LINDT & SPRÜNGLI

SEMI-ANNUAL REPORT
JANUARY – JUNE 2013

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SEMI-ANNUAL REPORT 2013

Lindt & Sprüngli continues to report impressive growth
Sales in Swiss francs up 9.6% to CHF 1.132 billion, organic growth 8.7%
Operating profit (EBIT) plus 42.1% at CHF 65.5 million
Higher net liquidity at CHF 628.0 million
Market share gains in all strategically important markets
Strategic growth and profit targets of 6 to 8% and 20 to 40 basis points confirmed

DEAR SHAREHOLDERS

I am happy to inform you that Lindt & Sprüngli has made a successful start into the year 2013. With sales and profit growth well above the market average in the first half, we once again succeeded in extending our leading position in almost all important markets, thus gaining further market shares.

The global economy reported a slight improvement which had a positive impact on consumer sentiment in many countries. In parallel, the pressure of some foreign currencies on the Swiss franc decreased somewhat. For the first time in several years the euro gained some strength again. Other important currencies such as the US dollar also reported a positive trend. The cool and rainy weather experienced in many places in the first half also had a favorable impact on chocolate consumption.

In the raw material sector, cocoa bean prices remained relatively stable while those of cocoa butter, milk and nuts increased.

In North America, the world's biggest chocolate market, Lindt & Sprüngli reported an organic sales growth of 12.7%. Thus, Lindt & Sprüngli is developing significantly faster than the overall chocolate market and makes a substantial contribution to its growth. Both LINDT USA and LINDT Canada together with GHIRARDELLI added to this very impressive development. The main European markets Germany, France, and UK, as well as Switzerland, also performed very well. In the declining Italian overall market, LINDT was able to maintain its previous year's sales figures, so gaining market shares.

The Group's expansion continues to progress. The recently opened subsidiaries in Russia, China, and South Africa have successfully started with accelerated development in their respective markets.

The LINDT "Global Retail" concept is best suited to presenting the high quality and diversity of our product assortment to consumers around the world, while creating a lasting shopping experience and generating sustainable customer ties. With organic growth compared to the same period last year reaching an excellent 23.8% at CHF 97.5 million, the activities of the LINDT "Global Retail" division show an impressive development in every respect. This important sector now contributes over 8% to total Group sales. The number of newly opened boutiques with a consistent premium design is showing particularly dynamic growth. A very important success factor is the excellent relationship with shopping mall operators built up over many years. We are now being offered the finest locations as LINDT not only represents an important sales factor per square meter, but also contributes to the strong image of the shopping malls.

Our newest lifestyle product line "HELLO – Nice to sweet you!" – which appeals primarily to young chocolate lovers and those who have remained young at heart – has got off to an impressive start. On that basis we are planning to launch HELLO progressively worldwide in the next 15 months. Market tests are currently being run in all key markets.

Because of the above-average volume growth, major investments are currently being made to expand capacity at all main production sites.

When preparing the semi-annual financial statements, IAS 19 (revised) "Employee benefits" has been applied for the first time. The previous years' comparatives have been recalculated and restated accordingly.

As of June 30, 2013, Group sales achieved CHF 1.132 billion. This represents a gain of 9.6% in Swiss francs and organic growth of 8.7% compared to the first half of 2012, which goes hand in hand with a further gain of important market shares.

The operating profit (EBIT) as of June 30, 2013, amounts to CHF 65.5 million, representing an increase of CHF 19.4 million or 42.1% compared to the adjusted figure for the same period in 2012. After deducting income tax at the rate of 25%, the Group's net income for the first half of 2013 achieved CHF 48.8 million. This represents an increase of CHF 14.0 million or 40.2% compared to the adjusted figures of the previous year (CHF 34.8 million).

As of end of June 2013, operating cash flow reached CHF 210.5 million (June 30, 2012: CHF 158.8 million). Net liquidity amounts to CHF 628.0 million (December 31, 2012: CHF 543.0 million).

The share buyback program which began in 2011 was successfully completed at the end of 2012. On April 18, 2013, the ordinary shareholders' meeting agreed to the destruction of the corresponding shares and participation certificates.

Outlook — For the year as a whole, Lindt & Sprüngli is confirming its medium to long-term strategic targets and forecasts organic sales growth of 6 to 8%. The increase in the operating profit margin compared to the figure of the previous year (i.e. before the IAS restatement) will be at the upper end of the target range of 20 to 40 basis points.

