



Nestlé Good Food, Good Life

2015 Half-Year Results

François-Xavier Roger
Chief Financial Officer

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.

Solid performance, even under difficult circumstances

Outlook confirmed

*Organic
Growth*

+ 4.5%
(FX - 5.8%)

*Trading
Operating Profit
(in CCY)*

+ 20 bps
(flat reported)

*Free
Cash Flow
(in CCY)*

**+ CHF
2.5 bn**
(+ CHF 2.4 bn
reported)

*Underlying
Earnings Per Share
(in CCY)*

+ 7.3 %
(- 0.6% reported)

CCY = Constant Currencies

Broad-Based Organic Growth in all Geographies

AMS

EMENA

AOA

Sales
(in CHF)

18.4 bn

13.4 bn

11.0 bn

RIG

+1.7%

+2.4%

+0.6%

OG

+6.6%

+3.4%

+2.2%

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

OG = Organic Growth, RIG = Real Internal Growth

From Jan 1 2015, the Maghreb, the Middle East, the North East Africa region, Turkey and Israel in Zone Asia, Oceania and Africa were transferred to Zone Europe, now called EMENA

Developed *and* Emerging Markets Growth

	Developed	Emerging
Sales (in CHF)	24.0 bn	18.8 bn
% of Group sales	56%	44%
OG	+2.2%	+7.3%

OG = Organic Growth

Zone AMS



Sales in CHF bn	12.0	RIG %	0.1	OG %	5.2	TOP %	18.0
--------------------	------	-------	-----	------	-----	-------	------

- Good organic growth driven by positive momentum in Latin America
- North America still soft but with signs of improvement
 - Encouraging initial results from new products in US frozen
 - *Coffee-mate* and *Häagen-Dazs* continued to be highlights
- Growth in Latin America despite macroeconomic environment
 - Good broad-based growth in Mexico
 - Brazil still soft but improved versus start of the year
 - *Nescafé Dolce Gusto*, *Petcare*, and *Kitkat* were highlights
- TOP Margin + 10 bps: positive pricing and operational efficiencies

Zone EMENA



Sales in CHF bn	7.9	RIG %	2.0	OG %	3.8	TOP %	16.2
---------------------------	------------	--------------	------------	-------------	------------	--------------	-------------

- Solid growth in all three parts of the Zone
- Western Europe
 - France, Benelux, and Nordics did well
 - Frozen pizza, *Nescafé Dolce Gusto*, and Petcare drove growth
- Eastern Europe
 - Strong growth in Russia and Ukraine helped by pricing
 - Solid performances in the Adriatic region, Bulgaria and Hungary
- MENA
 - Middle East region solid, and Turkey strong
- TOP Margin + 80 bps: product mix improvement and lower input costs, especially dairy

Zone AOA



Sales in CHF bn	7.1	RIG %	-0.8	OG %	0.8	TOP %	18.2
--------------------	-----	-------	------	------	-----	-------	------

- Strong results in developed markets and gradual improvement in emerging markets overshadowed by India
- Emerging markets
 - Actions underway in India to bring Maggi noodles back to market
 - Process of turnaround in China on track – gradual improvement in the course of 2015
 - Central West Africa recovering quickly from challenging start to year
- Developed markets
 - Solid growth in Japan helped by innovations in *Nescafé* and *KitKat*
 - Oceania contributed positively despite challenging trading environment
- TOP Margin -60 bps: driven by impact of India



Nestlé Waters



Sales in CHF bn	3.8	RIG %	5.6	OG %	5.3	TOP %	11.5
--------------------	-----	-------	-----	------	-----	-------	------

- Solid broad-based growth across all geographies and brands
- Developed markets: mid single digit growth driven by North America, the United Kingdom and several markets in Europe
- Emerging markets: double-digit growth led by Turkey, Middle East, and Thailand
- Contribution from across the portfolio
 - Nestlé Pure Life
 - S. Pellegrino and Perrier
 - Local brands: Poland Spring (US), Levissima (Italy), Erikli (Turkey), Al Manhal (Saudi Arabia)
- TOP Margin +110 bps: organic growth, combined with lower input costs and structural costs enabled re-investment in consumer-facing marketing spend

