Welcome to the Full-Year Results 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.
Full-Year Results
Press Conference

Paul Bulcke
Nestlé CEO
Nestlé Group Highlights 2011

- 7.5% Organic Growth
- 3.9% Real Internal Growth
- Increased Trading Operating Profit
- Growth in all regions and categories
- Positive 2012 outlook
Introductory Remarks

2011: strong performance in a volatile environment
- Growth driven by innovation & renovation, aligned with strategic growth drivers
- Our Billionaire Brands performed well: two-thirds held or gained share
- All regions delivered: emerging and developed
- We invested in our brands, capabilities & capacities – internal and M&A, EMs and DMs
- Our people demonstrated their agility & competitiveness in a challenging environment

2012: volatile environment continues: delivery of the Nestlé Model

We are well-positioned to manage the challenges and seize the opportunities in a volatile world
### 2011: Strong Full Year Performance

<table>
<thead>
<tr>
<th></th>
<th>As reported</th>
<th>At constant exchange rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>83.6 bn</td>
<td></td>
</tr>
<tr>
<td><strong>Organic Growth</strong></td>
<td>+7.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Real Internal Growth</strong></td>
<td>+3.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Trading Operating Profit</strong></td>
<td>12.5 bn</td>
<td></td>
</tr>
<tr>
<td><strong>Trading Operating Profit Margin</strong> (vs. 2010 continuing operations)</td>
<td>15.0% +60 bps</td>
<td>+90 bps</td>
</tr>
<tr>
<td><strong>Net Profit</strong> (vs. 2010 continuing operations)</td>
<td>9.5 bn +8.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit Margin</strong> (vs. 2010 continuing operations)</td>
<td>11.3% +130 bps</td>
<td></td>
</tr>
<tr>
<td><strong>Underlying EPS</strong> (vs. 2010 Group)</td>
<td>3.08</td>
<td></td>
</tr>
<tr>
<td><strong>Dividend</strong> (proposed)</td>
<td>1.95</td>
<td>+5.4%</td>
</tr>
</tbody>
</table>

All figures in CHF
# Translational Impact of Swiss Franc

## Weighted Average Exchange Rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar (1)</td>
<td>1.05</td>
<td>0.89</td>
<td>-15.1</td>
</tr>
<tr>
<td>Euro (1)</td>
<td>1.38</td>
<td>1.23</td>
<td>-10.6</td>
</tr>
<tr>
<td>£ Sterling (1)</td>
<td>1.61</td>
<td>1.42</td>
<td>-11.5</td>
</tr>
<tr>
<td>Real (100)</td>
<td>59.14</td>
<td>52.94</td>
<td>-10.5</td>
</tr>
<tr>
<td>Mex. Peso (100)</td>
<td>8.24</td>
<td>7.12</td>
<td>-13.6</td>
</tr>
<tr>
<td>Yen (100)</td>
<td>1.19</td>
<td>1.12</td>
<td>-5.6</td>
</tr>
</tbody>
</table>

## Currency Impact on Translation

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBIT &amp; Trading Profit</th>
<th>Underlying EPS</th>
<th>Operating Cash Flow</th>
<th>Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-13.4%</td>
<td>-30 bps</td>
<td>-15%</td>
<td>-1.6 bn</td>
<td>-1.2 bn</td>
</tr>
</tbody>
</table>

Trading Operating Profit Margin Up 60 bps (+90 bps in constant currencies)

Continuing operations

Efficiencies, growth leverage and price mitigate input costs

Administrative costs benefit from growth leverage, efficiencies, pension restructuring

*TOP = Trading Operating Profit*
### Regional Growth Continues

- Europe continues strong growth path
- Acceleration of growth in the Americas
- AOA maintains double-digit OG

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales* CHF bn</th>
<th>% OG</th>
<th>% RIG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>26.2</td>
<td>3.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Americas</td>
<td>37.4</td>
<td>1.9</td>
<td>6.4</td>
</tr>
<tr>
<td>AOA</td>
<td>20.0</td>
<td>9.1</td>
<td>13.1</td>
</tr>
</tbody>
</table>

* Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, NHSc and JVs
Wide-spread Growth with All Clusters Contributing

Emerging Markets: 13.3%
BRIC: 11.8%
PPP: 14.7%
Developed Markets: 4.3%
Portugal, Italy, Greece & Spain: 3.7%