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

COMMENT

When interpreting the first half-year results, it must be considered that Lindt & Sprüngli is active in the seasonal, gift-oriented premium chocolate segment in which less than 40% of total annual sales are achieved in the first half of the year. However, these figures must be set against the fact that around one-half of the fixed costs of production, administration, and marketing are already booked at the end of June. In the first half-year, profitability in relation to sales is therefore always well below the figure stated for the year as a whole.

In drawing up its half-yearly figures for 2013, the Group applied for the first time IAS 19 (revised) "Employee benefits" which entered into force on January 1, 2013. The statement of benefits for the previous year was accordingly recalculated ("restatement") and adjusted downwards. The profit figures for the first half of 2013 therefore show better than average growth compared to 2012 (for details see "Accounting principles").

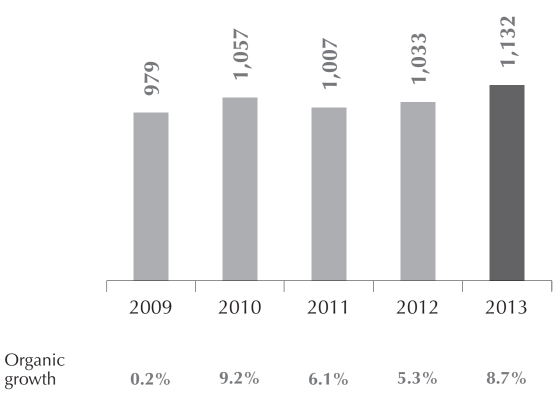
MARKET ENVIRONMENT

Thanks to the expansive monetary policy pursued by the central banks, the economic environment in Europe has calmed down. However, Southern Europe in particular is still suffering from falling incomes and high unemployment as a consequence of the imposed austerity measures. On the other hand, positive signals are coming out of North America and are reflected in the recovery of private consumption and also in the real estate market. Overall consumer sentiment in the main markets in Northern Europe and in North America was slightly positive in the first half-year and remains on a modest stable level in Southern Europe.

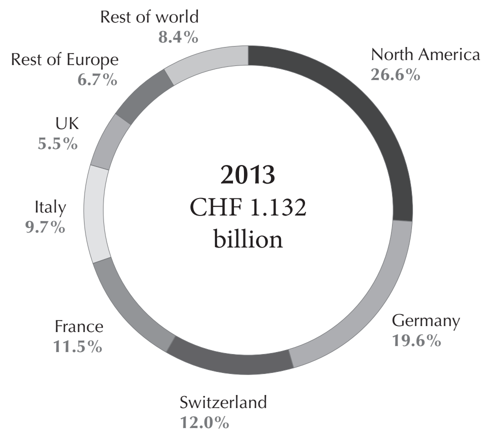
Chocolate market — In the first six months, most of the chocolate markets which are relevant to LINDT reported slightly positive overall growth in value and volume terms. One reason for this improvement over the previous year was the unusually cool and rainy weather in Europe in the first half of the year which had a positive impact on chocolate consumption. Value and volume moved ahead practically in step as no relevant price increases could be

GROUP SALES

in CHF million



SALES BY REGIONS



enforced in the current somewhat deflationary environment. Not least because of Lindt & Sprüngli's successful activities, the premium chocolate segment once again reported better than average growth in the first half of the year. Thanks to its uncompromising positioning in this high-quality category and the broad product acceptance, Lindt & Sprüngli managed to exceed the average rate of market growth and further increased its shares on all the markets that are important to the company.

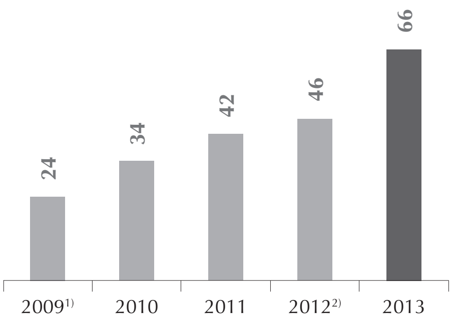
Currencies — After four years in which the value of the Swiss franc rose continuously with a correspondingly negative currency influence, the trend in the first half of 2013 improved slightly, due in particular to the slight gain in value of the euro and US dollar against the Swiss franc. The exchange rate of other important currencies such as the pound sterling, as well as the Canadian and the Australian dollar remained unchanged overall. Thanks to this development and also to the efficiency savings and volume growth implemented in previous years, Switzerland's role as a production site was strengthened. In particular, deliveries to Lindt & Sprüngli sister companies became more competitive while the duty free segment and global business with distributors also improved.

