2012 Full Year Results

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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.
## 2012 Commitments

<table>
<thead>
<tr>
<th>Financial</th>
<th>Efficiencies</th>
<th>Strategic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivered the Nestlé Model</td>
<td>CHF 1.5 bn+ SKUs -14% Capital efficiencies</td>
<td></td>
</tr>
<tr>
<td>Sustainable dividend policy</td>
<td></td>
<td>Wyeth® Nutrition</td>
</tr>
</tbody>
</table>
## 2012 Results Overview

<table>
<thead>
<tr>
<th>Sales</th>
<th>Trading Operating Profit</th>
<th>Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 92.2 bn</td>
<td>CHF 14.0 bn</td>
<td>CHF 15.8 bn</td>
</tr>
<tr>
<td>+CHF 8.6 bn</td>
<td>+CHF 1.5 bn</td>
<td>+CHF 5.6 bn</td>
</tr>
<tr>
<td>+5.9% OG</td>
<td>15.2%</td>
<td>+55%</td>
</tr>
<tr>
<td>+3.1% RIG</td>
<td>+20 bps</td>
<td></td>
</tr>
</tbody>
</table>

**Delivering the Nestlé Model**
Trading Operating Profit Margin

TOP = Trading Operating Profit

TOP 15.0% 0 +30 +20 -30 -20 0 +20 TOP 15.2% +20 bps

FY 2011 Other Revenue COGS Distribution Marketing Admin. R&D Net Other Trading Expense FY 2012
Trading Operating Profit Margin

Consumer facing marketing +8% in constant currency

TOP = Trading Operating Profit

TOP in 2012: 15.2%

Other operating margins:
- COGS: +20 bps
- Distribution: -30
- Marketing: -20
- Admin.: 0
- R&D: 0
- Net Other Trading Expense: +20

Comparison:
- FY 2011: TOP 15.0%
- FY 2012: TOP 15.2%

Increase in consumer facing marketing +8% in constant currency
Trading Operating Profit Margin

 Administration Expenses impact on Trading Operating Profit

TOP = Trading Operating Profit;
## Income Statement

<table>
<thead>
<tr>
<th>As % of sales</th>
<th>Full Year 2011</th>
<th>Full Year 2012</th>
<th>Difference in basis points/% (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading operating profit</td>
<td>15.0</td>
<td>15.2</td>
<td>+20</td>
</tr>
<tr>
<td>Net other operating income/expense</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>14.9</td>
<td>15.1</td>
<td>+20</td>
</tr>
<tr>
<td>Net financial income/expense</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td></td>
</tr>
<tr>
<td>Profit before taxes and associates</td>
<td>14.4</td>
<td>14.6</td>
<td>+20</td>
</tr>
<tr>
<td>Taxes</td>
<td>(3.7)</td>
<td>(3.7)</td>
<td></td>
</tr>
<tr>
<td>Share of results of associates</td>
<td>1.0</td>
<td>1.1</td>
<td>+10</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>11.7</td>
<td>12.0</td>
<td>+30</td>
</tr>
<tr>
<td>Attributable to non-controlling interests</td>
<td>(0.4)</td>
<td>(0.5)</td>
<td>-10</td>
</tr>
<tr>
<td>Attributable to shareholders of the parent</td>
<td>11.3</td>
<td>11.5</td>
<td>+20</td>
</tr>
</tbody>
</table>

**Underlying EPS (CHF) constant currencies**

+7.5%
Operating cash flow and working capital

- Operating cash flow up 50% to CHF15.8 bn
- Working capital the key driver
- Long term W/C trend shows clear improvement
- 2012 W/C performance in part due to comparatives

Notes:
Continuing Operations
1) Excluding Hsu Fu Chi and Yinlu; 2) Excluding Wyeth Nutrition
### Net Debt

<table>
<thead>
<tr>
<th>CHF bn</th>
<th>Net debt January 1st</th>
<th>Treasury shares (net)</th>
<th>Acquisition net disposals (incl. Minority)</th>
<th>Dividends</th>
<th>Exchange rates &amp; other</th>
<th>Free Cash Flow</th>
<th>LT financial investments a)</th>
<th>Net debt December 31st</th>
</tr>
</thead>
<tbody>
<tr>
<td>-14.3</td>
<td></td>
<td>+0.7</td>
<td>-10.9</td>
<td>-6.2</td>
<td>+9.9</td>
<td></td>
<td></td>
<td>-18.2 b)</td>
</tr>
</tbody>
</table>