Nestlé Nutrition



Sales in CHF bn	5.3	RIG %	1.3	OG %	3.9	TOP %	23.0
--------------------	-----	-------	-----	------	-----	-------	------

- Broad based growth, comparatively lower than in past years
- Super premium *Illuma* drove growth and accelerated its e-commerce presence and geographic expansion
- Improved performance in US, with Cereals strong and Meals & Drinks positive, supported by innovations
- Difficult comparisons in Asia and volatile countries in Middle East
- TOP Margin +140 bps: portfolio improvement, structural costs containment and lower input costs allowed for increased investment in brands



Other Businesses



Sales in CHF bn	6.8	RIG %	4.9	OG %	8.1	TOP %	15.8
--------------------	-----	-------	-----	------	-----	-------	------

Nestlé Professional

- Increasing momentum with Food and Beverage solutions
- Emerging markets in Asia and Middle East continued to drive growth

Nespresso

- Continued good growth and international expansion
- *VertuoLine* system in North America performed well

Nestlé Health Science

- Good sales growth across all regions from all three business areas
- Innovations and product roll-outs supported performance

Nestlé Skin Health

- Strong broad-based growth helped by innovation

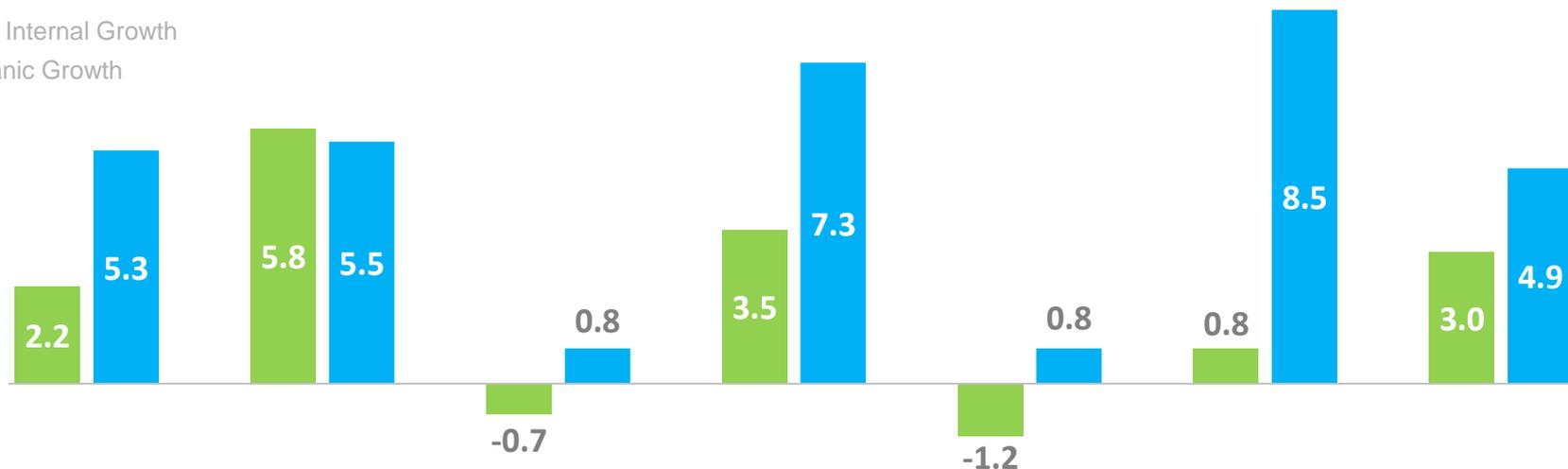
Other Businesses TOP Margin

- -250 bps: higher coffee prices and strong Swiss Franc impacting Nespresso, seasonality effect of Nestlé Skin Health

Products

■ % Real Internal Growth

■ % Organic Growth



Powdered and Liquid Beverages

Water

Milk products and Ice cream

Nutrition and Health Science

Prepared dishes and cooking aids

Confectionery

Petcare

Sales
(in CHF bn)

