



Welcome to the Nine-Month Sales Conference



Nine-Month Sales Conference

Paul Bulcke
Nestlé CEO



Nine-Month Sales Conference

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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.

Highlights

- Sales of CHF 66.2 billion, impacted by -7.5% FX
- Organic growth 4.5%
- Real Internal Growth 2.3%
- All geographies contributing to positive growth
- Outlook unchanged: around 5% organic growth with an improvement in margins and underlying earnings per share in constant currencies

Broad based regional growth

Americas

Europe

**Asia,
Oceania &
Africa**

Sales 28.0 bn
(in CHF)

RIG +1.9%

OG +5.1%

18.5 bn

+2.0%

+1.4%

19.7 bn

+3.1%

+6.5%

Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, Nestlé Health Science and Nestlé Skin Health OG = Organic Growth RIG = Real Internal growth

Developed and Emerging markets growth

	Developed	Emerging
Sales (in CHF)	36.9 bn	29.3 bn
% of Group Sales	56%	44%
OG	+0.5%	+9.5%

Zone Europe



Sales
in CHF bn

11.1

RIG %

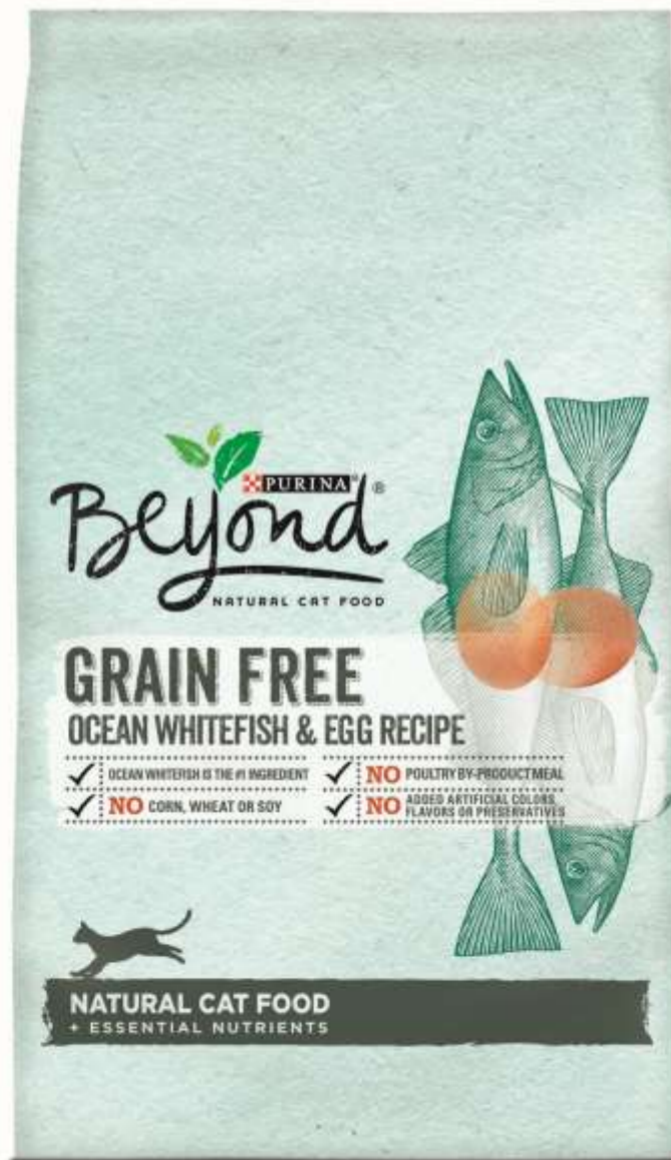
2.0

OG %

1.0

- Growth driven by innovation and premium
- *Nescafé Dolce Gusto*, PetCare, Frozen Pizza remain highlights
- Western Europe
 - Solid growth in France, Iberia and Benelux
 - Italy and Germany and UK still subdued
- Eastern Europe:
 - Russia remained the driver of growth

Zone Americas



Sales in CHF bn	19.3	RIG %	1.1	OG %	4.8
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- North America
 - Innovation across several categories
 - Challenges in Frozen & Ice Cream
 - *Coffeemate* and *PetCare* were highlights
- Latin America
 - Softer trading environment
 - Brazil solid performance with *Ninho*, *Nescau* and *Kit Kat*
 - Mexico remained challenging
 - *PetCare* continued strong momentum

Zone Asia, Oceania & Africa

Sales in CHF bn	13.4	RIG %	0.7	OG %	3.5
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- Growth impacted by China, Oceania and pricing taken across many markets
- Premium, *Milo*, *Maggi*, Ready-to-drink and Creamers were growth drivers
- Emerging markets
 - Philippines, Turkey, Pakistan and Africa highlights
 - China remained challenged in some key categories
- Developed markets
 - Japan with good growth
 - Oceania still subdued



Nestlé Waters



Sales in CHF bn	5.7	RIG %	5.8	OG %	5.1
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- Continued growth momentum, affected by cooler summer
- International sparkling waters had good global growth
- Developed markets
 - North America continued solid performance
 - Positive growth in Europe impacted by weather
- Emerging markets
 - Double-digit growth
 - Local brands and *Nestlé Pure Life* contributed

Nestlé Nutrition



Sales in CHF bn	7.1	RIG %	3.4	OG %	7.8
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- Infant Formula and Infant Cereals remained the growth drivers
- Emerging markets double-digit growth:
 - China still a highlight
- Developed markets:
 - Meals and Drinks impacted by a soft category
- Brand highlights were *NAN*, *S26* and *Illuma* in Infant Formula and *Cerelac* in Cereals

Other Businesses



Sales in CHF bn	9.6	RIG %	4.9	OG %	6.6
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Nestlé Professional

- Emerging markets maintained growth momentum
- Developed markets soft with some signs of improvement

Nespresso

- Continued global growth, both established and new markets
- *VertuoLine* launch on track, well received by consumers

Nestlé Health Science

- Solid growth with Europe the highlight
- *Peptamen*, *Impact*, *Boost* and *Meritene* were the main drivers

Nestlé Skin Health (as from July 2014)

- Good performance in line with expectations

Summary

- Solid organic growth in a volatile trading environment with no tailwinds
- Growth in both Emerging *and* Developed Markets
- Continued to invest in our long-term strategy
- Full-year outlook unchanged



Organic growth around 5% and improvements in margins, underlying earnings per share in constant currencies and capital efficiency



