



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



Wan Ling Martello



Nandu Nandkishore



Roland Decorvet



Jonathan Dong



Good Food, Good Life

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

Nestlé

Facts and figures



9 Month Sales Press Conference

Wan Ling Martello
Chief Financial Officer

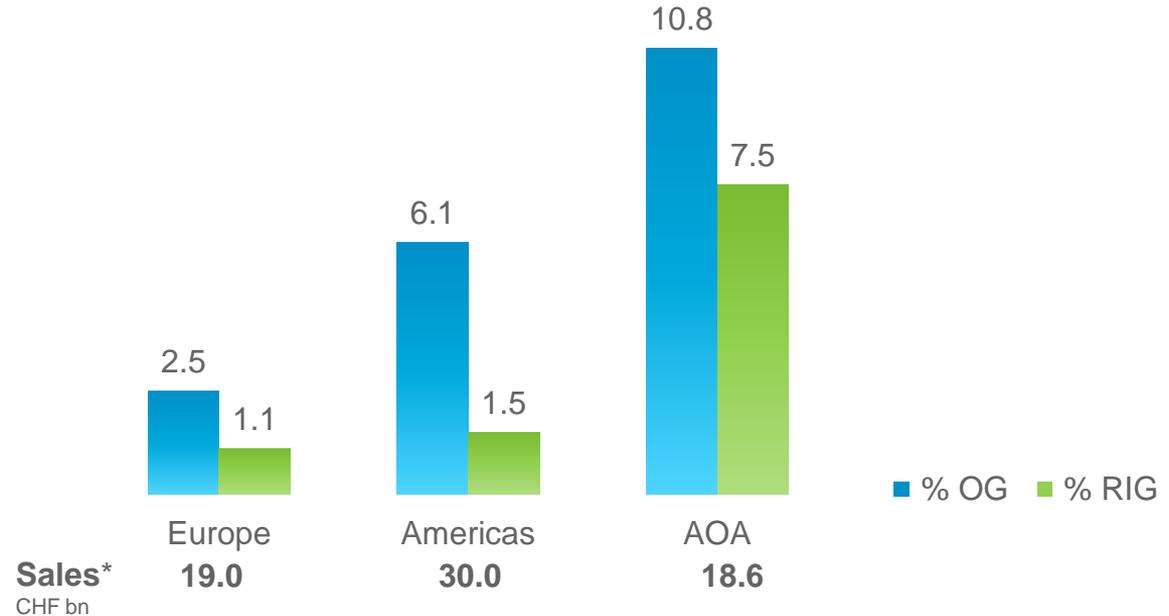


9 Months highlights

- 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

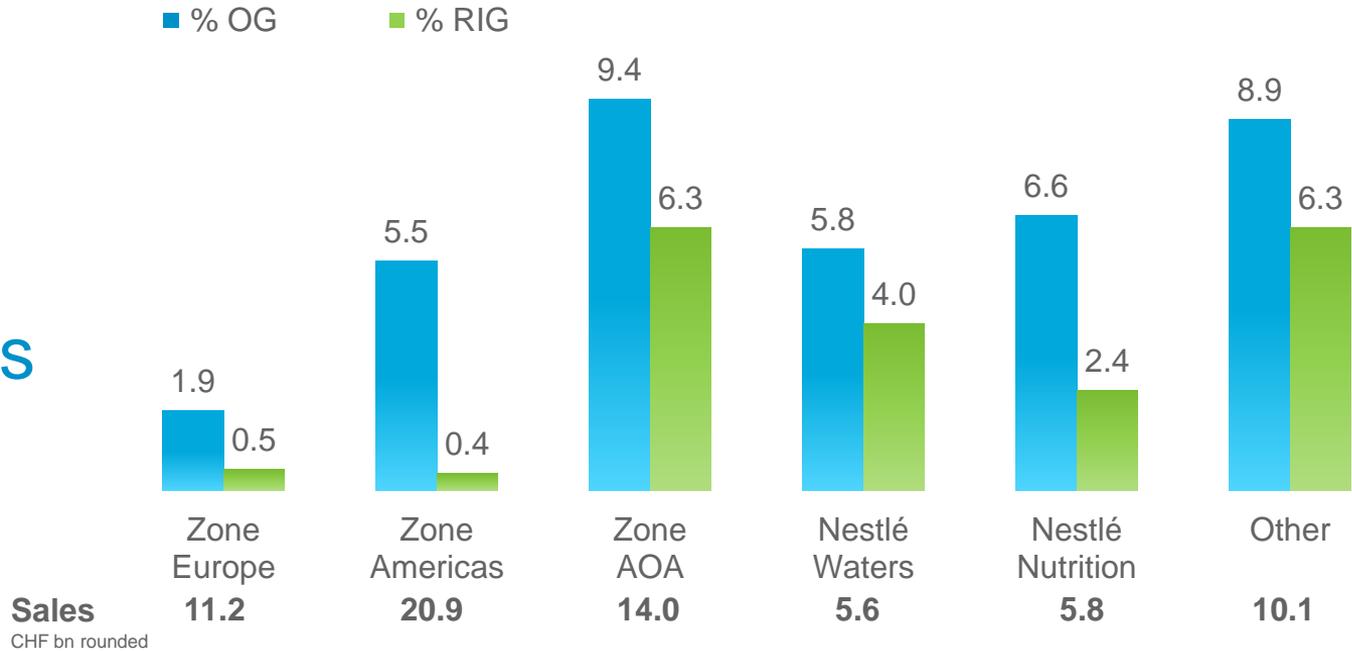
- Growth in Europe & Americas: notable in view of economic environment - RIG accelerated in both
- AOA double digit in volatile environment

Regional performance

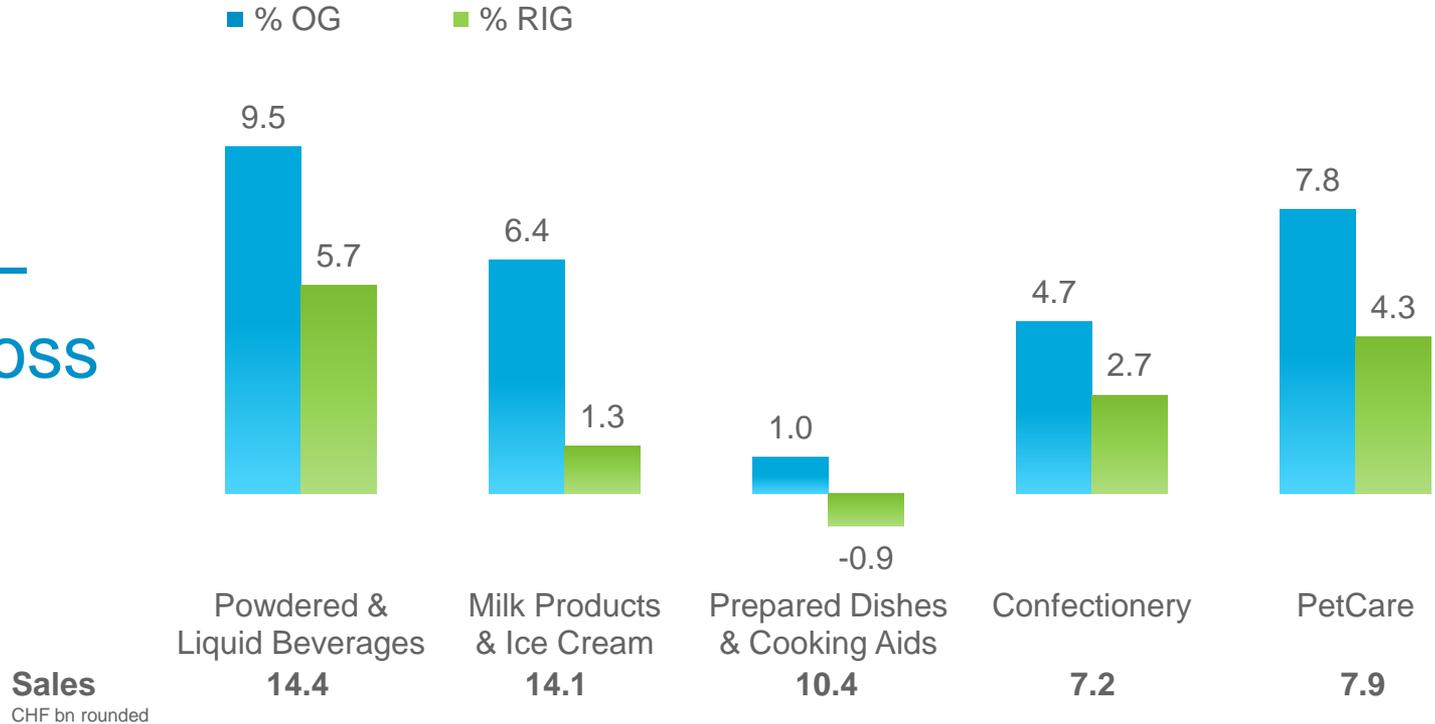


* Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, NHSc, and JVs

Operating segments – Growth across the board



Product categories – Growth across the board



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

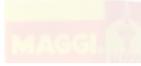
- Over 75 years since launch
- Growing at high single-digit



