

# 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.

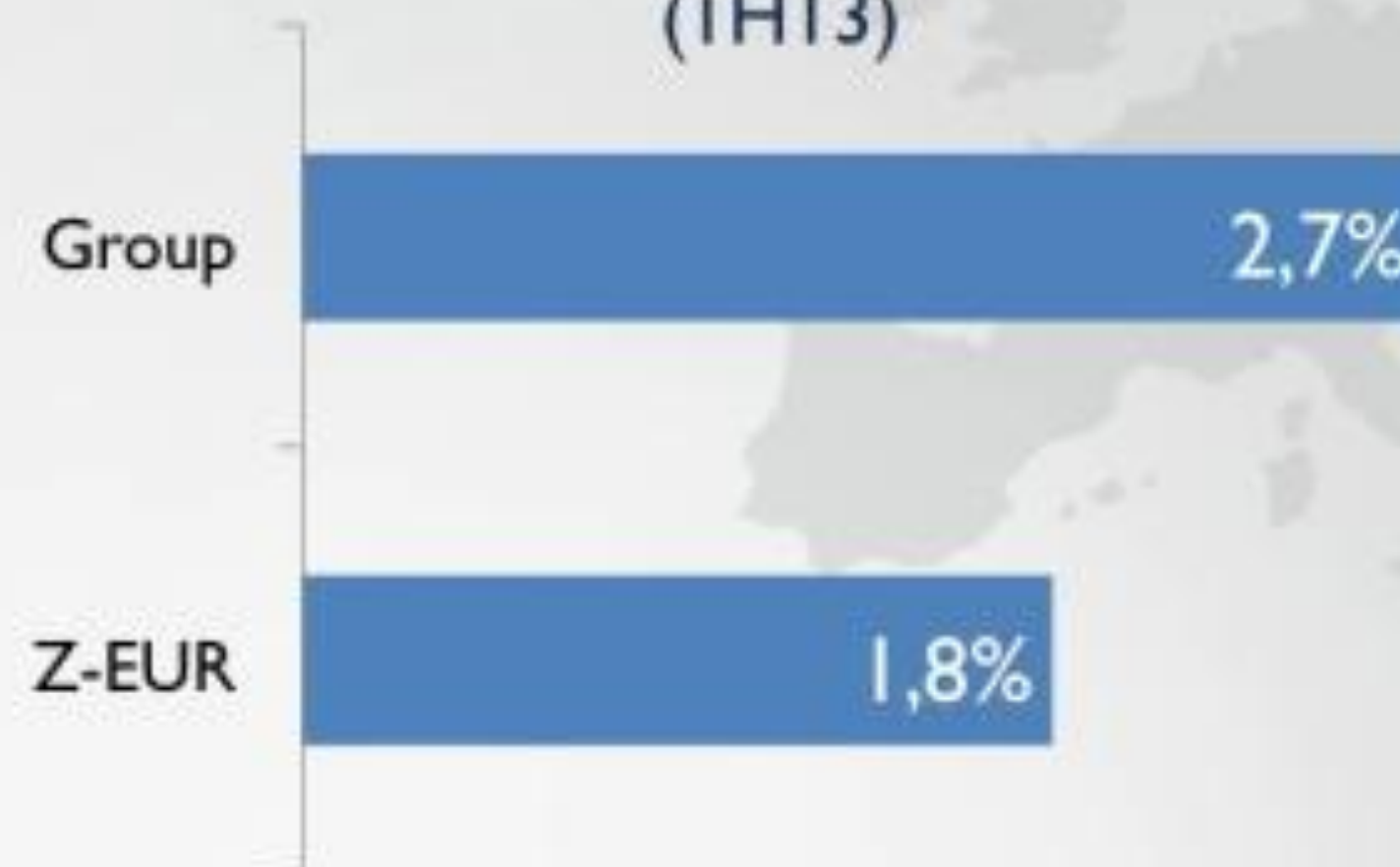


# In a Challenging Europe

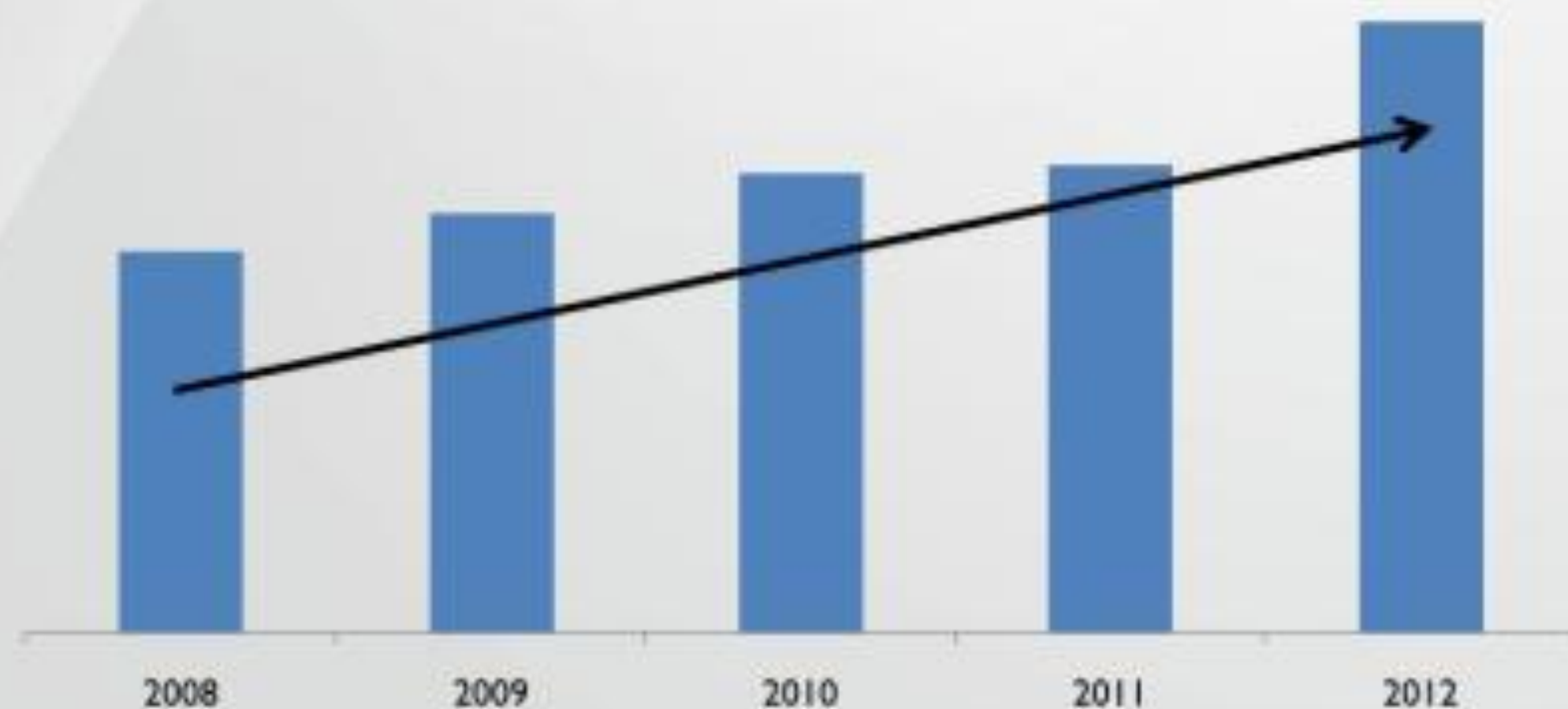
**2/3 of business units gaining share**



**Strong contribution to volume/mix  
(1H13)**



