



Welcome to the
Full-Year
Results
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 Conference

Paul Bulcke
Nestlé CEO

Full-Year 2015

Sales

**CHF
88.8 bn**

Organic
Growth

4.2%

Real
Internal Growth

2.2%

Trading
Operating
Profit Margin

+ 10 bps
in constant
currencies



Nestlé Good Food, Good Life

Full-Year Results 2015

François-Xavier Roger
Chief Financial Officer

Profitable Growth in Challenging Markets

Focus on Cash Flow and Shareholder Return

*Organic
Growth*

+ 4.2%

*Trading
Operating Profit**

+ 10 bps

*Free
Cash Flow*

**11.2%
of sales**

*Underlying
Earnings Per Share**

+ 6.5%

**in constant currency*

Broad-based Organic Growth in all Geographies

AMS

EMENA

AOA

Sales
(in CHF)

39.1 bn

27.5 bn

22.2 bn

RIG

+2.4%

+2.8%

+1.2%

OG

+5.8%

+3.5%

+1.9%

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

Developed *and* Emerging Markets Growth

	Developed	Emerging
Sales (in CHF)	51.0 bn	37.8 bn
% of Group sales	57%	43%
Organic Growth	+1.9%	+7.0%
Organic Growth - 2014	+1.1%	+8.9%

Zone AMS

FY 2015



Sales: CHF 25.8 bn

RIG %	1.6	OG %	5.5
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Trading Operating Profit

TOP %	19.4	vs. LY ¹	+80 bps
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- Market share gains
- Acceleration in North America
 - U.S. frozen turn-around
 - *Coffee-mate*, Ice cream, and Petcare had good momentum
- Latin America had good growth and some inflationary pressure
 - Brazil was resilient with positive growth in a challenging environment
 - Mexico delivered good performance across all categories
- Margin drivers: favorable product mix, operational efficiencies, lower input costs, and lower restructuring

Zone EMENA

FY 2015



Sales: CHF 16.4 bn

RIG %	2.5	OG %	3.7
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Trading Operating Profit

TOP %	15.7	vs. LY ¹	+50 bps
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- Broad-based market share gains
- Highlights: *Nescafé Dolce Gusto* & soluble coffee, Petcare, Pizza
- Western Europe
 - Positive volume-driven growth, despite deflationary environment
 - France, Germany, Benelux solid
- Central and Eastern Europe
 - Growing with positive RIG
 - Russia with careful management of pricing
- MENA
 - Resilient despite difficult political environment
 - Turkey grew nicely
- Margin drivers: positive pricing, cost savings supported increased brand investment

Zone AOA

FY 2015



Sales: CHF 14.3 bn

RIG %	-0.1	OG %	0.5
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Trading Operating Profit

TOP %	18.4	vs. LY ¹	-80 bps
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- Growth improving, but was impacted by India
- Emerging markets
 - China improved, with good performance in *Nescafé* and confectionery; *Yinlu* recovery ongoing
 - India was challenged by *Maggi* case; gradual sales resumption from November
 - Vietnam, Indonesia, and Sub-Saharan Africa did well
- Developed markets
 - Japan was good, driven by innovation in *Nescafé* and *KitKat*
 - Oceania had solid performance, with *KitKat* the highlight
- Margin drivers: decline due to India *Maggi* case, favorable input costs which were partly re-invested into brand support

Nestlé Waters

FY 2015



Sales: CHF 7.6 bn

RIG %	6.7	OG %	6.7
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Trading Operating Profit

TOP %	10.8	vs. LY	+110 bps
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- Good growth momentum across geographies and brands
- *Nestlé Pure Life* had double-digit growth
- Premium brands *S. Pellegrino* and *Perrier* had high-single digit growth
- Local brands continued to be strong: *Buxton* (UK), *Poland Spring* (US), *Erikli* (Turkey), and *Santa Maria* (Latin America)
- Margin drivers: volume growth, lower input costs and other cost improvements, enabling brand re-investment

