LINDT & SPRÜNGLI

SEMI-ANNUAL REPORT
JANUARY – JUNE 2012

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SEMI-ANNUAL REPORT 2012

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

DEAR SHAREHOLDERS

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

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

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

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

Retailers continue their efforts to gain a price advantage through intensified promotional activities.

With its established traditional products and constant innovation, Lindt & Sprüngli is consistently emphasizing the premium positioning of its brands, and only takes part in price-promotion campaigns to a very limited extent.

As of June 30, 2012, Group sales reached CHF 1.033 billion. Given the rather difficult market situation in Europe and North America, this represents good organic growth of 5.3% compared to the same period last year, with a further gain of substantial market shares.

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

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

Geographical expansion continues to proceed: the newly-incorporated subsidiary in the Peoples' Republic of China opened for business on August 1, 2012. This gives our group of companies an additional presence on the dynamic Asian market which still has high potential for the future. In addition, two more LINDT Chocolate Cafés were opened in Tokyo. Development of the subsidiary in South Africa is promising. A LINDT boutique with an attached "Chocolate Studio" was inaugurated there in April 2012.

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

As of June 30, 2012, the operating profit (EBIT) stood at CHF 48.7 million, equivalent to an increase of 16% on the same period last year. The accompanying rise of 50 basis points in the operating profit margin exceeds the medium to long-term target. At CHF 36.6 million, the net income was 14% higher than at the end of June last year (CHF 32.1 million). At closing date, operating cash flow amounted to CHF 159 million (June 30, 2011: CHF 228 million). The reduction versus same period in 2011 is primarily explained by higher raw material inventory. The main reason for the decrease of the net cash position standing at CHF 416 million (December 31, 2011: CHF 486 million) is the ongoing share buyback program which is progressing rapidly. As of June 30, 2012, shares and participation certificates representing in all 4.62% (out of a total target of 5%) of the corporate capital had been bought back. The program should therefore be completed on schedule by the end of the year. At the Shareholders' Meeting of April 26, 2012, the decision was made to cancel 3,300 registered shares and 53,000 participation certificates already repurchased with a corresponding reduction of the corporate capital.

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

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

COMMENT

Any interpretation of the stated profits for the first six months of the year must take into account that the Lindt & Sprüngli Group is active in the premium chocolate segment, a seasonal and gift-driven segment where less than 40% of total annual sales are achieved in the first half of the year. Having said this, half-yearly sales already account, as at the end of June, for around half the fixed costs associated with production, administration, and marketing. With all this in mind, profitability indicators in relation to sales are always significantly lower during the first half of the year when compared with the stated figures for the year as a whole.

MARKET ENVIRONMENT

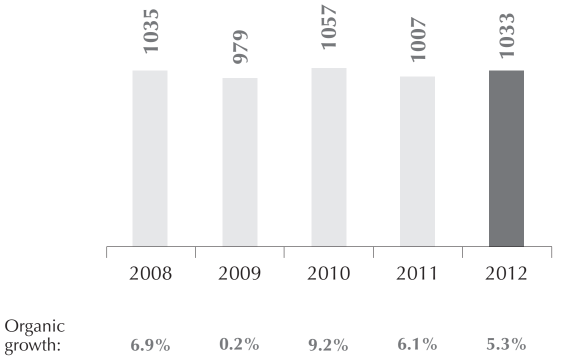
The economic environment on the main European markets and in North America was marked by the impact of excessive government and bank debts. Because of the austerity policy put in hand by the governments and accompanying low economic growth, consumer sentiment on Lindt & Sprüngli's main markets has been subdued and tended to deteriorate constantly, especially in southern Europe.

Chocolate market — Most European chocolate markets remained flat in value terms while the overall volume showed a corresponding slight downward trend. The chocolate markets in North America proved somewhat more dynamic, but still only achieved low single-digit growth. Thanks to uncompromising positioning in the premium chocolate segment and the exceptionally high acceptance of its products, Lindt & Sprüngli nevertheless succeeded in achieving better than average growth and further extended its market shares almost everywhere.

