

# Markets

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Despite challenging conditions in 2017, Lindt & Sprüngli achieved sales of more than CHF 4 billion for the first time. The company increased its group sales by +4.8% in Swiss francs and gained market share in almost all of its markets.

Chocoladefabriken Lindt & Sprüngli AG achieved sales growth in Swiss francs of +4.8% – despite persistently challenging conditions – and group sales of CHF 4.1 billion. This is a solid performance, especially given the largely saturated chocolate markets, the changing retail landscape and growing pressure on prices. The results reported in Europe and the “Rest of the World” segments are worth particular mention, as is the steady development of the Group’s own network of shops, whose sales reached half a billion Swiss francs for the first time. In the last financial year, Lindt & Sprüngli once again succeeded in outperforming the chocolate market as a whole and expanding its market share in almost every market region.

The foreign currency situation was also fairly volatile in 2017, but the strong euro in particular had a positive effect overall on the consolidated sales reported in Swiss francs. The euro made significant gains against the Swiss franc, and pound sterling was also stronger, whereas the US dollar initially weakened but then bounced back again towards the end of the financial year. The organic growth reported for the whole group was at +3.7%.

Viewed overall, the situation in raw material markets has improved compared with the previous year. Prices for cocoa beans and cocoa butter dropped sharply during the 2016/17 harvest period. Prices for hazelnuts and almonds were generally stable, with a slight downward trend. Sugar prices were virtually unchanged in 2017, while milk prices increased. However, the positive market trends were heavily influenced by the soaring price of vanilla. Vanilla is an ingredient that is used in premium chocolate products.

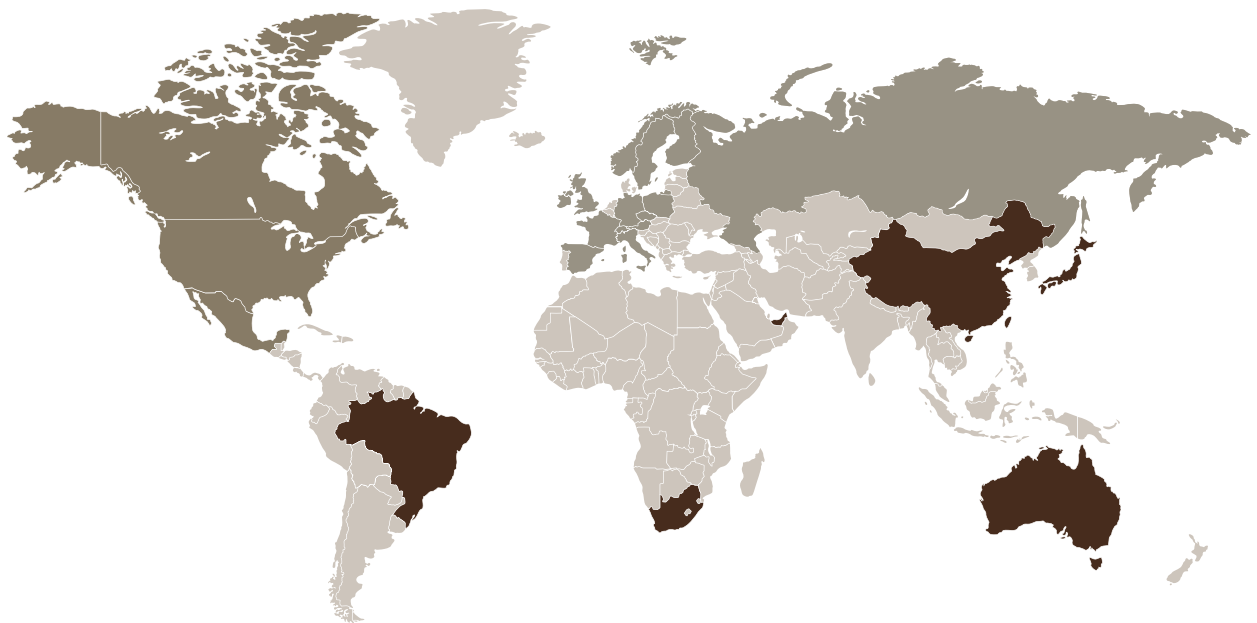
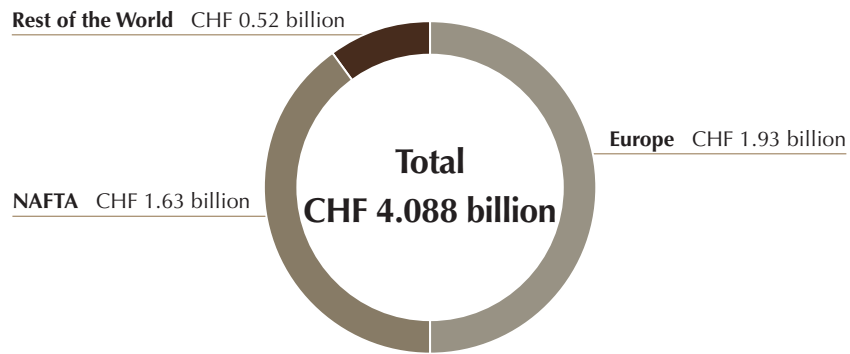
## Europe

