



The Nestlé Nutrition Journey

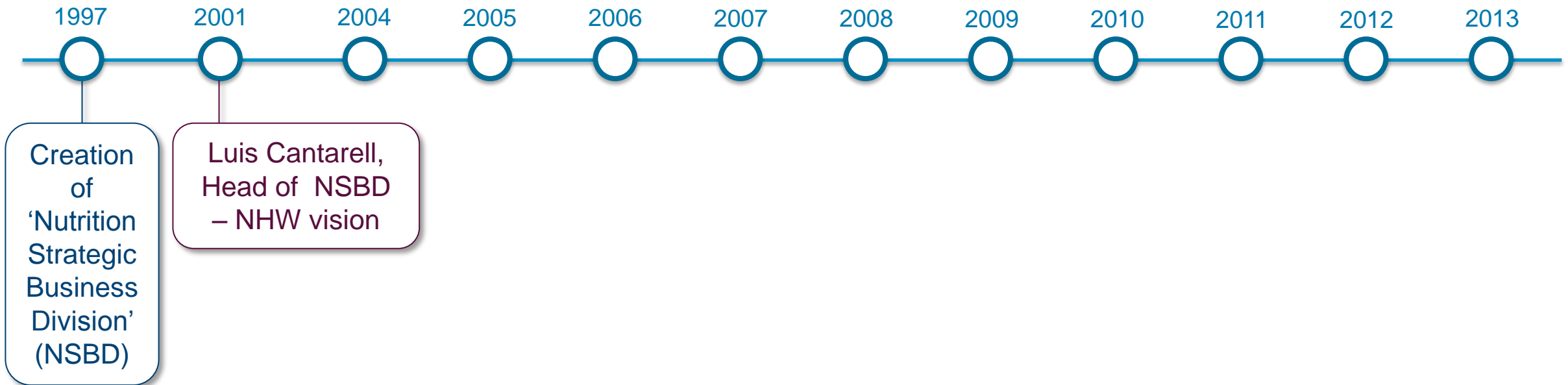
Luis Cantarell

President & CEO, Nestlé Health Science
CEO, Nestlé Nutrition

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.

The Nestlé Nutrition journey – Creation of Nutrition Strategic Business Division



2001 – ‘Nutrition Health and Wellness’ vision

*« To grow from the respected and trustworthy food company that we are known as now into **a respected and trustworthy food, nutrition and wellness company** »*

Blueprint for the Future, October 2001

2003 – Investor presentation

“Nutrition - enabling the NHW dimension at Nestlé”