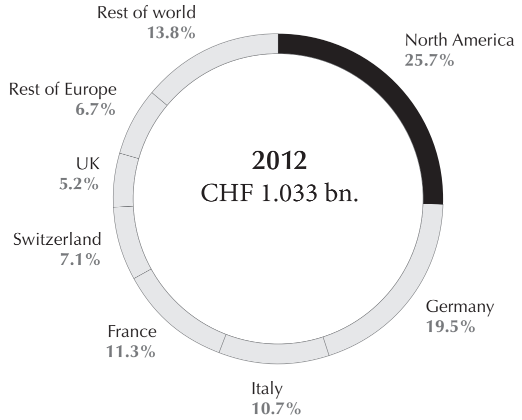
Currencies — The unchanged strength of the Swiss franc against the euro continues to pose a serious challenge to Switzerland as a manufacturing site from which deliveries are made to own subsidiary companies, duty-free

GROUP SALES

in CHF million



SALES BY REGIONS



outlets and global distributors. To remain internationally competitive, measures were taken to offset the currency-related cost disadvantage as far as possible through efficiency gains and higher volumes. In addition, the present monetary environment is a challenging premise for the management of existing transaction and translation risks.

Raw materials — Following the record levels of recent years, prices on the commodity markets were somewhat calmer in the first half of 2012. This applies in particular to the main raw material, cocoa, which has, however, already become slightly more expensive again in recent weeks because of the poorer prospects for the coming harvest season. The costs of milk, sugar and nuts remain historically high.

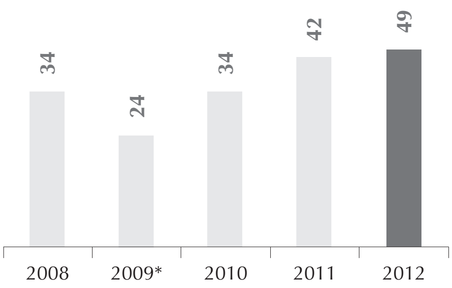
Trade — In the prevailing economic environment, retail partners are still endeavoring to present a high profile to their customers, largely through price competition. As a consequence, the scale of promotional campaigns in the retail trade in the first half of the year has risen continuously. As a premium manufacturer Lindt & Sprüngli only participates to a limited extent in these activities; instead, it gives consumers further added value through innovative product offerings.

SALES

As of June 30, 2012, the Lindt & Sprüngli Group achieved sales of CHF 1.033 billion. Compared to the same period last year and in view of the sometimes difficult situation on the main markets in Europe and North America, this is equivalent to clear above-average organic sales growth of 5.3% with further market share gains. This positive trend was driven mainly by volume growth, largely attributable to the launch of new creations and optimization of the product mix. With regard to the prevailing economic environment, price adjustments were only made in a few specific cases.

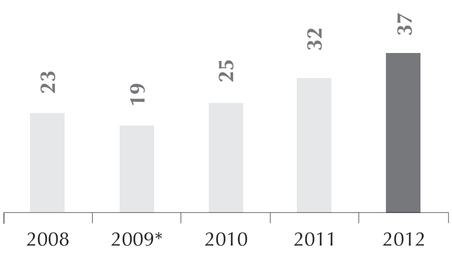
OPERATING PROFIT (EBIT)

* Before non-recurring charges
in CHF million



NET INCOME

* Before non-recurring charges
in CHF million



PRODUCT SEGMENTS

Seasonal segment — As the acknowledged market leader in the seasonal business worldwide, Lindt & Sprüngli yearly launches a stream of new collections for festive events. To turn these attractive occasions into a memorable experience and make the public still more aware of the products concerned as high-quality gift articles, while also enhancing the image of the LINDT brand, the seasonal product offering is backed by innovative marketing activities which set the right mood. Festive events can scarcely be imagined today without LINDT chocolate. In Switzerland and Canada, LINDT is the uncontested number 1 for Valentine's Day. Correspondingly, in the first half of 2012, sales figures for seasonal products were higher than last year in most countries. The new FROSCHKÖNIG (King Frog) product range, developed by the LINDT Maîtres Chocolatiers of the German subsidiary company for the start of spring, enjoyed great popularity from the outset. The GOLD BUNNY, which continued its unstoppable advance round the world last Easter and thereby permanently boosting global familiarity with the LINDT brand, deserves a special mention once again. The rest of the Easter assortment also experienced particularly strong sales growth and helped to further consolidate LINDT's market leadership in this segment. Events specially created by Lindt & Sprüngli with accompanying marketing activities, such as the launch of special product lines to mark the start of summer or autumn, are further examples of Lindt & Sprüngli's creativity and ability to innovate in the important seasonal segment.