**+60% increase in cost efficiencies**



**Creating a CHF1 bn business**





# Nestlé in Europe

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





# Nestlé product range in Europe





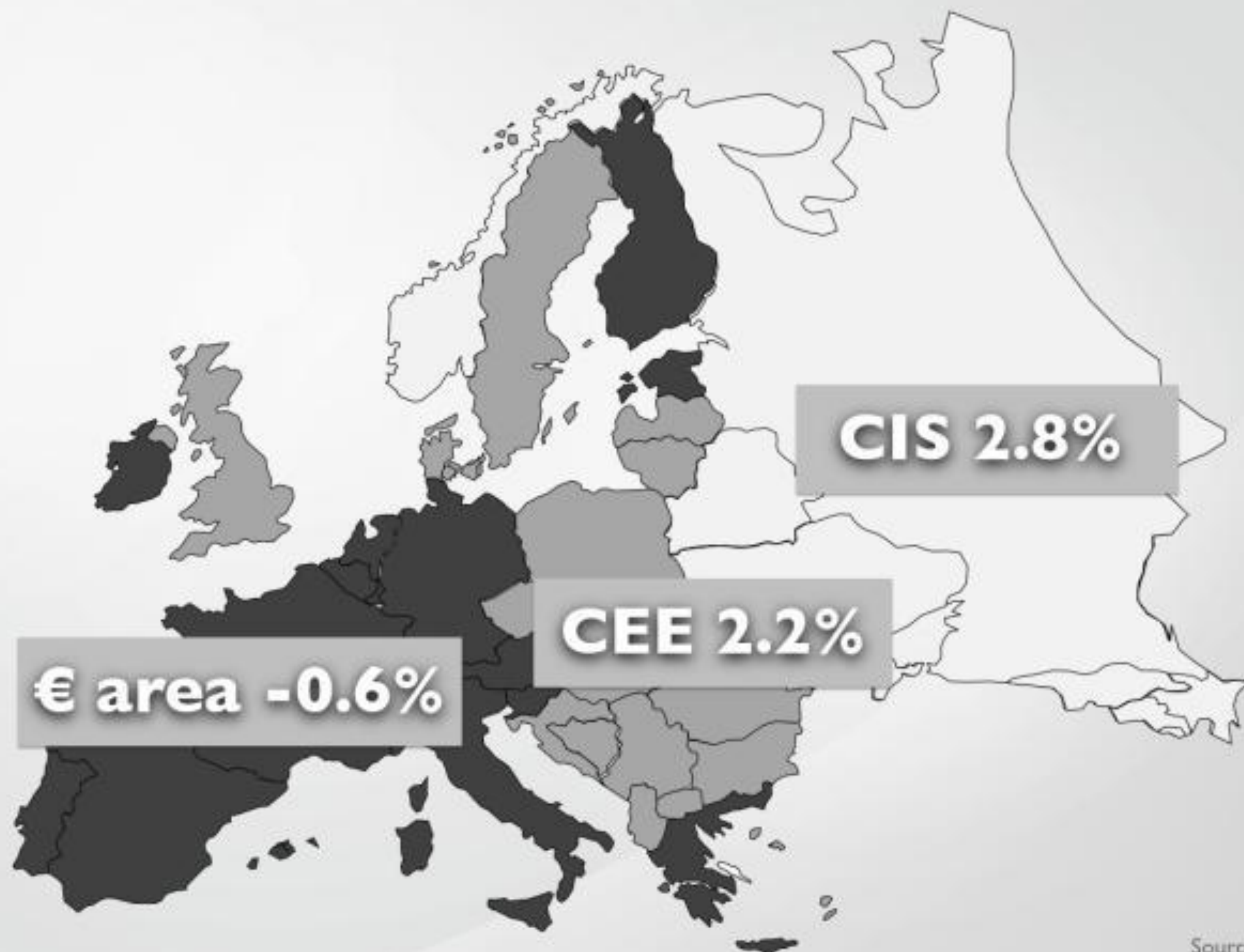


**Eurozone sets bleak record  
of longest term in recession**





