



2013 Half Year Results

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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.

2013 Half Year Highlights

- RIG acceleration to 2.7%, all regions contributed
- Trading operating profit margin +20 bps to 15.1%
- Operating cash flow of CHF 5 billion
- Input cost environment:
reduced pricing but benefit to margin
- EPS up 3.4% reported;
underlying +7.2% in constant currencies



2013 Half Year Highlights

- Developed markets continued to grow
- Emerging markets up over 8%
- Double digit in Latin America, Russia, parts of AOA

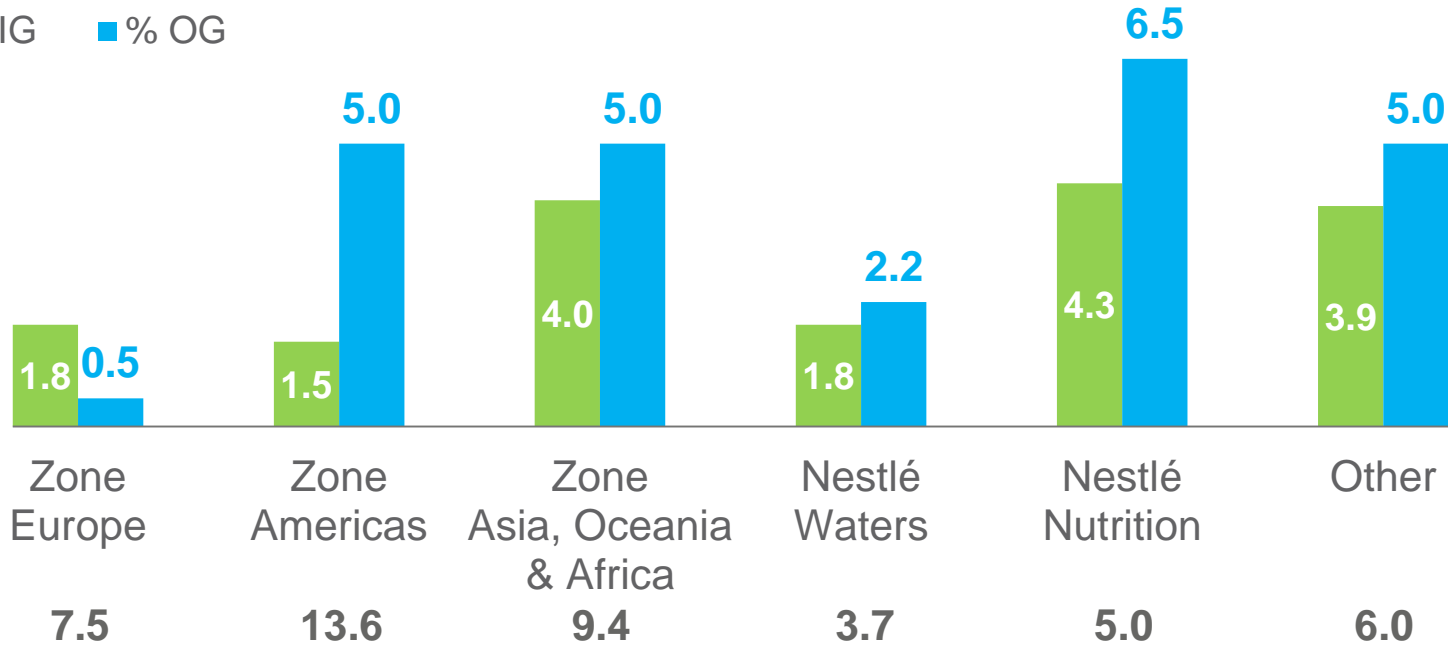
Outlook:

- We expect the growth momentum seen in the first half to continue in the second half, allowing us for the full year to deliver, in line with our commitments, around 5% organic growth with an improvement in margins and underlying earnings per share in constant currencies



