



Welcome to
the Nine-Month
Sales
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



Nine-Month Sales Conference

Paul Bulcke
Nestlé CEO

Nestlé Group Highlights

Sales

CHF 64.9 bn

Organic Growth

4.2 %

Real Internal Growth

2.0 %



Nestlé

Good Food, Good Life

Nine-Month Sales Conference

François-Xavier Roger
Chief Financial Officer

Highlights

- Sales of **CHF 64.9 billion**, impacted by **-6.7% FX** and **+0.4% M&A**
- Organic Growth **+4.2%**
- Real Internal Growth **+2.0%**
- **Full-Year Outlook:** We project organic growth of around 4.5% for the full year, with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency

Broad-based Organic Growth in all Geographies

AMS

EMENA

AOA

Sales
(in CHF)

28.3 bn

20.3 bn

16.3 bn

RIG

+2.4%

+2.9%

+0.2%

OG

+6.2%

+4.0%

+1.1%

OG = Organic Growth, RIG = Real Internal Growth

Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, Nestlé Health Science, and Nestlé Skin Health

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)	36.9 bn	28.0 bn
% of Group sales	57%	43%
Organic Growth	+2.2%	+6.8%

Zone AMS



Sales in CHF bn	18.5	RIG %	+1.2	OG %	+5.8
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- Accelerated growth driven by improvements in US and strong LATAM
- Positive growth in North America
 - New ranges in US frozen gained momentum, driving recovery
 - *Coffee-mate* and Ice cream continued to be highlights
- Latin America continued to be a growth driver
 - Strong growth in Mexico across most categories
 - Brazil resilient in the economic environment
 - *Nescafé Dolce Gusto*, *PetCare*, and *Confectionery* were highlights



Zone EMENA



Sales in CHF bn	12.0	RIG %	+2.5	OG %	+4.1
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- Positive growth momentum accelerated
- PetCare, *Nescafé Dolce Gusto*, and *Nescafé* soluble coffee were the growth engines across Zone
- Western Europe
 - France sustained good performance; UK improved
 - *Nescafé Dolce Gusto* and PetCare drove growth, Frozen Pizza contributed
- Eastern Europe
 - Good growth in Russia and Ukraine supported by pricing
- MENA
 - Solid growth driven by *Nescafé* and Confectionery
 - Ongoing challenges from political/economic volatility

Zone AOA



Sales in CHF bn	10.5	RIG %	-1.4	OG %	-0.5
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- Solid results in developed markets overshadowed by ongoing challenges in India and China
- Emerging markets
 - *Nescafé* and *Hsu Fu Chi* did well in China, however other categories were soft
 - India impacted by lost *Maggi* sales; efforts to re-launch
 - Indonesia and Sub Saharan Africa did well
- Developed markets
 - Performance driven by *KitKat* and *Nescafé*
 - Japan sustained solid growth, helped by innovations

Nestlé Waters



Sales in CHF bn	5.9	RIG %	+7.0	OG %	+6.8
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- Good growth momentum maintained across geographies and brands
- Developed markets: accelerated growth, driven by Spain, France, North America, Italy, UK
- Emerging markets: double-digit growth led by Middle East, Turkey, Mexico, Africa
- Contribution from across the portfolio
 - *Nestlé Pure Life* with double-digit growth
 - *S. Pellegrino* and *Perrier* had good growth in premium segment
 - Local brands continue to perform well: *Buxton* (UK), *Poland Spring* and *Ice Mountain* (US), *Santa Maria* (Latin America)



Nestlé Nutrition



Sales in CHF bn	7.8	RIG %	+1.4	OG %	+3.4
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- Growth impacted by strong comparatives, lower pricing, and volatility in Asia, Latin America, and India
- Infant Formula growth was led by superpremium *Illuma*, which continues its geographic and e-commerce expansion in China
- Infant cereals did well, led by US, Russia, and Poland
- Mexico continued to grow strongly helped by innovations in *NAN*, *Nido*, and *Gerber* brands



Other Businesses

Sales in CHF bn	10.1	RIG %	+4.4	OG %	+5.5
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Nestlé Professional

- Emerging markets in Asia and Middle East helped accelerate growth
- Highlights were coffee solutions for Beverage and flavours for Food