European chocolate markets are largely saturated. Despite this backdrop, Lindt & Sprüngli once again managed to achieve a positive result in this region. Lindt & Sprüngli performed particularly well in mature markets such as Germany, the UK, Italy, Austria and Spain, but also achieved double-digit growth rates in less developed markets like the Nordics, Russia, Poland and the Czech Republic. Overall, Lindt & Sprüngli reported excellent results in this region, with organic sales growth of +6.2%, to reach CHF 1.9 billion.

Consumer sentiment in Switzerland was generally good in 2017, although there was a decline in the Swiss chocolate market. Even so – and despite the ongoing trend for cross-border shopping as well as the continuing expansion of hard discounters – Lindt & Sprüngli produced a positive performance and was one of the few chocolate manufacturers able to increase its sales in this market environment.

In Germany, consumer sentiment also improved in 2017, continuing the trend of previous years. Germany’s gross domestic product (GDP) increased, while the unemployment rate dropped to its lowest level since reunification. In the UK, the Brexit referendum had a negative effect on economic growth and consumer sentiment. Meanwhile in France, companies benefited from a significantly improved trading environment in the wake of the presidential elections. Lindt & Sprüngli still managed to achieve positive sales growth in France, despite a modest dip in the overall chocolate market. In Italy, the political and economic situation also stabilized after several difficult years plagued by high unemployment.

## Sales Lindt & Sprüngli Group 2017



**CHF  
185 million**  
Investment volume

**25**  
subsidiaries

**14,000**  
employees

## Switzerland

Chocoladefabriken Lindt & Sprüngli (Schweiz) AG achieved sales of CHF 376 million in the 2017 fiscal year (previous year: CHF 356 million), equivalent to +5.6% growth. This figure includes both the Swiss market and the export business, which is mainly covered in the financial reporting in the segment “Rest of the World”. Both those areas have contributed to the Group’s overall growth, despite the challenging market conditions. In a contracting Swiss chocolate market, Lindt managed to significantly expand its market share in 2017 in the pralinés and chocolate bar segment.

The stronger focus on the brands Lindor, Connaisseurs, Kirschstängeli, Excellence, the milk chocolate line Gamme Bleue, Les Grandes, as well as the Lindt Gold Bunny and Teddy, which are all No. 1 in their respective categories, has paid off. Successful new product varieties, such as Excellence Pink Grapefruit, Les Grandes fruit line and the “extra strong” Kirschstängeli Edition, helped to boost sales growth and expand market share. The launch of new product varieties was supported by numerous tasting activities. The range of communication media has been extended to include online videos, social media and influencer campaigns so as to reach out to more consumers and increase the market penetration of Lindt products.