Raw materials — Prices of cocoa beans, the key raw material, remained unchanged in the first half of the year with low volatility. Because of lower demand for cocoa powder and temporary closures of cocoa press operators, the price of cocoa butter began to rise substantially in the late fall of 2012. In recent months, rising price trends have again been reported for milk, hazelnuts, and almonds.

Trade — The trade continues to attempt to gain a competitive edge through price competition. The scope and depth of promotional activities stabilized at a high level in the first half-year however, as compared to the previous period. It is pleasing to note that the trade partners are increasingly showing renewed interest in innovative product concepts. As a premium manufacturer, Lindt & Sprüngli is optimally placed to support the goals of its trade partners with new creations and offers in the seasonal and year-round business, while also delivering attractive added value to consumers.

OPERATING PROFIT (EBIT)

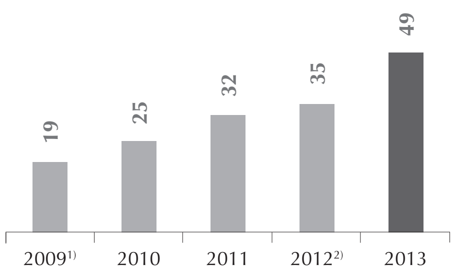
in CHF million



[1)] Before non-recurring charges.
[2)] 2012 comparatives have been restated. Refer to note 1 to the semi-annual report.

NET INCOME

in CHF million



[1)] Before non-recurring charges.
[2)] 2012 comparatives have been restated. Refer to note 1 to the semi-annual report.

SALES

As of June 30, 2013, the Lindt & Sprüngli Group achieved sales worth CHF 1.132 billion. This is equivalent to growth against the same period in the previous year of 9.6% in Swiss franc terms and organic growth of 8.7%. All three geographical regions ("Europe," "NAFTA," "Rest of the World") contributed to this impressive growth. Only selective price adjustments were made so that growth was primarily achieved through a rise in volumes. The positive sales trend was driven mainly by the ongoing optimization of the product mix and by the launch of innovative concepts, such as the introduction of the "HELLO – Nice to sweet you!" lifestyle line, which appeals to a new target group.

The activities of the LINDT "Global Retail" division which have been driven forward at an increasingly intense pace for several years are making impressive progress. Compared to the same period last year, organic growth remained highly dynamic with 23.8%, reaching CHF 97.5 million; hence, this important division is reporting a year-on-year sales increase. This activity now represents more than 8% of total Group sales. The success is, however, also reflected in the substantial progress made in business relations with shopping mall operators. Only a few years ago it was very difficult to gain the best locations, whereas now LINDT is being offered the most attractive locations as the brand has become an important sales and image factor for the shopping malls. In the first half-year, ten new boutiques with a uniform design concept were inaugurated and provide an exceptional shopping experience.

PRODUCT SEGMENTS

Seasonal segment — As the world's leading manufacturer of premium chocolate, Lindt & Sprüngli has the right chocolate gift for every occasion. The first half of the year is characterized by many seasonal highlights such as St. Valentine's Day, Mothers' Day, and Easter. LINDT Master Chocolatiers repeatedly manage to surprise consumers with revised collections and many product innovations. Carefully selected ingredients, complex processing, renewed packaging, and also the acknowledged image values of the LINDT brand help to make LINDT chocolate a perfect gift for every event. In the first half of 2013, seasonal sales in most countries were therefore higher than in the previous year. Festive offers, such as specially designed LINDOR products and the traditional GOLD BUNNY were once again particularly popular, together with many other specialties created for appropriate events. Thanks to the creativity of the LINDT Master Chocolatiers and their ability to innovate, LINDT is able to continuously extend its market leadership year-on-year in the important seasonal segment.

Pralinés segment — The LINDOR brand is the most important product worldwide in this category for the group of companies. The truffle with its unique soft melting recipe is proving increasingly popular with consumers. Impressive promotions, such as the distribution of one million LINDOR truffles to Facebook fans in the USA, help to convince a still wider audience of its uniqueness. The exceptional degree of product acceptance provides an excellent basis for the development of the new subsidiaries in the markets of Russia, China, and South Africa newly accessed with own subsidiaries. In the first half year, the pralinés segment once again grew strongly both with LINDOR and also with many other assorted pralinés offerings.

