



# 2012 Full Year Results

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# 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.

# 2012 Commitments

## Financial

**Delivered the  
Nestlé Model**

**Sustainable  
dividend policy**

## Efficiencies

**CHF 1.5 bn+  
SKUs -14%**

**Capital  
efficiencies**

## Strategic

 **InLU 银鹭集团**



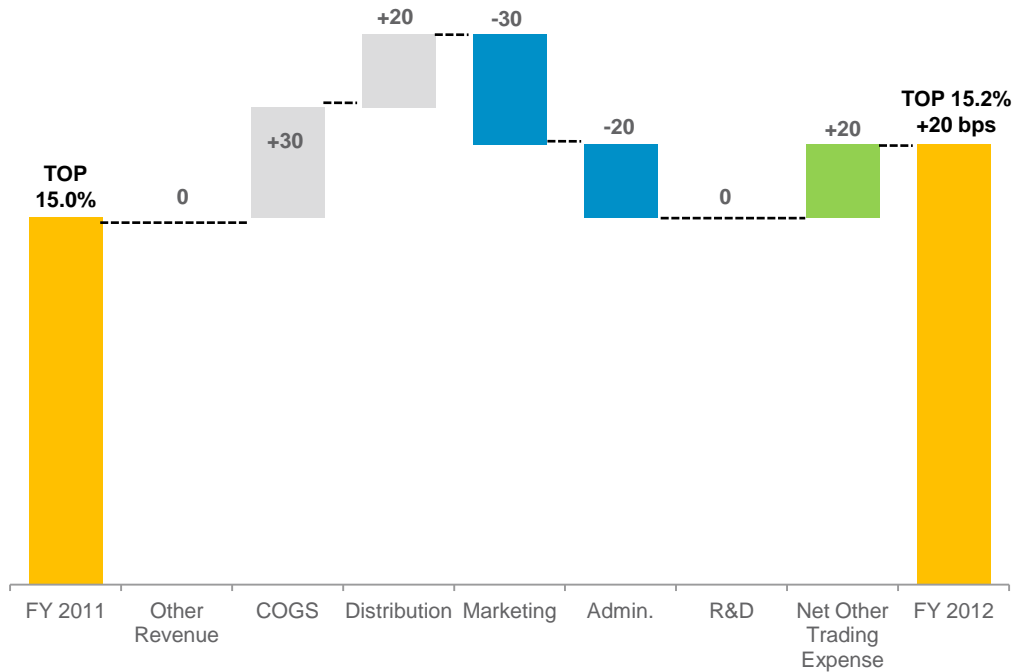
**Wyeth®** | Nutrition

# 2012 Results Overview

<b>Sales</b>	<b>Trading Operating Profit</b>	<b>Cash Flow</b>
<b>CHF 92.2 bn</b>	<b>CHF 14.0 bn</b>	<b>CHF 15.8 bn</b>
<b>+CHF 8.6 bn</b> <b>+5.9% OG</b> <b>+3.1% RIG</b>	<b>+CHF 1.5 bn</b> <b>15.2%</b> <b>+20 bps</b>	<b>+CHF 5.6 bn</b> <b>+55%</b>