Operating Segments Growth

■ % RIG ■ % OG



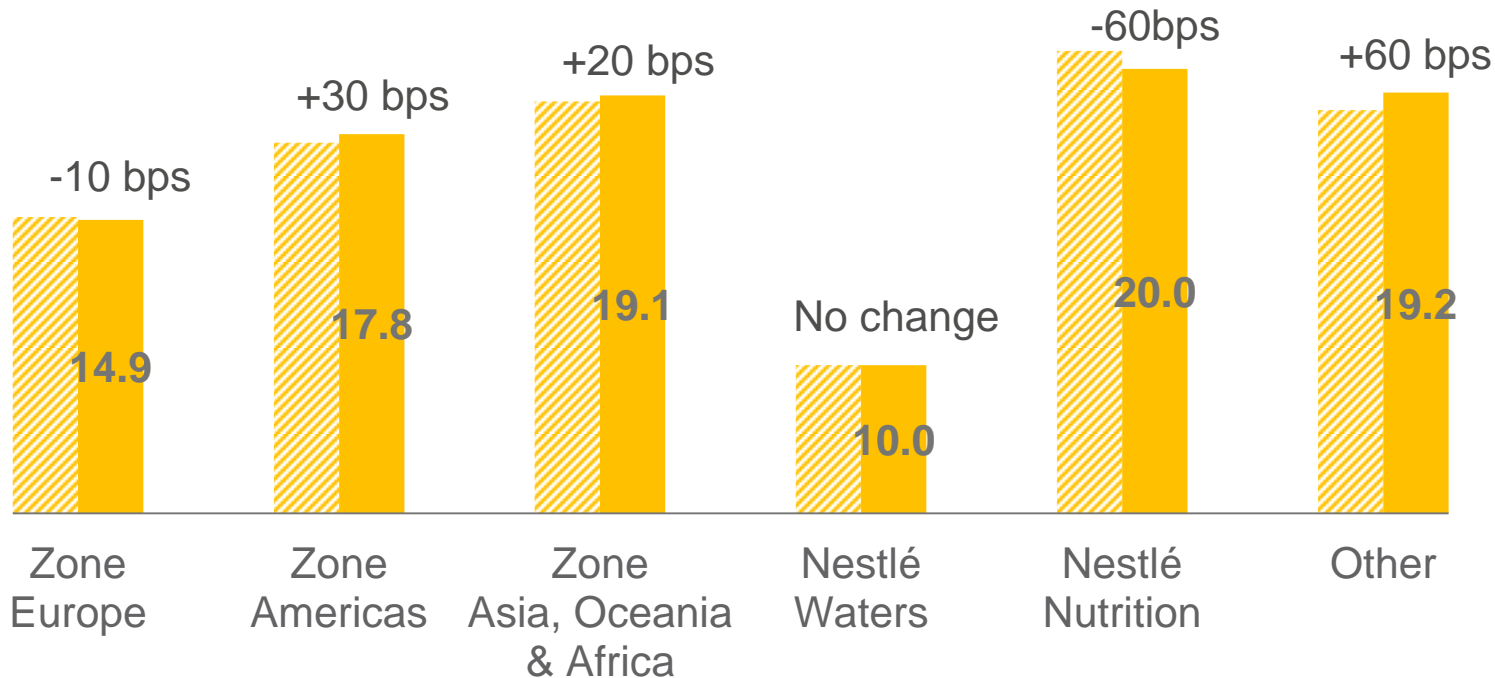
Sales

CHF bn rounded

Operating Segments Margin Evolution

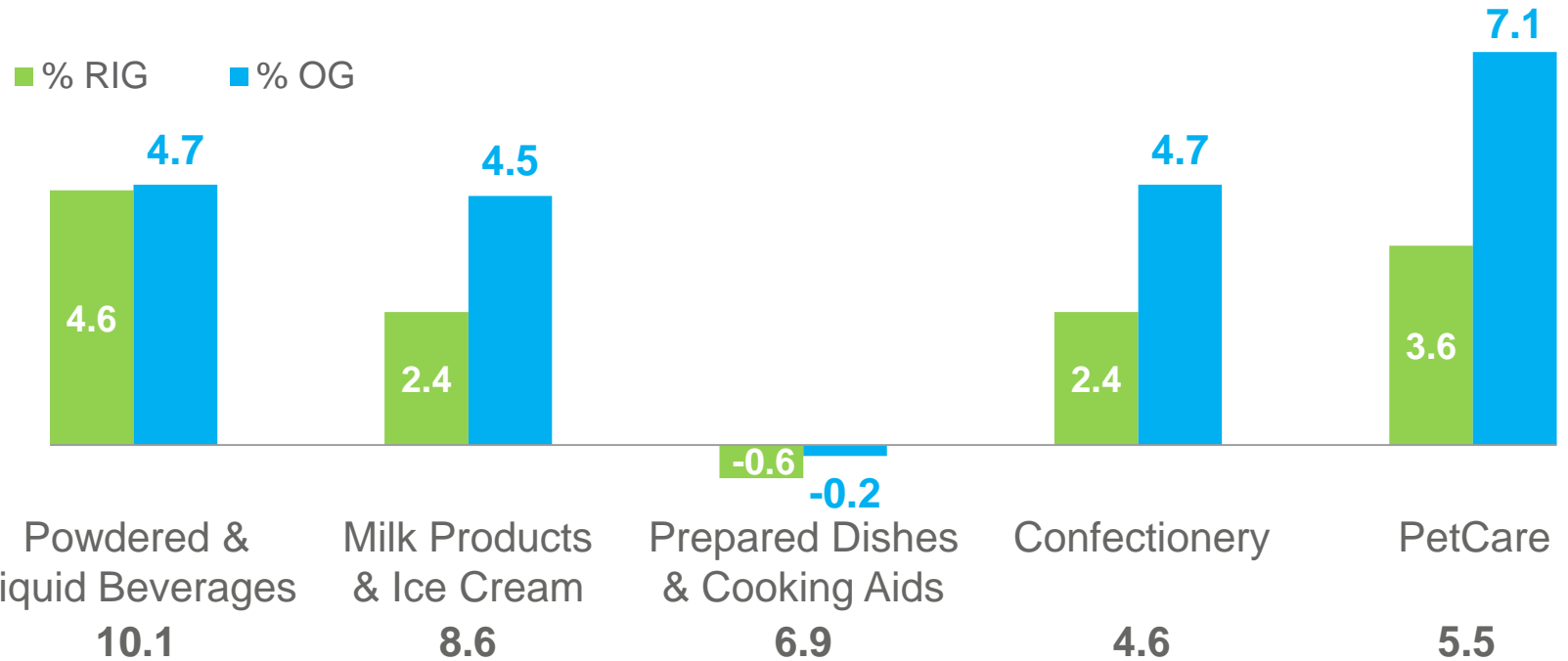
▨ H1 2012 TOP%

■ H1 2013 TOP%



TOP = Trading Operating Profit

Product Groups Growth

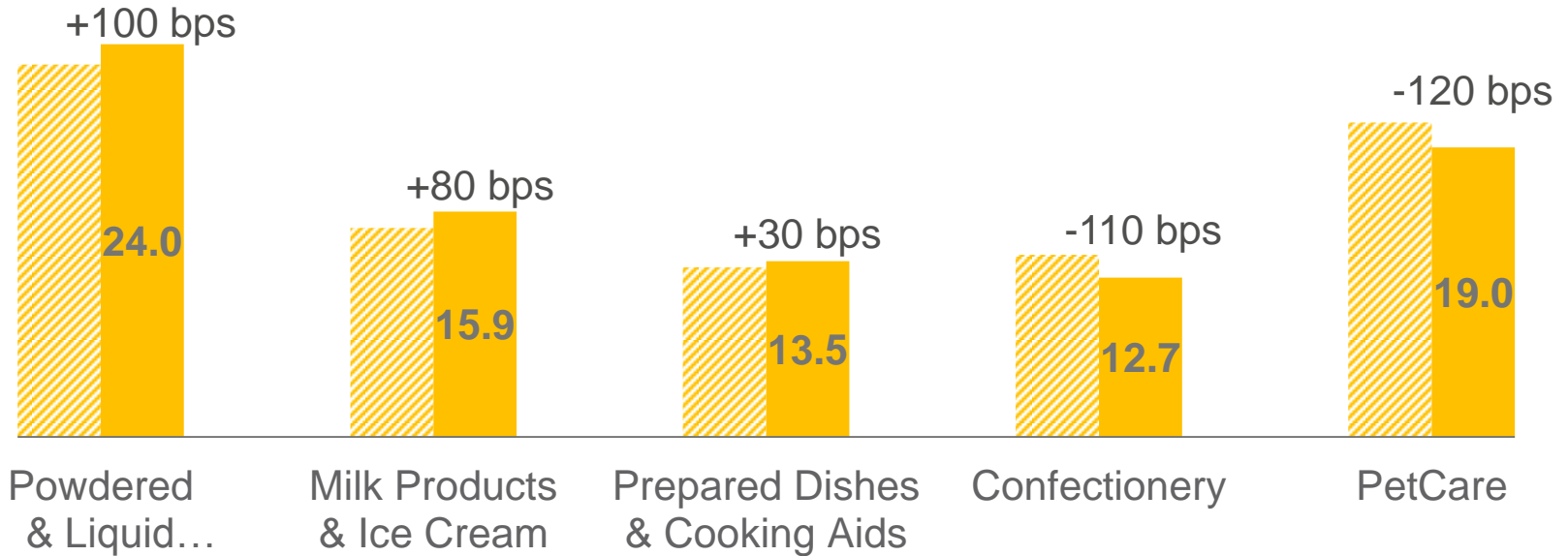


CHF bn rounded



Product Groups Margin Evolution

▨ H1 2012 TOP% ■ H1 2013 TOP%



TOP = Trading Operating Profit

Americas

Europe

Asia, Oceania & Africa

Sales 19.4 bn
(CHF)

OG +5.0%

RIG +2.1%

12.4 bn

+0.6%

+1.5%

13.4 bn

+6.3%

+5.0%

Each region includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and NHSc; OG = Organic Growth, RIG = Real Internal growth

Americas



Positives:

- PetCare Growth & Cats, Treats & Litter
- *Stouffer's & DiGiorno*
- Water market growth
- Infant Nutrition
- Coffee, Chocolate, Coffee-Mate
- Key categories in Latin America

Challenges:

- Ice Cream
- PetCare Speciality & Dog
- Frozen versus Fresh
- Frozen “nutritionals”
- Water competitive environment

In Latin America

- Economic environment
- Input costs

Europe



Positives:

- Growth & reinvestment
- Customer service levels, innovation
- Premiumisation, value focused offers
- Russia, Germany & Great Britain
- PetCare & Coffee
- Infant Nutrition

Challenges:

- The Macro situation
- Southern Europe
- Water & Ice Cream
- Nestlé Professional

