



Growth and Innovation through Trends in Food

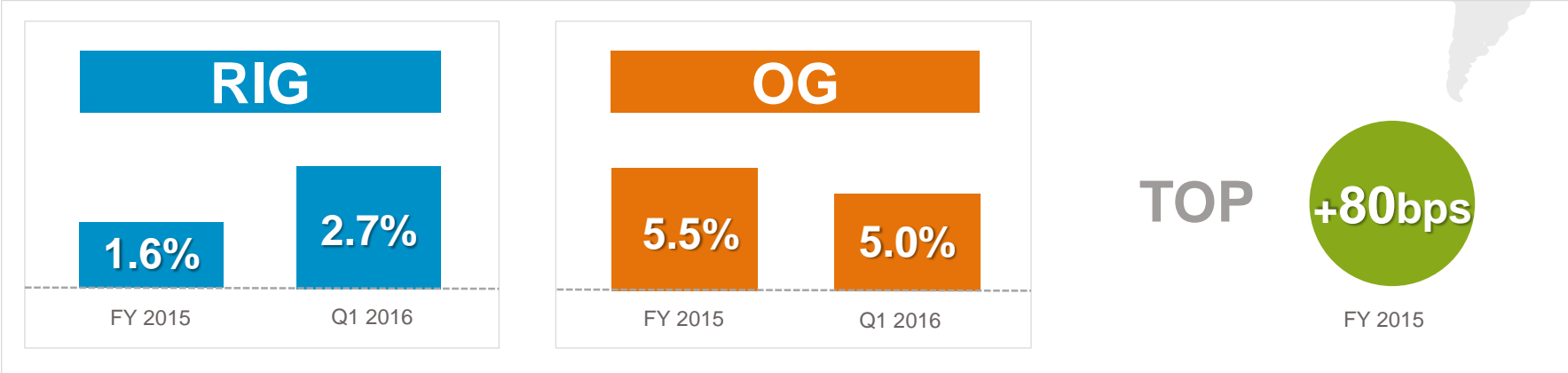
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Nestlé Investor Seminar
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Disclaimer

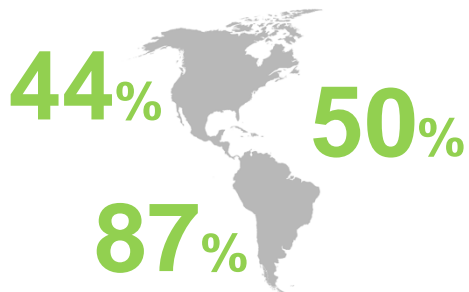
This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Zone Americas



“State of the Nation”

Nestlé in AMS in 3 numbers



Acceleration in North America



Mexico & Chile: Strong and resilient



Brazil: Competitive in a tough environment



Cuba a clear opportunity



Ambition 2016 and beyond: Drive Market Share and OG through RIG

Outlook 2016

- We will continue to operate in a low-growth environment
- Pricing will contribute less to OG



Growth to come more from

- Market Share
- RIG
- North America
- LATAM contribution critical

Economic environment

U.S.

- Engine of world's economy



LATAM

- Impacted by end of commodity super cycle



External forces shaping the industry

"Big Food" under pressure

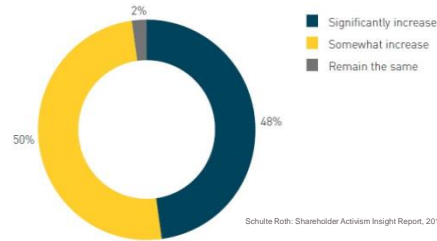
Mexico enacts soda tax in effort to combat world's highest obesity rate

Health officials in the United States look to Mexico's new law as an experiment in curbing sugar consumption



Activist Investors

What do you expect to happen to the volume of shareholder activism over the next 12 to 24 months?



3G



Low cost of capital



The digital disruption



Millennials



Millennials: Driving Food Trends

86 million strong in the U.S

- Larger than the Baby Boomer generation
- Three times the size of Generation X



New NHW

58% would pay more for Natural & Organic



Discovery

88% interested in trying new foods



Trust

80% want to know more about where their food is grown



Sharing

58% often post online reviews

United States: The future of food is changing in 3 key areas

1

How we eat

2

How we shop

3

How we engage

Changing the way we eat

Redefined NHW



- **Natural/organic**
- **Positive nutrition**
- **Diet in decline**

Time Constrained



Snacking

- 90% snack multiple times daily

Modern Cooking ('Speed-Scratch')

- 50% of dinners made in <30 min

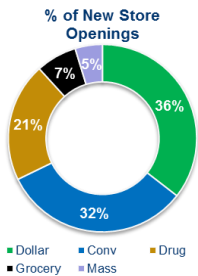
Food Globalized



- 52% of Millennials are **multi-cultural**
- 60% find new and **exotic flavours appealing**

Changing the way we shop

Smaller format stores & shelf sets



More eCommerce and digital options



E-commerce expected to rise by 38% in next 3 years for F&B.

