

Generating Growth in Europe



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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.

Nestlé in Europe

- CHF 27 bn
- 48 countries
- 16 markets
- 100'000 employees
- 153 factories

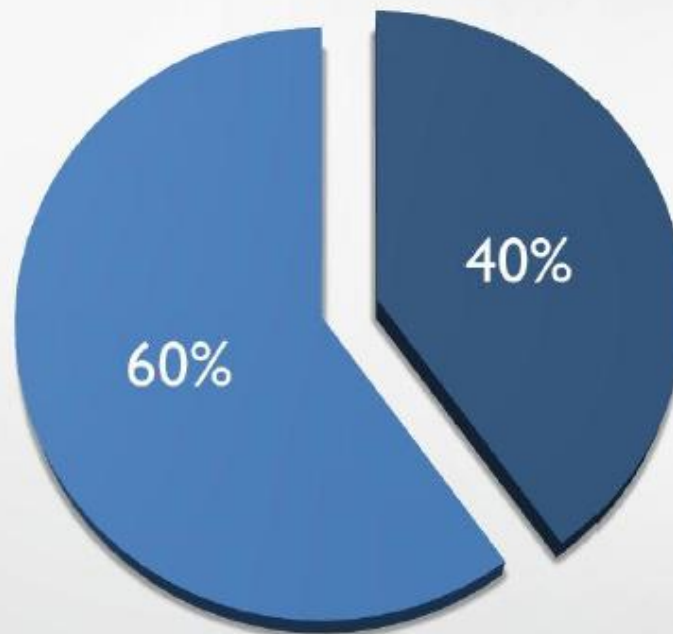


Nestlé in the Zone

Zone Europe

Globally Managed Businesses

NESCAFÉ®



NESPRESSO®



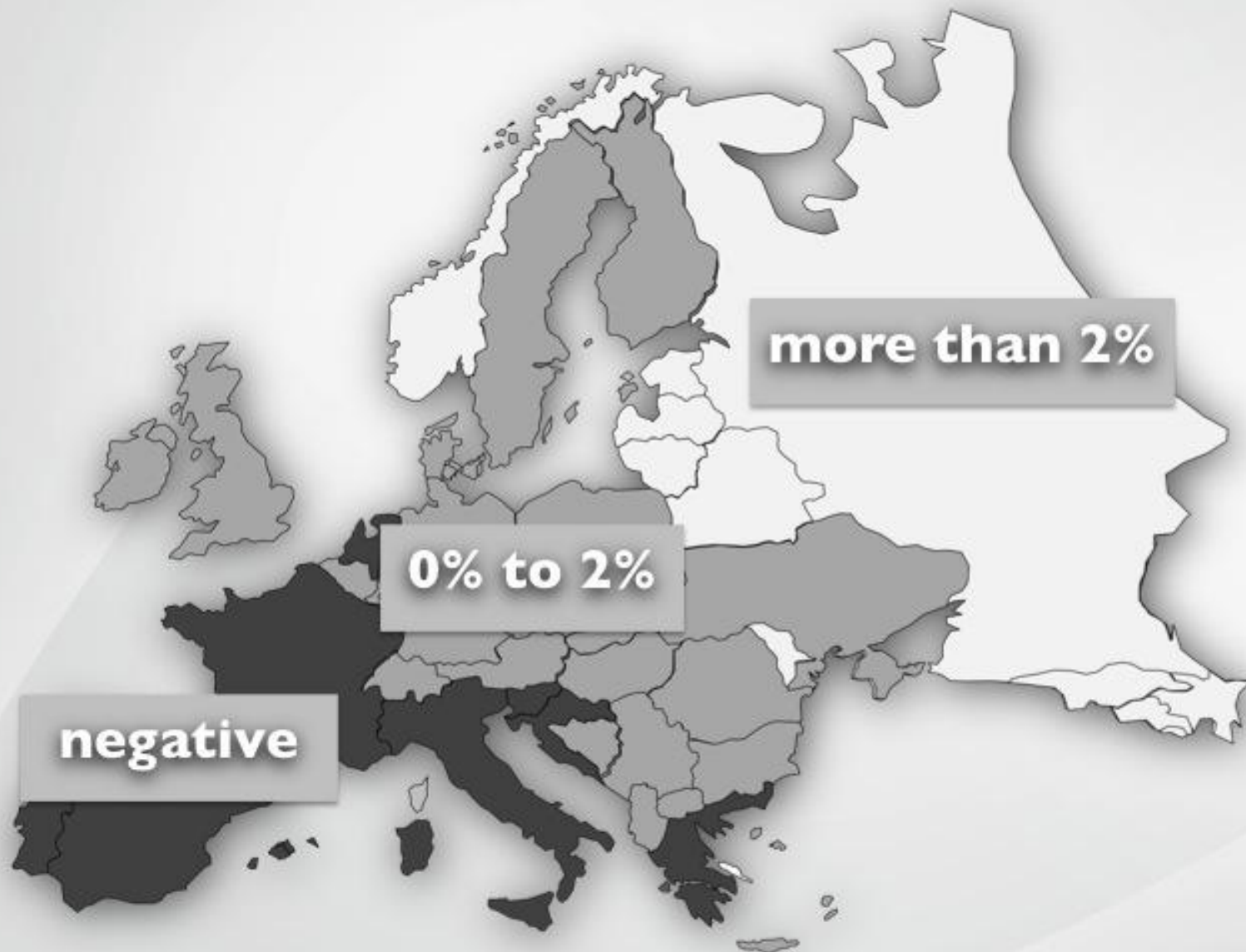


**Eurozone sets bleak record
of longest term in recession**

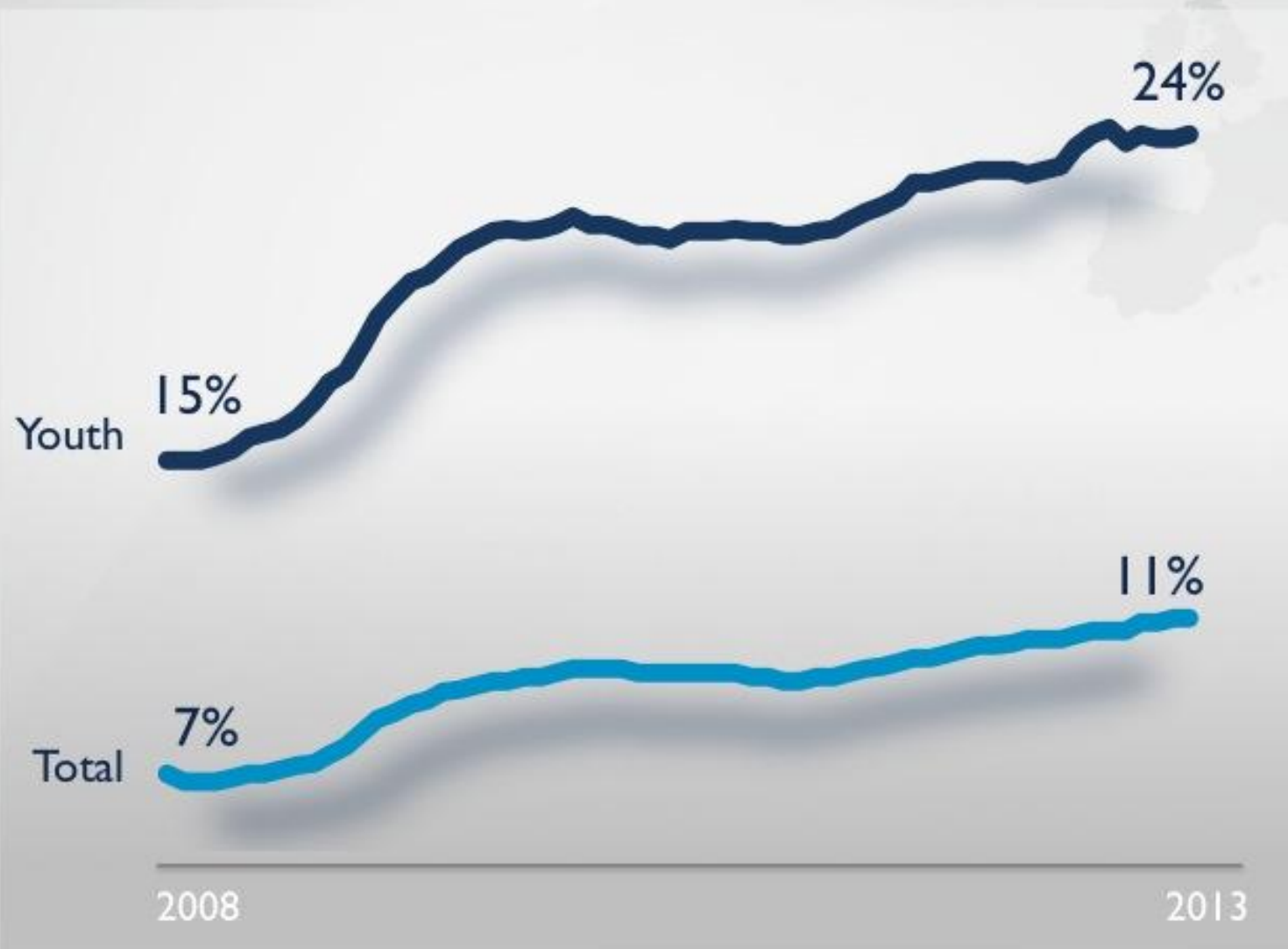
A large, dense crowd of people, mostly young adults, is gathered for a protest. They are holding a large white banner with red text. Several red flags are visible, some with white text. The crowd is diverse in appearance and is filling the frame from the foreground to the background. The banner is held up by people in the foreground, and the crowd extends far behind it. The text on the banner is in a bold, sans-serif font. The overall atmosphere appears to be one of a significant public demonstration.