Nespresso

- Continued good performance with international expansion
- New products and innovations in services helped support growth

Nestlé Health Science

- Broad-based growth with Europe and AOA as highlights
- Innovations and product roll-outs contributed to performance

Nestlé Skin Health

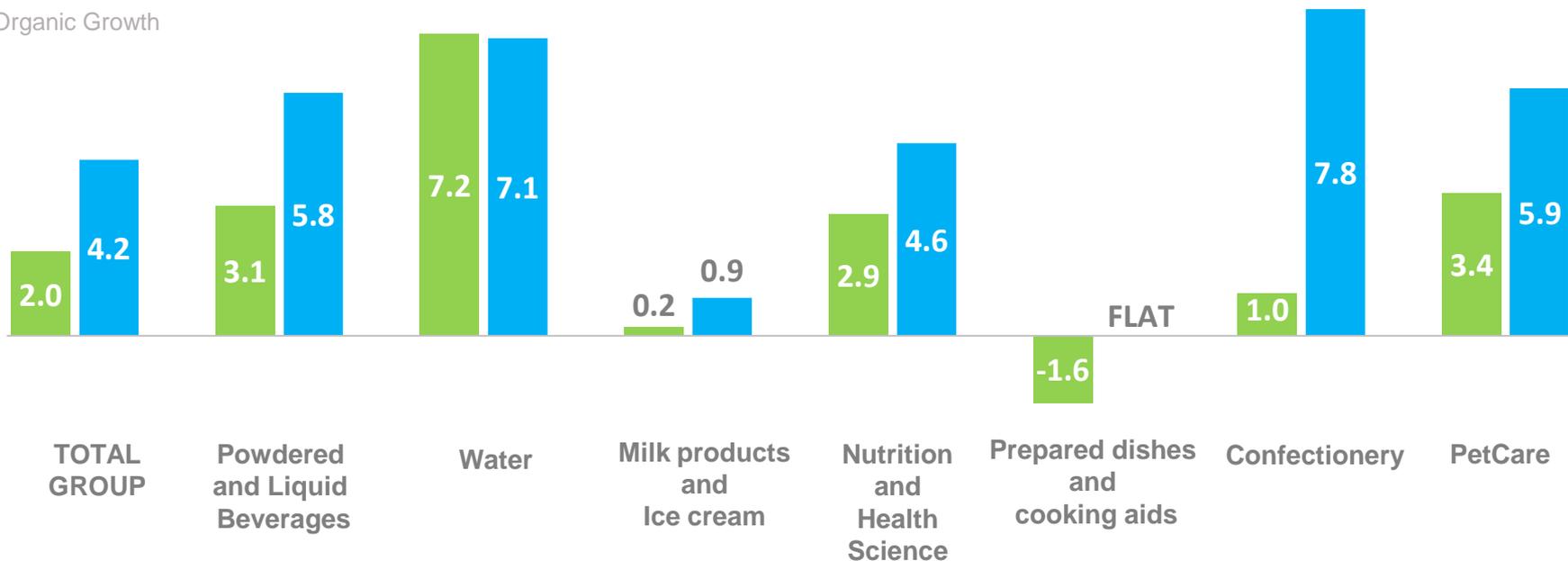
- Growth impacted from taking more conservative estimates on rebates from US prescriptions business, requiring a one-off adjustment
- Underlying growth momentum of the business is unaffected, with innovation and product roll-out continuing to drive sales



Products

■ % Real Internal Growth

■ % Organic Growth



TOTAL GROUP

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)

64.9

14.0

5.5

11.0

10.9

9.1

6.2

8.3



Summary

- **Good progress** in many businesses and geographies
- **RIG increased** and is in line with expectations
- **OG short of expectations** due to exceptional items
- **Full-Year Outlook:** We project organic growth of around 4.5% for the full year, with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency



Nine-Month Sales Conference

Paul Bulcke
Nestlé CEO



We enhance lives with **science-based nutrition and health solutions** for all stages of life, helping consumers care for themselves and their families