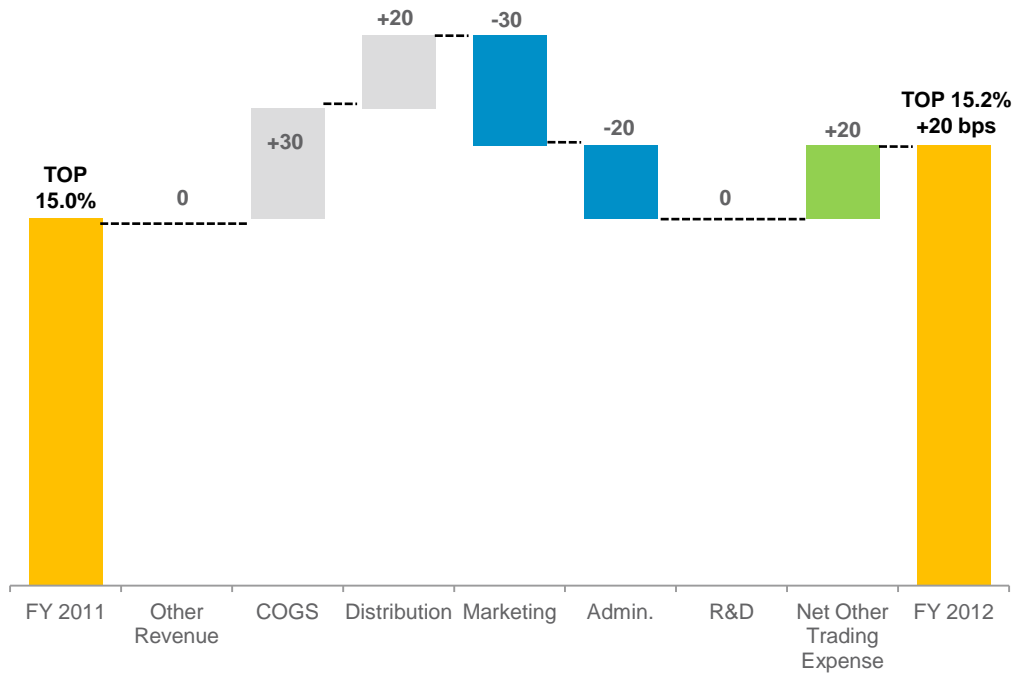
## Delivering the Nestlé Model

# Trading Operating Profit Margin



TOP = Trading Operating Profit

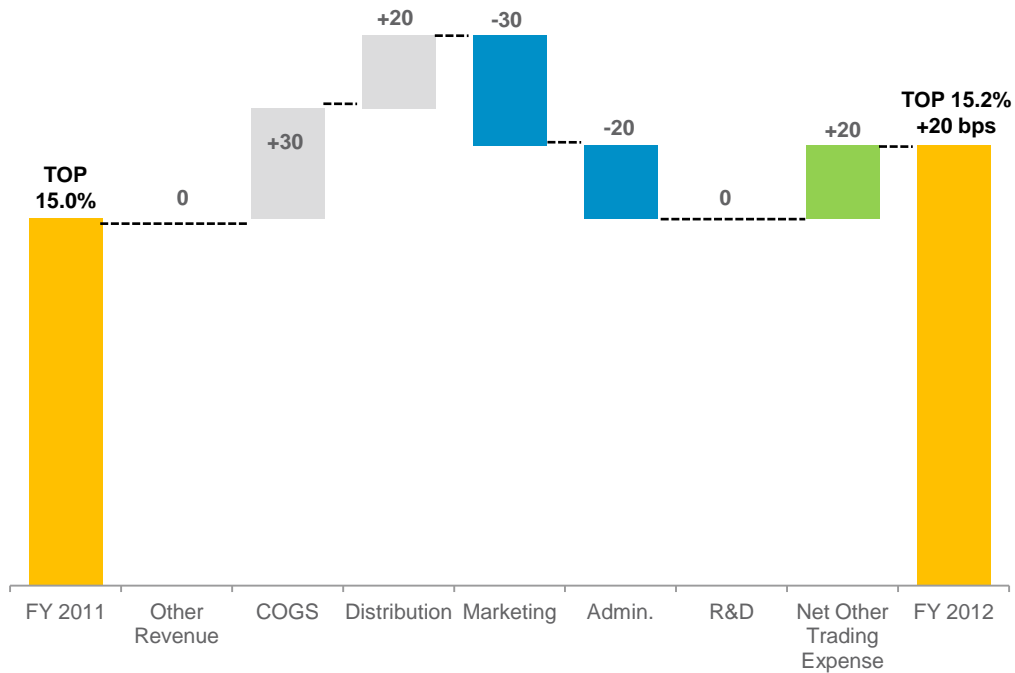
# Trading Operating Profit Margin



Consumer facing marketing  
+8%  
in constant currency

TOP = Trading Operating Profit

# Trading Operating Profit Margin



TOP = Trading Operating Profit;

