

Nestlé in Central and West Africa: Winning in the New Reality

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Disclaimer

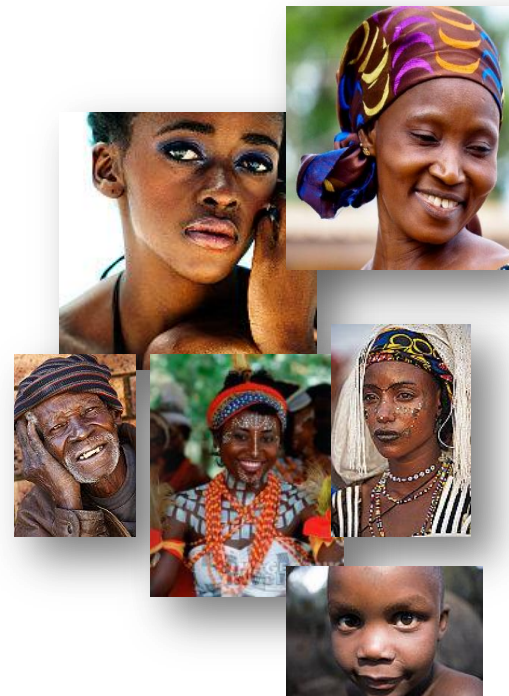
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Agenda

1. Introducing Central and West Africa

2. Winning in The New Reality

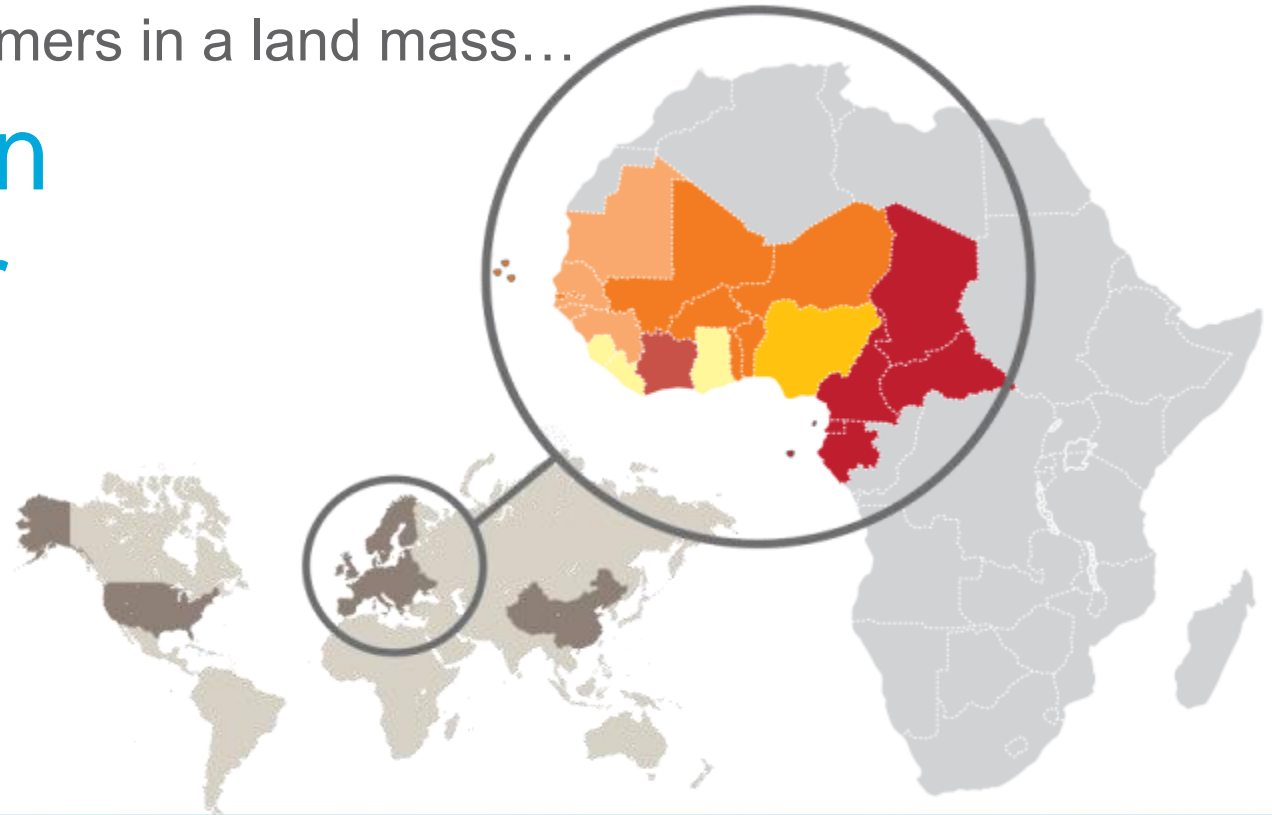
3. Performance



CWAR: a region of limitless possibilities

350 million consumers in a land mass...

larger than
Europe or
China...