9.4

3.5

7.2

7.3

6.1

3.9

5.5

TOP %

22.5

11.9

16.7

19.0

12.1

11.1

21.0

in bps

-130 bps

+70 bps

+160 bps

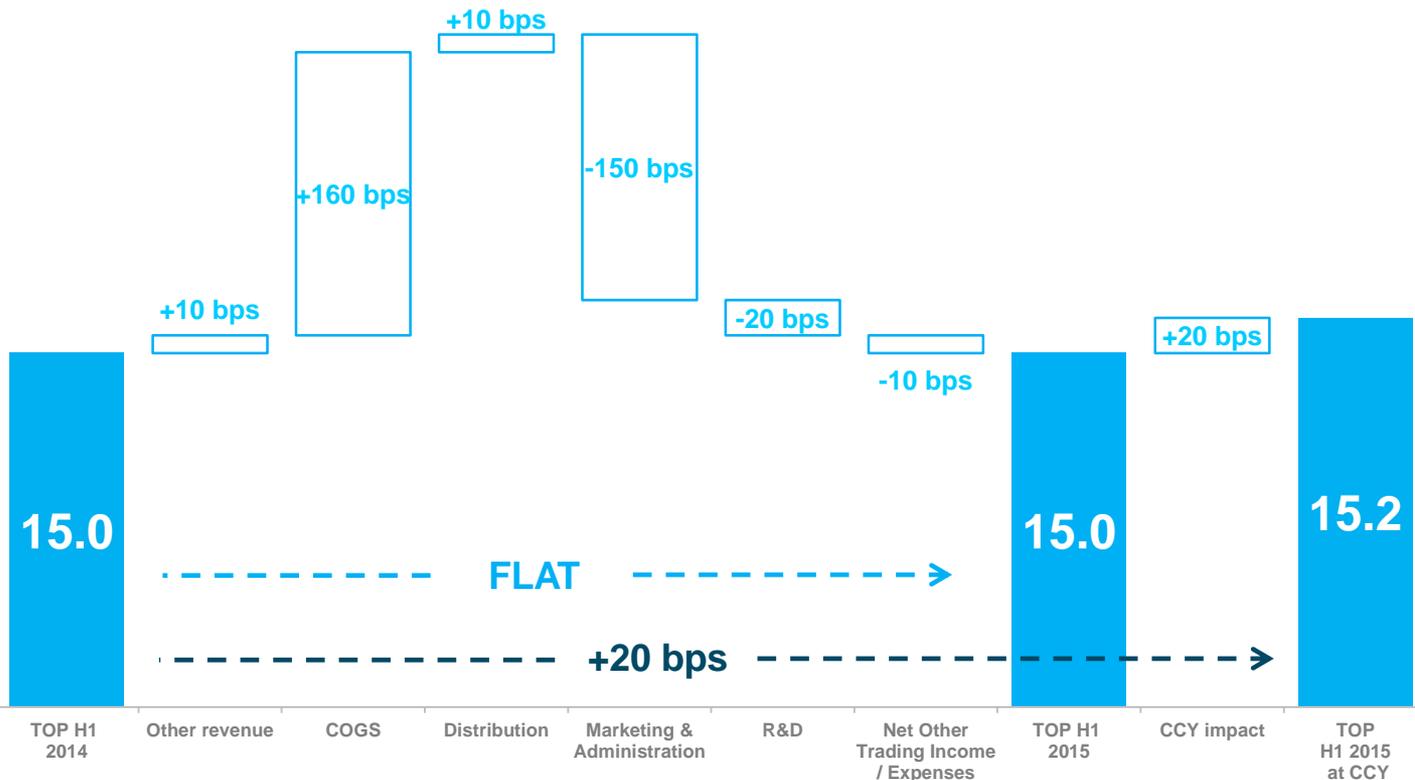
-160 bps

-60 bps

+50 bps

+110 bps

Trading Operating Profit Margin



- Trading Operating Profit margin **+20 bps** in constant currency
- Consumer facing marketing spend **+17.3%** in constant currency