Nestlé

Good Food, Good Life



Nestlé
Health
Science

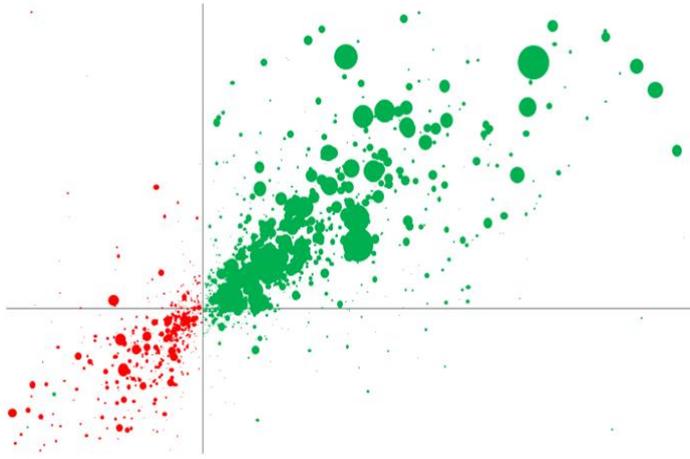


Nestlé Skin Health



Nestlé

Strengthening portfolio



Criteria

- Strategic fit
- Profitable growth
- Resource intensity

Actions

- Accelerate
- Protect
- Fix



Nestlé

Good Food, Good Life



6040+

- 44,000 products renovated for nutrition or health considerations
- 22,000 products with reduced sodium, sugars, fat, calories or artificial colourings
- 27,000 products with increase in nutritious ingredients or essential nutrients
- ...



Connecting with changing consumer expectations



Healthy lifestyle



Authenticity



Digital & e-commerce



Ethnic cuisines and experiences

lean cuisine

- On-trend innovation
- Improved culinary appeal
- Food mood line segmentation
- New health communication



- On-trend innovation
- New ethnic cuisines
- Communicating great quality and taste



China: recovery progressing in a challenging environment

Progress in 2015

- Good growth in multiple categories; especially coffee, Hsu Fu Chi & Wyeth infant nutrition
- Innovations to improve consumer relevance
- E-commerce growing rapidly



Challenges/opportunities

- Yinlu portfolio renovation & innovation
- Expanding distribution

Investing in our brands



Cailler



- Iconic brand with almost 200 year history
- 100% Swiss made at Maison Cailler (Broc)
- eCommerce as a premium channel with Amazon as primary retailer
- Presence in selected airport duty free shops



Home of Swiss chocolate since 1819



Genuine



Real



Provenance



Ingredients

eBusiness: capabilities to accelerate growth

eBusiness dedicated Team



- ✓ Talent/people
- ✓ Capabilities & tools

Strategy & Plans to support each market



- ✓ eBusiness strategy and action plans

Strategic alliances

amazon.com

Walmart
Save money. Live better.

淘宝网
Taobao.com

TESCO plc

Rakuten

ocado



- ✓ Engaging with different global partners

Strengthening portfolio: divestments

	2012	2013	2014	2015
Annualised sales	CHF 200mio	CHF 800mio	CHF 700mio	CHF 850mio
Key divestments	<ul style="list-style-type: none"> • Peter's Ice Cream 	<ul style="list-style-type: none"> • Jenny Craig • Mexico – Chilled Dairy • US – Pet Insurance • Germany – Chilled Culinary • US – Joseph's Pasta • France – Homecare • Denmark – Ice Cream 	<ul style="list-style-type: none"> • Germany – Infant Meals & Drinks • Korea JV • US – Juicy Juice • Europe – HOD Waters • Turkey – Balaban • Power Bar 	<ul style="list-style-type: none"> • Mexico – Ice Cream • Davigel* • Spain – Frozen Food • Italy – San Bernardo • Hungary – Kekkuti • Europe - Pet accessories <p><small>*Pending deal completion</small></p>



Creating a leading player in ice cream



Creating a leading player in ice cream



- Brands and heritage
- Out-of-home capabilities
- Distribution and point of sale



- Complementary portfolio
- Retail presence
- Competitive operations

Expanding the boundaries of NHW



Nestlé Health Science

Advancing the role of nutritional therapy
to change the course of health
for consumers, patients and our partners
in healthcare



Nestlé Skin Health

Enhancing the quality of life
by delivering science-based solutions
for the health of skin
over the course of people's lives