**Footnotes:**

a) Mainly bonds and Asian equities reclassified to Liquid assets/Net debt because are due to be realised within one year.
b) Adjusted Net Debt including LT Treasury investment amounts to CHF 17.7 bn.
FY 2012 restatement for new accounting standards: IAS 19 (Pensions) and IFRS 11 (JVs)

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Restated (estimates)</th>
<th>Publication of 2012 restated numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>92.2 bn</td>
<td>89.7 bn</td>
<td>-2.5 bn (JVs)</td>
</tr>
<tr>
<td>TOP</td>
<td>15.2 %</td>
<td>15.0 %</td>
<td>-20 bps</td>
</tr>
<tr>
<td>Profit for the Year</td>
<td>11.06 bn</td>
<td>10.68 bn</td>
<td>-0.38 bn (Pensions)</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>CHF 3.33</td>
<td>CHF 3.21</td>
<td>-0.12 CHF (Pensions)</td>
</tr>
<tr>
<td>FCF</td>
<td>9.9 bn</td>
<td>9.9 bn</td>
<td>No material impact on Cash Flow</td>
</tr>
</tbody>
</table>

TOP = Trading Operating Profit; JVs = Joint Ventures

Before Q1 2013 sales announcement:
- Sales by Operating segments/Products

Q1 and 9 month 2012:
- Income Statement, Balance Sheet and Cash Flow

H1 and FY 2012:
- Full disclosure by Operating segments/Products

No material impact on Cash Flow
Summary

- Good broad-spread results
- Delivering performance today while investing for the future
- Increased investment behind our brands
- Improved cash flow
- Double-digit growth in earnings per share
- Nestlé model achieved
- Dividend increased to CHF 2.05 per share
Billionaire Brands

+7% OG

OG figure excludes Yinlu, Hsu Fu Chi and Wyeth Nutrition
<table>
<thead>
<tr>
<th>Region</th>
<th>Sales (CHF)</th>
<th>OG</th>
<th>RIG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Americas</strong></td>
<td>41 bn</td>
<td>+5.9%</td>
<td>+1.8%</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>26 bn</td>
<td>+2.4%</td>
<td>+1.5%</td>
</tr>
<tr>
<td><strong>Asia, Oceania &amp; Africa</strong></td>
<td>25 bn</td>
<td>+10.3%</td>
<td>+7.5%</td>
</tr>
</tbody>
</table>

* Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, NHSc and JVs; OG = Organic Growth, RIG = Real internal growth
Developed Markets

CHF 52.9 bn  57% of Group sales  +2.5% OG
Developed Markets

Delivering Growth in 2012
Delivering Growth in 2012
Delivering Growth in 2012
Developed Markets

Delivering Growth in 2012
Delivering Growth in 2012
Developed Markets

Delivering Growth in 2012
Developed Markets

Delivering Growth in 2012
Developed Markets

Delivering Growth in 2012
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Driving growth in 2013 and beyond
Developed Markets

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Developed Markets

Driving growth in 2013 and beyond
Developed Markets

International Osteoporosis Foundation

Nestlé in Society

CARBON DISCLOSURE PROJECT

Nestlé in Society
Emerging Markets

CHF 39.3 bn

43% of Group sales

11% OG
Emerging Markets

Delivering Growth in 2012
Emerging Markets

Delivering Growth in 2012
Emerging Markets

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Delivering Growth in 2012
Emerging Markets

Driving growth in 2013 and beyond
Emerging Markets

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Driving growth in 2013 and beyond
Emerging Markets

Driving growth in 2013 and beyond
Emerging Markets

Nestlé in Society
Delivered in 2012; well set for ‘13 & beyond

- Delivered Organic growth and TOP margin improvement
- Increased EPS and Cash flow
- Grew in Emerging and Developed markets
- Grew in PPPs and Premium
- Investing in our brands and routes to market
- Creating value for society and shareholders