Nido

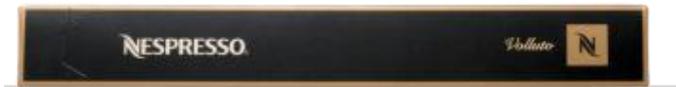
- Launched successfully into liquid in Brazil
- The brand growing at high single-digit internationally





Nespresso

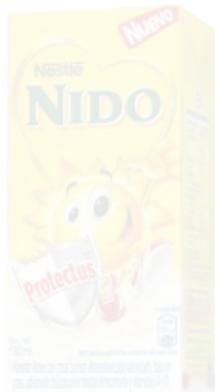
- Double-digit growth
- Two new machine designs and three special edition coffees launched



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

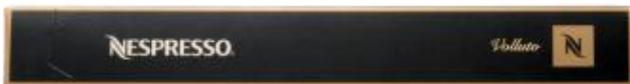
- Strong growth in N. America and Europe
- Worldwide growth accelerating





NESCAFÉ

- Established in 1938
- Present in over 150 markets
- Growing in the high single-digits



2012
outlook
confirmed

**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

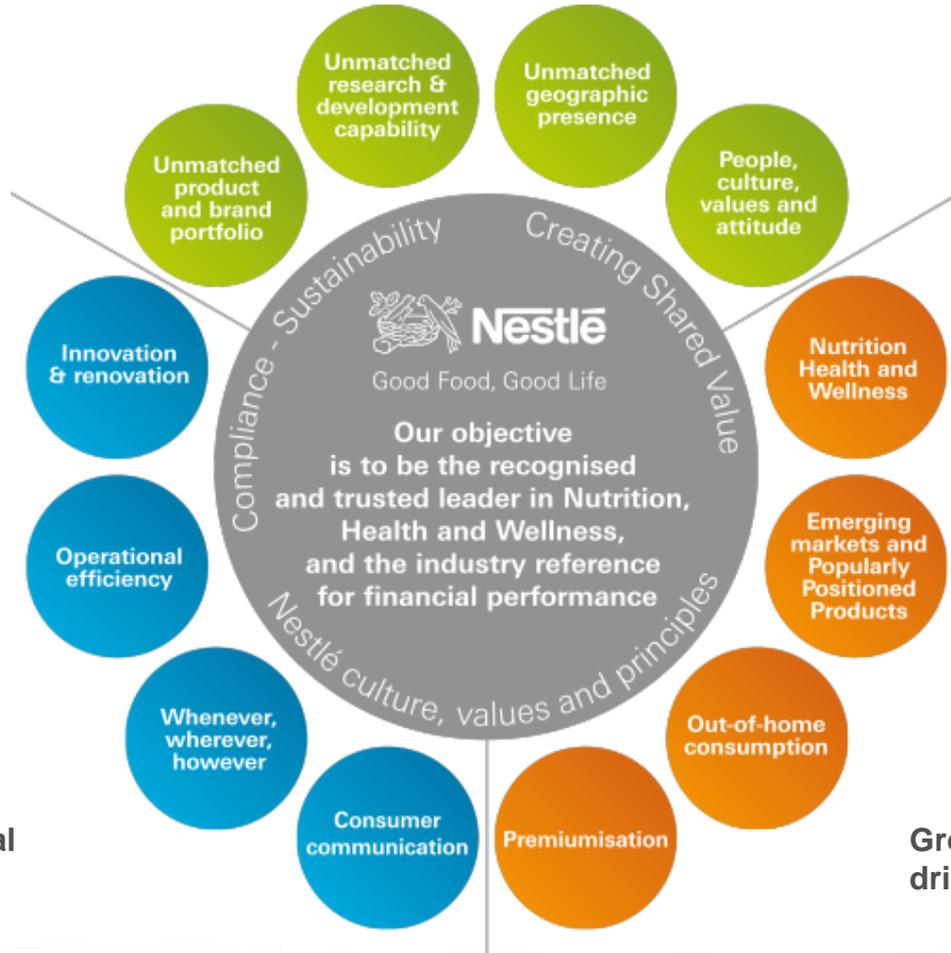


The Nestlé Roadmap

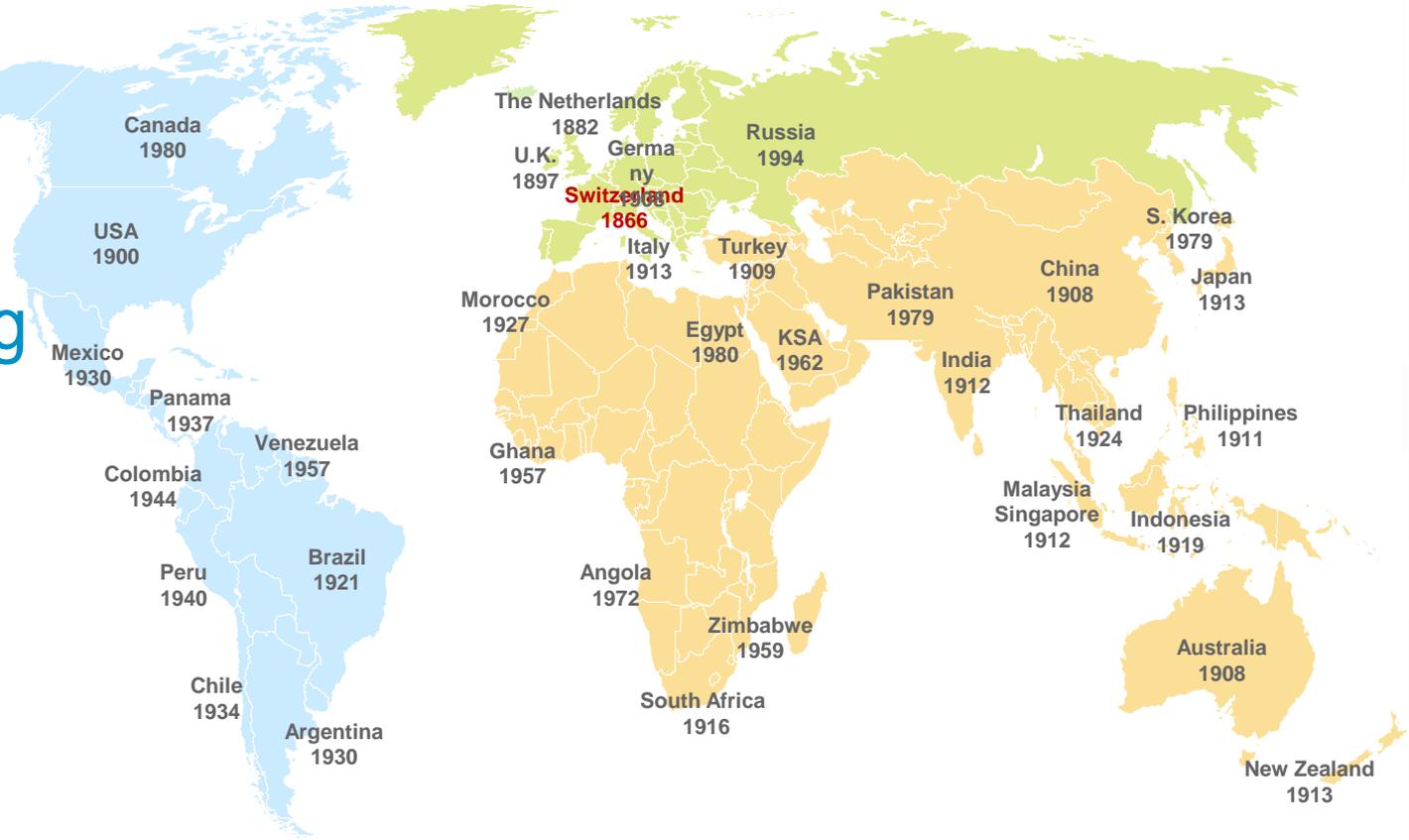
Competitive advantages

Operational pillars

Growth drivers



Long-standing relationships with consumers







A wide choice
of products
with trusted
brands



A worldwide
presence



Illustrative

A manufacturing network close to the consumer



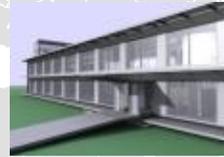
Supported by
a strong
R&D network
in growth
markets