**TIME OF INDIGNATION
AND SOCIAL UNREST**

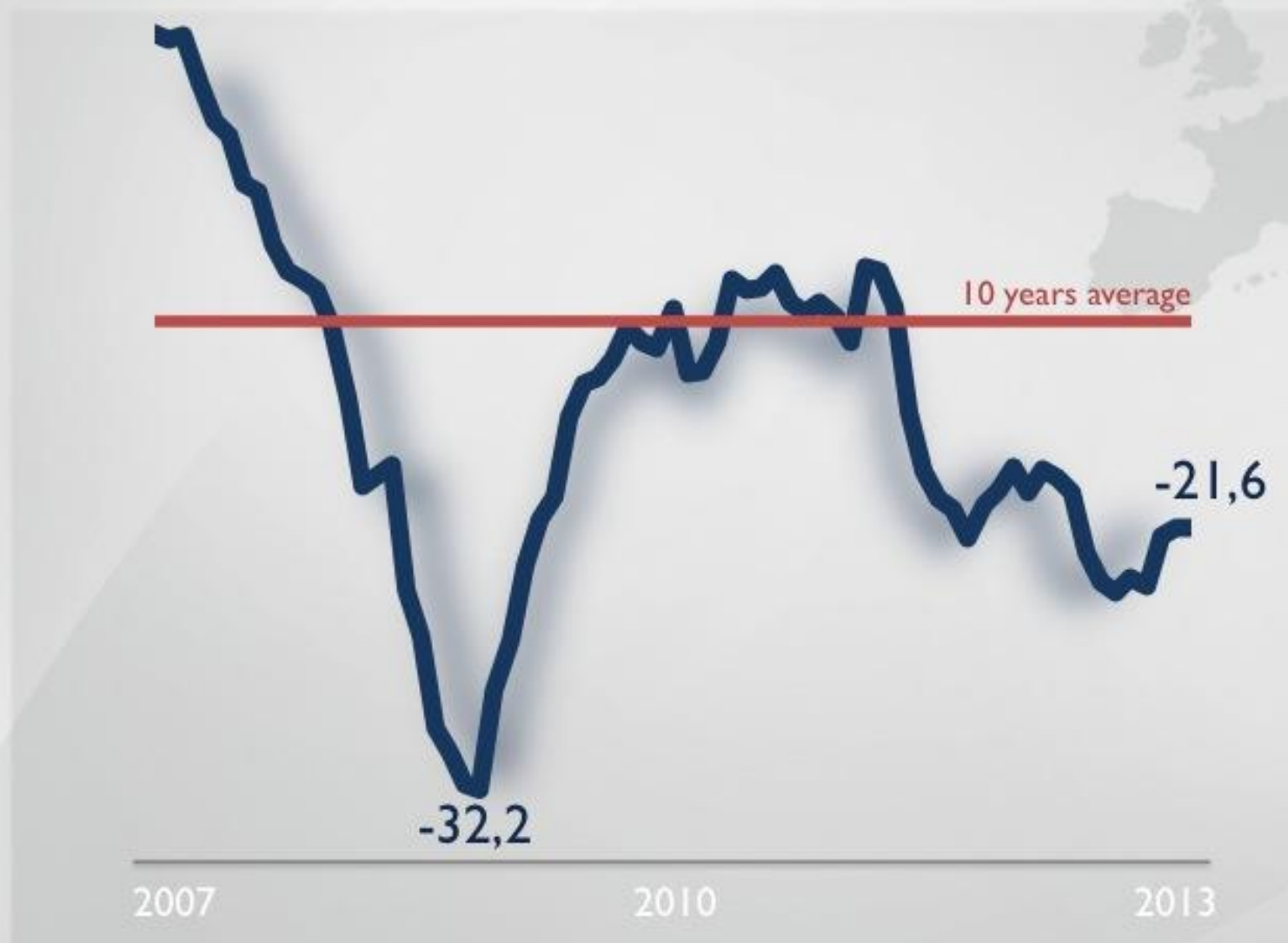
2013 weak GDP outlook



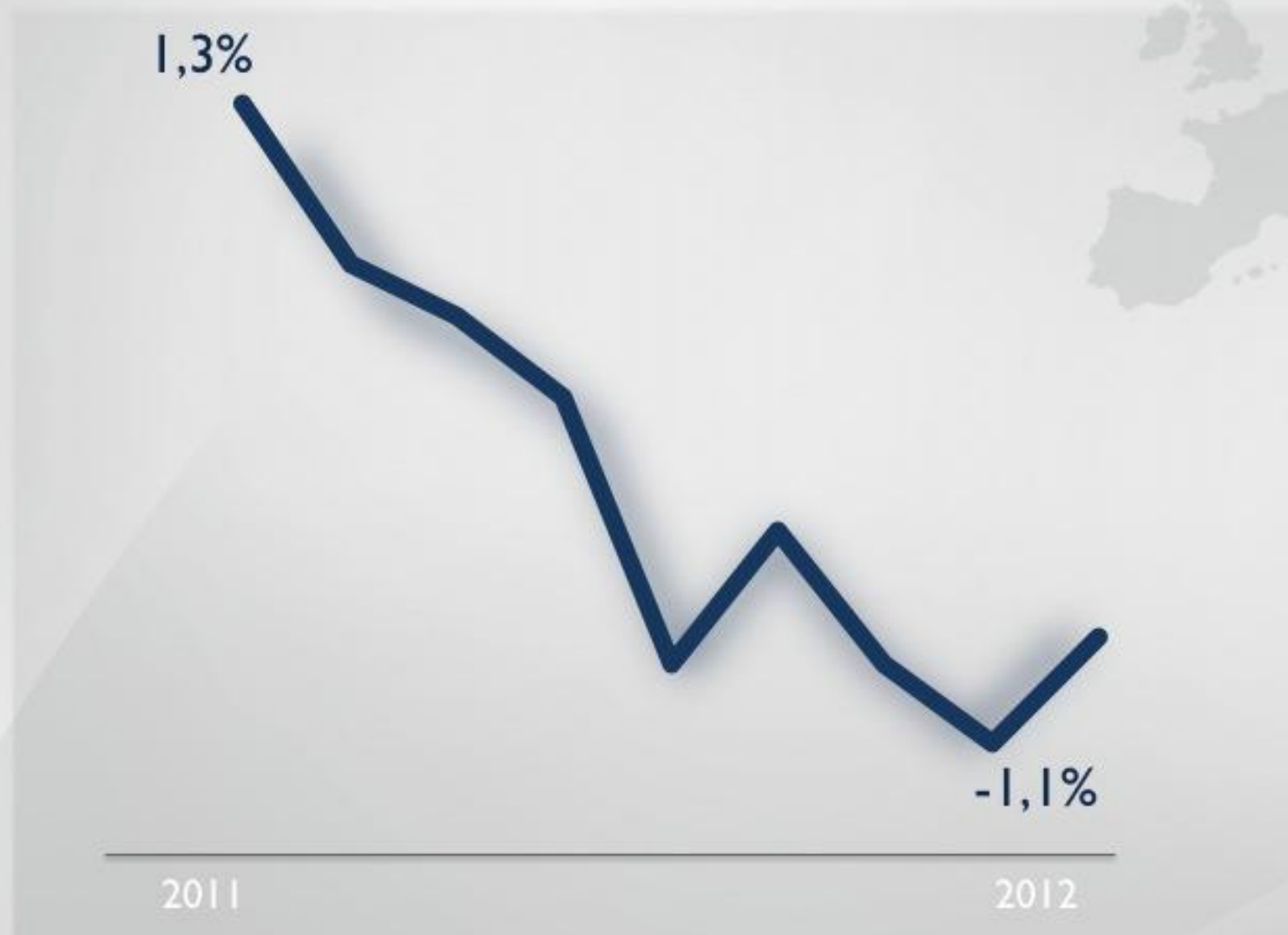
