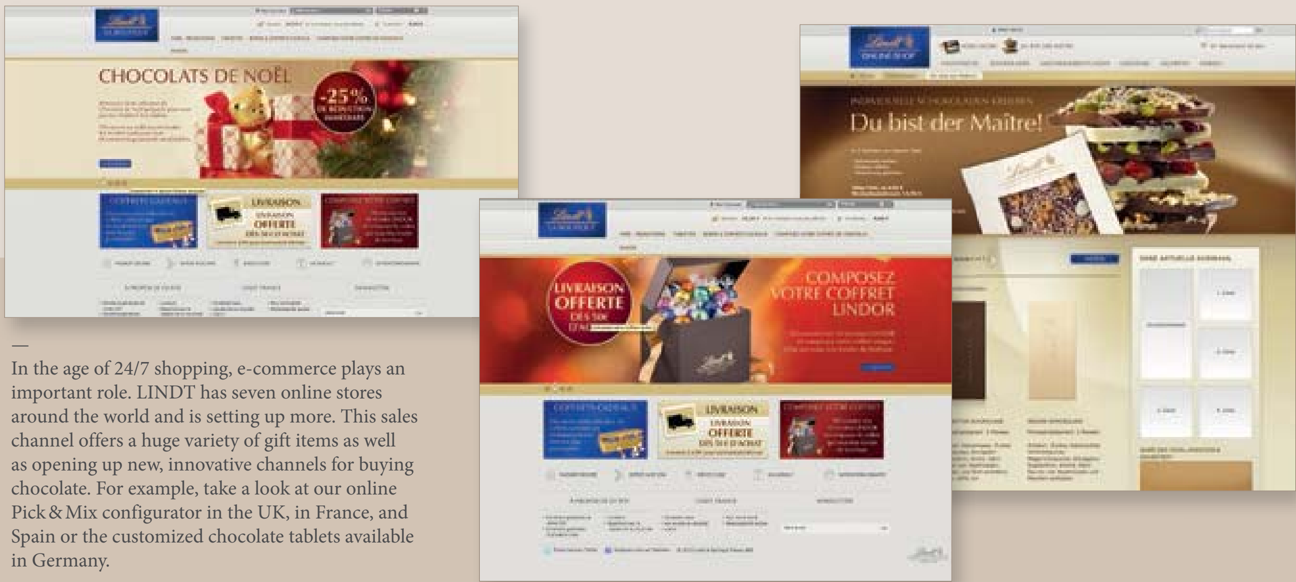
—
The 2013 LINDT web site



—
8% percent of all searches are made via Google. The search term "LINDT Chocolate" generates more than seven million hits. Search engines are now the starting point for numerous digital enquiries. That's why such importance is attached to search engine optimization (SEO) in digital marketing. Above all, this is about improving the listing of strategic key words such as LINDT chocolate, LINDOR or GOLD BUNNY.

THE DIGITAL AGE

With the rise of the Internet, the communication behavior of consumers is changing radically. Information can be called up from anywhere, at any time. The first LINDT web page went online in 1998.



—
In the age of 24/7 shopping, e-commerce plays an important role. LINDT has seven online stores around the world and is setting up more. This sales channel offers a huge variety of gift items as well as opening up new, innovative channels for buying chocolate. For example, take a look at our online Pick & Mix configurator in the UK, in France, and Spain or the customized chocolate tablets available in Germany.

LINDT Shop
France

LINDT
Pick & Mix configurator

LINDT
You are the Master

DIALOGUE WITH CONSUMERS

The new millennium also heralded a new era in communication. With the rise of social media such as Facebook, Twitter and YouTube, one-way communication by companies is being replaced by a dialog with consumers. The consumer plays an active role in this communication, by posting comments on these new platforms and recommending products to others.

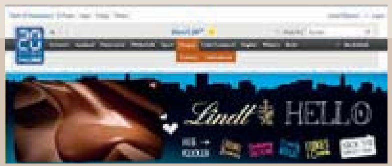
—

Today, with its 23 Facebook pages, LINDT can reach over 4.8 million fans. Chocolate-lovers around the world "like" and share posts, so that they spread at tremendous speed.

—

LINDT on Twitter:
www.twitter.com

LINDT World of Chocolate:
www.facebook.com/lindtchocolateworld



—

Online banners are an extremely cost-effective way of sharing your passion for chocolate with a community, with the interplay of video and sound ensuring that its full potential is exploited. This format is used to address specific target groups among the next generations which can no longer be reached via traditional channels.

—

Microsites for product brands such as LINDOR or HELLO give them their own web presence, offering a complete product world with comprehensive information, tips, e-cards, and competitions.

—

Each day, YouTube is visited over two billion times, and counting! With such an overwhelmingly vast audience, it goes without saying that clips from LINDT are to be found there, for example about the new advertising campaign for LINDOR truffles.

LINDT Chocolate World
on YouTube


Chocolat LINDT
DIE fruchtig-dunkle VERFÜHRUNG
DER LINDT MAÎTRES CHOCOLATIERS
Lindt
LINDOLA
LE GOÛT DES FÊTES
Zum Verwöhnen zart und rund.
Lindt
Lindt Milch
CRESTA
Lindt
CONNAISSEURS
LE GOÛT DES FÊTES
Chocolat Lindt
Lindt
LINDOR
Le Fondant, passionnément.
LA GOURMANDISE
PAR LES MAÎTRES CHOCOLATIERS Lindt
Lindt
PETITS DESSERTS
LA GOURMANDISE
PAR LES MAÎTRES CHOCOLATIERS Lindt
Switzerland is noted for chocolate
Buy your
Lindt chocolate
here
to take home
Neu!
FLORINA
Lindt
EDLER GENUSS LEBT VON DER FORM.
LINDT HAUCHDÜNN
Neu
5 exquisite Füllungen in einer Chocolade
SILVA
SILVA Lindt
heute noch probieren
Lindt
NUSSOR
VINCI UN'INFINITÀ
DI IRRESISTIBILE SCIOGLIEVOLEZZA
Lindt
LINDOR
Lindt
INNOVATION
Lindt
EXCELLENCE
Fin Cœur
Délicatement exaltant.
L'ULTIME FINESSE
PAR LES MAÎTRES CHOCOLATIERS Lindt
FEINE
LINDT-CHOCOLADE
Lindt Milchnuss
Treffpunkt der Haselnuss-Elite.
Rahm
Sporting
Die gute
Lindt
GIANDUJA
CRESTA VON LINDT
DIE KNUSPERZARTE
ABWECHSLUNG
Lindt
CHOCOLAT Lindt
Lindt bittet zur Tafel
Neu!
Pistache
Lindt
PISTACHE
Lindt
Lindt
CONNAISSEURS
„Die Sinnliche ...“
Lindt
Vor dem Finish
Lindt
Lindt
CRÉATION 70%
LA GOURMANDISE
die neue
extrafeine
Milch-Chocolade
Lindt Milch
Lindt
Milch
Schokolade
KÖSTLICH!
CHOCOLATS LINDT
Lindt
WINTER DREAMS
Köstliche Wintertage mit Lindt
Weil man halt erst am Schluss weiss, wer am Lauberhorn gewonnen hat...
Chocoletti
Lindt
Lindt
CHOCOLATS
Lindt & Sprüngli
DIE schärfste KREATION
DER LINDT MAÎTRES CHOCOLATIERS

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Sustainability and socially responsible action are central features of Lindt & Sprüngli's corporate philosophy. All the related aspects are dealt with at the most senior management level and monitored by a Board of Directors' committee. The guidelines accompanied by extensive data are communicated transparently to all stakeholders on our web site.

→ Corporate Governance Chapter,
Corporate Social Responsibility Committee, page 46

www.lindt.com/csr

Site policy — With the Group's global headquarters and chocolate factory in Kilchberg, together with the cocoa processing center in Olten and the logistics hub in Altendorf, Lindt & Sprüngli is firmly committed to Switzerland as a place to do business and is now the biggest employer on the left bank of Lake Zurich. The Swiss subsidiary company is not just the biggest supplier of cocoa mass to sister companies in Germany and Italy but also — with the export of LINDT chocolate products to Europe and overseas — the biggest exporter within the Group.

Personnel — At the end of 2013, Lindt & Sprüngli employed 8,949 people worldwide. The professional expertise of these staff members is outstanding, and they have a high degree of identification with the products and the company itself. Employee satisfaction is the key to the Group's long-term success. For this purpose, a new further training tool for personnel development was implemented in 2013. As independent studies regularly show, Lindt & Sprüngli (Schweiz) AG is one of the country's most popular employers.

Safety at the workplace — The Group-wide "Health & Safety" program is binding for all the production companies and compliance is monitored continuously. As a result, the number of occupational accidents has been greatly reduced in recent years.

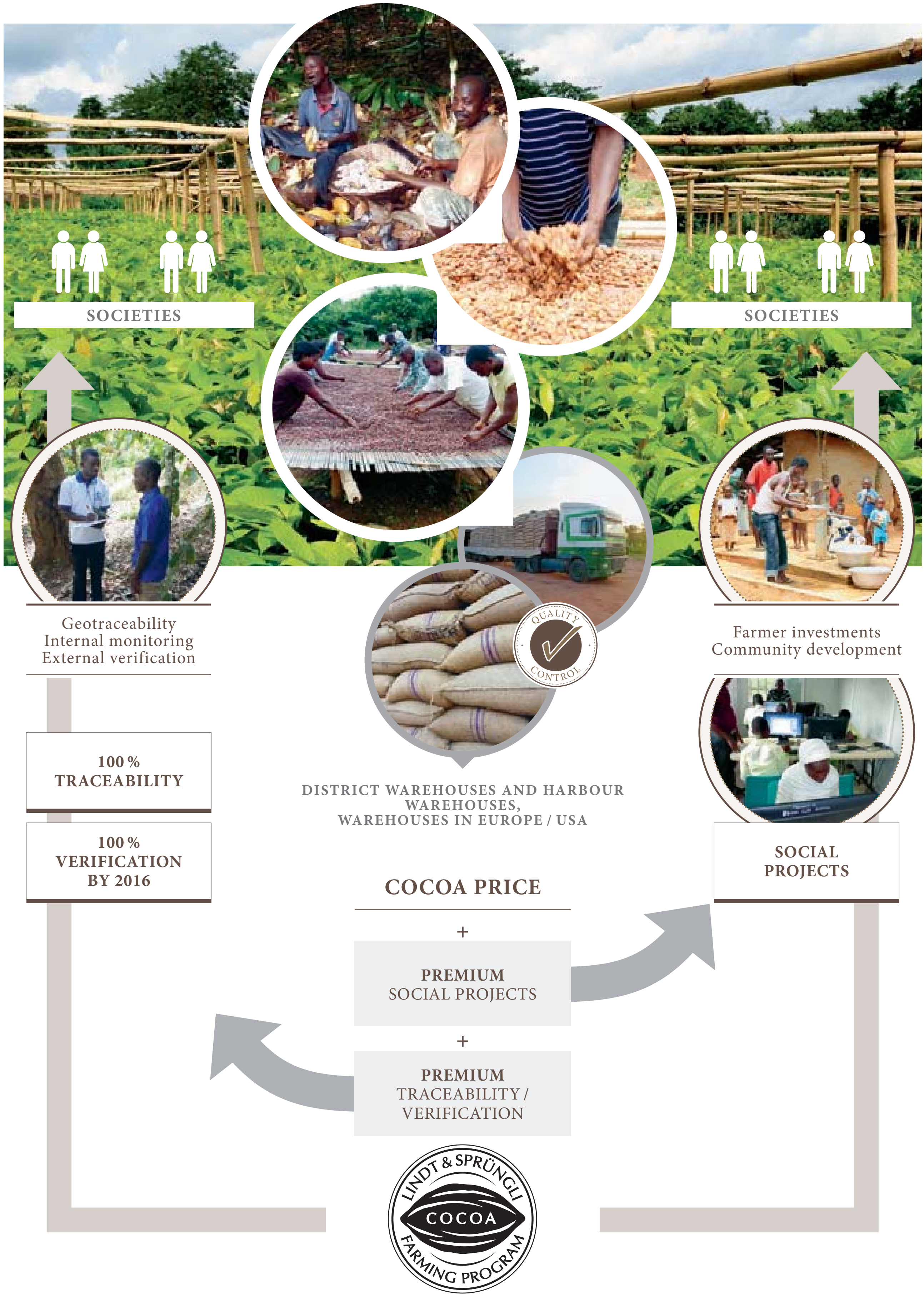
Consumers — A constant increase in the number of consumer enquiries has been recorded in recent years. In 2013, a total of more than 70,000 enquiries reached the subsidiary companies all over the world. They are recorded by a specific Customer Relationship Management System (CRM) and provide information about matters of central concern to consumers.

Supplier Code of Conduct — Lindt & Sprüngli is committed to ethical and socially responsible company management. To that end, Lindt & Sprüngli has undertaken since 2010 to comply with the UN Global Compact directives. These are based on ten principles in the areas of human rights, working standards, environmental protection, and the prevention of corruption. Over and above these directives themselves, all suppliers are required to comply with them by respecting the Suppliers' Code.

www.lindt.ch/swf/ger/das-unternehmen/social-responsibility/policies/

Environment — The Group's environmental guidelines aim to safeguard the conservation of ecological resources. This is done, for example, through energy-saving projects or by taking part in international initiatives. The data acquired in this way are the basis for future endeavors by the Group to achieve a further reduction of CO_2 emissions.

Social Commitment — In the year under review, a substantial sum was again set aside for a program to facilitate winter assistance for deprived children in Switzerland as part of the project partnership between Lindt & Sprüngli and the Roger Federer Foundation. Further financial and material donations were made to the victims of the catastrophic flooding in the Philippines and also to many local organizations.


SOCIETIES
SOCIETIES
Geotraceability
Internal monitoring
External verification
QUALITY CONTROL
Farmer investments
Community development
100 %
TRACEABILITY
100 %
VERIFICATION
BY 2016
DISTRICT WAREHOUSES AND HARBOUR WAREHOUSES,
WAREHOUSES IN EUROPE / USA
SOCIAL
PROJECTS
COCOA PRICE
+
PREMIUM
SOCIAL PROJECTS
+
PREMIUM
TRACEABILITY / VERIFICATION
LINDT & SPRÜNGLI
COCOA
FARMING PROGRAM

SUSTAINABLE COCOA PROCUREMENT

Lindt & Sprüngli is one of the few chocolate companies which maintains full control over every stage of chocolate production, from selection of the finest cocoa beans from the best growing regions to the finished product. To maintain the top quality and incomparable taste of LINDT recipes, all the raw materials are verified for compliance with the most stringent specifications and quality standards both before and after purchasing. Sustainable procedure is a key factor in the procurement of raw materials. This includes respect for social and societal aspects, such as working conditions and farmers' incomes in the growing countries, as well as support for and encouragement of environmentally friendly production conditions. Lindt & Sprüngli has therefore set itself the task of enhancing the living and working conditions of cocoa farmers.

Lindt & Sprüngli Farming Program in Ghana — As part of its sustainable cocoa procurement policy, Lindt & Sprüngli has been doing valuable pioneering work since 2008 by setting up an independent purchasing model designed to establish a fully traceable procurement chain in Ghana. Lindt & Sprüngli sources its entire West African cocoa demand from Ghana because of the reliable availability of high-quality cocoa beans. Thanks to full traceability, the independent purchasing model enables a positive influence to be exercised on the local development of cultivation and village communities. In this way, Lindt & Sprüngli makes an important contribution to the creation of socially responsible and economically fair conditions for the cocoa farmers.

Since 2008, Lindt & Sprüngli has made over USD 5.0 million available to the non-profit organization "**Source Trust**" for infrastructural and social projects by paying a special premium for each tonne of cocoa purchased. As part of these projects, investments have been made for example in schools, the distribution of mosquito nets, the set-up of wells to give access to clean drinking water and the establishment of village resource centers. The latter consist of a prefabricated building equipped with a number of computers, a printer and Internet access. These centers are established next to schools and used in the daytime by pupils for their lessons. At other times they are open to farmers for training purposes.

The Lindt & Sprüngli Farming Program in Ghana aims to improve the living conditions of cocoa farmers and their families, while at the same time safeguarding the constantly high quality of the cocoa beans needed by Lindt & Sprüngli. An extension of the Lindt & Sprüngli Farming Program was launched in 2012; by the year 2016, this will have given extensive support for the improvement of the economic, social and ecological cultivation conditions of more than 45,000 cocoa farmers in Ghana. In this way, their productivity is to be more than doubled and as a result family incomes substantially increased. This will be achieved by the introduction of a detailed mapping system with the compilation of information about farmers and their cocoa plantations (geotraceability) as well as the supply of high-quality cocoa seedlings. In addition, the program gives access to credits for essential cultivation aids which can be purchased in the so-called Farmer Shops.

An internal review system supports the measurement of progress towards better economic and ecological conditions and the social compatibility of the cultivation conditions. These are also verified yearly by external audits. To that end, Lindt & Sprüngli confirms its defined aim of achieving fully comprehensive external verification of the supply chain for cocoa beans from Ghana by 2016.

Fostering diversity of cocoa varieties — In comparison to the world harvest, Lindt & Sprüngli sources a high percentage of fine flavor cocoa beans. These beans are cultivated in Latin America, the Carribean, and Madagascar. Thereby, the genetic diversity of cocoa is of crucial importance. For this reason, Lindt & Sprüngli supported a research project of the World Cocoa Foundation and the US Department of Agriculture during 2012 and 2013 to develop a non-sensory method to determine when fine flavor cacao beans have become adulterated with inferior beans.

CORPORATE GOVERNANCE

GROUP STRUCTURE AND SHAREHOLDERS

GROUP STRUCTURE — The Lindt & Sprüngli Group is globally active, developing, producing, and selling chocolate products in the premium quality segment. The holding company, Chocoladefabriken Lindt & Sprüngli AG, with its headquarters in Kilchberg ZH, is listed on the SIX Swiss Exchange. The market capitalization based on the 2013 year-end prices is CHF 10.3 billion.

→ Security and listing numbers of the securities see page 69

The company's group structure is lean. While the Board of Directors handles management, strategy, and supervisory duties at the highest level, the CEO and Group Management are responsible for operational management tasks in which they are assisted by the Extended Group Management.

→ Board of Directors see page 41f
→ Group Management see page 47f

The scope of consolidation of Chocoladefabriken Lindt & Sprüngli AG includes the subsidiaries listed in notes to the consolidated financial statements. Details about these companies, such as name, domicile, share capital, participation, etc. can be found there as well.

→ Details of subsidiaries see page 69

Chocoladefabriken Lindt & Sprüngli AG holds no interests in publicly traded companies.

MAJOR SHAREHOLDERS — As of December 31, 2013, Chocoladefabriken Lindt & Sprüngli AG disclosed the following major shareholders which own voting shares of more than 3 %: "Fonds für Pensionsergänzungen (fund for pension supplements) of Chocoladefabriken Lindt & Sprüngli AG," "Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli Aktiengesellschaft", "Lindt Cocoa Foundation" and "Lindt Chocolate Competence Foundation", all Kilchberg ZH, held as a group a total of 28,393 registered shares or 20.9 % of the share capital and thus 20.9 % of the voting rights of the company. "Chase Nominee Ltd.," London, held a total of 6,144 registered shares or 4.51 % of the share capital. As mentioned on page 39, a nominee shareholder will be granted full shareholder status for a maximum of 2 % of the registered share capital as entered in the commercial register. As far as the company knows, there are no tied shareholding agreements between these shareholders.

As of December 31, 2013, the company received no disclosure reports indicating that further shareholders own more than 3 % of the equity capital or voting rights of the company.

Chocoladefabriken Lindt & Sprüngli AG does not hold cross interests.

CAPITAL STRUCTURE

As of December 31, 2013, Chocoladefabriken Lindt & Sprüngli AG presents the following capital structure:

ORDINARY CAPITAL — The ordinary capital is composed of two types of securities:

	2013
Registered shares*	CHF 13,611,100
Bearer participation certificates**	CHF 9,253,110
Total ordinary capital	CHF 22,864,210

* 136,111 registered shares par value of CHF 100.– each.
** 925,311 bearer participation certificates par value of CHF 10.– each.

The registered share has a voting right at the General Meeting, whereas the bearer participation certificates have no voting rights. Both types of shares have the same rights to dividends and proceeds of liquidation in proportion to their par value. All shares are fully paid-in. No bonus certificates ("Genussscheine") were issued.

AUTHORIZED AND CONDITIONAL CAPITAL — The Group possesses a total conditional capital of CHF 5,596,610. The conditional capital comprises a total of 559,661 bearer participation certificates with a par value of CHF 10.– each. As of December 31, 2013, of this total, the remaining 205,211 are reserved for employee stock option programs; and 354,450 participation certificates are reserved for capital market transactions. Further information about auhtorized and conditional capital can be found in article 4bis of the Articles of Association which are available on the web page of Chocoladefabriken Lindt & Sprüngli AG.

http://irpages2.equitystory.com/lindt_relaunch/pdf/Articles_of_Association_E_2013_post_CapRed.pdf

There is no other authorized capital apart from the conditional capital.

CHANGES IN CAPITAL — During the past three reporting years, the following changes have occurred in the ordinary and conditional capital:

Ordinary capital

Year	Share capital in CHF	Registered shares (RS)*	Participation capital in CHF	No. of bearer participation certificates (PC)**
2011	14,000,000	140,000	9,261,790	926,179
2012	13,670,000	136,700	8,944,880	894,488
2013	13,611,100	136,111	9,253,110	925,311

Conditional capital

No. of bearer participation certificates (PC)**

Year	Total	Capital market PC	Employee PC
2011	634,046	354,450	279,596
2012	612,737	354,450	258,287
2013	559,661	354,450	205,211

Number of securities, status as at December 31.
* Registered shares (RS) par value CHF 100.–
** Bearer participation certificates (PC), par value CHF 10.–

In 2013, the company annihilated 589 registered shares and 22,253 participation certificates, which were bought back by the company within the frame of its share buyback program. By doing so, the share capital was reduced by CHF 58,900 and the participation capital by CHF 222,530.

RESTRICTIONS REGARDING ASSIGNABILITY AND NOMINEE ENTRIES — Both registered shares and participation certificates can be acquired without restrictions. According to article 3, subsection 6 of the Articles of Association, however, the Board of Directors may refuse full shareholder status to a buyer of registered shares if the number of shares held by that buyer exceeds 4% of the total of registered shares as entered in the commercial register. Moreover, according to article 685d, subsection 2 OR (Swiss Code of Obligations), the Board of Directors may refuse entry into the share register if upon demand by the Board the buyer does not formally state that the shares are purchased on his own behalf and on his own account.

According to article 3, subsection 7 of the Articles of Association, corporate bodies and partnerships, who are interrelated to one another through capital ownership, through voting rights or common management, or who are otherwise linked, as well as natural persons and legal entities or partnerships who act in concert in regard to a registration restriction, are considered to be one single shareholder. Based on article 3, subsection 9 of the Articles of Association, the Board of Directors may make exceptions to these provisions in special cases and adopt suitable provisions for the application of these rules. The implementing provisions for these rules are defined in the regulation of the Board of Directors on "Registration of registered shares and keeping the share register of Chocoladefabriken Lindt & Sprüngli AG."

http://irpages2.equitystory.com/lindt_relaunch/pdf/Eintragungsreglement_en.pdf

According to these provisions, in particular (1) the intention of a shareholder to acquire a long-term interest in the company or (2) the acquisition of shares as part of a long-term strategic business relationship or a merger, together with the acquisition or allocation of shares on the occasion of the acquisition by the company of a particular asset, are treated as special cases within the meaning of article 3, subsection 9 of the Articles of Association.