CWAR: a region of limitless diversity



Nigeria
165 M



São Tomé
0.2 M

The region of **population size diversity**



250
ethnic groups
Nigeria

The region of limitless **ethnic diversity**

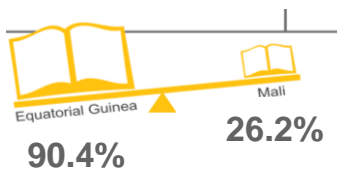


Equatorial
Guinea
GDP
USD 16,000

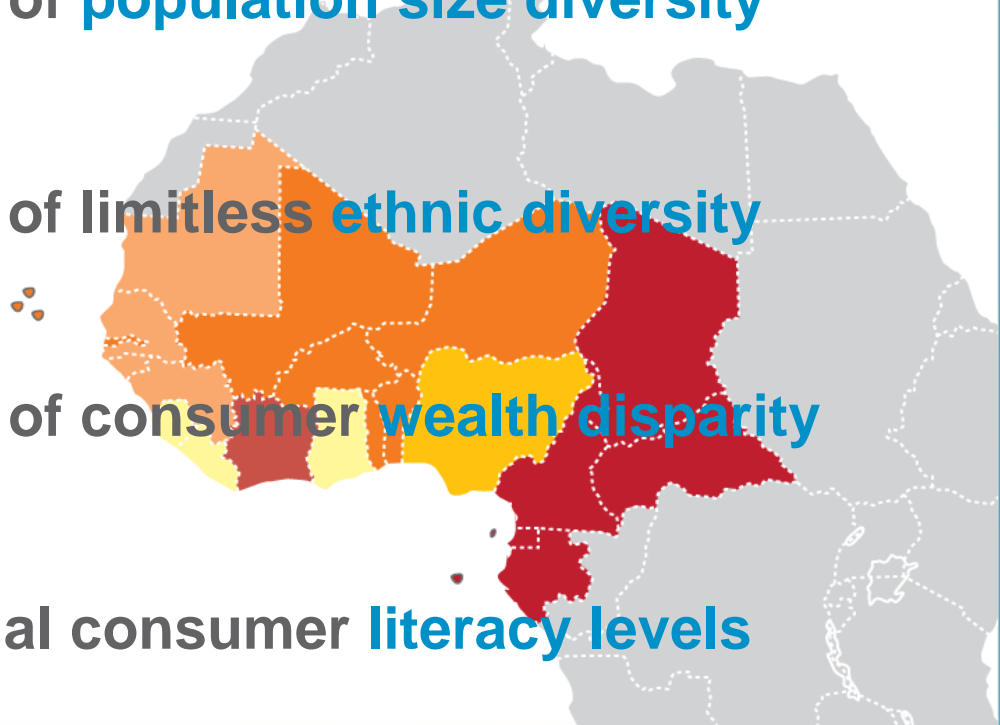


Liberia
GDP
USD 340

The region of consumer **wealth disparity**



And unequal consumer **literacy levels**



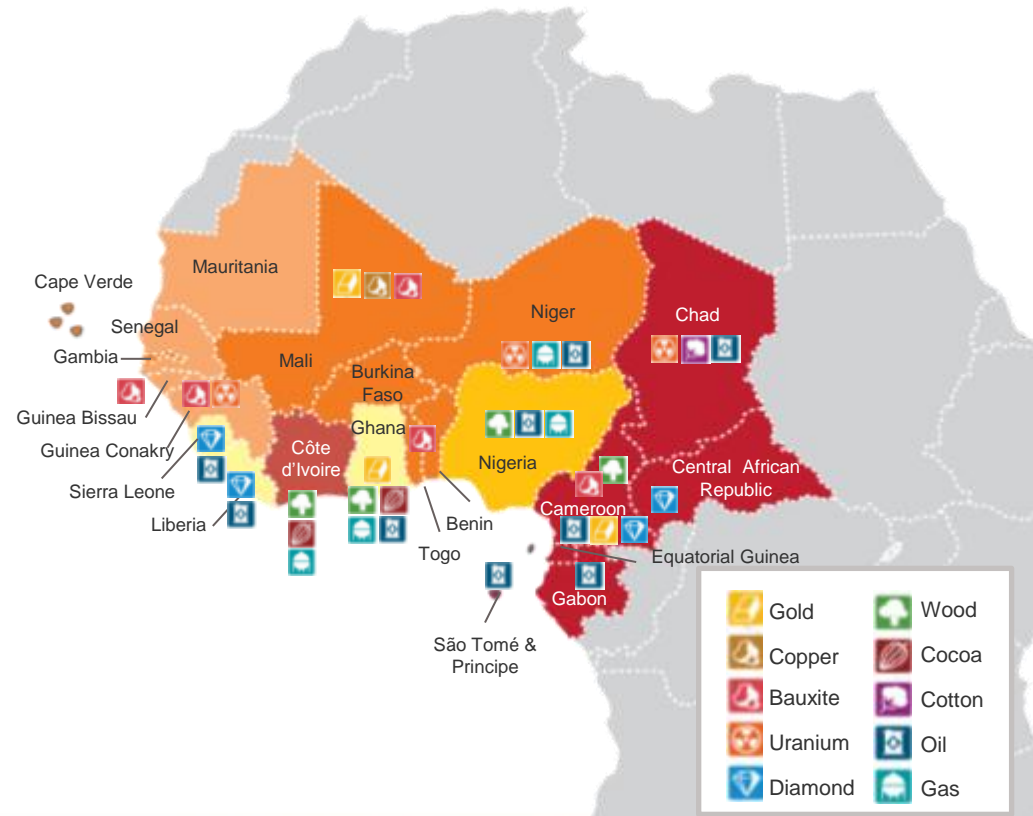
CWAR: a region of limitless resources

2011 GDP growth

All countries above world average (3.7%), including 4 in top 30: Ghana (13.5%), Equatorial Guinea (7.1%), Liberia (6.9%) and Nigeria (6.9%)

Ease of doing business

All countries in the bottom tier except Ghana and Cape Verde



In a very traditional trade environment...