# 2013 weak GDP outlook



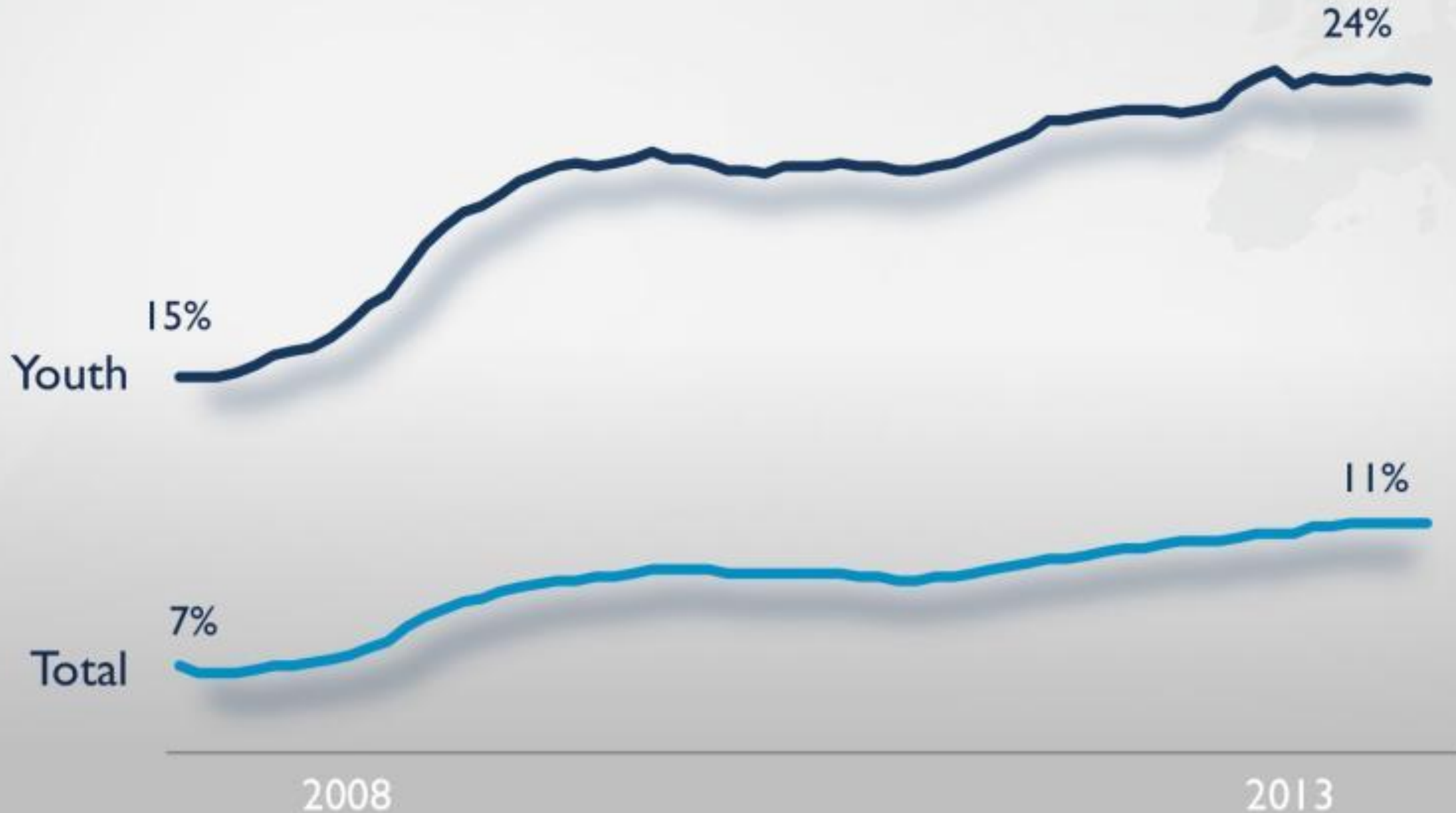


A large, dense crowd of people, mostly young adults, is gathered for a protest. They are holding numerous red flags on poles. In the foreground, a large white banner with red text is held across the crowd. The background shows green trees and a clear sky.