## Administration Expenses impact on Trading Operating Profit



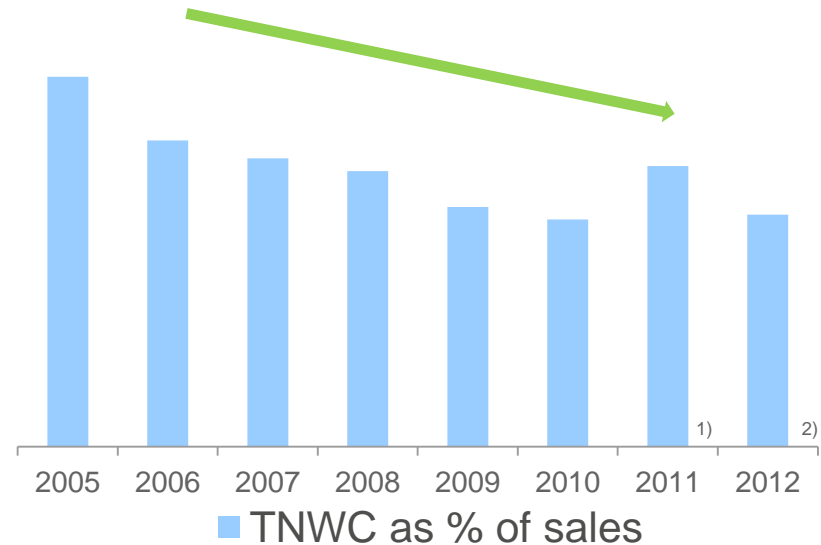
# Income Statement

As % of sales	Full Year 2011	Full Year 2012	Difference in basis points/% (rounded)
<b>Trading operating profit</b>	<b>15.0</b>	<b>15.2</b>	<b>+20</b>
Net other operating income/expense	(0.1)	(0.1)	
<b>Operating profit</b>	<b>14.9</b>	<b>15.1</b>	<b>+20</b>
Net financial income/expense	(0.5)	(0.5)	
<b>Profit before taxes and associates</b>	<b>14.4</b>	<b>14.6</b>	<b>+20</b>
Taxes	(3.7)	(3.7)	
Share of results of associates	1.0	1.1	+10
<b>Profit for the year</b>	<b>11.7</b>	<b>12.0</b>	<b>+30</b>
Attributable to non-controlling interests	(0.4)	(0.5)	-10
Attributable to shareholders of the parent	11.3	<b>11.5</b>	+20
<b>Underlying EPS (CHF) constant currencies</b>			<b>+7.5%</b>



# Operating cash flow and working capital

- Operating cash flow up 50% to CHF15.8 bn
- Working capital the key driver
- Long term W/C trend shows clear improvement
- 2012 W/C performance in part due to comparatives