Changing the Course of Health

Greg Behar
CEO Nestlé Health Science

16 October 2015



NestléHealthScience
Where Nutrition Becomes Therapy



NestléHealthScience

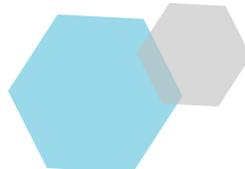
Where Nutrition Becomes Therapy

Who we are

A health-science company aiming to foster a therapeutic role for nutrition in healthcare

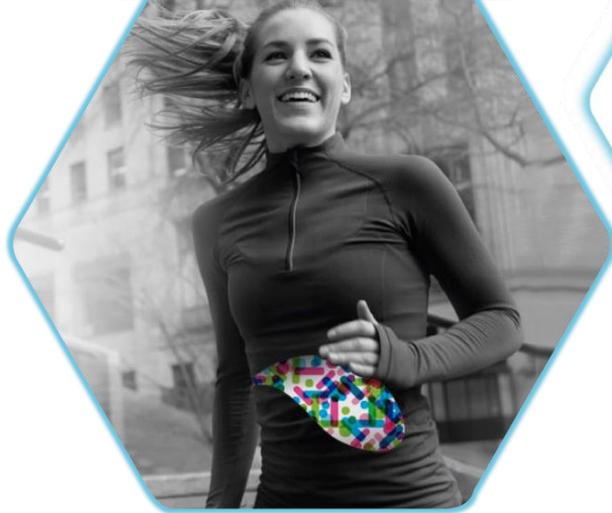
Our vision

Nestlé Health Science offers me nutritional therapies that change the way we approach the management of my health



We are...

Transformational



Growing



Building Breakthrough Pipeline



We are the company
“Where Nutrition Becomes Therapy”

Our strategic focus

Consumer Care



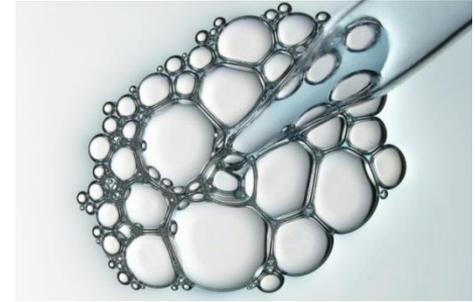
- Healthy Aging
- Healthy Growing
- Gut Health

Medical Nutrition



- Inborn Errors of Metabolism
- Pediatric Care & Allergy
- Acute Care & Devices
- Metabolic & Obesity Care

Novel Therapeutic Nutrition



- Brain Health
- Gastrointestinal Health
- Nutrient-related Platforms
- Diagnostics

MACRO DRIVERS

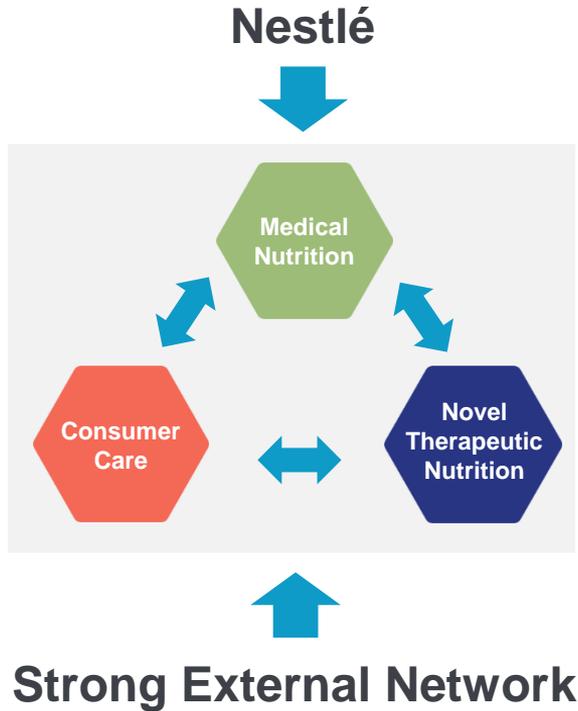
Aging Society

Chronic Diseases

Cost Pressure

Patient Empowerment

Winning mix



- Unrivalled Nestlé scale and support
- Strong global footprint
- Healthcare credibility and deep customer insights
- Rich pipeline
- Unique combination of talents & capabilities (FMCG, Pharma)
- Industrial investment, scale and versatility
- Attractive partner