**TIME OF INDIGNATION  
AND SOCIAL UNREST**

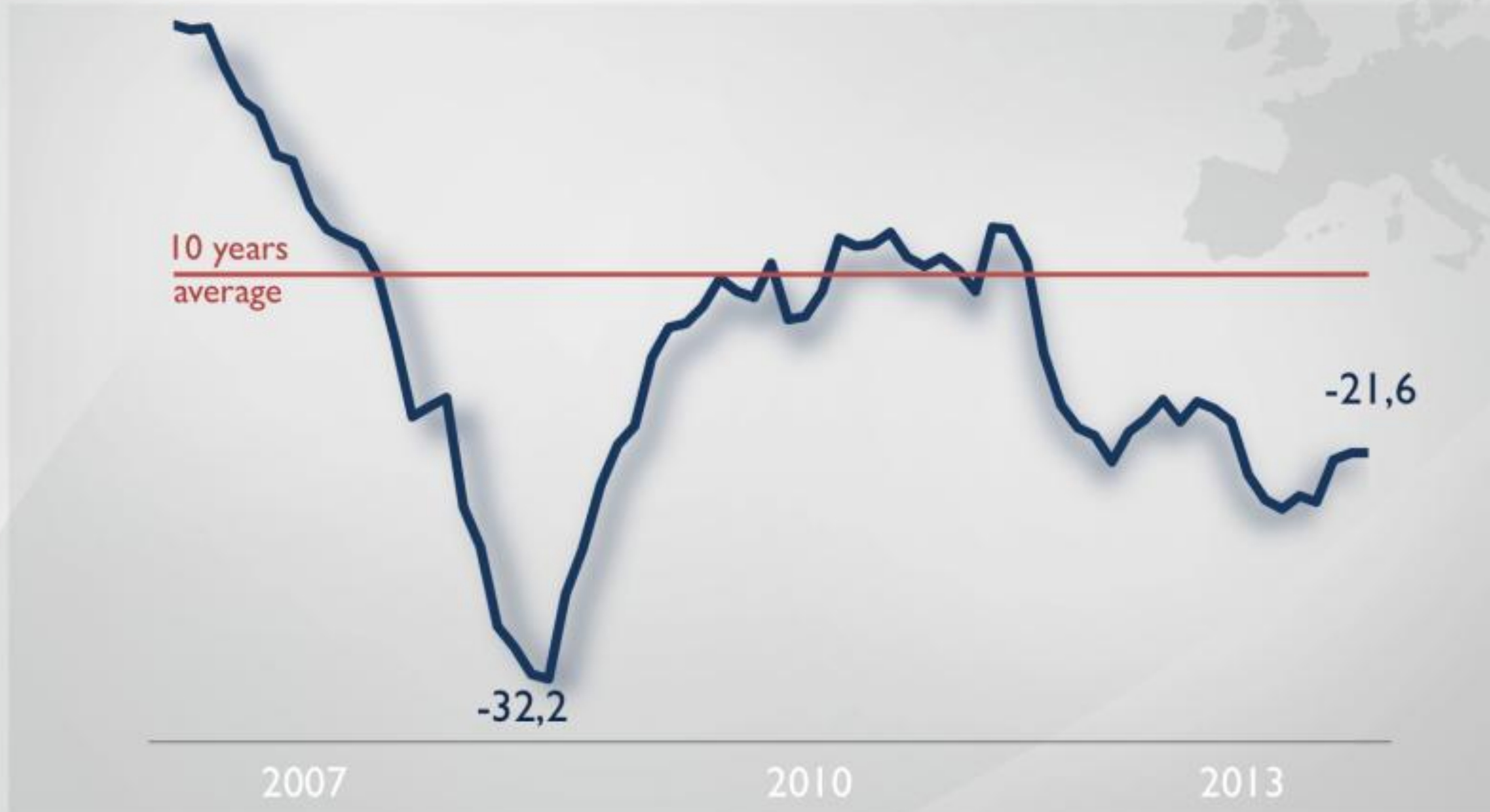


# Unemployment at record levels



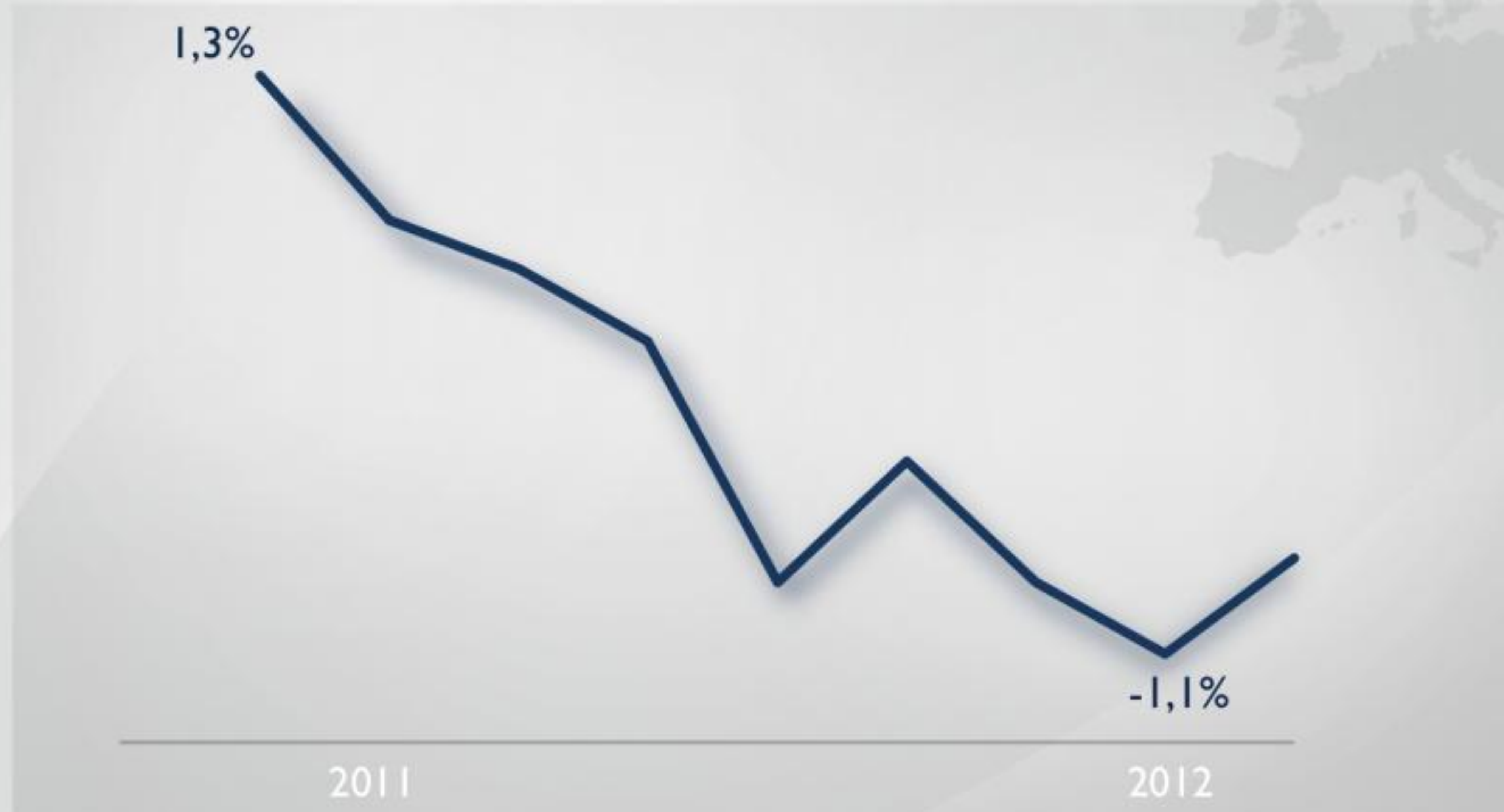


# Consumer confidence is very weak





# Private consumption turned negative





# Strategic Virtuous Circle drives profitable