

# 2012 First Quarter Sales



**Roddy Child-Villiers**  
Head of Investor Relations

# Disclaimer

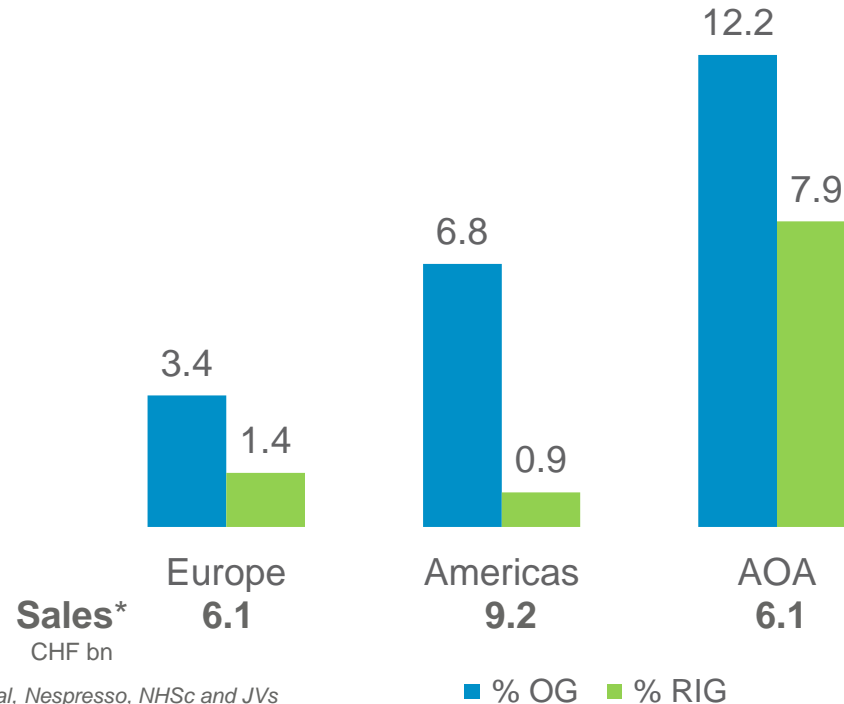
This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

# Introductory Remarks

- Sales up 5.6% to CHF 21.4 bn
- Organic Growth 7.2%, with strong pricing
- RIG 2.8%, on top of high Q1 2011
- Raw materials still a headwind in H1 2012, and inflation for year as a whole
- Outlook confirmed: organic growth of 5-6%, improved margin and underlying earnings per share in constant currencies

# Regional Growth

- Growth in all three regions
- Emerging markets +13.0%
- Developed markets +3.1%



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

# Zone Americas

Sales CHF 6.5 bn    OG +6.2%    RIG -0.4%



- Pricing strong in both regions
- North America
  - General category weakness
  - Strong performances: PetCare, Chocolate, Soluble Coffee & Pizza market shares
- Latin America
  - Mexico and Brazil had good starts to the year
  - Most categories performed well



# Zone Europe

Sales CHF 3.6 bn    **OG** +2.3%    **RIG** +0.2%

- Economic environment tough; consumer confidence constrained
- Broad-based growth in Western Europe
  - by geography and category
  - PetCare, Soluble Coffee, Chilled Food, Frozen Pizza
- Mixed picture in Eastern Europe
  - Good growth in many regions
  - Russia impacted by economy and distribution realignment



# Zone AOA

Sales CHF 4.6 bn      OG +11.4%      RIG +7.2%

- Double-digit growth in emerging markets
  - Highlights: China, Africa, Middle East, South Asia
- Many categories contributing
  - Culinary, Dairy, Chocolate, Beverages
- Developed markets had a slow start



# Nestlé Nutrition

Sales CHF 1.9 bn    OG +5.8%    RIG +2.0%



- Infant Nutrition performing well
  - Strong growth in Emerging Markets
- Weight Management remains under pressure
- Performance Nutrition performing well



# Nestlé Waters

**Sales** CHF 1.6 bn      **OG** +8.0%      **RIG** +5.0%

- Strong performance in North America
  - Retail and HOD, all segments
- Good performance in Europe
  - France, Italy, UK, Germany
- Emerging Markets continue to grow double-digit
- *S. Pellegrino, Perrier, Poland Spring, Nestlé Pure Life* amongst the brand highlights