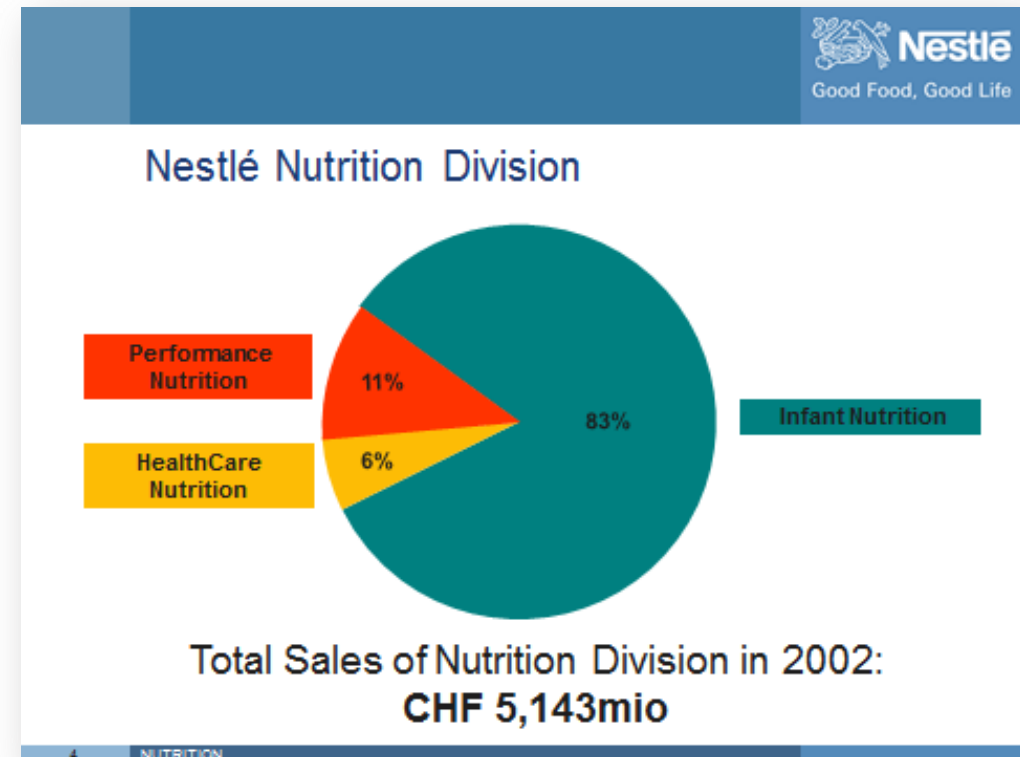

Good Food, Good Life

The future has already started

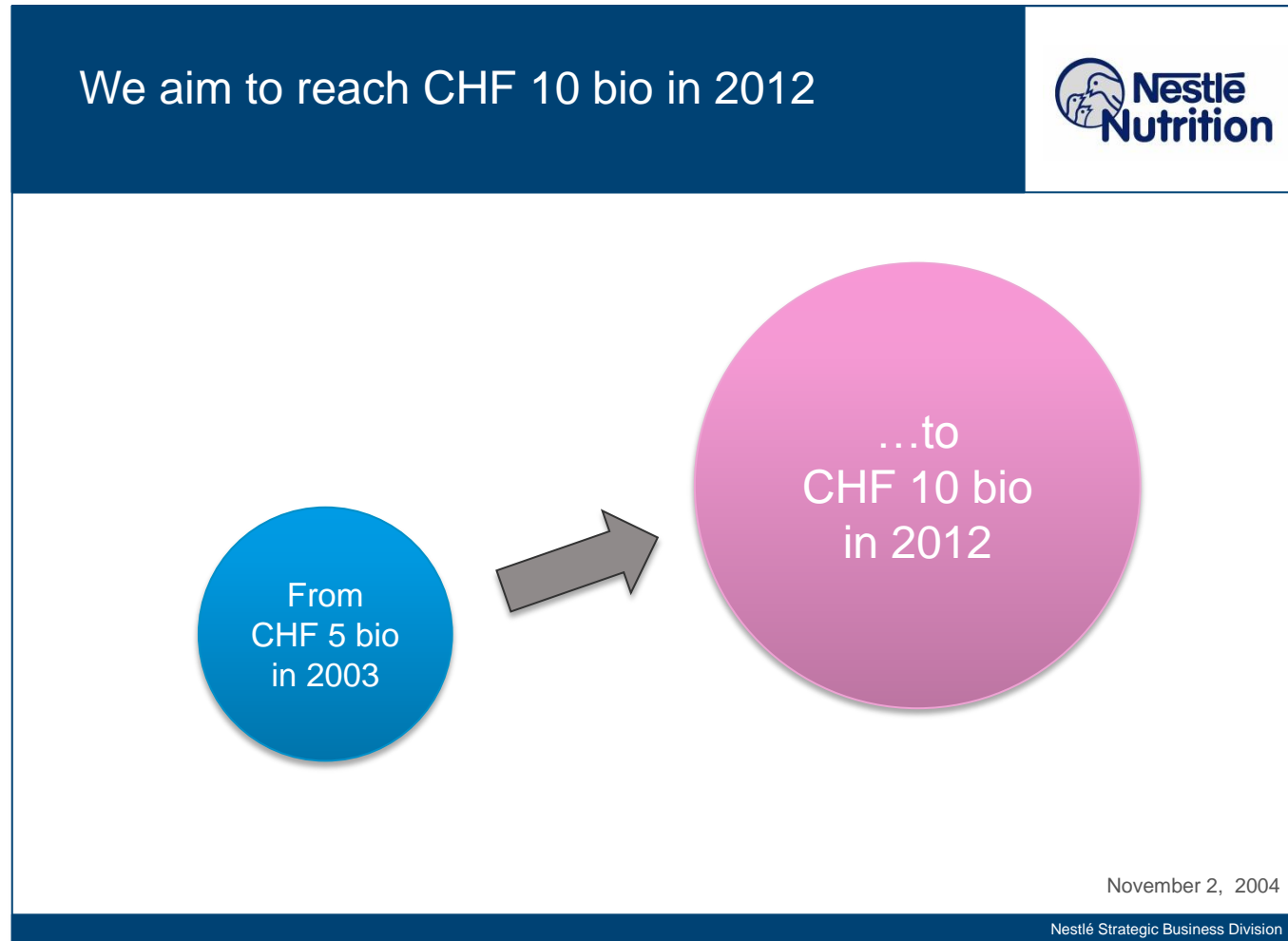
- Luis Cantarell appointed to Executive Board
- Nutrition Champions in SBUs and markets
 - spread the strategic importance and promote understanding of how nutrition can add value to the overall business
 - initiating and facilitating cross-fertilisation of nutrition initiatives
 - drive nutrition initiatives across the various product categories

Nutrition is high on the agenda within Nestlé: It supports health and wellbeing strategies and influences the other food and beverage categories