Mexico



Chile



Côte d'Ivoire



India



China (Beijing)



China (Shanghai)

China (Xiamen)

China (Dongguan)

Singapore



Bringing
the best of
Nestlé...
whenever,
wherever,
however



Open markets



Small stores

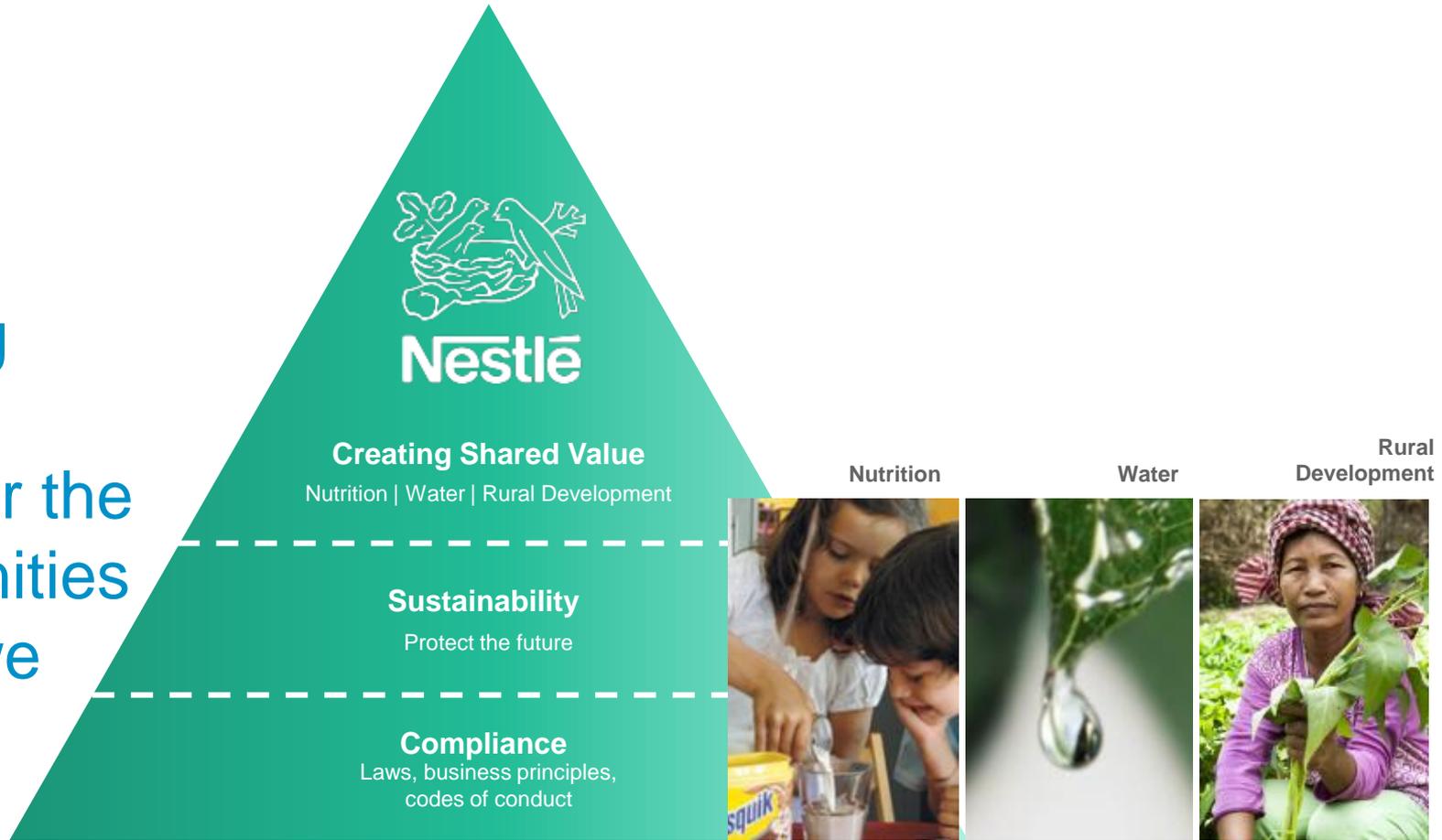


Modern trade



Urban areas

Creating Shared Value for the communities where we operate



Building a successful future



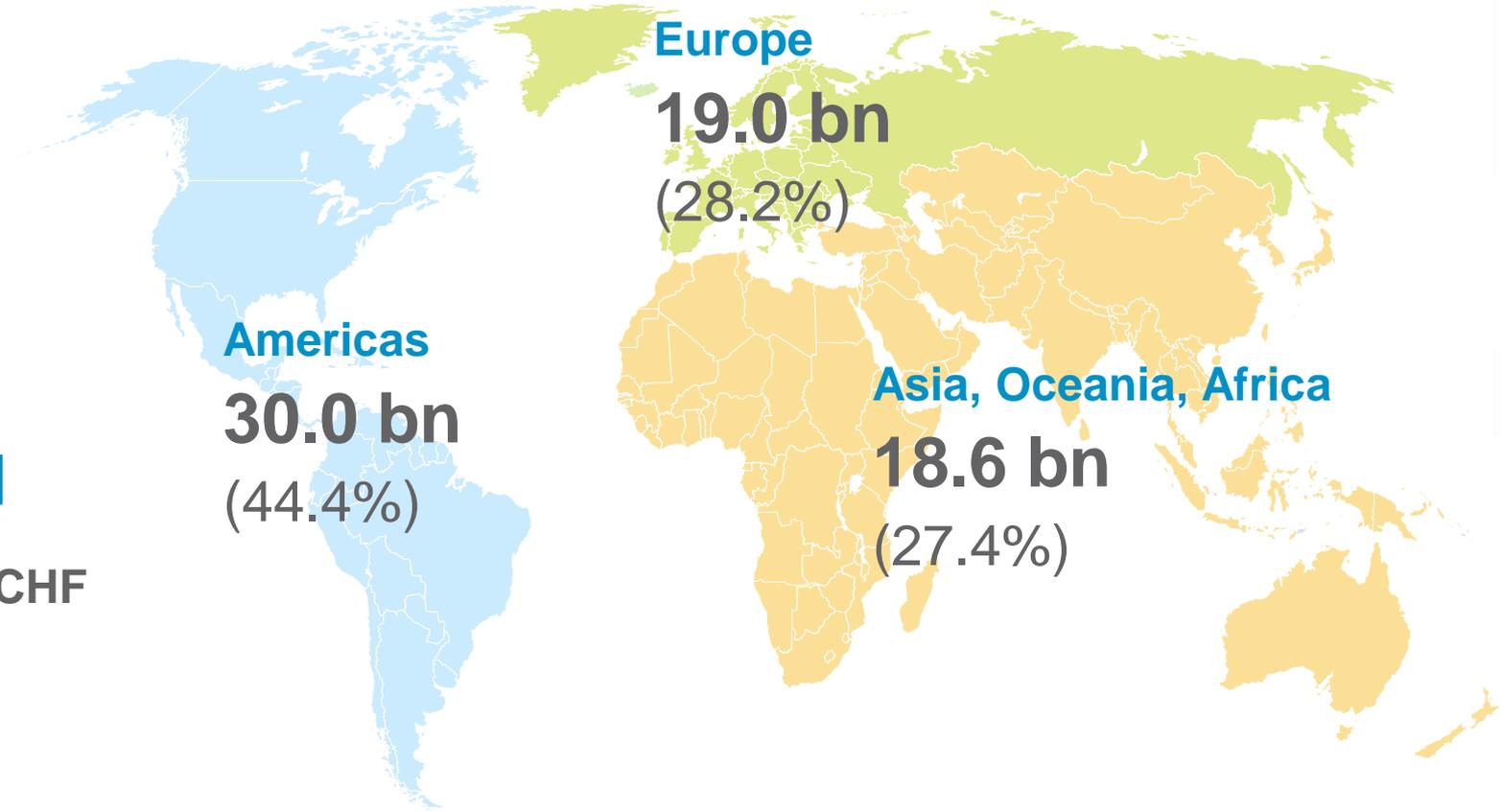


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Nandu Nandkishore
Executive Vice President
Zone AOA