Nine-Month Sales Conference

Paul Bulcke
Nestlé CEO



Nestlé

***Enhancing people's
quality of life***

***through nutrition, health
and wellness***

***with science-based
innovation***





Nestlé

Good Food, Good Life

6040+



Expanding the boundaries of NHW



Nutritional solutions that change
the way we approach
the management of health



NestléHealthScience

Expanding the boundaries of NHW

Set up of Nestlé Health Science



Definition of our territory



Creation of Nestlé Institute of Health Sciences



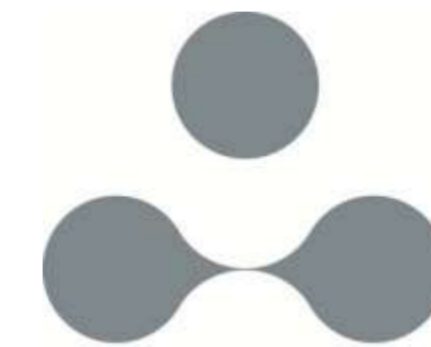
Strong innovation



Expanding the boundaries of NHW



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



Nestlé Skin Health

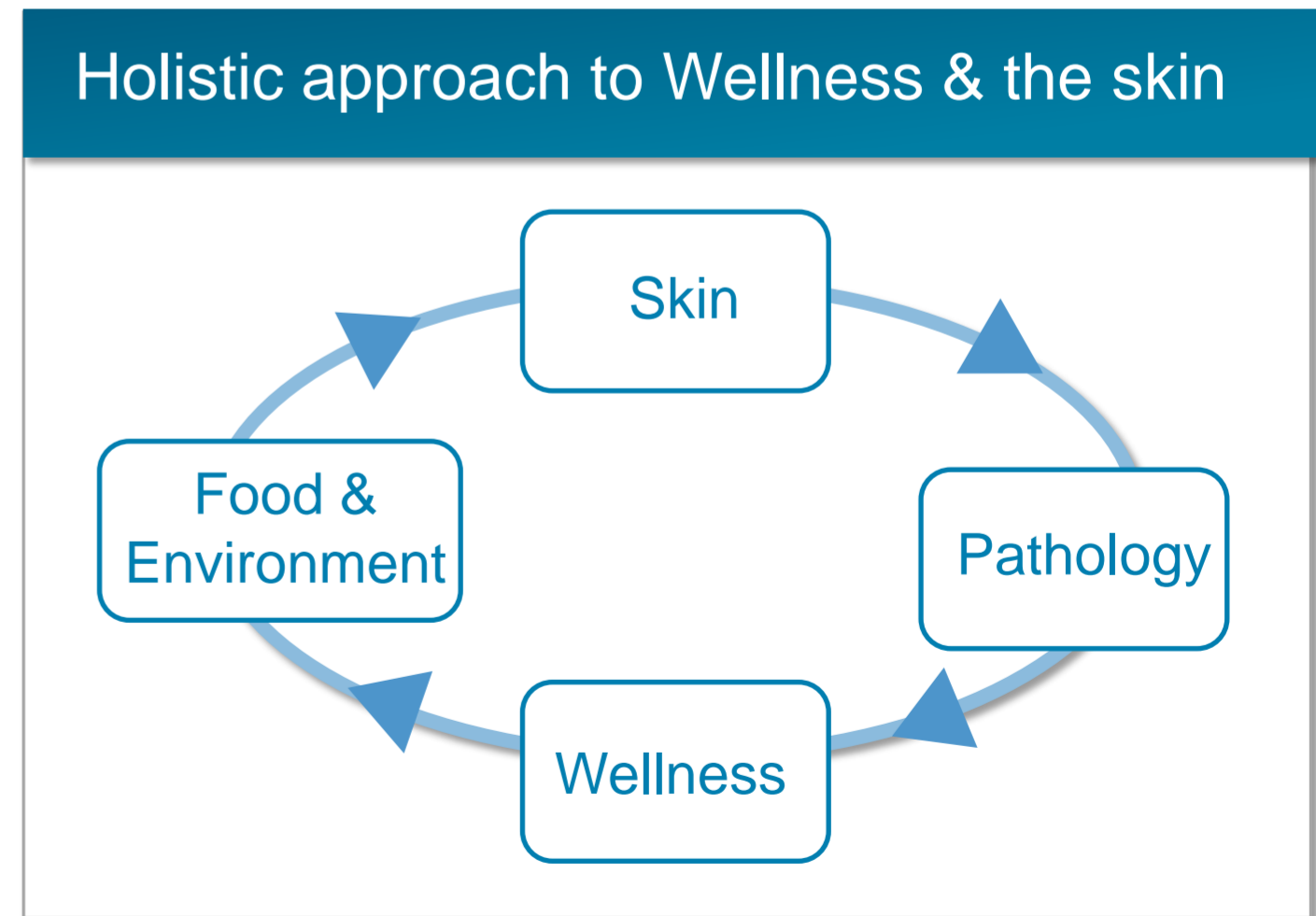
Growing skin health needs



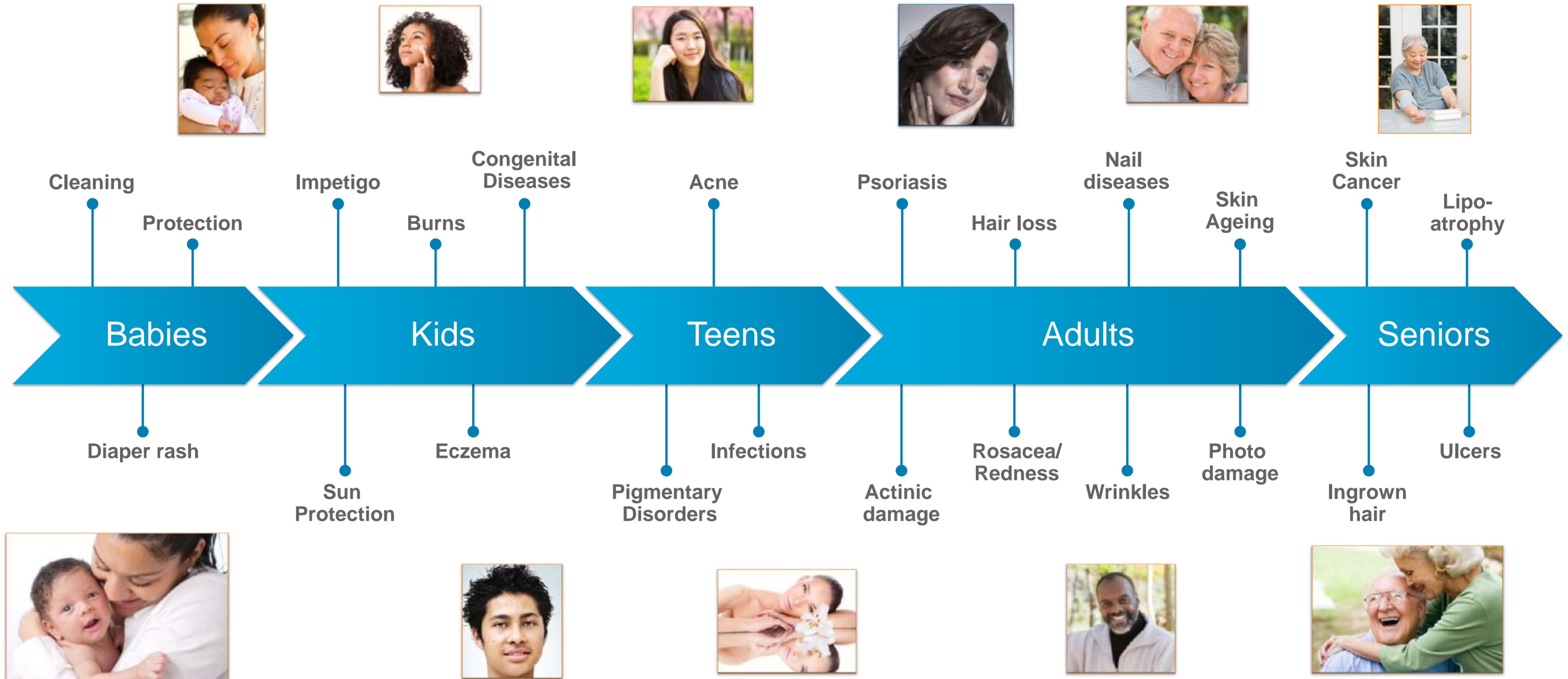
From 2010 to 2020 the population under 9 years of age will grow **6%**

The population over 60+ years of age will grow **+35% (79% by 2030)**

The skin is the largest organ of the human body and represents the intersection of food, genetics and the environment