Nestlé Nutrition

FY 2015



Sales: CHF 10.5 bn

RIG %	1.4	OG %	3.1
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Trading Operating Profit

TOP %	22.6	vs. LY ¹	+110 bps
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- Solid organic growth with accelerating RIG, but
 - Difficult comparisons in Asia
 - Headwinds in some volatile markets (Middle East, Russia, Brazil)
 - Lower contribution from pricing
- Infant Formula and growing-up milks positive driven by Wyeth with *Illuma* in China and innovation in *NAN*
- Infant Cereals did well, also had market share gains
- Margin drivers: portfolio management, lower input costs, control of fixed costs, and lower impairment costs, partly offset by brand investment

Other Businesses

FY 2015



Sales: CHF 14.1 bn			
RIG %	3.7	OG %	5.3

Trading Operating Profit			
TOP %	15.7	vs. LY ¹	-330 bps

Nestlé Professional

- Emerging markets drove growth
- *Davigel* divestment completed in November as part of portfolio management

Nespresso

- Solid growth across all regions
- Innovation in coffee, machines and services

Nestlé Health Science

- Consumer care strong, driven by *Boost* in US
- Medical nutrition solid, led by allergy portfolio

Nestlé Skin Health

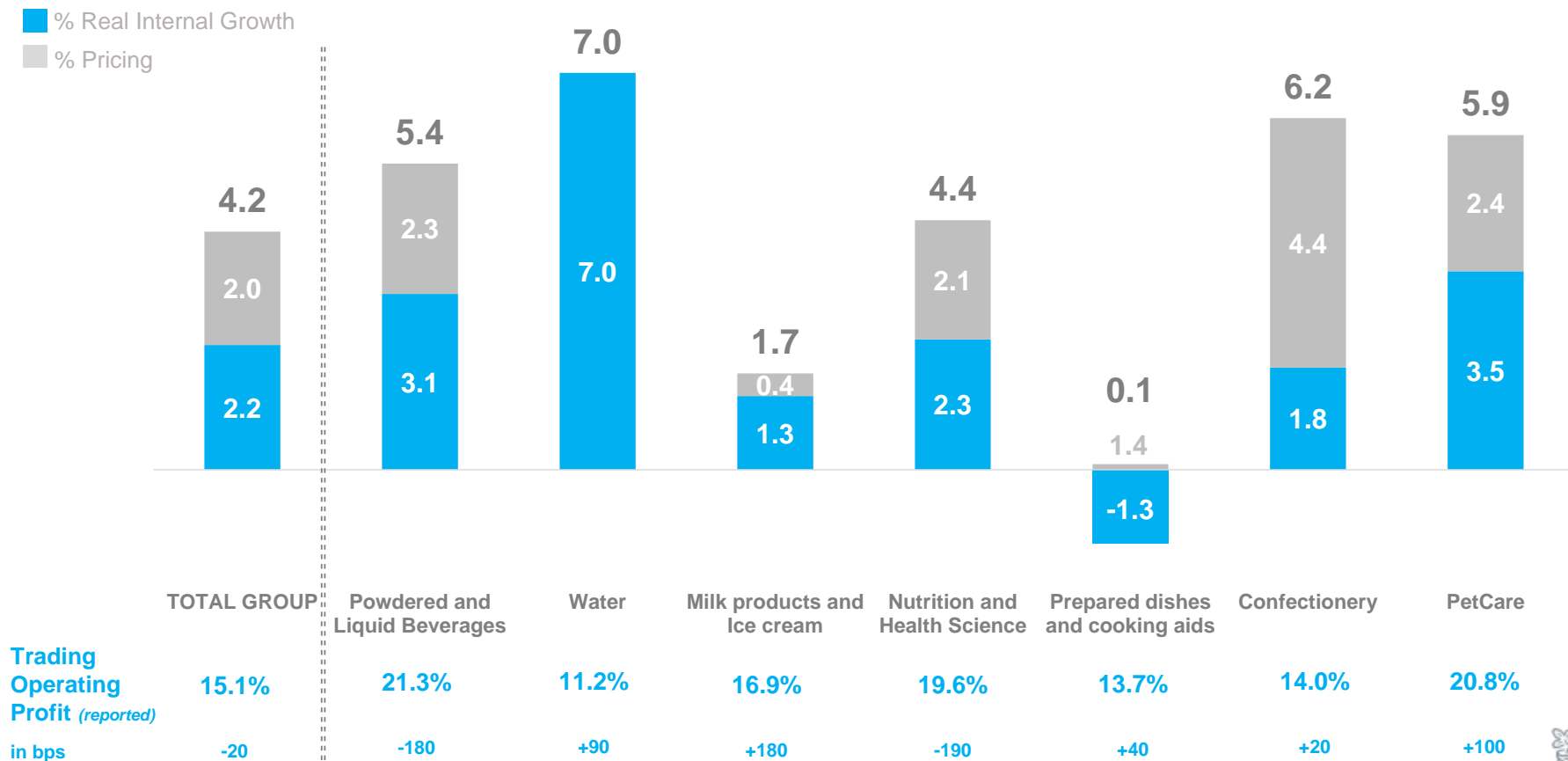
- Double-digit growth, led by Self-Medication and Aesthetics & Corrective