Tablet segment — The tablet segment with the leading brands EXCELLENCE, CREATION, PASSION CHOCOLAT, LES GRANDES, and CHOCOLETTI reported above-average growth rates in every market in the first half year. The Lindt & Sprüngli Group repeatedly comes up with new recipes and formats in this segment, including the "Slim" line. This collection consists of filled tablets with an innovative new 100 g format, characterized by a high proportion of carefully-selected fillings in relation to the overall weight. With the innovative HELLO concept, an entire range consisting of various recipes and presentations as gift articles or for own consumption was launched simultaneously in a number of countries in spring. With exciting new taste variants, a consistent and modern packaging concept and a strong advertising presence, HELLO appeals to a younger generation of LINDT fans as well as those who are still young at heart.

MARKET SEGMENTS

Europe — In the first half of 2013 organic growth in local currency terms in "Europe" reached 5.8%. As the euro gained slightly in value against the Swiss franc compared to the same period last year, conversion into Swiss francs resulted in 8.0% growth to CHF 674.2 million. Among the major markets, Germany, France, UK, and Switzerland in particular achieved good to very good growth rates. This above-average positive outcome was helped by the launch of product innovations, optimum use of the marketing mix and not least the cool "chocolate-friendly" spring weather. Italy was the only country in which sales remained stable in the first half year compared to the same period last year. Own labels are increasingly on the rise and the traditional confectionary business remains weak in the present economic environment. CAFFAREL products are particularly affected by this development.

North America — With total sales of CHF 301.0 million, Lindt & Sprüngli achieved impressive organic growth of 12.7% in local currency terms in the North American segment. As the US dollar gained some value compared to the same period last year, growth expressed in Swiss franc terms was even slightly higher at 13.4%. All three North American subsidiaries contributed to this very good result and once again increased their market shares. Growth was again led by LINDOR and EXCELLENCE and also by the Ghirardelli SQUARES. Many new articles were launched for these product lines in the last six months and were well accepted by consumers. The growth strategy in North America continues to be based on the ongoing strengthening of trade relations, the expansion of the shelf space, the launch of product innovations, and the constant optimization of the seasonal business. Thanks to the efforts made by LINDT and GHIRARDELLI, the premium chocolate segment in the USA and Canada is reporting above-average growth. All three companies are clear leaders in their respective markets.

Rest of the world — In the geographical segment "Rest of the World" sales in the first six months of 2013 increased by 14.1% in local currency terms to CHF 156.8 million. Expressed in Swiss franc terms this is a gain of 9.6%. The lower growth rate in Swiss francs is explained primarily by the slightly weaker performance of the Australian dollar, Japanese yen, and South African rand against the Swiss franc. In the first half year, Australia, the biggest market in this geographical area, reported further above-average sales growth. The recently-founded subsidiaries in Japan, China, and South Africa are making progress in developing their respective markets. In these regions too, acceptance of LINDT premium products is increasing. The global duty free and distributors business is operated largely from Switzerland. In this area sales growth in the first half year rose at a double-digit rate.

COSTS

A concise review of material costs and inventory changes shows a combined expenditure ratio of 33.4% (previous year 34.7%). This decline is mainly attributable to a good purchasing policy in the field of cocoa products, against which other material costs remained practically unchanged. In the first half, the number of full-time jobs worldwide rose by 737 in all to a total of 8,187 employees. Because of the rising volumes, newly created job opportunities are to be found mainly in the production sector. Accordingly, personnel costs in relation to sales rose slightly by 20 basis points to 27.0%. The operating cost ratio reached 29.8% and is therefore slightly below the previous year's figure (30.0%). In the first half of 2013, marketing expenditure was increased constantly in both existing and new markets. The stated decline of the expenditure ratio is accordingly based on a less than proportional increase in sales and administration costs compared to the sales growth.

INCOME

At the end of June 2013, the operating profit (EBIT) reached CHF 65.5 million, equivalent to an increase of CHF 19.4 million or 42.1% against the adjusted figure for the same period in 2012 (CHF 46.1 million). The good progress of the absolute performance figures measured against the previous year is based not just on lower material costs, but also on the positive impact of volume increases and efficiency optimizations. Lindt & Sprüngli remained loyal to its long-term conservative investment strategy. Liquidity was placed in short-term Swiss franc investments. In the first half of 2013, the Group achieved a net financial result of CHF –0.5 million (previous year CHF 0.1 million).