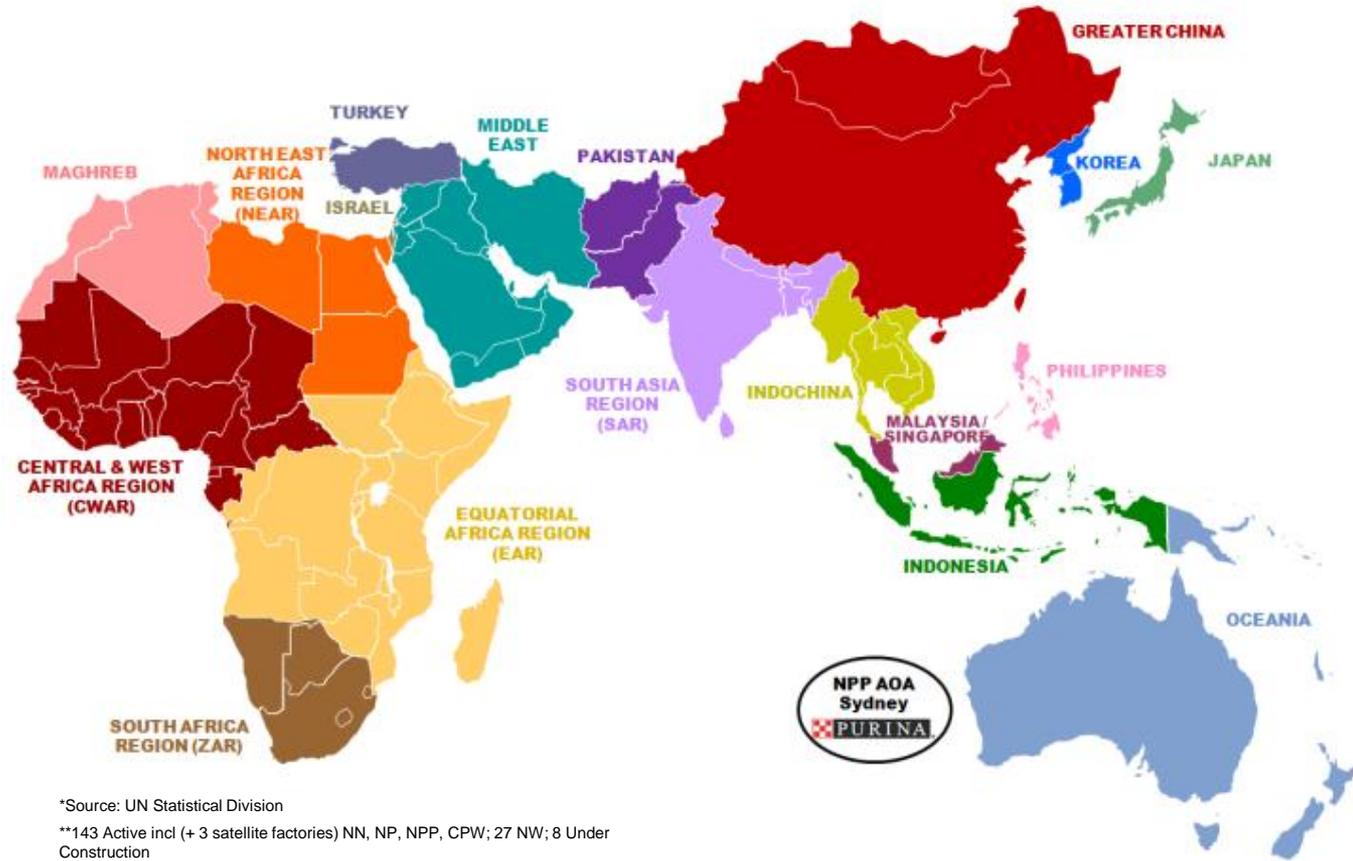
Nestlé around the world

Turnover in CHF
Jan – Sept 2012



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***

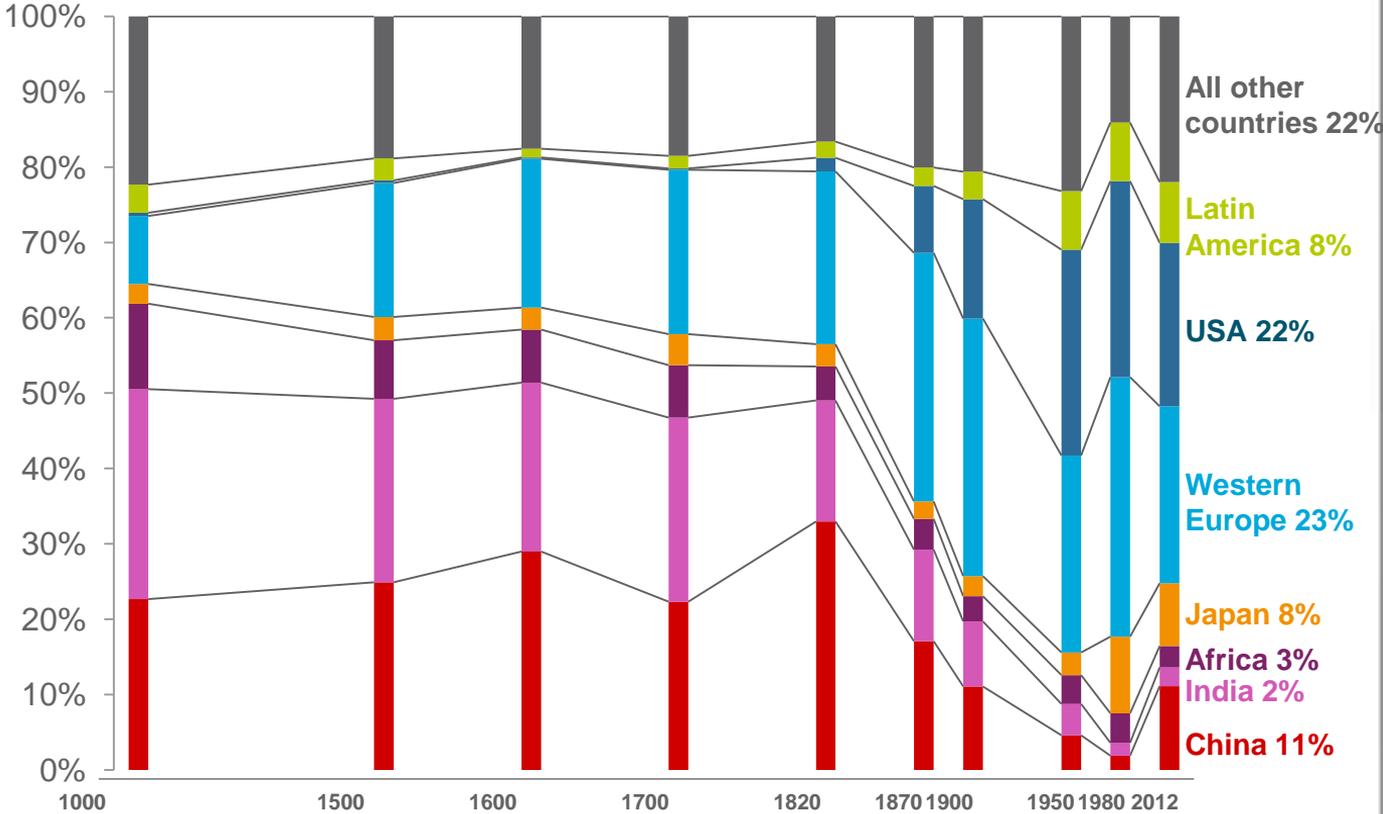


*Source: UN Statistical Division

**143 Active incl (+ 3 satellite factories) NN, NP, NPP, CPW; 27 NW; 8 Under Construction

***Source: IMF

Percentage of world GDP (last 1000 years)