Other Businesses margin drivers

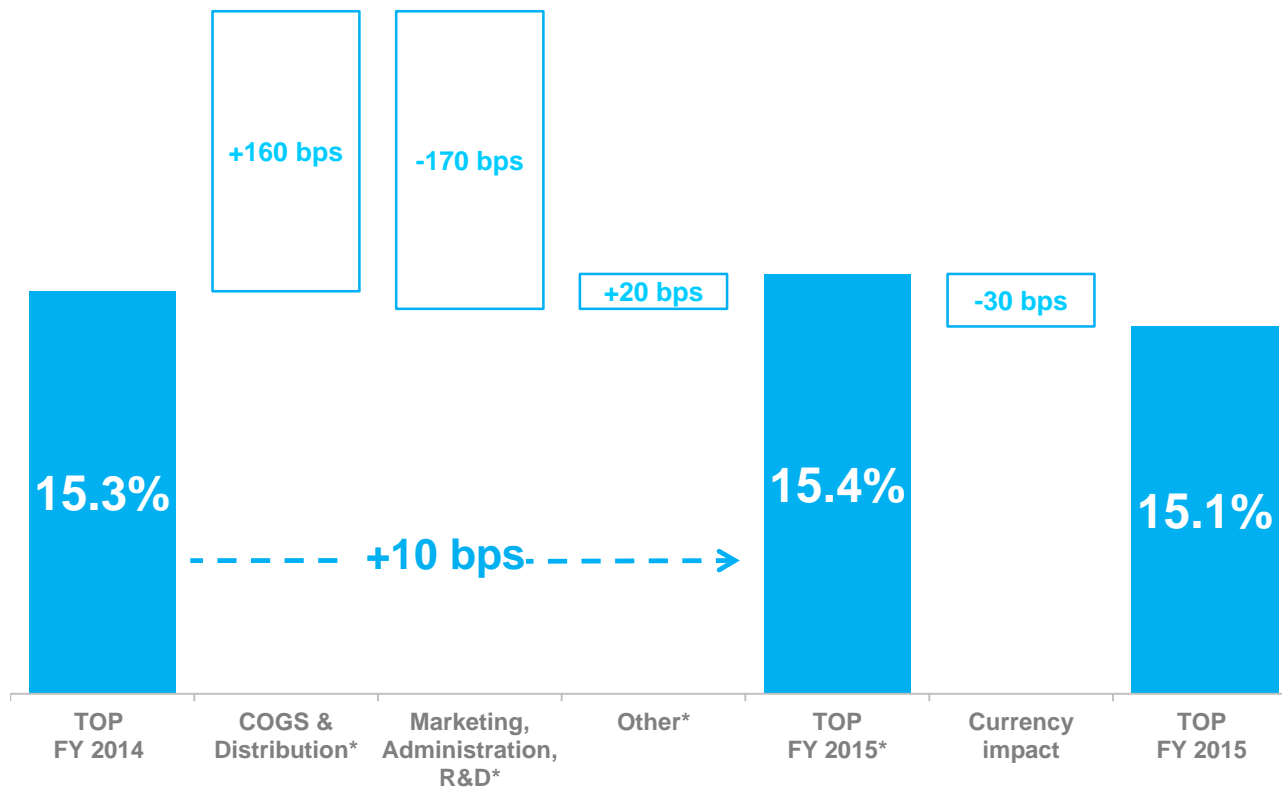
- Impacted by Skin Health (rebate adjustment in Q3), currency effect on Nespresso, and generic competition for *Lotronex*