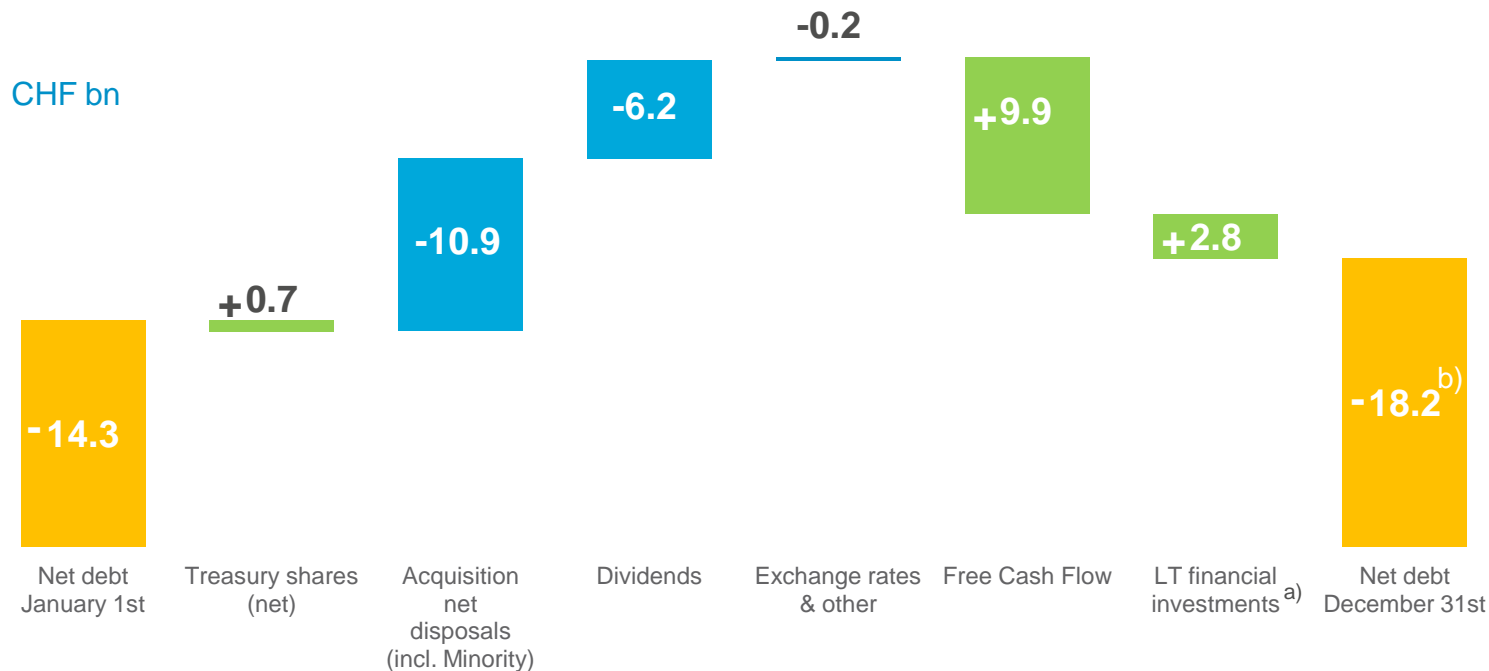


Notes:

Continuing Operations

1) Excluding Hsu Fu Chi and Yinlu; 2) Excluding Wyeth Nutrition

# Net Debt



a) Mainly bonds and Asian equities reclassified to Liquid assets/Net debt because are due to be realised within one year

b) Adjusted Net Debt including LT Treasury investment amounts to CHF 17.7 bn

# FY 2012 restatement for new accounting standards: IAS 19 (Pensions) and IFRS 11 (JVs)

	<u>Reported</u>	<u>Restated</u> (estimates)	
Sales	92.2 bn	89.7 bn	-2.5 bn (JVs)
TOP	15.2 %	15.0 %	-20 bps
Profit for the Year	11.06 bn	10.68 bn	-0.38 bn (Pensions)
Basic EPS	CHF 3.33	CHF 3.21	-0.12 CHF (Pensions)
FCF	9.9 bn	9.9 bn	No material impact on Cash Flow

## Publication of 2012 restated numbers

- Before Q1 2013 sales announcement:  
Q1 and 9 month 2012:
  - Sales by Operating segments/Products
- H1 and FY 2012:
  - Income Statement, Balance Sheet and Cash Flow
  - Full disclosure by Operating segments/Products

TOP = Trading Operating Profit; JVs = Joint Ventures

# Summary

- **Good broad-spread results**
- **Delivering performance today while investing for the future**
- **Increased investment behind our brands**
- **Improved cash flow**
- **Double-digit growth in earnings per share**
- **Nestlé model achieved**
- **Dividend increased to CHF 2.05 per share**



# Billionaire Brands +7% OG



OG figure excludes Yinlu, Hsu Fu Chi and Wyeth Nutrition

## Americas

Sales 41 bn  
(CHF)

OG +5.9%

RIG +1.8%

## Europe

26 bn

+2.4%

+1.5%

## Asia, Oceania & Africa

25 bn

+10.3%

+7.5%

\* Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, NHSc and JVs; OG = Organic Growth, RIG = Real Internal growth