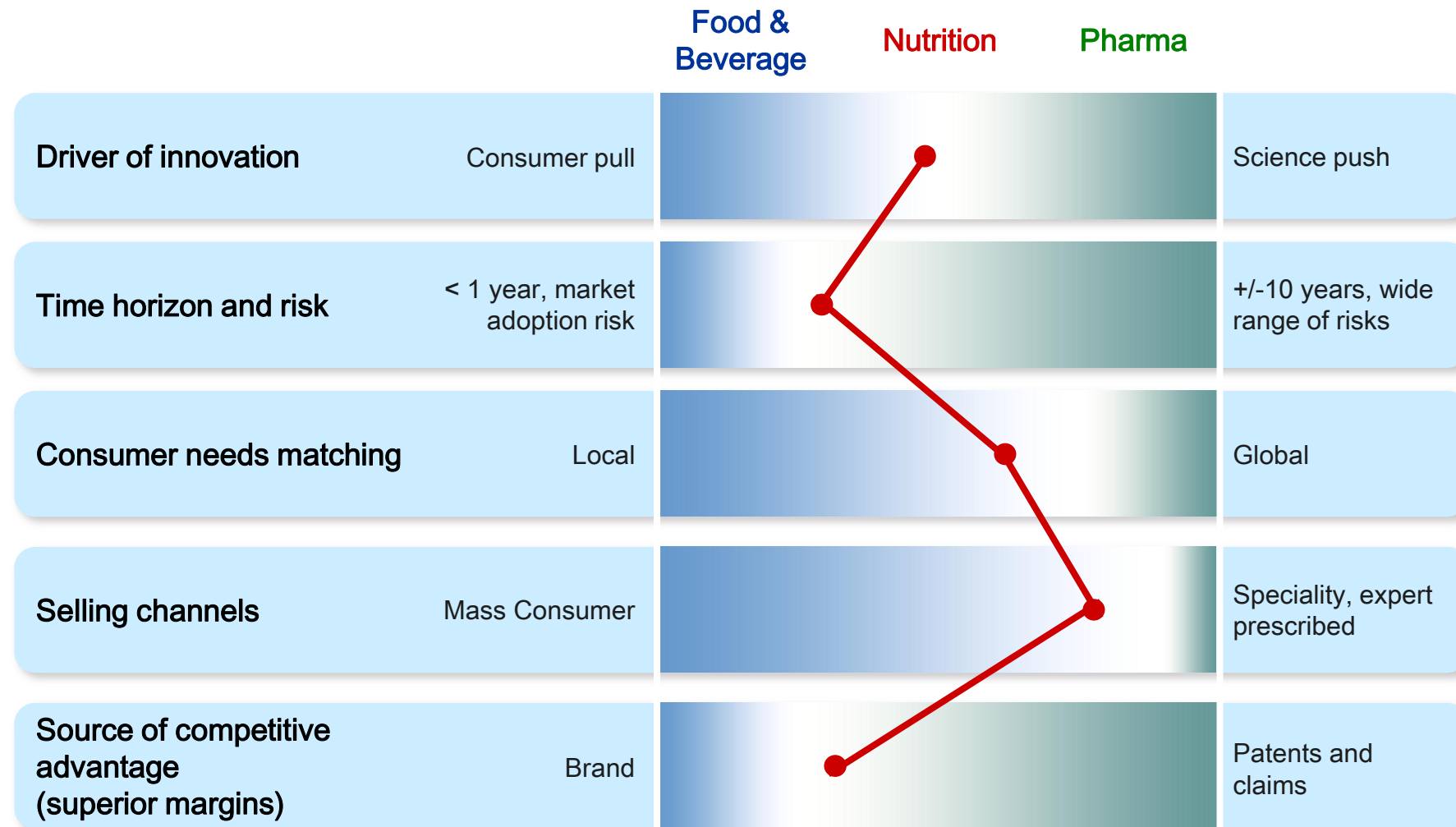
35 NUTRITION



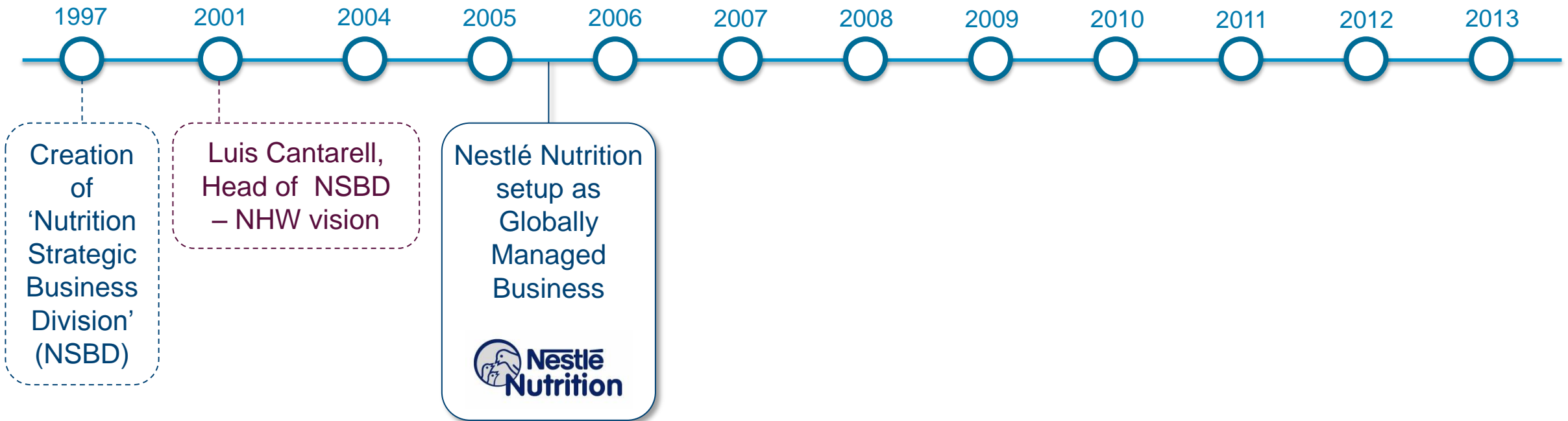
2004 – Internally expressed ambition to the Board: “Double Nestlé Nutrition business by 2012”



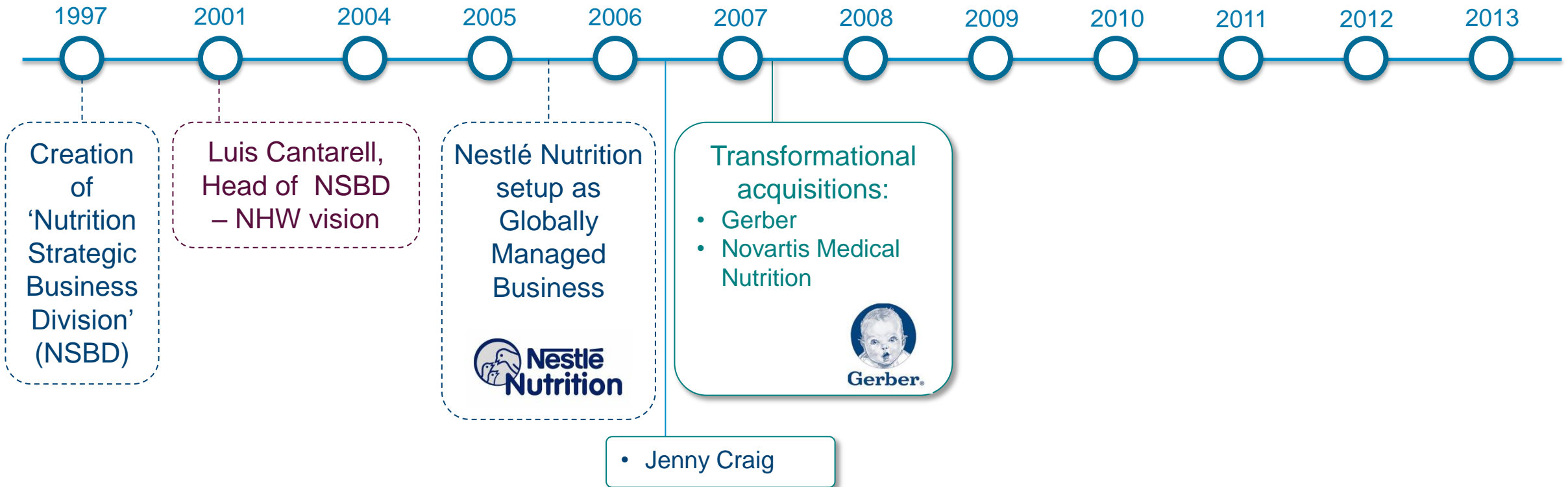
2005 - Realisation that unique factors define a new business model, paving the way to a 'Global Business'



The Nestlé Nutrition journey: Nestlé Nutrition set-up as Globally Managed Business



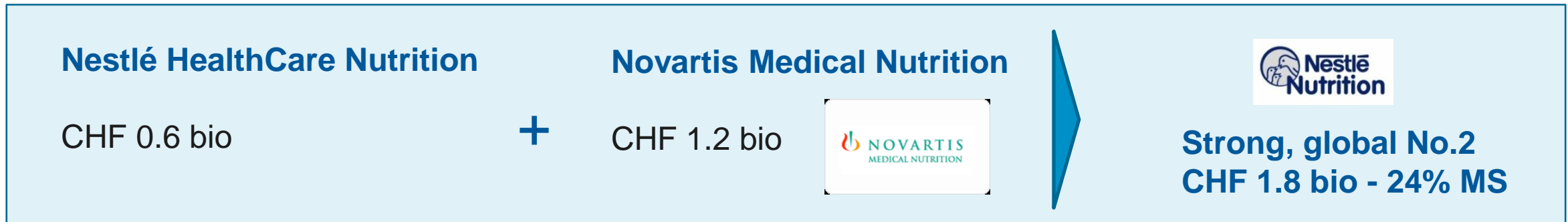
The Nestlé Nutrition journey: Strategic acquisitions transforming Nestlé Nutrition



2007: Strategic acquisitions transforming Infant Nutrition & HealthCare Nutrition