Pralinés segment — LINDOR truffles are the foremost praliné product for Lindt & Sprüngli worldwide. With their unique recipe, these soft-melting round delicacies are enjoying ever-growing demand from consumers both as a gift item and for their own consumption. This holds good for the countries in which the product has already been well established for years, and also for markets on which LINDOR was only recently introduced. Momentum in this segment was further improved by innovative concepts for assorted pralinés, such as the mini-pralinés.

Tablet segment — In the first half of the year, the tablet segment reported good growth rates in all countries. Among the specialties on offer, the particularly extensive EXCELLENCE range is making strong progress year on year thanks to a constant flow of new, creative and surprising recipes. Other important product groups, such as CREATION, PASSION CHOCOLAT and LES GRANDES, were also enhanced by additional flavors; these were well received by consumers. The CHOCOLETTI line with its unique concept of consumer-friendly portions has been renewed in recent months; the spring and summer recipes in "Limited Editions" also proved a great success.

MARKET SEGMENTS

Europe — In the first half of 2012, organic growth of the "Europe" segment reached 4% in local currency terms. As the euro weakened further against the same period last year, conversion into Swiss francs shows a slight decline of 1.1% to CHF 624.2 million. Among the major markets, Germany, France, and Switzerland in particular were prominent once again with above-average growth, thanks to product innovations and targeted marketing activities. Because of the tense economic situation in southern Europe, sales growth in Italy and Spain fell slightly short of expectations in the first half of the year.

North America — With total sales worth CHF 265.3 million, the Lindt & Sprüngli group of companies achieved organic growth of 6.7% in local currency terms in the North American segment. As the US dollar strengthened slightly against the Swiss currency by comparison with the same period last year, growth in Swiss francs came in slightly higher at 8.3%. All three North American subsidiary companies contributed to this good result and once again gained new market shares. Despite the many challenges of the present economic environment, consumers reacted very positively to the numerous innovations, further extension of the seasonal offerings and the constant flow of new product launches in the year-round business. Thanks to the continuing commitment of the two LINDT and GHIRARDELLI brands in the USA and in Canada, the premium chocolate segment in both countries continues to achieve higher than average growth. All the North American Lindt & Sprüngli companies are clear leaders in the premium chocolate business on their respective markets.

The Ghirardelli Chocolate Company has been operating a very successful point of sale for 13 years at "Disney World" in Orlando (Florida). Cooperation with Disney has now been extended. In June this year, GHIRARDELLI opened another retail outlet with an attached restaurant in a prominent position at the recently refurbished "Disneyland" resort at Anaheim in California. The shop is situated in a replica of the historical production site on Ghirardelli Square in San Francisco, and will not only generate substantial further sales for the company but also help to strengthen national familiarity with the GHIRARDELLI brand name on a sustainable basis.

Rest of the world — The "Rest of the world" group of countries saw sales growth of 8.7% in local currency terms in the first six months of 2012. Expressed in Swiss francs, this was even equivalent to a gain of 9.9% to CHF 143.1 million. This currency advantage is attributable primarily to the Australian dollar which strengthened slightly against the Swiss franc. Thanks to the strong Easter business and new product launches, sales in Australia achieved double-digit growth. The recently incorporated subsidiary companies in South Africa and Japan also proved highly promising and their dynamic momentum continues. Duty-free and export business via global distributors is handled largely from Switzerland. Because of the strong Swiss franc, sales on these markets tended to fall slightly.