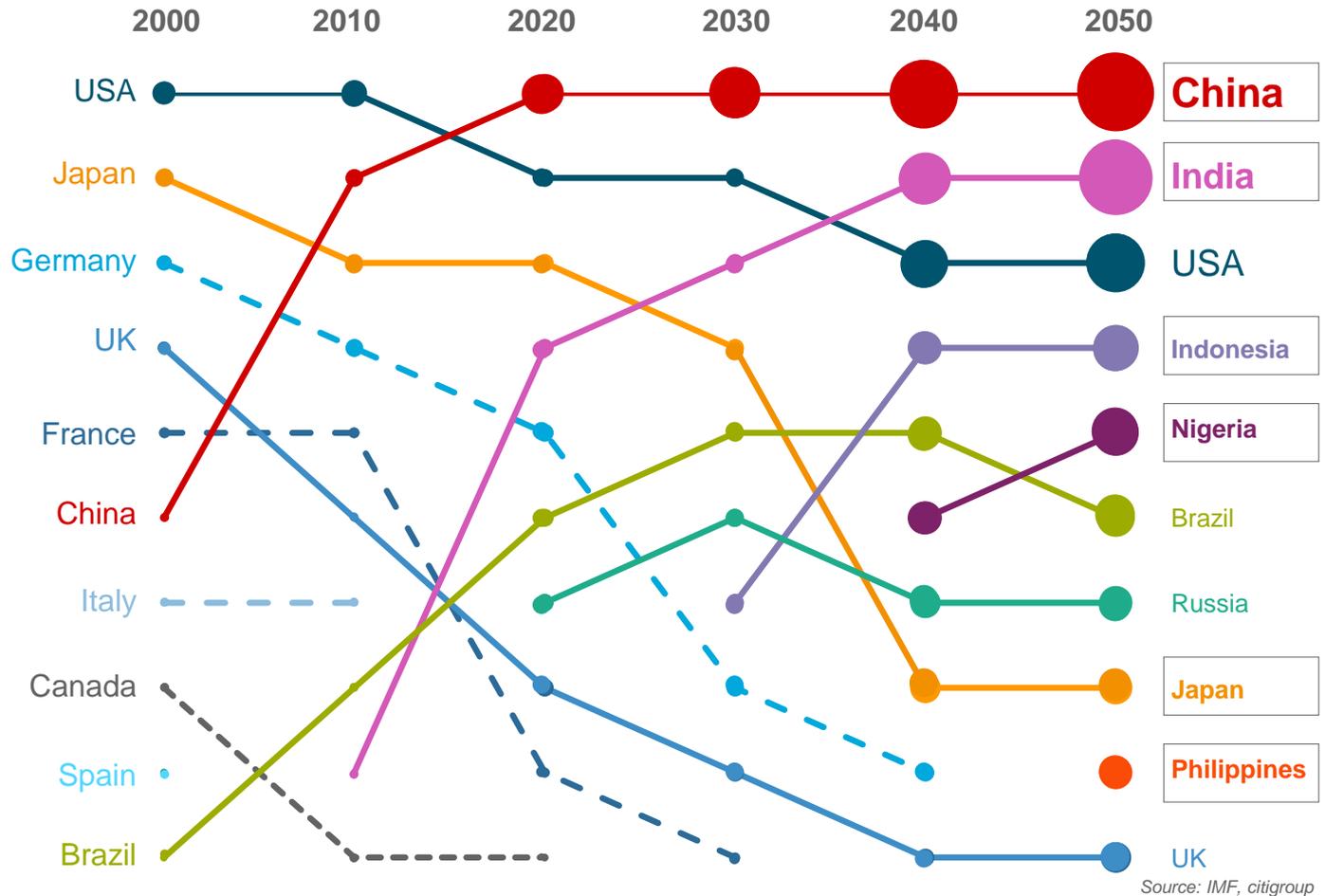


Sources: Angus Maddison (1000-1950), IMF (1980-2012)

China and India were the world's largest economies...

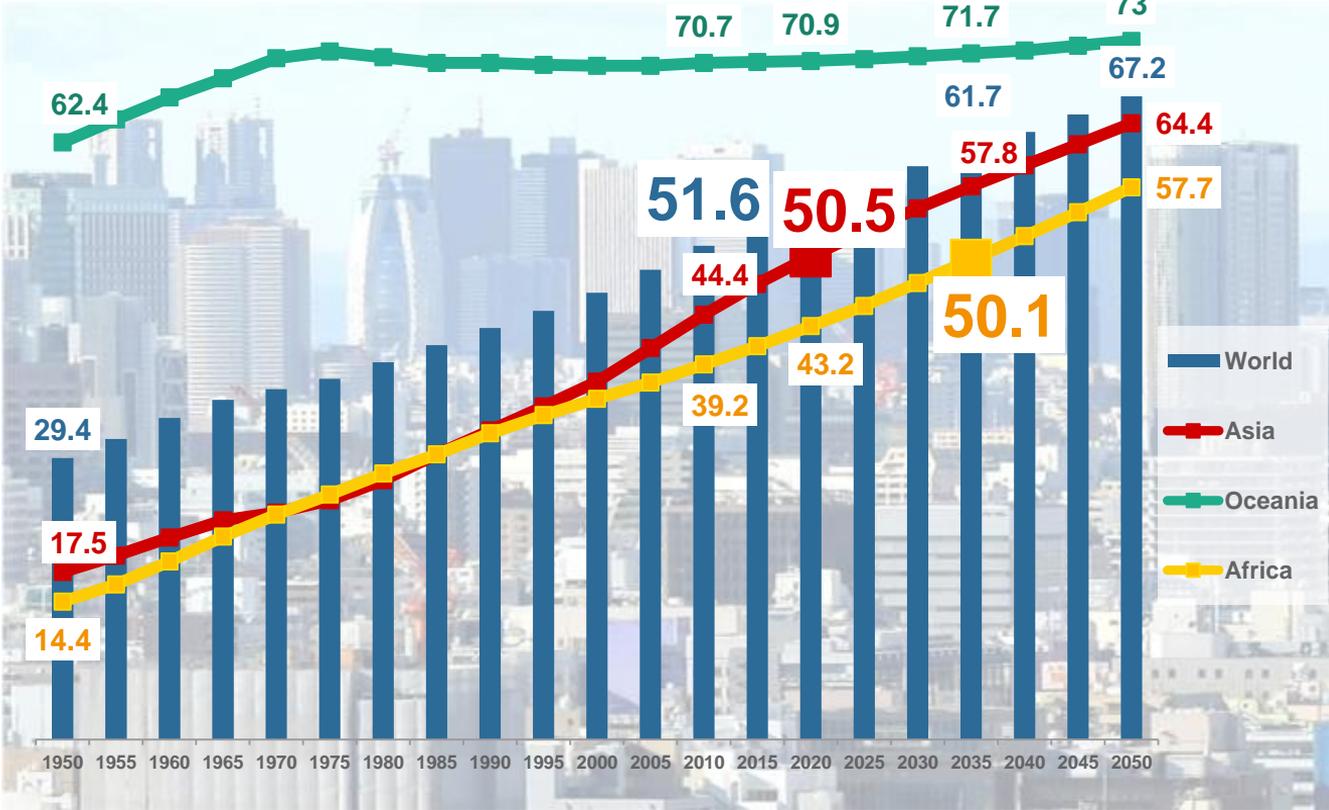


Top 10 economies by 2050: 6 countries from AOA



Source: IMF, citigroup

Percentage of population residing in urban areas

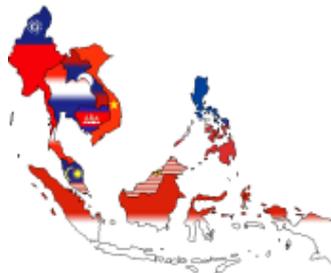


Over half of population in Asia will be urbanised by 2020 and in Africa by 2035

Sources: United Nations, Department of Economic and Social Affairs, Population Division



The “Big 5” in the Hot Zone: Investing & leading the trends



China	South Asia	ASEAN	Africa	Middle East
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<ul style="list-style-type: none"> • Local players • Food safety focus • Invest in people & capacity • Innovation / Renovation 	<ul style="list-style-type: none"> • Aggressive competition • Local sourcing • Build distribution • Innovation / Renovation 	<ul style="list-style-type: none"> • Aggressive competition • Competition for talent • PPP opportunity • AFTA trade opportunity 	<ul style="list-style-type: none"> • People • Resources • Local raw / Packaging 	<ul style="list-style-type: none"> • Political instability • Securing supplies • Multi-tier offer
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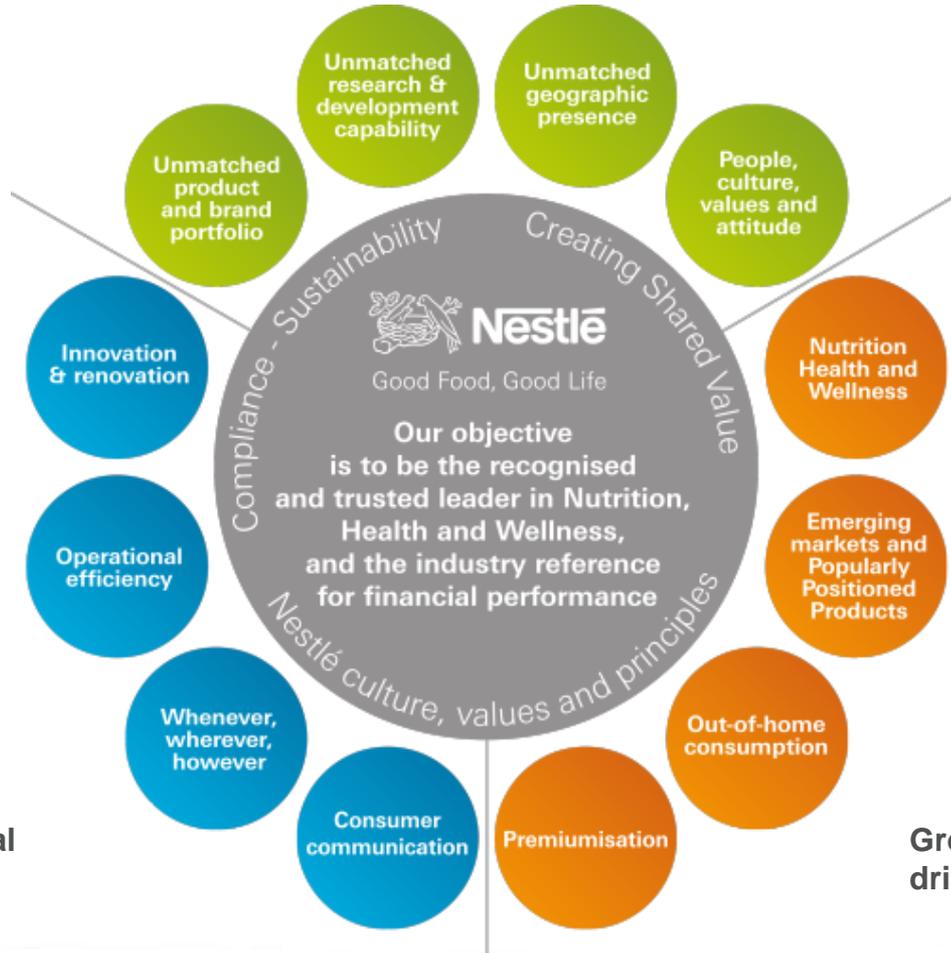
Accelerate PPP & CSV OOH	Defend and build brands Price point management	Invest ahead of demand Premiumisation	People NHW	Build distribution External growth
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The Nestlé Roadmap