Meeting patients' dermatological needs throughout life



Keeping long-term direction, while delivering short term



Keeping long-term direction, while delivering short term



	Make choices
	Grasp opportunities
	Value what consumers value
	Engage with the community and stakeholders
	Embrace digital
	Win through people and teams

	Strengthening portfolio
	Allocating resources
	Mastering complexity

Roadmap

Priorities

Focus areas

Expanding the boundaries of NHW



Focus areas



Strengthening portfolio

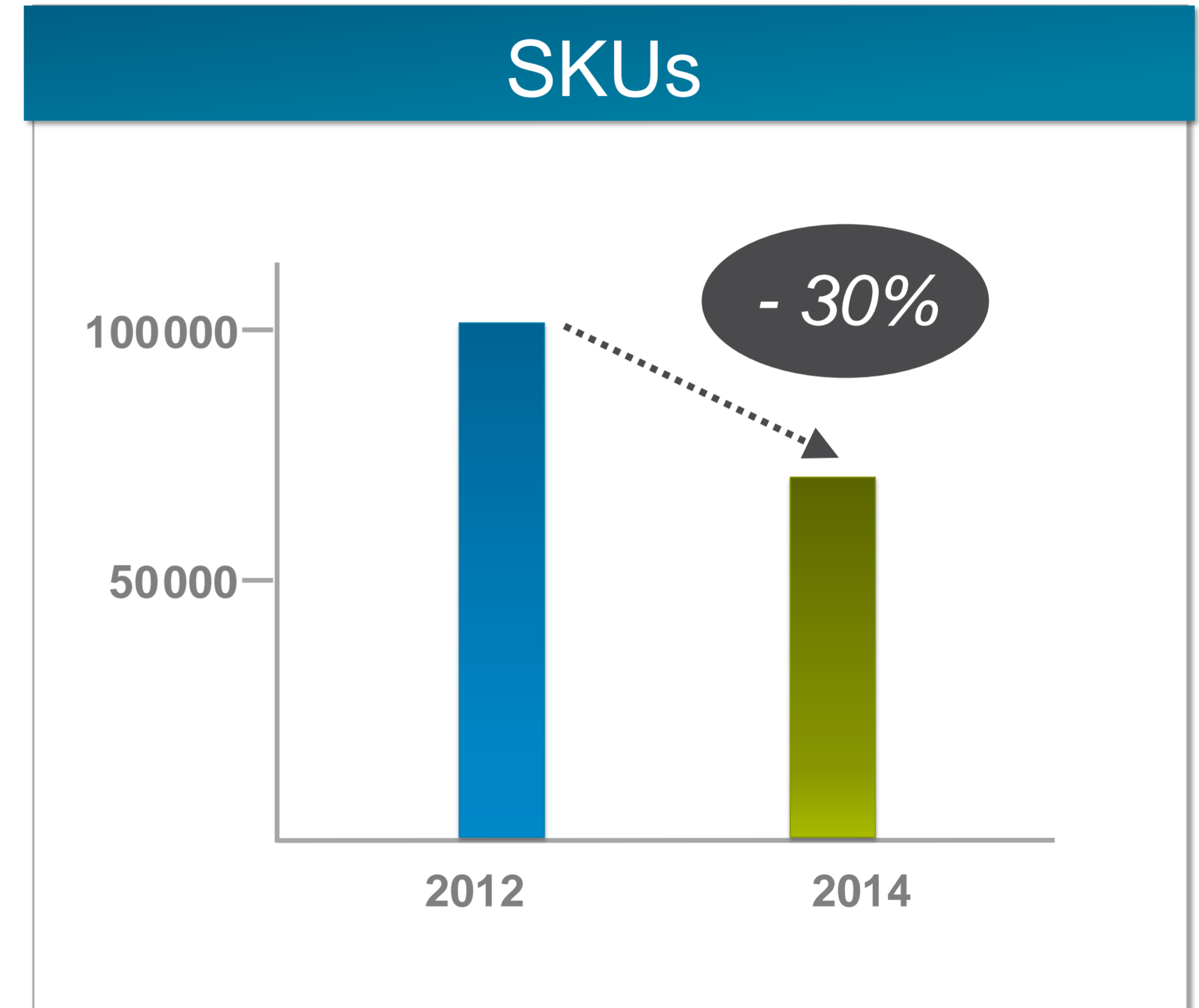
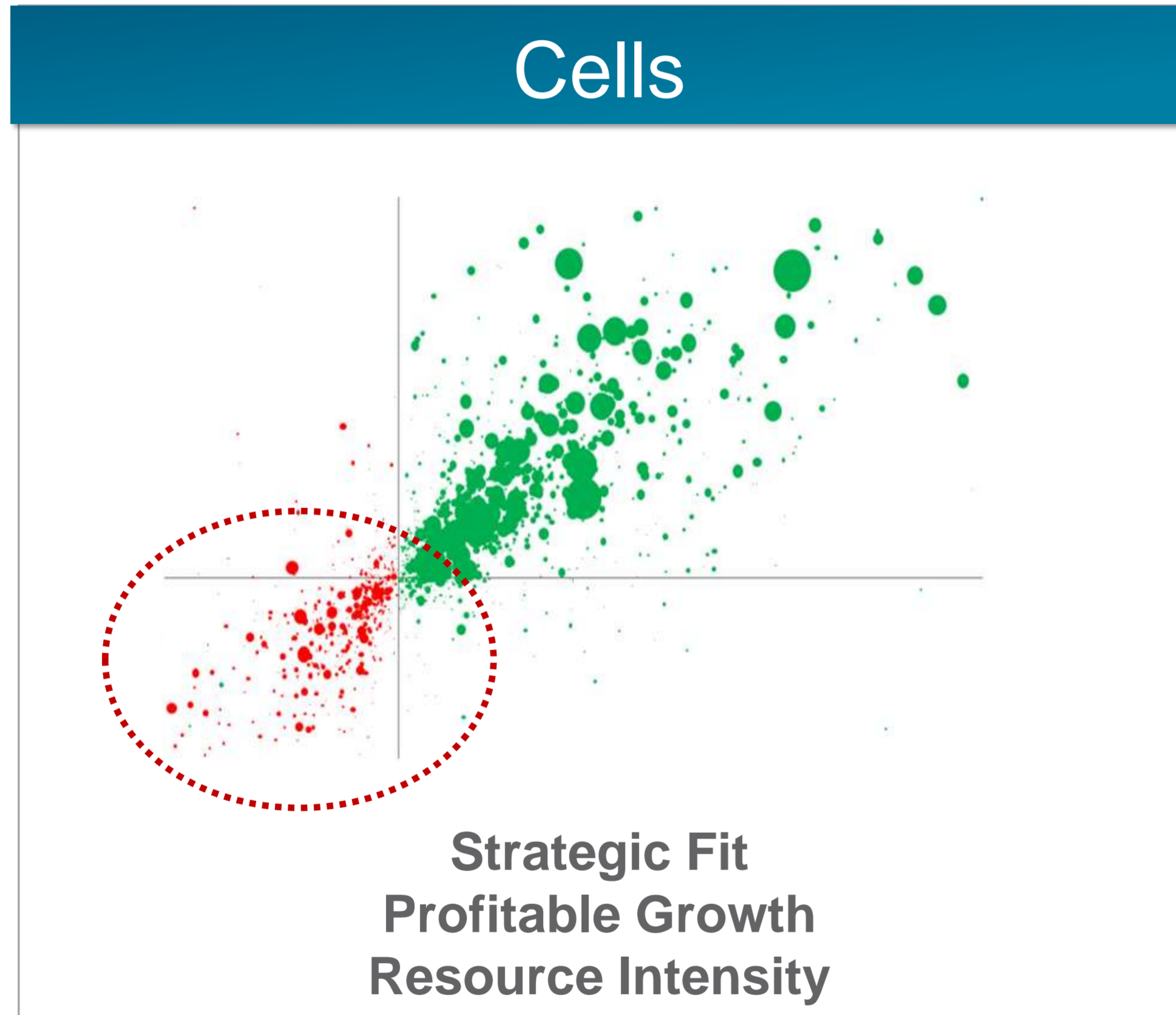