Asia, Oceania & Africa



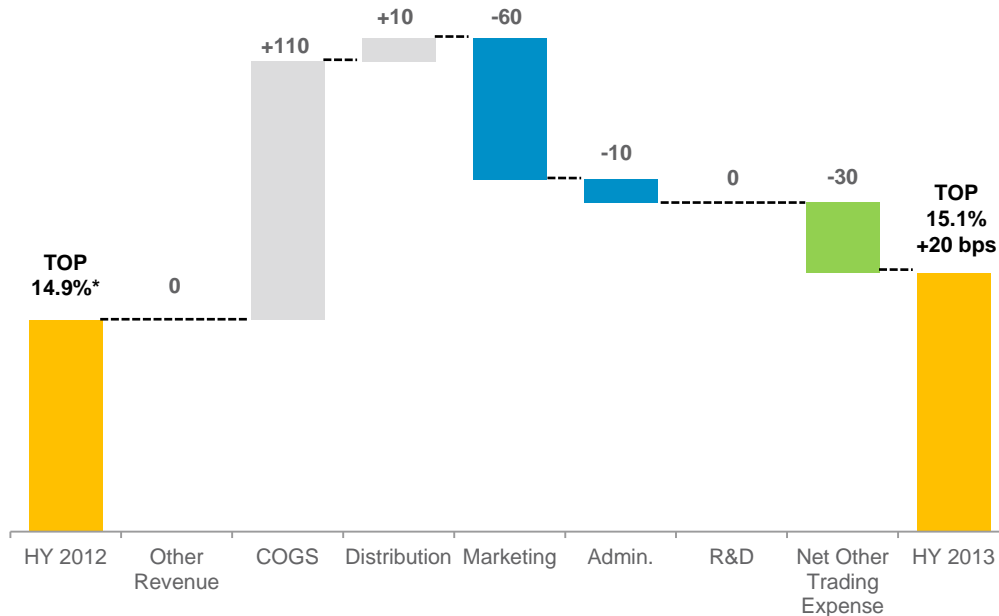
Positives:

- Growth slower, but dynamic
- China, South Asia, Indonesia, Malaysia & Singapore
- Powdered Beverages & Dairy
- Key developed market categories
- Nestlé & Wyeth Infant Nutrition
- Water

Challenges:

- The Macro situation
- Competitive environment in some categories
- Nestlé Professional in China

Trading Operating Profit Margin



- Trading Operating Profit margin improves 20 bps to 15.1%
- Marketing investment +60 bps
- Constant currency consumer facing spend +15%

* 2012 figures fully restated as per IAS 19 and IFRS 11; TOP = Trading Operating Profit

Income Statement

As % of sales	June 30 2012*	June 30 2013	Difference in basis points/% (rounded)
Trading operating profit	14.9	15.1	+20
Net other operating income/expense	(0.1)	(0.2)	-10
Operating profit	14.8	14.9	+10
Net financial income/expense	(0.8)	(0.7)	+10
Profit before taxes, associates and JVs	14.0	14.2	+20
Taxes	(3.6)	(3.9)	-30
Share of results of associates and JVs	1.6	1.5	-10
Profit for the period	12.0	11.8	-20
Attributable to non-controlling interests	0.5	0.5	0
Attributable to shareholders of the parent	11.5	11.3	-20
Basic EPS (CHF) as reported	1.55	1.60	+3.4%
Underlying EPS (CHF) constant currencies			+7.2%

* 2012 figures fully restated as per IAS 19 and IFRS 11

Operating Cash Flow



in CHF bn (rounded)

1. Group – High Quality Performance

- RIG acceleration
- Margin improvement & increased marketing spend
- Strong cash flow performance & positive trend in working capital



2. Broad Based Operational Performance

- **Americas: Progress on top & bottom line; investment for growth**
- **Europe: continued growth & investment for growth**
- **AOA: Driving RIG & improving margin**
- **Infant Nutrition: good growth globally; Wyeth on track**
- **Water: progress in tough season**
- **Nespresso: double digit**



3. 2013 Outlook

We expect the growth momentum seen in the first half to continue in the second half, allowing us for the full year to deliver, in line with our commitments, around 5% organic growth with an improvement in margins and underlying earnings per share in constant currencies