Personalized engagement



'Pure' growing and Mainstreaming



Costco will surpass Whole Foods as **top seller of Organic Foods** in the US, topping **\$4BN**

Changing the way we engage

Plethora of choices



Multiple devices

Connected devices per person:
4.3 by 2017



Time spent with media expands and shifts

Time spent per day

Digital: 5.5 hrs

TV: 4.2 hrs



Multitasking across screens

80% uses a smartphone while watching TV



Everyone creates content



69% of internet users have a blog and 49% created an online video

Always on



U.S. adults consume 15.5 hrs of media per day outside of work

Our strategy in the U.S. puts NHW and Innovation at the forefront

To **delight** our consumers & customers

1

Delivering outstanding product **quality**

2

Committing resources and focusing on constant **product improvement**

3

Executing **robust innovation** plans with **excellence**

Achieving recognition by consumers & customers for **outstanding innovation**

Building **consumer trust** in our brands

NHW at the core of Nestlé USA strategic agenda

Delivering outstanding product quality & NHW



10% sodium reduction by 2017



100% PHO* free by end of 2015



100% with portion guidance by 2016



0 artificial by 2016



% sales with 60/40+ win **+150 bps** every year 2015-2017

Communicating nutritional competitive advantage



PRESERVATIVE-FREE CRUST
NO ARTIFICIAL FLAVORS



Leading the industry's NHW agenda



American Academy of Pediatrics



I&R robust pipeline centered around consumer platforms

Wellfood Mainstreaming

Healthy contemporary meals



Pure Freshness

Pure, simple, real, craft



Smeals

Healthier snacking



Speed Scratch

Modern cooking



Enhanced focus on high growth channels



Building Digital leadership to best engage consumers



At Nestlé Building & Learning



DATs

Activating company wide. Leading select brand listening, engaging, content creation and analytics.

Learning

Silicon Valley and Marketing College 2.0 immersions.

22 Source

Engaging Consumers On & Offline



Jetson

Q3 CRM-based platform. Activates across entire consumer journey, including retail (online/offline)

- Digital investment of total paid media, up +40%.
- Strategies to maximize ROI & equity measures.
- Driving monthly owned reach to 350MM.

Turning around Frozen Food in the U.S.



Stouffer's: Increasing relevance to consumers



- Creating transparency
- Modernising benefits
- Redefining meal occasions
- Segmenting strategically

Lean Cuisine: In-tune with consumers values



- Strong differentiation on shelf driving reappraisal
- Clear 60/40 winners
- New health benefits that connect with consumers
- Compelling communication: pivot from 'diet'

Driving 'Clean and Simple by Design'



lean cuisine
Simple Favorites
chicken teriyaki stir fry
white meat chicken with long grain white rice, snap peas, carrots & red peppers


no preservatives

COOK THOROUGHLY | HEATING INSTRUCTIONS ON BACK

NET WT. 9 OZ (255g)

102 words

INGREDIENTS: BLANCHED ENRICHED LONG GRAIN PARBOILED RICE (WATER, RICE, IRON, NIACIN, THIAMIN MONONITRATE, FOLIC ACID), WATER, COOKED WHITE MEAT CHICKEN (WHITE MEAT CHICKEN, WATER, MODIFIED TAPIOCA STARCH, CHICKEN FLAVOR (DRIED CHICKEN BROTH, CHICKEN POWDER, NATURAL FLAVOR), CARRAGEENAN, WHEY PROTEIN CONCENTRATE, SOYBEAN OIL, CORN SYRUP SOLIDS, SODIUM PHOSPHATE, SALT), SNAP PEAS, CARROTS, RED PEPPERS, SOY SAUCE (WATER, WHEAT, SOYBEANS, SALT), 2% OR LESS OF SUGAR, MODIFIED CORNSTARCH, PINEAPPLE JUICE CONCENTRATE, BROWN SUGAR SYRUP, SHERRY WINE, BALSAMIC VINEGAR (GRAPES, INVERT SUGAR), GINGER PUREE (GINGER, WATER, CITRIC ACID), SESAME OIL, POTASSIUM CHLORIDE, GARLIC PUREE, SALT, CARAMEL COLOR, YEAST EXTRACT, LIME JUICE CONCENTRATE, LACTIC ACID, CALCIUM LACTATE.