The successful launch of Sensation Fruit enabled Lindt to generate growth in the new snacking segment in addition

to the more traditional segments of chocolate bars and pralinés. The roll-out was supported by a comprehensive package of media campaigns and promotional activities which even resulted in market leadership for a while. By rolling out high-quality Lindt displays in the Denner and Manor supermarkets, as well as in premium “shop-in-shops” in other locations, Lindt set new standards in high-end brand presentations at sales points. This style of premium brand showcasing has created strong growth momentum.

One of the emotional highlights of 2017 was the Easter campaign in children’s hospitals with the slogan “Freude schenken” (Gifting happiness). Lindt & Sprüngli arranged a special surprise for around 700 children in 10 different hospitals across Switzerland. The young patients who had to spend Easter in hospital were given the chance to experience a magical Easter world. In the Children’s Hospital in Basel, the person bringing this good news was the tennis superstar and Lindt brand ambassador Roger Federer. As well as this campaign, Lindt & Sprüngli made a donation of CHF 75,000 to three individual Swiss hospitals to help fund individual projects.

In 2018, Lindt & Sprüngli Schweiz AG will invest more than CHF 30 million in expanding and modernizing the Lindt Swiss Cocoa Center at its Olten production site. This expansion is seen as a key project for Switzerland as a business location and safeguards the long-term supply of cocoa mass for Lindt & Sprüngli’s European production plants.



The Lindor Roger Federer  
Fan Edition.

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GRAND SLAM TITLE

We congratulate Roger Federer on his historical victory in Melbourne, Australia.

Roger is again

**No. 1**

of the tennis world!



Since 2009 our successful Lindt brand ambassador Roger Federer stands in a unique way for Lindt's values such as "quality, premiumness, Swissness and passion". According to the slogan "gifting happiness" he surprised children with Lindt chocolate in a Children's Hospital in Basel who had to stay in hospital for Easter 2017.





Mini Pralinés à la Macarons, a delicious combination of Lindt chocolate with creamy fillings and crispy meringues pieces.

### Germany

With sales worth EUR 545 million, Chocoladefabriken Lindt & Sprüngli GmbH (Deutschland) once again managed to achieve strong sales growth that comfortably exceeded Germany's chocolate market as a whole. The subsidiary further increased its share of the German market, with impressive sales growth of +8.0%.

The strategic focus on successful classics such as Lindor, Excellence, Mini Pralinés and hollow chocolate figures, as well as the launch of numerous product innovations, once more generated additional growth in 2017. These offerings were once again augmented by seasonal design editions, such as Gold Bunnies with appealing flower designs, the Lindor Gold products for Christmas and Lindor flower-design products for Easter.

The successful Excellence chocolate bar containing 78% cocoa and Pink Grapefruit of the successful Excellence range made a key contribution to sales growth and increased the market share in the high cocoa segment. The introduction of a new product range "à la Macarons" which includes

chocolate bars as well as Mini Pralinés was an important focus during this business year. The products which are inspired by the French classic are a combination of Lindt chocolate with creamy fillings and crispy meringue pieces.

The young lifestyle brand Hello once again made a splash with attractive recipe additions to its product range such as Blueberry Muffin and Lemon Cheesecake as well as focusing on marketing campaigns for younger consumers.

Germany's leading magazine for the food industry, Lebensmittel Zeitung, named Lindor as the top brand in 2017 – from a field of more than 5,000 rivals. This highlights the success of the core products and lays an excellent foundation for future growth.

### France

Lindt & Sprüngli SAS (France) can look back on another positive year, with sales increasing by +1.2% to EUR 355 million (previous year: EUR 351 million). Businesses benefited from a significantly improved economic environment in the wake of the French presidential elections. Lindt once again managed to strengthen its strong market position as the country's second-biggest chocolate manufacturer.