Broad-based growth across product groups



Cost benefits reinvested for growth



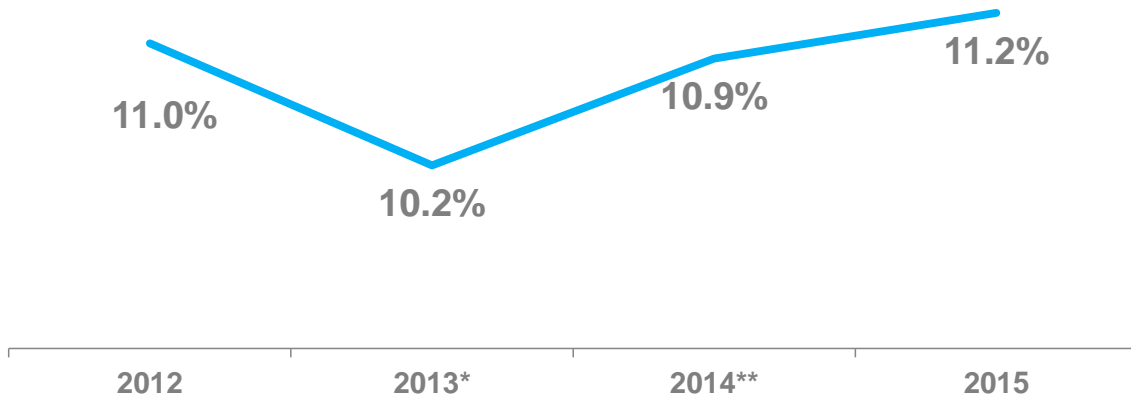
**in constant currency*

Underlying EPS +6.5% in constant currency

Total Group <i>in CHF bn</i>	FY 2014 <i>% of sales</i>	FY 2015 <i>% of sales</i>	Difference <i>bps</i>
Trading operating profit	15.3	15.1	-20
Net other operating income/expenses	(3.4)	(1.1)	230
Net financial income/expenses	(0.7)	(0.7)	-
Taxes	(3.7)	(3.7)	-
Income from associates and JVs	8.8	1.1	-770
Non-controlling interests	(0.5)	(0.5)	-
Net profit	15.8	10.2	-560
Underlying EPS (CHF)	3.44	3.31	-3.8%
Underlying EPS (CHF) <i>in constant currency</i>			+6.5%