COSTS

A brief review of material costs and inventory changes shows a combined expenditure ratio of 34.7% (previous year 35.2%). This decline is due primarily to the moderation of prices for cocoa products from the late autumn of 2011 onwards, against which other material prices remained practically unchanged on the previous year. In the first half-year, the number of full-time jobs worldwide rose by 290 to a total of 7,450 employees (7,160 in the same period of 2011). Thanks to ongoing measures designed to enhance efficiency, the ratio of personnel costs to sales was held at the previous year's level of 26.6%.

The operating cost ratio reached 30%, equivalent to a slight increase of 0.1% compared to the same period last year. As usual, the background to this increase is a continuous rise in marketing expenditure to consolidate brand awareness on existing and new markets as the foundation for future sales growth.

INCOME

At the end of June 2012, the operating profit (EBIT) reached CHF 48.7 million, CHF 6.7 million or 16% higher than in the same period of 2011. This good result was boosted by slightly lower material costs; it is also a direct outcome of the constant endeavors to achieve ongoing improvement of administrative and production processes with appropriate efficiency gains. Thanks to the strong trend of sales volumes compared to the same period last year, optimizations were also achieved through better absorption of fixed production costs. Despite record low interest rates, Lindt & Sprüngli remains true to its traditional conservative investment strategy. The overwhelming bulk of cash resources are placed in short-term investments in Swiss francs. As a consequence, in the first half of 2012, the Group achieved a net financial result of CHF 0.1 million (June 30, 2011: CHF 1.4 million). After deduction of 25% income tax, the Group net income for the first half of 2012 stands at CHF 36.6 million. This is CHF 4.5 million or 14% higher than in the same period last year (CHF 32.1 million).

BALANCE SHEET

Compared to the end of the year 2011, total assets were around CHF 300 million lower. As usual, this is explained largely by the decline in outstanding seasonal customers' receivables which fell by around CHF 350 million since the end of the year because of payments received for Christmas sales. The corresponding balance sheet reduction was partially offset by an increase in goods inventories of some CHF 70 million. This higher inventory value is explained by the increased provision of raw materials.

The equity ratio amounts to a strong 68.2%, up by 3.8 percentage points on the corresponding year-end figure for 2011. From the qualitative angle, the total shareholders' equity continues to be strengthened by the fact that the balance sheet does not show any goodwill items. As of the balance sheet reporting date, the operating cash flow stood at CHF 159 million (June 30, 2011: CHF 228 million). The reduction on the same period last year is explained by the higher goods inventories referred to earlier and the reduction of the "other receivables" item. As of June 30, 2012, the net financial position was CHF 416 million. This is CHF 70 million less than at the end of 2011, attributable in the main to the share buyback program under which shares and participation certificates totaling a further CHF 77.5 million have been acquired since the start of 2012. Since the buyback program began in spring 2011, a total of 4.62% of the share and participation certificate capital had been bought back by the end of June 2012. The management is confident that the buyback program amounting to a maximum of 5% can be completed by the end of the year. On April 26, 2012, a decision was taken by the Shareholders' Meeting to cancel a total of 3,300 registered shares and 53,000 participation certificates acquired at that time from the buyback operations with an accompanying reduction of the equity capital.

OUTLOOK FOR THE FULL YEAR 2012

OUTLOOK

Sales — For the year 2012 as a whole, Lindt & Sprüngli confirms its announced medium to long-term growth targets in local currency terms within the 6 to 8% range. Sales growth is expected to gain momentum in the second half of the year as compared to the first six months, thanks to constant innovation and the planned increase in the scale of marketing and advertising activities. These forecasts are based on the assumption that the global economy and the main currency exchange rates remain at the present level without any major surprises. Assuming that exchange rates remain stable for the year as a whole, sales growth in Swiss-franc terms is expected to fall slightly short of the figure stated in local currencies.

Income — As far as the improvement of the operating profit margin is concerned, the company is also standing by the annual target announced for the year 2012 as a whole with an increase of 20 to 40 basis points against the previous year. As in the case of the sales forecast, attainment of the income target is based on the assumption that the global economy and currency environment remain consistent with the present forecasts.