In the year under review, no exceptions were granted. Based on the long-term participation and with regard to the purpose of the Foundation, the Board of Directors already granted such an exception prior to the year under review for the 20.9 % of the voting rights of the "Fonds für Pensionsergänzungen (fund for pension supplements) of Chocoladefabriken Lindt & Sprüngli AG," "Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli Aktiengesellschaft," "Lindt Cocoa Foundation," and "Lindt Chocolate Competence Foundation," all Kilchberg ZH.
A nominee shareholder will be granted full shareholder status for a maximum of 2 % of the registered share capital as entered in the commercial register, if such nominee discloses in writing name, address, domicile or seat, nationality, and shareholdings of those persons on whose account he holds the shares. Over the limit of 2 %, the Board of Directors will enter the shares of a nominee as voting shares in the shareholder register if such nominee discloses, in writing, name, address, domicile or seat, nationality, and shareholdings of those persons for which accounts he holds 0.5 % or more of the then outstanding share capital, whereby entry per trustor is limited to 4 %, respectively to 10 % per nominee collectively. Article 3, subsection 7 of the Articles of Association is applicable to nominees likewise.

The regulations to these rules are defined in the Regulations of the Board of Directors "Registration of registered shares and keeping of the share register of Chocoladefabriken Lindt & Sprüngli AG."

http://irpages2.equitystory.com/lindt_relaunch/pdf/Eintragungsreglement_en.pdf

A revocation of these restrictions regarding the assignability requires a resolution by the shareholders at the General Meeting with a voting majority of at least three quarters of the shares represented.

OUTSTANDING OPTIONS AND CONVERTIBLE BONDS — Options on bearer participation certificates of Chocoladefabriken Lindt & Sprüngli AG are only outstanding within the scope of the existing employee option plan. Details concerning the number of options issued and still outstanding with the corresponding terms and conditions are shown in the table below:

Year of allocation	Number	Strike price (CHF)	Term	No. of rights exercised	No. of exercisable rights
2007	25,260	2,983	until 2014	20,001	5,259
2008	12,660	3,149	until 2015	5,692	6,968
2009	33,066	1,543	until 2016	17,806	15,260
2010	33,991	2,200	until 2017	6,319	27,672
2011	33,930	2,523	until 2018	0	33,930
2012	35,050	2,679	until 2019	0	35,050
2013	33,370	3,123	until 2020	0	33,370
Total	**207,327**			**49,818**	**157,509**

The options were granted at a ratio of one option to one participation certificate (1:1). The options can be exercised for a maximum of seven years after the grant and are subject to a blocking period of three, four and five years respectively. The strike price is equivalent to a five-day average of the closing daily prices of the share on the Swiss stock market prior to the date of issue.

In 2013, a total of 53,076 of the above employee options were exercised (previous year: 21,309). Therefore, the "ordinary" participation capital was increased in 2013 by CHF 530,760 by the corresponding reduction in the "conditional" participation capital reserved for the employee stock option programs. The 157,509 options outstanding as of December 31, 2013, and not yet exercised are equivalent to 6.9 % of the total capital. There are no outstanding convertible bonds of Chocoladefabriken Lindt & Sprüngli AG.

BOARD OF DIRECTORS

Ernst Tanner

Dr Kurt Widmer

Dr Rudolf K. Sprüngli

Dr Franz Peter Oesch

Antonio Bulgheroni

Dkfm. Elisabeth Gürtler

BOARD OF DIRECTORS

ROLE AND FUNCTION — The Board of Directors makes decisions jointly and, for specific matters, is assisted by Board committees. The Board's primary function is to provide guidance and exercise control over the Group. The Board makes strategic decisions and defines the general means for achievingthe goals it has set for the company. It sets the agenda for the General Meeting and approves the annual and half-year reports. Decisions regarding the appointment of members to the Group Management, the Extended Group Management, the Managing Directors of subsidiaries as well as the nomination of the statutory auditor for election at the General Meeting are taken by the full Board.

MEMBERS — The Board of Directors of Chocoladefabri ken Lindt & Sprüngli AG consists of at least five and not more than nine members. If the number of members falls below five, the minimum membership must be restored at the next ordinary General Meeting. As of December 31, 2013, the Board had six active members. Ernst Tanner (CEO) is an executive member of the Board, all other members are non-executive members.

Name, function	First Election	Until
Ernst Tanner, Chairman and CEO	1993	2014
Dr Kurt Widmer, member	1987	2014
Dr Rudolf K. Sprüngli, member	1988	2014
Dr Franz-Peter Oesch, member	1991	2014
Antonio Bulgheroni, member and Lead Director	1996	2014
Dkfm. Elisabeth Gürtler, member	2009	2014

Antonio Bulgheroni was Managing Director of the Italian subsidiary Lindt & Sprüngli SpA until his retirement in April 2007. Also the other members of the Board were not actively engaged in the management of the Group or of a subsidiary and none of them had business relations with any entity within the Group in the past three years.

The members of the Board of Directors are individually elected by the shareholders at the General Meeting in each case for a three-year term of office to ensure the phased renewal of the Board. No limitation is placed on their reelection. When byelections were held, the new members serve out the term of office of their predecessors. If a member leaves, or if an elected member subsequently declines the appointment, the seat concerned remains vacant until the next General Meeting.

In the year under review, Dr Kurt Widmer was reelected for a one-year term of office and Dr Rudolf K. Sprüngli was reelected for a three-year term of office. Pursuant to the ordinance on the prevention of excessive remuneration ("VegüV") adopted by the Federal Council on November 20, 2013, which entered into force on January 1, 2014, and the accompanying requirement for all the members of the Board of Directors to be elected each year by the General Meeting, all the terms of office of the Board members will expire at the Ordinary General Meeting in 2014.

Ernst Tanner (CH) Mr Tanner was elected as CEO and Vice Chairman by the Board of Directors in 1993. In 1994, he became Chairman of the Board. He completed a commercial education and thereafter attended Business schools in London and in Harvard. Before joining Lindt & Sprüngli, Mr Tanner held top management positions for more than 25 years with the Johnson & Johnson Group in Europe and in the USA, his last position having been Company Group Chairman Europe. Mr Tanner has been a member of the Board of Directors of the Swiss Swatch Group since 1995 and Vice Chairman since 2011. He also has a seat on the Advisory Board of the German Krombacher Brauerei GmbH & Co. KG. Until mid 2013, he was a member of the managing board of the Zurich Chamber of Commerce.

Dr Kurt Widmer (CH) Mr Widmer completed his studies with a doctorate in law and has been a member of the Board of Directors since 1987. He is a proven finance and banking expert and was a member of the Executive Board of Schweizerische Kreditanstalt or Credit Suisse and Credit Suisse Holding from 1983 until his retirement in 1995. As CEO from 1993 to 1995, Mr Widmer was principally responsible for the repositioning and the successful integration of Schweizerische Volksbank into the Credit Suisse Group.

Dr Rudolf K. Sprüngli (CH) Mr Sprüngli completed his studies with a doctorate in economics and has been a member of the Board of Directors since 1988. Due to his former executive activities for the Group and for an international premium food-trading company, Mr Sprüngli is an expert authority in the chocolate business. Today, he manages his own consulting firm. Mr Sprüngli is also a member of the Board of Directors of Peter Halter Liegenschaften AG and Communicators AG as well as Chairman of Freies Gymnasium Zurich.

Dr Franz Peter Oesch (CH) Mr Oesch completed his studies with a doctorate in law and was appointed to practise as an attorney-at-law in the canton of St Gallen in 1972. He has been a partner of the law firm "swisslegal asg advocati" in St Gallen since 1971. His membership in the Board of Directors dates back to 1991. Furthermore, Mr Oesch held office as Chairman of the Board of Directors of the St Galler Kantonalbank from 1996 until mid 2013.

Antonio Bulgheroni (IT) Mr Bulgheroni has been a member of the Board of Directors since April 1996, Lead Director since February 2009 and h is currently appointed in the Executive, Audit and Compensation Committee. His extensive experience in company management in every area of the chocolate business makes Mr Bulgheroni a highly respected international expert in the chocolate industry. He was CEO of Lindt & Sprüngli SpA from 1993 until his retirement from executive directorship in April 2007. Since then he has been Chairman of the Board of Lindt & Sprüngli and Caffarel , the two Italian subsidiaries of the Group. Mr Bulgheroni, who is qualified with the Order of Merit for Labour of the Italian Republic, is the Vice President of Banca Popolare di Bergamo and holds other directorships including Il Sole 24 Ore and the L.I.U.C. University.

Dkfm. Elisabeth Gürtler (AT) Ms Gürtler has been a member of the Board of Directors since 2009. She completed her business-science studies with a master's degree, and subsequently acquired an outstanding reputation in particular as manager of the world-famous Sacher Hotels in Vienna and Salzburg, in an area in which premium quality plays a key role. Ms Gürtler was from 1998 till 2012 a member of the Supervisory Board of Erste Group Bank AG. Since 2004, she is a member of the general council of the Austrian National Bank. Since 2007, she has also been Managing Director of the Spanish Riding School in Vienna.

INTERNAL ORGANIZATION — The Board of Directors is self-constituting. Under the chairmanship of the current Chairman or of the member of the Board of Directors with the longest service record, it elected so far a Chairman to serve for a term of office which was identical to that of their membership of the Board of Directors. The Ordinary General Meeting in 2014 will for the first time elect the Chairman and members of the Compensation Committee. In other respects, the Board of Directors will remain self-constituting.

If the chairmanship is abandoned prematurely, or if the chairman is dismissed from the Board of Directors or retires from the Board before ending the term of office, the Board of Directors can appoint an interim chairman from among its members until election at the next General Meeting. In case one or more members of the Compensation Committee prematurely retire, the Board of Directors can appoint substitutes from among its members until the next General Meeting.

The Chairman presides over the General Meeting, represents the company in dealings with third parties and, in cooperation with the Delegate of the Board of Directors, the Group Management and the Extended Group Management, provides timely information for the Board of Directors on all matters which are important for the decision-making process and monitoring of significant aspects of the company. He is responsible for preparing all the matters to be dealt with by the Board of Directors, for placing them on the agenda and for convening and chairing meetings of the Board of Directors.

The Delegate of the Board of Directors (CEO) is entrusted with the task of managing the business jointly with the Group Management and is assisted by the Extended Group Management. He is Chairman of the Group Management. Further details of the tasks of the CEO, the Group Management and the Extended Group Management will be found on page 46 of this annual report.

The Board of Directors may also appoint a non-executive member from its ranks to serve as the Lead Director. The Lead Director, who was previously appointed for three years or for the duration of his term of office as a member of the Board of Directors and, with effect from the Ordinary General Meeting in 2014, will be appointed in each case for not more than one year, is entrusted with the task of safeguarding the independence of the Board of Directors in relation to the Chairman and CEO if both these functions are held by the same member of the Board of Directors. If necessary, the Lead Director has authority to convene and chair a meeting of the Board of Directors himself which will not be attended by the Chairman and CEO. He must notify the outcome of any such meeting to the Chairman and CEO.

The Board of Directors of Chocoladefabriken Lindt & Sprüngli AG is firmly convinced that the dual mandate of Ernst Tanner as Chairman of the Board and CEO ensures effective leadership and excellent communication among shareholders, the Board of Directors, and the Management. Leading corporate governance practice also recognizes that a dual mandate of Chairman of the Board and CEO can be advantageous for a company, if the company provides for the appropriate control mechanisms. These comprise a majority of non-executive Board members, Board Committees (Audit Committee, Compensation & Nomination Committee, and Corporate Social Responsibility Committee), each consisting of non-executive or a majority of non-executive Board members, as well as the appointment of a non-executive, experienced member of the Board of Directors as Lead Director. With the appointment of Antonio Bulgheroni as Lead Director, Chocoladefabriken Lindt & Sprüngli AG has introduced the latter control mechanism.

The Board of Directors meets regularly and as often as business requires it, but at least four times each year. Meetings are convened by the Chairman or by another member of the Board of Directors appointed to represent him or by the Lead Director. Each member of the Board of Directors is authorized to ask for a meeting to be convened without delay, while stating the purpose. The Chairman or in his absence another member of the Board of Directors authorized to represent him or the Lead Director presides over the meeting. Apart from the members of the Board of Directors, the meetings may likewise be attended by members of the Group Management and other non-members. In the year under review, four regularly and one extraordinarily convened meetings were held; one member was not present at a regular meeting. Each meeting generally lasted for four to five hours. Members of the Group Management regularly attended these meetings. Hostettler, Kramarsch & Partner, Zurich, attended in all one meeting of the Board of Directors. No other external consultants took part in meetings of the Board of Directors.

COMMITTEES OF THE BOARD OF DIRECTORS — The Board of Directors is assisted in its work by three committees: the Audit Committee, the Compensation & Nomination Committee, and the Corporate Social Responsibility Committee. The Board of Directors may decide at any time by a majority decision to set up further committees. Until that time, all other tasks of the Board of Directors in particular in the areas of corporate governance, communication, relations with investors, and shareholders will continue to be performed by the whole Board of Directors.

Audit Committee — The Audit Committee consists of three members of the Board of Directors. At least two of them, together with the Chairman, must be non-executive members of the Board of Directors. The CFO has a consultative vote in the committee. The committee consists of the following members: Dr Franz-Peter Oesch (Chairman), Dr Rudolf K. Sprüngli, and Antonio Bulgheroni. The members of the committee possess sufficient experience and professional knowledge in the areas of finance and risk management to enable them to perform their tasks effectively.

The Audit Committee supports the Board of Directors in its function of strategic supervision, with particular reference to the main audit areas, complete presentation of the financial statements/audit findings, compliance with statutory requirements, and the services of the external auditors. In addition, the committee assesses the expediency of the financial reporting and internal control system. It ensures ongoing communication with the external auditors. Likewise, it keeps the risk management principles of the Group, and the appropriate nature of the risks taken under constant review, especially in the areas of investments, currencies, raw material procurement, and liquidity.

The Audit Committee makes recommendations to the Board of Directors for important decisions in the aforementioned matters, such as the approval of risk management principles, adoption of the annual accounts statement or proposals for the appointment of the statutory auditor. The committee itself has no decision-making powers. It may, however, decide independently to entrust the auditor with special assignments and approve the fee budget for audit tasks submitted by the external auditors.

The committee meets as often as business requires, but at least four times a year. In 2012, four regularly scheduled meetings were held. The meeting generally lasted between one and two hours. Members of the Group Management regularly attended these meetings. The auditors attended meetings of the Audit Committee on one occasion. Direct access for the auditors to the Audit Committee is guaranteed at all times. No external consultants took part in meetings of the Board of Directors in the year under review.
→ Information on the auditor see page 51

Compensation & Nomination Committee — The Compensation & Nomination Committee consists of three non-executive members of the Board of Directors, namely: Dr Kurt Widmer (Chairman), Antonio Bulgheroni, and Dkfm. Elisabeth Gürtler. The Compensation & Nomination Committee sets guidelines for the compensation of the Board of Directors, the Group Management as well as the Extended Group Management and the Managing Directors of the subsidiaries, and supervises the adherence of the fixed parameters. In line with these principles, it decides every year on the overall total and the individual compensation (salaries, bonus payments, and allocations in the framework of the employee stock option plan) of each member of the Board of Directors and the Group Management as well as the Extended Group Management and the Managing Directors of the subsidiaries. The committee approves and sets guidelines for employment agreements with the Group Management and other employees in key positions. The committee verifies and decides on changes to the bonus and stock option plans. In the above areas the committee has authority to take decisions. If the compensation of a particular member of the Board of Directors is involved, that member withdraws from the deliberations.

Furthermore, the Compensation & Nomination Committee submits suggestions to the Board of Directors regarding the appointment and dismissal of members of the Group Management, the Extended Group Management, and Managing Directors of subsidiaries as well as the criteria for election and reelection of the Board of Directors. The committee only has a preparatory and consultative role in these areas, the relevant decisions being taken by the Board of Directors as a whole. The committee meets at least twice a year. In the year under review, two regularly convened meetings and one extraordinary meeting were held; one member was not present at the first regular meeting. Each meeting lasted generally for one to two hours. Members of the Group Management regularly attended these meetings. When his own compensation is being discussed, the member of the Group Management concerned withdraws from the meeting. No external consultants took part in these meetings. In connection with the implementation of VegüV, the main terms of reference of the Committee are defined and adapted in the Articles of Association.

Corporate Social Responsibility Committee — The Corporate Social Responsibility Committee consists of three members of the Board of Directors. These may be both executive and non-executive members of the Board of Directors. The CFO attends the meetings. The following members belong to this committee: Dr Rudolf K. Sprüngli (Chairman), Dr Kurt Widmer, and Ernst Tanner.

The Corporate Social Responsibility Committee supports the Board of Directors in setting the strategic direction for the activities of the company, whilst aiming for comprehensive sustainable management. Furthermore, it is responsible for the development and adaption of all globally valid corporate policies in this area, and monitors compliance in the legal aspects. The committee has a preparatory as well as consultative role. It meets as often as business requires, at least once a year. One regularly convened meeting took place in the year under review and lasted for around two hours. The CFO attended this meeting. No external consultants were present at this meeting.

ALLOCATION OF COMPETENCES — The essential principles for allocating the competences and responsibilities among the Board of Directors and the Group Management are set forth in the organizational regulation. Below is a summary of the basic principles:

Board of Directors:

– Performs the inalienable statutory tasks. The Board of Directors is therefore responsible for strategic management of the company, giving the necessary instructions and supervising the Management
– Determines strategic, organizational, accounting, and financial planning guidelines
– Changes to the legal structure of the Group (especially incorporation of new subsidiary companies, acquisitions, joint ventures, as well as liquidation of companies)
– Appointment and dismissal of the Chairman, the delegate, the secretary and the Lead Director of the Board of Directors together with the members of the Group Management, the Extended Group Management and Chief Executive Officers of the subsidiary companies
– Approves the budgets for the Group and the individual subsidiaries

The Board of Directors has assigned the management of day-to-day business to the CEO and Group Management on the basis of the organizational regulation. They are supported by the Extended Group Management.

CEO — The CEO is the Chairman of the Group Management and responsible for procurement and forwarding of information to the Group Management, the Extended Group Management, and the members of the Board of Directors. The CEO must also ensure that the decisions and instructions of the Board of Directors are acted upon by the Group Management and Extended Group Management. Last but not least, he is responsible for managing the operational business of the Group within the framework of its strategic objectives, and for the planning of the entire business and reporting within the Group.

Group Management — The Group Management is responsible for the implementation of the Group strategies. In addition, the individual members of the Group Management must lead their allocated functional and responsibility areas within the framework of the Group policy and in compliance with the instructions given by the delegate of the Board of Directors. On the basis of a matrix structure, the individual Group Management members are given line responsibility for entire country organizations and geographical areas, together with functional responsibility for specific areas.

→ For details of the members of the Group Management, see page 48f

GROUP MANAGEMENT


Ernst Tanner


Uwe Sommer


Dr Dieter Weisskopf


Andreas Pfluger

EXTENDED GROUP MANAGEMENT


Rolf Fallegger


Kamillo Kitzmantel


Dr Adalbert Lechner


Thomas Linemayr

Extended Group Management — The members of the Extended Group Management perform the duties entrusted to them by the Chairman of the Group Management or by members of the Group Management in the area of country/market responsibility (looking after foreign subsidiary companies and providing services for them) and/or functional responsibility. The members of the Extended Group Management may assume additional responsibility in the capacity of Managing Director/CEO of a subsidiary company or at Group level with pure market/country responsibility and/or functional responsibility.

→ For details of the members of the Extended Group Management, see page 49f

INFORMATION AND CONTROLLING INSTRUMENTS

— The Board of Directors is kept regularly informed of all important matters relating to the business activity of the Group. Members of the Group Management attend the meetings of the Board of Directors and report on the latest state of business and on important projects and events. Extraordinary occurrences are called to the attention of the members of the Board of Directors without delay. To obtain a direct picture of the market situation, the Board of Directors regularly visits national companies and meets the local business management.

The Board of Directors will be kept informed in writing on a quarterly basis by means of an extensive and complete Management Information System (MIS) about profit and loss, balance sheet, cash flow, investments, and personnel both of the Group and the subsidiaries. The information is provided both on a historical basis and as a year-end forecast.

Furthermore, the members of the Board of Directors receive, on an annual basis, a detailed overall budget, together with a three-year medium-term plan with forecasts of the future development of the individual subsidiaries and the consolidated group of companies, covering the income statement, profit and loss, balance sheet, cash flow, investments, and personnel. An annually updated Group-wide analysis of the strategic, operational, and financial risks – including valuations, actions taken to limit risks, and responsibilities – will also be presented.

To enable the risk parameters of the Group to be assessed, the Audit Committee also receives a quarterly report on securities and cash investments, currencies, raw material procurement, and liquidity (risk control reporting). Members of the Group Management regularly attended the meetings of the Audit Committee. The Group has no internal audit department. Accordingly, the internal financial control system, the management information and risk management reporting of the Group is given very special attention.

Each year, a report is submitted to the Audit Committee on the internal financial control processes in the various corporate functions of the subsidiary companies (IT, Procurement, Production, Sales, Salary payments, Treasury, HR, and Financial Reporting). Within the framework of the yearly audit, the auditors may be charged with special assignments, which go over and beyond the legal and statutory requirements.

GROUP MANAGEMENT

On December 31, 2013, Chocoladefabriken Lindt & Sprüngli AG's Group Management had four members.

Name, responsibility	Since
Ernst Tanner, Chief Executive Officer	1993
Uwe Sommer, Marketing/Sales & Country Responsibility	1993
Andreas Pfluger, Country Responsibility	1994
Dr Dieter Weisskopf, Chief Financial Officer, Finance/Administration/Procurement/Operations	1995

Ernst Tanner (CH) For details refer to "Board of Directors" on page 42 of this Annual Report.

Uwe Sommer (CH) Economist, MA. — Mr Sommer joined the Lindt & Sprüngli Group in 1993 as a member of the Group Management, responsible for Marketing and Sales with country responsibilities. Previously, he gained his professional experience as an executive in the marketing/sales sector of Procter & Gamble, Mars in Germany and England, and as CEO with Johnson & Johnson in Austria.

Andreas Pfluger (CH) lic. rer. pol. — Mr Pfluger began his career with Unilever in Switzerland before joining Lindt & Sprüngli (Schweiz) AG as Marketing Manager in 1994. In 1997, he took over responsibility as CEO for building up the subsidiary in Australia. He has held further positions as CEO of the French subsidiary and of the Ghirardelli Chocolate Company in California (USA). Since 2005, Mr Pfluger is country respponsible for the markets in North America. In 2011, he returned to the Swiss headquarters as member of the Extended Group Management and was promoted member of Group Management in 2013. Mr Pfluger is responsible for the development of specific markets.

Dr Dieter Weisskopf (CH) PhD in Economics/Business Administration — Mr Weisskopf joined the Lindt & Sprüngli Group in 1995 as Head of Finance, Administration, and Purchasing. Since 2004, he is also responsible for manufacturing. Starting his career at Swiss Union Bank, he gained additional experience in the banking sector in Mexico and Brazil, later changing to the food industry, namely the Jacobs Suchard Group. At Jacobs Suchard and at Klaus Jacobs Holding, he held executive management positions in the financial sector, lastly as CFO in Canada and Switzerland.