growth







# Momentum in achieving efficiencies







# Continuous improvement in working capital ...

Finished  
Goods

-6%



IH12 IH13

Payables

+5%



IH12 IH13

Raw Mat. /  
Packaging

-24%



IH12 IH13

Receivables

-4%



IH12 IH13





# ... whilst driving customer satisfaction





# Inclusive social strategy



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

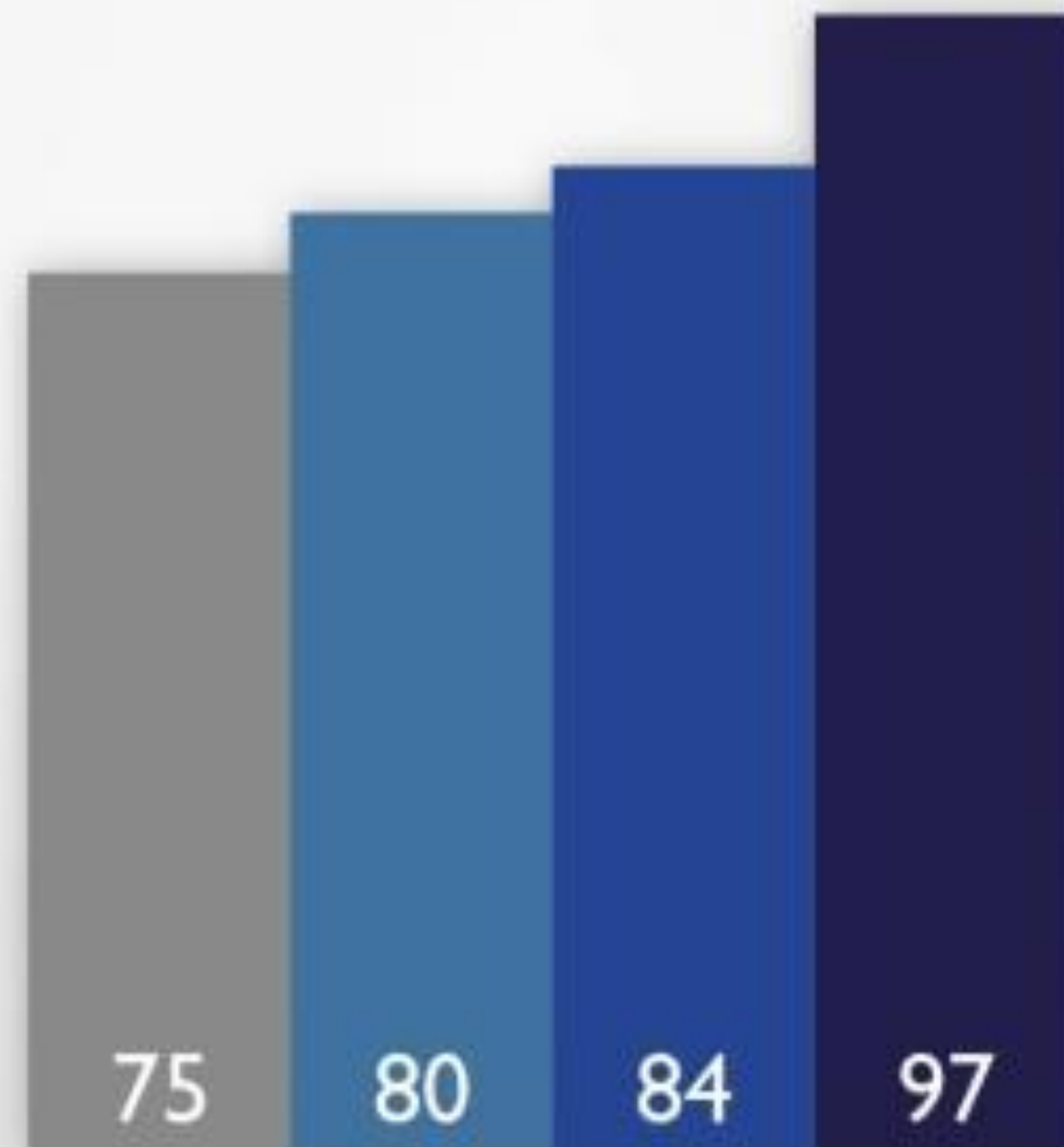




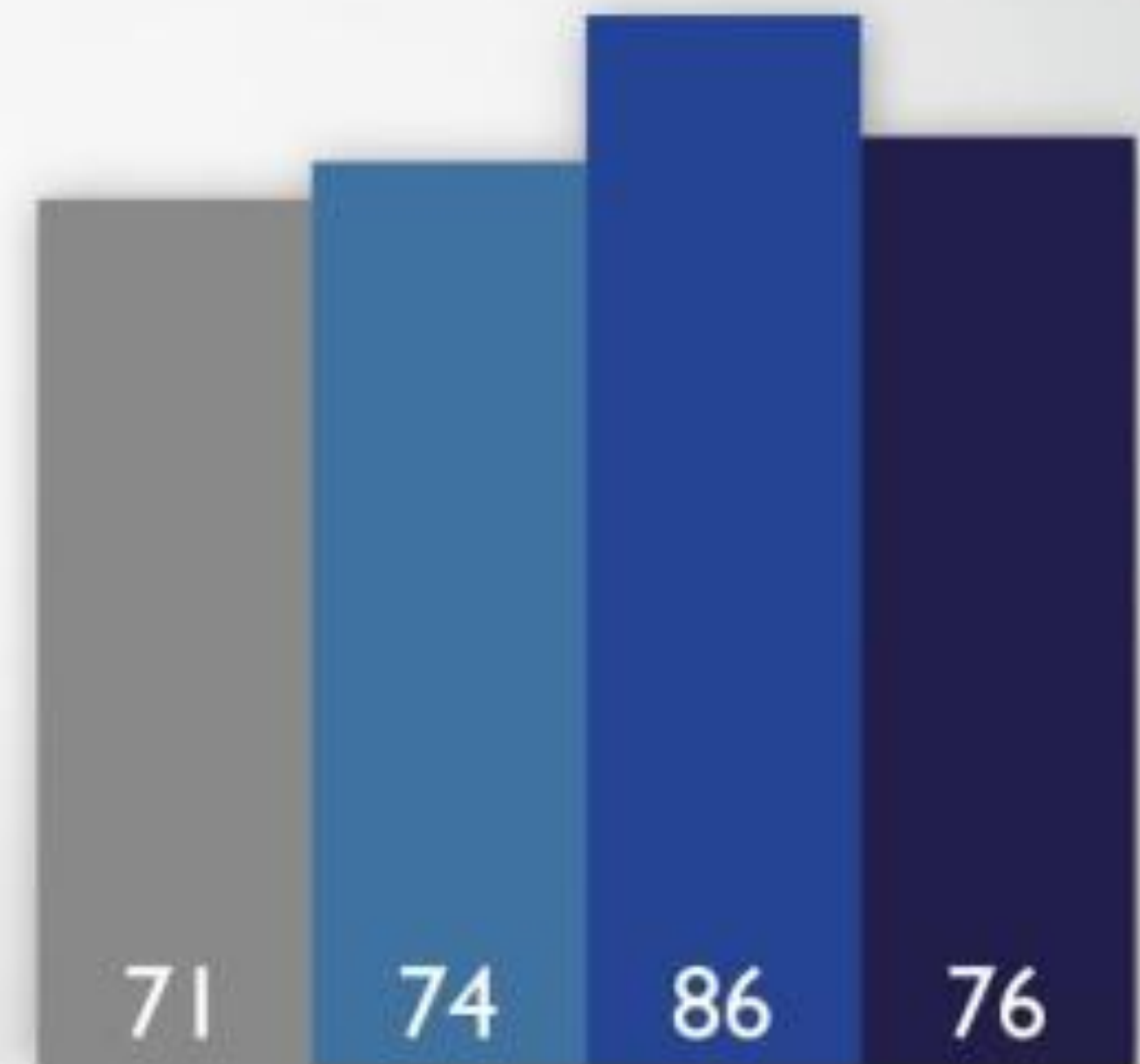
# It all starts with the team



■ **High Performing norm** Industry Benchmark ■ **Nestlé Swiss** ■ **Nestlé Greece** ■ **Z-EUR MGT team**