Novartis Medical Nutrition – July 2007:

Strengthening HealthCare Nutrition to strong global No.2 position, vying for leadership



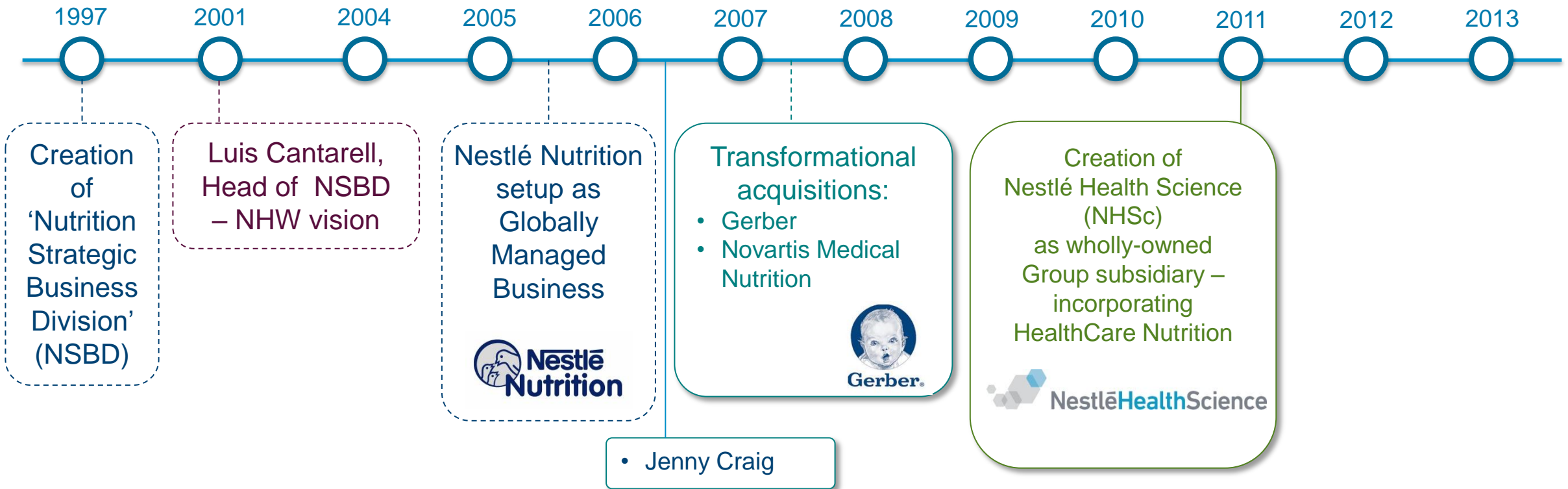
Gerber – September 2007:

Complementing global Infant Nutrition business with leadership in Babyfood US



Note: Sales related to FY 2006

2010/2011 – The Nestlé Nutrition journey: Creation of NHSc as milestone, focusing Nestlé Nutrition on Infant Nutrition



2010/2011: Creation of NHSc & NIHS

- Existing **healthcare systems are not sustainable** and need redesigning due to changing demographics, increasing treatment cost and focus on health economics

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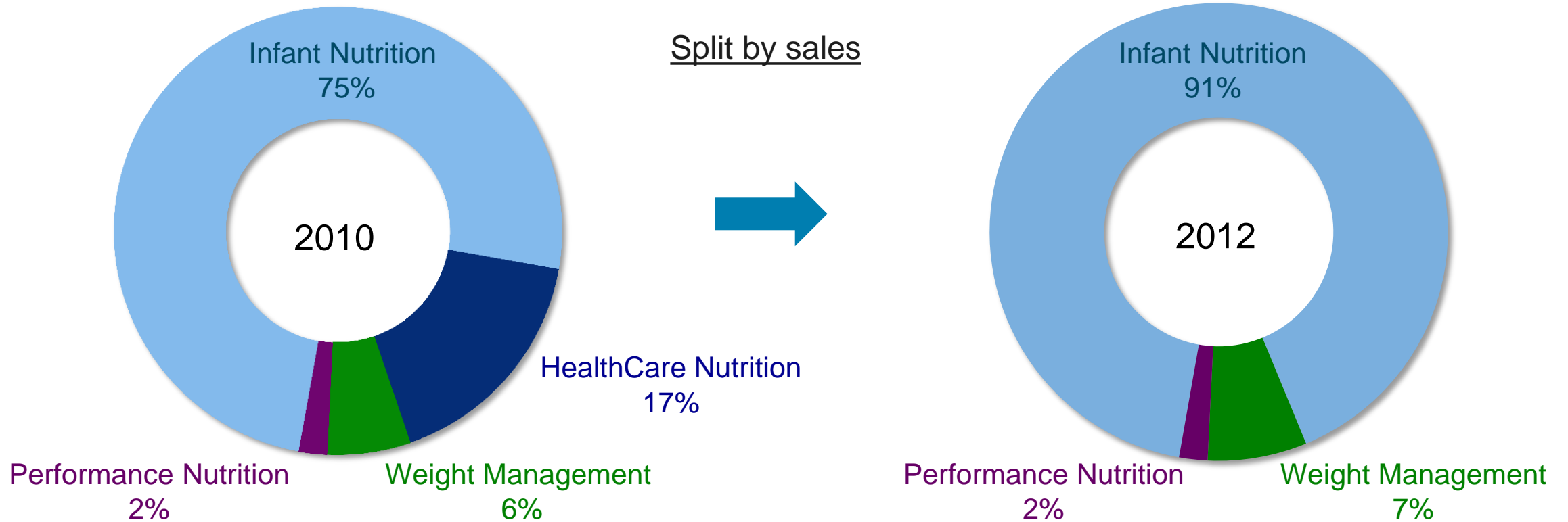
- **Nestlé** has the consumer expertise, science, resources, organisation and brands to play a major role in seeking alternative solutions



- **Nestlé Health Science (NHSc)** set-up to pioneer the space between food & pharma – formed out of the existing global Nestlé HealthCare Nutrition business
- **Nestlé Institute of Health Sciences (NIHS)** designed to create & deliver world class excellence in biomedical research

Post 2010 – Nestlé Nutrition weighted towards Infant Nutrition

Nestlé Nutrition comprises 3 business units, with strong emphasis on Infant Nutrition



Nestlé Infant Nutrition: Driving the 'First 1,000 Days' concept

Concept

Nutrition during the First 1,000 Days has a profound impact on a child's growth and development
 Providing the right nutrition during this phase is where Nestlé can have the biggest impact