Except for the above-mentioned assignments of Mr Tanner, the members of the Group Management are not active in other management or supervisory bodies. They are not active in managing or consulting functions with closely related parties, nor do they hold public or political office. There are no management agreements with either legal entities or natural persons outside the Group.

EXTENDED GROUP MANAGEMENT

On December 31, 2013, Chocoladefabriken Lindt & Sprüngli AG's Extended Group Management had four members.

Name, responsibility	Since
Dr Adalbert Lechner, Country responsibility	1993
Kamillo Kitzmantel, Country responsibility	1994
Rolf Fallegger, Country responsibility	1997
Thomas Linemayr, Country responsibility	1999

Dr Adalbert Lechner (AT) Lawyer — After his PhD in law, Mr Lechner held several managements positions in marketing and sales with L'Oréal and Johnson & Johnson. He joined the Lindt & Sprüngli Group as CEO of the Austrian subsidiary company in 1993. In 1997, he took over responsibility for Chocoladefabriken Lindt & Sprüngli GmbH in Aachen and since 2001 additionally for the Austrian subsidiary. Since 2011, he has been a member of the Extended Group Management.

Kamillo Kitzmantel (AT/CH) Mag. Handelswissenschaft — Mr Kitzmantel initially held various positions with Fischer Ski, Johnson & Johnson and Bahlsen before joining Lindt & Sprüngli Germany in 1994 as Marketing and Sales Manager. One year later, he was appointed CEO of the Swiss subsidiary company over which he still presides today. He temporarily also took management responsibility for the Ghirardelli Chocolate Company in the USA and national responsibility for the Italian market. He has been a member of the Extended Group Management since 2011. In August 2012, he also took over responsibility for Duty-Free.

Rolf Fallegger (CH) lic. oec. HSG — Mr Fallegger began his career in 1991 in marketing with Procter & Gamble in Geneva, Great Britain, and Belgium. He joined Lindt & Sprüngli (Schweiz) AG as Marketing Manager in 1997. He was then appointed CEO of the Lindt & Sprüngli subsidiary companies in Great Britain and France. In 2009, he returned to the Swiss base and has been a member of the Extended Group Management since 2011. Mr Fallegger is responsible for the development of specific markets.

Thomas Linemayr (AT) Mag. Betriebswirtschaft — Mr Linemayr began his career at the Lindt & Sprüngli Group in 1995 when he joined the German subsidiary in Aachen as Marketing and Sales Director. In 1999, he was appointed CEO in charge of Lindt & Sprüngli USA in Stratham, NH; in that capacity, he made a substantial contribution to the development of the LINDT brand in the world's biggest chocolate market. In addition to his position as CEO of Lindt & Sprüngli USA, he is also a member of the Extended Group Management since 2013; those duties give him strategic responsibility at the head of the Group.

The members of the Extended Group Management are not active in other management or supervisory bodies. The members of the Extended Group Management are not active in managing or consulting functions with closely related parties, nor do they hold public or political office. There are no management agreements with either legal entities or natural persons outside the Group.

COMPENSATION, EQUITY PARTICIPATION & LOANS

→ see details Compensation Report on page 53

SHAREHOLDERS' RIGHTS OF PARTICIPATION

RESTRICTION OF VOTING RIGHTS AND PROXY — The transfer of nominal shares and consequently the recognition of the buyer of nominal shares as a shareholder with voting rights, as well as the registering of nominees as shareholders with voting rights are subject to certain restrictions. According to article 3, subsection 6 of the Articles of Association in particular, the Board of Directors may refuse full shareholder status to a buyer of shares if the number of shares held by that buyer exceeds 4 % of the total registered shares as entered in the commercial register. Details of the restrictions placed on the transfer of registered shares and the limitations of nominee registrations, the Group clause included in the Articles of Association and the rules for granting exceptions, will be found on page 39 of this Annual Report and in the respective regulation of the Board of Directors "Registered Share and Shareholder Registry Regulations Lindt & Sprüngli AG."

http://irpages2.equitystory.com/lindt_relaunch/pdf/Eintragungsreglement_en.pdf

According to article 12, subsection 3 of the Articles of Association, no shareholder may combine, in the aggregate, directly or indirectly, whether with his own shares or with those voted by proxy, more than 6 % of total voting shares when exercising the voting rights at the General Meeting. Natural persons or legal entities, which either by the number of shares or the pooling of votes or similar are linked to each other or are under common custody, are considered as one shareholder. In special cases, the Board of Directors may make exceptions to the voting rights restrictions. In the reporting year, the Board of Directors granted no such exception.

The restriction on voting rights does not apply to the corporate proxy, the independent proxy, and the custodial proxy designated by the company, provided that they are appointed to act as proxy by the shareholders, nor does it apply to shareholders who are listed in the share register as owning more than 6 % of the voting rights. As the "Fund for Pension Supplements of Chocoladefabriken Lindt & Sprüngli AG", "Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli Aktiengesellschaft", "Lindt Cocoa Foundation," and "Lindt Chocolate Competence Foundation", all Kilchberg ZH, as a group are entered in the share register with a shareholding interest of more than 6 %, the voting right limitation does not apply to that fund. With effect from January 1, 2014, corporate and custodial proxies are no longer permitted following the entry into force of VegüV.

A revocation of the statutory restrictions of voting rights requires a three-quarter majority of the votes represented at the Annual Shareholders' Meeting. According to article 12, subsection 2 of the Articles of Association, a shareholder can be represented at the General Meeting by another shareholder by written proxy.

STATUTORY QUORUM — The General Meeting passes its resolutions by an absolute majority of the votes represented, unless the Articles of Association or the law prescribe otherwise.

According to article 15, subsection 3 of the Articles of Association, amendments of the Articles of Association regarding the relocation of headquarters, transformation of nominal shares into bearer shares, the assignment of nominal shares, the representation of shares at the General Meeting, the amendment of article 15, subsection 3 of the Articles of Association as well as the dissolution or the merger of the company requires a three-quarter majority vote of represented shares.

CALLING OF THE ANNUAL GENERAL MEETING, AGENDA, AND SHARE REGISTER — Shareholders are given notice by the Board of Directors at least 20 days prior to the date of the General Meeting via publication in the Swiss Handelsamtsblatt.

A shareholder whose name appears in the share register as owning at least 2 % of the equity capital of the company may ask for an item to be placed on the agenda. The request for an item to be placed on the agenda must be sent to the Board of Directors in writing no less than 60 days before the meeting stating the matters to be discussed and the proposals made. These requests for items to be placed on the agenda and the accompanying proposals must be placed before the General Meeting together with the opinion of the Board of Directors on them. During the General Meeting, requests and justifications therefore for items not on the agenda may be brought up before the meeting for discussion. A decision about these items, however, may not be taken until the next General Meeting after review by the Board of Directors.

Requests made within the realm of the agenda items do not need prior announcement. Shares will be entered into the register up to 20 days before the General Meeting.

CHANGE IN CONTROL AND DEFENSIVE MEASURES

In the event of a change in control of the company, the employee options granted can be exercised without regard to the three to five year blocking period. Other than that, there are no special agreements concerning a change in control that would favor either the members of the Board of Directors or the Group Management or any other management members of the company. The Articles of Association of incorporation make no special provision for "opting out" or "opting up" pursuant to article 22 BEHG of March 24, 1995 about stock exchange and stock trading.

AUDITORS

MANDATE — The General Meeting first appointed PricewaterhouseCoopers AG, Zurich, as its statutory auditor in April 2002. According to the Articles of Association of the company, the auditors must be newly appointed or confirmed each year by the General Meeting. The 2013 reporting year is the first year for the responsible lead auditor, Bruno Häfliger. Pursuant to the provisions of the Swiss Code of Obligations, the responsible lead auditor may not hold office for more than seven years. Bruno Häfliger will therefore not be allowed to serve as the responsible lead auditor after the end of the financial year 2019 at the latest.

AUDIT FEE — The total audit fees billed by the auditing company in the reporting year 2013 amounted to TCHF 1,184.

ADDITIONAL FEES — The total sum of additional fees mainly related to tax and EDP consulting, billed by the audit company in the reporting year 2013 totalled TCHF 206.

SUPERVISORY AND CONTROLLING BODIES — Supervision and control with respect to the performance of the auditors is exercised by the whole Board of Directors. The Audit Committee supports the whole Board of Directors in this task. The committee also ensures that the ongoing communication with the auditors is intact. It regularly discusses with their representatives the results of the audit activities in the areas of control and accounting activities as well as the suitability of the internal control systems. Before the interim audit, the auditors prepare an audit plan which is then submitted to the members of the Audit Committee. Based on an analysis of the current business and audit risks, the main points to be audited are proposed in this plan. The audit plan is approved by the Audit Committee and then also by the whole Board of Directors. The appropriate nature of the audit fee as well as possible additional fees for "non-audit" services is also reviewed on this occasion. The report on the final audit for the annual financial statement is dispatched to all the members of the Board of Directors. It is previously discussed in the Audit Committee with the auditors, and then approved by the whole Board of Directors at the meeting called to adopt the annual report in a circular resolution. In the year under review, the auditors once attended a meeting of the Audit Committee. Direct access for the auditors to the Audit Committee is granted at all times. Information about the organization and the scope of duties can be found on page 44 of this Annual Report.

SHAREHOLDER INFORMATION

Chocoladefabriken Lindt & Sprüngli AG issues business-related shareholder communications as follows:

Middle of January	Net sales of the previous year
Middle of March	Income statement and full-year results
End of April	Annual General Meeting
Mid July	Half-year figures
End of August	Half-year report

→ For details refer to "Information" on page 116

The statutory publication is the Swiss Handelsamtsblatt. In addition, information about the company is published and processed by selected media and by leading international banks. All data about the business can also be consulted on the company web site. Company press releases can also be consulted on that web site. For news and ad-hoc communications, a push system is likewise available on the company web site.
www.lindt.com/int/swf/eng/company/investors

Interested parties can obtain a free copy of the annual report as well as the Compensation Report of Chocoladefabriken Lindt & Sprüngli AG in the original version from the Group headquarters at Seestrasse 204, 8802 Kilchberg.

For further information contact the investor relations department of the Group via phone number + 41 44 716 25 37 or e-mail investors@lindt.com.

COMPENSATION REPORT

DEAR SHAREHOLDERS

In the year under review, the Compensation & Nomination Committee (CNC) reported to the Board of Directors on its annual assessment and recommended revision of the compensation system. On that basis, the Board of Directors adjusted the compensation system for the Board of Directors, Group Management and Extended Group Management to be effective the next financial year.

With a view to the ordinance on the Prevention of Excessive Remuneration in Listed Limited Companies (VegüV) entering into force on January 1, 2014, the Board of Directors decided to draft a compensation report as a separate part of the annual report, providing easily found information about compensation. This compensation report consists of two parts:
A. Compensation 2013
B. Compensation system 2014

At the Ordinary General Meeting in 2014, the Board of Directors will present the Articles of Association amended to comply with the new ordinance on the Prevention of Excessive Remuneration in Listed Limited Companies. Hence, the articles will in the future contain the governing principles of our performance-related compensation including share and option plans provided to members of the Board of Directors, the Group Management and the Extended Group Management. The Articles of Association likewise stipulate that, beginning in 2015, the Board of Directors will present each year the binding overall compensation of the Board of Directors and Group Management for approval by the Ordinary General Meeting. The aim for the year 2014 is to acquire initial experience with the revised compensation system.

The basic tasks and terms of reference of the Compensation and Nomination Committee will likewise be set out in the Articles of Association. The decision of the Board of Directors to submit the amended Articles of Association for approval by the shareholders already at the 2014 General Meeting means that these articles will take effect in 2014, thereby establishing the necessary basis for the votes on compensation at the General Meeting in 2015.

This compensation report is structured as follows:

A. Compensation 2013

- I. Compensation governance
- II. Compensation for the Board of Directors
- III. Compensation for the Group Management and Extended Group Management
  - i. Compensation principles
  - ii. Compensation system
  - iii. Compensation elements
- IV. Participations
- V. Additional fees, compensation and loans to company officers

B. Compensation system 2014

- I. Compensation governance
- II. Compensation for the Board of Directors
- III. Compensation for the Group Management and Extended Group Management
  - i. Compensation principles
  - ii. Compensation system
  - iii. Compensation elements
- IV. Rules for outgoing officers

The Board of Directors hopes that with the changes of the structure and design of disclosure, the shareholder can get a comprehensible view on compensation matters at Lindt & Sprüngli.

The Chairman of the Compensation & Nomination Committee

Dr Kurt Widmer

A. COMPENSATION 2013

I. COMPENSATION GOVERNANCE

The Compensation & Nomination Committee (CNC) adopts the principles underlying compensation for the members of the Board of Directors, the Group Management, and the Extended Group Management, performs an annual review to make sure that they are still appropriate and supervises compliance with them. Within the framework of these compensation principles, the CNC determines each year the amount and composition of the compensation for the individual members of the Board of Directors, the Group Management and the Extended Group Management. The members of the Board of Directors who belong to the CNC abstain when a vote is taken on their own compensation. The other members of the Board of Directors do not attend the meetings of the CNC. Members of the Group Management and Extended Group Management do not take part in the discussion and decision-making by the CNC on their own compensation. Moreover, the CNC lays down the principles governing staff options granted to an extended circle of employees and the number of such options. The CNC has the possibility of retaining external consultants. Last year the CNC obtained consultancy services in connection with the review of the compensation system from the independent consultancy company Hostettler, Kramarsch & Partner AG.

II. COMPENSATION FOR THE BOARD OF DIRECTORS

The members of the Board of Directors previously received compensation in the form of a fee. The entire compensation was paid out in cash after the General Meeting. Fixed fees remove the Board of Directors from any potential conflicts of interest in the assessment of the corporate performance.

For the year 2013, the members of the Board of Directors received the following compensation (the following table is identical to that appearing on page 99 of the annual financial statement, in the notes to which the figures are given as at December 31, 2013, pursuant to article 663b ^{bis} CO (Swiss Code of Obligations) and verified by the auditors).

I Board of Directors

		2013	2012
CHF thousand		Cash compensation [1]	Cash compensation [1]
E. Tanner [2]	Chairman and CEO, member of the CSR Committee [3]	260	260
A. Bulgheroni [4]	Board member, member of the Audit and Compensation Committee, Lead director	145	145
Dr K. Widmer	Board member, member of the Compensation and CSR Committee [3]	145	145
Dkfm. E. Gürtler	Board member, member of the Compensation Committee	145	145
Dr R. K. Sprüngli	Board member, member of the Audit and CSR Committee [3]	145	145
Dr F. P. Oesch	Board member, member of the Audit Committee	145	145
Total		**985**	**985**

1) Total gross cash compensation and allowances (excluding social charges paid by employer), in the form of board fees and emoluments to directors.
2) Cash compensation for the function as Chairman of the Board.
3) CSR Committee: Corporate Social Responsibility Committee.
4) Furthermore Mr Bulgheroni received a gross fee of TCHF 32 in 2013 (TCHF 31 in 2012) for his function as Chairman of the Board of Lindt & Sprüngli SpA and Caffarel SpA. In addition to his remuneration as member of the Board, as Lead Director, and as member of the Audit and Compensation Committee, Mr Bulgheroni received a grant of 2,000 options on Lindt & Sprüngli participation certificates in 2012 under the terms and conditions of the Lindt & Sprüngli employee share option plan, valued at TCHF 622.

III. COMPENSATION FOR THE GROUP MANAGEMENT AND EXTENDED GROUP MANAGEMENT

i. COMPENSATION PRINCIPLES

The compensation system at Lindt & Sprüngli has four main objectives:

1. Long-term motivation of staff,
2. Creating long-term loyalty of key personnel to the company,
3. Establishing an appropriate relationship between the costs of compensation and the results, and
4. Ensuring that the activity of the management reflects the long-term interests of the owners.

Lindt & Sprüngli attaches great importance to staff loyalty. That is apparent in particular from the extraordinarily low turnover rate over a period of many years in the Group and Extended Group Management. This is particularly important for a premium product manufacturer with a long-term strategy. The compensation principles at Lindt & Sprüngli are intended to have a medium and long-term impact and be sustainable. Continuity is a high priority.

ii. COMPENSATION SYSTEM

In 2013, the compensation of the members of the Group Management and Extended Group Management consisted of a base salary, a cash bonus and long-term variable compensation in the shape of staff options. The variable components of the overall compensation (cash bonus and staff options) were substantial for the members of the Group Management and Extended Group Management; taken together, these components could even reach figures exceeding 100 % of the base salary. This is explained in particular by the high proportion of staff options in the mix. The element of capital participation with lengthy vesting periods of three to five years until disposal encourages long-term action which is an important consideration in the consumer goods industry and has been a cornerstone of the company's development in recent years. The amount of the target compensation was determined by the demands made on the beneficiaries and by their level of responsibility and is regularly verified by making horizontal and vertical comparisons within the Group.

iii. COMPENSATION ELEMENTS

Base compensation — The basic salary was paid out monthly in 12 or 13 equal cash installments. The members of the Group Management and Extended Group Management likewise benefit from a company vehicle and belong to the same pension plans as other staff.

Variable cash compensation — The cash bonus for the CEO and members of the Group Management and Extended Group Management was determined by the attainment of the annual performance targets set at group level (especially sales and profit figures) against the annual individual qualitative targets as predefined by the CNC. Management conduct and contribution to the ongoing development of the enterprise were considered in particular in the individual qualitative assessment.

Fixed compensation in equities — Each year the CEO receives fixed number of shares which are vested for five years. This long-term agreement which was set down in the contract upon his appointment in the year 1993 reconciles the interests of the CEO with those of the shareholders. Unlike a fixed amount, the value of the CEO's compensation package is smaller if the share price falls and vice versa.

Option plan — The option plan enables the Group Management and Extended Group Management to participate in the long-term development of the business. In the year under review, the options were allocated to the beneficiaries on January 11. The number of options determined by the CNC depended on the position held by the employee and his influence on the long-term success of the business. The options were issued in the ratio of one option to one participation certificate (1:1). At the time of allocation, the option strike price corresponds to the market value based on an average closing price on five trading days. The option rights may be exercised over a maximum period of seven years from the date of allocation and their exercise is vested for periods of three, four or five years (after periods of three, four and five years these options can therefore be exercised respectively at 35 %, 35 % and 30 %).

For the year 2013, the members of the Board of Directors received the following compensation (the following table is identical to that appearing on page 100 of the annual financial statement, in the notes to which the figures are given as at December 31, 2013, pursuant to article 663b bis CO and verified by the auditors).

II Members of the Group Management

						2013
CHF thousand	Fixed cash compensation [1]	variable cash compesation [2]	Other compensation [3]	Options [4]	Registered shares [5]	Total remuneration
Ernst Tanner, CEO [6]	1,256	1,600	146	996	2,691	6,689
Other members of the Group Management and Extended Group Management [7]	4,064	3,160	698	3,570	–	11,492
Total	**5,320**	**4,760**	**844**	**4,566**	**2,691**	**18,181**

						2012
CHF thousand	Fixed cash compensation [1]	variable cash compesation [2]	Other compensation [3]	Options [4]	Registered shares [5]	Total remuneration
Ernst Tanner, CEO [6]	1,256	1,600	129	1,555	2,369	6,909
Other members of the Group Management and Extended Group Management [7]	4,139	3,031	375	3,033	–	10,578
Total	**5,395**	**4,631**	**504**	**4,588**	**2,369**	**17,487**

1) Total gross cash compensation and allowances including pension benefits paid by employer (excluding social charges paid by employer).
2) Accrual at year end for expected pay-out in April of following year (excluding social charges paid by employer).
3) Employees portion of social charges (AHV) related to exercising of options and grant of registered shares, paid by employer.
4) Option grants on Lindt & Sprüngli participation certificates under the terms and conditions of the Lindt & Sprüngli employee share option plan (see also note 28). The valuation reflects the tax value of the options, i.e. based on Black Scholes option value minus respective tax allowance for the blocking period. The total number of granted share options in 2013 to Mr Tanner was 3,000 units (5,000 units in 2012) and to all other members of the Group Management and the Extended Group Management 10,750 units (9,750 units in 2012).
5) Grant of 100 Lindt & Sprüngli registered shares in 2013 (100 in 2012), based on initial working contract from 1993. Value calculation based on tax value of grant minus tax allowance for the five-year vesting period.
6) Compensation for function as CEO, fixed base salary of CHF 1.3 million (including pension benefits paid by employer) unchanged since 1993.
7) The number of other Group Management and Extended Group Management members is seven.

IV. PARTICIPATIONS

The following table provides information on the ownership of Lindt & Sprüngli registered shares, participation certificates and options on participation certificates for members of the Board of Directors, Group Management and Extended Group Management as at December 31, 2013 (the table is identical to that appearing on page 101 of the annual financial statement, in the notes to which the figures are given as at December 31, 2013 pursuant to Art. 663b bis CO and verified by the auditors).

Participation of the Board of Directors and Group Management and Extended Goup Management in the company as at December 31 (article 663c bis Co)

		Number of registered shares (RS)		Number of participation certificates (PC)		Number of options	
		2013	2012	**2013**	2012	**2013**	2012
E. Tanner	Chairman and CEO	3,039	2,903	8,967	4,525	17,750	32,500
A. Bulgheroni	Member of the Board	1,000	1,000	–	–	5,900	9,300
Dr K. Widmer	Member of the Board	35	35	–	–	–	–
Dkfm E. Gürtler	Member of the Board	–	–	–	–	–	–
Dr R. K. Sprüngli	Member of the Board	1,090	1,100	–	–	–	–
Dr F. P. Oesch	Member of the Board	17	17	–	–	–	–
H. J. Klingler [1)]	Group Management	–	10	–	995	–	8,250
A. Pfluger	Group Management	5	5	30	30	8,213	6,713
U. Sommer	Group Management	12	22	1,449	194	9,369	11,309
Dr D. Weisskopf	Group Management	5	5	1,800	1,800	10,550	11,300
R. Fallegger	Extended Group Management	5	5	1,612	504	5,985	6,163
K. Kitzmantel	Extended Group Management	5	5	100	100	4,938	6,463
A. Lechner	Extended Group Management	6	4	53	53	6,900	6,900
T. Linemayr [2)]	Extended Group Management	4	–	77	–	5,350	–
Total		**5,223**	**5,111**	**14,088**	**8,201**	**74,955**	**98,898**

1) Mr H.J. Klingler left the Lindt & Sprüngli Group in 2012, therefore no participation is reported for 2013.
2) Mr T. Linemayr became member of the extended Group Management in 2013, therefore no participation is reported for 2012.

V. ADDITIONAL FEES, COMPENSATION, AND LOANS TO COMPANY OFFICERS

Apart from the benefits listed in this report, no other compensation was provided in the year under review 2013 – either directly or via consultancy companies – for the executive and non-executive members of the Board of Directors or for the members of the Group Management and Extended Group Management. In addition, as of December 31, 2013, no loans, advances or credits had been granted by the Group or by any of its subsidiary companies to the members of the Board of Directors, Group Management and Extended Group Management. In the year under review 2013, variable compensation for the year 2012 amounting to CHF 300,000 was paid out to a former Group Management member.