Consistent industry-leading free cash flow generation

Free cash flow as a % of sales

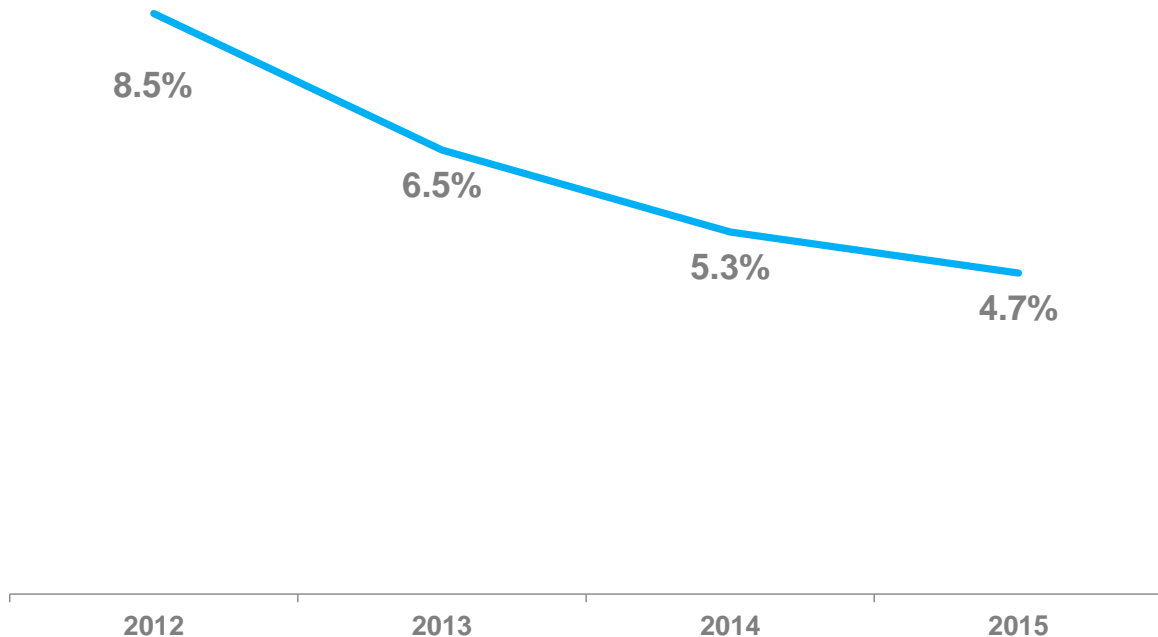


*Adjusted for exceptional income due to Givaudan disposal (CHF 1.1 bn)