After deduction of income tax at the rate of 25%, the Group net profit for the first half of 2013 amounted to CHF 48.8 million. That is equivalent to an increase of CHF 14 million or 40.2% by comparison with the adjusted period of the previous year (CHF 34.8 million).

BALANCE SHEET

The assets increased by around CHF 638 million compared to the end of 2012. This rise is based on the restructuring of the pension fund schemes in March 2013 in the course of which some of the assets were transferred to an employer fund. Pursuant to IFRIC 14, the net assets of the employer fund must be fully recognized as an asset of the employer, which led to an increase of around CHF 763 million in financial assets. According to IAS 19 (revised) "Employee benefits", this change in use must be recorded in other comprehensive income. At the same time, the successful business resulted in an increase of inventories of around 70 million. The increase in total assets was reduced by a decrease in accounts receivable of around CHF 365 million. As usual, receivables fall compared to the year-end by around CHF 365 million because of customer payments received for the seasonal Christmas and Easter trade. The equity ratio stands at a high 69.2% (year-end 2012 64.2%). Moreover, the balance sheet does not contain any goodwill. The operating cash flow in the first half of the year amounted to CHF 210.5 million (previous year CHF 158.8 million). As of June 30, 2013, the net financial position amounts to CHF 628 million. Compared to the 2012 year-end this is an increase of CHF 85.0 million.

OUTLOOK FOR THE FULL YEAR 2013

OUTLOOK

Sales — For the year 2013 as a whole, Lindt & Sprüngli confirms its previously announced medium to long-term strategic growth forecast in local currencies of 6 to 8%. The accompanying cautious expectation of a slight weakening of the growth trend in the second half of 2013 is explained by the absence of special effects, such as the unusually cold weather in the first six months which encouraged sales, and the base effect of the above-average strong performance in the second half of 2012. In the second half of this year, growth will once again be achieved largely through volume increases.

Income — For the year 2013 as a whole and as compared to the result of the previous year before the restatement due to IAS 19 (revised) "Employee benefits", the group of companies expects its operating profit margin to grow at the upper end of the medium to long-term annual target range of 20 to 40 basis points.

Investments — Lindt & Sprüngli controls the entire value added chain from the selection of the finest cocoa beans and other high quality raw materials through careful production to the elegant packaging of the finished products. As a premium chocolate manufacturer, Lindt & Sprüngli is convinced that this self-contained process brings long-term consumer benefit that results in the guaranteed high product quality and safety, and also with regard to the sustainability of raw-material sourcing. In 2013, Lindt & Sprüngli will be making substantial investments in buildings and production facilities to master the strong volume growth of recent years and safeguard future demand. The investment volume in the current year is therefore estimated at a figure in excess of CHF 200 million.

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

CHF million	June 30, 2013		December 31, 2012 [1]	
ASSETS				
Property, plant, and equipment	814.7		771.4	
Intangible assets	19.0		13.2	
Financial assets	885.0		122.0	
Deferred tax assets	23.3		20.1	
Total non-current assets	**1,742.0**	**53.1%**	**926.7**	**35.1%**
Inventories	476.8		405.1	
Accounts receivable	296.0		662.2	
Other receivables	90.2		82.7	
Accrued income	4.7		3.9	
Derivative assets	15.9		5.3	
Marketable securities	111.2		259.2	
Cash and cash equivalents	541.9		295.8	
Total current assets	**1,536.7**	**46.9%**	**1,714.2**	**64.9%**
Total assets	**3,278.7**	**100.0%**	**2,640.9**	**100.0%**
LIABILITIES				
Share and participation capital	23.0		22.6	
Treasury stock	–115.7		–113.8	
Retained earnings and other reserves	2,360.2		1,785.6	
Total shareholders' equity	**2,267.5**	**69.2%**	**1,694.4**	**64.2%**
Loans	0.8		1.1	
Deferred tax liabilities	268.2		36.4	
Pension liabilities	148.7		155.4	
Other non-current liabilities	7.8		10.4	
Provisions	58.4		56.2	
Total non-current liabilities	**483.9**	**14.7%**	**259.5**	**9.8%**
Accounts payable to suppliers	122.6		161.0	
Other accounts payable	19.8		40.1	
Current tax liabilities	9.3		21.1	
Accrued liabilities	341.1		442.9	
Derivative liabilities	10.2		11.0	
Bank and other borrowings	24.3		10.9	
Total current liabilities	**527.3**	**16.1%**	**687.0**	**26.0%**
Total liabilities	**1,011.2**	**30.8%**	**946.5**	**35.8%**
Total liabilities and shareholders' equity	**3,278.7**	**100.0%**	**2,640.9**	**100.0%**

1) 2012 comparatives have been restated. See note 1.