B. COMPENSATION SYSTEM 2014

I. COMPENSATION GOVERNANCE

The proposed Articles of Association of Lind & Sprüngli stipulate the following tasks and terms and reference of the Compensation & Nomination Committee (CNC): The CNC examines compensation policy, especially at the highest level in the company. It has the tasks and decision-making and proposal authority entrusted to it by the organizational regulation and the regulation of the CNC. In particular, it helps the Board of Directors to determine and assess the compensation system and the compensation principles and also to prepare motions to be submitted to the General Meeting for approval of the compensation pursuant to Art. 15 of the Articles of Association. The CNC may submit proposals and recommendations to the Board of Directors on all compensation matters.

The CNC is also responsible for drawing up the employment contracts of the members of the Group Management and Extended Group Management. It also draws up proposals on any benefits and pensions payable by the company, together with those of its subsidiary companies, apart from occupational benefits and similar schemes abroad, which are granted by the Articles of Association to the members of the Board of Directors, the Group Management and the Extended Group Management within the limits allowed by the Articles of Association.

The CNC also draws up a proposal for the compensation report for the attention of the Board of Directors.

The particular members of the Board of Directors abstain when a vote is taken on their own compensation. Members of the Group Management and Extended Group Management do not take part in the discussion and decision-making on their own compensation by the CNC or Board of Directors.

Recipient	Proposal	Decision	Binding votes on compensation staring at the General Meeting in 2015
BoD Chairman	CNC	BoD (excluding the Chairman)	Maximum fee budget for the period until the next Ordinary General Meeting
Members of the BoD	CNC	BoD	
CEO	CNC	BoD (excluding the Chairman)	Maximum total compensation for the next financial year
Members of the Group Management and Extended Group Management	CEO and CNC	BoD	

II. COMPENSATION FOR THE BOARD OF DIRECTORS

In 2014 the fixed basic fee for the members of the Board of Directors is unchanged from previous years. The flat-rate sum payable to the Chairman of the Board of Directors amounts to CHF 260,000 while the members of the Board of Directors receive CHF 145,000. The compensation can be paid both in cash and in vested shares or participation certificates.

III. COMPENSATION FOR THE GROUP MANAGEMENT AND EXTENDED GROUP MANAGEMENT

i. COMPENSATION PRINCIPLES

The compensation principles remain unchanged. The compensation system at Lindt & Sprüngli has four main aims:

1. Long-term motivation of staff
2. Creating long-term loyalty of key personnel to the company
3. Placing the costs of compensation in an appropriate relationship to the results, and
4. Guiding the activity of the management by the long-term interests of the owners

Lindt & Sprüngli sets great store by staff loyalty; that is reflected in particular in the extraordinarily low turnover rate over a period of many years at the Group and Extended Group Management. This is particularly important for a premium product manufacturer with a long-term action strategy. The compensation principles at Lindt & Sprüngli are intended to have a medium and long-term impact and be sustainable. Continuity is a high priority.

ii. COMPENSATION SYSTEM

From January 1, 2014, the compensation system for the members of the Group Management and Extended Group Management consists of a combination of base salary, cash bonus, equity-based compensation of shares, participation certificates or options, and pension contributions, and benefits appropriate to the particular position held. The fixed compensation reflects essentially the particular position held, the terms of reference and experience of the members of the Group and Extended Group Management. The cash bonus is linked to the performance targets for the financial year, while the equity-based compensation strengthens the shareholder focus of the company management and ensures that the long-term interests of the management coincide with those of the shareholders.

The equity-based compensation with vesting periods of between three to five years until disposal encourages the long-term action which is important in the consumer goods industry and has already been an important pillar of the company's development in recent years. The following table shows the relevant target cash bonus in terms of percentage of base salary and the possible achievement range. Additionally, the grant range for option allocation is stated as a percentage of base salary, while the share allocation is stated in term of the possible number of shares.

	Fixed compensation	Variable compensation			
		Cash			
	Basic salary	Target bonus as % of base salary	Target attainment range as % of target	Shares (number)	Options* as % of base salary
CEO	100 %	100 %	0 to 200 %	0 to 50	0 to 200 %
Group Management and Extended Group Management	100 %	30 to 90 %	0 to 200 %	—	0 to 200 %

* Options on participation certificates

The amount of the target total compensation is determined on the basis of the duties and responsibility of the recipients and is verified regularly within the Group by making horizontal and vertical comparisons. When new recruitments are made, the CNC also takes account of comparable data from the consumer goods sectors which are used as a reference for the post that is to be filled.

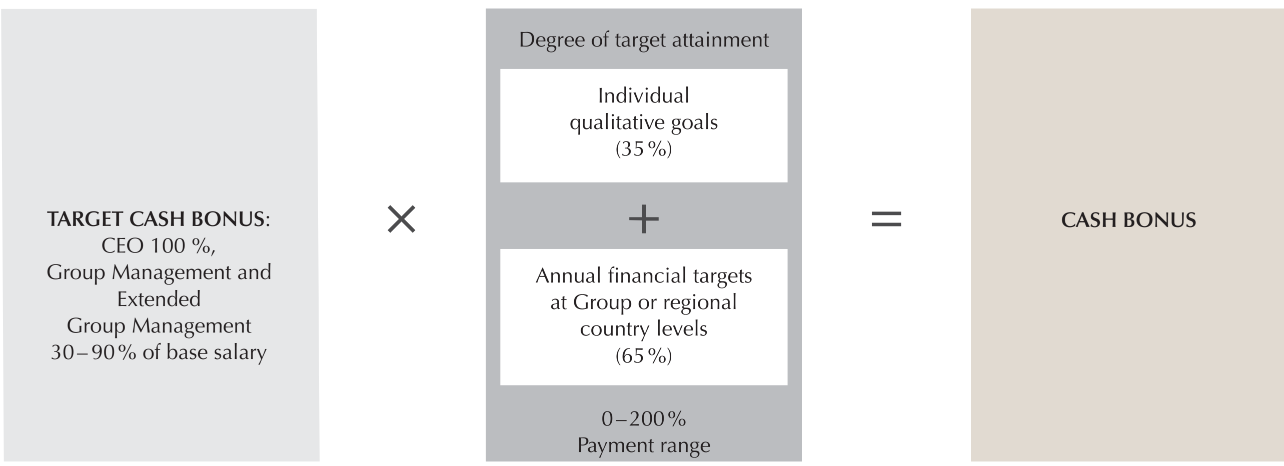
In 2013, a benchmarking of the Group Management members' compensation was conducted. The Group Mangement's compensation levels and compensation structures were compared with those of twelve industrial companies from the SMI and SMIM of a similar size in terms of market capitalization and sales. The long-term corporate performance of Lindt & Sprüngli was also compared with the peer group to obtain an assessment representing a "pay for performance" analysis.

iii. COMPENSATION ELEMENTS

Base salary and other compensation — The base salary is paid out in 12 or 13 equal monthly cash installments. In addition, the members of the Group Management and Extended Group Management receive other compensation and ancillary benefits. These include the entitlement to a company vehicle and participation in pension plans.

Cash bonus — 65% of the variable bonus for the CEO and members of the Group Management is determined by the attainment of the set annual targets for the operating result at Group level and 35% by the attainment of annual personal qualitative targets which are proposed by the CNC and then adopted by the Board of Directors. Account is taken here in particular of management conduct, innovation, strategic orientation, and result and client focus. The financial targets are determined annually and guided by the long-term strategy of sustainable organic sales growth, together with the target of a continuous improvement of the operating result margin.

Calculation of the cash bonus for the CEO, the Group Management, and the Extended Group Management



For the members of the Extended Group Management, the bonus is additionally influenced by the operating result at regional or country level for which the member is responsible. More spefically, 30 % of the bonus calculation for the members of the extended Group Management is therefore determined by the attainment of the set annual operating performance targets at Group level and 35 % at regional or country level, while 35 % depends on the attainment of personal qualitative targets.

The target cash bonus of the CEO, members of the Group Management, and Extended Group Management is multiplied by the particular degree of target attainment which ranges from 0 % to 200 % (assuming maximum target over-achievement). The cash bonus is therefore limited to not more than twice the target cash bonus.

Share plan — The long-term share compensation which was agreed contractually with the CEO when he was appointed in the year 1993 and entitles him to a fixed number of shares every year is now supplemented by a performance-dependent allocation mechanism. In future, the CEO is to receive a variable quantity of up to 50 shares dependent upon the performance achieved in the previous years. The exact number of shares is decided by the Board of Directors as part of an overall assessment and depends on the same financial, strategic and qualitative goals as apply to the determination of the cash bonus, but is measured over a period of three years. In the event of failure to achieve the targets the granted amount or number of shares will be reduced accordingly and in severe poor performance cases case no shares will be allocated. The allocated shares continue to be subject to a five-year vesting period during which they may not be sold. The value therefore continues to be associated in a long-term perspective with the trend in value of the company.

Option plan — The option plan enables the Group Management and Extended Group Management to participate in the long-term increase in corporate value. The options are allocated as an incentive for future value growth. The number is not determined primarily by the performance in the previous year but by the position held by the employee and his influence on long-term corporate success. The Board of Directors takes the final decision on the value of the options per participant on the basis of the stated criteria; the allocated value may amount to as much as 200 % of the particular basic salary for the CEO, Group Management and Extended Group Management. The options are issued in a ratio of one option to one participation certificate (1:1). The option strike price corresponds upon allocation to the average value on the five previous trading days.

The option rights have a strike period of not more than seven years from allocation with initial vesting periods of three, four or five years (35 % of the options may therefore be exercised after three or four years and 30 % after five years).

IV. RULES FOR OUTGOING OFFICERS

The employment contracts stipulate a maximum notice period of twelve months and make no provision for a severance payment. The maximum prohibitions on competition for members of the Group Management and Extended Group Management amount to twelve months. Respective compensation must not exceed the basic salary for one year. The vesting periods imposed on shares and options do not lapse upon departure and the vesting periods are not shortened.

FINANCIAL REPORT

OF THE LINDT & SPRÜNGLI GROUP

CONSOLIDATED STATEMENTS OF THE LINDT & SPRÜNGLI GROUP

FINANCIAL STATEMENTS OF CHOCOLADEFABRIKEN LINDT & SPRÜNGLI AG

FINANCIAL AND OTHER INFORMATION

CONSOLIDATED BALANCE SHEET

CHF million	Note	December 31, 2013		December 31, 2012 (restated) [1]		January 1, 2012 (restated) [1]	
ASSETS							
Property, plant, and equipment	7	853.3		771.4		742.1	
Intangible assets	8	20.6		13.2		13.3	
Financial assets	9	1,019.2		122.0		107.4	
Deferred tax assets	10	21.9		20.1		15.0	
Total non-current assets		**1,915.0**	**49.3%**	**926.7**	**35.1%**	**877.8**	**34.8%**
Inventories	11	454.8		405.1		402.5	
Accounts receivable	12	683.7		662.2		654.9	
Other receivables		78.5		82.7		72.5	
Accrued income		1.9		3.9		4.1	
Derivative assets	13	16.3		5.3		13.6	
Marketable securities and short-term financial assets	14	111.1		259.2		54.1	
Cash and cash equivalents	15	619.4		295.8		441.8	
Total current assets		**1,965.7**	**50.7%**	**1,714.2**	**64.9%**	**1,643.5**	**65.2%**
Total assets		**3,880.7**	**100.0%**	**2,640.9**	**100.0%**	**2,521.3**	**100.0%**
LIABILITIES							
Share and participation capital	16	22.9		22.6		23.3	
Treasury stock		–71.3		–113.8		–252.3	
Retained earnings and other reserves		2,683.1		1,785.6		1,816.2	
Total shareholders' equity		**2,634.7**	**67.9%**	**1,694.4**	**64.2%**	**1,587.2**	**63.0%**
Loans	17	1.0		1.1		1.1	
Deferred tax liabilities	10	301.6		36.4		29.3	
Pension liabilities	18	118.8		155.4		162.1	
Other non-current liabilities		10.9		10.4		10.1	
Provisions	19	75.1		56.2		48.8	
Total non-current liabilities		**507.4**	**13.1%**	**259.5**	**9.8%**	**251.4**	**10.0%**
Accounts payable to suppliers	20	181.5		161.0		164.9	
Other accounts payable		40.6		40.1		45.1	
Current tax liabilities		33.7		21.1		20.0	
Accrued liabilities	21	473.2		442.9		415.7	
Derivative liabilities	13	3.6		11.0		28.6	
Bank and other borrowings	17	6.0		10.9		8.4	
Total current liabilities		**738.6**	**19.0%**	**687.0**	**26.0%**	**682.7**	**27.0%**
Total liabilities		**1,246.0**	**32.1%**	**946.5**	**35.8%**	**934.1**	**37.0%**
Total liabilities and shareholders' equity		**3,880.7**	**100.0%**	**2,640.9**	**100.0%**	**2,521.3**	**100.0%**

1) The 2012 comparatives have been restated. See note 2 to the consolidated financial statements.

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

CONSOLIDATED INCOME STATEMENT

CHF million	Note	2013		2012 (restated) [1]	
INCOME					
Sales		2,882.5	100.0%	2,669.5	100.0%
Other income	22	13.6		13.9	
Total income		**2,896.1**	**100.5%**	**2,683.4**	**100.5%**
EXPENSES					
Material expenses		–982.4	–34.1%	–940.6	–35.2%
Changes in inventories		39.2	1.4%	0.6	0.0%
Personnel expenses	23	–654.7	–22.7%	–599.6	–22.5%
Operating expenses		–794.9	–27.6%	–707.9	–26.5%
Depreciation, amortization, and impairment	7, 8	–99.2	–3.4%	–105.8	–4.0%
Total expenses		**–2,492.0**	**–86.5%**	**–2,353.3**	**–88.2%**
Operating profit		404.1	14.0%	330.1	12.4%
Income from financial assets	24	1.1		4.6	
Expense from financial assets	24	–3.9		–5.4	
Income before taxes		401.3	13.9%	329.3	12.3%
Taxes	25	–98.3		–84.4	
NET INCOME		**303.0**	**10.5%**	**244.9**	**9.2%**
Attributable to shareholders		303.0		244.9	
Non-diluted earnings per share / 10 PC (in CHF)	26	1,339.3		1,079.3	
Diluted earnings per share / 10 PC (in CHF)	26	1,313.9		1,069.0	

1) The 2012 comparatives have been restated. See note 2 to the consolidated financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

	2013	2012 (restated) [1]
CHF million	After taxes	After taxes
Net income	303.0	244.9
Other comprehensive income after taxes		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	857.5	26.3
Transfer of pension assets to non-profit funds	–200.8	–
Items that may be reclassified subsequently to profit or loss		
Hedge accounting	16.8	8.6
Currency translation	–11.5	–13.4
Total comprehensive income / (loss)	**965.0**	**266.5**
Attributable to shareholders	965.0	266.5

1) The 2012 comparatives have been restated. See note 2 to the consolidated financial statements.

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

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 25.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF million	Note	Share-/ PC-capital	Treasury stock	Share premium	Hedge accounting	Retained earnings	Currency translation	Share-holders' equity
Balance as at January 1, 2012		**23.3**	**–252.3**	**433.5**	**–14.9**	**1,658.0**	**–228.5**	**1,619.1**
Restatement according to IAS 19 (revised)	2					–31.9		–31.9
Restated balance as at January 1, 2012		**23.3**	**–252.3**	**433.5**	**–14.9**	**1,626.1**	**–228.5**	**1,587.2**
Total comprehensive income					8.6	271.3	–13.4	266.5
Capital increase [1]	16	0.2		40.8		–0.5		40.5
Purchase of own shares and participation certificates [2]			–107.3					–107.3
Sale of own shares [3]			0.7			0.3		1.0
Cancellation of shares [4]		–0.9	242.7			–241.8		–
Share-based payment [5]	28		2.4			16.2		18.6
Reclass into Retained Earnings				–111.9		111.9		–
Distribution of profits						–111.9		–111.9
Restated balance as at December 31, 2012		**22.6**	**–113.8**	**362.4**	**–6.3**	**1,671.5**	**–241.9**	**1,694.4**
Total comprehensive income					16.8	959.7	–11.5	965.0
Capital increase [1]	16	0.5		129.7		–1.7		128.5
Purchase of own shares and participation certificates [6]			–44.7					–44.7
Sale of own shares [7]			0.6			0.4		1.0
Cancellation of shares [8]		–0.3	84.2			–83.9		–
Share-based payment [9]	28		2.4			17.7		20.1
Reclass into Retained Earnings				–120.7		120.7		–
Distribution of profits						–129.7		–129.7
Balance as at December 31, 2013		**22.9**	**–71.3**	**371.4**	**10.5**	**2,554.8**	**–253.4**	**2,634.7**

1) All directly attributable transaction costs are netted against retained earnings realized on exercise of options (TCHF 1,668 in 2013; TCHF 529 in 2012).
2) The Group acquired 706 of its own registered shares and 29,408 of its own participation certificates in 2012. The average amount paid per share was CHF 32,706 and CHF 2,865 per certificate respectively.
3) On July 18, 2012, the Group sold 28 of its own registered shares at an average sales price of CHF 35,101 per share. The gain on sale of TCHF 310 has been recognized in retained earnings.
4) In 2012, the Group cancelled 3,300 of its own registered shares and 53,000 of its own participation certificates, these have been recorded in equity at cost.
5) In 2012, the position "Share-based payments" also includes the distribution of 100 own registered shares to the CEO of the Group with a total value of CHF 3.2 million.
6) The Group acquired 870 of its own registered shares and 1,682 of its own participation certificates in 2013. The average amount paid per share was CHF 43,913 and CHF 3,843 per certificate respectively.
7) In 2013, the Group sold 24 of its own registered shares at an average sales price of CHF 42,348 per share. The gain on sale of TCHF 440 has been recognized in retained earnings.
8) In 2013, the Group cancelled 589 of its own registered shares and 22,253 of its own participation certificates, these have been recorded in equity at cost.
9) In 2013, the position "Share-based payments" also includes the distribution of 100 own registered shares to the CEO of the Group with a total value of CHF 3.6 million.

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

CONSOLIDATED CASH FLOW STATEMENT

CHF million	Note		2013		2012 (restated) [1]
Net income		303.0		244.9	
Depreciation, amortization, and impairment	7, 8	99.2		105.8	
Changes in provisions, value adjustments and pension assets		4.5		14.2	
Decrease (+)/increase (–) of accounts receivable		–37.1		–9.9	
Decrease (+)/increase (–) of inventories		–61.2		–8.3	
Decrease (+)/increase (–) of other receivables		5.7		–11.1	
Decrease (+)/increase (–) of accrued income and derivative assets and liabilities		0.7		–0.1	
Decrease (–)/increase (+) of accounts payable		21.4		–2.7	
Decrease (–)/increase (+) of other payables and accrued liabilities		50.8		27.8	
Non-cash effective items		32.1		20.6	
Cash flow from operating activities (operating cash flow)			**419.1**		**381.2**
Investments in property, plant, and equipment	7	–177.4		–138.3	
Disposals of property, plant, and equipment		0.6		0.6	
Investments in intangible assets	8	–14.0		–6.4	
Disposals (+)/investments (–) in financial assets (excluding pension assets)		–1.6		–	
Marketable securities and short-term financial assets					
Investments		–113.4		–258.3	
Disposals		261.4		53.3	
Cash flow from investment activities			**–44.4**		**–349.0**
Proceeds from borrowings		0.8		3.1	
Repayments of loans/borrowings		–5.5		–0.5	
Capital increase (including premium)		128.6		40.5	
Purchase of treasury stock		–44.7		–107.3	
Distribution of profits/emoluments to directors		–129.7		–111.9	
Cash flow from financing activities			**–50.5**		**–176.1**
Net increase (+)/decrease (–) in cash and cash equivalents			**324.2**		**–143.9**
Cash and cash equivalents as at January 1		295.8		441.8	
Exchange gains/(losses) on cash and cash equivalents		**–0.6**	**295.2**	**–2.1**	**439.7**
Cash and cash equivalents as at December 31	**15**		**619.4**		**295.8**
Interest received from third parties [2]			1.0		2.0
Interest paid to third parties [2]			2.7		3.2
Income tax paid [2]			81.3		71.9

1) The 2012 comparatives have been restated. See note 2 to the consolidated financial statements.
2) Included in cash flow from operating activities.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION, BUSINESS ACTIVITIES, AND GROUP COMPANIES

Chocoladefabriken Lindt & Sprüngli AG and its subsidiaries manufacture and sell premium chocolate products. The products are sold under the brand names Lindt, Ghirardelli, Caffarel, Hofbauer and Küfferle. Worldwide the Group has eight manufacturing plants (six in Europe and two in the United States) and sells mainly in countries within Europe and the NAFTA countries.

The Company is a limited liability company incorporated and domiciled in Kilchberg ZH, Switzerland.

The Company has been listed since 1986 on the SIX Swiss Exchange (ISIN number: registered shares CH0010570759, participation certificates CH0010570767).

These consolidated financial statements were approved for publication by the Board of Directors on March 10, 2014.

The subsidiaries of Chocoladefabriken Lindt & Sprüngli AG as at December 31, 2013 are:

Country	Domicile	Subsidiary	Business activity	Percentage of ownership	Currency	Capital in million
Switzerland	Kilchberg	Chocoladefabriken Lindt & Sprüngli (Schweiz) AG	P&D	100	CHF	10.0
		Indestro AG [1)]	M	100	CHF	0.1
		Lindt & Sprüngli (International) AG [1)]	M	100	CHF	0.2
		Lindt & Sprüngli Financière AG [1)]	M	100	CHF	5.0
Germany	Aachen	Chocoladefabriken Lindt & Sprüngli GmbH [1)]	P&D	100	EUR	1.0
France	Paris	Lindt & Sprüngli SAS	P&D	100	EUR	13.0
Italy	Induno	Lindt & Sprüngli SpA [1)]	P&D	100	EUR	5.2
	Luserna	Caffarel SpA	P&D	100	EUR	2.2
Great Britain	London	Lindt & Sprüngli (UK) Ltd. [1)]	D	100	GBP	1.5
USA	Stratham, NH	Lindt & Sprüngli (USA) Inc. [1)]	P&D	100	USD	1.0
	San Leandro, CA	Ghirardelli Chocolate Company	P&D	100	USD	0.1
Spain	Barcelona	Lindt & Sprüngli (España) SA	D	100	EUR	3.0
Austria	Vienna	Lindt & Sprüngli (Austria) Ges.m.b.H. [1)]	P&D	100	EUR	4.5
Poland	Warsaw	Lindt & Sprüngli (Poland) Sp. z o.o. [1)]	D	100	PLN	17.0
Canada	Toronto	Lindt & Sprüngli (Canada) Inc. [1)]	D	100	CAD	2.8
Australia	Sydney	Lindt & Sprüngli (Australia) Pty. Ltd. [1)]	D	100	AUD	1.0
Mexico	Mexico City	Lindt & Sprüngli de México SA de CV [1)]	D	100	MXN	248.1
Sweden	Stockholm	Lindt & Sprüngli (Nordic) AB [1)]	D	100	SEK	0.5
Czech Republic	Prague	Lindt & Sprüngli (Czechia) s.r.o. [1)]	D	100	CZK	0.2
Japan	Tokyo	Lindt & Sprüngli Japan Co., Ltd.	D	100	JPY	1,010.0
South Africa	Capetown	Lindt & Sprüngli (South Africa) (Pty) Ltd. [1)]	D	100	ZAR	100.0
Hong Kong	Hong Kong	Lindt & Sprüngli (Asia-Pacific) Ltd. [1)]	D	100	HKD	160.5
China	Shanghai	Lindt & Sprüngli (China) Ltd.	D	100	CNY	81.5
Russia	Moscow	Lindt & Sprüngli (Russia) LLC [1)]	D	100	RUB	2.0
Guernsey	St. Peter Port	Lindt & Sprüngli (Finance) Ltd	M	100	EUR	0.1

D – Distribution, P – Production, M – Management
1) Subsidiaries held directly by Chocoladefabriken Lindt & Sprüngli AG.