TOP = Trading Operating Profit, CCY = Constant Currency

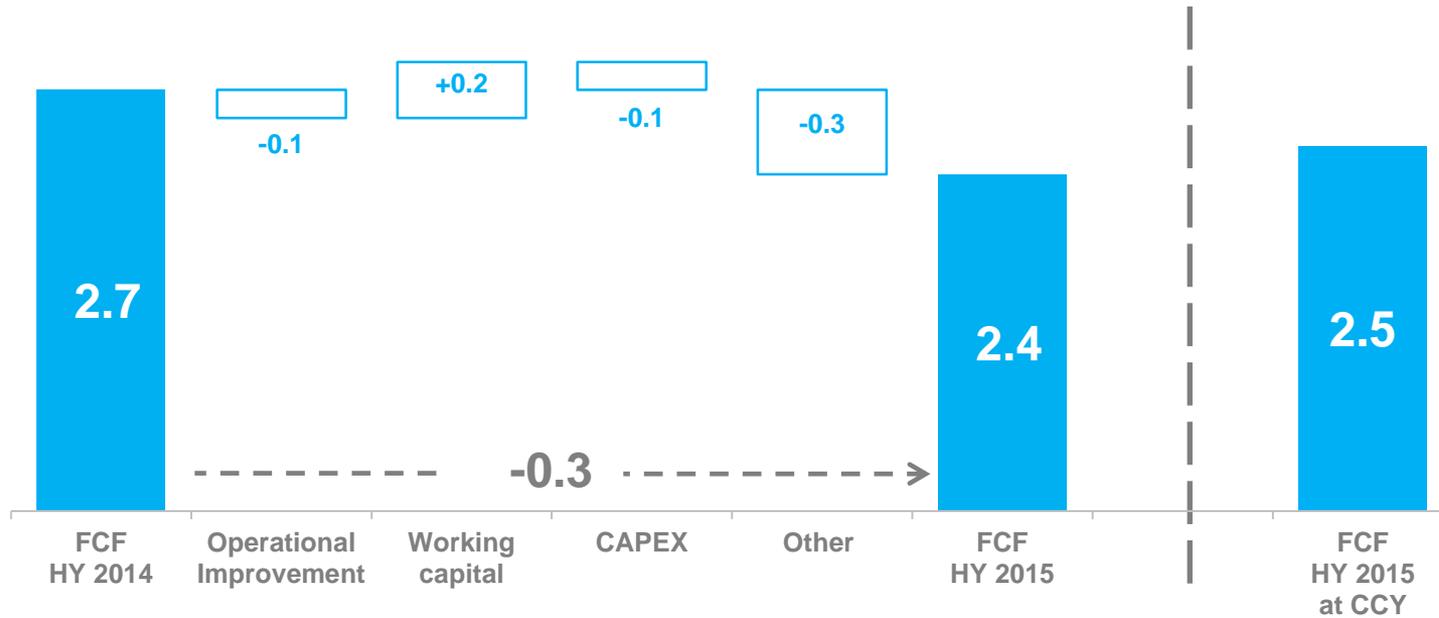


Income Statement

Total Group	HY 2014 % of sales	HY 2015 % of sales	Difference bps
Trading operating profit	15.0	15.0	flat
Net other operating income/expenses	(0.6)	(0.8)	-20
Operating Profit	14.4	14.2	-20
Net financial income/expenses	(0.7)	(0.8)	-10
Profit before taxes, associates and JVs	13.7	13.4	-30
Taxes	(3.8)	(3.5)	30
Income from associates and JVs	1.4	1.2	-20
Profit for the year	11.3	11.1	-20
of which attributable to non-controlling interests	0.5	0.6	10
Attributable to shareholders of the parent	10.8	10.5	-30
Basic EPS (CHF)	1.45	1.43	-1.4%
Underlying EPS (CHF)	1.57	1.56	-0.6%
Underlying EPS (CHF) constant currencies			+7.3%

Free Cash Flow

in CHF bn



Summary

- Broad based and solid Organic growth
- Improved operating performance and working capital
- Good performance in Zone EMENA, Waters, and Other Businesses
- Continued efforts to restore momentum in Zone AOA and the US Frozen business
- Full-Year Outlook confirmed:

We aim to achieve organic growth of around 5% with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency.