Investments — As a maker of premium chocolate, Lindt & Sprüngli is committed to keeping control over the entire added value chain from the choice of raw materials to the end product. The equipment of the Group's production sites with modern facilities using cutting-edge technologies is one of the key conditions for the manufacture of top-quality products. Consequently, the group of companies will invest in 2012 in projects worth a total of CHF 130 to 140 million for capacity extensions, quality improvements, enhanced safety at the workplace and measures to reduce water and energy consumption.

In line with the Group's management philosophy, based traditionally on a long-term perspective, investment will continue in 2012 to strengthen the market position, enhance brand awareness and open up and canvas new markets. With that end in view, Lindt & Sprüngli has set up a new distribution organization in Shanghai which began work on August 1, 2012. This is an important step taking into account the high growth potential held out by the Chinese market in coming years for premium products, including high-quality chocolate specialties.

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

CHF million	June 30, 2012		December 31, 2011	
ASSETS				
Property, plant, and equipment	761.8		742.1	
Intangible assets	11.8		13.3	
Financial assets	112.8		109.5	
Deferred tax assets	7.7		7.6	
Total non-current assets	**894.1**	**40.4%**	**872.5**	**34.7%**
Inventories	472.5		402.5	
Accounts receivable	301.2		654.9	
Other receivables	93.1		72.5	
Accrued income	3.9		4.1	
Derivative assets	13.0		13.6	
Marketable securities	9.9		54.1	
Cash and cash equivalents	427.5		441.8	
Total current assets	**1,321.1**	**59.6%**	**1,643.5**	**65.3%**
Total assets	**2,215.2**	**100.0%**	**2,516.0**	**100.0%**
LIABILITIES				
Share and participation capital	23.4		23.3	
Treasury stock	–326.7		–252.3	
Retained earnings and other reserves	1,814.4		1,848.1	
Total shareholders' equity	**1,511.1**	**68.2%**	**1,619.1**	**64.4%**
Loans	0.8		1.1	
Deferred tax liabilities	28.6		29.2	
Pension liabilities	125.9		125.0	
Other non-current liabilities	7.4		10.1	
Provisions	48.5		48.8	
Total non-current liabilities	**211.2**	**9.5%**	**214.2**	**8.5%**
Accounts payable to suppliers	120.0		164.9	
Other accounts payable	27.6		45.1	
Current tax liabilities	5.3		20.0	
Accrued liabilities	303.0		415.7	
Derivative liabilities	15.9		28.6	
Bank and other borrowings	21.1		8.4	
Total current liabilities	**492.9**	**22.3%**	**682.7**	**27.1%**
Total liabilities	**704.1**	**31.8%**	**896.9**	**35.6%**
Total liabilities and shareholders' equity	**2,215.2**	**100.0%**	**2,516.0**	**100.0%**

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

CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

CHF million	January – June 2012		January – June 2011	
INCOME				
Sales	1,032.6	100.0%	1,006.7	100.0%
Other income	4.6		4.1	
Total income	**1,037.2**	**100.4%**	**1,010.8**	**100.4%**
EXPENSES				
Material expenses	–387.3	–37.5%	–377.2	–37.5%
Changes in inventories	28.9	2.8%	22.9	2.3%
Personnel expenses	–274.5	–26.6%	–267.3	–26.5%
Operating expenses	–309.4	–30.0%	–300.9	–29.9%
Depreciation and amortization	–46.2	–4.5%	–46.3	–4.6%
Total expenses	**–988.5**	**–95.7%**	**–968.8**	**–96.2%**
Operating profit	48.7	4.7%	42.0	4.2%
Income from financial assets	1.6		5.2	
Expense from financial assets	–1.5		–3.8	
Income before taxes	48.8	4.7%	43.4	4.3%
Taxes	–12.2		–11.3	
Net income	**36.6**	**3.5%**	**32.1**	**3.2%**
Attributable to shareholders	36.6		32.1	
Non-diluted earnings per share/10 PC (in CHF)	164.10		139.80	
Diluted earnings per share/10 PC (in CHF)	163.00		138.90	

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

STATEMENT OF COMPREHENSIVE INCOME AND LOSSES
(UNAUDITED)

