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

60%

40%
Eurozone sets bleak record of longest term in recession
30 novembre 2012

Time of indignation and social unrest
2013 weak GDP outlook

- negative
- 0% to 2%
- more than 2%

Source: IMF – April 2013
Unemployment at record levels

Source: EuroStat EU27 – May 2013

- Youth: 15% in 2008, 24% in 2013
- Total: 7% in 2008, 11% in 2013
Consumer confidence is very weak.
Private consumption turned negative
Strategic Virtuous Circle drives profitable growth

1. Achieving Efficiencies
2. Focusing Investments on Brands & Innovations
3. Driving Market Share Gains
4. Delivering Profitable Growth
Momentum in achieving efficiencies

Operational excellence savings index

2008: 100
2012: 160
Strong improvement in working capital...

 Finished Goods: -18%  
 Payables: +8%  
 Raw Mat. / Packaging: -25%  
 Receivables: -7%
... 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

Source: Hay Group

![Bar Chart](chart.png)

- Engagement:
  - High Performing norm: 75
  - Nestlé Swiss: 80
  - Nestlé Greece: 84
  - Z-EUR team: 97

- Enablement:
  - High Performing norm: 71
  - Nestlé Swiss: 74
  - Nestlé Greece: 86
  - Z-EUR team: 76

Industry Benchmark
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

Source: Hay Group
Focus on game changers

Nescafé Dolce Gusto

Maggi So Juicy

Special 7 by Nestlé

Nescafé Frappé Latte

BabyNes Advanced Nutrition
Transforming the coffee market

1. Achieving Efficiencies
2. Focusing Investments on Brands & Innovations
3. Driving Market Share Gains
4. Delivering Multiple Growth

In house

Out of home
The coffee shop at home
Petcare growth engine in Europe

+37%

+7%
Growth through premiumization

Price index

100

200

240
Success with PPP +5%

+25%

+23%

+15%

+65%
Covering all channels opportunities

Specialist channels
Out of home
E-commerce

Petland

traditional trade
Addressing sustainability as end to end process
Outpacing competition in Europe - 2012

Company A -2.0%
Company B -1.0%
Company C 0.4%
Company D 2.3%
Company E 2.4%

Nestlé in Europe
Outpacing competition in Europe - 1Q13

- Company A: -8.5%
- Company B: -5.1%
- Company C: -3.1%
- Company D: -2.0%
- Company E: 1.0%
Z-EUR profitable growth...

...and Z-EUR ROIC accretive to Group
Strategic Virtuous Circle
the way forward

1. Achieving Efficiencies
2. Focusing Investments on Brands & Innovations
3. Driving Market Share Gains
4. Delivering Profitable Growth
“It is the sail and not the wind that sets the course”