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

CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

CHF million	January–June 2013		January–June 2012 [1]	
INCOME				
Sales	1,132.0	100.0%	1,032.6	100.0%
Other income	4.2		4.6	
Total income	**1,136.2**	**100.4%**	**1,037.2**	**100.4%**
EXPENSES				
Material expenses	–423.7	–37.4%	–387.3	–37.5%
Changes in inventories	45.1	4.0%	28.9	2.8%
Personnel expenses	–305.9	–27.0%	–277.1	–26.8%
Operating expenses	–337.7	–29.8%	–309.4	–30.0%
Depreciation and amortization	–48.5	–4.3%	–46.2	–4.5%
Total expenses	**–1,070.7**	**–94.6%**	**–991.1**	**–96.0%**
Operating profit	65.5	5.8%	46.1	4.5%
Income from financial assets	1.1		1.6	
Expense from financial assets	–1.6		–1.5	
Income before taxes	65.0	5.7%	46.2	4.5%
Taxes	–16.2		–11.4	
Net income	**48.8**	**4.3%**	**34.8**	**3.4%**
Attributable to shareholders	48.8		34.8	
Non-diluted earnings per share/10 PC (in CHF)	217.6		156.0	
Diluted earnings per share/10 PC (in CHF)	213.0		155.0	

1) 2012 comparatives have been restated. See note 1.

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

STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

CHF million	January–June 2013	January–June 2012 [1]
Net income	48.8	34.8
Other comprehensive income after taxes		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	539.6	2.0
Items that may be reclassified subsequently to profit or loss		
Hedge accounting	6.3	10.5
Currency translation	13.1	–2.0
Total comprehensive income	**607.8**	**45.3**
Attributable to shareholders	607.8	45.3

1) 2012 comparatives have been restated. See note 1.

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, 2012	**23.3**	**–252.3**	**433.5**	**–14.9**	**1,658.0**	**–228.5**	**1,619.1**
Restatement according to IAS 19 Revised[1]					–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/(loss)				10.5	36.8	–2.0	45.3
Capital increase[2]	0.1		23.8				23.9
Purchase of own shares and participation certificates[3]		–77.5					–77.5
Share-based payment		3.1			9.3		12.4
Reclass into retained earnings			–111.9		111.9		–
Distribution of profits					–111.9		–111.9
Balance as at June 30, 2012	**23.4**	**–326.7**	**345.4**	**–4.4**	**1,672.2**	**–230.5**	**1,479.4**
Balance as at January 1, 2013	**22.6**	**–113.8**	**362.4**	**–6.3**	**1,704.1**	**–241.9**	**1,727.1**
Restatement according to IAS 19 Revised[1]					–32.7		–32.7
Restated Balance as at January 1, 2013	**22.6**	**–113.8**	**362.4**	**–6.3**	**1,671.4**	**–241.9**	**1,694.4**
Total comprehensive income/(loss)				6.3	588.4	13.1	607.8
Capital increase[2]	0.4		86.6				87.0
Purchase of own shares[4]		–4.3					–4.3
Share-based payment		2.4			9.9		12.3
Reclass into retained earnings			–120.7		120.7		—
Distribution of profits					–129.7		–129.7
Balance as at June 30, 2013	**23.0**	**–115.7**	**328.3**	**–**	**2,260.7**	**–228.8**	**2,267.5**

1) See note 1.
2) All directly attributable transaction costs are netted against the premium realized on exercise of options (2013: TCHF 1,136, 2012: TCHF 313).
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.
4) The Group acquired 120 of its own registered shares in January 2013. The amount paid per share was CHF 36,140.