# Other

**Sales** CHF 3.3 bn      **OG** +10.4%      **RIG** +6.9%



## Professional

- Positive growth fuelled by Emerging Markets

## Nespresso

- Strong growth continues

## Nestlé Health Science

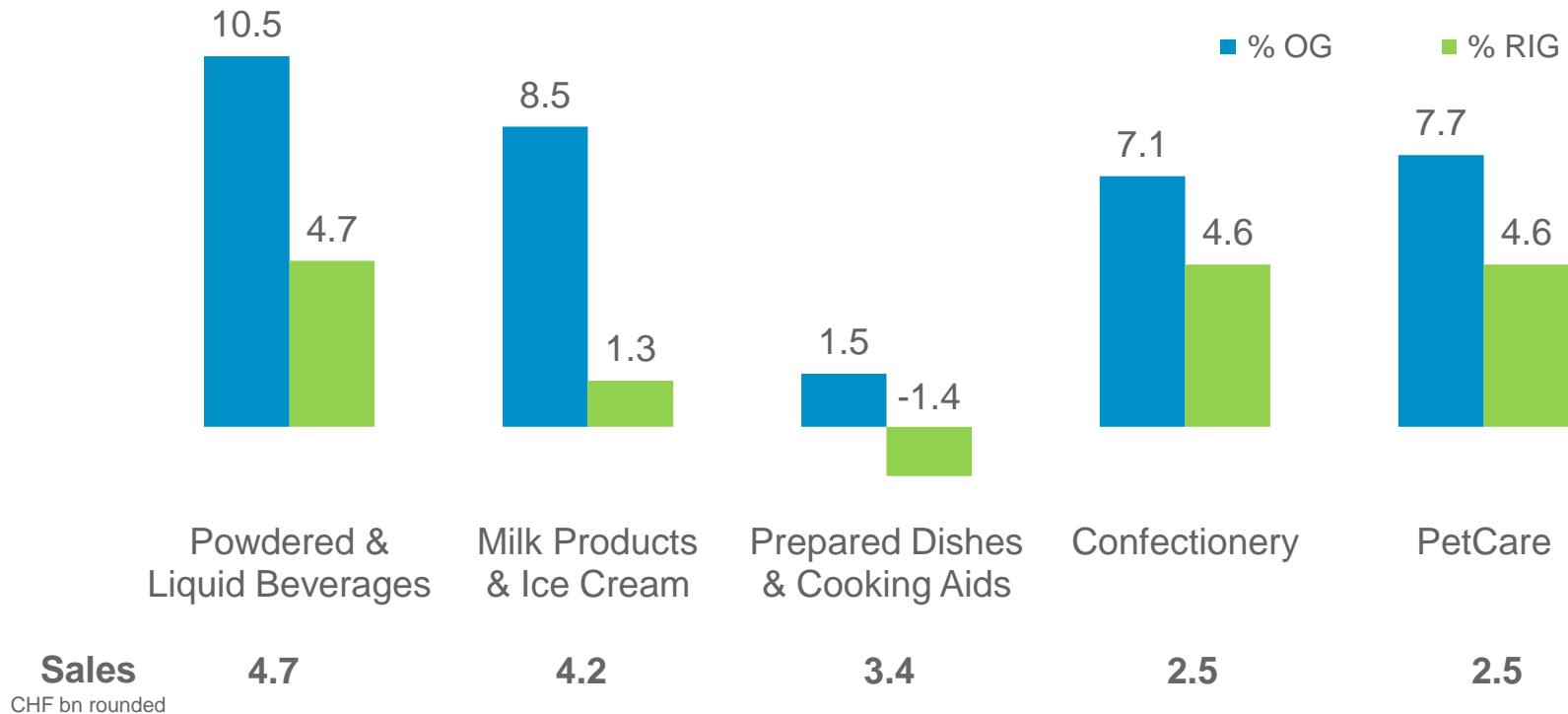
- Good start to its second year

## Joint Ventures

- CPW growing dynamically in emerging markets, developed markets subdued
- BPW realignment underway



# Category Review



# Category Review



Powdered &  
Liquid Beverages



Milk Products  
& Ice Cream



Prepared Dishes  
& Cooking Aids



Confectionery



PetCare

# Summary

- **A good start, with organic growth of 7.2%**
- **Developed markets - weak economic environment, subdued consumer confidence: identifying growth opportunities, investing in brands**
- **Emerging markets dynamic: investing in distribution, brands and growth opportunities**
- **Full Year outlook confirmed: delivery of the Nestlé Model**

# 2012 First Quarter Sales

## Discussion



# Appendix

# Currency Overview

## Weighted Average Exchange Rates

CHF per	Q1 2011	Q1 2012	(%)
US Dollar (1)	0.94	0.92	-2.2
Euro (1)	1.29	1.21	-6.2
£ Sterling (1)	1.51	1.45	-4.0
Real (100)	56.22	51.99	-7.5
Mex. Peso (100)	7.81	7.10	-9.1
Yen (100)	1.14	1.16	+1.2



# Fx Impact

(%)	Q1 2012
Zone Americas	-4.2
Zone Europe	-5.9
Zone AOA	-3.8
Nestlé Waters	-4.5
Nestlé Nutrition	-5.3
Other	-4.4
<b>Total</b>	<b>-4.6</b>