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

<table>
<thead>
<tr>
<th></th>
<th>CHF 64.9 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
</tr>
<tr>
<td>Organic Growth</td>
<td>4.2 %</td>
</tr>
<tr>
<td>Real Internal Growth</td>
<td>2.0 %</td>
</tr>
</tbody>
</table>
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**

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales (in CHF)</th>
<th>RIG</th>
<th>OG</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMS</td>
<td>28.3 bn</td>
<td>+2.4%</td>
<td>+6.2%</td>
</tr>
<tr>
<td>EMENA</td>
<td>20.3 bn</td>
<td>+2.9%</td>
<td>+4.0%</td>
</tr>
<tr>
<td>AOA</td>
<td>16.3 bn</td>
<td>+0.2%</td>
<td>+1.1%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Developed</th>
<th>Emerging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in CHF)</td>
<td>36.9 bn</td>
<td>28.0 bn</td>
</tr>
<tr>
<td>% of Group sales</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Organic Growth</td>
<td>+2.2%</td>
<td>+6.8%</td>
</tr>
</tbody>
</table>

16 October 2015

Nine-Month Sales 2015
## Zone AMS

### Sales in CHF bn | 18.5 | RIG % | +1.2 | OG % | +5.8

- 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

- 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

<table>
<thead>
<tr>
<th>Sales in CHF bn</th>
<th>RIG %</th>
<th>OG %</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.0</td>
<td>+2.5</td>
<td>+4.1</td>
</tr>
</tbody>
</table>
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
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)
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

<table>
<thead>
<tr>
<th>Sales in CHF bn</th>
<th>RIG %</th>
<th>OG %</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>+4.4</td>
<td>+5.5</td>
</tr>
</tbody>
</table>

### 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

Nine-Month Sales 2015
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.
Strengthening portfolio

Criteria
- Strategic fit
- Profitable growth
- Resource intensity

Actions
- Accelerate
- Protect
- Fix
• 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
• 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
- 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

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**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**
  - ✓ Engaging with different global partners

- Engaging with different global partners:
  - Amazon.com
  - Walmart
  - Taobao.com
  - Tesco plc
  - Rakuten
  - Ocado
## Strengthening portfolio: divestments

### Annualised sales

<table>
<thead>
<tr>
<th>Year</th>
<th>CHF 200mio</th>
<th>CHF 800mio</th>
<th>CHF 700mio</th>
<th>CHF 850mio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Key divestments

- Peter’s Ice Cream
- Jenny Craig
- Mexico – Chilled Dairy
- US – Pet Insurance
- Germany – Chilled Culinary
- US – Joseph’s Pasta
- France – Homecare
- Denmark – Ice Cream
- Germany – Infant Meals & Drinks
- Korea JV
- US – Juicy Juice
- Europe – HOD Waters
- Turkey – Balaban
- Power Bar
- Mexico – Ice Cream
- Davigel*
- Spain – Frozen Food
- Italy – San Bernardo
- Hungary – Kekkuti
- Europe - Pet accessories
- US – Juicy Juice
- Europe – HOD Waters
- Turkey – Balaban
- Power Bar
- Mexico – Ice Cream
- Davigel*
- Spain – Frozen Food
- Italy – San Bernardo
- Hungary – Kekkuti
- Europe - Pet accessories

*Pending deal completion

CHF 2.6 bn sales
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
Nestlé Health Science
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...

We are the company “Where Nutrition Becomes Therapy”
Our strategic focus

- Healthy Aging
- Healthy Growing
- Gut Health

MACRO DRIVERS

- Aging Society
- Chronic Diseases
- Cost Pressure
- Patient Empowerment

Consumer Care

Medical Nutrition

Novel Therapeutic Nutrition

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

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

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

Nestlé

Strong External Network
Powerhouse potential

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

Consumer Care
Accelerate with great brands

In NAM

In EUROPE, AOA, LATAM
Power brands in Consumer Care

Boost gaining share (USA)  
Meritene expansion (Europe, AOA, LATAM)
Building leadership

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

Mucosal Healing
HMPL-004
Microbiome
LT-02
Peptamen
ProNourish
Project Crown

Moderate-to-severe Crohn's disease

Project Crown

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

Gold standard nutritional therapy

LT-02

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

TOTAL GROUP 64.9
Zone AMS 18.5
Zone EMENA 12.0
Zone AOA 10.5
Nestlé Waters 7.0
Nestlé Nutrition 7.8
Other Businesses 10.1
## Currency Overview

### Weighted average rate

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

### 9M 2015

<table>
<thead>
<tr>
<th>Category</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone AMS</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Zone EMENA</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Zone AOA</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Nestlé Waters</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Nestlé Nutrition</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>-7.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-6.7%</strong></td>
</tr>
</tbody>
</table>