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

CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED)

CHF million	January–June 2013		January–June 2012 [1]	
Net income	48.8		34.8	
Depreciation and amortization	48.5		46.2	
Changes in provisions and value adjustments	–4.4		–3.9	
Decrease (+)/increase (–) of accounts receivable	368.7		350.7	
Decrease (+)/increase (–) of inventories	–67.2		–67.4	
Decrease (+)/increase (–) of prepayments and other receivables	–6.6		–21.0	
Decrease (+)/increase (–) of accrued income	–6.0		–1.3	
Decrease (–)/increase (+) of accounts payable	–40.6		–43.9	
Decrease (–)/increase (+) of other payables and accrued liabilities	–138.5		–143.6	
Non-cash effective items	7.8		8.2	
Cash flow from operating activities (operating cash flow)		**210.5**		**158.8**
Investments in property, plant, and equipment	–75.9		–63.4	
Disposals of property, plant, and equipment	0.4		0.3	
Investments in intangible assets	–8.4		–1.7	
Disposals (+)/investments (–) in financial assets	–0.1		–	
Marketable securities and short-term financial assets				
Investments	–5.6		3.6	
Disposals	153.4		42.4	
Cash flow from investment activities		**63.8**		**–18.8**
Proceeds from borrowings	13.6		4.1	
Proceeds from loans	4.0		8.1	
Capital increase (including premium)	87.0		23.9	
Purchase of treasury stock	–4.3		–77.5	
Distribution of profits	–129.7		–111.9	
Cash flow from financing activities		**–29.4**		**–153.3**
Net increase (+)/decrease (–) in cash and cash equivalents		**244.9**		**–13.3**
Cash and cash equivalents as at January 1	295.8		441.8	
Exchange gains/(losses) on cash and cash equivalents	**1.2**	**297.0**	**–1.0**	**440.8**
Cash and cash equivalents as at June 30		**541.9**		**427.5**
Interest received from third parties[2]		0.8		1.0
Interest paid to third parties[2]		1.2		1.4
Income tax paid[2]		42.7		42.9

1) 2012 comparatives have been restated. See note 1.
2) 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, 2013, has been prepared in accordance with the requirements of IAS 34 – Interim Financial Reporting. Except for the changes described hereafter, the accounting principles outlined in the annual financial statements for the year ended December 31, 2012 have been applied. The condensed form of financial statements has been applied to this report.

New IFRS standards and interpretations

The following changes to IFRS have been adopted by Lindt & Sprüngli as of January 1, 2013:

- The amendments to IAS 1 – Financial statement presentation primarily addresses the presentation of other comprehensive income
- IFRS 13 – Fair value measurement requires some specific disclosures for financial instruments that affect the interim consolidated financial statements
- IAS 19 – Employee benefits (revised) was adopted retrospectively

Except for the application of IAS 19 – Employee benefits (revised) the new standards, amendments to standards and interpretations, which must be adopted by January 1, 2013, do not have a material impact on the financial performance or the financial position presented in these semi-annual consolidated financial statements.

Application of IAS 19 – Employee benefits (revised)

The group adopted IAS 19 – Employee benefits (revised) as of 1 January, 2013. The standard has to be applied retrospectively. According to the revised standard, actuarial gains and losses are immediately recorded in Other Comprehensive Income (the corridor method was abolished). The implied return on plan assets and interest expense are recognized in the new category, "Net interest expense". Net interest expense is calculated by multiplying the discount rate with the over/ underfunding 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 any longer. 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 leads to reallocations within positions in cash flow from operating activities.

CONSOLIDATED BALANCE SHEET

CHF million	December 31, 2012 Before restatement	December 31, 2012 Restatement	December 31, 2012 After restatement	January 1, 2012 Before restatement	January 1, 2012 Restatement	January 1, 2012 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

CHF million	January–December 2012 Before restatement	January–December 2012 Restatement	January–December 2012 After restatement	January–June 2012 Before restatement	January–June 2012 Restatement	January–June 2012 After restatement
Personnel expenses	–567.2	–32.4	–599.6	–274.5	–2.6	–277.1
Taxes	–89.8	5.4	–84.4	–12.2	0.8	–11.4
Net income	271.9	–27.0	244.9	36.6	–1.8	34.8
Non-diluted earnings per share/10 PC (in CHF)	1,198.3	–119.0	1,079.3	164.1	–8.1	156.0
Diluted earnings per share/10 PC (in CHF)	1,186.9	–117.9	1,069.0	163.0	–8.0	155.0