Small shops and outlets dominate CWAR's trade environment



Open market

46%



Small shops

50%



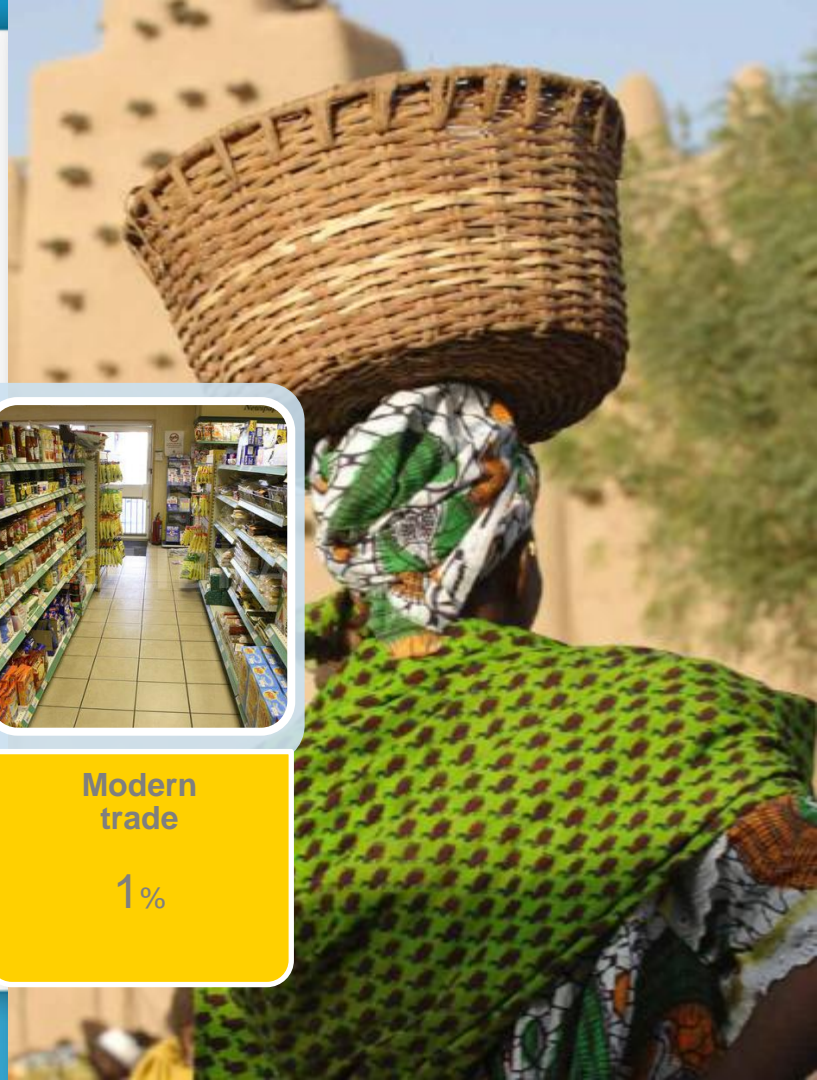
Pharmacies/
drugstores

3%

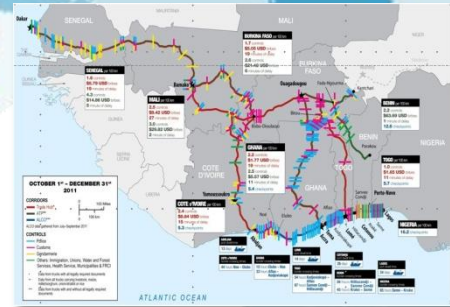


Modern trade

1%



There are obvious daily challenges...



A region at the verge of exponential development?