Innovation engine



Investages



Research



Innovation in Nutrition

Product Technology Center



LIPID THERAPEUTICS



Powerhouse potential



Consumer Care

*Accelerate with
great brands*

- Accelerate innovation to meet the nutritional needs of the increasing aging population
- Shape new categories in Healthy Growing and Gut Health
- Expand geographic footprint



In NAM



In EUROPE, AOA, LATAM

Power brands in Consumer Care

Boost gaining share (USA)



Meritene expansion (Europe, AOA, LATAM)



Building leadership



Medical Nutrition

Invest & optimize business

- Expand specialty pipeline (e.g. food allergy, ICU intervention, supportive oncology care)
- Optimize geographic footprint and operational excellence
- Execute key new launches



Inborn Errors of Metabolism: PKU Air

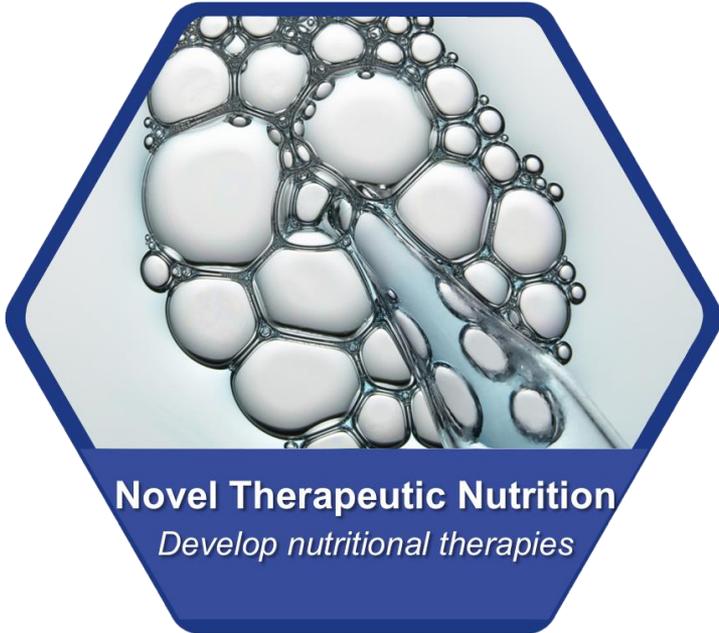


Allergy Portfolio



Compat Ella Pump

Breakthrough opportunities

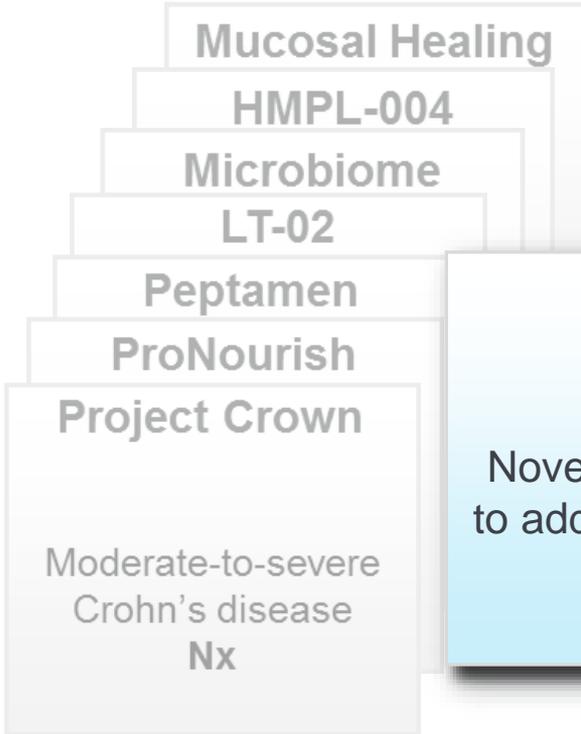


- Focus on
 - Gastrointestinal Health
 - Brain Health
 - Innovative technology platforms
 - Proprietary nutrients
 - Microbiome
- Leverage innovative diagnostic enablers: part of integrated therapeutic approach