Over the past year, innovative taste variations such as Pink Grapefruit, Pink Peppercorn and a recipe containing 78% cocoa were added to the popular chocolate bar line Excellence, and the products with a higher cocoa content have quickly become favorites with consumers. The top-selling classic Lindor once again achieved double-digit sales growth and was augmented by Lindor bars and mini eggs. The new Orange and Strawberry taste variations, novel up-market sales concepts, a strong retail sales presence, numerous product tastings and TV campaigns all helped to boost Lindor sales.

Sensation Fruit, one of the most successful innovations in the French market, achieved encouraging sales growth. The new taste combinations Orange & Pink Grapefruit attracted a lot of publicity through a large-scale campaign targeting younger consumers. Lindt expanded its strong market presence in the Christmas business with its new line of festive pralinés Champs-Élysées Féerie, and launched the Les Pyrénéens



Lindt Sensation Fruits – one of the most successful product innovations from France.



New Lindt Excellence recipe with 78% cocoa.

Pralinés with a new coconut recipe. Sales channels were extended to smaller shop formats in large cities with high sales growth, so consumers have less far to travel to buy their favorite Lindt products.

## Italy

In Italy, Lindt & Sprüngli S.p.A. (Italy) and Caffarel S.p.A. reported consolidated sales of EUR 232 million (previous year: EUR 223 million), equivalent to sales growth of pleasing +4.0%, Lindt & Sprüngli managed to expand its Italian market share again in a far more stable trading environment.

Lindt Italy outperformed the overall market and managed to gain significant shares in the pralinés and chocolate bar segment, as well as in the seasonal business. The leading brands Lindor and Excellence were supported by two major product launches: Lindor 70% and Excellence 78%. The Lindt Excellence line achieved double-digit sales growth. Lindor Milk was once again the bestseller in this assortment in 2017. In response to the current trend towards dark chocolate, Lindt Italy launched a new Lindor recipe with 70% cocoa and an intense cocoa aroma. Supported by influencer campaigns, the launch of the successful Mini Pralinés became a viral hit on social media and was a huge success at Eurochocolate, the annual chocolate festival held in Perugia. At Easter, Lindt aired a new TV campaign tailored to the Italian market for the first time and promoting not only the Lindt Gold

Bunny but two successful Italian icons: the Lindor Easter egg and Lindt Nocciol.

In 2017, Caffarel S.p.A. managed to increase sales in a difficult trade environment due to the implementation of a new distribution strategy. The company introduced new distribution channels and product segments in order to reduce its dependence on the traditional trade, which is continuing to suffer in its more established formats, whilst showing signs of development of new approaches and formats. The export business recorded strong growth following the successful entry into other markets such as the US, UK and France, Japan and Middle East. One highlight of the year has been the opening of the first Caffarel Shop in downtown Turin.

## United Kingdom/Ireland

Despite the challenging market environment, 2017 was another positive year for Lindt & Sprüngli Ltd. (UK), with dynamic double-digit sales growth of +10.6%, to reach a total of GBP 171 million in the UK and Ireland with significant market share gains in all categories. The Lindor brand achieved stronger growth than the overall market, confirming its No. 1 position in this category in the UK and securing the category lead in Ireland for the first time. Lindor is one of the top 100 brands in both the UK and Ireland and was able to attract many new consumers with new taste variations including Lindor Peppermint.





The successful Teddy Crew, which has taken England by storm.

Lindt launched a series of successful Easter campaigns to reach out to families. The Easter treasure hunt for the Gold Bunny, with product tastings, organized in collaboration with six Royal Horticultural Society gardens, in premium shopping centers and, for the first time, in Hampton Court Palace were all a big success. In Ireland, brand awareness and interaction with consumers were increased through an activity, giving consumers the opportunity to personalize their own Gold Bunny in return for a donation to Lindt's charity partner, Temple Street Children's Hospital. The Lindt Teddy with the Christmas sweater was again a top seller, available this time in a traditional green color.