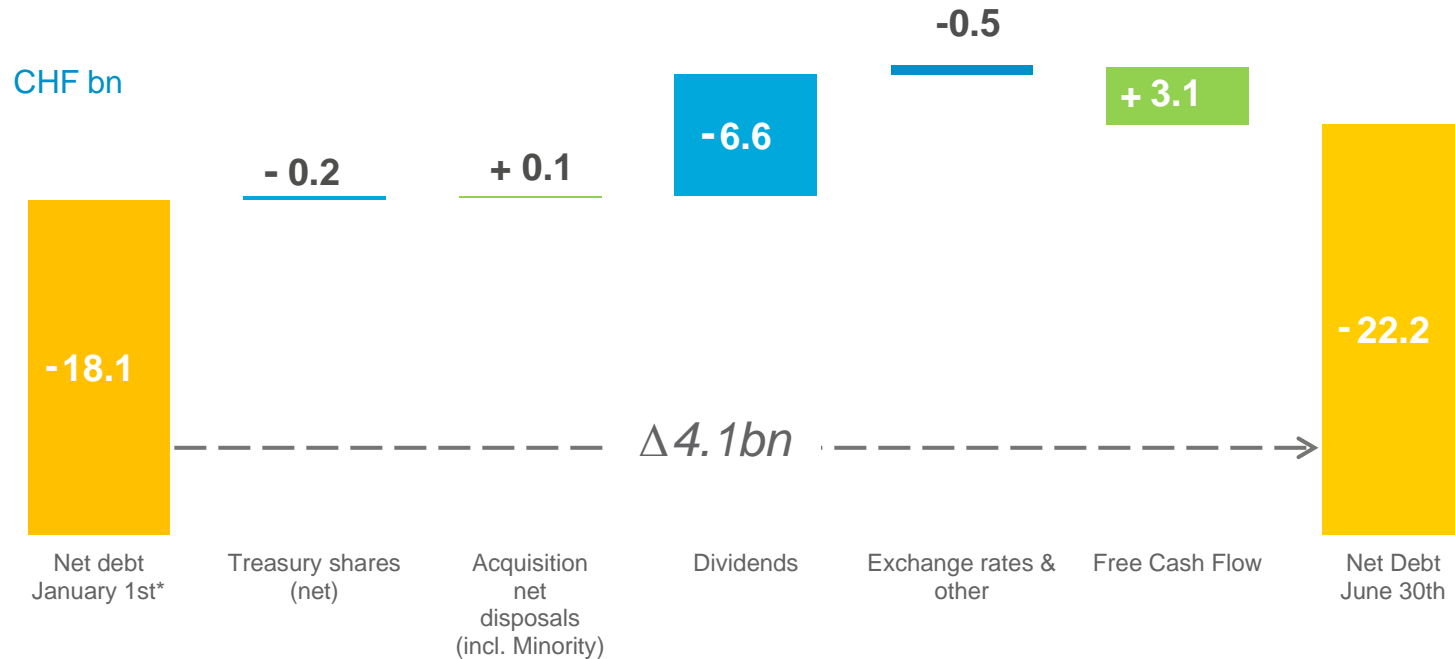


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Discussion

Appendix

Net Debt



* Net Debt excluding JVs since 1 January 2013 following adoption of IFRS 11 new accounting rules

Translational Impact of Swiss Franc

Weighted Average Exchange Rates

CHF per	1H 2012	1H 2013	(%)
US Dollar (1)	0.93	0.94	+0.9
Euro (1)	1.20	1.23	+2.1
£ Sterling (1)	1.46	1.44	-1.4
Real (100)	49.90	46.22	-7.4
Mex. Peso (100)	7.01	7.46	+6.4
Yen (100)	1.16	0.98	-15.8

FX Impact on All Businesses

(%)	1Q 2013	1H 2013
Zone Americas	-2.6	-2.4
Zone Europe	+1.2	+1.3
Zone AOA	-1.0	-1.4
Nestlé Waters	+0.9	+0.8
Nestlé Nutrition	-1.9	-1.8
Other	+0.2	+0.3
Total	-0.9	-0.9