First 1,000 Days



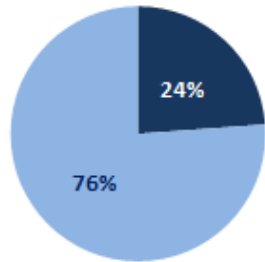
Science-based Brands & Products with proven health benefits

Education

Infant Nutrition growth by category since 2007

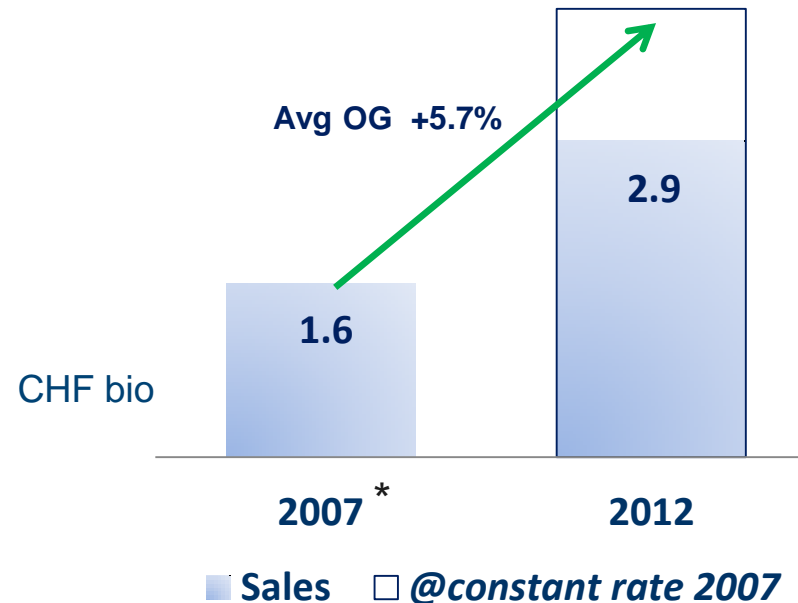
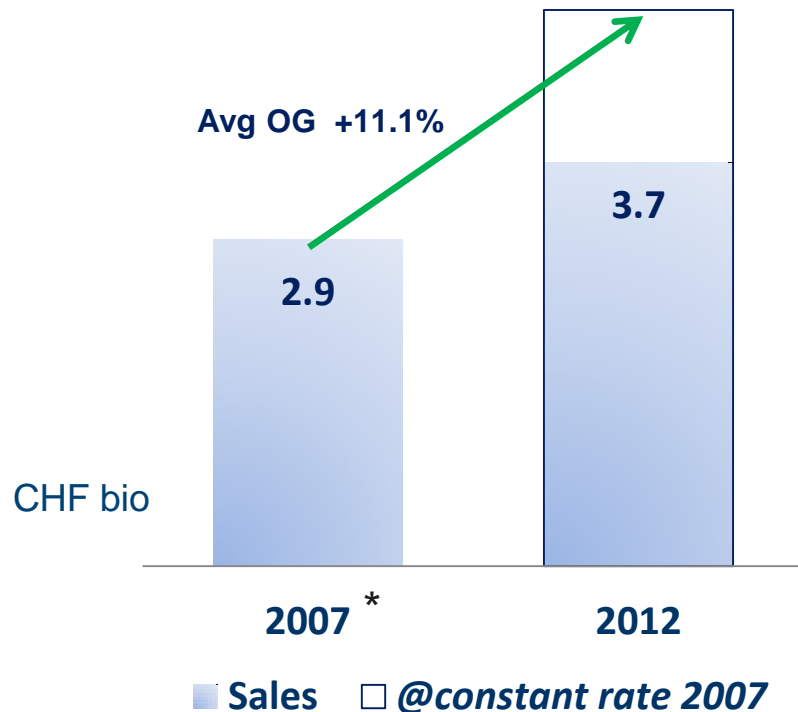
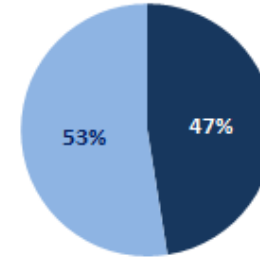
Infant Formula