Lindt Gold Bunny personalization for the benefit of the Temple Street Children's Hospital in Dublin.

### Austria

Lindt & Sprüngli (Austria) GmbH once again managed to improve on the performance of previous years, achieving

impressive sales growth of +10.4%. In a stagnant market environment, the focus on Lindor, Excellence, product innovation and the seasonal business helped the subsidiary to gain significant market shares. Lindor posted an impressive result with the sales of its new Milk Orange variety. Posting double-digit growth, the Excellence line further strengthened its leading position. The nationwide launch of the Sensation Fruit innovation went down extremely well with consumers and has enjoyed a successful debut in the marketplace. In the important seasonal business, another milestone was already reached at the start of the year: Lindt's Gold Bunny is now the No. 1 Easter product. Consumers were drawn into the Easter spirit with eye-catching displays in big department stores and Austria's biggest Easter bunny hunt for the Gold Bunny in the Botanical Gardens of Vienna's Schönbrunn Palace.

### Spain

Lindt & Sprüngli (España) S.A. enhanced previous year's development and reported encouraging sales growth of +9.9% for 2017, with growth outstripping the overall market particularly in the chocolate bar and pralinés segment. Lindor and Excellence were once again the strongest growth drivers in the Spanish market. Lindt made a successful entry into Spain's snacking segment with the launch of Sensation Fruit. Lindor and Excellence were once again the strongest growth drivers in the Spanish market.

### Nordics

Lindt & Sprüngli (Nordic) AB, which includes the markets of Sweden, Norway, Denmark, and Finland, had again a very successful year, posting double-digit sales growth of +12.4%. Lindt's performance is particularly strong in Sweden, where it further expanded its leading position thanks to a consistent communication focus on our "Competence in Dark Chocolate" innovations, the Excellence product range achieved therefore a very dynamic performance. The iconic hollow figures furthermore accelerated the growth in the whole region. In Denmark and Finland, Lindt focused on the seasonal business at Easter and Christmas.

### Eastern Europe

Lindt & Sprüngli CEE s.r.o., which includes the markets of the Czech Republic, Slovakia and Hungary, once again achieved double-digit growth of +13.4% in 2017, expanding its market share significantly in both the Czech Republic and



Austria's biggest Easter bunny hunt included many exciting activities in the Botanical Gardens of Vienna's Schönbrunn Palace.

Slovakia. The successful brands Lindor and Excellence were major drivers of this sales growth, while the seasonal business performed well, thanks to successful advertising campaigns for the Lindt Gold Bunny and the Lindt Teddy. In 2017, the Gold Bunny was yet again the top seller among hollow chocolate figures, while the established itself as a popular icon in the Christmas business.

### Poland

Lindt & Sprüngli (Poland) Sp. z o.o. managed to achieve extremely impressive sales growth of +22.1%. Lindt experienced the fastest growth in the chocolate bar and pralinés segment, where it gained substantial market share. In strategic terms, marketing activities were focused on the most important brands, Lindor and Excellence. Both brands outperformed the market and significantly increased their visibility in the retail trade. Expanding distribution through smaller retail trade channels not only boosted sales, but also improved market penetration.

### Russia

Lindt & Sprüngli (Russia) LLC once again achieved solid double-digit sales growth of +24.5%. The two brands Excellence and Lindor were the biggest growth drivers for this subsidiary's impressive performance in one of the world's fastest-growing and biggest chocolate markets and gained again important market shares. Lindt continued the expansion of its own retail business and opened its second Lindt Shop in Moscow.



In Poland especially the Lindt Excellence bars with high cocoa content are very popular.



## NAFTA

2017 sales in the “NAFTA” segment dipped slightly by –1.6% to CHF 1.6 billion, mainly due to changes in the US retail landscape and the strategic realignment of Russell Stover’s product portfolio.