Allocating resources



Mastering complexity

Strengthening portfolio



Strengthening portfolio

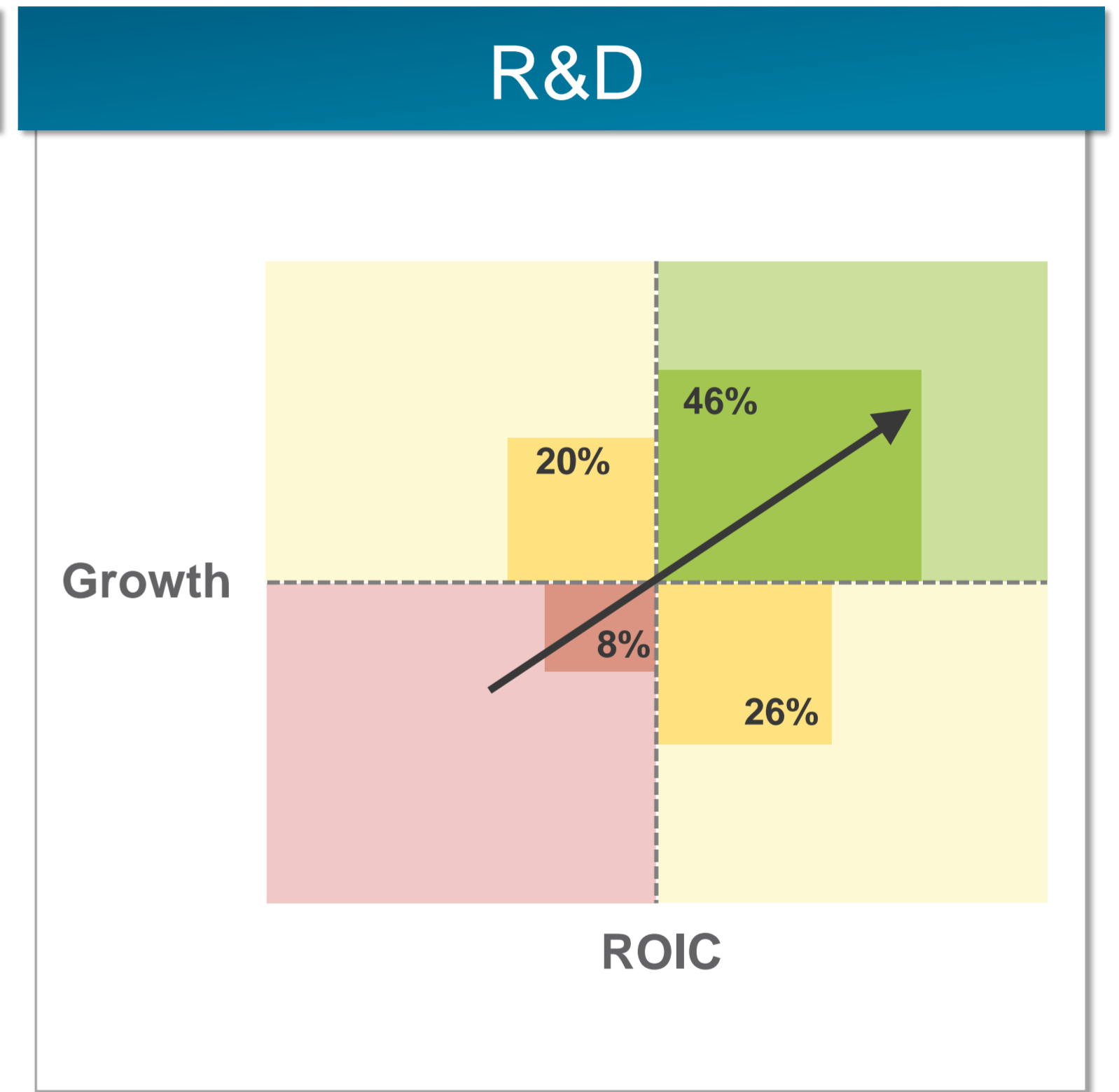
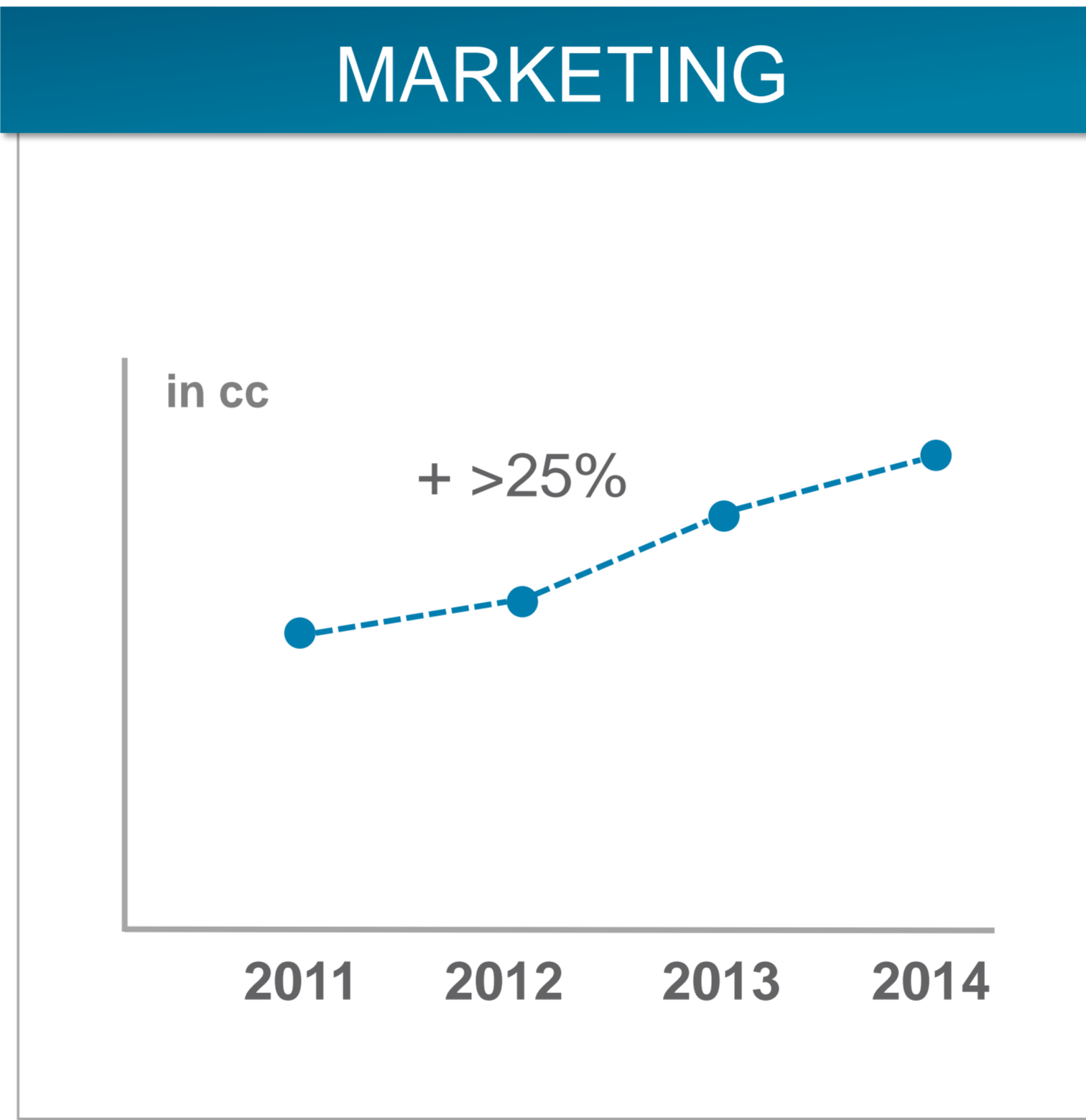
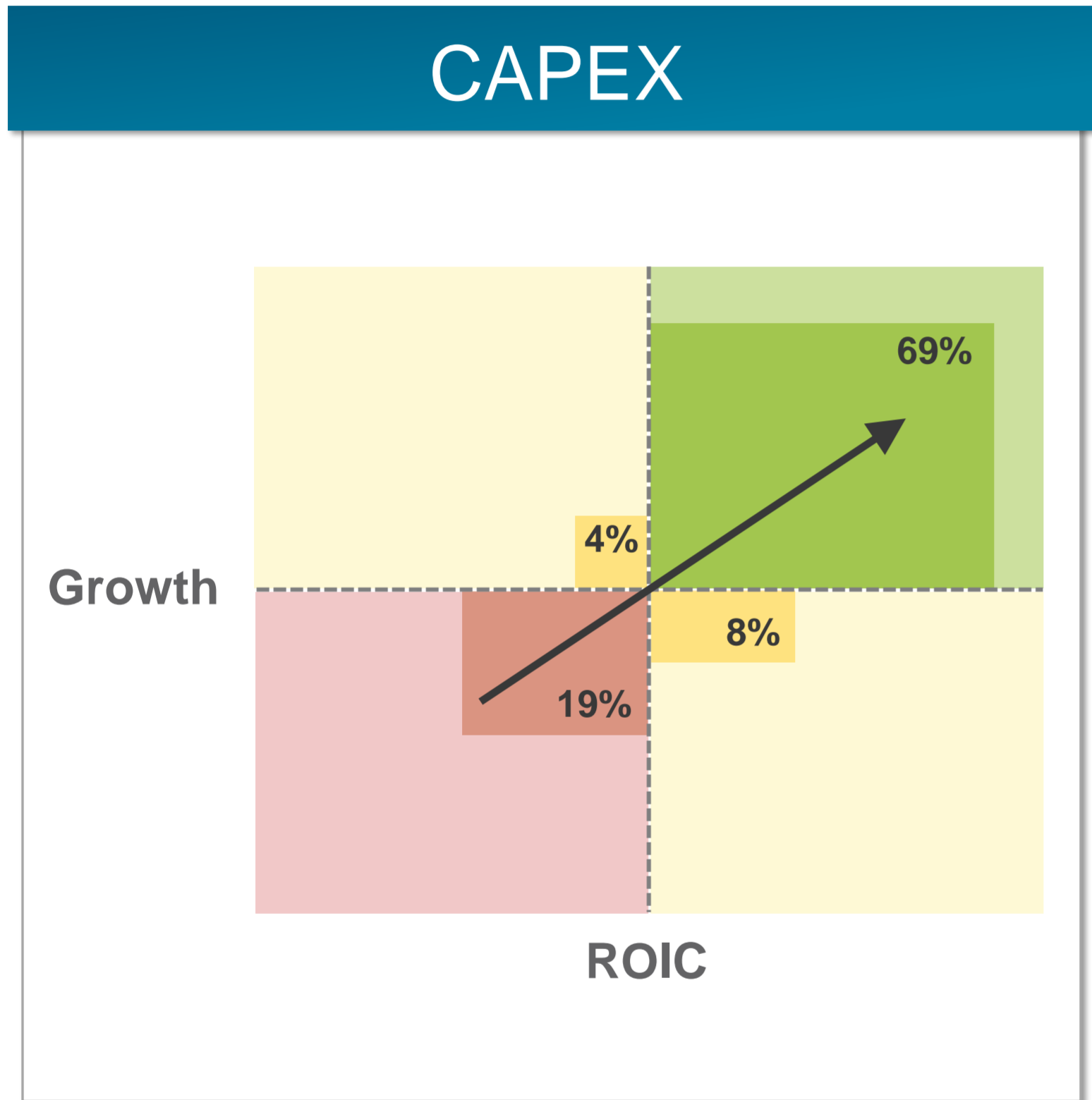
Divest