Competitive advantages

Operational pillars

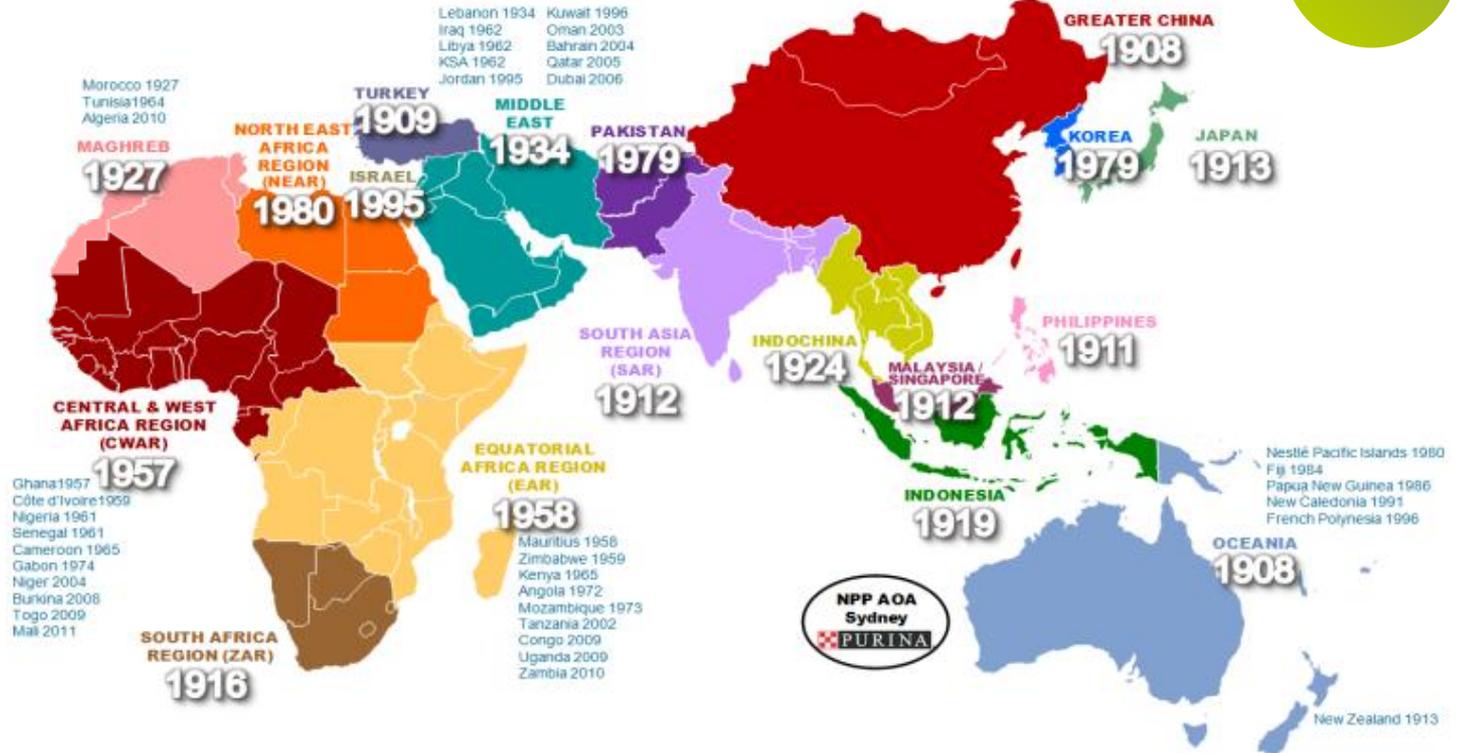
Growth drivers



Unmatched geographic presence

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



Nutrition,
Health and
Wellness

Emerging
markets and
Popularly
Positioned
Products



Fortified:

- **Iron**
- **Zinc**
- **Iodine**
- **Vitamin A, C**

Price:

- **PHP 23***
(80g/3 glasses)
**Approx CHF 0.5*

Maggi Fortified

Number 1 brand
in CWAR



Nutrition,
Health and
Wellness

Emerging
markets and
Popularly
Positioned
Products

- 100 million units sold everyday

- Fortified:
Iron, Iodine



- In Nigeria :
3 cubes = 10 NAIRA (CHF 0.06)



Nutrition in AOA



Product Innovation and Renovation

Nutrition,
Health and
Wellness

Emerging
markets and
Popularly
Positioned
Products

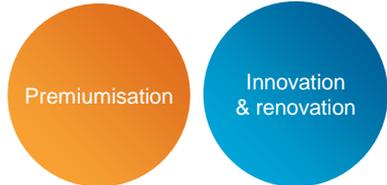
- 91 billion servings fortified with key micronutrients
- Affordable **fortified milks** now available in more than 60 countries
- 1,460 Popularly Positioned Products
- Products continuously renovated for nutrition or health considerations, reducing salt, fat and sugar levels
- Start Healthy Stay Healthy 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:

	National	City Focus	E-Commerce
Japan	⊙		⊙
S. Korea	⊙		⊙
Taiwan	⊙		⊙
Singapore	⊙		⊙
Hong Kong	⊙		
Malaysia		⊙	⊙
Philippines		⊙	
UAE		⊙	
Qatar		⊙	
Kuwait		⊙	



Espresso



Mocha



Cappuccino



Chai Tea Latte



Cappuccino Ice



Macha Latte

Out-of-home consumption

Whenever,
wherever,
however

Out-of-home
consumption

Whenever,
wherever,
however



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



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



- Empowering unemployed youth to set up small scale business selling NESCAFÉ in **choked areas**
- >500 saleswomen

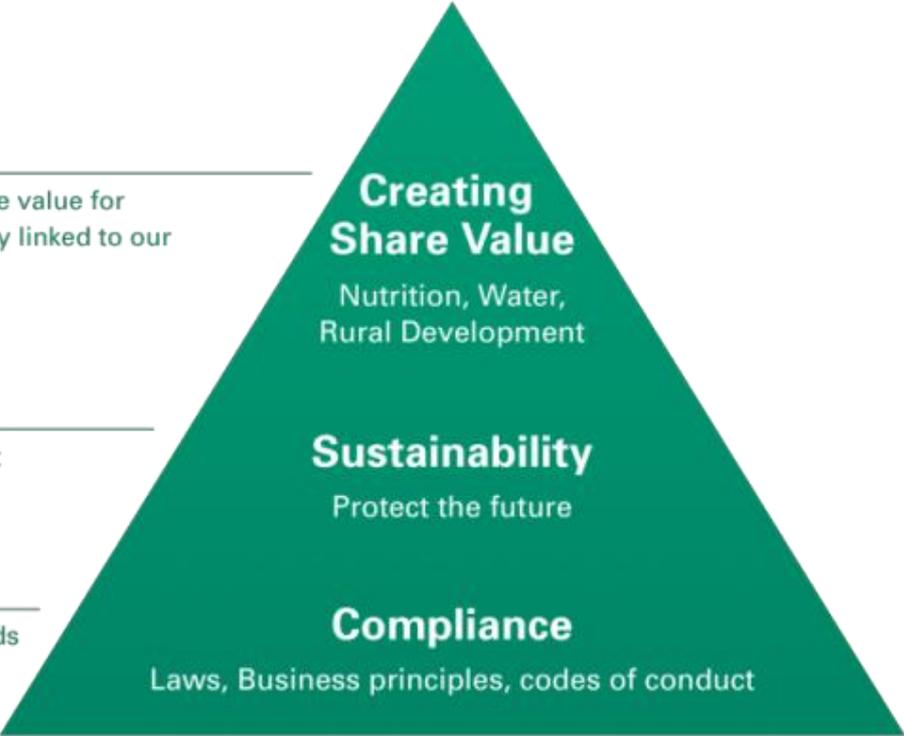
“For a company to be successful over time and create value for shareholders, it must also create value for society.”