■ Developed Markets ■ Emerging Markets



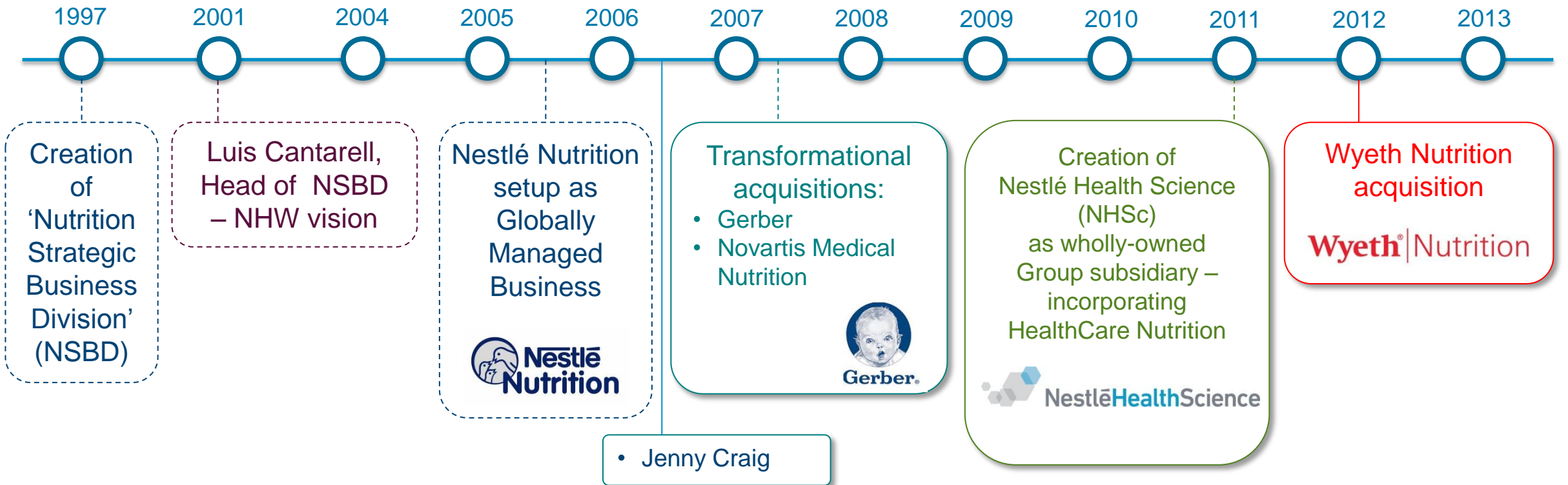
Baby Food

■ Developed Markets ■ Emerging Markets



*Note: 2007 sales estimated to take into account trade spend accounting change

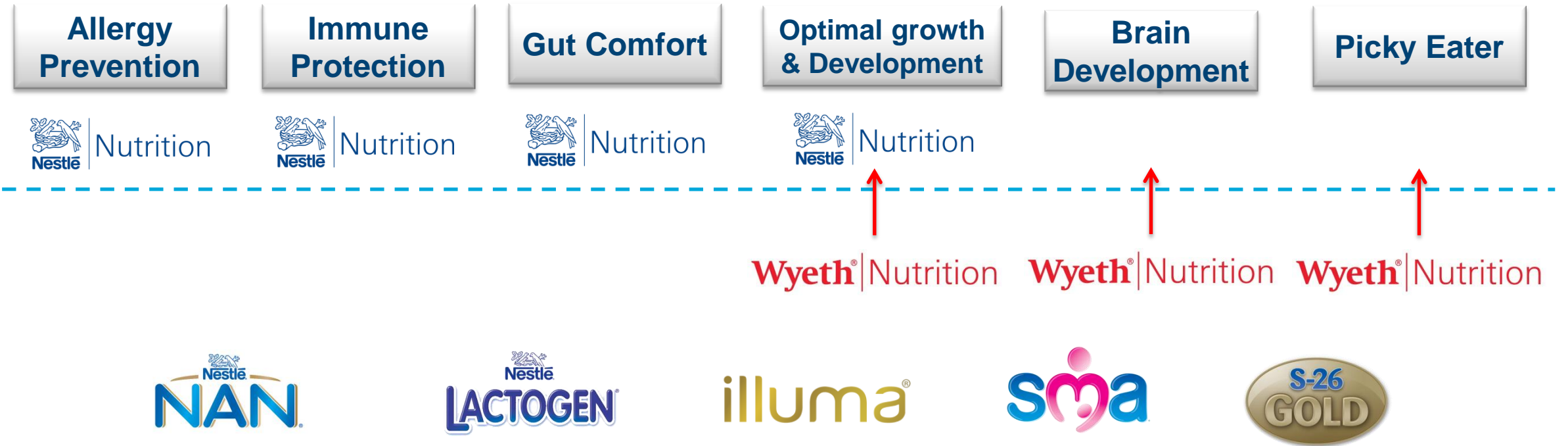
The Nestlé Nutrition journey: Extending leadership in Infant Nutrition through Wyeth Nutrition acquisition



04/2012 – Acquisition of Wyeth Nutrition (Pfizer Nutrition)

Strategic	To be a category leader	✓	Leading positions globally
	Focused approach on value-added growth categories	✓	High-growth category
	Strong brands in leadership positions	✓	High quality brands, strong market positions
Cultural	High degree of certainty of successful integration	✓	Operations complementary, good cultural fit
Financial	Generate value for shareholders	✓	Growth model & healthy returns
	Top line, & cash flow enhancing	✓	Accretive to Group
	Maintain strong credit ratings & financial flexibility	✓	Strong credit ratings maintained

Wyeth Nutrition – complementary to Nestlé Infant Nutrition



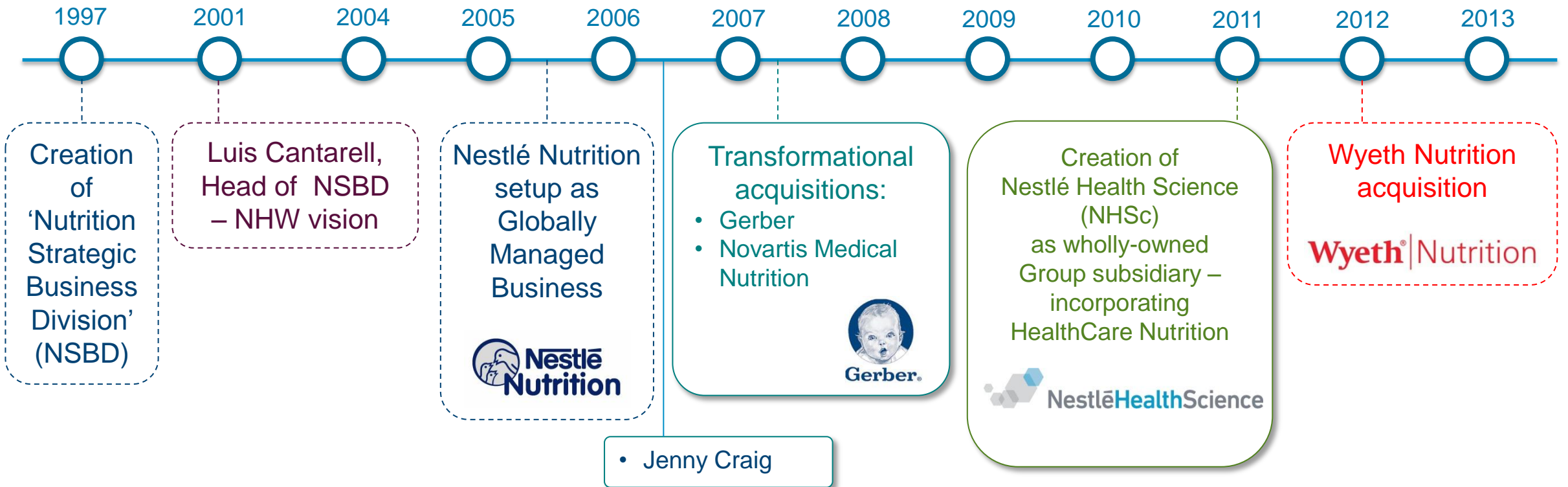
- Enlarged business has a pioneering presence in key benefit platforms
 - Strong presence in premium & super-premium products
- ➔ Strength from entry level to super premium**

Wyeth Nutrition: Integration well on track

Progress:

- Integration/Embedding process going well
- Implementation of Nestlé GLOBE systems in factories/legal entities by early H1 2014 – ahead of original planning
- Key talent retained
- Synergies on track
- Acquisition plan (top and bottom line) on target

The Nestlé Nutrition Journey – Industry-leading innovation accelerating growth since inception



