Welcome to the Nine-Month Sales Conference
Nine-Month Sales Conference

Paul Bulcke
Nestlé CEO
2010

2011

2012

2013
Nine-Month Sales Conference

Wan Ling Martello
Chief Financial Officer
Disclaimer

This presentation contains forward looking statements which reflect Management’s current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.
Highlights

• Sales up 4.0% to CHF 68.4 billion
• Organic growth of 4.4%
• Real Internal Growth 3.0%
• All geographies contributing to positive growth
• Outlook confirmed: around 5% organic growth with an improvement in margins and underlying earnings per share in constant currencies
Operating Segments

<table>
<thead>
<tr>
<th>Zone</th>
<th>Sales (CHF bn rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>11.4</td>
</tr>
<tr>
<td>Americas</td>
<td>20.8</td>
</tr>
<tr>
<td>AOA</td>
<td>14.1</td>
</tr>
<tr>
<td>Nestlé Waters</td>
<td>5.7</td>
</tr>
<tr>
<td>Nestlé Nutrition</td>
<td>7.5</td>
</tr>
<tr>
<td>Other</td>
<td>9.0</td>
</tr>
</tbody>
</table>
Product Categories

- **Powdered & Liquid Beverages**: CHF 5.0 (5% OG, 5% RIG)
- **Milk Products & Ice Cream**: CHF 4.4 (2.3% OG, 0% RIG)
- **Prepared Dishes & Cooking Aids**: CHF 0.5 (0% OG, 0% RIG)
- **Confectionery**: CHF 6.1 (3.5% OG, 3.9% RIG)
- **PetCare**: CHF 6.9 (3.9% OG, 3.9% RIG)

Total Sales: CHF 15.0 (rounded)

**Note:** RIG (Relative Growth) and OG (Organic Growth) percentages are rounded.
Regional Performance

Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and NHSc,
Europe

Region*  Sales  CHF 18.7 bn
OG  0.9%
RIG  1.9%

Zone  Sales  CHF 11.4 bn
OG  0.7%
RIG  2.1%

*Figures include Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and NHSc
Americas

Region*  Sales  CHF 29.6 bn  
OG  5.1%  
RIG  2.0%  

Zone  Sales  CHF 20.8 bn  
OG  5.2%  
RIG  1.5%  

*Figures include Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and NHSc
Asia, Oceania & Africa

Region* Sales CHF 20.0 bn
OG 6.9%
RIG 5.8%

Zone Sales CHF 14.1 bn
OG 5.6%
RIG 5.1%

*Figures include Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and NHSc
Summary

• Broad based performance – all regions and categories contributing

• Growth momentum continues

• Outlook confirmed: around 5% organic growth with an improvement in margins and underlying earnings per share in constant currencies
Enhancing our competitiveness to drive performance

Paul Bulcke
Nestlé CEO
Delivering over time

Nestlé Model
Our ambition is to be the leader in Nutrition, Health and Wellness, and the reference for financial performance, trusted by all stakeholders.

Our Roadmap

Driving performance
New Reality

Many challenges
New Reality

Many opportunities
Our priorities

- Make choices
- Grasp opportunities
- Value what consumers value
- Engage with the community and stakeholders
- Embrace digital
- Have the best people

Expand the boundaries of nutrition

Nestlé Health Science
Focus on…

- Strengthening portfolio
- Allocating resources
- Mastering complexity
Focus on…

1. Allocating resources
2. Mastering complexity
R&D and Innovation
Strengthening portfolio

Scope
- 1800 cells
- Products
- Brands
- Categories
- Markets

Criteria
- Strategic fit
- Profitable growth
- Resource intensity

Decisions
- Invest?
- Fix?
- Divest?

Drive returns
Focus on…

Allocating resources

Strengthening portfolio

Mastering complexity
Investing for growth

Capabilities
Investing for growth

Capacities
A strong global presence
Capital Expenditure

Return
Focus on…

- Mastering complexity
- Strengthening portfolio
- Allocating resources
Mastering complexity

Category
- Powdered and Liquid Beverages
- Water
- Milk products and Ice cream
- Nutrition and HealthCare
- Prepared dishes and Cooking aids
- Confectionery
- PetCare

Geography
- Europe
- Americas
- Asia Oceania Africa

Globally Managed Businesses
- Nestlé Waters
- Nestlé Nutrition
- Nestlé Professional
- Nespresso

Separately governed operations
- Nestlé Health Science (NHS)
- Joint Ventures F&B: CPW (Cereals), BPW (Beverages)
- Joint Ventures Pharma: Galderma, Inneov

GLOBE, NCE, NBS,...
Mastering complexity

From size... to scale... to competitive advantage
Enhancing our competitiveness to drive performance

- Strengthening portfolio
- Allocating resources
- Mastering complexity
Enhancing our competitiveness to drive performance
Appendix
### Weighted Average Exchange Rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>CHF per</th>
<th>9m 2012</th>
<th>9m 2013</th>
<th>(%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar (1)</td>
<td>0.94</td>
<td>0.94</td>
<td>-0.5</td>
<td></td>
</tr>
<tr>
<td>Euro (1)</td>
<td>1.20</td>
<td>1.23</td>
<td>+2.3</td>
<td></td>
</tr>
<tr>
<td>£ Sterling (1)</td>
<td>1.48</td>
<td>1.45</td>
<td>-2.6</td>
<td></td>
</tr>
<tr>
<td>Real (100)</td>
<td>49.06</td>
<td>44.29</td>
<td>-9.7</td>
<td></td>
</tr>
<tr>
<td>Mex. Peso (100)</td>
<td>7.11</td>
<td>7.38</td>
<td>+3.8</td>
<td></td>
</tr>
<tr>
<td>Yen (100)</td>
<td>1.18</td>
<td>0.97</td>
<td>-18.1</td>
<td></td>
</tr>
</tbody>
</table>

* % rounded
### FX Impact on All Businesses

<table>
<thead>
<tr>
<th>(%)</th>
<th>1Q 2013</th>
<th>HY 2013</th>
<th>9m 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone Americas</td>
<td>-2.6</td>
<td>-2.4</td>
<td>-4.4</td>
</tr>
<tr>
<td>Zone Europe</td>
<td>+1.2</td>
<td>+1.3</td>
<td>+0.9</td>
</tr>
<tr>
<td>Zone AOA</td>
<td>-1.0</td>
<td>-1.4</td>
<td>-3.7</td>
</tr>
<tr>
<td>Nestlé Nutrition</td>
<td>-1.9</td>
<td>-1.8</td>
<td>-3.9</td>
</tr>
<tr>
<td>Nestlé Waters</td>
<td>+0.9</td>
<td>+0.8</td>
<td>-0.4</td>
</tr>
<tr>
<td>Other</td>
<td>+0.2</td>
<td>+0.3</td>
<td>-1.0</td>
</tr>
<tr>
<td>Total</td>
<td>-0.9</td>
<td>-0.9</td>
<td>-2.5</td>
</tr>
</tbody>
</table>