World's fastest growing population

440 million by 2020, CAGR 2.4%

World's youngest population

40% under 14
Large working population

Healthy urbanisation

33 cities over 1 million in 2010
Developing infrastructures

Fast Growing GDP

\$1,317 billion by 2020,
CAGR 6.8%

Emerging middle class

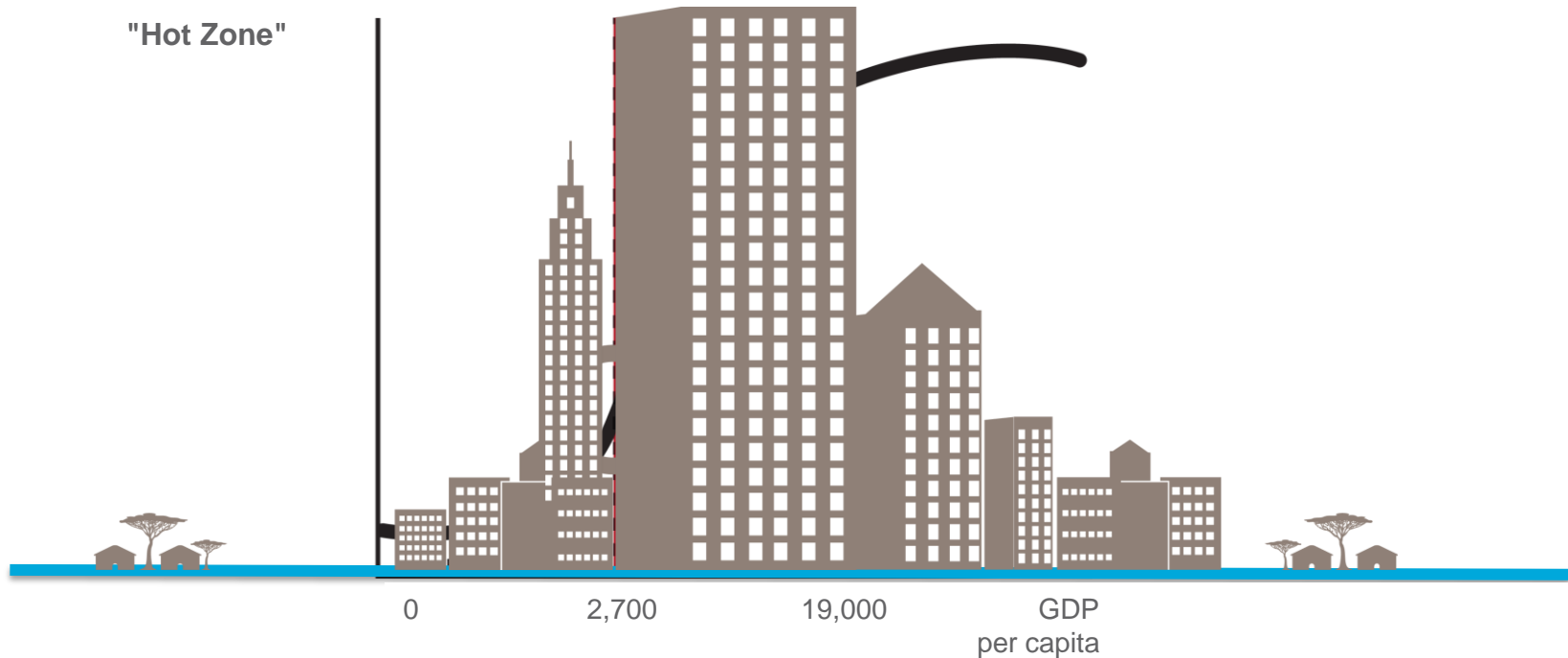
50% of spend on food and CPG
>50% of GDP in the largest cities

Stabilising democracies

Better governance, increased foreign investments, more competition

Source: 'Rise of the African Consumer'; McKinsey & Company; UN Habitat.

CWAR: a region entering the “Hot Zone”



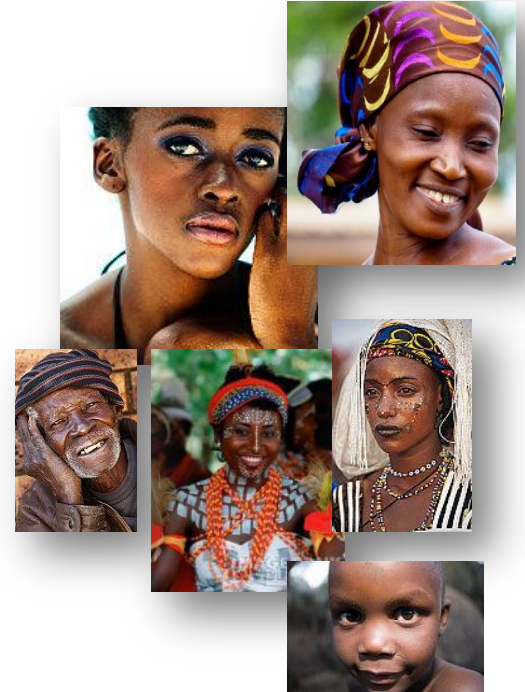
- Affordability increases significantly
- Market penetration takes off with a disproportionately high growth rate

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We know the place...

We're capitalising on 50 years of experience!

Trusted by consumers, customers, suppliers, authorities, civil society, investors...