**Adjusted for exceptional income due to L'Oréal transaction (CHF 4.1 bn)

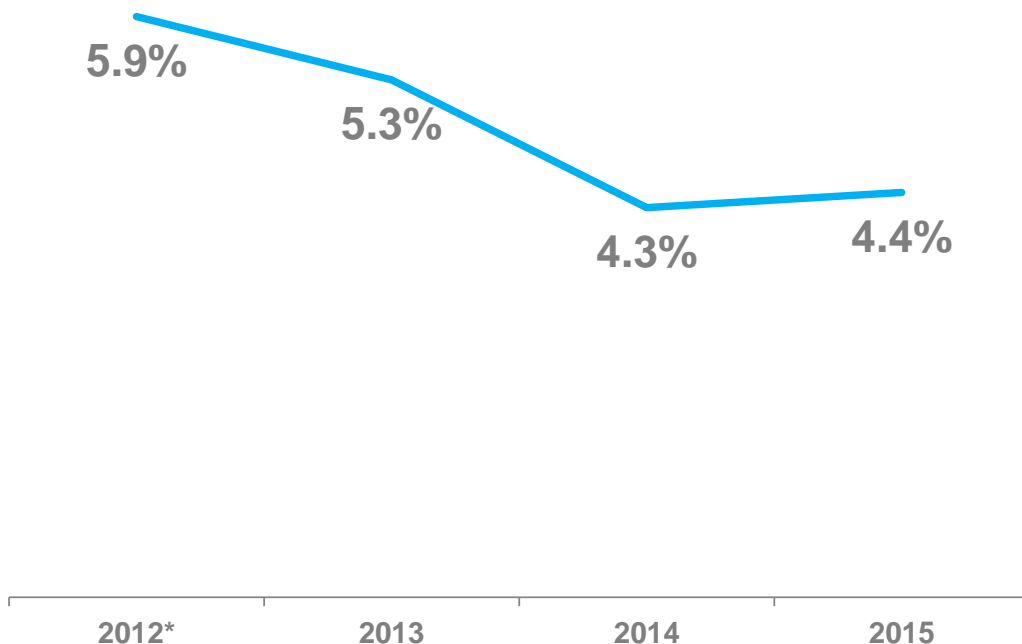
Continued focus on working capital

Average working capital as a % of sales



Capex discipline while supporting growth

Capex as a % of sales



*Restated following implementation of IFRS 11 and IAS 19

CHF 13.4 bn cash returns to shareholders

In CHF bn



Summary

- **Organic growth** at high end of industry
 - Acceleration of **Real Internal Growth**
 - Declining **Pricing** benefits
- **Superior and profitable growth** in challenging environment
- **Reinvestment** of savings and cost efficiencies to **support growth**
- Focus on **sustainable Cash Flow** generation
- Strong **Balance Sheet**

Guidance 2016

We expect to deliver organic growth in line with 2015, with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency.