Nestlé Model reconfirmed for 2013
2012 Full Year Results

Discussion
Appendix
# Translational Impact of Swiss Franc

## Weighted Average Exchange Rates

<table>
<thead>
<tr>
<th>CHF per</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar (1)</td>
<td>0.89</td>
<td>0.94</td>
<td>+5.8</td>
</tr>
<tr>
<td>Euro (1)</td>
<td>1.23</td>
<td>1.21</td>
<td>-2.2</td>
</tr>
<tr>
<td>£ Sterling (1)</td>
<td>1.42</td>
<td>1.49</td>
<td>+4.7</td>
</tr>
<tr>
<td>Real (100)</td>
<td>52.94</td>
<td>47.96</td>
<td>-9.4</td>
</tr>
<tr>
<td>Mex. Peso (100)</td>
<td>7.12</td>
<td>7.14</td>
<td>+0.2</td>
</tr>
<tr>
<td>Yen (100)</td>
<td>1.12</td>
<td>1.17</td>
<td>+4.2</td>
</tr>
<tr>
<td>(%)</td>
<td>1Q12</td>
<td>HY12</td>
<td>9m 2012</td>
</tr>
<tr>
<td>-----------</td>
<td>------</td>
<td>------</td>
<td>---------</td>
</tr>
<tr>
<td>Zone Americas</td>
<td>-4.2</td>
<td>-0.8</td>
<td>+3.5</td>
</tr>
<tr>
<td>Zone Europe</td>
<td>-5.9</td>
<td>-4.4</td>
<td>-1.2</td>
</tr>
<tr>
<td>Zone AOA</td>
<td>-3.8</td>
<td>-0.6</td>
<td>+3.5</td>
</tr>
<tr>
<td>Nestlé Waters</td>
<td>-4.5</td>
<td>-0.5</td>
<td>+3.8</td>
</tr>
<tr>
<td>Nestlé Nutrition</td>
<td>-5.3</td>
<td>-2.6</td>
<td>+1.4</td>
</tr>
<tr>
<td>Other</td>
<td>-4.4</td>
<td>-2.4</td>
<td>+1.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-4.6</td>
<td>-1.8</td>
<td>+2.2</td>
</tr>
</tbody>
</table>
## Operating Segments

<table>
<thead>
<tr>
<th>Zone</th>
<th>Sales (CHF bn rounded)</th>
<th>TOP Margin (%)</th>
<th>% OG</th>
<th>% RIG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone Europe</td>
<td>15.4</td>
<td>15.7%</td>
<td>-</td>
<td>+10 bps</td>
</tr>
<tr>
<td>Zone Americas</td>
<td>28.9</td>
<td>18.6%</td>
<td>+20 bps</td>
<td>+10 bps</td>
</tr>
<tr>
<td>Zone AOA</td>
<td>18.9</td>
<td>19.0%</td>
<td>+10 bps</td>
<td>8.9%</td>
</tr>
<tr>
<td>Nestlé Waters</td>
<td>7.2</td>
<td>8.9%</td>
<td>+90 bps</td>
<td>+90 bps</td>
</tr>
<tr>
<td>Nestlé Nutrition</td>
<td>7.9</td>
<td>19.2%</td>
<td>+10 bps</td>
<td>-80 bps</td>
</tr>
<tr>
<td>Other</td>
<td>13.9</td>
<td>17.2%</td>
<td>+40 bps</td>
<td>+40 bps</td>
</tr>
</tbody>
</table>
Product Groups

- **Powdered & Liquid Beverages**
  - Sales CHF bn rounded: 20.0
  - TOP Margin: 22.5% (20 bps)
  - % OG: 6.0
  - % RIG: 8.9

- **Milk Products & Ice Cream**
  - Sales CHF bn rounded: 18.6
  - TOP Margin: 15.1% (+140 bps)
  - % OG: 1.2
  - % RIG: 5.7

- **Prepared Dishes & Cooking Aids**
  - Sales CHF bn rounded: 14.4
  - TOP Margin: 14.1% (-40 bps)
  - % OG: 1.4
  - % RIG: 0.2

- **Confectionery**
  - Sales CHF bn rounded: 10.4
  - TOP Margin: 17.1% (+30 bps)
  - % OG: 2.8
  - % RIG: 4.8

- **PetCare**
  - Sales CHF bn rounded: 10.8
  - TOP Margin: 20.4% (-20 bps)
  - % OG: 4.0
  - % RIG: 7.0