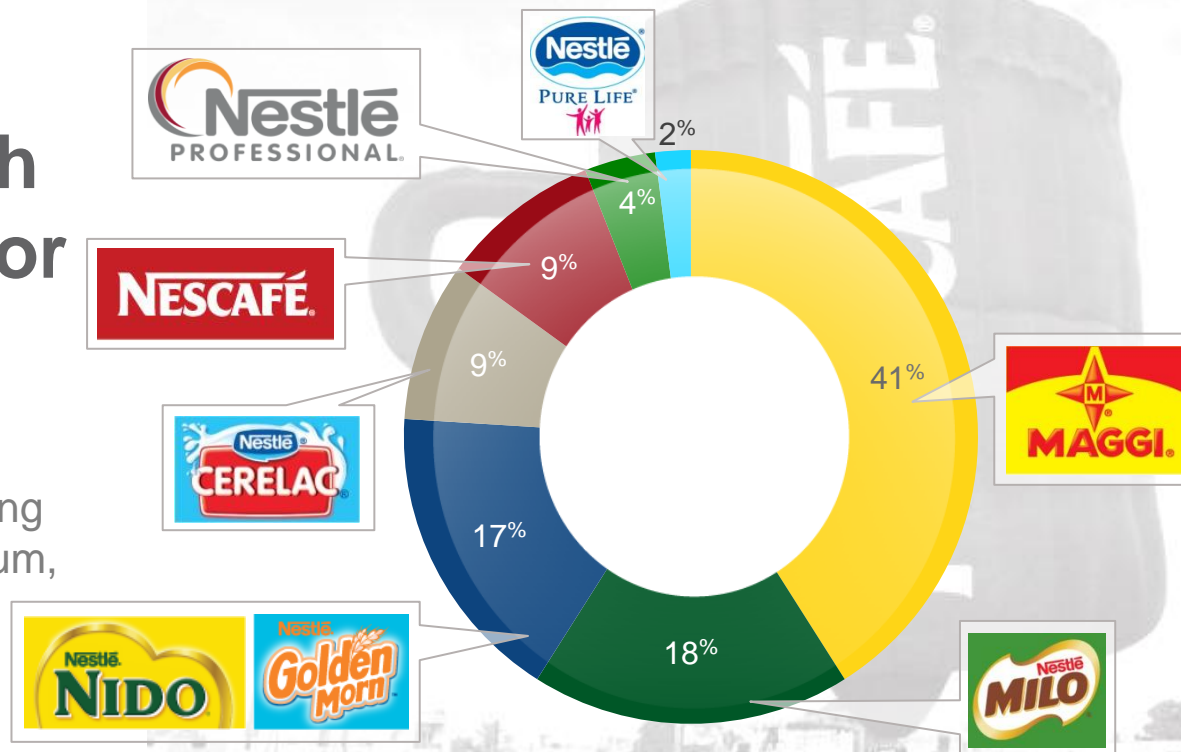
The largest Nestlé Region in Africa



With simple and focused businesses...

A few BIG categories – with great potential for growth...

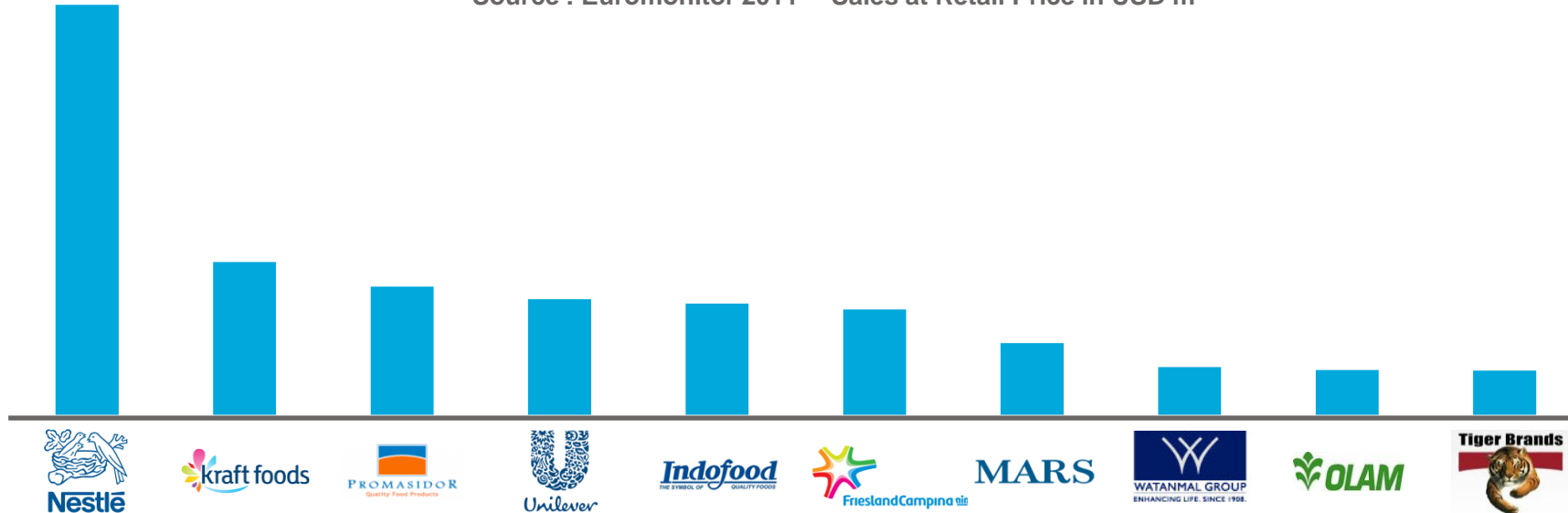
Strong consumer knowledge, leading in all businesses, driving innovation from PPP to premium, addressing local tastes and nutritional needs.