STATEMENT OF COMPREHENSIVE INCOME

CHF million	January–December 2012 Before restatement	January–December 2012 Restatement	January–December 2012 After restatement	January–June 2012 Before restatement	January–June 2012 Restatement	January–June 2012 After restatement
Net income	271.9	–27.0	244.9	36.6	–1.8	34.8
Other comprehensive income after taxes						
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit plans	–	26.3	26.3	–	2.0	2.0
Items that may be reclassified subsequently to profit or loss						
Hedge accounting	8.6	–	8.6	10.5	–	10.5
Currency translation	–13.3	–	–13.3	–2.0	–	–2.0
Total comprehensive income/(loss)	**267.2**	**–0.7**	**266.5**	**45.1**	**0.2**	**45.3**
Attributable to shareholders	267.2	–0.7	266.5	45.1	0.2	45.3

Restructuring of the Pension Funds

The Board of the foundation "Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG" has restructured the pension fund schemes within the Group in March 2013. 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 million. 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 by CHF 763 million and CHF 229 million, respectively.

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 the year, 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, 2013, has a total of 575,017 (620,883 as at June 30, 2012) participation certificates with a par value of CHF 10.–. Of this total, 220,567 (266,433 as at June 30, 2012) are reserved for employee stock option programs; the remaining 354,450 (354,450 as at June 30, 2012) participation certificates are reserved for capital market transactions. In the six-month period ended June 30, 2013, a total of 37,720 employee options were exercised at an average exercise price of CHF 2,335.80 (for the six-month period ended June 30, 2012: 13,163 employee options were exercised at an average exercise price of CHF 1,829.27).

4. DIVIDENDS

The proposed dividend – CHF 575.– (CHF 500.– in 2012) per registered share and CHF 57.50 (CHF 50.– in 2012) per participation certificate – was approved at the annual shareholders' meeting held on April 18, 2013. The dividends were paid as of April 25, 2013.

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, 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 [1]	**2013**	2012 [1]	**2013**	2012 [1]	**2013**	2012 [1]
Sales	771.5	708.8	303.8	266.7	156.8	143.1	1,232.1	1,118.6
./. Sales between segments	97.3	84.6	2.8	1.4	–	–	100.1	86.0
Third party sales	**674.2**	**624.2**	**301.0**	**265.3**	**156.8**	**143.1**	**1,132.0**	**1,032.6**
Operating profit	44.9	40.9	6.7	–4.4	13.9	9.6	65.5	46.1
Net financial result							–0.5	0.1
Income before taxes							**65.0**	**46.2**
Taxes							–16.2	–11.4
Net income							**48.8**	**34.8**

1) 2012 comparatives have been restated. See note 1.

6. FINANCIAL INSTRUMENTS, FAIR VALUE, AND HIERARCHY LEVELS

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

		June 30, 2013		December 31, 2012	
CHF million	Level	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS					
Fair value through profit or loss					
Derivatives	1	1.0	1.0	0.4	0.4
Derivatives	2	14.9	14.9	4.9	4.9
Marketable securities and short-term financial assets	1/2	111.2	111.2	259.2	259.2
Total fair value through profit or loss		**127.1**	**127.1**	**264.5**	**264.5**
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[1)]		**873.4**	**873.4**	**1,013.3**	**1,013.3**
Total financial assets		**1,002.8**	**1,002.8**	**1,280.1**	**1,280.1**
FINANCIAL LIABILITIES					
Fair value through profit or loss					
Derivatives	1	2.0	2.0	3.9	3.9
Derivatives	2	8.2	8.2	7.1	7.1
Total fair value through profit or loss		**10.2**	**10.2**	**11.0**	**11.0**
Total loans and payables[2)]		**175.3**	**175.3**	**223.5**	**223.5**
Total financial liabilities		**185.5**	**185.5**	**234.5**	**234.5**

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.

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

7. EVENTS AFTER THE BALANCE SHEET DATE

The unaudited consolidated semi-annual financial statements were approved for publication by the Group Management on August 16, 2013. No events have occurred up to August 16, 2013, 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 14, 2014	Net sales for 2013
March 11, 2014	Year-end presentation 2013
April 24, 2014	116th Annual Shareholder Meeting
In August, 2014	Release of Semi-Annual Report January to June 2014

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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.

Imprint
Project lead: Chocoladefabriken Lindt & Sprüngli AG
Design: Eclat AG, Erlenbach ZH
Production: Neidhart + Schön AG, Zurich

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