Creating Shared Value

“... 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

危机 = 危 + 机
Wei Ji (Crisis) = Wei (Danger) + Ji (Opportunity)

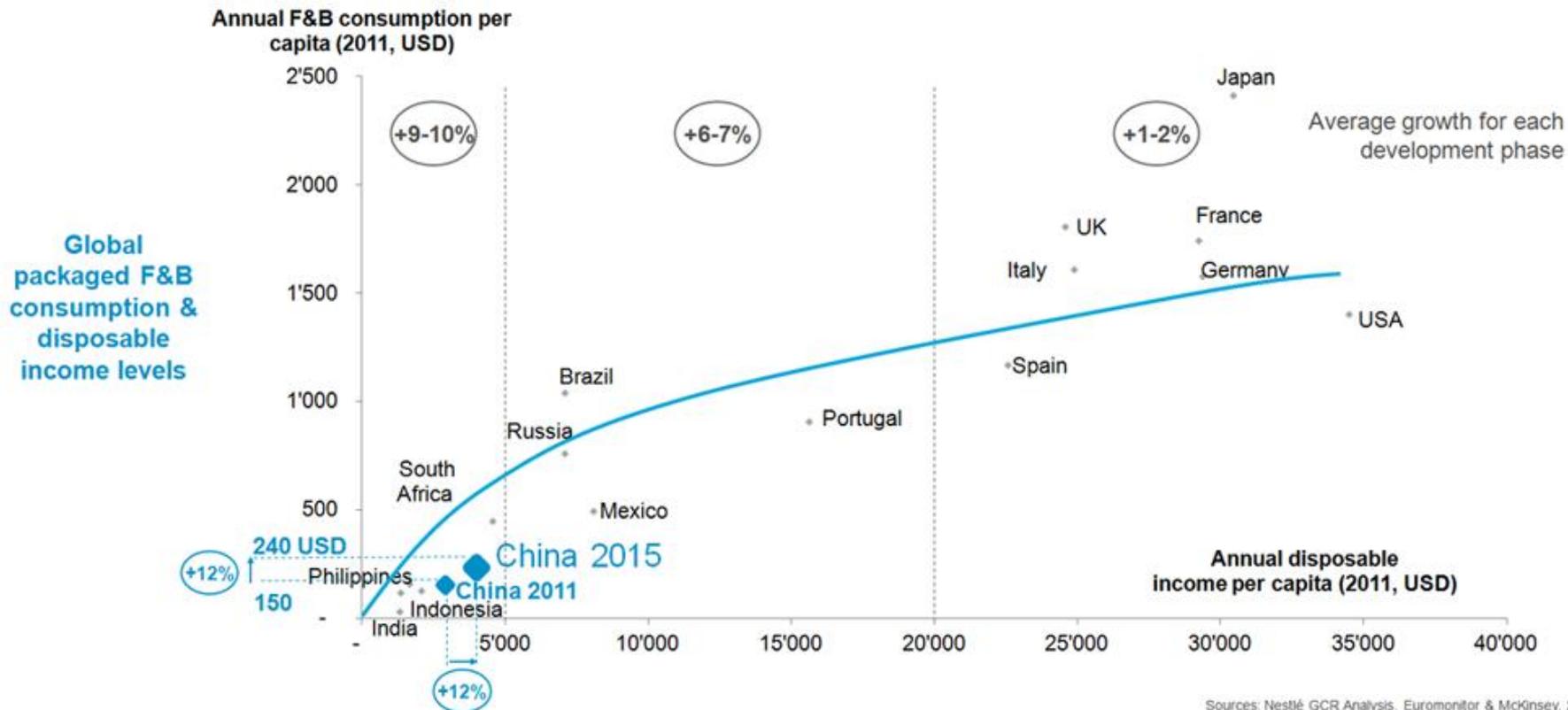


9 Month Sales Press Conference

Roland Decorvet
Chairman & CEO
Nestlé Greater China

China: still at an early stage in food consumption

Per capita by 2015 ... only half of Mexico today



Sources: Nestlé GCR Analysis, Euromonitor & McKinsey, 2011

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

Greater China has become one of Nestlé's key markets

2011 Rank	Market	2011 Sales (CHF bn)
1	USA	21.5
2	France	5.6
3	Brazil	5.4
4	Germany	3.4
5	Mexico	3.0
6	UK	2.7
7	China	2.5

**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

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

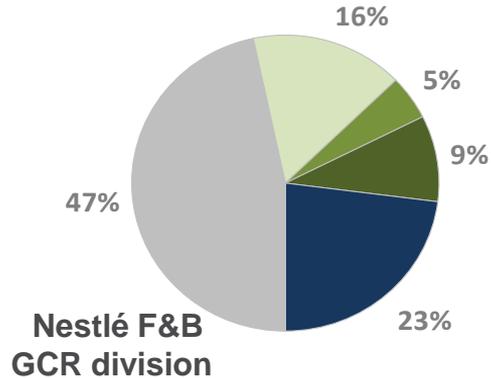
2 production bases in
Guangdong (South) and Henan (Center)



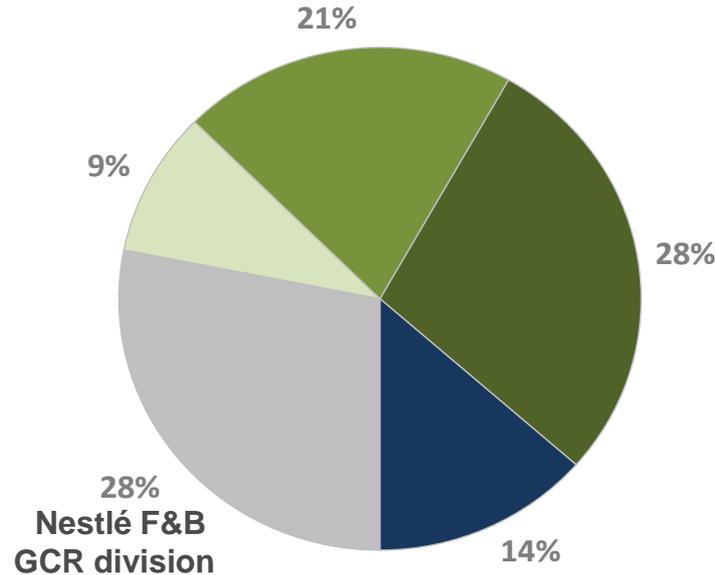
- 45 workshops
- 187 production lines
- 420 high speed packing lines
- 80% imported equipment

Joining forces with our new partners

Actual 2011 Sales CHF 2.5 bn



2012E Sales CHF 5 bn



Nestlé F&B

Dairy, Ice-Cream, Coffee & beverages, Infant nutrition, Hong Kong, Taiwan

Partnerships

Yinlu + RTD Coffee
 HFC + Nestlé Confect.
 Food
(Totole, Haoji, Maggi)

Globally/Regionally Managed Businesses

Nestlé Professional, Nestlé Waters, CPW, Nestlé Purina Petcare, Nespresso, Nestlé Health Science

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**
- **2 different “cultures”**
- **Same values**
- **Need to respect what makes our partners unique**