After a period of stagnation in recent years, the overall US chocolate market performed better both in terms of sales growth and volumes.

A highlight in the region was the outstanding result achieved by Lindt Canada, which posted double-digit sales growth. The American companies Lindt and Ghirardelli recorded modest growth in a rapidly changing retail environment, due to the repositioning of the drugstore channel (a key channel for chocolate sales) and traditional department stores struggling with a decline in customer traffic. Russell Stover faced a decline in sales caused by the combination of a weaker market in general, the difficulties experienced by individual retail partners, and adjustments to its product portfolio. Action steps included the successful relaunch of the sugar-free chocolate line based on Stevia extract, while new packaging and additional attractive price points helped deliver buoyant sales during the Christmas period.

With the three brands Lindt, Ghirardelli and Russell Stover, the Group is No. 1 in the premium segment and No. 3 in the US chocolate market as a whole. With the continued strategic realignment of Russell Stover and the activities scheduled for Lindt and Ghirardelli, Lindt & Sprüngli remains well on track in the world’s biggest chocolate market and has managed to lay the foundation during the last financial year for further profitable growth.

### Lindt & Sprüngli USA

In a highly competitive American market, Lindt & Sprüngli (USA) Inc. still managed to achieve sales growth of +1.0% and to expand its market share. The two brands Lindor and Excellence, as well as the seasonal business, were once more the major growth drivers.

Lindor generated growth both through product innovations and its existing product portfolio. A new product, Lindor Fudge Swirl, was launched especially for the US market and was very well received by consumers. The seasonal editions Strawberry & Cream, White Chocolate Peppermint and Gingerbread were also very popular and made



The new Lindor Fudge Swirl was very well received by our US consumers.

a positive contribution to sales. Large-scale nationwide and customer-specific product samplings at retail outlets helped to boost Lindor sales as well. The American consumer trend towards dark chocolate continued in 2017. The Excellence line established itself as clear No. 1 in the premium chocolate segment. The launch of the new Excellence dark chocolate bars with 78% cocoa, along with a 90% edition, helped to boost sales of this line. Lindt’s sales were also higher than average during the peak sales periods of Valentine’s Day, Easter and Christmas. The seasonal business was once again supported by product innovations, eye-catching point-of-sale displays and advertising campaigns.

Lindt USA acted as official sponsor for the Golden Globe Awards for the third year running, where it presented Lindor Milk in customized gift boxes especially designed by a top illustrator, for the enjoyment of guests at every table. VIP guests were also pampered with Lindor, Excellence and pralinés at a special booth manned by Lindt Master Chocolatiers. This prestigious event is a very effective tool for raising Lindt’s brand visibility in the US.

Investments in the US subsidiary in Stratham, New Hampshire, have further improved the efficiency of the production line through greater automation and have equipped the production plant for future growth.

### Ghirardelli Chocolate Company

Ghirardelli Chocolate Company achieved modest sales growth in 2017 and grew faster than the overall market. Ghirardelli’s sales of its year-round assortment were boosted by the popular classic Caramel Square and the product innovation Bourbon Caramel. To raise the product’s visibility, Ghirardelli sponsored America’s biggest race meeting, the Kentucky Derby. Visitors tasted over 25,000 samples of the new Bourbon Caramel Squares rolled out to coincide with the event. This partnership generated 32 million online impressions.



Also 2017, Lindt & Sprüngli acted as official sponsor at the Golden Globes and delighted the Hollywood Stars in an elegant atmosphere with Swiss chocolate creations prepared by the Lindt Master Chocolatiers.





Ghirardelli's new Bourbon Caramel Squares which consumers could taste for the first time at the biggest race meeting in the US, the Kentucky Derby.