# Developed Markets



**CHF 52.9 bn**

**57% of  
Group sales**

**+2.5% OG**

# Developed Markets



## Delivering Growth in 2012

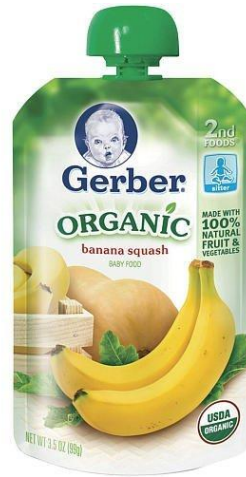


# Developed Markets



## Delivering Growth in 2012

# Developed Markets



## Delivering Growth in 2012

# Developed Markets



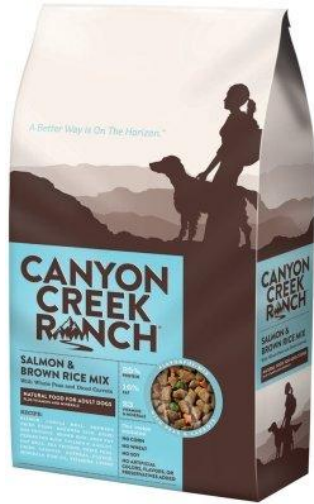
## Delivering Growth in 2012

# Developed Markets



## Delivering Growth in 2012

# Developed Markets



## Delivering Growth in 2012

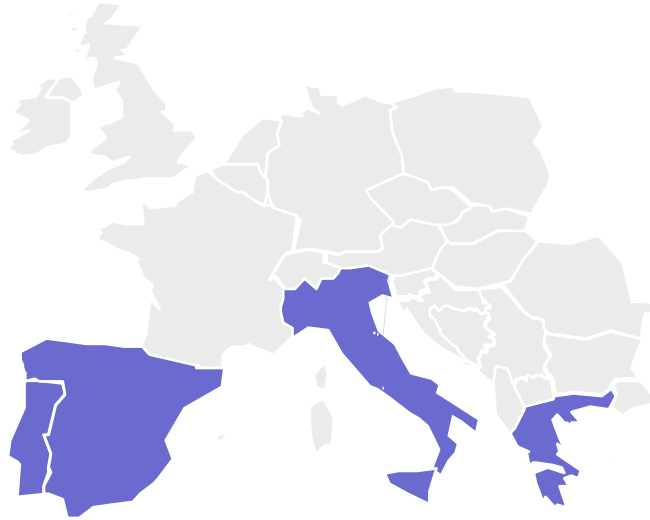


# Developed Markets



## Delivering Growth in 2012

# Developed Markets



## Delivering Growth in 2012

# Developed Markets



## Driving growth in 2013 and beyond

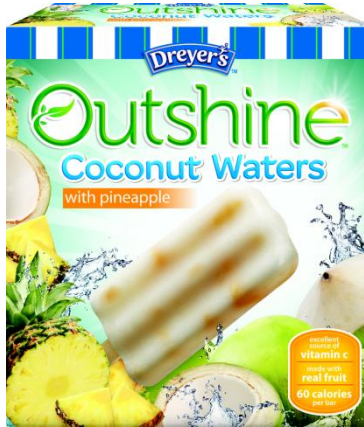


# Developed Markets



## Driving growth in 2013 and beyond

# Developed Markets



## Driving growth in 2013 and beyond

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## Driving growth in 2013 and beyond