Hsu Fu Chi



- 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

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

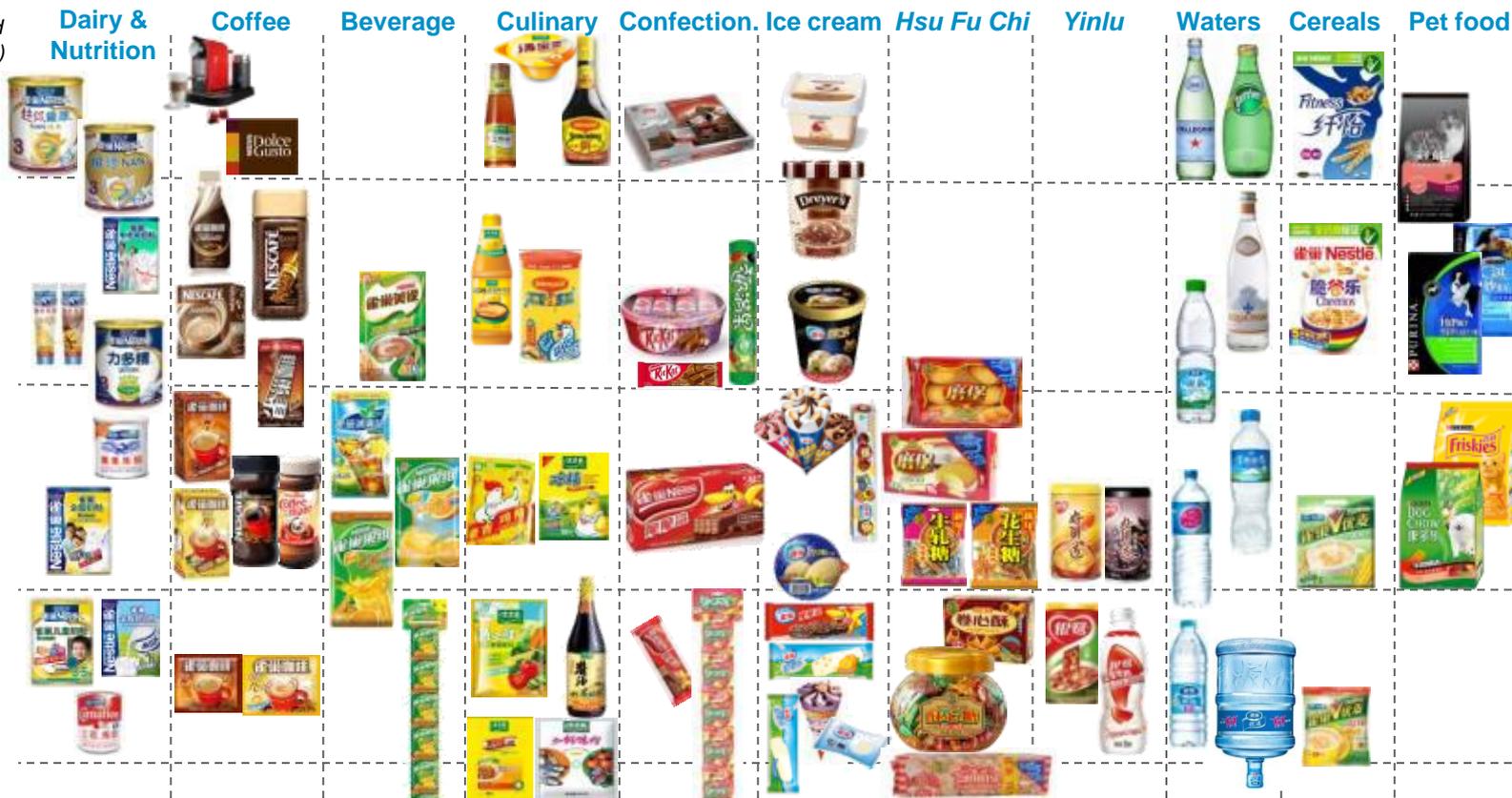
30-50

(22% of pop.)

Lower income

<30

(21% of pop.)



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

2nd factory opened



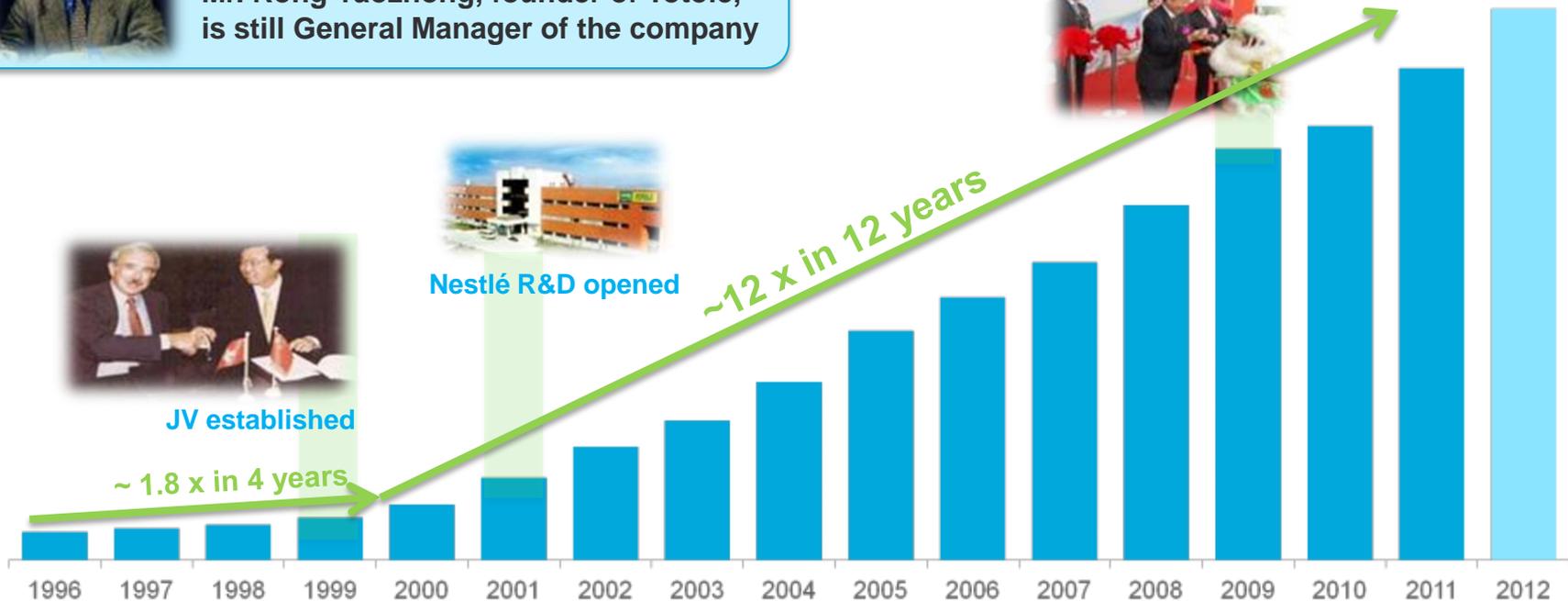
Nestlé R&D opened



JV established

~ 1.8 x in 4 years

~12 x in 12 years

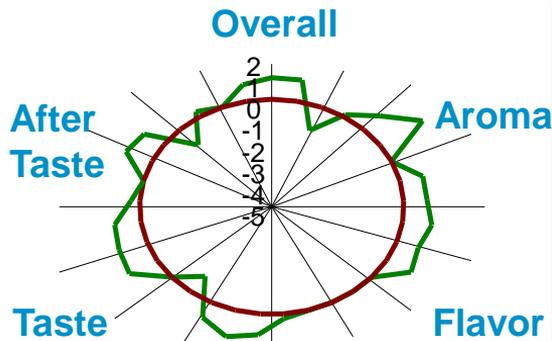


Totole local insights + Nestlé technology = Winning recipes

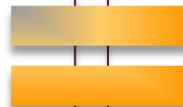
Totole local insights



Nestlé technology



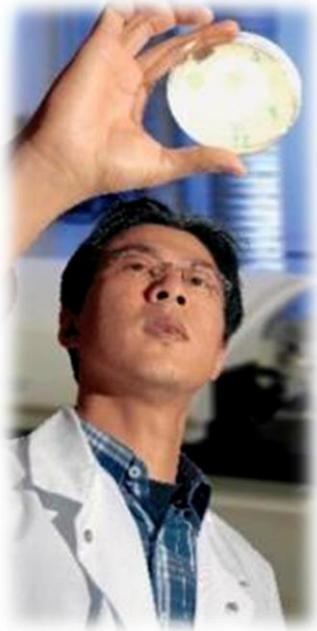
Nestlé
Proprietary
technology
MHT STB



Winning recipes



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...**



**...and 2 more to
come in 2013**

Nestlé in China: building on local strength

~50,000
employees

99.8%
local people

~25,000
people trained
in 2012



>90% local plant managers

100% local sales managers

International career opportunities
for local employees

~700 training programs

People exchange between
Nestlé and partners

Collaboration with top
Chinese universities

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





Nestlé Good Food, Good Life



Questions and Answers