Dark chocolate continues to grow in popularity with the US consumers where Ghirardelli already ranks No. 3 in this segment. Ghirardelli Intense Dark, with 72% cocoa, is the biggest contributor to sales growth. Ghirardelli's seasonal business is growing the fastest and is supported mainly by the classic Peppermint Bark Squares at Christmas and exciting new products from the Novelty Shape assortment.

Ghirardelli's baking business achieved the No. 2 position in the US baking market. Contributing factors to this success include sales growth on baking chips, candy making, and baking cocoa.

### Russell Stover Chocolates

The process of integrating Russell Stover Chocolates LLC into the Lindt & Sprüngli Group continued during the reporting period, along with the strategic realignment of the product portfolio. Russell Stover introduced numerous operational



Russell Stover relaunched its Sugar Free Bites with a new Stevia-extract based recipe in a fresh, new packaging.



Canada presented a Christmas Gift Box that leaves nothing to be desired.

initiatives to optimize retail support, logistics and quality to enhance efficiency. In 2017, Russell Stover launched a number of new initiatives. The company reinforced its leadership in the Sugar Free segment by relaunching its business behind fresh, new packaging and a new Stevia-extract based recipe.

Russell Stover also celebrated the 175th anniversary of Whitman's Chocolate with commemorative sampler boxes and a partnership with the United Service Organization (USO), a nonprofit organization which supports the welfare of the US Armed Forces. Over the same time period, the brand has begun to improve its consumer communication through targeted advertising and social media.

### Lindt & Sprüngli Canada

Lindt & Sprüngli (Canada) Inc. once more achieved very impressive sales growth of 18.7% in 2017. Lindt extended its market leadership in the premium segment in a very special year for Canada, which celebrated the 150th anniversary of the Confederation. Lindt's market success is based on a customer-focused strategy including a series of successful campaigns that has managed to establish the Lindor and Excellence lines as No. 1 in the marketplace and strengthen customer loyalty.

Apart from the core products, a number of attractive product launches and the creative, multilayered marketing campaign for the Christmas season also played their part. For the third time in a row, around 45,000 consumers voted for Lindt as Canada's most trusted chocolate brand (Brand Spark Canadian Shopper Study).



## Rest of the World

In 2017 Lindt & Sprüngli benefited from the strategy of geographic expansion pursued over previous years. The “Rest of the World” segment once more made significant gains, with organic growth of +12.4% pushing sales up to CHF 525 million and providing an increasingly significant contribution to consolidated sales. National markets belonging to this segment enjoyed rapid and dynamic growth, with Japan and Brazil playing a strong role.

### Australia

Lindt & Sprüngli (Australia) Pty. Ltd. celebrated its 20th anniversary in 2017. In its anniversary year, the company achieved modest single-digit sales growth, despite a difficult trading environment and a highly competitive chocolate market, and also managed to increase its market penetration. The core products Excellence and Lindor, along with the seasonal business, enjoyed excellent sales growth. In 2017, there was a sharp rise in the market share of the Lindt Gold Bunny and locally produced Easter eggs. The launch of Lindor Mango

& Cream was the brand’s most popular product innovation to date in Australia. Another highlight was the roll-out of Excellence chocolate bars with 78% cocoa, which was supported by a targeted marketing campaign for chocolate products with a high cocoa content.

### South Africa

Lindt & Sprüngli (South Africa) Pty. Ltd. can look back on a successful year, with high double-digit sales growth of +20.0% and a significant expansion of market share. The core brands Lindor and Excellence once again increased their sales and strengthened their market position in the premium segment and successfully established a new product category with Lindor sticks.

### United Arab Emirates

After a number of challenging years, the regional office in Dubai, once again managed to post double-digit sales growth. However, the region continues to be characterized by a stagnant growth trend due to the sharp fall in raw material prices, and is influenced by the political situation.

The Excellence products made a major contribution to sales and are market leaders in the dark chocolate segment in this region. Saudi Arabia also performed very well, while sales in India were twice as high as last year. Lebanon, Kuwait, Qatar, and Iraq likewise enjoyed sales growth in double figures.