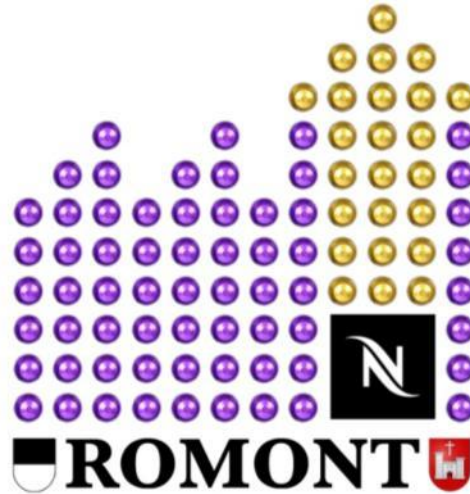
# Developed Markets



## Driving growth in 2013 and beyond



# Developed Markets



Driving growth in 2013 and beyond

# Developed Markets



International Osteoporosis  
Foundation



Nestlé



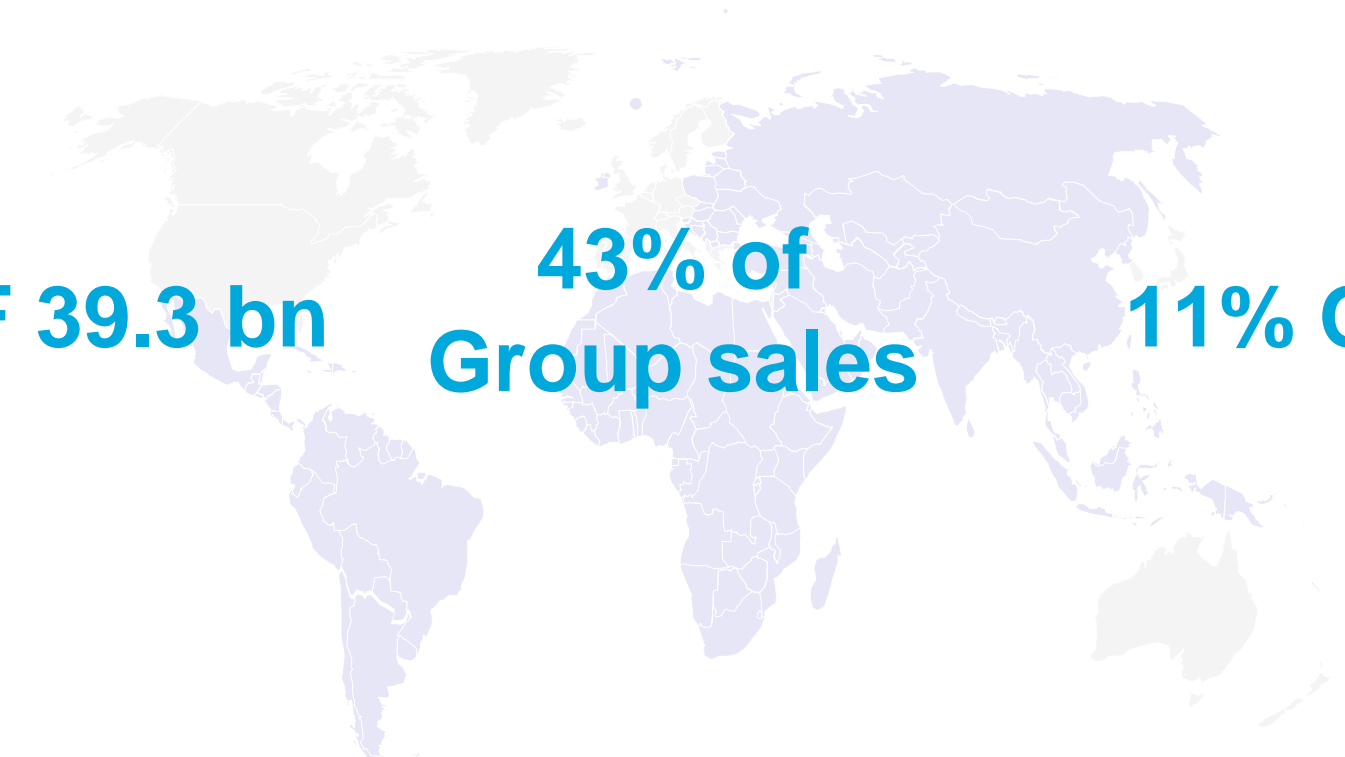
HealthyKids



CARBON DISCLOSURE PROJECT

## Nestlé in Society

# Emerging Markets



**CHF 39.3 bn**      **43% of Group sales**      **11% OG**

# Emerging Markets



## Delivering Growth in 2012



# Emerging Markets



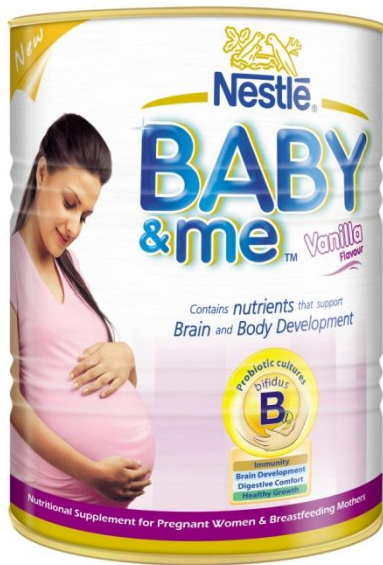
## Delivering Growth in 2012

# Emerging Markets



## Delivering Growth in 2012

# Emerging Markets



## Delivering Growth in 2012

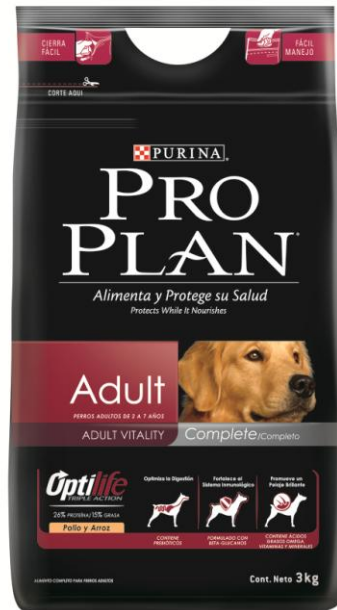
# Emerging Markets



## Delivering Growth in 2012



# Emerging Markets



## Delivering Growth in 2012

# Emerging Markets



## Driving growth in 2013 and beyond

# Emerging Markets



## Driving growth in 2013 and beyond



# Emerging Markets



Driving growth in 2013 and beyond



# Emerging Markets



## Driving growth in 2013 and beyond

# Emerging Markets



## Nestlé in Society

# Delivered in 2012; well set for '13 & beyond

- Delivered Organic growth *and* TOP margin improvement
- Increased EPS *and* Cash flow
- Grew in Emerging *and* Developed markets
- Grew in PPPs *and* Premium
- Investing in our brands *and* routes to market
- Creating value for society *and* shareholders

## Nestlé Model reconfirmed for 2013



# 2012 Full Year Results

## Discussion

# Appendix

# Translational Impact of Swiss Franc

## Weighted Average Exchange Rates

CHF per	FY 2011	FY 2012	(%)
US Dollar (1)	0.89	0.94	+5.8
Euro (1)	1.23	1.21	-2.2
£ Sterling (1)	1.42	1.49	+4.7
Real (100)	52.94	47.96	-9.4
Mex. Peso (100)	7.12	7.14	+0.2
Yen (100)	1.12	1.17	+4.2