2. ACCOUNTING PRINCIPLES

BASIS OF PREPARATION — The consolidated financial statements of Chocoladefabriken Lindt & Sprüngli AG (Lindt & Sprüngli Group) were prepared in accordance with International Financial Reporting Standards (IFRS).

With the exception of the marketable securities and the derivative financial instruments, which are recognized at fair value, the consolidated financial statements are based on historical costs.

When preparing the financial statements, Management makes estimates and assumptions that have an impact on the assets and liabilities presented in the annual report, the disclosure of contingent assets and liabilities and the disclosure of income and expenses in the reporting period. The actual results may differ from these estimates.

IFRS STANDARDS AND INTERPRETATIONS

New and amended IFRS and interpretations (effective as of January 1, 2013 and thereafter) — The Lindt & Sprüngli Group has applied the following IFRS standards and interpretations:

- The amendment to IAS 1 – "Financial Statements presentation" addresses the presentation of other comprehensive income
- IFRS 7 revised – "Financial instruments: disclosures" allows offsetting financial assets and financial liabilities under certain criteria
- Amendment to IAS 36 – "Impairment of assets" requires additional disclosures on the recoverable amount of non financial assets
- IFRS 10 – "Consolidated financial statements" builds on existing principles and introduces the control principle
- IFRS 12 – "Disclosures of interest in other entities" includes the disclosure requirements for all sorts of interests
- IFRS 13 – "Fair value measurement" requires additional disclosure for financial instruments
- IAS 19 (revised) – "Employee benefits"

With the exception of IAS 19 (revised) none of the new or amended IFRS and interpretations effective since January 1, 2013 had a significant impact on the Lindt & Sprüngli Group's financial position or performance.

Application of IAS 19 (revised) "Employee benefits" — As of January 1, 2013 the Lindt & Sprüngli Group has adopted IAS 19 (revised) "Employee benefits", the standard has to be applied retrospectively. According to the revised standard, actuarial gains and losses are immediately recorded in Other Comprehensive Income (OCI). The corridor method was abolished. The implied return on plan assets and interest expense is recognized in the new category "Net interest expense". Net interest expense is calculated by multiplying the discount rate with the net defined liability/asset of the plan. The disclosure of current service costs and net interest expense as part of the operating result has not changed. In addition, the impact of the asset ceiling is now recognized in the Statement of Comprehensive Income and not in the Income Statement.

In November 2013, IAS 19 (revised) has been amended, it allows the choice to consider risk sharing when calculating the pension liabilities. The Lindt & Sprüngli Group is currently assessing its implication. As at December 31, 2013 the risk sharing has been considered when calculating the pension liability.

The following tables show the retrospective implication of these changes on the consolidated balance sheet, the consolidated income statement and the statement of comprehensive income. The retrospective change on the consolidated cash flow statement only lead to reallocations within positions in cash flow from operating activities.

CONSOLIDATED BALANCE SHEET

	December 31, 2012			January 1, 2012		
CHF million	Before restatement	Restatement	After restatement	Before restatement	Restatement	After restatement
ASSETS						
Financial assets	113.4	8.6	122.0	109.5	–2.1	107.4
Deferred tax assets	7.7	12.4	20.1	7.6	7.4	15.0
LIABILITIES						
Shareholder's equity	1,727.1	–32.7	1,694.4	1,619.1	–31.9	1,587.2
Deferred tax liabilities	33.1	3.3	36.4	29.2	0.1	29.3
Pension liabilities	105.0	50.4	155.4	125.0	37.1	162.1

CONSOLIDATED INCOME STATEMENT

	January – December 2012		
CHF million	Before restatement	Restatement	After restatement
Personnel expenses	–567.2	–32.4	–599.6
Taxes	–89.8	5.4	–84.4
Net income	271.9	–27.0	244.9
Non-diluted earnings per share/10 PC (in CHF)	1,198.3	–119.0	1,079.3
Diluted earnings per share/10 PC (in CHF)	1,186.9	–117.9	1,069.0

STATEMENT OF COMPREHENSIVE INCOME

	January – December 2012		
CHF million	Before restatement	Restatement	After restatement
Net income	271.9	–27.0	244.9
Other comprehensive income after taxes			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	–	26.3	26.3
Items that may be reclassified subsequently to profit or loss			
Hedge accounting	8.6	–	8.6
Currency translation	–13.4	–	–13.4
Total comprehensive income/(loss)	**267.2**	**–0.7**	**266.5**
Attributable to shareholders	267.2	–0.7	266.5

The Lindt & Sprüngli Group is currently assessing the implications of new or revised IFRS and interpretations that will come into effect on January 1, 2014 and thereafter and that do not have to be adopted early. None of these standards are expected to have a material impact on the Group. Furthermore, the Group is evaluating the implications of IFRS 9 – "Financial Instruments". IFRS 9 addresses classification, measurement, and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to classification and measurement of financial instruments. It is not yet defined by when the standard will have to be adopted.

CONSOLIDATION METHOD — The consolidated financial statements include the accounts of the parent company and all the entities it controls (subsidiaries) up to December 31 of each year. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns trhough its power over the entity.

Intercompany receivables and liabilities, as well as expenses and income are offset against each other. Unrealized profits resulting from intercompany transactions are fully eliminated. The reporting and valuation methods of the subsidiaries are – if necessary – changed so that a single method is applied to the entire Group's balance sheet.

FOREIGN CURRENCY TRANSLATION — The consolidated financial statements are presented in Swiss francs, which is the parent company's functional and reporting currency. In order to hedge against currency risks, the Group engages in currency forwards and options trading. The methods of recognizing and measuring these derivative financial instruments in the Balance Sheet are explained below.

Foreign exchange differences arising from the translation of loans that are held as net investments in a foreign operation are recognized separately in other comprehensive income. The repayment of these loans is not considered as a divestment (partial or full). As a consequence, the respective accumulated currency translation differences are not recycled from other comprehensive income to the income statement.

Foreign exchange rates — The Group applied the following exchange rates:

		Balance Sheet year-end rates		Income Statement average rates	
CHF		**2013**	2012	**2013**	2012
Euro zone	1 EUR	1.23	1.21	1.23	1.21
USA	1 USD	0.89	0.92	0.92	0.94
Great Britain	1 GBP	1.47	1.48	1.45	1.48
Canada	1 CAD	0.84	0.92	0.89	0.94
Australia	1 AUD	0.79	0.95	0.89	0.97
Poland	100 PLN	29.55	29.63	29.39	29.01
Mexico	100 MXN	6.80	7.05	7.19	7.05
Sweden	100 SEK	13.88	14.03	14.20	13.88
Czech Republic	100 CZK	4.48	4.81	4.71	4.81
Japan	100 JPY	0.85	1.06	0.95	1.17
South Africa	100 ZAR	8.49	10.80	9.59	11.41
Hong Kong	100 HKD	11.48	11.80	11.95	11.89
China	100 CNY	14.71	14.70	14.94	14.93
Russia	100 RUB	2.70	3.01	2.78	3.00

PROPERTY, PLANT, AND EQUIPMENT — Property, plant, and equipment are valued at historical cost, less accumulated depreciation. The assets are depreciated using the straight-line method over the period of their expected useful economic life. Depreciation on assets other than land is calculated using the straight-line method to write down their cost to their residual values. The following useful lives have been applied:

- Buildings (incl. installations): 5 – 40 years
- Machinery: 10 – 15 years
- Other fixed assets: 3 – 8 years

Land is not depreciated. Profits and losses from disposals are recorded in the Income Statement.

INTANGIBLE ASSETS — "Software" contains acquired computer software licences, as well as development costs that are capitalized with the costs incurred to bring the software to use. The capitalized costs are amortized using the straight-line method over the period of the economic useful life (three to five years).

IMPAIRMENT — The Group records the difference between the realizable value and the book value of fixed assets, goodwill or intangible assets as impairment. The valuation is made for an individual asset or, if this is not possible, on a group of assets to which separate sources of cash flows are allocated. In order to appraise the future benefits, the expected future cash flows are discounted. Assets with undefined utilization periods as for example goodwill or intangible assets, and which are not in use yet, are not depreciated and are subject to a yearly impairment test. Depreciable assets are tested for their recoverability, if there are signs, that the book value is no longer realizable.

LEASING — The Lindt & Sprüngli Group distinguishes between lease liabilities resulting from finance and operating leases.

INVENTORIES — Inventories are valued at the lower of cost and net realizable value. Costs include all direct material and production costs, as well as overhead, which are incurred in order to bring inventories to their current location and condition. Costs are calculated using the FIFO method. Net realizable value equals the estimated selling price in the ordinary course of business less cost of goods produced and applicable variable selling expenses.

CASH AND CASH EQUIVALENTS — Cash and cash equivalents includes cash on hand, cash in bank, other short-term highly liquid investments with an original maturity period of up to ninety days.

FINANCIAL ASSETS — The Group recognizes, measures, impairs if required, presents and discloses financial assets as required by IAS 39 – "Financial Instruments: Recognition and Measurement", IAS 32 – "Financial Instruments: Presentation" and IFRS 7 – "Financial Instruments: Disclosures". Loans and receivables are categorized as short-term assets, unless their remaining post-balance sheet date life exceeds twelve months. Within the reporting period the majority of loans and receivables have been accounted for as short-term commitments; they were included in the balance sheet items "Accounts receivable" and "Other receivables". Value adjustments are made to outstanding receivables for which repayment is considered doubtful. Purchases and sales of financial assets are recorded on trade-date – the date on which the Group has committed to buy or sell the asset. Investments in financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried "at fair value through profit or loss". The derecognition of a financial investment occurs at the moment when the right to receive future cash flows from the investment expires or has been transferred to a third party and the Group has transferred substantially all risks and benefits of ownership. Financial investments categorized as "available-for-sale" and "at fair value through profit or loss" are valued at fair value. "Loans and receivables" and "held-to-maturity" investments are valued at amortized cost using the effective interest method. Realized and unrealized profits and losses arising from changes in the fair value of financial investments categorized as "fair value through profit or loss" are reflected in the income statement in the reporting period in which they occur.

The fair value of listed investments is defined by using the current paid or, if not available, bid price. If the market for a financial asset is not active and/or the security is unlisted, the Group can determine the fair value by using valuation procedures. These are based on recent arm's length transactions, reference to similar financial instruments, the discounting of the future cash flows and the application of the option pricing models.

Available-for-sale financial assets which have a market value of more than 40 % below their original costs or are, for a sustained 18-month period, below their original costs are considered as impaired and the accumulated fair value adjustment in equity will be recognized in the income statement. Impairment losses recognized in the income statement for an investment in an equity instrument classified as "available for sale" shall not be reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as "available for sale" increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss shall be reversed in the income statement.

PROVISIONS — Provisions are recognized when the Group has a legal or constructive obligation arising from a past event, where it is likely that there will be an outflow of resources and a reasonable estimate can be made thereof.

DIVIDENDS — In accordance with Swiss law and the Company's Articles of Association, dividends are treated as an appropriation of profit in the year in which they are ratified at the Annual General Meeting and subsequently paid.

EMPLOYEE BENEFITS — The expense and defined benefit obligations for the significant defined benefit plans and other long-term employee benefits in accordance with IAS 19 (revised) are determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. This method takes into account years of service up to the reporting period and requires the Group to make estimates about demographic variables (such as mortality, turnover) and financial variables (such as future salary increase) that will affect the final cost of the benefits.
The cost of defined benefit plans has three components:

- service cost recognized in profit and loss;
- net-interest expense or income recognized in profit and loss;
- remeasurement recognized in other comprehensive income.

Service cost includes current service cost, past service cost and gains or losses on settlements. Past service cost is recognized in the period the plan amendment occurs. Curtailment gains and losses are accounted for as past service cost. Contributions from plan participants' or a third party reduce the service cost and are therefore deducted if they are based on the formal terms of the plan or arise from a constructive obligation.

Net interest cost is equal to the discount rate multiplied with the net defined benefit liability (asset) taking into account changes during the year. Remeasurements of the net defined benefit liability (asset) include actuarial gains and losses on the defined benefit obligation from changes in assumptions and experience adjustments, return on plan assets excluding the interest income on the plan assets that is included in the net interest and changes in the effect of the asset ceiling (if applicable) excluding amounts included in the net interest. Remeasurements recorded in other comprehensive income are not recycled. However, the entity may transfer those amounts recognized in other comprehensive income within equity.

The Group presents both components of the defined benefit costs in the line item "Employee benefits expense" in its Consolidated Income Statement. Remeasurements are recognized in the OCI. The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

For the other long-term employee benefits the present value of the defined benefit obligation is recognized at the balance sheet date. Changes of the present value are recorded as personnel expenses in the Income Statement.

REVENUE RECOGNITION — Revenue consists of delivery of goods and services to third parties net of value-added taxes and minus price reductions and all payments to trade partners with the exception of payments for distinctly and clearly identifiable services, rendered by trade partners, which could also be rendered by third parties at comparable costs. Revenue is to be recorded in the income statement once the risks and rewards of the goods are transferred to the buyer. For goods returned or other types of payments regarding the sales, adequate accruals are recorded.

Interest income is recognized on an accrual basis, taking into consideration the outstanding sums lent and the actual interest rate to be applied.

Dividend income resulting from financial investments is recorded upon legal entitlement to payment of the share owner.

OPERATING EXPENSES — Operating expenses include marketing, distribution and administrative expenses.

BORROWING COSTS — Interest expenses incurred from borrowings used to finance the construction of fixed assets are capitalized for the period in which it takes to build the asset for its intended purpose. All other borrowing costs are immediately expensed in the income statement.

TAXES — Taxes are based on the yearly profit and include non-refundable taxes at source levied on the amounts received or paid for dividends, interest and licence fees. These taxes are levied according to a country's directives.

Deferred income taxes are accounted for according to the Balance-Sheet-Liability Method, on temporary differences arising between the tax and IFRS bases of assets and liabilities. In order to calculate the deferred income taxes, the legal tax rate in use at the time is applied.

Deferred tax assets – for unutilized tax losses – are recorded to the extent that it is probable that future taxable profit is likely to be achieved against which the temporary differences can be offset.

Deferred taxes also arise due to temporary differences from investments in subsidiaries and associated companies. Deferred taxes are not recognized if the following two conditions are met; the parent company is able to manage the timing of the release of temporary differences and, it is probable that the temporary differences are not going to be reversed in the near future.

RESEARCH AND DEVELOPMENT COSTS — Development costs for new products are capitalized if the relevant criteria for capitalization are met. There are no capitalized development costs in these consolidated financial statements.

SHARE-BASED PAYMENTS — The Group grants several employees options on officially listed participation certificates. These options have a blocking period of three to five years and a maximum maturity of seven years. The options expire once the employee leaves the company. Cash settlements are not allowed. The disbursement of these equity instruments is valued at fair value at grant date. The fair value determined at grant date is recorded in a straight-line method over the vesting period. This is based on the estimated number of participation certificates, which entitles a holder to additional benefits. The fair value was defined with the help of the binomial model used to determine the price of the options. The anticipated maturity period included the conditions of the employee option plan, such as the blocking period and the non-transferability.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES — Derivative financial instruments are recorded when the contract is entered into and valued at fair value. The treatment of recognizing the resulting profit or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivative financial instruments as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (securing the cash flow).

At the beginning of the business transaction, the Group documents the relationship between the hedge and the hedged items, as well as its risk management targets and strategies for undertaking the various hedging transactions. Furthermore, the Group also documents its assessment, both at hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in fair value of derivatives which are designated and qualify as cash flow hedges is accounted for in equity. Profit and loss from the ineffective portion of the value adjustment are recognized immediately in the income statement.

Amounts accumulated in equity are recognized in the income statement in the same reporting period when the hedged item affects profit and loss.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS — In March 2013, the Board of the foundation "Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG" has restructured the pension fund schemes within the Group. As a consequence assets from one of the pension funds have been transferred to an employer fund and two other non-profit funds. The value of assets transferred to the two non-profit funds, which are no longer in the scope of IAS 19, amounts to CHF 286.0 million (CHF 200.4 million net of deferred tax). Under IFRIC 14 the net assets of the employer fund has to be considered as an economic benefit of the employer and to be fully recognized as an asset in the consolidated balance sheet of the Group, resulting in an increase of financial assets and deferred tax liabilities of CHF 855.0 million (before the transfer of the pension assets to the two non-profit funds).

The "Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG" is disclosed as a pension fund according to IAS 19.48 (defined benefit pension plan). The fund takes over disbursements to employees who take early retirement and the inflationary adjustment on pension payments as well as a part of the contributions of the employer and employees to Swiss pension funds related to the defined pension plans. The plan assets of the fund cannot be repatriated to the Company. The future obligations, as well as the benefits, were calculated in accordance to IAS 19 (revised). The recorded assets comply with the requirements of IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions). As at December 31, 2013, the calculated benefit amounted to CHF 1,014.8 million (CHF 119.3 million in 2012) and is disclosed in the item "Financial assets" (see notes 9 and 18).

According to IFRS 10 – "Consolidated financial statements" it is not required to consolidate the two non-profit funds.

3. RISK MANAGEMENT

Due to its global activity, the Group is exposed to a number of risks: strategic, operational, and financial. Within the scope of the annual risk management process, the individual risk positions are classified into these three categories, where they are assessed, limited, and assigned to authorities.

In view of the existing and inevitable strategic and operating risks of the core business, Management's objective is to minimize the impact of the financial risks on the operating and net profit for the reporting period.

FINANCIAL RISK MANAGEMENT — The Group is exposed to financial risks. The financial instruments are divided, in accordance with IFRS 7, into the following categories: market risks (exchange rates, interest rates, and commodities), credit risks, and liquidity risks. The central treasury department (Corporate Treasury) is responsible for the coordination of risk management and works closely with the operational Group companies. The decentralized Group structure gives strong autonomy to the individual operational Group companies, particularly with regard to the management of exchange rate and commodity risks. The risk policies issued by the Audit Committee serve as guidelines for the entire risk management.

Centralized systems, specifically for the regular recording and consolidation of the Group-wide foreign exchange and commodity positions, as well as regular internal reporting, ensure that the risk positions can be consolidated and managed in a timely manner despite the Group's decentralized management system. The Group only engages in derivative financial instruments in order to manage existing or future transactions of operating and / or financial assets and liabilities.

Market risks

Exchange rate risks — The Group's reporting currency is the Swiss franc, which is exposed to fluctuations in foreign exchange rates, primarily with respect to the euro, the various dollar currencies, and pound sterling. Foreign exchange rate risk is not generated from sales, since the operational Group companies invoice in their local functional currencies. On the other hand, the Group is exposed to exchange rate risk on trade payables for goods and services. These transactions are hedged to a great extent using forward currency contracts. The operational Group companies transact all currency instruments with Corporate Treasury, which hedges net positions by means of financial instruments with credit-worthy financial institutions (short-term rating A1/P1).

Since the operational Group companies transact the majority of their transactions in their own functional currencies and any remaining non-functional currency-based transactions are hedged with currency forward contracts, the exchange rate risk at balance sheet date is not material. The changes, in exchange rates, include the fair value of the currency forward contracts since entering into the contract and are recognized in accordance with IAS 39.

Interest rate risks — Corporate Treasury monitors and minimizes interest rate risks from a mismatch of quality, maturity period, and currency of the liquid funds on a continuous basis. Corporate Treasury may use derivative financial instruments in order to manage the interest rate risk of balance sheet assets and liabilities, and future cash flows. As of December 31, 2013, there were no transactions.

The most material financial assets as of December 31, 2013 and 2012, are not interest-bearing. Therefore no material sensitivities exist on these positions, which include predominantly cash and cash equivalents in Swiss franc. A part of the financial assets as of December 31, 2013 and 2012, bears variable interest rates. No material sensitivities exist on these positions.

Commodity price risks — The Group's products are manufactured with raw materials (commodities) that are subject to strong price fluctuations due to climatic conditions, seasonal conditions, seasonal demand, and market speculation. In order to mitigate the price and quality risks of the expected future net demand, the manufacturing Group companies enter into contracts with suppliers for the future physical delivery of the raw materials. In exceptional market conditions, commodity futures are also used; however, they are only processed centrally by Corporate Treasury. The commodity futures of cocoa beans of a necessary quality are always traded for physical-delivery agreements. The number of outstanding commodity futures is dependent on the expected production volumes and price development and so can be at various levels throughout the year. Based on the existing contract volume as of December 31, 2013 and 2012, no material sensitivities exist on these positions. The changes in commodity prices include the fair value of the futures since entering into the agreement and are recognized in accordance with IAS 39.

Credit risks
Credit risks occur when a counterparty, such as a supplier, a client or a financial institute is unable to fulfil its contractual duties. This risk is minimized since the operational Group companies have implemented standard processes for defining lending limits for clients and suppliers and monitor adherence to these processes on an ongoing basis. Due to the geographical spread of the turnover and the large number of clients, the Group's concentration of risk is limited. Financial credit risks are limited by investing (liquid funds and /or derivative financial instruments) with various lending institutions holding a short-term A1/P1-rating only. The maximum risk of loss of balance sheet assets is limited to the carrying values of those assets, as reflected in the notes to the financial statements (including derivative financial instruments).

Liquidity risks
Liquidity risk exists when the Group or a Group company does not settle or meet its financial obligations (untimely repayment of financial debt, payment of interest). The Group's liquidity is ensured by means of regular Group-wide monitoring and planning of liquidity as well as an investment policy coordinated by Corporate Treasury. Liquidity, which the Group defines as the net liquidity position (cash and cash equivalents, marketable securities less bank borrowings), is continually monitored on a company-by-company basis by Corporate Treasury. As of December 31, 2013, the net liquidity position amounted to CHF 724 million (CHF 543 million in 2012). For extraordinary financing needs, adequate credit lines with financial institutes have been arranged.

The tables below present relevant maturity groupings based on the remaining periods, as at December 31, 2013 and 2012, of the contractual maturity date:

CHF million	< 3 months	Between 3 and 12 months	Between 1 and 3 years	Over 3 years	**2013 Total**
Loans	–	–	0.9	0.1	1.0
Other long-term borrowings	–	–	2.9	8.0	10.9
Accounts payable	177.9	3.6	–	–	181.5
Other accounts payable	39.1	1.4	0.1	–	40.6
Derivative assets	–5.0	–11.3	–	–	–16.3
Derivative liabilities	1.4	1.2	1.0	–	3.6
Bank and other borrowings	3.8	2.2	–	–	6.0
Total contractually fixed payments	**217.3**	**–2.9**	**4.9**	**8.1**	**227.3**

CHF million	< 3 months	Between 3 and 12 months	Between 1 and 3 years	Over 3 years	**2012 Total**
Loans	–	–	1.0	0.1	1.1
Other long-term borrowings	–	–	3.0	7.4	10.4
Accounts payable	155.8	5.2	–	–	161.0
Other accounts payable	38.5	1.5	0.1	–	40.1
Derivative assets	–1.8	–3.3	–0.2	–	–5.3
Derivative liabilities	1.9	5.6	3.5	–	11.0
Bank and other borrowings	10.4	0.5	–	–	10.9
Total contractually fixed payments	**204.8**	**9.5**	**7.4**	**7.5**	**229.2**

4. CAPITAL MANAGEMENT

The goal of the Group with regards to capital management is to support the business with a sustainable and risk adjusted capital basis and to achieve an accurate return on the invested capital. The Group assesses the capital structure on an ongoing basis and makes adjustments in view of the business activities and the changing economical environment.