Invest



Focusing resources on our growth drivers



Nestlé Infant Nutrition: First 1000 days



Pregnancy



0-6 months



6-8 months



9-11 months



12-36 months

Maternal Nut

Breastfeeding is Best

Premature

Infant Formula & GUMs

Infant Cereals

Meals & Drinks

Nestlé Infant Nutrition: First 1000 days



Pregnancy



0-6 months



6-8 months



9-11 months



12-36 months

Maternal Nut

Breastfeeding is Best

Premature

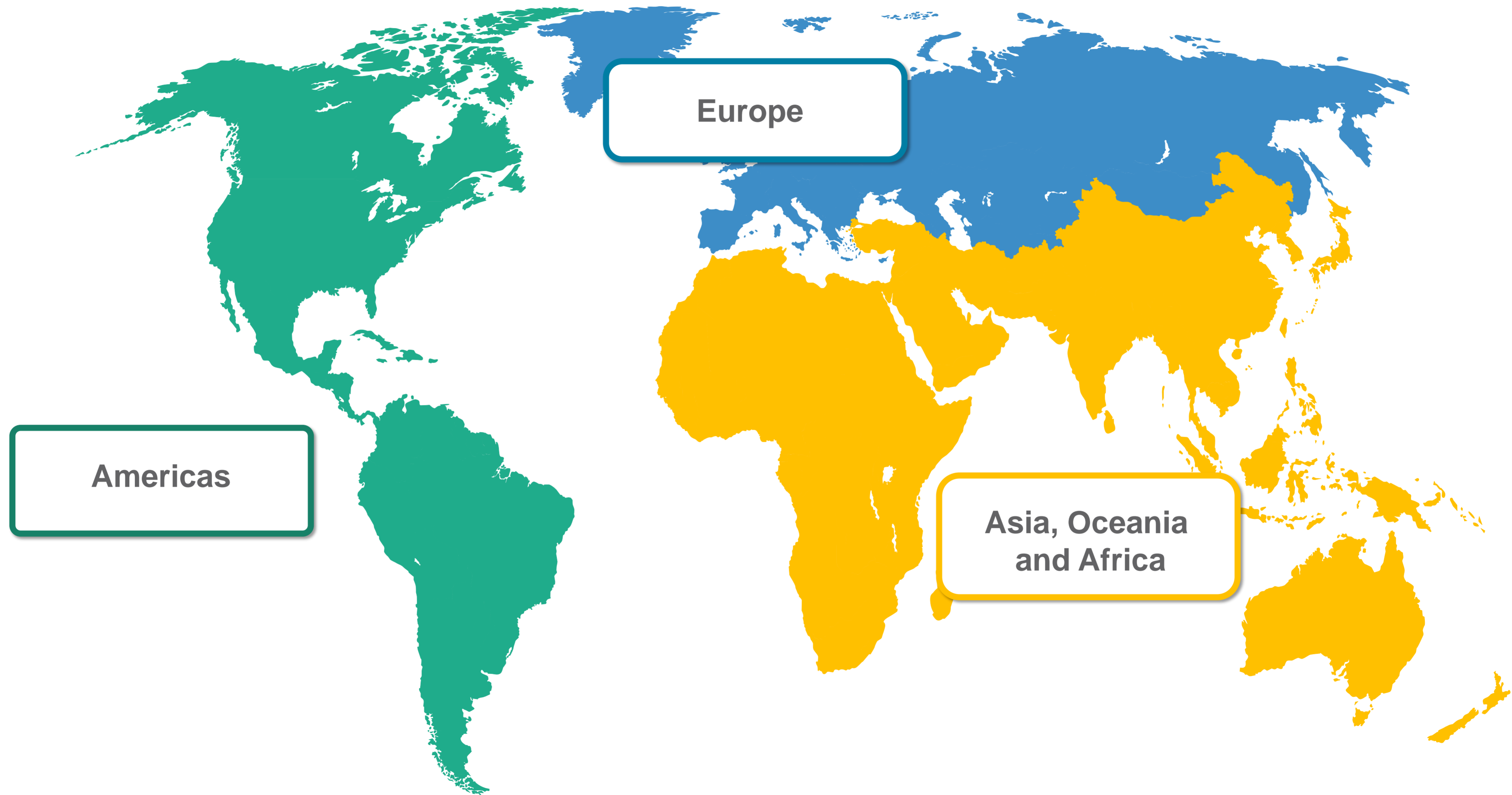
Infant Formula & GUMs

Infant Cereals

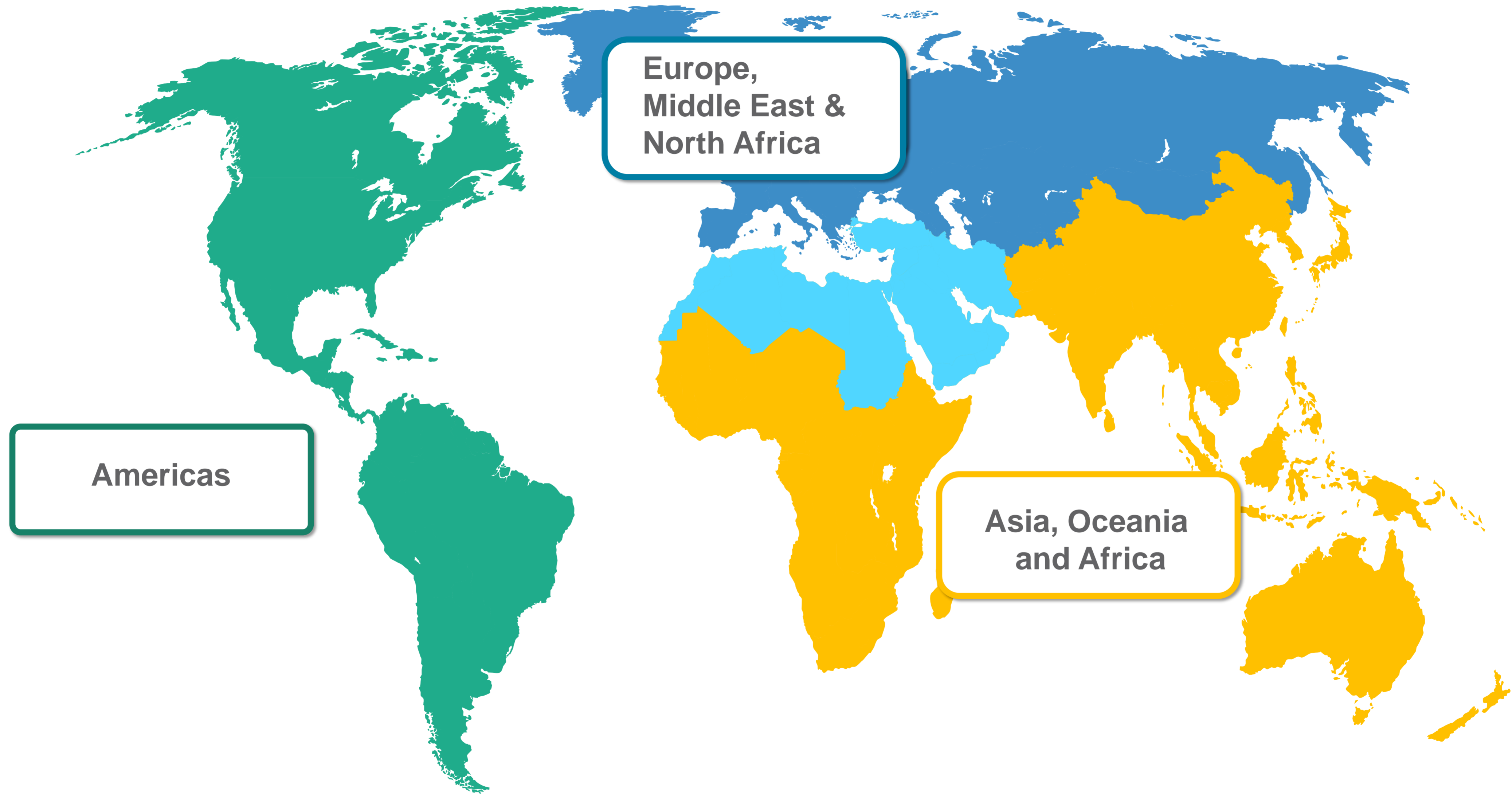
Meals & Drinks