GI health opportunity

Addressing unmet needs



Project Crown

Novel nutritional therapy (Nx)
to address moderate-to-severe
Crohn's disease

LT-02

First-in-class therapy (Rx) to
restore barrier function in
patients with mild-to-moderate
ulcerative colitis

Gold standard nutritional therapy



NestléHealthScience

Where Nutrition Becomes Therapy

Exciting journey

- Shaping new approaches to health management – through nutritional therapies
- Playing key role in Nutrition, Health and Wellness
- Generating value for shareholders: growth, margins, return



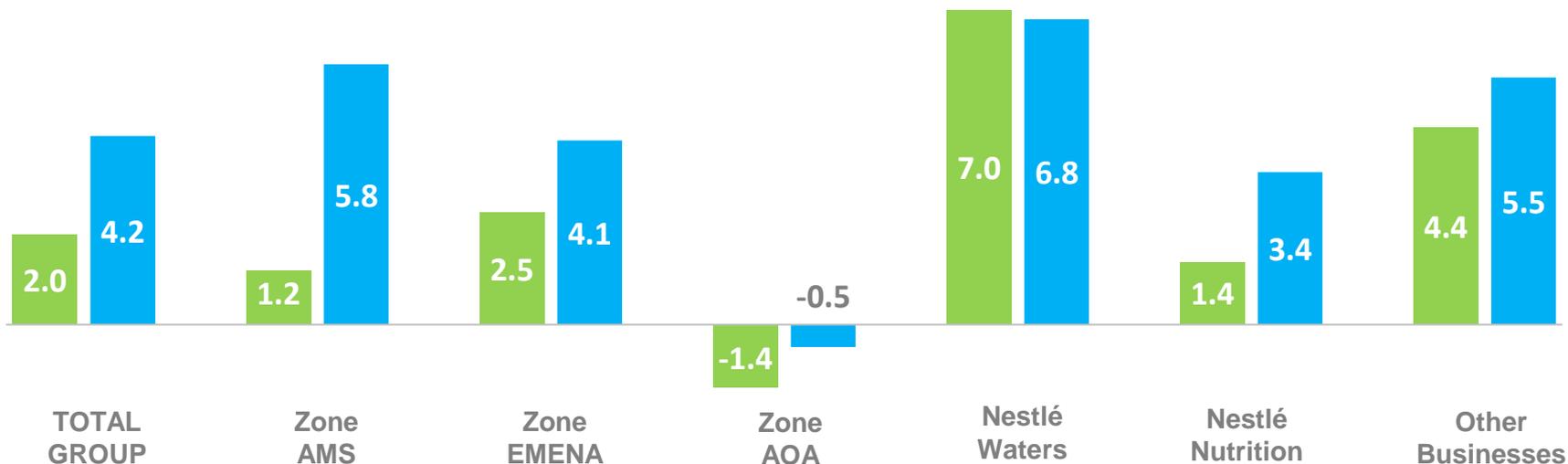


Nine-Month Sales Appendix

Operating Segments

■ % Real Internal Growth

■ % Organic Growth



Sales
(in CHF bn)

64.9

18.5

12.0

10.5

5.9

7.8

10.1

Currency Overview

		Weighted average rate		
		9M 2014	9M 2015	% Var.
1 US Dollar	USD	0.90	0.95	+6.1
1 Euro	EUR	1.22	1.06	-12.8
100 Chinese Yuan Renminbi	CNY	14.60	15.26	+4.5
100 Brazilian Reais	BRL	39.30	30.33	-22.8
100 Mexican Pesos	MXN	6.85	6.13	-10.5
1 Pound Sterling	GBP	1.50	1.46	-2.6
1 Canadian Dollar	CAD	0.82	0.76	-8.1
1 Russian Rouble	RUB	0.03	0.02	-36.4
1 Australian Dollar	AUD	0.83	0.73	-12.1
100 Philippine Pesos	PHP	2.00	2.12	+4.1
100 Japanese Yen	JPY	0.87	0.79	-9.5

FX Impact

	FX Impact
	9M 2015
Zone AMS	-6.9%
Zone EMENA	-12.9%
Zone AOA	-2.2%
Nestlé Waters	-1.4%
Nestlé Nutrition	-4.8%
Other Businesses	-7.7%
Total	-6.7%