The Group monitors its capital based on the ratio of shareholders' equity in percentage to total assets, which was 67.9 % as of December 31, 2013 (restated 64.2 % in 2012).

The goals and procedures as of December 31, 2013, related to capital management have not been changed compared to the previous year.

5. SEGMENT INFORMATION: ACCORDING TO GEOGRAPHIC SEGMENTS

The management of the Group is organized by means of companies of individual countries. For the definition of business segments to be disclosed, the Group has aggregated companies of individual countries on the basis of similar economic structures (foreign exchange risks, growth perspectives, element of an economic area), similar products and trade landscapes, and economic attributes (gross profit margins).
The three segments to be disclosed are:

- Business segment "Europe", consisting of the European companies and business units.
- Business segment "NAFTA", consisting of the companies in the USA, Canada, and Mexico.
- Business segment "All other segments", consisting of the companies in Australia, Japan, South Africa, Hong Kong, and China as well as the business units distributors and duty-free.

The 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	**2013**	2012 (restated)	**2013**	2012	**2013**	2012	**2013**	2012 (restated)
Sales	1,870.5	1,737.2	876.2	803.5	359.9	341.1	3,106.6	2,881.8
Less sales between segments	216.2	208.1	7.9	4.2	–	–	224.1	212.3
Third party sales	**1,654.3**	**1,529.1**	**868.3**	**799.3**	**359.9**	**341.1**	**2,882.5**	**2,669.5**
Operating profit	249.4	210.6	109.4	91.9	45.3	27.6	404.1	330.1
Net financial result							–2.8	–0.8
Income before taxes							**401.3**	**329.3**
Taxes							–98.3	–84.4
NET INCOME							**303.0**	**244.9**

The following subsidiaries achieved the highest sales Group-wide in 2013:

- Chocoladefabriken Lindt & Sprüngli GmbH, Germany CHF 501.1 million (CHF 457.1 million in 2012)
- Ghirardelli Chocolate Company, USA CHF 337.3 million (CHF 351.5 million in 2012)
- Lindt & Sprüngli SAS, France CHF 362.9 million (CHF 334.0 million in 2012)

BALANCE SHEET AND OTHER INFORMATION

	Segment Europe		Segment NAFTA		All other segments		Total	
CHF million	**2013**	2012 (restated)	**2013**	2012	**2013**	2012	**2013**	2012 (restated)
Assets[1)]	3,193.9	2,004.8	554.5	509.2	132.3	126.9	3,880.7	2,640.9
Liabilities[1)]	989.7	717.0	152.3	134.3	104.0	95.2	1,246.0	946.5
Investments	154.8	99.7	32.2	37.8	4.4	7.1	191.4	144.6
Depreciation and amortization	70.9	67.8	25.0	24.4	2.6	2.7	98.5	94.9
Impairment	0.1	5.7	0.3	0.7	0.3	4.5	0.7	10.9

1) Assets of CHF 4.7 million (CHF –7.2 million in 2012) and liabilities of CHF 60.1 million (CHF 47.7 million in 2012) which cannot be clearly allocated to a particular segment are disclosed in the category "All other segments".

The following subsidiaries held the greatest portion of fixed and intangible assets Group-wide in 2013:

- Chocoladefabriken Lindt & Sprüngli GmbH, Germany CHF 227.7 million (CHF 168.7 million in 2012)
- Chocoladefabriken Lindt & Sprüngli (Schweiz) AG, Switzerland CHF 165.1 million (CHF 164.5 million in 2012)
- Lindt & Sprüngli (USA) Inc., USA CHF 115.1 million (CHF 120.4 million in 2012)
- Lindt & Sprüngli SpA, Italy CHF 103.3 million (CHF 101.4 million in 2012)
- Ghirardelli Chocolate Company, USA CHF 99.6 million (CHF 95.0 million in 2012)

6. FINANCIAL INSTRUMENTS, FAIR VALUE, AND HIERARCHY LEVELS

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

		2013		2012	
CHF million	Level [1]	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS					
Fair value through profit or loss					
Derivatives	1	7.9	7.9	0.4	0.4
Derivatives	2	8.4	8.4	4.9	4.9
Marketable securities and short-term financial assets	1/2	11.1	11.1	259.2	259.2
Total fair value through profit or loss		**27.4**	**27.4**	**264.5**	**264.5**
Held to maturity					
Deposit	2	100.0	100.0	–	–
Total held to maturity		**100.0**	**100.0**	**–**	**–**
Available for sale					
Investments third parties	3	2.3	2.3	2.3	2.3
Total available for sale		**2.3**	**2.3**	**2.3**	**2.3**
Total cash and cash equivalents, loans and receivables [2]		**1,353.6**	**1,353.6**	**1,013.3**	**1,013.3**
Total financial assets		**1,483.3**	**1,483.3**	**1,280.1**	**1,280.1**
FINANCIAL LIABILITIES					
Fair value through profit or loss					
Derivatives	1	–	–	3.9	3.9
Derivatives	2	3.6	3.6	7.1	7.1
Total fair value through profit or loss		**3.6**	**3.6**	**11.0**	**11.0**
Total loans and payables [3]		**240.0**	**240.0**	**223.5**	**223.5**
Total financial liabilities		**243.6**	**243.6**	**234.5**	**234.5**

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.
2) Contains cash and cash equivalents, accounts receivable, other receivables, and loans to third parties.
3) Contains loans, other non-current liabilities, accounts payable, other accounts payable, and bank and other borrowings.

7. PROPERTY, PLANT, AND EQUIPMENT

CHF million	Land/ buildings	Machinery	Other fixed assets	Construction in progress	2013 Total
Acquisition costs as at January 1, 2013	**706.6**	**928.8**	**166.8**	**65.9**	**1,868.1**
Additions	29.9	34.7	14.6	98.1	177.4
Retirements	–4.0	–9.9	–1.8	–	–15.7
Transfers	13.3	12.7	2.5	–28.6	–0.1
Currency translation	–3.0	1.1	0.1	–0.2	–2.0
Acquisition costs as at December 31, 2013	**742.8**	**967.4**	**182.2**	**135.2**	**2,027.6**
Accumulated depreciation as at January 1, 2013	**359.9**	**602.7**	**134.1**	**–**	**1,096.7**
Additions	27.9	50.1	14.1	–	92.1
Impairments	0.2	0.5	–	–	0.7
Retirements	–3.8	–9.8	–1.7	–	–15.3
Transfers	–0.6	0.6	–0.1	–	–0.1
Currency translation	–1.6	1.6	0.2	–	0.2
Accumulated depreciation as at December 31, 2013	**382.0**	**645.7**	**146.6**	**–**	**1,174.3**
Net fixed assets as at December 31, 2013	**360.8**	**321.7**	**35.6**	**135.2**	**853.3**

CHF million	Land/ buildings	Machinery	Other fixed assets	Construction in progress	2012 Total
Acquisition costs as at January 1, 2012	**664.5**	**886.8**	**158.7**	**48.8**	**1,758.8**
Additions	37.3	44.4	12.8	43.7	138.2
Retirements	–1.0	–5.4	–3.9	–	–10.3
Transfers	13.0	12.5	0.4	–26.0	–0.1
Currency translation	–7.2	–9.5	–1.2	–0.6	–18.5
Acquisition costs as at December 31, 2012	**706.6**	**928.8**	**166.8**	**65.9**	**1,868.1**
Accumulated depreciation as at January 1, 2012	**328.3**	**564.5**	**123.9**	**–**	**1,016.7**
Additions	26.3	48.3	13.9	–	88.5
Impairments	9.5	0.4	1.0	–	10.9
Retirements	–0.9	–5.0	–3.6	–	–9.5
Currency translation	–3.3	–5.5	–1.1	–	–9.9
Accumulated depreciation as at December 31, 2012	**359.9**	**602.7**	**134.1**	**–**	**1,096.7**
Net fixed assets as at December 31, 2012	**346.7**	**326.1**	**32.7**	**65.9**	**771.4**

Advance payments of CHF 35.8 million (CHF 20.3 million in 2012) are included in the position construction in progress. The insurance value of property, plant, and equipment amounts to CHF 2,240.9 million (CHF 2,139.6 million in 2012). No mortgages exist on land and buildings.

The impairment charge of CHF 0.7 million (CHF 10.9 million in 2012) consists of writedowns of machinery and production equipment (CHF 0.5 million, CHF 1.4 million in 2012) and of land and buildings (CHF 0.2 million, CHF 9.5 million in 2012).

The net book value of capitalized assets, under financial lease, amounted to CHF 1.8 million (CHF 1.7 million in 2012). Operating lease commitments are expensed immediately.

8. INTANGIBLE ASSETS

CHF million	2013	2013	2013	2012
	EDP software and consultancy	Other Intangible Assets	Total	EDP software and consultancy
Acquisition costs as at January 1	**63.2**	**–**	**63.2**	**57.7**
Additions	8.8	5.3	14.0	6.4
Retirements	–0.7	–	–0.7	–0.4
Transfers from property, plant, and equipment	0.1	–	0.1	0.1
Currency translation	–0.8	–	–0.8	–0.6
Acquisition costs as at December 31	**70.4**	**5.3**	**75.7**	**63.2**
Accumulated amortization as at January 1	**50.0**	**–**	**50.0**	**44.4**
Additions	6.4	–	6.4	6.4
Retirements	–0.7	–	–0.7	–0.4
Transfers from property, plant, and equipment	0.1	–	0.1	–
Currency translation	–0.7	–	–0.7	–0.4
Accumulated amortization as at December 31	**55.1**	**–**	**55.1**	**50.0**
Net intangible assets as at December 31	**15.3**	**5.3**	**20.6**	**13.2**

Research and development expenditures amounted to CHF 8.3 million (CHF 7.4 million in 2012) and are expensed immediately.

9. FINANCIAL ASSETS

CHF million	2013	2012 (restated)
Prepaid pension funds [1]	1,016.9	119.3
Loans to third parties	–	0.4
Investments third parties (available for sale)	2.3	2.3
Total	**1,019.2**	**122.0**

1) See note 18.

10. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The net value of deferred tax liabilities is as follows:

CHF million	2013	2012 (restated)
At January 1	**16.3**	**14.2**
Deferred income tax expense	–11.8	–1.8
Tax charged to equity	274.4	4.0
Currency translation	0.8	–0.1
At December 31	**279.7**	**16.3**

Deferred tax assets and liabilities have been generated from the following balance sheet positions:

CHF million	2013	2012 (restated)
Deferred tax assets		
Property, plant, and equipment, intangible assets	4.7	3.7
Pension assets and liabilities	17.5	24.2
Receivables	7.9	8.4
Inventories	12.4	5.6
Payables and accruals	38.7	17.0
Other	5.1	0.6
Deferred tax assets gross	**86.3**	**59.5**
Netting	–64.4	–39.4
Total	**21.9**	**20.1**
Deferred tax liabilities		
Property, plant, and equipment, intangible assets	42.5	22.1
Pension assets and liabilities	304.9	36.8
Receivables	1.9	2.2
Inventories	4.3	4.0
Payables and accruals	11.0	10.2
Derivative assets and liabilities	0.8	0.4
Other	0.6	0.1
Deferred tax liabilities gross	**366.0**	**75.8**
Netting	–64.4	–39.4
Total	**301.6**	**36.4**
NET DEFERRED TAX	**279.7**	**16.3**

TAX LOSS CARRY-FORWARDS

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The expiration of tax loss carry-forwards are:

CHF million	2013	2012
Between one and five years	12.2	11.2
Between six and ten years	24.2	40.4
Over ten years	8.0	39.4
Total	**44.4**	**91.0**

Tax loss carry-forwards utilized in 2013 amounted to CHF 47.9 million (CHF 1.3 million in 2012).

11. INVENTORIES

CHF million	2013	2012
Raw material	73.9	73.4
Packaging material	82.6	68.3
Semi-finished and finished products	334.4	296.3
Value adjustment	–36.1	–32.9
Total	**454.8**	**405.1**

In 2013, CHF 1.7 million (CHF 3.7 million in 2012) of the value adjustment as at the end of 2012 has been released to the income statement.

12. ACCOUNTS RECEIVABLE

CHF million	2013	2012
Accounts receivable, gross	704.1	683.4
Value adjustment	–20.4	–21.2
Total	**683.7**	**662.2**

CHF million	2013	2012
Value adjustment as at January 1	**–21.2**	**–24.0**
Addition	–3.2	–7.9
Utilization	3.0	7.6
Release	1.0	2.9
Currency translation	–	0.2
Value adjustment as at December 31	**–20.4**	**–21.2**

The following table presents the aging of accounts receivable:

CHF million	2013	2012
Not yet past due	561.4	550.7
Past due 1–30 days	93.4	80.5
Past due 31–90 days	23.3	30.9
Past due over 91 days	26.0	21.3
Accounts receivable gross	**704.1**	**683.4**

Historically, the default rate for accounts receivable in the category "Not yet past due" was lower than 1 %. Hence the default risk is considered to be low. Value adjustments are calculated based on the assessment of the default risk with regards to accounts receivable balances already past due.

The carrying amounts of accounts receivable are denominated in the following currencies:

CHF million	2013	2012
CHF	53.1	52.7
EUR	345.6	340.2
USD	105.8	85.2
GBP	47.1	44.6
Other currencies	132.1	139.5
Accounts receivable net	**683.7**	**662.2**

13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING RESERVES

At the balance sheet date, the fair value of derivative financial instruments was as follows:

	2013		2012	
CHF million	Assets	Liabilities	Assets	Liabilities
Derivatives (cash flow hedges and raw material contracts)	16.2	2.8	5.2	11.0
Other derivatives	0.1	0.8	0.1	–
Total	**16.3**	**3.6**	**5.3**	**11.0**

The carrying amount (contract value) of the outstanding forward-currency and raw-material contracts as at December 31, 2013, is CHF 692.8 million (CHF 671.9 million in 2012). The majority of gains and losses recognized in the hedging reserve, as shown in the Consolidated Statement of Changes in Equity in the amount of CHF 10.5 million in net gains (CHF 6.3 million net losses in 2012), as of December 31, 2013, will be released to material expense in the income statement at various dates within the next 24 months. Other derivative instruments which have been executed in accordance with the risk policy and do not qualify for hedge accounting under the criteria of IAS 39 as well as the ineffective portion of designated derivative instruments, have been recognized immediately in the income statement.

14. MARKETABLE SECURITIES AND SHORT-TERM FINANCIAL ASSETS

CHF million	2013	2012
Fair-value-through-profit-or-loss financial assets	11.1	259.2
Held-to-maturity financial assets	100.0	–
Total	**111.1**	**259.2**

Available-for-sale financial assets

CHF million	2013	2012
At January 1	**–**	**1.3**
Disposals	–	–2.4
Impairment/transfer to income statement	–	1.1
At December 31	**–**	**–**

In 2012, all available-for-sale financial assets were disposed of.

Fair-value-through-profit-or-loss financial assets (Held for trading)

CHF million	2013	2012
CHF equity securities	8.5	6.6
EUR equity securities	2.6	2.6
CHF money market	–	250.0
Total	**11.1**	**259.2**

The carrying amounts of the above financial assets are designated as fair-value-through-profit-or-loss upon initial recognition. Changes in the fair values of these assets are recorded in the positions "Income from financial assets" and "Expenses from financial assets" in the income statement.

The fair value of all quoted securities is based on their currently paid or, if not available, bid prices in an active market.

Held-to-maturity financial assets
The carrying amount of held-to-maturity financial assets, a CHF deposit, as at December 31, 2013, of CHF 100.0 million (CHF 0 in 2012).

15. CASH AND CASH EQUIVALENTS

CHF million	2013	2012
Cash at bank and in hand	614.4	280.6
Short-term bank deposits	5.0	15.2
Total	**619.4**	**295.8**

The effective interest rate on short-term bank deposits reflects the average interest rate of the money market as well as the development of the currencies invested with an original maturity period of up to three months.

16. SHARE AND PARTICIPATION CAPITAL

	Number of registered shares (RS) 1)	Number of participation certificates (PC) 2)	Registered shares (CHF million)	Participation certificates (CHF million)	Total (CHF million)
At January 1, 2012	**140,000**	**926,179**	**14.0**	**9.3**	**23.3**
Capital increase	–	21,309	–	0.10	0.1
Cancellation of shares	–3,300	–53,000	–0.33	–0.50	–0.8
At December 31, 2012	**136,700**	**894,488**	**13.7**	**8.9**	**22.6**
Capital increase	–	53,076	–	0.53	0.5
Cancellation of shares	–589	–22,253	–0.06	–0.22	–0.3
At December 31, 2013	**136,111**	**925,311**	**13.6**	**9.3**	**22.9**

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

The conditional capital has a total of 559,661 participation certificates (PC) (612,737 in 2012) with a par value of CHF 10.–. Of this total, 205,211 (258,287 in 2012) are reserved for employee stock option programs; the remaining 354,450 participation certificates (354,450 in 2012) are reserved for capital market transactions. There is no other authorized capital. In 2013, a total of 53,076 (21,309 in 2012) of the employee options were exercised at an average price of CHF 2,454.23 (CHF 1,923.67 in 2012). The participation certificate has no voting right, but otherwise has the same ownership rights as the registered share.

17. BORROWINGS

The carrying amounts of the Group's borrowings denominated in the following currencies are:

CHF million	**2013**	2012
EUR	6.6	4.3
CAD	–	5.5
Other currencies	0.4	2.2
Total	**7.0**	**12.0**

18. PENSION PLANS AND OTHER LONG-TERM EMPLOYEE BENEFITS

The Group operates in and outside of Switzerland different pension plans for employees that satisfy the participation criteria. Among these plans are defined contribution and defined benefit plans that cover most of the employees against retirement, disability and death.

18.1 DEFINED CONTRIBUTION PLANS

The Group offers to employees that satisfy the eligibility criteria defined contribution plans in different locations. The Group is obliged to pay a fixed percentage of the annual pay to these pension schemes. To some of these plans, the employees have also to make contributions. These are typically deducted by the employer from the monthly salary and paid to the pension fund. Apart from the payment of the contributions, the employer has no further obligation against these pension funds or the employees.

During fiscal year 2013 the employer contributions to Defined Contribution Plans amounted to CHF 7.5 million (CHF 6.8 million in 2012).

18.2 DEFINED BENEFIT PLANS AND OTHER LONG-TERM EMPLOYEE BENEFITS PLANS

The Group finances Defined Benefit Plans for the employees that satisfy the criteria to join such plans. The most significant Defined Benefit Plans are located in Switzerland, Germany, France, and Italy.

In addition to these plans, the Group operates jubilee benefits plans and other plans with benefits depending on the past years of service. These plans qualify as other long-term employee benefits under IAS 19.

Employee benefits plans in Switzerland

The Group operates different pension schemes in Switzerland. They are either organized through a separate foundation or through an affiliation to a collective foundation of an insurance company. The foundations are governed by foundation boards. The foundation boards are made up by an equal number of employee and employer representatives. The members of the foundation board are obliged by the law and the plan rules to act in the interest of the member (active employees and pensioners) only. Since the decisions are taken by the foundation boards, the only influence of the group is through its representatives.

The main duties of the foundation boards include the decision about the plan rules including the level of the contributions, the organization and the investment strategy.

The benefits are mainly depending on the insured salary and the years of service. For some of the plans the benefits are depending on retirement savings account. At retirement age, the insured members can choose whether to take a pension for life, which includes a spouse's pension, or a lump sum. In addition to retirement benefits, the plan benefits also include disability and death benefits. Insured members may also buy into the scheme to improve their pension provision up to the maximum amount permitted under the rules or may withdraw funds early for the purchase of a residential property for their own use. On leaving the company, the retirement savings will be transferred to the pension institution of the new employer or to a vested benefits institution. This type of benefit may result in pension payments varying considerably between individual years.

In defining the benefits, the minimum requirements of the Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and its implementing provisions must be observed. The BVG defines the minimum pensionable salary and the minimum retirement credits. The interest rate applicable to these minimum retirement savings is set by the Swiss Federal Council at least once every two years. In 2013, the rate was 1.5 % (1.5 % in 2012).

The structure of the plan and the legal provisions of the BVG mean that the employer is exposed to actuarial risks. The main risks are investment risk, the inflation risk if it results in a salary increase, the interest risk, the disability risk and the risk of longevity.

The employee and employer's contributions are set by the foundation board. The employer has to finance at least 50 % of the total contributions. Contributions can also be financed through employer welfare fund or finance foundations of the employer. In the event of a shortfall, recapitalization contributions to eliminate the gap in coverage may be levied from both the employer and the employee.

Beside the pension schemes, there are employer foundations that have as a main task to finance the pension schemes. The board members of these foundations are appointed exclusively by the employer.

Other pension plans

In Germany the group operates different company pension plans. These plans are based on different rules and agreements between the employer and employees. For certain management employees individual agreements are applied. The plan provides benefits in the event of retirement, disability and death. Depending on the plan rules, the benefits are either paid as pensions for life or as lump sums. The most significant plans are financed directly by the employer. Upon termination of the employment prior to retirement, the vested benefits remain preserved as required by the German pension law.

The plans are regulated by the German pension law (Betriebsrentengesetz). The most significant risks in these plans are the life expectancy risk, the salary increase risk, and the inflation risk that might result in pension adjustments.

The other plans are located in Austria, France, Italy, and the US. These plans are based on the local legal requirements.

The last actuarial valuation was prepared at December 31, 2013 by independent actuaries. The market value of assets at December 31, 2013 was estimated based on the information available at the moment of preparing the results.