Already ahead of food competition...

Top 10 Food Companies in Central & West Africa

Source : Euromonitor 2011* - Sales at Retail Price in USD m



* Packaged Food and Hot drinks in Nigeria and Cameroon; not an exclusive list of companies (indicative list only)

...however, competing for the share of wallet



We are structured according to business realities...

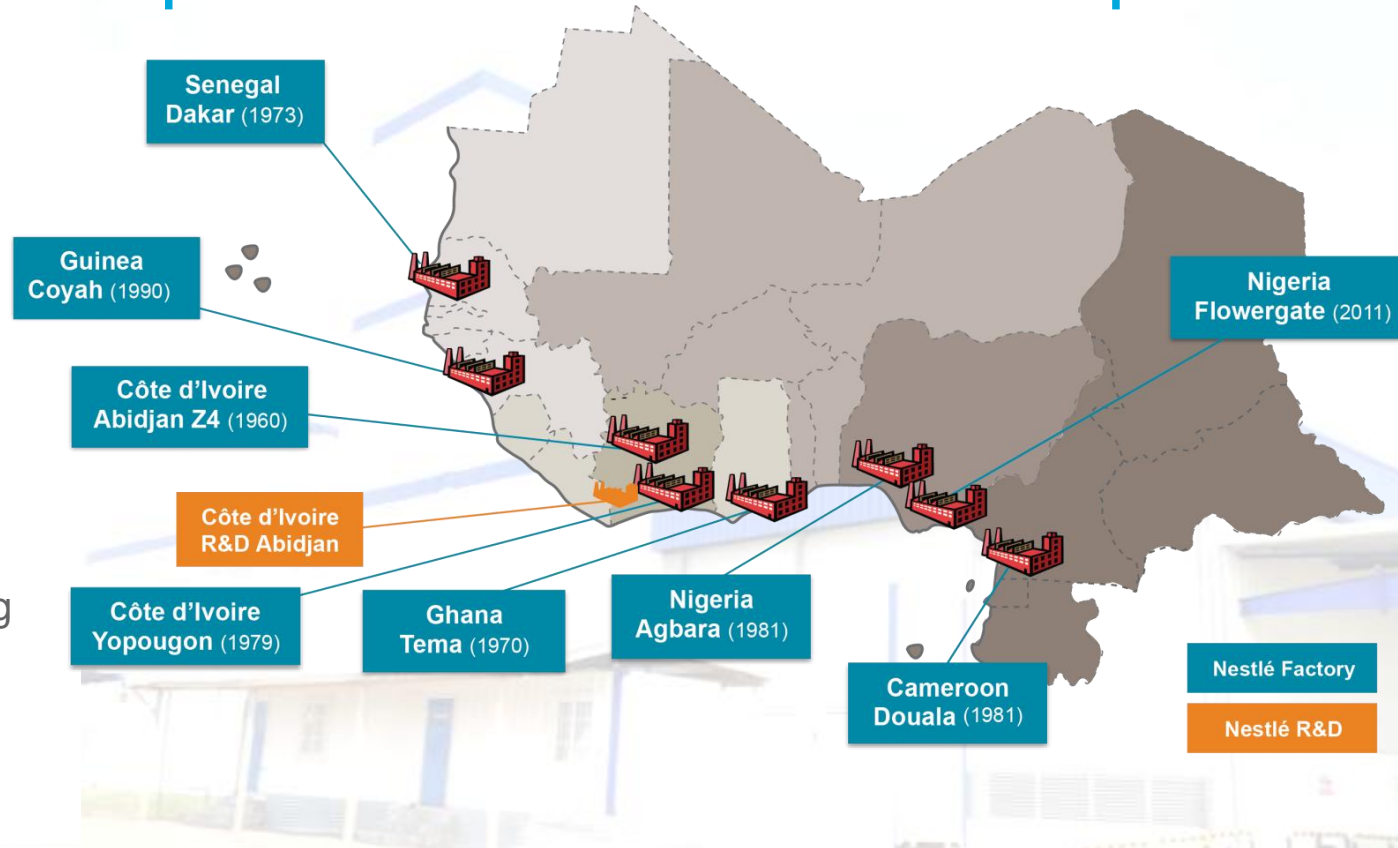
...and according to other elements: geography, language, product supply, trade zones, etc.



We have a comprehensive industrial footprint...