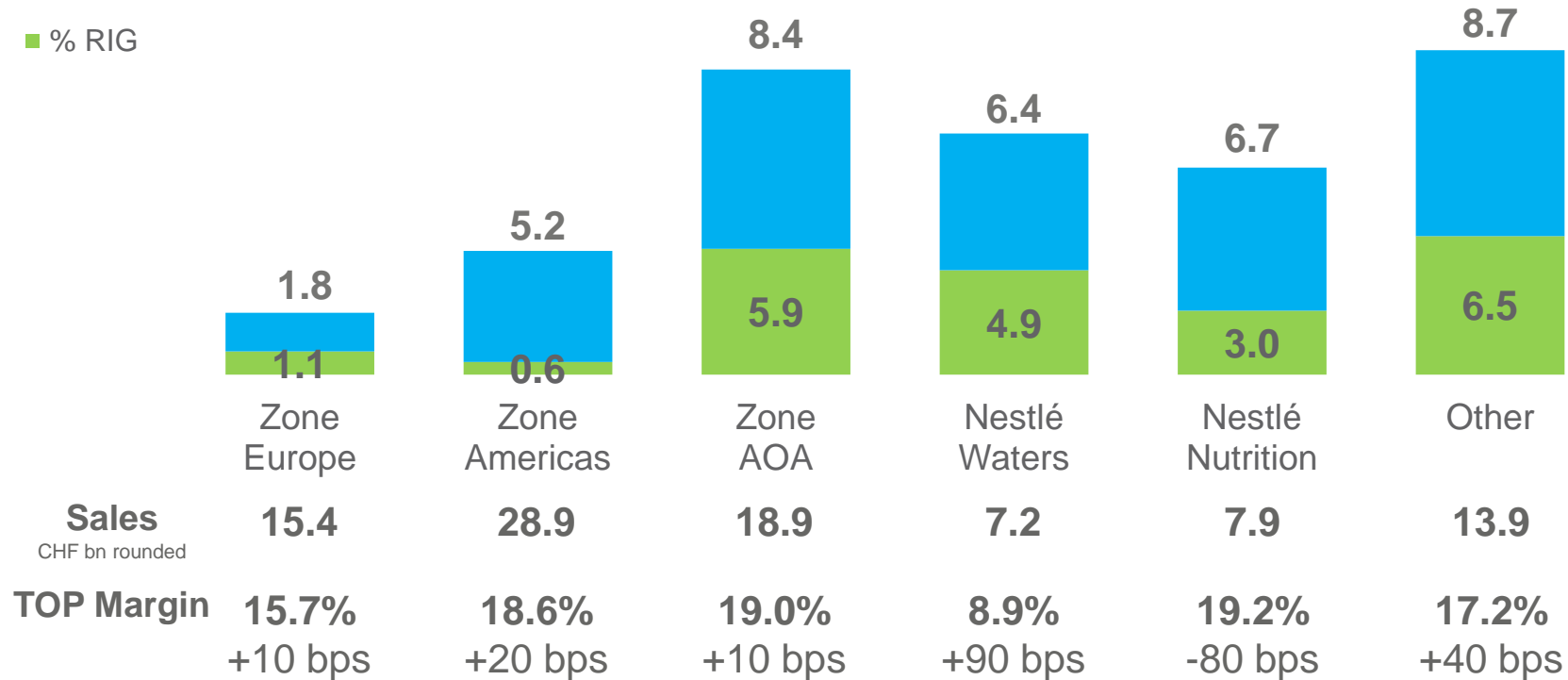
# FX Impact on All Businesses

(%)	1Q12	HY12	9m 2012	FY12
Zone Americas	-4.2	-0.8	+3.5	+2.7
Zone Europe	-5.9	-4.4	-1.2	-0.9
Zone AOA	-3.8	-0.6	+3.5	+2.8
Nestlé Waters	-4.5	-0.5	+3.8	+3.2
Nestlé Nutrition	-5.3	-2.6	+1.4	+1.0
Other	-4.4	-2.4	+1.3	+1.0
<b>Total</b>	<b>-4.6</b>	<b>-1.8</b>	<b>+2.2</b>	<b>+1.7</b>

# Operating Segments

■ % OG

■ % RIG

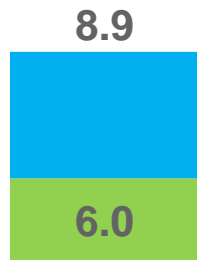




# Product Groups

■ % OG

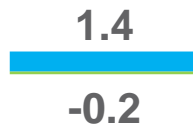
■ % RIG



Powdered &  
Liquid Beverages



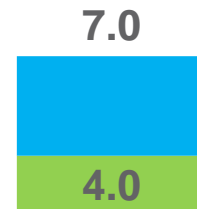
Milk Products  
& Ice Cream



Prepared Dishes  
& Cooking Aids



Confectionery



PetCare

**Sales**  
CHF bn rounded

**20.0**

**18.6**

**14.4**

**10.4**

**10.8**

**TOP Margin**

**22.5%**  
-20 bps

**15.1%**  
+140 bps

**14.1%**  
-40 bps

**17.1%**  
+30 bps

**20.4%**  
-20 bps