Full-Year Results Conference

Paul Bulcke
Nestlé CEO

Continue building our brands



Continue building our brands



Continue building our brands



Continue building our brands



A unique position in coffee



NESCAFÉ



NESPRESSO



USA: frozen food



Lean
cuisine



HOT POCKETS



Stouffer's



DIGIORNO



China: growth market



Digital engagement

Digital marketing



eBusiness: capabilities to accelerate growth



Continuous cost awareness

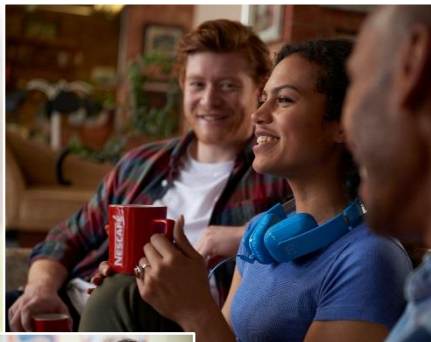


Business
Excellence



150 Years

of Good Food, Good Life



Nestlé

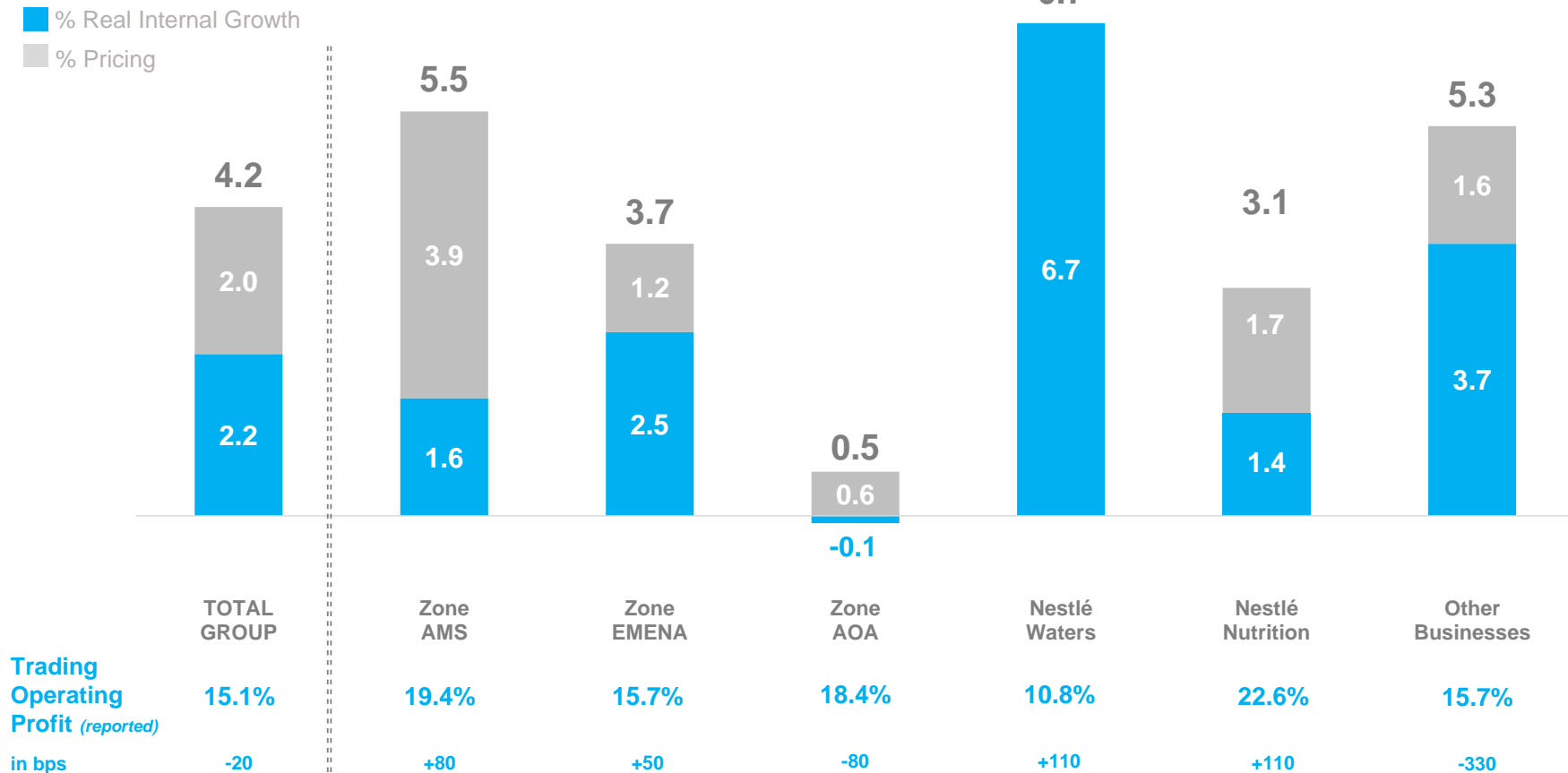


Nestlé



Full Year Results Appendix

Operating Segments



Currency Overview

			Weighted average rate		
			FY 2014	FY 2015	Variation
US Dollar	1	USD	0.92	0.96	+5.1%
Euro	1	EUR	1.22	1.07	-12.1%
Chinese Yuan Renminbi	100	CNY	14.88	15.32	+3.0%
Brazilian Reais	100	BRL	38.90	29.00	-25.4%
UK Pound Sterling	1	GBP	1.51	1.47	-2.3%
Mexican Pesos	100	MXN	6.88	6.07	-11.8%
Philppine Pesos	100	PHP	2.06	2.11	+2.6%
Canadian Dollar	1	CAD	0.83	0.75	-9.3%
Russian Ruble	1	RUB	0.024	0.016	-33.9%
Australian Dollar	1	AUD	0.83	0.72	-12.4%
Japanese Yen	100	JPY	0.86	0.80	-7.4%

FX Impact

	FX Impact
	FY 2015
Zone AMS	-8.1%
Zone EMENA	-12.2%
Zone AOA	-3.1%
Nestlé Waters	-1.8%
Nestlé Nutrition	-6.0%
Other Businesses	-8.2%
Total	-7.4%

Glossary & Footnotes

Notes

¹ 2014 figures have been restated on the following main transfers, effective as from 1 January 2015:

- the Maghreb, the Middle East, the North East Africa region, Turkey and Israel in Zone Asia, Oceania and Africa to Zone Europe;
- Growing-Up Milks business in the geographic Zones to Nestlé Nutrition;
- Bübchen business in Nestlé Nutrition to Other businesses.

Abbreviations

OG Organic Growth

RIG Real Internal Growth

TOP Trading Operating Profit

FCF Free Cash Flow

COGS Cost of Goods Sold

AMS Zone Americas

EMENA Zone Europe, Middle East, and North Africa

AOA Zone Asia, Oceania, and sub-Saharan Africa