90% of what we sell is produced in the region

- Cost and supply advantage
- Better response to local consumer tastes and needs
- Local raw and packing material use
- Local integration



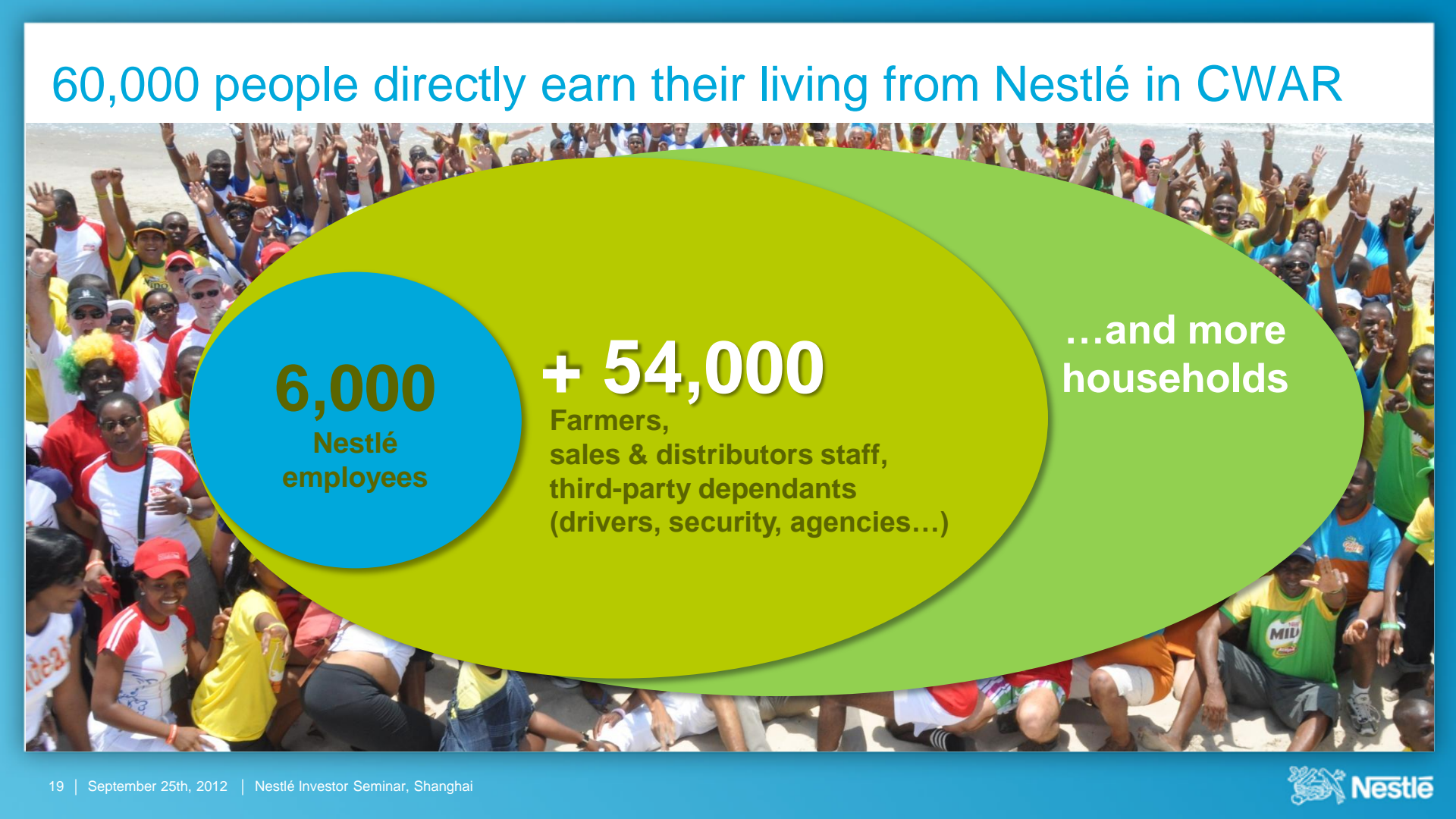
And we are continuously investing in all areas of the business...

Staying ahead, always

- Continuous investment in our brands, assets and people
- Expanding sales force to cover growing points of sales
- Reaching people wherever they are
- Developing local sourcing to ensure future supply



60,000 people directly earn their living from Nestlé in CWAR



6,000
Nestlé
employees

+ 54,000

Farmers,
sales & distributors staff,
third-party dependants
(drivers, security, agencies...)

...and more
households

The development of our people is of utmost importance...

In 2011:
90% of CWAR employees received formal training.
170 employees participated in international trainings.

Training is one of the many ways that Nestlé best practices are shared and people are developed in CWAR.