2015 Half-Year Results

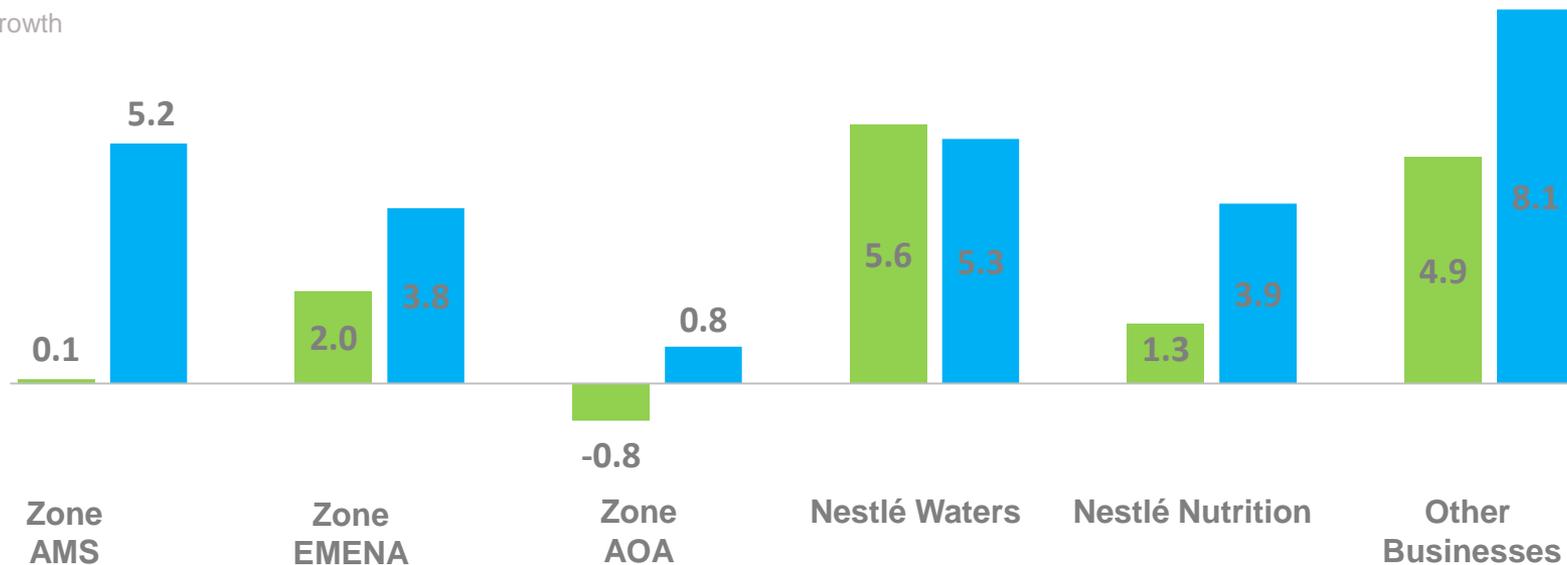
Discussion

Appendix

Operating Segments

■ % Real Internal Growth

■ % Organic Growth



Sales
(in CHF bn)

12.0

7.9

7.1

3.8

5.3

6.8

TOP %

18.0

16.2

18.2

11.5

23.0

15.8

in bps

+10 bps

+80 bps

-60 bps

+110 bps

+140 bps

-250 bps

Currency Overview

			Weighted average rate		
			HY 2014	HY 2015	% Var.
1 US Dollar	USD	0.89	0.95	+6.4	
1 Euro	EUR	1.22	1.06	-13.5	
100 Chinese Yuan Renminbi	CNY	14.48	15.24	+5.3	
100 Brazilian Reais	BRL	38.79	31.82	-18.0	
100 Mexican Pesos	MXN	6.79	6.26	-7.8	
1 Pound Sterling	GBP	1.49	1.44	-2.9	
1 Canadian Dollar	CAD	0.81	0.77	-5.6	
1 Russian Rouble	RUB	0.03	0.02	-34.5	
1 Australian Dollar	AUD	0.82	0.74	-9.2	
100 Philippine Pesos	PHP	2.00	2.13	+6.2	
100 Japanese Yen	JPY	0.87	0.79	-9.2	

FX Impact

	FX Impact
	HY 2015
Zone Americas	-5.5%
Zone EMENA	-13.0%
Zone AOA	-0.5%
Nestlé Waters	-0.9%
Nestlé Nutrition	-3.2%
Other	-7.1%
Total	-5.8%