Unemployment at record levels



Consumer confidence is very weak



Private consumption turned negative

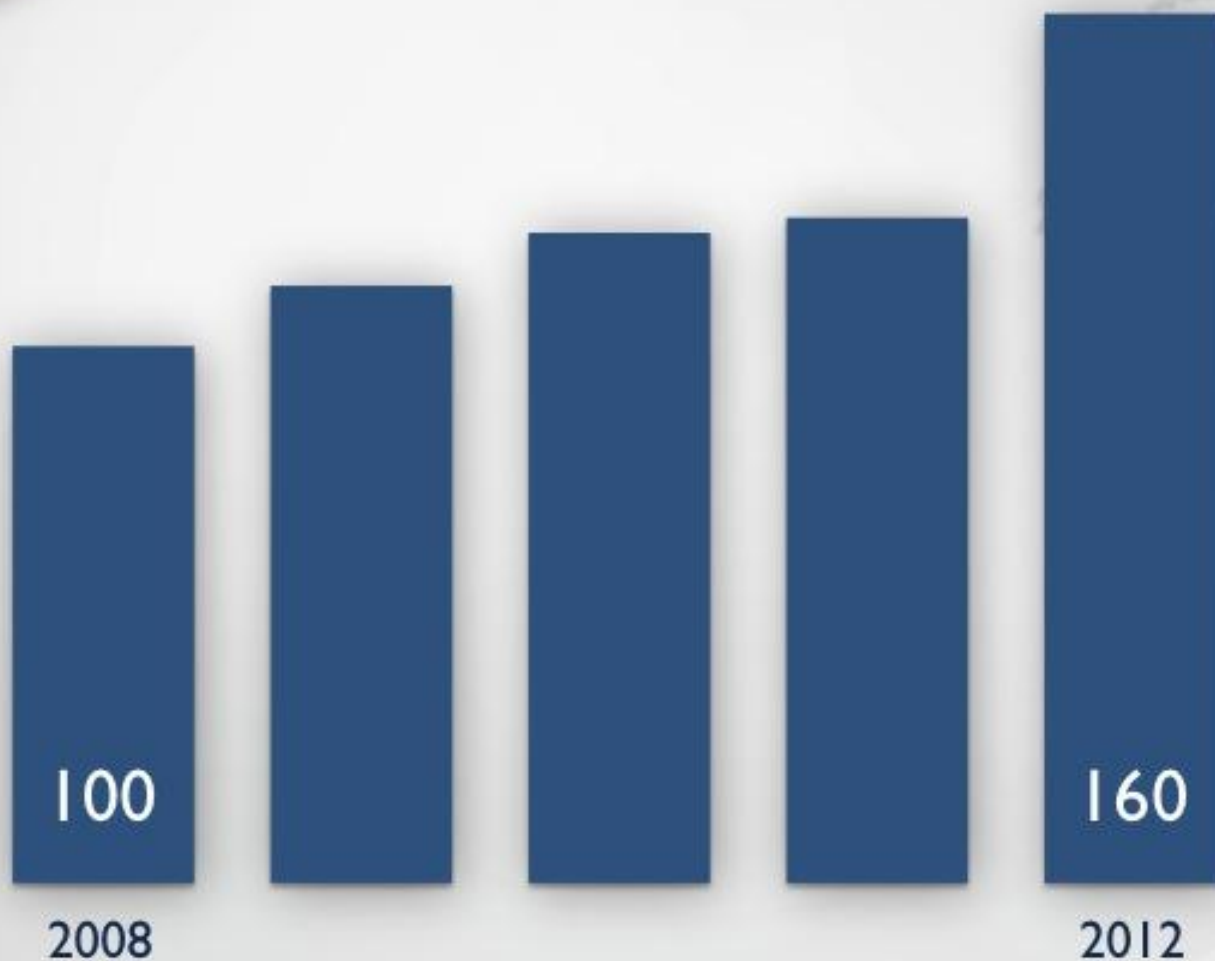


Strategic Virtuous Circle drives profitable growth





Momentum in achieving efficiencies





Strong improvement in working capital ...

