Welcome to the 9 Month Sales Press Conference
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.
9 Month Sales Press Conference

Paul Bulcke
Nestlé CEO
9 Month Sales Press Conference

Paul Bulcke
Nestlé CEO
Our promise as world leader in Nutrition, Health & Wellness

We enhance lives by offering tastier and healthier food and beverage choices at all stages of life and at any time of the day, helping consumers care for themselves and their families.
Nestlé

Facts and figures

• Founded in Switzerland over 145 years ago
• CHF 83.6 billion turnover in 2011
• 330,000 employees in over 150 countries
• 461 factories in 83 countries
• Over 4,000 brands
• Over 1 billion Nestlé products sold per day
Present in 7 different product categories

- Nutrition
- Milk products and Ice Cream
- Powdered and Liquid Beverages
- Prepared dishes and cooking aids
- Confectionery
- Water
- PetCare
9 Month Sales Press Conference

Wan Ling Martello
Chief Financial Officer
9 Months highlights

• Sales up 11% to CHF 67.6 billion
• Organic growth: +6.1%
• Pricing +3.2%; +2.9% RIG
• Continued growth in developed as well as emerging markets
• Outlook confirmed: 5% to 6% organic growth, together with an improvement in margins and earnings per share in constant currencies
Regional performance

- Growth in Europe & Americas: notable in view of economic environment - RIG accelerated in both
- AOA double digit in volatile environment

*Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, NHSc, and JVs
Operating segments – Growth across the board

<table>
<thead>
<tr>
<th>Sales Segment</th>
<th>CHF bn rounded</th>
<th>% OG</th>
<th>% RIG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone Europe</td>
<td>11.2</td>
<td>1.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Zone Americas</td>
<td>20.9</td>
<td>5.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Zone AOA</td>
<td>14.0</td>
<td>9.4</td>
<td>6.3</td>
</tr>
<tr>
<td>Nestlé Waters</td>
<td>5.6</td>
<td>5.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Nestlé Nutrition</td>
<td>5.8</td>
<td>6.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Other</td>
<td>10.1</td>
<td>8.9</td>
<td>6.3</td>
</tr>
</tbody>
</table>
Product categories – Growth across the board

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales CHF bn rounded</th>
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</thead>
<tbody>
<tr>
<td>Powdered &amp; Liquid Beverages</td>
<td>14.4</td>
</tr>
<tr>
<td>Milk Products &amp; Ice Cream</td>
<td>14.1</td>
</tr>
<tr>
<td>Prepared Dishes &amp; Cooking Aids</td>
<td>10.4</td>
</tr>
<tr>
<td>Confectionery</td>
<td>7.2</td>
</tr>
<tr>
<td>PetCare</td>
<td>7.9</td>
</tr>
</tbody>
</table>

- % OG
- % RIG
Brands: building enduring franchises
Purina

• High single-digit growth

• Deepening penetration in emerging markets
Maggi

- Over 100 million servings sold per day in Central & West Africa alone
- Innovations driving growth in Europe
Kit Kat
• Over 75 years since launch
• Growing at high single-digit
Nido

- Launched successfully into liquid in Brazil
- The brand growing at high single-digit internationally
Nespresso

• Double-digit growth

• Two new machine designs and three special edition coffees launched
Drumstick

• Including all brands, 50 Nestlé cones per second consumed worldwide
NAN

• Double-digit growth
• Broadening the portfolio with innovative anti-colic and hypo-allergenic formulas
S. Pellegrino & Perrier

• Strong growth in N. America and Europe

• Worldwide growth accelerating
NESCAFÉ

- Established in 1938
- Present in over 150 markets
- Growing in the high single-digits
We are well positioned to deliver the Nestlé Model of organic growth of 5% to 6%, improved margin and underlying earnings per share in constant currencies.
9 Month Sales Press Conference

Paul Bulcke
Nestlé CEO
The New Reality
The Nestlé Roadmap

Our objective is to be the recognised and trusted leader in Nutrition, Health and Wellness, and the industry reference for financial performance.
Long-standing relationships with consumers
A wide choice of products with trusted brands
A worldwide presence
A manufacturing network close to the consumer
Supported by a strong R&D network in growth markets
Bringing the best of Nestlé... whenever, wherever, however

Open markets  Small stores  Modern trade  Urban areas
Creating Shared Value for the communities where we operate
Building a successful future
9 Month Sales Press Conference

Nandu Nandkishore
Executive Vice President
Zone AOA
Nestlé around the world

Turnover in CHF
Jan – Sept 2012

Americas
30.0 bn
(44.4%)

Europe
19.0 bn
(28.2%)

Asia, Oceania, Africa
18.6 bn
(27.4%)
Size and diversity of AOA

3 continents
18 markets / 116 countries*
143 factories**
15 time zones
Innumerable languages
76% of world’s population
All major religions
Variety of cuisines / tastes
About 45% of world GDP***

*Source: UN Statistical Division
**143 Active incl (+ 3 satellite factories) NN, NP, NPP, CPW; 27 NW; 8 Under Construction
***Source: IMF
China and India were the world’s largest economies...