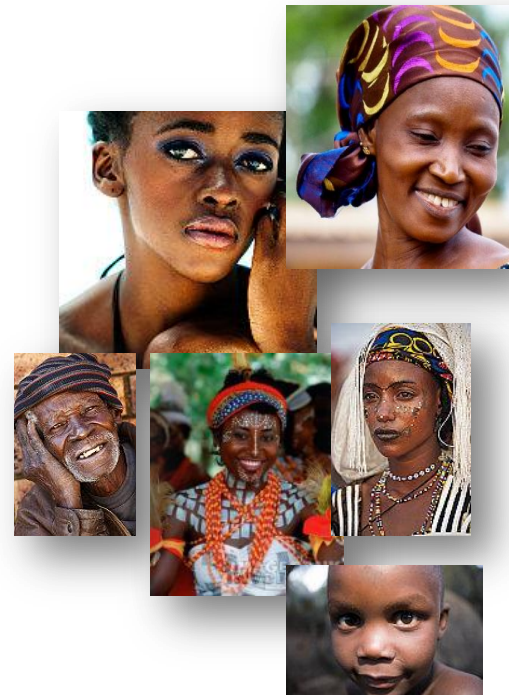


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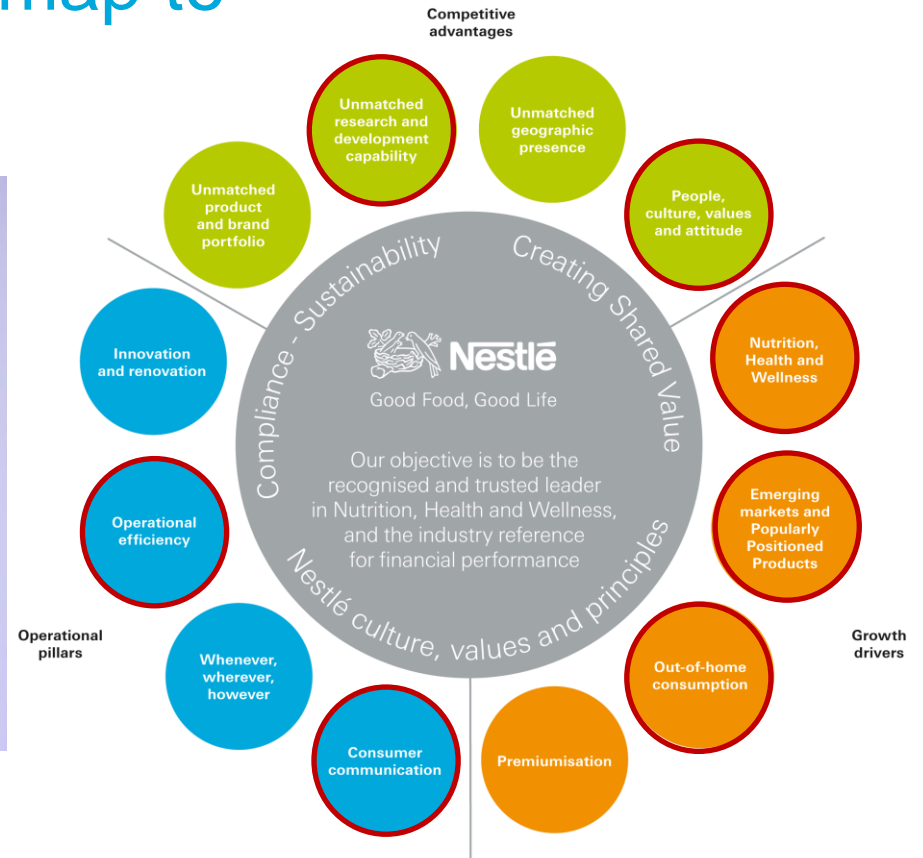
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The Nestlé Strategic Roadmap to Win in The New Reality



Leading change in CWAR by fighting local nutritional deficiencies with *MAGGI*

Because 62% of non pregnant women in Nigeria are iron-deficient, *MAGGI* innovates with an iron-fortified cube launched first in Nigeria March 2012.

The *MAGGI* business, selling more than 100 million cubes per day has the ability to reach more than 200 million consumers every day.



Millions of consumers across Central and West Africa will be able to increase their iron intake at low cost with a new range of fortified bouillon cubes and tablets from Nestlé.

Nutrition,
Health and
Wellness

Emerging
markets and
Popularly
Positioned
Products

Consumer
communication



Leading change in CWAR by ensuring the long-term supply of high-quality green coffee

Unmatched
research &
development
capability

In Côte d'Ivoire, Nestlé is has launched the *NESCAFÉ* Plan to train and support over 17,000 coffee farmers

- to make coffee farming economically more attractive
- for more agricultural productivity from less land and water
- to reduce the environmental footprint

NESCAFÉ



Leading change in CWAR by engaging consumers through sport development with *MILO*

***MILO* provides sports development opportunities among the youth with the Grassroots Sports Development strategy, addressing the gaps in the funding of sports development programs across CWAR.**

... unearthing talents for various national teams, and building strong equity for our business.



Consumer communication

Nutrition, Health and Wellness



Leading change in CWAR by educating, and enabling mothers to secure a better future for their children

Overcoming the high illiteracy rate prevalent in CWAR, *NIDO* uses market and neighborhood caravans to educate mothers on the threats of micronutrient deficiencies facing children.

Educating them on how to best nourish children for healthy growth.

Consumer communication

Nutrition, Health and Wellness




With a
unique way
to talk to
local
consumers...



Consumer
communication

CWAR: a strong contributor to the Nestlé Model



- Double-digit Organic Growth for the past 5 years

- Trading Operating profit margin above Group / Zone average

- CAPEX of CHF 600 million in the past 5 years

- Consumer facing investment doubling in last 3 years

- PPP is 63 % of total sales with double-digit growth

- ROIC above the Group's average

Positive outlook for the future

In summary...

1. The potential of Central and West Africa is limitless
2. Nestlé is extremely well placed to take advantage of this
3. With its expected future performance CWAR will contribute even more to the Nestlé Model



During this presentation,

3,125,000

MAGGI cubes

were consumed in

Central and West Africa...