Finished
Goods

-18%



2009 2012

Payables

+8%



2009 2012

Raw Mat. /
Packaging

-25%



2009 2012

Receivables

-7%



2009 2012



... whilst driving customer satisfaction





Inclusive social strategy



- Constructive employee relations
- Good working conditions
- Safety & Health
- Youth employment: 4th focus area to CSV in Europe

It all starts with the team

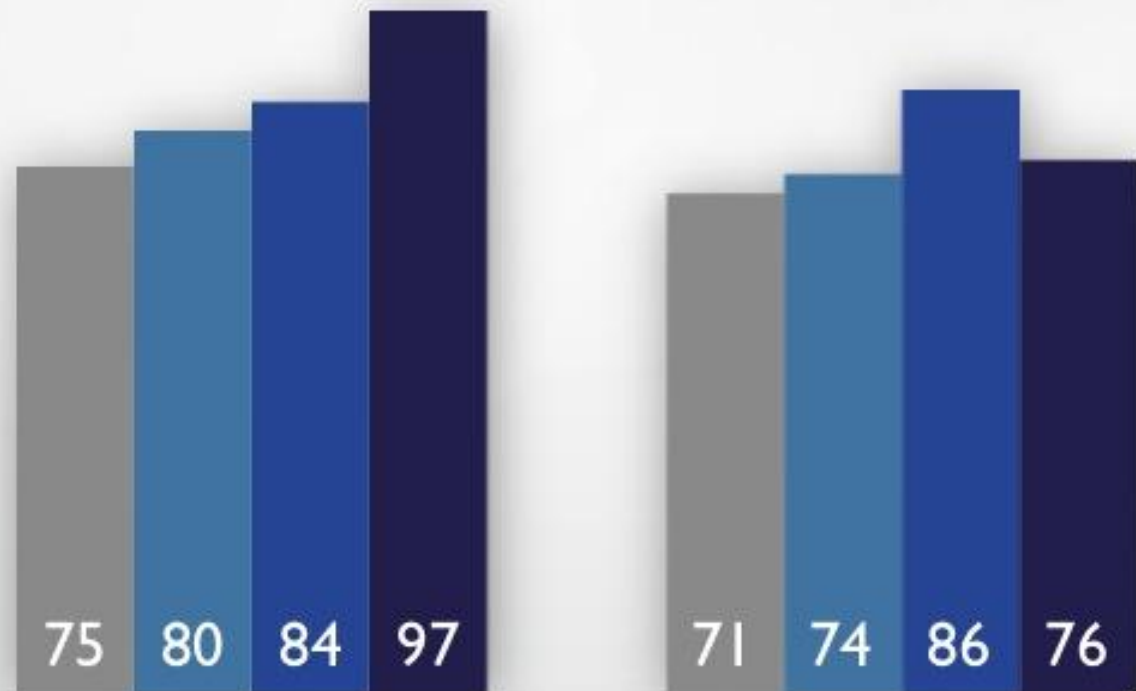


■ High Performing norm
Industry Benchmark

■ Nestlé Swiss

■ Nestlé Greece

■ Z-EUR team



Engagement

Enablement



Nestlé highly admired in Europe

European All-stars 2013

- 1 BMW
- 2 **Nestlé**
- 3 Volkswagen
- 4 BASF
- 5 Siemens
- 6 Adidas
- 7 Unilever
- 8 Daimler
- 9 SAP
- 10 L'Oréal