CHF million	January – June 2012	January – June 2011
Net income	36.6	32.1
Other comprehensive income and losses after taxes		
Hedge accounting	10.5	–4.6
Unrealized gains/(losses) on available-for-sale financial assets	–	–0.1
Currency translation	–2.0	–42.0
Total comprehensive income/(loss)	**45.1**	**–14.6**
Attributable to shareholders	45.1	–14.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)

CHF million	Share/ PC capital	Treasury stock	Share premium	Hedge accounting	Retained earnings	Currency translation	Share-holders' equity
Balance as at January 1, 2011	**23.0**	**–33.5**	**341.5**	**–2.6**	**1,556.7**	**–212.6**	**1,672.5**
Total comprehensive income/(loss)				–4.6	32.0	–42.0	–14.6
Capital increase [1]	0.102		12.0				12.1
Purchase of own shares [2]		–31.2					–31.2
Share-based payment					7.4		7.4
Distribution of profits					–104.5		–104.5
Balance as at June 30, 2011	**23.1**	**–64.7**	**353.5**	**–7.2**	**1,491.6**	**–254.6**	**1,541.7**
Balance as at January 1, 2012	**23.3**	**–252.3**	**433.5**	**–14.9**	**1,658.0**	**–228.5**	**1,619.1**
Total comprehensive income/(loss)				10.5	36.6	–2.0	45.1
Capital increase [1]	0.132		23.8				23.9
Purchase of own shares [3]		–77.5					–77.5
Share-based payment		3.1			9.3		12.4
Distribution of profits			–111.9				–111.9
Balance as at June 30, 2012	**23.4**	**–326.7**	**345.4**	**–4.4**	**1,703.9**	**–230.5**	**1,511.1**

1) All directly attributable transaction costs are netted against the premium realized on exercise of options (2012: TCHF 313, 2011: TCHF 173).
2) Within the framework of the share buy-back program the Group acquired 614 of its own registered shares and 4,680 of its own participation certificates between April and June 2011. The average amount paid was CHF 30,621 for the registered shares and CHF 2,640 for the participation certificates.
3) Within the framework of the share buy-back program the Group acquired 625 of its own registered shares and 20,260 of its own participation certificates between January and June 2012. The average amount paid was CHF 32,541 for the registered shares and CHF 2,822 for the participation certificates.

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

CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED)

CHF million	January – June 2012		January – June 2011	
Net income	36.6		32.1	
Depreciation and amortization	46.2		46.3	
Changes in provisions and value adjustments	–5.7		–3.2	
Decrease (+)/increase (–) of accounts receivable	350.7		355.0	
Decrease (+)/increase (–) of inventories	–67.4		–35.1	
Decrease (+)/increase (–) of prepayments and other receivables	–21.0		–31.8	
Decrease (+)/increase (–) of accrued income	–1.3		–2.0	
Decrease (–)/increase (+) of accounts payable	–43.9		–50.3	
Decrease (–)/increase (+) of other payables and accrued liabilities	–143.6		–100.0	
Non-cash effective items	8.2		17.1	
Cash flow from operating activities (operating cash flow)		**158.8**		**228.1**
Investments in property, plant, and equipment	–63.4		–41.1	
Disposals of property, plant, and equipment	0.3		0.3	
Investments in intangible assets	–1.7		–1.4	
Disposals (+)/investments (–) in financial assets	–		0.2	
Marketable securities and short-term financial assets				
Investments	3.6		–7.7	
Disposals	42.4		10.4	
Cash flow from investment activities		**–18.8**		**–39.3**
Proceeds from borrowings	4.1		–	
Repayments of bonds/borrowings	–		–8.6	
Proceeds from loans	8.1		4.1	
Capital increase (including premium)	23.9		12.1	
Purchase of treasury stock	–77.5		–31.2	
Distribution of profits/emoluments to directors	–111.9		–104.5	
Cash flow from financing activities		**–153.3**		**–128.1**
Net increase (+)/decrease (–) in cash and cash equivalents		**–13.3**		**60.7**
Cash and cash equivalents as at January 1	441.8		540.4	
Exchange gains/(losses) on cash and cash equivalents	**–1.0**	**440.8**	**–8.6**	**531.8**
Cash and cash equivalents as at June 30		**427.5**		**592.5**
Interest received from third parties [1]		1.0		3.4
Interest paid to third parties [1]		1.4		4.0
Income tax paid [1]		42.9		54.6

1) Included in cash flow from operating activities.