Including Hsu Fu Chi and Yinlu Emerging Markets now 41% of sales
**Billionaire Brands: +7.7% Organic Growth**

**Strengthened Market Positions**

<table>
<thead>
<tr>
<th>Organic Growth</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 20%</td>
<td>Nespresso</td>
</tr>
<tr>
<td>10.1 to 20%</td>
<td>Nestle, Nescafé, Nestlé Nutrition, Milo, Nestlé Health Science, Meiji, Galderma</td>
</tr>
<tr>
<td>7.6 to 10%</td>
<td>Nestlé, Herta, ONE, Carnation</td>
</tr>
<tr>
<td>5.1 to 7.5%</td>
<td>Purina, Kids, Nestlé, Gerber</td>
</tr>
<tr>
<td>3.1 to 5%</td>
<td>Nestea, Dreyer’s, Beneful</td>
</tr>
<tr>
<td>0.0 to 3%</td>
<td>Friskies, Stock, Nesquik</td>
</tr>
<tr>
<td>Below 0%</td>
<td>Dreyer’s Hot Pockets, Dr. Oetker, Cuisine</td>
</tr>
</tbody>
</table>
Product Group Highlights

- **Powdered & Liquid beverages** had a strong year - *Nescafé* a highlight

- **Milk & Ice cream:** double-digit growth in Dairy
  Ice cream positive despite worst July

- **Prepared dishes & cooking aids** mixed
  *Maggi* double-digit, US frozen prepared meals still subdued

- **Confectionery** growth driven by emerging markets
  With share gains in UK, France, Japan amongst others

- **PetCare** gained share globally
2011: Summary

- Delivered Nestlé Model in 2011
- Good year with strong performance in most regions & businesses
- Well-positioned with reinforced capabilities to build strong platforms for future growth
- Our up-coming innovation, increased capacities and aligned organisation position us well
- Outlook for 2012: delivery of the Nestlé Model
The New Reality

Challenges
The New Reality

Opportunities
Competitive advantages – relevant more than ever
An unrivalled product portfolio…
… constantly innovated –
The Nescafé example
### Unmatched product and brand portfolio

#### Strong global brands

- Nescafé
- Milo
- Nesquik
- Nestea
- Nespresso
- Nestlé
- NIDO
- Coffee-mate
- Carnation
- Ice Cream Nestlé
- Dreyer's
- Nutrition
- NAN
- Gerber
- Maggi
- Herta
- Stouffer's
- Hot Pockets
- Lean Cuisine
- KitKat
- Nestlé
- Purina
- DOG CHOW
- ONE
- Beneful
- Friskies
- Galderma

**16 February 2012**

**Full-Year Results Press Conference**
Unmatched product and brand portfolio

Strong regional and local brands
Strong local brands

Unmatched product and brand portfolio
Unmatched research & development capability

Industry leading R&D capabilities
Unmatched research & development capability

In-house Fundamental Research

Proprietary High-Tech Development

Dedicated Engineering Capability

Pro-active ownable innovation

Nestlé Institute of Health Sciences

Nestlé Research Centre

27 Product Technology and R&D Centres

Deployment to 460 factories
Unmatched research & development capability

Systems for value creation
Nescafé Dolce Gusto – A success story
Science in Nestlé breaks new ground to lay the foundation for our future

Science-based nutritional solutions to deliver improved personalised healthcare for medical conditions

Nestlé Health Science
NOURISHING PERSONAL HEALTH

Nestlé Institute of Health Sciences
Close to the consumer, worldwide, since many decades.
The strength of localness in today’s world
Investing in our future capabilities
Engaging with Chinese consumers
Strong values and principles – the basis for long-term success
Creating Shared Value

Creating Shared Value
Nutrition | Water | Rural Development

Sustainability
Protect the future

Compliance
Laws, business principles, codes of conduct

Creating Shared Value for shareholders and society
Preserving the environment for future generations
Complying with the highest standards

Nutrition
Water
Rural Development
Nestlé Continuous Excellence
### Responsible use of resources

#### From 2001 to 2011

- **Water consumption**: – 58%
- **Waste water generation**: – 64%
- **Energy consumption**: – 42%
- **Greenhouse gases**: – 52%

#### From 1991 to 2011

- **Packaging material**: – 557’000 tonnes
Nestlé: well positioned to seize the opportunities
Questions and Answers