Percentage of world GDP (last 1000 years)

Sources: Angus Maddison (1000-1950), IMF (1980-2012)
Top 10 economies by 2050: 6 countries from AOA

Source: IMF, citigroup
Over half of population in Asia will be urbanised by 2020 and in Africa by 2035.

Sources: United Nations, Department of Economic and Social Affairs, Population Division
The “Big 5” in the Hot Zone: Investing & leading the trends

**China**
- Local players
- Food safety focus
- Invest in people & capacity
- Innovation / Renovation

**South Asia**
- Aggressive competition
- Local sourcing
- Build distribution
- Innovation / Renovation

**ASEAN**
- Aggressive competition
- Competition for talent
- PPP opportunity
- AFTA trade opportunity

**Africa**
- People
- Resources
- Local raw / Packaging

**Middle East**
- Political instability
- Securing supplies
- Multi-tier offer

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**Accelerate PPP & CSV**

<table>
<thead>
<tr>
<th>China</th>
<th>South Asia</th>
<th>ASEAN</th>
<th>Africa</th>
<th>Middle East</th>
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<tbody>
<tr>
<td>• Local players</td>
<td>• Aggressive competition</td>
<td>• Aggressive competition</td>
<td>• People</td>
<td>• Political instability</td>
</tr>
<tr>
<td>• Food safety focus</td>
<td>• Local sourcing</td>
<td>• Competition for talent</td>
<td>• Resources</td>
<td>• Securing supplies</td>
</tr>
<tr>
<td>• Invest in people &amp; capacity</td>
<td>• Build distribution</td>
<td>• PPP opportunity</td>
<td>• Local raw / Packaging</td>
<td>• Multi-tier offer</td>
</tr>
<tr>
<td>• Innovation / Renovation</td>
<td>• Innovation / Renovation</td>
<td>• AFTA trade opportunity</td>
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**Defend and build brands**

<table>
<thead>
<tr>
<th>OOH</th>
<th>Price point management</th>
<th>Premiumisation</th>
<th>People</th>
<th>NHW</th>
<th>External growth</th>
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**Invest ahead of demand**

**Build distribution**
The Nestlé Roadmap

Our objective is to be the recognised and trusted leader in Nutrition, Health and Wellness, and the industry reference for financial performance.

Compliance - Sustainability

Creating Shared Value

Nestlé culture, values and principles

Innovation & renovation

Operational efficiency

Whenver, wherever, however

Consumer communication

Premiumisation

Out-of-home consumption

Emerging markets and Popularly Positioned Products

Nutrition Health and Wellness

People, culture, values and attitude

Unmatched geographic presence

Unmatched research & development capability

Unmatched product and brand portfolio

Competitive advantages

Operational pillars

Growth drivers
Nestlé in AOA

Established presence and rich in history

Note: Dates based on Registration of Local Nestlé Office and not registration of Nestlé Brand trademark/ Distributor partnerships.
Popularly Positioned Products

Affordable nutrition and pleasure for emerging consumers

Fortified:
- Iron
- Zinc
- Iodine
- Vitamin A, C

Price:
- PHP 23*
  (80g/3 glasses)
*Approx CHF 0.5
Maggi Fortified

Number 1 brand in CWAR

• 100 million units sold everyday
• Fortified: Iron, Iodine
• In Nigeria:
  3 cubes = 10 NAIRA (CHF 0.06)
Nutrition in AOA

- 91 billion servings fortified with key micronutrients
- Affordable fortified milks now available in more than 60 countries
- 1,460 Popularly Positioned Products
- Products continuously renovated for nutrition or health considerations, reducing salt, fat and sugar levels
- Start Healthy Stay Healthy promotes the early establishment of healthy eating habits
- Nestlé Healthy Kids programmes run in partnership with governments, academia, and NGOs in over 20 countries reaching approx. 800,000 children
Global Innovation Roll-out

Premiumisation with Nescafé Dolce Gusto

Launched in 10 markets:

<table>
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<tr>
<th></th>
<th>National</th>
<th>City Focus</th>
<th>E-Commerce</th>
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<tbody>
<tr>
<td>Japan</td>
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<td>S. Korea</td>
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<td>Taiwan</td>
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<td>Singapore</td>
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<td>Hong Kong</td>
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<td>Malaysia</td>
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<td>Philippines</td>
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<td>Qatar</td>
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<td>Kuwait</td>
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- Espresso
- Mocha
- Cappuccino
- Chai Tea Latte
- Cappuccino Ice
- Macha Latte
Out-of-home consumption

Whenever, wherever, however

- Taking NESCAFE to the doorsteps of consumers
  - Making ~ 10 USD a day
  - >1000 salesmen

- Selling hot NESCAFE cups in the streets
  - a minimum of 200 USD per month
  - > 2000 jobs created

- Empowering unemployed youth to set up small scale business selling NESCAFE in choked areas
  - >500 saleswomen
“For a company to be successful over time and create value for shareholders, it must also create value for society.”

"... beyond sustainability, to create value for shareholders & society - integrally linked to our core business"

"...meet the needs of the present without compromising future generations ..."

Comply with the highest standards
Responsible Farming

Dairy District Model  NESCAFÉ Plan  Nestlé Cocoa Plan
Competitive Intensity
The way we work

1. We promote SAFE working behaviour
2. We put the Consumer and Customer at the Heart of all we do
3. We believe our People and Brands are our Greatest Assets
4. We focus and keep things simple, with an emphasis on Speed in Execution
5. We strive to be Brilliant at the Basics
6. We Create Shared Value in the communities we operate
7. We are transparent, disciplined and aligned
8. We are flexible and anticipate the unexpected
9. We believe in seizing opportunities in moments of crisis
10. We promise what we can deliver and deliver what we promise

危機 = 危 + 机
Wei 
(Crisis)  +  Wei 
(Danger)  +  Ji 
(Opportunity)
9 Month Sales
Press Conference

Roland Decorvet
Chairman & CEO
Nestlé Greater China
China: the size of a continent, with provincial GDPs at the level of emerging or developed countries
China: still at an early stage in food consumption
Per capita by 2015 … only half of Mexico today
Our Nestlé Greater China vision

Be the recognised leading NHW F&B Company by helping to build healthier and happier generations at every stage of life

• Delivering innovative, safe, tasty, trusted and good value-for-money products

• Building partnerships with all stakeholders from farm to chopsticks

• Creating shared value and sustained development
31 factories all across China

- 35 million products sold every day
- ~95% of Nestlé products sold in China are locally manufactured

- Regional & local headquarters
- Factories (under construction)
Greater China has become one of Nestlé’s key markets

<table>
<thead>
<tr>
<th>Rank</th>
<th>Market</th>
<th>2011 Sales (CHF bn)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>21.5</td>
</tr>
<tr>
<td>2</td>
<td>France</td>
<td>5.6</td>
</tr>
<tr>
<td>3</td>
<td>Brazil</td>
<td>5.4</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>3.4</td>
</tr>
<tr>
<td>5</td>
<td>Mexico</td>
<td>3.0</td>
</tr>
<tr>
<td>6</td>
<td>UK</td>
<td>2.7</td>
</tr>
<tr>
<td>7</td>
<td>China</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Greater China 2012 Sales est.: CHF 5 bn
Rank: ?

16% CAGR

Nestlé Greater China Region’s sales (excluding Yinlu & Hsu Fu Chi)
Yinlu is an ideal platform to become a major player in healthy dairy-based beverages and nutritious congees

60/40 partnership with founding families
Headquartered in Xiamen

Traditional trade & Deep penetration
- 8’000 sales people
- >1’000’000 outlets covered

Chinese relevant products
- Leader in ready-to-eat congee and ready-to-drink peanut milk

High operational efficiency & Aseptic experience
- 3 large-scale standardized factories

60/40 partnership with founding families
Headquartered in Xiamen
Hsu Fu Chi is the leader in sweet confectionery in China with a very unique sales model

Hsu Fu Chi

60/40 partnership with founding families
Headquartered in Dongguan

Invented and developed the Pick&Mix format in China

• 3500 displays in Hyper and Supermarkets

Leading position with ~900 products

• Candies, chocolates, cakes, wafers, jellies cookies, snacks, sachima

2 production bases in Guangdong (South) and Henan (Center)

• 45 workshops
• 187 production lines
• 420 high speed packing lines
• 80% imported equipment
Joining forces with our new partners

Actual 2011 Sales
CHF 2.5 bn

- Nestlé F&B GCR division: 47%
- Yinlu sales only 1 month in Actual 2011
- Hsu Fu Chi sales in 2012E figures, not in Actual 2011
- Nestlé F&B GCR includes Infant nutrition