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

NOTES TO THE SEMI-ANNUAL REPORT

1. ACCOUNTING PRINCIPLES

The unaudited consolidated semi-annual report as at June 30, 2012, has been prepared in accordance with the requirements of IAS 34 – Interim Financial Reporting as well as the accounting principles described in the annual financial statements for the year ended December 31, 2011. The condensed form of financial statements has been applied to this report.

New IFRS standards and interpretations

Of the new standards, amendments to standards, and interpretations, which must be applied for the reporting period beginning January 1, 2012, the Group has reviewed these and concluded that they have no impact on these semi-annual consolidated financial statements.

Estimates and assumptions

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

2. SEASONALITY

When analyzing the Group's results in the first half of 2012, it is important to bear in mind the seasonal and gift-oriented nature of the premium chocolate business. Experience shows that the Lindt & Sprüngli Group makes less than 40% of its annual sales during the first half of each year, but at the end of June these sales are charged with approximately half of the fixed costs of production, administration, and marketing. This means that the profitability of the Lindt & Sprüngli Group in relation to sales in the first half of the year cannot be equated with its profitability over the year as a whole. Likewise, the balance of accounts receivable is substantially lower at the end of the first half of the year than at the end of the year (declining orders during the summer season compared to the Christmas business).

3. SHARE AND PARTICIPATION CAPITAL

The conditional capital as at June 30, 2012, has a total of 620,883 (648,207 as at June 30, 2011) participation certificates with a par value of CHF 10.–. Of this total, 266,433 (293,757 as at June 30, 2011) are reserved for employee stock option programs; the remaining 354,450 (354,450 as at June 30, 2011) participation certificates are reserved for capital market transactions. In the six-month period ended June 30, 2012, a total of 13,163 employee options were exercised at an average exercise price of CHF 1,829.27 (for the six-month period ended June 30, 2011: 10,219 employee options were exercised at an average exercise price of CHF 1,196.88).

4. DIVIDENDS

The proposed dividend – CHF 500.– (CHF 450.– in 2011) per registered share and CHF 50.– (CHF 45.– in 2011) per participation certificate – was approved at the annual shareholders' meeting held on April 26, 2012. The dividends were paid as of May 4, 2012.

5. SEGMENT INFORMATION

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 subsidiaries of individual countries on the basis of similar economic characteristics (foreign exchange risks, growth outlooks, same economic areas), similar products and trading environment, and economic attributes (gross profit margins).

The three 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, in Canada, and Mexico.
- Business segment "All other segments," consisting of the companies in Australia, Japan, and South Africa 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	2012	2011	2012	2011	2012	2011	**2012**	2011
Sales	708.8	713.2	266.7	245.6	143.1	130.2	1,118.6	1,089.0
./. Sales between segments	84.6	81.8	1.4	0.5	–	–	86.0	82.3
Third party sales	**624.2**	**631.4**	**265.3**	**245.1**	**143.1**	**130.2**	**1,032.6**	**1,006.7**
Operating profit	43.2	41.3	–3.7	–8.1	9.2	8.8	48.7	42.0
Net financial result							0.1	1.4
Income before taxes							**48.8**	**43.4**
Taxes							–12.2	–11.3
Net income							**36.6**	**32.1**

6. EVENTS AFTER THE BALANCE SHEET DATE

The unaudited consolidated financial statements were approved for publication by the Group Management on August 14, 2012. No events have occurred up to August 14, 2012, which would necessitate adjustments to the carrying values of the Group's assets or liabilities, or which require additional disclosure.

INFORMATION

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

AGENDA

January 15, 2013	Net sales for 2012
March 15, 2013	Year-end presentation 2012
April 18, 2013	115th Annual Shareholder Meeting
August, 2013	Release of Semi-Annual Report January to June 2013

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

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