Focus on game changers



Transforming the coffee market



In house



Out of home





The coffee shop at home



CHF 1 bn



CHF 4 mio

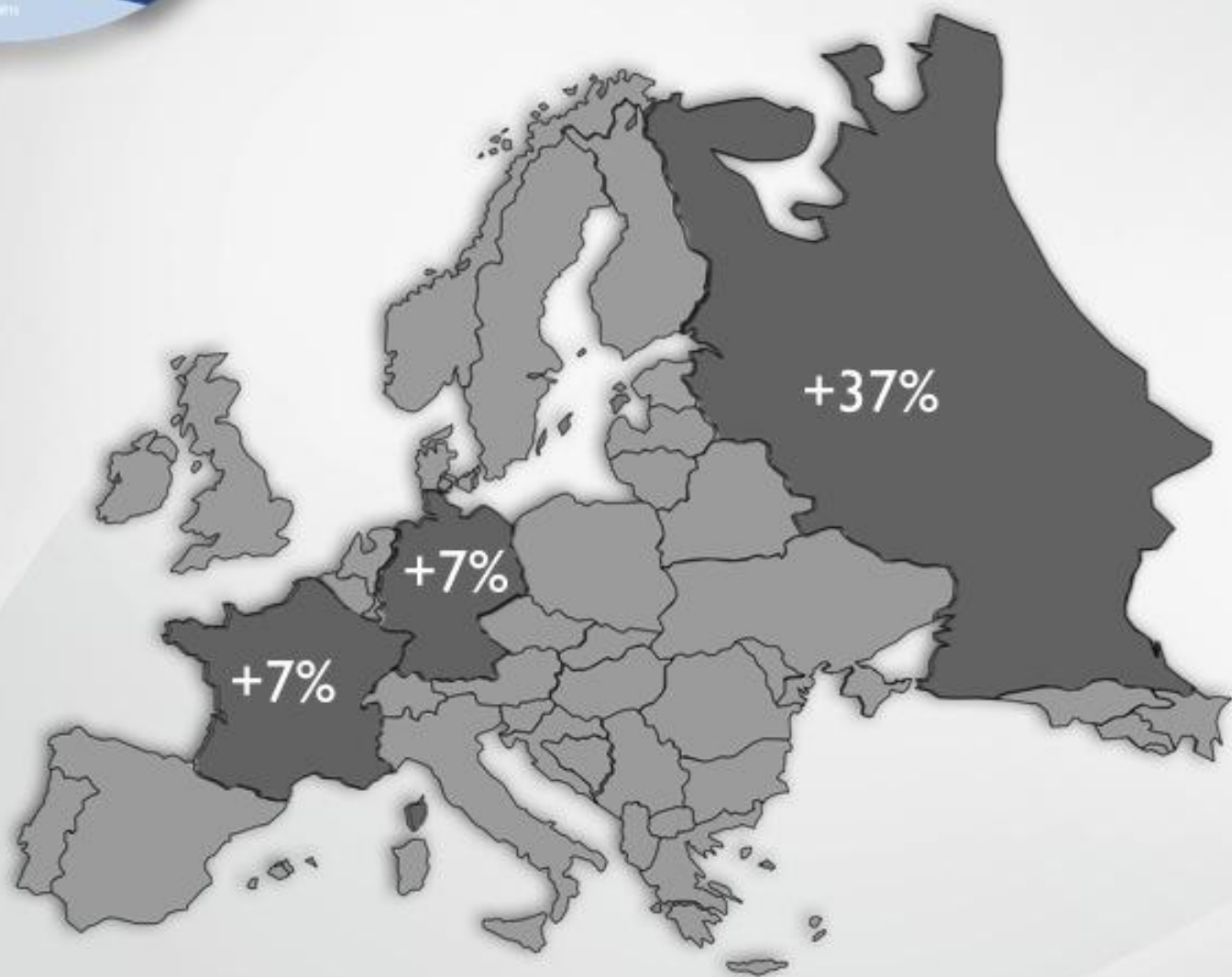


2006

2015E



Petcare growth engine in Europe



Growth through premiumization



Price index

100



200



240



Success with PPP +5%

+25%



+65%



+23%



+15%





Covering all channels opportunities



Specialist channels



Out of home



E-commerce





Addressing sustainability as end to end process





Outpacing competition in Europe - 2012



Nestlé





Outpacing competition in Europe - 1Q13



Nestlé



Z-EUR profitable growth...



... and Z-EUR ROIC accretive to Group

Strategic Virtuous Circle the way forward



Nestlé strategic framework



**“It is the sail and not the wind
that sets the course”**