NIDO Growing Up Milks

Redefining Zones



Redefining Zones



Leverage scale

+

Enhance focus

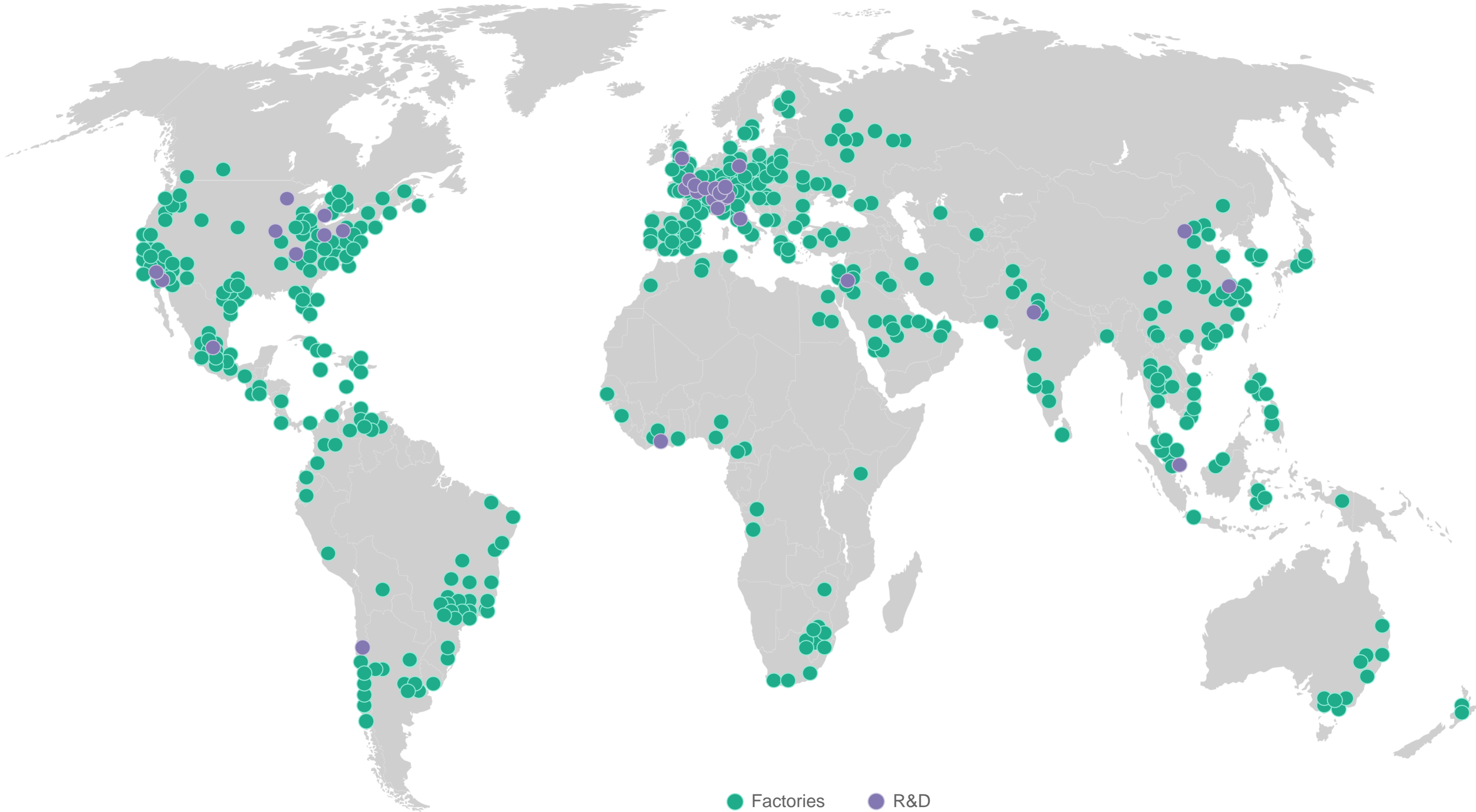
GLOBE
ONE STEP AHEAD

 **CONTINUOUS**
DELIGHT CONSUMERS
DELIVER COMPETITIVE ADVANTAGE
EXCEL IN COMPLIANCE
EXCELLENCE

NBS NESTLÉ
BUSINESS
SERVICES 
Capturing Our Potential **Nestlé**

Nestlé
Business
Excellence

A decentralised structure close to the consumer





Harmonisation of
business processes

Standardisation of
data management

Alignment
of IS/IT systems

NCE as permanent efficiency driver



Excellence
“from farm to fork”