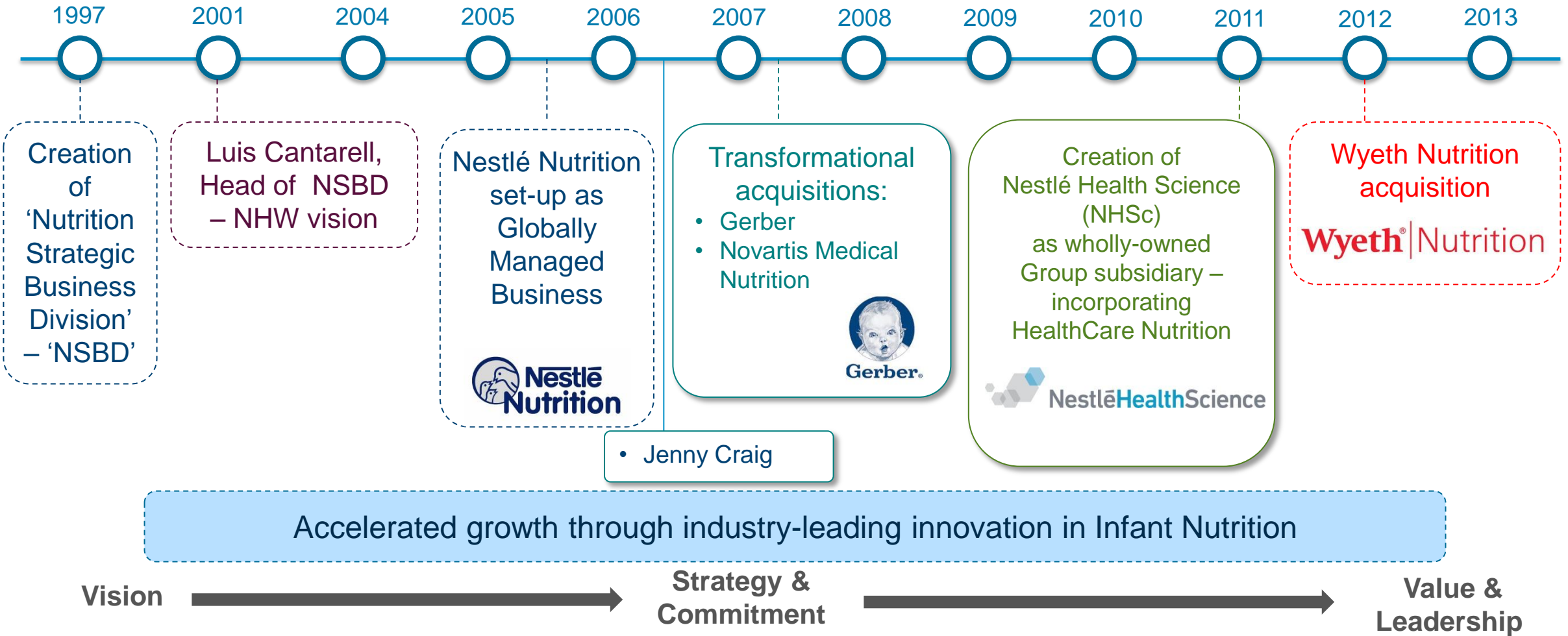
Accelerated growth through industry-leading innovation in Infant Nutrition

2004 – 2013: Driving global innovation in Infant Nutrition

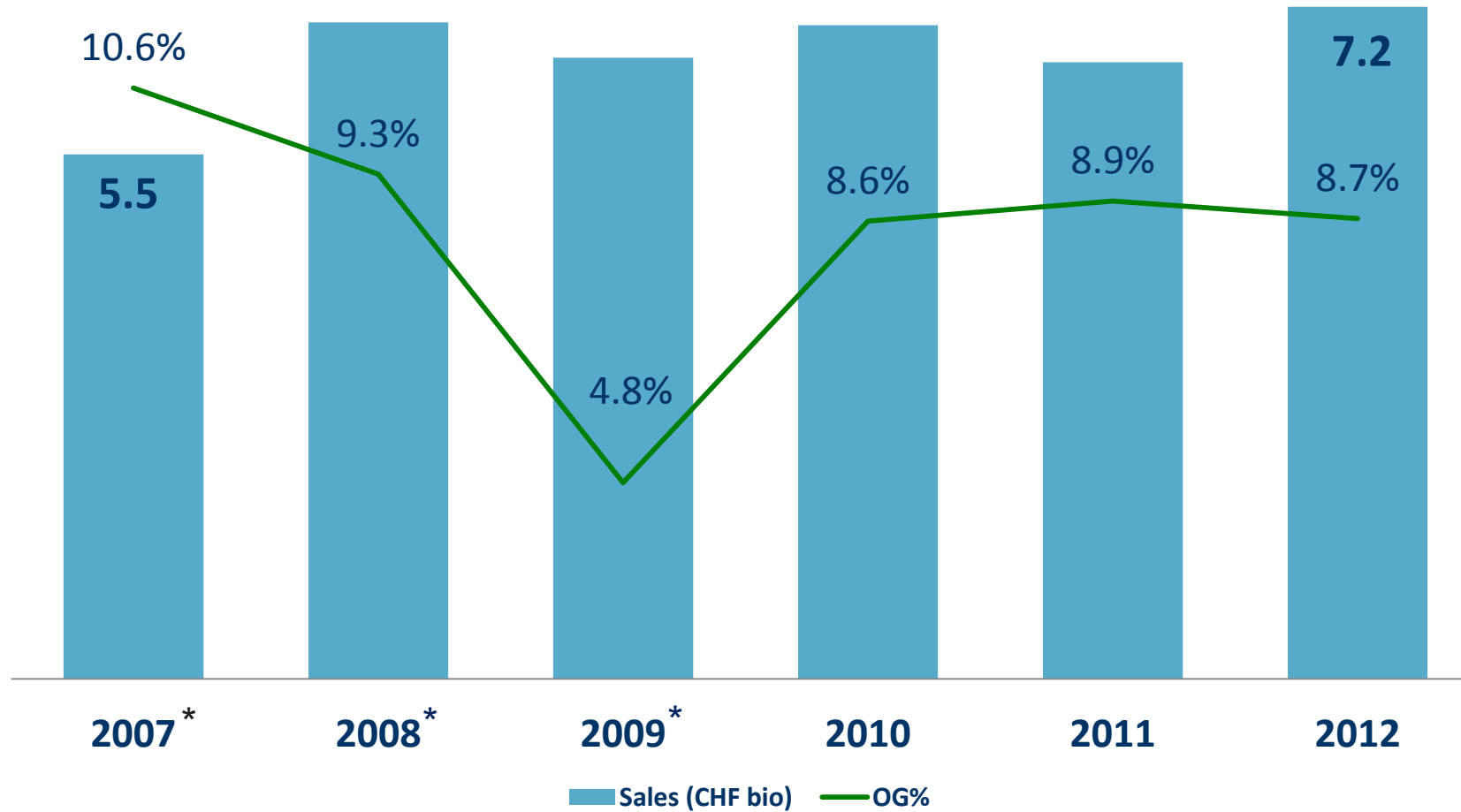
2004	2007	2009	2010	2012
Δ CHF + 450 mio	Δ CHF + 250 mio	Δ CHF + 100 mio	Δ CHF + 430 mio	
<p>Bullet: Strengthening the immune system – protecting from infections</p>	<p>Caesar: Strengthening the immune system – Esp. for Ceasarean born babies with depressed gut flora</p>	<p>Satellite: Strengthening babies' natural defenses day by day</p>	<p>Happy: Enhancing gut comfort (colics) – less crying, better sleep</p>	<p>BabyNes: Advanced Nutrition System</p>



