



LINDT & SPRÜNGLI

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MEDIA RELEASE

Rapid expansion continues at Lindt & Sprüngli:

Lindt & Sprüngli has reached a definitive agreement to purchase Russell Stover Candies, Inc., USA, and broadens its brand portfolio in the world's biggest chocolate marketplace

- **Biggest and most important strategic acquisition in the company's history**
- **Russell Stover/Whitman's perfectly complements Lindt & Sprüngli's US chocolate portfolio**
- **Lindt & Sprüngli now Number 3 chocolate manufacturer in North American**
- **Extended brand portfolio strengthens Lindt & Sprüngli's relationship with the trade**
- **Stronger base to pursue further growth**

Kilchberg (CH)/Kansas City (USA), July 14, 2014 – **The Lindt & Sprüngli Group, manufacturer of premium quality chocolate worldwide, is to acquire the traditional US family business Russell Stover Candies, Inc. headquartered in Kansas City, Missouri. This will greatly complement Lindt & Sprüngli's existing premium chocolate portfolio in the world's biggest chocolate marketplace.**

Russell Stover was founded in 1923 in Denver and soon focused on the manufacture of top quality gift pralines, a product which ranks highly in the US chocolate tradition. In 1993, Russell Stover acquired the Whitman's brand which was founded in 1842 and is one of the country's oldest names in chocolate. Today, Russell Stover/Whitman's is a leading manufacturer of pralines and seasonal candies in North America. Russell Stover/Whitman's makes chocolate products at four production sites. Its latest turnover stood at around USD 500 million.

This biggest and most important strategic acquisition in the company's history will give Lindt & Sprüngli an established presence throughout the USA with its LINDT, GHIRARDELLI, RUSSELL STOVER and WHITMAN'S brands. The addition of the Russell Stover and Whitman's brands perfectly complements Lindt & Sprüngli's existing chocolate portfolio and will make the company the Number 3 North American chocolate manufacturer.

Ernst Tanner, Chairman of the Lindt & Sprüngli Board of Directors and Group CEO, comments: "This biggest and most important strategic acquisition to date in Lindt & Sprüngli's history is a unique opportunity for us to expand our North American chocolate business and will greatly enhance the group's status in the world's biggest overall chocolate marketplace."



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The Lindt & Sprüngli Group will now expand its already strong and dynamic U.S. chocolate portfolio with the addition of a variety of products from Russell Stover/Whitman's, including gift pralines, chocolates for St. Valentine's Day – one of the most important chocolate gifting occasions in the USA – Easter and Christmas, as well as sugar-free chocolates. With the Russell Stover/Whitman's brand portfolio, Lindt & Sprüngli will significantly strengthen its leading position in the chocolate industry and will become the Number 3 chocolate manufacturer in North America. As an increasingly important strategic and growth-oriented partner, Lindt & Sprüngli will also greatly strengthen its relationship with the retail trade.

Like Lindt and Ghirardelli, Russell Stover/Whitman's takes great pride in manufacturing high quality candies, which are a gift of choice not only at the holidays, but year round. With some 2,700 employees, the Russell Stover Group reports annual sales of around USD 500 million. Its headquarters have been in Kansas City, Missouri, for over 80 years. The company operates four chocolate factories in Kansas (2), Texas (1) and Colorado (1). All the Russell Stover Candies, Inc. brands are very popular and distributed throughout the USA. In addition, the company runs a chain of some 35 proprietary retail outlets, mostly in the central US States.

The Lindt & Sprüngli Group's acquisition of Russell Stover Candies, Inc. is regarded by Ernst Tanner and Thomas S. Ward, President, CEO and co-owner of Russell Stover, as a perfect strategic "fit" with great potential for the future in the dynamic and growing chocolate business. Maintaining the headquarters of Russell Stover in Kansas City and ongoing improvements of the existing production sites are a clear commitment to continuity and local manufacturing.

Lindt & Sprüngli is financing the acquisition through net cash resources and bank loans and expects the transaction to make a strong positive contribution to the earnings per share from 2015 onwards. It has been agreed not to disclose the purchase price and other contractual details.

In 1992, before the present Group Management took responsibility for the group of companies, Lindt & Sprüngli achieved a turnover of some CHF 30 million in North America. This new strategic acquisition means the group will pass the USD 1.5 billion turnover mark in North America in 2015 where it is set to be the fastest growing chocolate corporation. The acquisition of Russell Stover/Whitman's clearly signals Lindt & Sprüngli's intention to improve its market position in North America and further enhances the significant contribution which it already makes to the dynamic growth of the premium chocolate segment.

***About Lindt & Sprüngli:** As the global leader in the premium chocolate sector, Lindt & Sprüngli looks back on a long standing tradition of almost 170 years which takes its origins in Zurich, Switzerland. Today, quality chocolate products by Lindt & Sprüngli are made at eight own production sites in Europe and the USA. They are distributed by numerous subsidiary companies and branch offices and also via a comprehensive network of independent distributors all over the world. With some 9,000 employees, the Lindt & Sprüngli Group reported sales worth around CHF 2.88 billion in 2013.*

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