Excellence in
administrative processes



Excellence in
manufacturing

Nestlé Business Services



Employee services



Financial Services



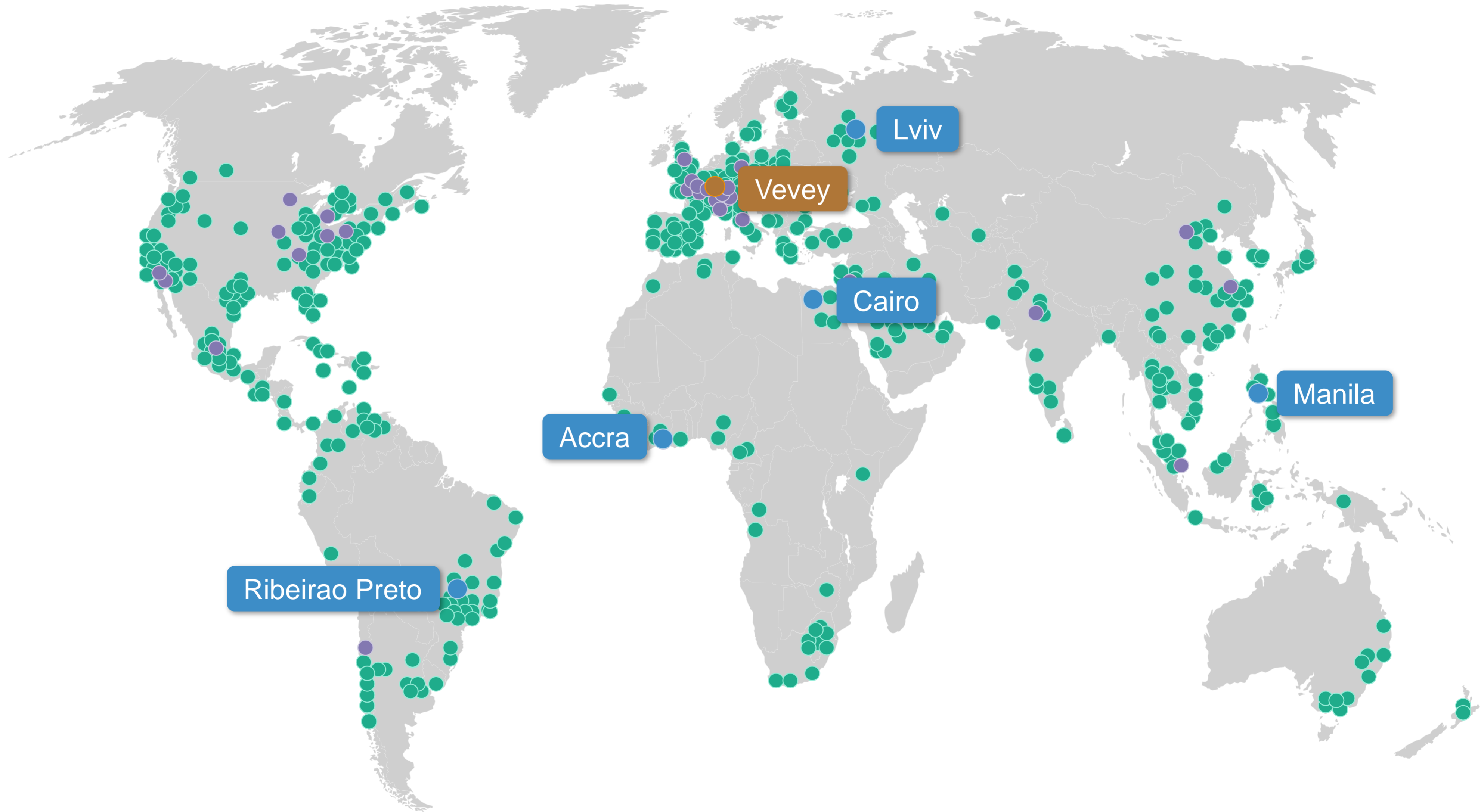
Workplace solutions



Services to procurement



Digital and social media services



Leverage scale

+

Enhance focus



+



+



Nestlé
Business
Excellence

Leverage scale

+

Enhance focus

Nestlé
Business
Excellence

Leveraging our scale and skills

Serving our markets effectively
and efficiently

Increasing focus
on demand generation



Long term *and* short term



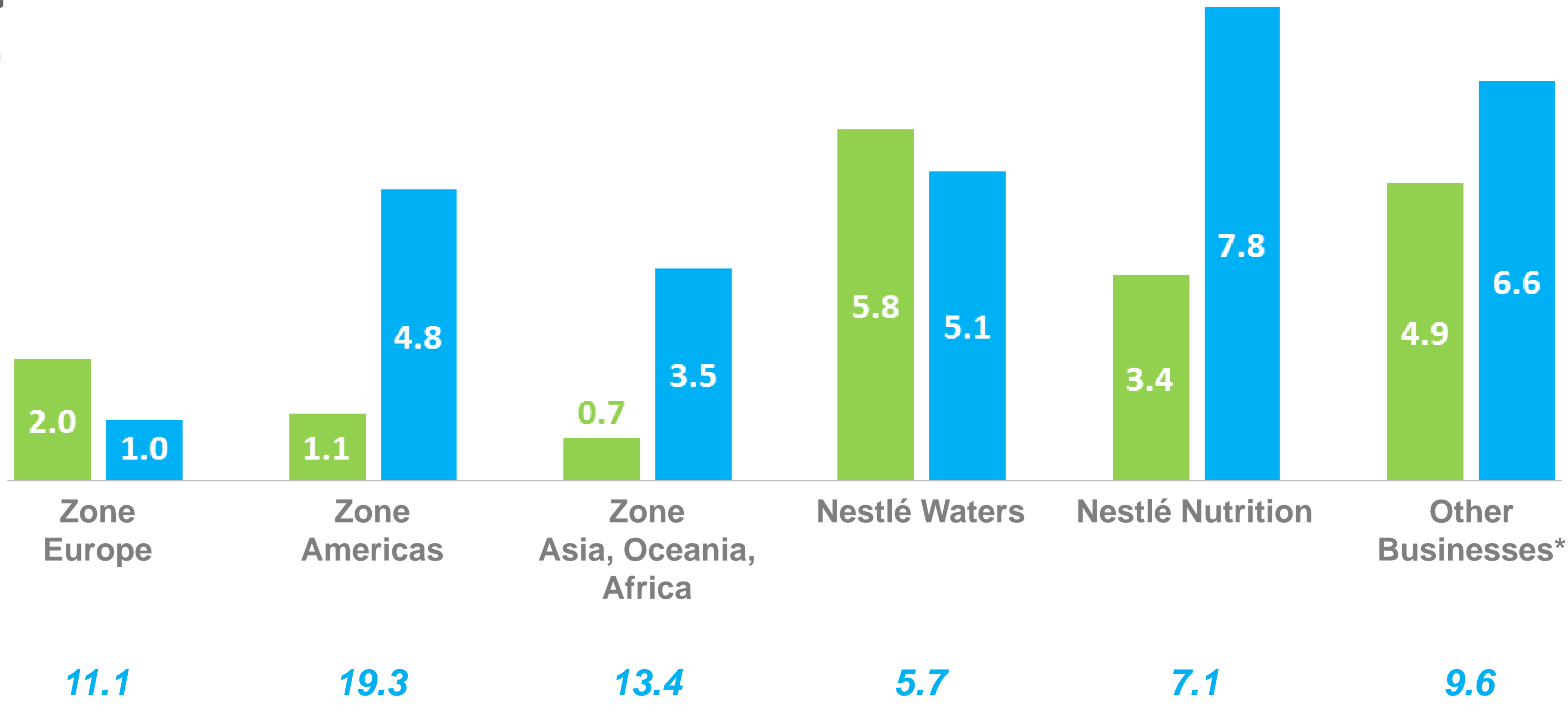
Nestlé

Good Food, Good Life

Appendix

Operating Segments

■ % RIG
 ■ % OG

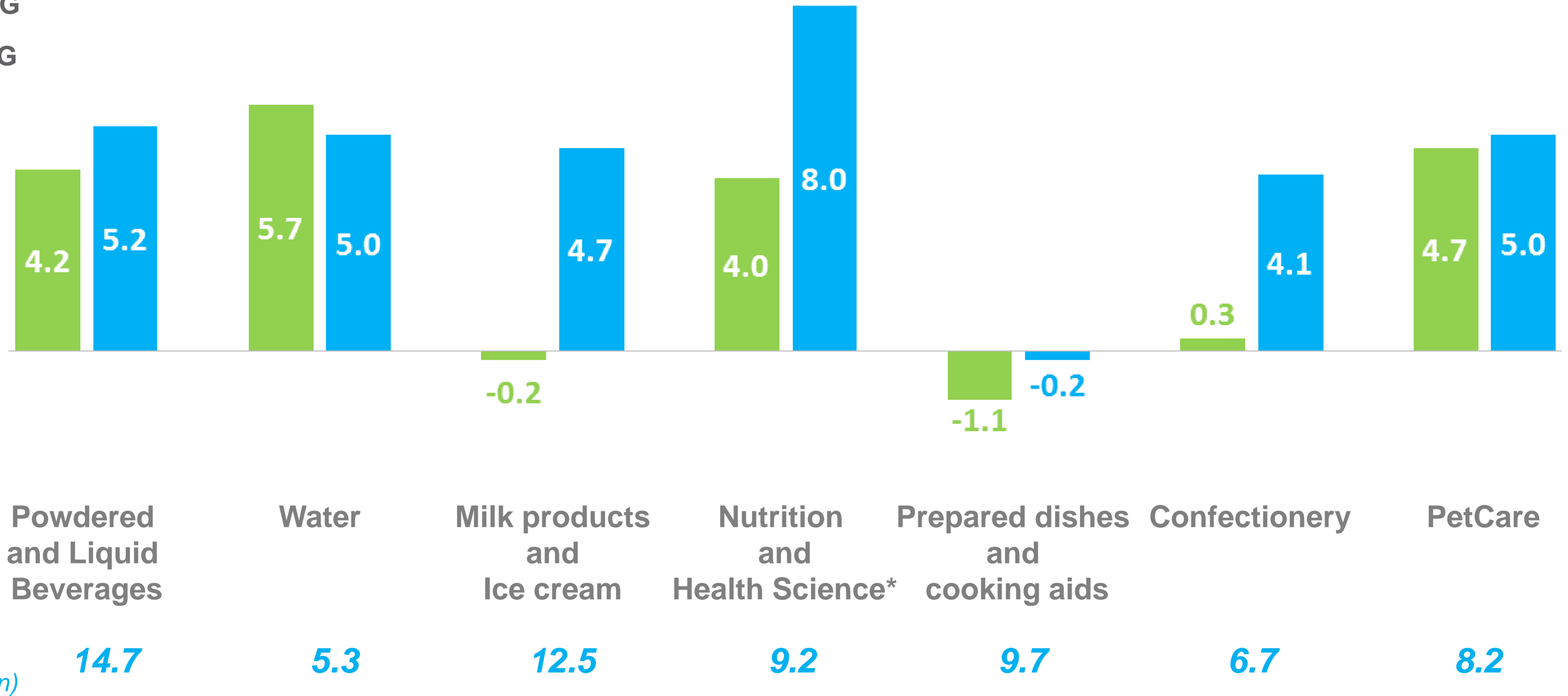


* Renamed following the acquisition of Galderma



Products

■ % RIG
■ % OG



* Renamed following the acquisition of Galderma

Currency Overview

			Weighted average rate		
			9M 2013	9M 2014	% Var.
1 US Dollar	USD	0.94	0.90	-3.9	
1 Euro	EUR	1.23	1.22	-1.1	
100 Brazilian Reais	BRL	44.29	39.29	-11.3	
100 Chinese Yuan Renminbi	CNY	15.15	14.60	-3.6	
100 Mexican Pesos	MXN	7.38	6.85	-7.2	
1 Pound Sterling	GBP	1.45	1.50	3.8	
1 Canadian Dollar	CAD	0.91	0.82	-9.8	
1 Australian Dollar	AUD	0.92	0.83	-9.7	
100 Philippine Pesos	PHP	2.22	2.03	-8.6	
100 Japanese Yen	JPY	0.97	0.87	-9.8	

FX Impact

	FX Impact
	9M 2014
Zone Americas	-11.3%
Zone Europe	-3.0%
Zone AOA	-7.7%
Nestlé Waters	-4.9%
Nestlé Nutrition	-8.8%
Other Businesses	-4.8%
Total	-7.5%