The Nestlé Nutrition journey – Creating value & leadership



Creating value in Infant Nutrition



**Average OG
2007-2012**

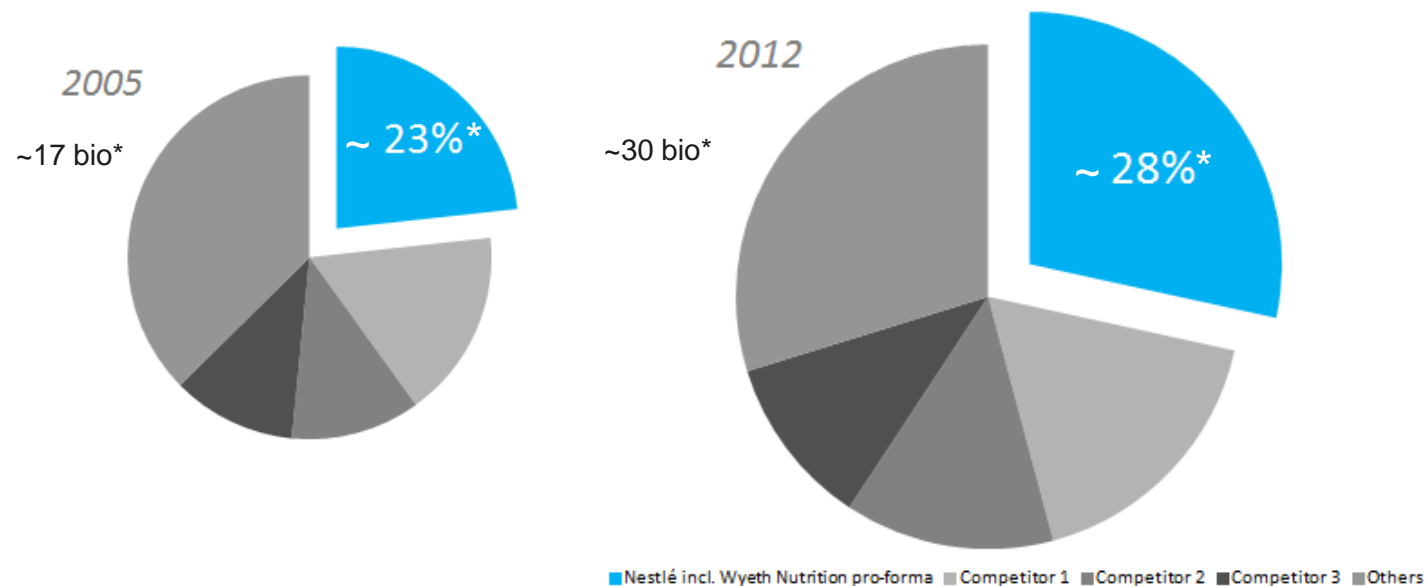
8.5%

**at better than
Group average
margins**

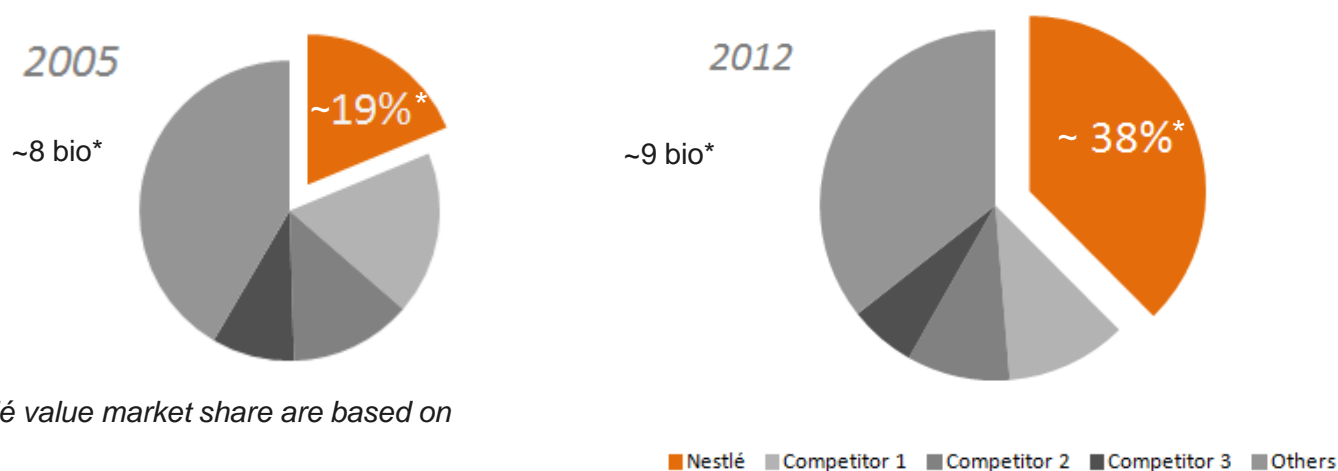
*Note: 2007 to 2009 sales estimated to take into account trade spend accounting change

Extending leadership in Infant Nutrition since set-up as Global Business (2005)

**INFANT
FORMULA
/ GUM**



**BABY
FOOD**



*Category size and Nestlé value market share are based on internal analysis

Summary:

The *Nestlé Nutrition Journey* is a journey from commitment & strategic execution to value creation & leadership

- ...creating Nestlé's Nutrition Health and Wellness dimension
- ...pleasing consumers by offering nutritional solutions to specific needs
- ...generating value for shareholders: growth, margins, return
- ...winning with Wyeth Nutrition: $1+1=3$



The Nestlé Nutrition Journey

Luis Cantarell

President & CEO, Nestlé Health Science
CEO, Nestlé Nutrition