**Engagement**



**Enablement**





# Nestlé 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



SPECIAL.7<sup>®</sup>  
by Nestlé



  
**BabyNes**  
ADVANCED NUTRITION





# Transforming the coffee market





# The coffee shop at home



CHF 1 bn



CHF 4 mio



2006

2014E



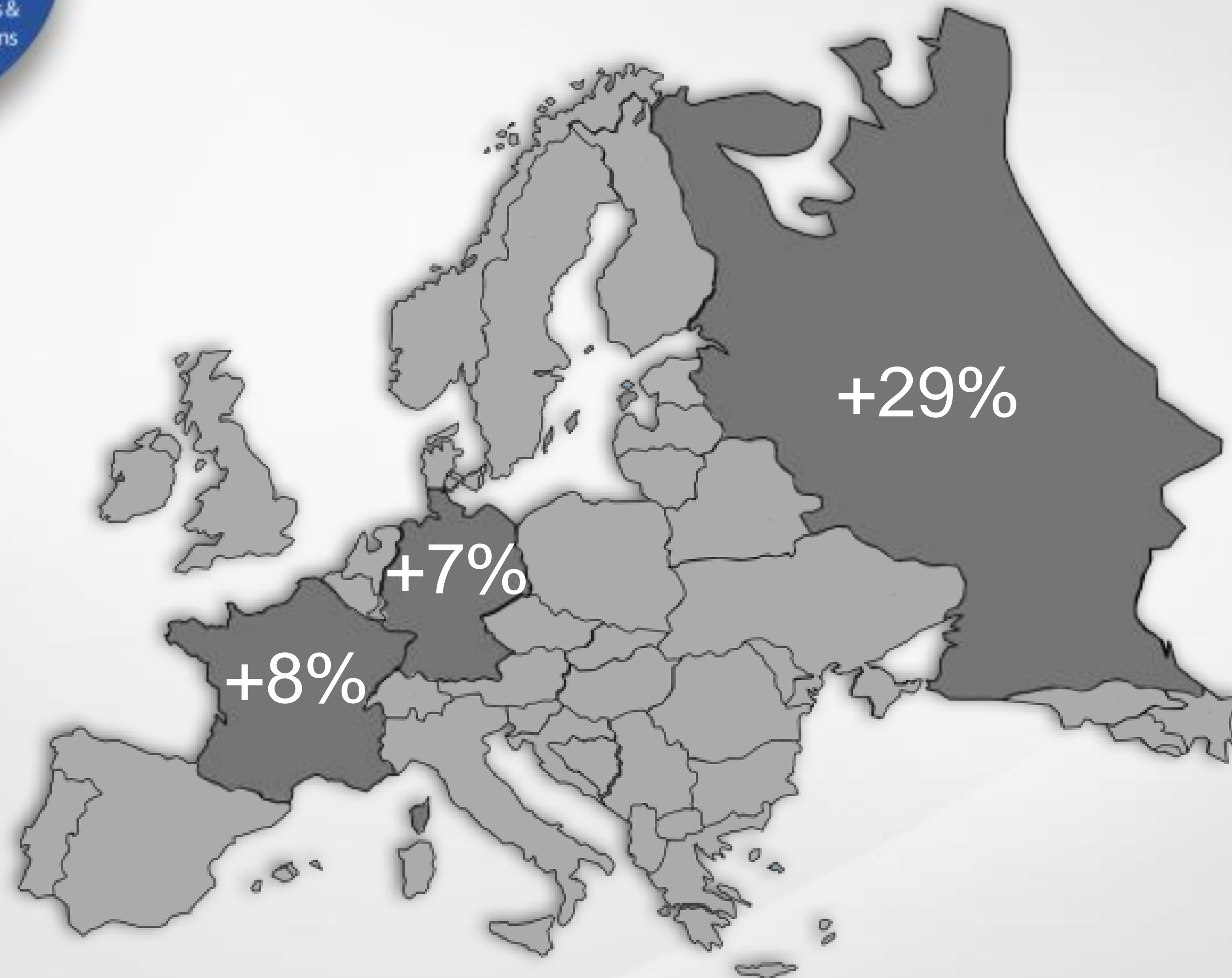
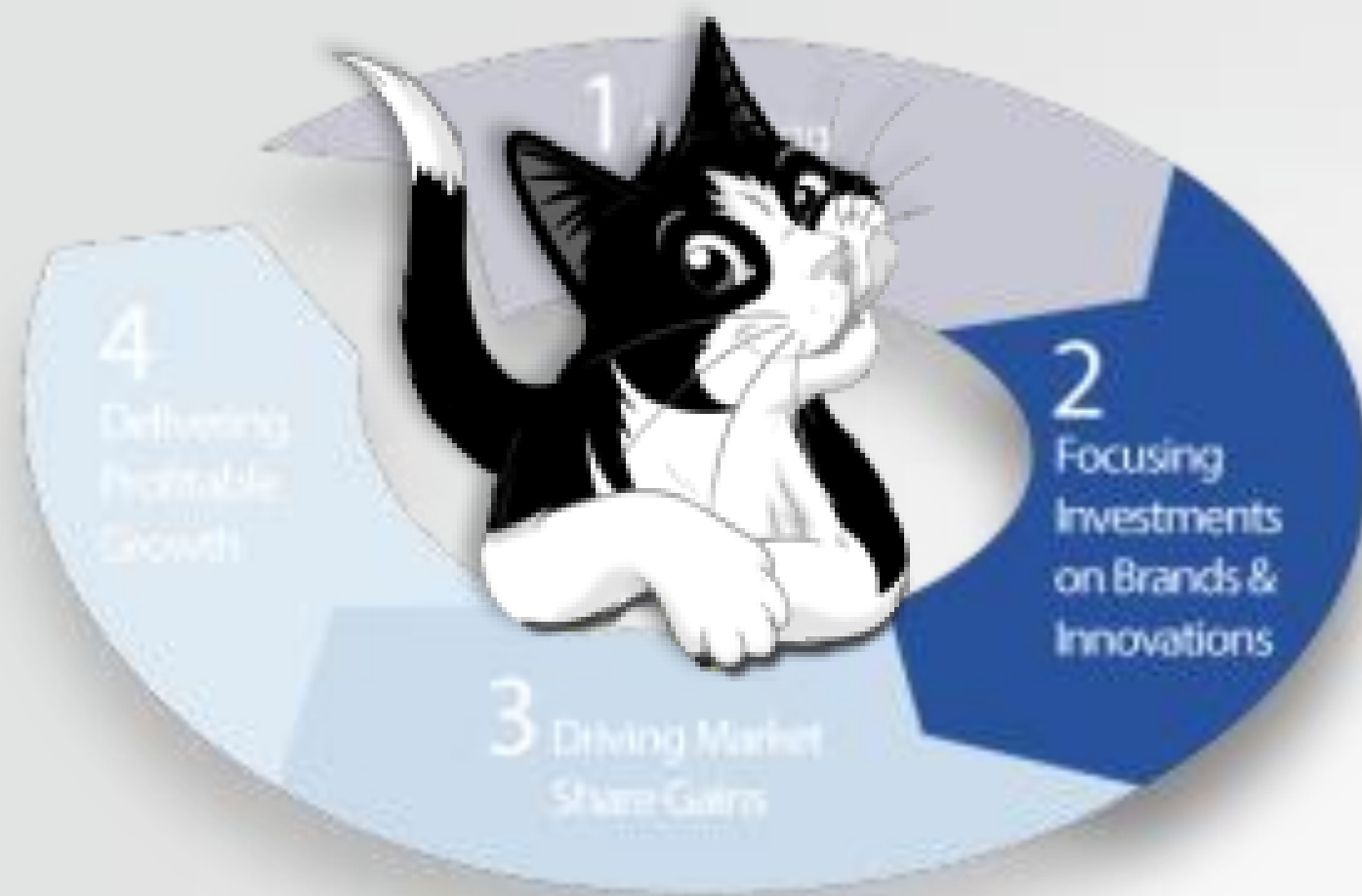
# Soluble coffee, source of innovation

# NESCAFÉ®





# Petcare growth engine in Europe





# Growth through premiumization



Price index

100



200



240



# Covering all channels opportunities



Specialist channels



Out of home



E-commerce







# Investing for growth ...



**... with positive impact on employment**



# Creating Shared Value



Nutrition



Water



Rural Development





# With focus in Europe on ...



Youth Employment



# Outpacing competition in Europe - 2012





# Outpacing competition in Europe – 1H13





# Z-EUR sustained performance throughout the crisis ...



... with accretive ROIC to Group



# Strategic Virtuous Circle

## the way forward





# Nestlé Group strategic framework





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