The main assumptions on which the actuarial calculations are based can be summarized as follows:

	Pension plans		Other long-term employee benefits	
	2013	2012	**2013**	2012
Discount rate	2.6%	2.3%	3.3%	3.5%
Future salary increases	1.6%	1.6%		
Future pension adjustments	0.6%	0.5%		

For the countries with material pension obligations the following assumptions about the life expectancy at age 65 were taken into account:

	Switzerland		Germany	
Year of birth	**1948**	**1947**	**1948**	**1947**
Men	21.29	21.18	18.71	18.57
Women	23.76	23.66	22.79	22.66
Year of birth	**1968**	**1967**	**1968**	**1967**
Men	23.09	23.00	21.39	21.26
Women	25.52	25.44	25.34	25.22

The amounts recognized in the income statement and in the Other Comprehensive Income (OCI) can be summarized as follows:

	Pension plans		Other long-term employee benefits	
CHF million	**2013**	2012 (restated)	**2013**	2012 (restated)
Employee benefits expense				
Total service cost				
Current service cost	13.0	11.5	0.6	0.5
Past service cost und curailments	0.6	0.3	–	–
Net interest cost	–10.4	2.6	0.3	0.4
Liability management cost	0.6	0.5	–	–
Actuarial gains and losses	–	–	–	0.7
Total defined benefit cost (+) / gain (–) of the period	**3.8**	**14.9**	**0.9**	**1.6**
Valuation components accounted for in OCI				
Actuarial gains and losses				
Arising from changes in demographic assumptions	0.3	–		
Arising from changes in financial assumptions	–22.9	14.9		
Arising from experiences	2.4	4.7		
Return on plan assets (excl. amounts in net interest)	–344.9	–88.5		
Changes in asset ceiling	–851.5	39.0		
Total defined benefit cost (+) / gain (–) recognized in OCI	**–1,216.6**	**–29.9**		
Total defined benefit cost (+) / gain (–)	**–1,212.8**	**–15.0**		

The changes in pension obligations, pension assets and the asset ceiling can be summarized as follows:

Changes in the present value of the defined benefit obligation

	Pension plans		Other long-term employee benefits	
CHF million	2013	2012 (restated)	2013	2012 (restated)
Defined benefit obligation as at January 1	**448.1**	**423.9**	**9.4**	**9.7**
Current service cost	13.0	11.5	0.7	0.5
Plan participants' contributions	3.9	4.2	–	–
Interest expense on the net present value of the obligation	10.0	12.1	0.3	0.4
Actuarial gains (–)/losses (+)	–21.0	19.5	–	0.7
Past service (gain)/loss	0.6	0.3	–	–
Benefits paid through pension assets	–14.6	–20.0	–	–
Benefits paid by employer	–3.0	–2.8	–2.1	–1.8
Currency exchange differences	1.5	–0.6	–	–0.1
Defined benefit obligation as at December 31	**438.5**	**448.1**	**8.3**	**9.4**

Changes in the fair value of plan assets

	Pension plans	
CHF million	2013	2012 (restated)
Fair value of plan assets as at January 1	**1,272.9**	**1,168.7**
Plan participants' contributions	3.9	4.2
Contributions by employer	2.8	2.8
Interest income	24.0	29.3
Return on plan assets (excl. Interest income)	344.9	88.5
Transfer of assets [1]	–288.5	–
Benefits paid through pension assets	–14.6	–20.0
Liability management cost	–0.7	–0.5
Currency translations	0.1	–0.1
Fair value of plan assets as at December 31	**1,344.8**	**1,272.9**

1) See note 2.

Change in the asset ceiling

	Pension plans	
CHF million	2013	2012
Asset ceiling at January 1	**851.5**	**792.6**
Interest income recognized in OCI	3.5	19.8
Change in asset ceiling recognized in OCI	–855.0	39.1
Fair value of plan assets as at December 31	**–**	**851.5**

The net position of pension obligations in the balance sheet can be summarized as follows:

Amount recognized in the balance sheet

	Pension plans		Other long-term employee benefits	
CHF million	**2013**	2012 (restated)	**2013**	2012 (restated)
Present value of funded obligation	419.2	428.7	–	–
Fair value of plan assets	–1,344.8	–1,272.9	–	–
Underfunding (+) / Overfunding (–)	**–925.6**	**–844.2**	**–**	**–**
Present value of unfunded obligations	19.2	19.4	8.3	9.4
Unrecognized prepaid pension costs	–	851.5	–	–
Net pension liability (+) / asset (-)	**–906.4**	**26.7**	**8.3**	**9.4**
Thereof pension liabilities	110.5	146.0	8.3	9.4
Thereof pension assets [1]	–1,016.9	–119.3	–	–

1) See note 9.

The plan assets are mainly managed by the Swiss pension plans and employer funds. The foundation boards issue investment guidelines for the plan assets which include the tactical asset allocation and the benchmarks for comparing the results with a general investment universe. The assets are well diversified. The pension plans are also subject to the legal requirements on diversification and safety laid down by the BVG. Investment in bonds have in general at least an A rating, investments in real estate are typically held directly by the plans.

The foundation boards of the pension funds regularly review whether the chosen investment strategy is appropriate in view of the the pension benefits to be provided and whether the risk capability is in line with the demographic structure. Compliance with the investment guidelines and the investment results of the investment advisors are reviewed by the foundation boards of the pension funds.

The investments in the employer foundation and primarily in the finance foundation are mainly invested in shares of the Group.

The pension assets mainly consist of the following categories of securities:

			2013			2012
CHF million	listed	not listed	Total	listed	not listed	Total
Equities	1,123.5	–	1,123.5	1,079.0	–	1,079.0
Bonds	65.0	–	65.0	57.4	–	57.4
Real estate	–	97.8	97.8	–	92.8	92.8
Qualified insurance policies	–	15.6	15.6	–	12.4	12.4
Liquidity	–	27.6	27.6	–	17.0	17.0
Other investement	–	15.3	15.3	–	14.3	14.3
Total	**1,188.5**	**156.3**	**1,344.8**	**1,136.4**	**136.5**	**1,272.9**

The plan assets include investments in the Group with a market value of of CHF 1,019.4 million at December 31, 2013 (CHF 988.5 million at December 31, 2012). Moreover, the Group has occupied property from the pension funds with a market value of CHF 13.8 million at December 31, 2013 (CHF 13.6 million at December 31, 2012).

During fiscal year 2013 the assets provided a return of CHF 368.9 million (CHF 117.8 million in 2012). During fiscal year 2014 the expected employer contributions amount to CHF 3.1 million and the expected payments for pensions by the employer to CHF 2.5 million.

The following table provides a breakdown of the defined benefit obligations among active insured members, former members with vested benefits, and members receiving pensions:

		Pension plans
CHF million	2013	2012 (restated)
Active employees	240.5	245.7
Vested terminations	6.3	5.9
Pensioners	191.7	196.5
Total	**438.5**	**448.1**

The average duration of the liabilities at December 31, 2013 is 16.4 years.

The following table shows the impact of the change of the discount rate, salary increase, and pension indexation on the present value of the defined benefit obligation:

CHF million	2013	2013
Increase (+)/decrease (–) of assumptions by	+0.25%	–0.25%
Discount rate	–16.6	17.9
Salary increase	6.4	–6.4
Pension indexations	11.3	–10.2

19. PROVISIONS

CHF million	Business risks	Other	Total
Provisions as at January 1, 2012	**37.8**	**11.0**	**48.8**
Addition	12.5	8.2	20.7
Utilization	–2.4	–7.2	–9.6
Release	–3.4	–0.2	–3.6
Currency translation	–0.1	–	–0.1
Provisions as at December 31, 2012	**44.4**	**11.8**	**56.2**
Addition	22.8	3.9	26.7
Utilization	–1.4	–0.9	–2.3
Release	–5.1	–0.5	–5.6
Currency translation	0.1	–	0.1
Provisions as at December 31, 2013	**60.8**	**14.3**	**75.1**

Other provisions for business risks include unsettled claims, onerous contracts as well as legal and administrative proceedings, which arise during the normal course of business. Provisions are recognized at balance sheet date when a present legal or constructive obligation as a result of past events occurs and the expected outflow of resources can be reliably estimated. The timing of outflows is uncertain as it depends upon the outcome of the proceedings.

In Management's opinion, after taking appropriate legal and administrative advice, the outcome of these business risks will not give rise to any significant loss beyond the amounts provided at December 31, 2013.

20. ACCOUNTS PAYABLE

The carrying amounts of the Group's accounts payable to suppliers are denominated in the following currencies:

CHF million	2013	2012
CHF	11.9	12.1
EUR	116.5	116.3
USD	28.8	14.2
GBP	9.0	3.9
Other currencies	15.3	14.5
Total	**181.5**	**161.0**

21. ACCRUED LIABILITIES

CHF million	2013	2012
Trade	251.7	235.9
Salaries / wages and social costs	89.5	81.4
Other	132.0	125.6
Total	**473.2**	**442.9**

Trade-related accrued liabilities comprise year-end rebates, returns, markdowns on seasonal products, and other services provided by trade partners.

The line "Salaries / wages and social costs" is related to bonuses, overtime, and outstanding vacation days.

The position "Other" comprises accruals for third-party services rendered as well as commissions.

22. OTHER INCOME

CHF million	2013	2012
Fees from third parties	3.2	2.8
Insurance reimbursements	0.4	1.2
Other	10.0	9.9
Total	**13.6**	**13.9**

The position "Fees from third parties" comprises mainly the reimbursement of freight charges. The position "Other" includes mainly licence fees, rental income, and company-produced additions involving investments in fixed assets.

23. PERSONNEL EXPENSES

CHF million	2013	2012 (restated)
Wages and salaries	462.5	420.0
Social benefits	114.2	115.1
Other	78.0	64.5
Total	**654.7**	**599.6**

For the year 2013, the Group employed an average of 8,949 people (8,157 in 2012).

24. NET FINANCIAL RESULT

CHF million	2013	2012
Interest income	**1.1**	**1.5**
Interest expense	**–3.1**	**–3.9**
Income (+) / expense (–) from financial assets		
Fair value through profit or loss	–0.2	2.2
Available for sale, realized gains (+) / losses (–)	–	–1.5
Other	–0.6	0.9
Total	**–2.8**	**–0.8**

25. TAXES

CHF million	2013	2012 (restated)
Current taxes	106.4	80.7
Deferred taxes	–11.8	–1.8
Other taxes	3.6	5.5
Total	**98.3**	**84.4**

The tax on the Group's income before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

CHF million	2013	2012 (restated)
Income before taxes	**401.3**	**329.3**
Expected tax[1]	**106.3**	**79.7**
Change in applicable tax rates on temporary differences	0.6	0.2
Utilization of unrecognized tax loss carry-forwards from prior years	–28.0	–0.3
Adjustments related to prior years	–1.6	0.3
Other	20.9	4.5
Total	**98.3**	**84.4**

1) Based on the average applicable tax rate (26.5%, 2013; 24.2%, 2012 (revised)).

The tax for each component of other comprehensive income is:

	2012			2012 (restated)		
CHF million	Before tax	Tax	After tax	Before tax	Tax	After tax
Hedge accounting	17.2	–0.4	16.8	9.0	–0.4	8.6
Defined benefit plan	1,016.7	–360.0	656.7	29.9	–3.6	26.3
Currency translation	–11.5	–	–11.5	–13.4	–	–13.4
Total	**1,022.4**	**–360.4**	**662.0**	**25.6**	**–4.0**	**21.6**

26. EARNINGS PER SHARE / PARTICIPATION CERTIFICATE

CHF million	2013	2012 (restated)
Non-diluted earnings per share / 10 PC (CHF)	**1,339.3**	**1,079.3**
Net income (CHF million)	303.0	244.9
Weighted average number of registered shares / 10 participation certificates	226,237	226,903
Diluted earnings per share / 10 PC (CHF)	**1,313.9**	**1,069.0**
Net income (CHF million)	303.0	244.9
Weighted average number of registered shares / 10 participation certificates / outstanding options on 10 PC	230,612	229,082

27. DIVIDEND PER SHARE / PARTICIPATION CERTIFICATE

CHF	2013	2012
Dividend per share / 10 PC	650.00 [1]	575.00

1) Proposal of the Board of Directors

During the period January 1 to record date (April 30, 2014), the dividend-bearing capital (the number of registered shares and participation certificates) can change as a result of additions and retirements within either class of treasury stock (registered shares and participation certificates) as well as the exercise of options, granted through the employee stock option plan.

28. SHARE-BASED PAYMENTS

Options on participation certificates of Chocoladefabriken Lindt & Sprüngli AG are only outstanding within the scope of the existing employee stock option program. An option entitles an employee to a participation certificate at an exercise price, which consists of an average of the price of the five days preceding the issue date. The options have a blocking period of three to five years and if not exercised, they expire after seven years. Changes in outstanding options can be viewed in the table below:

CHANGES IN THE OPTION RIGHTS

	2013		2012	
	Number of options	Weighted average exercise price (CHF / PC)	Number of options	Weighted average exercise price (CHF / PC)
Outstanding options as at January 1	**179,647**	**2,437.21**	**170,650**	**2,319.56**
New option rights	33,450	3,123.00	35,725	2,679.00
Exercised rights	–53,076	2,454.23	–21,309	1,923.67
Cancelled rights	–2,512	2,490.76	–5,419	2,345.58
Outstanding options as at December 31	**157,509**	**2,576.27** [1]	**179,647**	**2,437.21**
of which exercisable at December 31	23,458	2,502.58	49,372	2,698.48
Average remaining time to expiration (in days)	622		547	

1) The exercise price varies between CHF 1,543.– to CHF 3,149.–.

Options expenses are charged to the income statement proportionally according to the vesting period. The recorded expenses amount to CHF 16.5 million (CHF 15.4 million in 2012). The assumptions used to calculate the expenses for the grants 2010 to 2013 are listed in the following table:

Date of issue	11.1.2013	7.2.2012	18.3.2011	2.3.2010
Number of issued options	33,450	35,725	36,180	38,155
of which in bracket A (blocking period three years)	11,649	12,450	12,617	13,317
of which in bracket B (blocking period four years)	11,758	12,556	12,705	13,388
of which in bracket C (blocking period five years)	10,043	10,719	10,858	11,450
Issuing price in CHF	3,123	2,679	2,523	2,200
Price of participation certificates on date of issue in CHF	3,159	2,711	2,580	2,218
Value of options on issuing date				
bracket A (blocking period three years) in CHF	568.13	491.66	524.31	403.23
bracket B (blocking period four years) in CHF	587.76	509.70	557.09	428.06
bracket C (blocking period five years) in CHF	592.07	533.03	587.88	462.68
Maximum life span (in years)	7	7	7	7
Form of compensation	PC from conditional capital			
Expected life span (in years)	5–6	5–6	5–6	4–6
Expected rate of retirement per year	2,4%	2,5%	2,5%	2,7%
Expected volatility	22,9%	23,8%	24,3%	22,3%
Expected dividend yield	1,45%	1,39%	1,32%	1,24%
Risk-free interest rate	0,46–0,57%	0,48–0,63%	1,48–1,70%	1,50–1,72%
Model	Binomial model			

29. CONTINGENCIES

The Group had no guarantees in favor of third parties either at December 31, 2013 or December 31, 2012.

30. COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not yet incurred is:

CHF million	2013	2012
Property, plant, and equipment	117.7	45.5

The future lease payments under operating lease commitments are:

CHF million	2013	2012
Up to one year	41.1	35.7
Between one and five years	108.7	98.4
Over five years	49.3	56.0
Total	**199.1**	**190.1**

Leasing commitments are related to the rental of retail stores, warehouse and office space, vehicles and IT hardware.

31. TRANSACTIONS WITH RELATED PARTIES

A family member of a member of the Board of Directors has a majority share in a company, to which products were sold at arm's length for the value of CHF 18.1 million (CHF 17.3 million in 2012) and with which rental income of CHF 0.3 million (CHF 0.2 million in 2012) and license fee income of CHF 0.5 million (CHF 0.4 million in 2012) were generated. Receivables outstanding against this company were CHF 12.0 million (CHF 13.0 million in 2012) at the balance sheet date.

100 registered shares were bought from the "Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG" in 2013 at a price of CHF 45,118.– per share, which corresponds to the five-day average of the closing prices of the share at the SIX Swiss Exchange for the period October 18 to 24, 2013.

As of December December 31, 2013, a loan of CHF 1.5 million was outstanding against the "Lindt Chocolate Competence Foundation". All conditions of this loan have been agreed at arm's length.

REMUNERATION OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT (ART. 663B^{BIS} OR)

I Board of Directors

CHF thousand		2013 Cash compensation [1]	2012 Cash compensation [1]
E. Tanner [2]	Chairman and CEO, member of the CSR Committee [3]	260	260
A. Bulgheroni [4]	Board member, member of the Audit and Compensation Committee, Lead director	145	145
Dr K. Widmer	Board member, member of the Compensation and CSR Committee [3]	145	145
Dkfm E. Gürtler	Board member, member of the Compensation Committee	145	145
Dr R. K. Sprüngli	Board member, member of the Audit and CSR Committee [3]	145	145
Dr F. P. Oesch	Board member, member of the Audit Committee	145	145
Total		**985**	**985**

1) Total gross cash compensation and allowances (excluding social charges paid by employer), in the form of board fees and emoluments to directors.
2) Cash compensation for the function as Chairman of the Board.
3) CSR Committee: Corporate Social Responsibility Committee.
4) Furthermore Mr Bulgheroni received a gross fee of TCHF 32 in 2013 (TCHF 31 in 2012) for his function as Chairman of the Board of Lindt & Sprüngli SpA and Caffarel SpA. In addition to his remuneration as member of the Board, as Lead Director, and as member of the Audit and Compensation Committee, Mr Bulgheroni received a grant of 2,000 options on Lindt & Sprüngli participation certificates in 2012 under the terms and conditions of the Lindt & Sprüngli employee share option plan, valued at TCHF 622.

II Group Management and Extended Group Management

CHF thousand	Fixed cash compensation [1]	Variable bonus component [2]	Other compensation [3]	Options [4]	Registered shares [5]	2013 Total remuneration
Ernst Tanner, CEO [6]	1,256	1,600	146	996	2,691	6,689
Other members of the Group Management and Extended Group Management [7]	4,064	3,160	698	3,570	–	11,492
Total	**5,320**	**4,760**	**844**	**4,566**	**2,691**	**18,181**

CHF thousand	Fixed cash compensation [1]	Variable bonus component [2]	Other compensation [3]	Options [4]	Registered shares [5]	2012 Total remuneration
Ernst Tanner, CEO [6]	1,256	1,600	129	1,555	2,369	6,909
Other members of the Group Management and Extended Group Management [7]	4,139	3,031	375	3,033	–	10,578
Total	**5,395**	**4,631**	**504**	**4,588**	**2,369**	**17,487**

1) Total gross cash compensation and allowances including pension benefits paid by employer (excluding social charges paid by employer).
2) Accrual at year end for expected pay-out in April of following year (excluding social charges paid by employer).
3) Employees part of social charges (AHV) related to exercising of options and grant of registered shares, paid by employer.
4) Option grants on Lindt & Sprüngli participation certificates under the terms and conditions of the Lindt & Sprüngli employee share option plan (see also note 28). The valuation reflects the tax value of the options, i.e. based on Black Scholes option value minus respective tax allowance for the blocking period. The total number of granted share options in 2013 to Mr Tanner was 3,000 units (5,000 units in 2012) and to all other members of the Group Management and the Extended Group Management 10,750 units (9,750 units in 2012).
5) Grant of 100 Lindt & Sprüngli registered shares in 2013 (100 in 2012), based on initial working contract from 1993. Value calculation based on tax value of grant minus tax allowance for the five-year vesting period.
6) Compensation for function as CEO, fixed base salary of CHF 1.3 million (including pension benefits paid by employer) unchanged since 1993.
7) The number of other Group Management and Extended Group Management members is seven.

Apart from the payments mentioned above, no payments were made on a private basis or via consulting companies to either an executive or non-executive member of the Board or a member of Group Management or Extended Group Management. As of December 31, 2013, there were no loans, advances or credits due to the Group or any of its subsidiaries by any of the members of the Board, the Group Management or the Extended Group Management. In 2013 a variable compensation of TCHF 300 for the year 2012 has been paid out to a former member of the Group Managment.

PARTICIPATION OF THE BOARD OF DIRECTORS, GROUP MANAGEMENT AND EXTENDED GROUP MANAGEMENT IN THE LINDT & SPRÜNGLI GROUP AS AT DECEMBER 31 (ART. 663C OR)

		Number of registered shares (RS)		Number of participation certificates (PC)		Number of options	
		2013	2012	**2013**	2012	**2013**	2012
E. Tanner	Chairman and CEO	3,039	2,903	8,967	4,525	17,750	32,500
A. Bulgheroni	Member of the Board	1,000	1,000	–	–	5,900	9,300
Dr K. Widmer	Member of the Board	35	35	–	–	–	–
Dkfm E. Gürtler	Member of the Board	–	–	–	–	–	–
Dr R. K. Sprüngli	Member of the Board	1,090	1,100	–	–	–	–
Dr F. P. Oesch	Member of the Board	17	17	–	–	–	–
H.J. Klingler [1]	Group Management	–	10	–	995	–	8,250
A. Pfluger	Group Management	5	5	30	30	8,213	6,713
U. Sommer	Group Management	12	22	1,449	194	9,369	11,309
Dr D. Weisskopf	Group Management	5	5	1,800	1,800	10,550	11,300
R. Fallegger	Extended Group Management	5	5	1,612	504	5,985	6,163
K. Kitzmantel	Extended Group Management	5	5	100	100	4,938	6,463
A. Lechner	Extended Group Management	6	4	53	53	6,900	6,900
T. Linemayr [2]	Extended Group Management	4	–	77	–	5,350	–
Total		**5,223**	**5,111**	**14,088**	**8,201**	**74,955**	**98,898**

1) Mr H.J. Klingler left the Lindt & Sprüngli Group in 2012, therefore no participation is reported for 2013.
2) Mr T. Linemayr became member of the extended Group Management in 2013, therefore no participation is reported for 2012.

32. RISK MANAGEMENT DISCLOSURES REQUIRED BY SWISS LAW

The identification and assessment of strategic, operational and financial risks is coordinated by the Group's CFO. Once a year a comprehensive risk inventory, including assessment of risk exposure and likelihood, is established. Financial risks, including raw materials, are quantified based on respective volatilities. The Audit Committee and the Board of Directors are informed on a regular basis about the nature and assessment of risks and measures taken to mitigate them. Corporate functions such as Controlling, Treasury, Tax, Legal, Human Resources, Operations, Marketing, and Sales review continuously the effectiveness of the risk management at subsidiary and Group level.

33. EVENTS AFTER THE BALANCE SHEET DATE

The consolidated financial statements were approved for publication by the Board of Directors on March 10, 2014. The approval of the consolidated financial statements by the shareholders will take place at the Annual General Meeting. No events have occurred up to March 10, 2014, which would necessitate adjustments to the carrying values of the Group's assets or liabilities, or which require additional disclosure.

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the general meeting of
Chocoladefabriken Lindt & Sprüngli AG, Kilchberg

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of Chocoladefabriken Lindt & Sprüngli AG, which comprise the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes (pages 64 to 101), for the year ended December 31, 2013.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements for the year ended December 31, 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

pwc
PricewaterhouseCoopers AG

Bruno Häfliger	**Richard Müller**
Audit expert	Audit expert
Auditor in charge	

Zurich, March 10, 2014

BALANCE SHEET

CHF thousand	Note	December 31, 2013	December 31, 2012
ASSETS			
Investments		484,740	475,085
Intangible assets		41,409	41,409
Total non-current assets		**526,149**	**516,494**
Receivables			
from third parties		3,421	7,655
from subsidiaries		14,859	4,968
Accrued income			
from third parties		11	–
from subsidiaries		12,049	9,206
Financial investments		110,825	258,960
Treasury stock	3	89,134	38,212
Treasury stock (share buy-back program)	3	6,465	84,196
Cash and cash equivalents		413,673	112,638
Total current assets		**650,437**	**515,835**
Total assets		**1,176,586**	**1,032,329**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		13,611	13,670
Participation capital	4	9,253	8,945
Legal reserves			
General legal reserve		76,040	76,040
Reserve from capital contribution	5	138,733	129,721
Reserve for treasury stock		71,305	113,810
Special reserve	5	389,344	282,421
Retained earnings		224,003	196,285
Total shareholders’ equity		**922,289**	**820,892**
Accounts payable to subsidiaries		235,577	194,194
Tax liabilities		11,388	10,543
Accrued liabilities			
to third parties		2,357	2,455
to subsidiaries		4,597	2,974
Other liabilities		378	1,271
Total liabilities		**254,297**	**211,437**
Total liabilities and shareholders’ equity		**1,176,586**	**1,032,329**

INCOME STATEMENT

CHF thousand	2013	2012
Dividends and other income from subsidiaries	207,968	184,467
Other income	99	63
Total operating income	**208,067**	**184,530**
Administrative and miscellaneous overhead costs	–20,226	–12,446
Operating profit	**187,841**	**172,084**
Income from financial assets	23,706	13,141
Expense from financial assets	–9,829	–9,327
Income before taxes	**201,718**	**175,898**
Taxes	–14,989	–16,519
NET INCOME	**186,729**	**159,379**

NOTES TO THE FINANCIAL STATEMENTS

1. LIABILITIES ARISING FROM GUARANTEES AND PLEDGES IN FAVOR OF THIRD PARTIES

Contingent liabilities as at December 31, 2013, amounted to CHF 178.6 million (CHF 186.7 million in 2012). This figure comprises guarantees given to counterparties providing credit lines for borrowing and hedging to subsidiaries.