### China /Asia Pacific

Lindt & Sprüngli (China) Ltd. had a successful year with double-digit sales growth of +33.3%. The brands Lindor and Excellence have performed very well thanks to product innovations and new recipes. Lindor’s brand visibility was boosted by its growing popularity as a luxury gift at Chinese New Year. Distribution was extended from Shanghai and Beijing to other major cities. The presence of a Lindt Flagship Store at Tmall and JD resulted in a better than average performance from



Australia’s latest: the Lindor Mango & Cream Limited Edition.





Marketing campaign in China: The Lindor Tram caused a sensation in Hong Kong.

the e-commerce channel. The stronger presence at wedding fairs, in order to profit from the rising popularity of premium chocolate as a wedding gift, also improved brand awareness.

In Thailand, Singapore, and Hong Kong, Lindt & Sprüngli (Asia-Pacific) Ltd. posted a strong single-digit sales growth and was able to win market share through the strong presence of Lindor products in the seasonal business and the launch of the Excellence Dark Festival, supported by numerous product samplings.

### Brazil

Over the course of 2017, Brazil gradually recovered from one of its most severe economic crises. Although the market is showing initial positive tendencies, the political situation is still tense in view of the forthcoming elections. Lindt & Sprüngli in Brazil achieved exceptionally strong double-digit sales growth of +32.6% in 2017. Building on the joint venture with CRM Group, the subsidiary continued to strategically implement its expansion plans and now successfully operates 30 Lindt Chocolate Boutiques in exclusive shopping centers. The gradual market recovery was also evident in the positive performance of the wholesale distribution business.

### Japan

2017 was a very successful year for Lindt & Sprüngli Japan Co. Ltd., reporting vigorous sales growth of +57.7%. Lindt invested in the expansion of the successful Lindt Chocolate Café and Boutique concept by opening also additional stores at prime locations in various regions of Japan. Here Lindt puts the focus squarely on an exceptional customer experience.

Enthusiastic Chocolate Advisors introduce consumers into the World of Lindt and provide them with a unique brand experience. The Excellence line, with a very high co-

coa content, together with Lindor are the most successful products in the year-round assortment, while seasonal products are mainly purchased as luxury gifts.

### Duty Free/Travel Retail

The travel retail chocolate market stagnated in 2017, notwithstanding rising passenger volumes. In spite of this, Lindt & Sprüngli managed to significantly expand its market share thanks to numerous product innovations and customer-centric marketing initiatives. In 2017, Lindt was once again the most dynamic and fastest-growing chocolate brand worldwide in the travel retail segment and was in great demand as a partner. As part of the premium partnership with Dufry, the world's biggest operator of duty-free shops, Lindt & Sprüngli launched an exclusive assortment with Lindor Heavenly Stracciatella and an assorted collection of chocolate Napolitains that proved to be very successful.

The global roll-out of the new assorted Napolitains products was particularly successful, as were the Lindt Chocolate Trolleys, where a combination of an eye-catching packaging (like a mini trolley bag) and marketing activities at sales points generated a lot of interest. The Lindor Mango & Cream Limited Edition, marketed together with the very popular Lindor Milk chocolate truffles, also achieved new sales records. During the reporting period many new shop-in-shop concepts were implemented in a number of major airports, including London, Paris, Prague, Singapore, Taipei, and Doha. 2017 became an even sweeter year for Lindt & Sprüngli on winning the DFNI industry award for the best global travel retail product innovation, the Lindt Swiss Masterpiece Pralinés, and receiving three nominations for the Frontier Awards in Cannes.

Exclusive Heavenly range for the Duty Free Partner Dufry.



## Our Brands

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Global Brands  
76% of Sales



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Regional Brands  
22% of Sales



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Local Brands  
2% of Sales