2012E Sales
CHF 5 bn

- Nestlé F&B GCR division: 23%
- Yinlu + RTD Coffee: 9%
- HFC + Nestlé Confect.: 28%
- Food (Totole, Haoji, Maggi): 16%
- Nestlé F&B GCR division: 28%

Note: Yinlu sales only 1 month in Actual 2011, Hsu Fu Chi sales in 2012E figures, not in Actual 2011; Nestlé F&B GCR includes Infant nutrition
Our partnerships: bringing together complementary strengths

• Large portfolio:
  6 China famous brands, 1 strong regional brand, leadership in 11 categories

• 3 focused platforms with clear strengths and expertise
  - Nestlé Dry Grocery → Key accounts, few key distributors
  - Yinlu / Ready-to-drink coffee → Ready-to-drink beverage distributors, high point of sales coverage, lower-tier cities
  - Hsu Fu Chi → Direct distribution, pick & mix, impulse model
  - Multinational company vs. Chinese entrepreneurs
  - Structured approach vs. speed / planning vs. hyperactivity
  - Team-minded vs. great leader
  - Different focus and KPIs – percentages vs. absolute amounts
  - Support & develop
  - Listen and change only if all partners:
    1. understand why  2. agree  3. see clear benefits

• 2 different “cultures”
• Same values

• Need to respect what makes our partners unique
Comprehensive product offer matching all income levels

Chinese Urban Household Annual Income ('000 RMB)

Global Affluent
>250
(6% of population)

Mass Affluent
125-250
(12% of pop.)

Upper Middle Class
50-125
(39% of pop.)

Lower Middle Class
30-50
(22% of pop.)

Lower income
<30
(21% of pop.)

Dairy & Nutrition
Coffee
Beverage
Culinary
Confection. Ice cream
Hsu Fu Chi
Yinlu
Waters
Cereals
Pet food

Source: Nestlé GCR analysis, selected units from Nestlé Greater China portfolio, sizes non representative
Adapting product tastes & formats to local preferences
**Totole: A proven track record of Sino-foreign partnerships**

After 13 years of successful partnership, Mr. Rong Yaozhong, founder of Totole, is still General Manager of the company.

Nestlé-Totole way to success: Common values, Mutual learning, Respect of differences
**Totole local insights + Nestlé technology = Winning recipes**

- **Totole local insights**
  - Images of ingredients (chicken, garlic, green onion, rice)

- **Nestlé technology**
  - Images of bottled products
  - Chart with categories: Aroma, After Taste, Taste, Flavor, Overall
  - Ratings: 1 to 5

- **Winning recipes**
  - Images of bottled products
  - Text: Nestlé Proprietary technology MHT STB
Strong R&D structure in China, part of Nestlé’s global network

- Development of nutritious and affordable food products for Chinese consumers
- Engaged in food safety, applied science and nutrition research
- Collaborations with leading Chinese Universities and Research Institutes
- Knowledge and experience sharing with other Nestlé’s R&D centers worldwide

2 existing R&D sites...

- Beijing (2008)
- Shanghai (2001)
- Xiamen (2013)
- Dongguan (2013)

...and 2 more to come in 2013
Nestlé in China: building on local strength

<table>
<thead>
<tr>
<th>~50,000 employees</th>
<th>99.8% local people</th>
<th>~25,000 people trained in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;90% local plant managers</td>
<td>100% local sales managers</td>
<td>~700 training programs</td>
</tr>
<tr>
<td>International career opportunities for local employees</td>
<td>People exchange between Nestlé and partners</td>
<td>Collaboration with top Chinese universities</td>
</tr>
</tbody>
</table>
Quality, food safety and compliance all along the value chain are our non-negotiable priorities.

Continuous consultation and cooperation with authorities, academics and trade associations.

Long-term partnerships with farmers and very stringent selection and control of raw and packing materials.

Comprehensive quality controls at each manufacturing step and full compliance with regulation.

Investment in state-of-the-art equipment and best-in-class analytical capabilities.
Fresh milk collection & coffee growing: Creating Shared Value

- Trusted, reliable buyer at stable and competitive price
- World class support: training, best practice sharing
- Benefiting directly & indirectly more than 280,000 people

680,000 t of fresh milk
in 2011 (17x in 17 years)

World-Class Dairy Farming Institute
under construction in Shuangcheng,
to support the sustainable development and
the modernization of the dairy industry in China

10,400 t of coffee
in 2011-2012 season (13x in 13 years)

World Business and Development Award
received on June 2012 in Rio, Brazil, for
"Innovative & productive business practices
that benefited Chinese society"
Thank You!

谢谢！
9 Month Sales Press Conference

Paul Bulcke
Nestlé CEO
Questions and Answers