The companies, Chocoladefabriken Lindt & Sprüngli AG, Chocoladefabriken Lindt & Sprüngli (Schweiz) AG, Lindt & Sprüngli Financière AG, Lindt & Sprüngli (International) AG, and Indestro AG together form a Swiss-VAT group. According to Art. 15, paragraph 1, item c of the Swiss Value Added Tax Law and Art. 22, paragraphs 1 and 2 of the Swiss Value Added Tax Ordinance, all members participating in VAT-group taxation are jointly liable for all taxes owed by the VAT group (including interest), which arose during their period of membership.

2. INVESTMENTS

The investments in subsidiaries are listed on page 69 of the notes to the consolidated financial statements.

3. ACQUISITION AND SALE OF TREASURY STOCK (REGISTERED SHARES [RS] AND PARTICIPATION CERTIFICATES [PC])

	2013		2012	
Inventory of treasury stock	RS	PC	RS	PC
Inventory as at January 1	**1,696**	**22,253**	**4,418**	**45,845**
Additions	870	–	–	–
Retirements	–124	–	–128	–
Share buy-back program [1]	–	1,682	706	29,408
Cancellation of shares	–589	–22,253	–3,300	–53,000
Inventory as at December 31	**1,853**	**1,682**	**1,696**	**22,253**
Average cost of additions (in CHF)	43,913	–	–	–
Average sales price of retirements (in CHF)	37,199	–	32,410	–
Average cost of share buy-back program (in CHF)	–	3,843	32,706	2,865
Average cost of cancellation of shares (in CHF)	33,008	2,910	30,849	2,659

1) Own treasury stock (Share buy-back program) is valued at historical costs.

4. CONDITIONAL AND APPROVED CAPITAL

As of December 31, 2013, the conditional capital had a total of 559,661 participation certificates (612,737 participation certificates in 2012) with a par value of CHF 10.–. Of this total, 205,211 (258,287 in 2012) are reserved for employee stock option programs and the remaining 354,450 (354,450 in 2012) for capital market transactions. In the year under review, a total of 53,076 employee stock options (21,309 employee stock options in 2012) were exercised at an average price of CHF 2,454.23 (CHF 1,923.67 in 2012).

5. RESERVES

	Reserves from Capital Contribution				Special Reserves
CHF thousand	Requested	Approved	Not approved [1]	Total	Total
Balance as at January 1, 2012	**36,085**	**157,745**	**6,969**	**200,799**	**256,365**
Reserve from retained earnings	–	–	–	–	130,000
Additions during the year	40,250	–	529	40,779	–529
FTA approval February 23, 2013					
Approved reserves from capital contribution	–76,335	76,335	–	–	–
Treasury stock	–	–	–	–	3,074
Share buy-back program	–	–	–	–	–107,349
Cancellation of shares	–	–	–	–	860
Proposed dividend distribution	–	–116,309	–	–116,309	–
Undistributed dividends on own registered shares and participation certificates	–	5,020	–	5,020	–
Options exercised from January 1 to May 3, 2012	–	–568	–	–568	–
Balance as at December 31, 2012	**–**	**122,223**	**7,498**	**129,721**	**282,421**
Reserve from retained earnings	–	–	–	–	150,000
Additions during the year	128,061	–	1,668	129,729	–1,668
Treasury stock	–	–	–	–	–35,226
Share buy-back program	–	–	–	–	–6,465
Cancellation of shares	–	–	–	–	281
Proposed dividend distribution	–	–120,990	–	–120,990	–
Undistributed dividends on own registered shares and participation certificates	–	2,109	–	2,109	–
Options exercised from January 1 to April 24, 2013	–	–1,834	–	–1,834	–
Balance as at December 31, 2013	**128,061**	**1,508**	**9,166**	**138,735**	**389,343**

1) The Swiss tax administration (FTA) has not yet approved the capital transaction costs of TCHF 9,166 as reserves from capital contribution. This practice may be changed in the future.

6. MANDATORY DISCLOSURE OF INTEREST POSITIONS PURSUANT TO ART. 663C OR (CODE OF OBLIGATION)

As of December 31, 2013, Chocoladefabriken Lindt & Sprüngli AG disclosed the following shareholders (in accordance with Art. 663c OR, Swiss Commercial Code and the articles of association), which own voting shares of more than 4%: “Fonds für Pensionsergänzungen of Chocoladefabriken Lindt & Sprüngli AG”, “Finanzierungsstiftung für die Vorsorgeeinrichtung der Chocoladefabriken Lindt & Sprüngli Aktiengesellschaft”, “Lindt Cocoa Foundation” and “Lindt Chocolate Competence Foundation”, held as a group 20.9% of the voting rights of the company (21.3% in 2012).

7. REMUNERATION AND OWNERSHIP OF THE BOARD OF DIRECTORS, GROUP MANAGEMENT AND EXTENDED GROUP MANAGEMENT ACCORDING TO ART. 663B^BIS AND 663C OR

The details of remuneration of and ownership held by the Board of Directors and Group Management are given on pages 99 to 101 of the notes to the consolidated financial statements.

8. RISK MANAGEMENT DISCLOSURES

Chocoladefabriken Lindt & Sprüngli AG is fully integrated into the Group-wide risk assessment process of the Lindt & Sprüngli Group. This Group risk assessment process also addresses the nature and scope of business activities and the specific risks of Chocoladefabriken Lindt & Sprüngli AG. Refer to note 32 in the notes to the consolidated financial statements on page 101.

PROPOSAL FOR THE DISTRIBUTION OF AVAILABLE RETAINED EARNINGS

CHF	December 31, 2013	December 31, 2012
Balance brought forward	37,238,992	36,905,468
Net income	186,729,478	159,379,476
Other	34,401 [1]	–
Available retained earnings	**224,002,871**	**196,284,944**
Shares and participation certificates as per bylaws of CHF 22,864,210 as at December 31, 2013 (CHF 22,614,880 in 2012)		
5% statutory dividend	–1,143,211 [2]	–1,130,744
90% (35% in 2012) additional dividend	–20,577,789 [2]	–7,915,208
Allocations to special reserves	–170,000,000	–150,000,000
Balance carried forward	**32,281,871**	**37,238,992**
Allocation of requested capital contribution reserve to free reserves	126,896,366 [2]	120,989,608
Withholding tax exempt distribution CHF 555.– per dividend-bearing share/CHF 55.50 per participation certificate (CHF 535.– per dividend-bearing share/CHF 53.50 per participation certificate in 2012)	–126,896,366 [2]	–120,989,608

1) Includes dividends not distributed on treasury stock held (CHF 157,652), dividends distributed on options exercised during the period January 1 to April 24, 2013 (CHF 137,260) and unclaimed, expired dividends (CHF 14,007)
2) Number of registered shares and participation certificates, status as at December 31, 2013. During the period from January 1 until record date (April 30, 2014), the dividend-bearing capital (the number of registered shares and participation certificates) can change as a result of additions and retirements within either class of treasury stock as well as the exercise of options, granted through the employee stock option plan. Consequently the allocation of the approved capital contribution reserve to free reserves will be adjusted accordingly.

For 2013 the Board of Directors proposes a total dividend of CHF 650.– per registered share and CHF 65.– per participation certificate.

CHF 555.– per registered share and CHF 55.50 per participation certificate are distributed out of the approved capital contribution reserve (agio) and CHF 95.– per registered share and CHF 9.50 per participation certificate are distributed out of retained earnings.

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

To the general meeting of
Chocoladefabriken Lindt & Sprüngli AG, Kilchberg

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the financial statements of Chocoladefabriken Lindt & Sprüngli AG, which comprise the balance sheet, income statement and notes (pages 104 to 108), for the year ended December 31, 2013.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements for the year ended December 31, 2013 comply with Swiss law and the company's articles of incorporation.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings and reserves complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Bruno Häfliger	**Richard Müller**
Audit expert	Audit expert
Auditor in charge	

Zurich, March 10, 2014

GROUP FINANCIAL KEY DATA – FIVE-YEAR REVIEW

		2013	2012 (restated) [1]	2011	2010	2009
INCOME STATEMENT						
Sales	CHF million	2,882.5	2,669.5	2,488.6	2,579.3	2,524.8
EBITDA	CHF million	503.3	435.9	421.9	423.3	382.1
in % of sales	%	17.5	16.3	17.0	16.4	15.1
EBIT	CHF million	404.1	330.1	328.7	325.3	264.8
in % of sales	%	14.0	12.4	13.2	12.6	10.5
Net income	CHF million	303.0	244.9	246.5	241.9	193.1
in % of sales	%	10.5	9.2	9.9	9.4	7.6
in % of average shareholders' equity	%	14.0	14.9	15.0	14.7	12.5
Operating cash flow	CHF million	419.1	381.2	345.4	363.7	470.1
in % of sales	%	14.5	14.3	13.9	14.1	18.6
Depreciation, amortization, and impairment	CHF million	99.2	105.8	93.2	98.0	117.3
BALANCE SHEET						
Total assets	CHF million	3,880.7	2,640.9	2,516.0	2,524.7	2,476.0
Current assets	CHF million	1,965.7	1,714.2	1,643.5	1,672.7	1,535.8
in % of total assets	%	50.7	64.9	65.3	66.3	62.0
Non-current assets	CHF million	1,915.0	926.7	872.5	852.0	940.2
in % of total assets	%	49.3	35.1	34.7	33.7	38.0
Non-current liabilities	CHF million	507.4	259.5	214.2	209.6	220.9
in % of total assets	%	13.1	9.8	8.5	8.3	8.9
Shareholders' equity	CHF million	2,634.7	1,694.4	1,619.1	1,672.5	1,617.7
in % of total assets	%	67.9	64.2	64.4	66.2	65.3
Investments in PPE/intangible assets	CHF million	191.4	144.6	104.2	88.6	123.5
in % of operating cash flow	%	45.7	38.0	30.2	24.4	26.3
EMPLOYEES						
Average number of employees		8,949	8,157	7,779	7,572	7,409
Sales per employee	TCHF	322.1	327.3	319.9	340.6	340.8

1) 2012 comparatives have been restated. See note 2 in the notes to the Financial Statements.

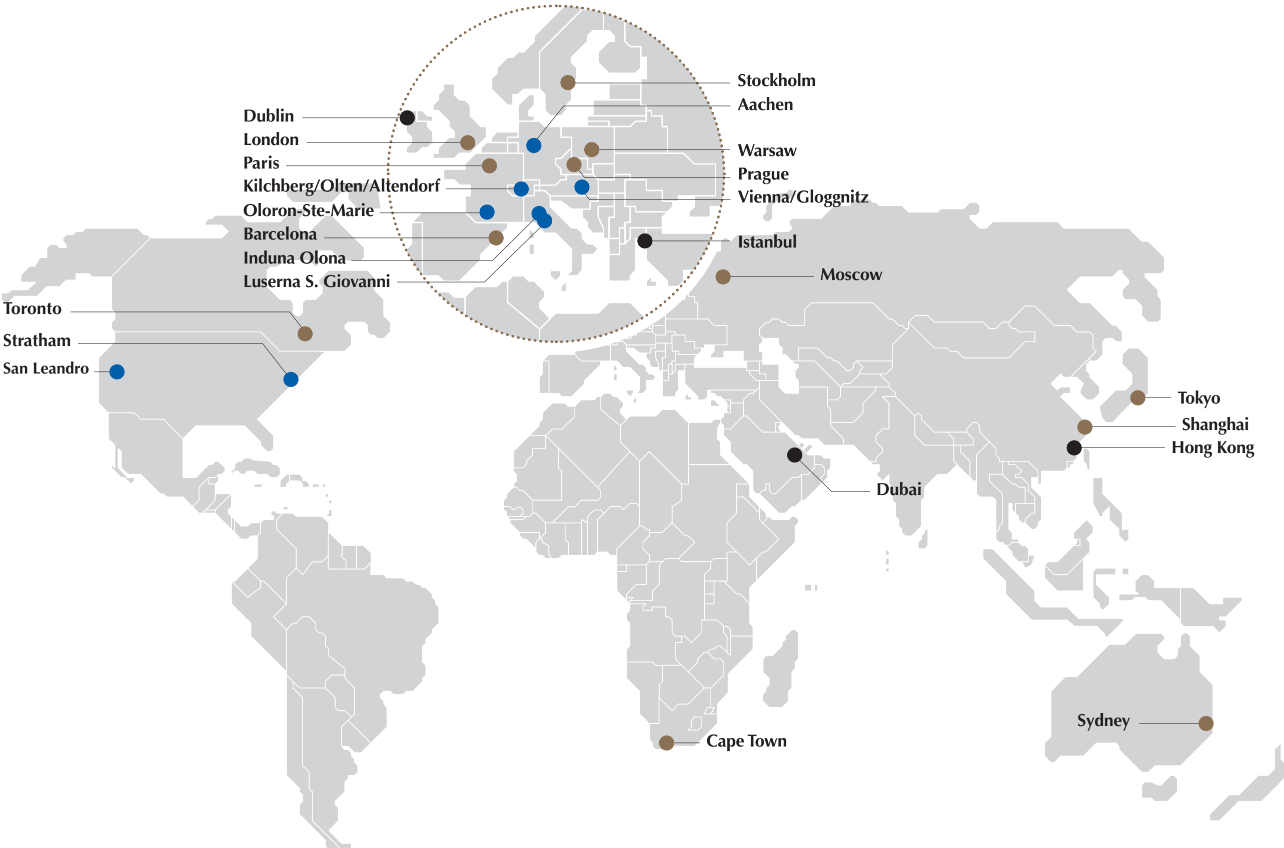
DATA PER SHARE / PARTICIPATION CERTIFICATE – FIVE-YEAR REVIEW

		2013	2012 (restated) [1]	2011	2010	2009
SHARE						
Registered shares at CHF 100.– par [2]	Number	136,111	136,700	140,000	140,000	140,000
Participation certificates at CHF 10.– par [3]	Number	925,311	894,488	926,179	901,799	883,298
Non-diluted earnings per share / 10 PC [4]	CHF	1,339	1,079	1,084	1,061	851
Operating cash flow per share / 10 PC	CHF	1,833	1,686	1,485	1,580	2,059
Shareholders' equity per share / 10 PC [5]	CHF	11,523	7,492	6,960	7,266	7,085
Payout ratio	%	49.0	53.1	47.2	42.8	47.3
REGISTERED SHARE						
Year-end price	CHF	48,100	34,515	31,390	30,100	25,405
High of the year	CHF	48,890	36,265	33,850	31,150	29,835
Low of the year	CHF	34,650	30,385	25,500	24,350	18,090
Dividend	CHF	650.00 [6]	575.00	500.00	450.00	400.00
P/E ratio [7]	Factor	35.92	31.99	28.96	28.37	29.85
PARTICIPATION CERTIFICATE						
Year-end price	CHF	4,021	2,980	2,794	2,826	2,220
High of the year	CHF	4,036	3,050	2,891	2,925	2,516
Low of the year	CHF	3,002	2,650	1,955	2,124	1,500
Dividend	CHF	65.00 [6]	57.50	50.00	45.00	40.00
P/E ratio [7]	Factor	30.03	27.62	25.77	26.64	26.09
Market capitalization [7]	CHF million	10,267.6	7,383.8	6,982.3	6,762.5	5,517.6
in % of shareholders' equity [5]	%	389.7	435.8	431.2	404.3	341.1

1) 2012 comparatives have been restated. See note 2 in the notes to the Financial Statements.
2) ISIN number CH0010570759, security number 1057075.
3) ISIN number CH0010570767, security number 1057076.
4) Based on weighted average number of registered shares / 10 participation certificates.
5) Year-end shareholders' equity.
6) Proposal of the Board of Directors.
7) Based on year-end prices of registered shares and participation certificates.

ADDRESSES OF THE LINDT & SPRÜNGLI GROUP

For more than 165 years, Lindt & Sprüngli confirms its reputation as one of the most innovative and creative companies in the Premium chocolate market. LINDT quality chocolate is distributed via own subsidiary companies and representative offices as well as countless independent distributors around the globe. The main markets are Switzerland, Germany, France, Italy, Great Britain, Spain, and other European countries, as well as North America, Canada and Australia. The LINDT brand with its extensive and innovative global and local range of finest quality chocolate is present in around 120 countries worldwide.



- Production, marketing and distribution
- Marketing und distribution
- Regional offices

Chocoladefabriken Lindt & Sprüngli (Schweiz) AG
Seestrasse 204, CH-8802 Kilchberg
Phone +41 44 716 22 33, Fax +41 44 715 39 85

Chocoladefabriken Lindt & Sprüngli GmbH
Süsterfeldstrasse 130, DE-52072 Aachen
Phone +49 241 8881 0, Fax +49 241 8881 211

Lindt & Sprüngli SAS
5, bd. de la Madeleine, FR-75001 Paris
Phone +33 1 58 62 36 36, Fax +33 1 58 62 36 00

Lindt & Sprüngli SpA
Largo Edoardo Bulgheroni 1, IT-21056 Induno Olona
Phone +39 0332 20 91 11, Fax +39 0332-20 35 05

Lindt & Sprüngli (Austria) Ges.m.b.H.
Hietzinger Haupstrasse 1A, AT-1130 Wien
Phone +43 1 60 18 20, Fax +43 1 60 18 28 00

Lindt & Sprüngli (UK) Ltd.
Top Floor, 4 New Square, Bedfont Lakes
Feltham, Middlesex TW14 8HA, Great Britain
Phone +44 208 602 4100, Fax +44 208 602 4111

Lindt & Sprüngli (España) SA
Marina 16 – 18, ES-08005 Barcelona
Phone +34 93 459 02 00, Fax +34 93 459 47 52

Lindt & Sprüngli (Nordics) AB
Telegrafgatan 6A, SE-16972 Solna
Phone +46 8 546 140 00, Fax +46 8 546 140 44

Lindt & Sprüngli (Poland) Sp. z o.o.
ul. Jakuba Kubickiego 5, PL-02-954 Warszawa
Phone +48 22 642 28 29, Fax +48 22 842 86 58

Lindt & Sprüngli (Czechia) s.r.o.
Karolinska 1, CZ-18000 Prague 8-Karlin
Phone +420 222 316 488, Fax +420 222 316 489

Lindt & Sprüngli (Russia) LLC.
16A, Leningradskoe shosse, building 1,
Moscow, 125171, Russian Federation
Tel. +7 495 204 88 00, Fax +7 495 204 88 11

Lindt & Sprüngli (USA) Inc.
One Fine Chocolate Place
Stratham, NH 03885-2592, USA
Phone +1 603 778 81 00, Fax +1 603 778 31 02

Lindt & Sprüngli (Canada) Inc.
181 University Avenue, Suite 900
Toronto, Ontario M5H 3M7, Canada
Phone +1 416 351 85 66, Fax +1 416 351 85 07

Lindt & Sprüngli (Australia) Pty. Ltd.
Level 7, 299 Elizabeth Street
Sydney, NSW 2000, Australia
Phone +61 282 68 00 00, Fax +61 292 83 72 65

Lindt & Sprüngli (Asia-Pacific) Ltd.
Room 3428, Sun Hung Kai Centre
30 Harbour Road, Wan Chai, Hong Kong, China
Phone +852 25 26 58 29, Fax +852 28 10 59 71

Lindt & Sprüngli (China) Ltd.
Tomson International Commercial Building
Room 1607-1608
710 Dong Fang Road, Pudong
200122 Shanghai, PR of China
Tel. + 86 21 5831 1998, Fax + 86 21 5830 0263

Lindt & Sprüngli Japan Co., Ltd.
Pole Star Building No.5, 7-6-12 Ginza, Chuo-ku
Tokyo, Japan
Phone +81 3 55 37 77, Fax +81 3 55 37 38 88

Lindt & Sprüngli (South Africa) (Pty) Ltd.
72 Waterkant Street, Green Point
Cape Town 8001, South Africa
Phone +27 21 831 0310, Fax +27 21 831 0312

Caffarel SpA
Via Gianavello 41, IT-10062 Luserna S. Giovanni
Phone +39 0121 958 111, Fax +39 0121 901 853

Ghirardelli Chocolate Company
1111 – 139th Avenue
San Leandro, CA 94578-2631, USA
Phone +1 510 483 69 70, Fax +1 510 297 26 49

INFORMATION

AGENDA

April 24, 2014	116th Annual Shareholders' Meeting
May 2, 2014	Payment of dividend
July 15, 2014	Half-year sales 2014
August 19, 2014	Semi-annual report 2014
January 13, 2015	Net sales 2014
mid March, 2015	Full-year results 2014
April 23, 2015	117th Annual Shareholders' Meeting

INVESTOR RELATIONS

Chocoladefabriken Lindt & Sprüngli AG
Dr Dieter Weisskopf, Chief Financial Officer
Seestrasse 204
CH-8802 Kilchberg
Phone +41 44 716 25 37
Fax +41 44 716 26 60
E-mail: investors@lindt.com
www.lindt.com

MEDIA RELATIONS

Chocoladefabriken Lindt & Sprüngli AG
Sylvia Kälin, Corporate Communications
Seestrasse 204
CH-8802 Kilchberg
Phone +41 44 716 24 56
Fax +41 44 716 26 61
E-mail: mediarelations-in@lindt.com
www.lindt.com

SHARE REGISTER

Chocoladefabriken Lindt & Sprüngli AG
Share register
c/o Nimbus AG
P.O. Box
CH-8866 Ziegelbrücke
Phone +41 55 617 37 56
Fax +41 55 617 37 38
E-mail: lindt@nimbus.ch

Imprint
Project Lead: Chocoladefabriken Lindt & Sprüngli AG, Nina Keller, Kilchberg ZH
Concept and design: Eclat AG, Erlenbach ZH
Photography: S. Keller, A. Venzago (p. 2), Sourcetrust (p. 36), A. Tripa (p. 41, 47) et al.
Production: Neidhart + Schön AG, Zurich
Print: Neidhart + Schön AG, Zurich, Paper: Lessebo Smooth Bright (Report), Heaven 42 Soft Gloss (Magazin)

Special thanks to René Lengacher, responsible for the historical archive.

The expectations expressed in this annual report are based on assumptions.
The actual results may vary from these. The annual report is published
in German and English whereas the German version is binding.

MIX
Paper from responsible sources
FSC® C016003
www.fsc.org

ClimatePartner°
climate neutral
Print | ID: 53232-1403-1002

LINDT & SPRÜNGLI

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

www.lindt.com