Nestlé
Investor Seminar
2014

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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 Professional portfolio in the US

Sales in $: + 4.8% CAGR 2011 - 2013

900+ Employees

3 Dedicated manufacturing facilities

Sales in $: +4.8% CAGR 2011 - 2013
Agenda

The out-of-home environment

Simplexity – solving the operator’s dilemma

Focus areas – how we will win
Out-of-home in the US

$683 billion
2014 forecasted sales

47% share of consumer food spend

Restaurants represent 58% dollar share with 60% of sales represented by top 500 chains

% OOH Worldwide

- Canada: 2%
- Japan: 13%
- W. Europe: 18%
- USA: 22%

Largest & most developed OOH market in the world

Home of global restaurant chains

Economic conditions have contributed to declining traffic

OOH Units by Channel

- Restaurants: 614,854
- Onsite Foodservice: 337,520
- Retail Food: 181,883
Low traffic levels continue to challenge the industry

Foodservice Industry Traffic

2008: 63 billion visits
2013: 61 billion visits

2 billion visits lost

Driven by:
- High unemployment
- Low disposable income
- Economic uncertainty
- Consumer changes in behavior
Understanding the out-of-home environment

**Consumer**

- Lacking long-term financial confidence but still allowing for small indulgences
- Searching for value & convenience to help manage busy lives
- Looking to control health & nutrition away from home with focus on ingredient transparency & sourcing

**Marketplace**

- Managing food costs & retaining customers are of top importance
- Looking for help to shake things up on menus & gain traction
- Not sure how to manage NHW today – proceeding with extreme caution
Nestlé Professional: Our mission

Nestlé Professional inspires partners’ growth by providing branded, creative, profitable solutions that are *Making More Possible* for our customers.
We are driving our performance…
Solving the operator’s dilemma

From products to solutions

Customer Value
Creativity
Expertise
Excellence

Focus on Branded and Custom Food & Beverage solutions
Solutions that simplify ...

- Asset Lean
- Labor/Skill Lean
- Time Lean
- Sustainable
NESCAFÉ Milano

NESCAFÉ Milano’s unique technology delivers the ease of creating black and specialty coffee beverages at the push of a button.

- 30% faster than competition
- Zero waste
- No refrigeration
- Self cleaning
- Food safe
Minor’s Natural Gluten Free Bases

...taste and consistency aren’t being compromised and your customers’ dietary concerns are being met.

- **Tested** gluten free
- **No Big 8 allergen** Ingredients
- **Made with** natural ingredients
- **Clean Label**
- **25% Less Sodium** than a traditional base
- **0g Trans Fat & Sat Fat** per serving
Beverages & Food focus in the US

Branded Beverages Solutions

4 Growth Platforms

Branded and Custom Food Solutions

3 Growth Platforms

- Savory Solutions
- Dessert Solutions
- Meal Solutions
Reducing complexity and building synergies

Streamlining the portfolio

- 42% SKU count
  2013 vs. 2011

Cost & consolidation savings

$30+ m Cost savings

Operate as

ONE

Nestlé
Grasping opportunities with simple solutions
NHW in everything we do

**People**
- NHW accountability for all employees
- Nutrition Quotient (NQ) training - beyond basic nutrition
- Creating NHW ambassadors

**Solutions**
- Leverage NutriPro Toolkit
- Make NHW achievable for customers
- Interactive & customizable information
- Recipes for balanced nutrition

**Products**
- Responsible nutrition through Nutrition Foundation and Nutrition Policies
- Commitment to NHW innovation & renovation

**Communication**
- Communicate credible science-based nutrition
- NHW integrated throughout
- Leading with NHW at key industry events
Engaging & winning with customer intimacy

Nestlé Professional Customer Innovation Campus
Solon, OH

| Nestlé Professional Food & Beverage | +4.8% |
| Foodservice Industry                | +1.5% |

$ CAGR 2011-2013

100+ Customer visits/yr
Industry events
Nutrition seminars
A winning strategy to drive growth and improve profit for Nestlé Professional in the US

**Sales (in USD)**

- 2011
- 2012
- 2013

CAGR\(^{(1)}\): +4.8%

**Trading Operating Profit (in USD)**

- 2011
- 2012
- 2013

CAGR\(^{(1)}\): +20%

(1): 2011 to 2013 change
In Summary…

- **Reducing the complexity** in our business and our marketplace
- **We are solving the operator’s dilemma**
- Nestlé Professional is **taking a leadership position in NHW**
- **We are driving our performance** with solutions that simplify