Lean cuisine
MARKETPLACE
Chicken Teriyaki Stir Fry
NEW recipe

GLUTEN FREE
NO ARTIFICIAL FLAVORS

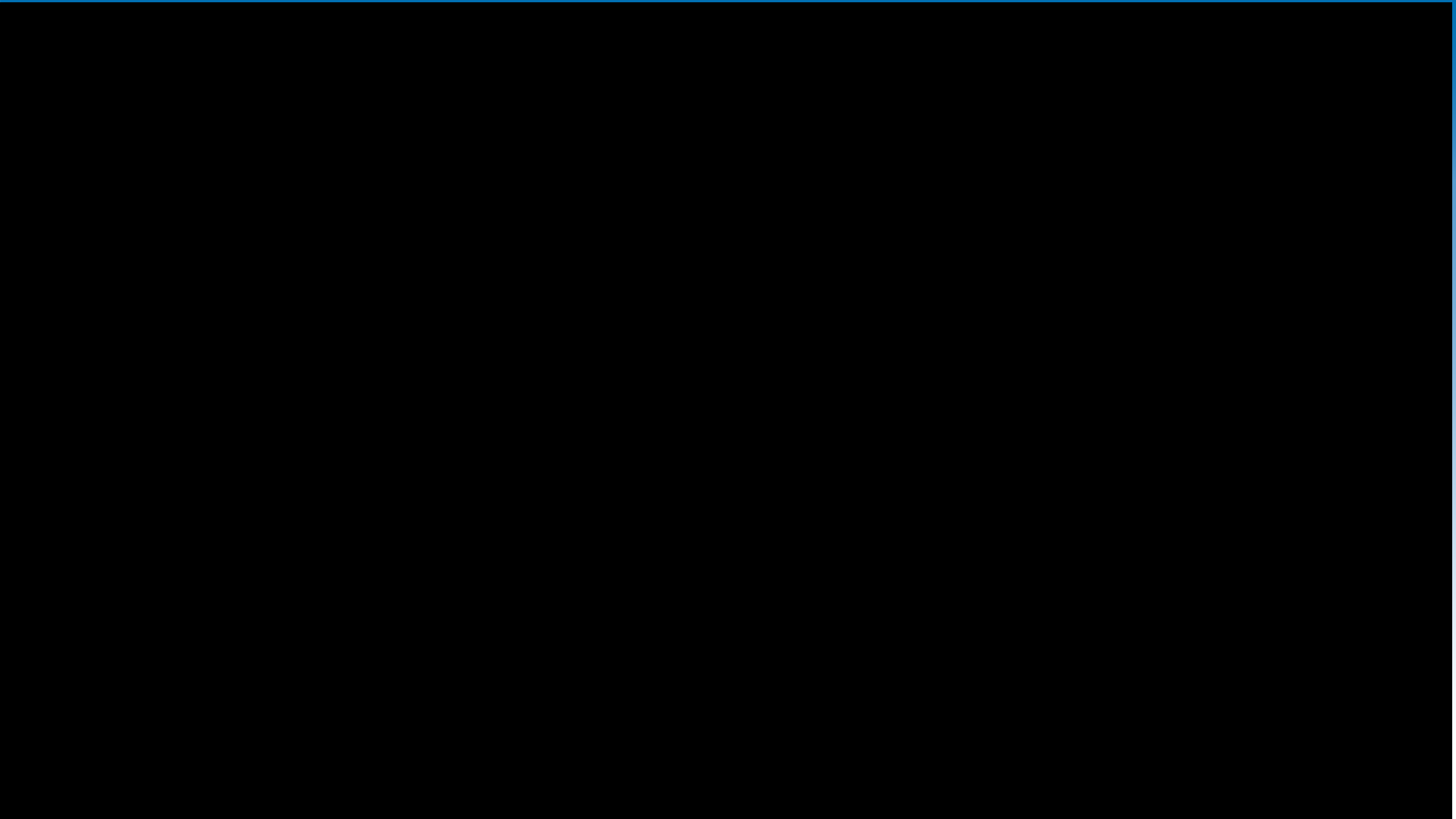
270 CALORIES
15g PROTEIN
1g SODIUM
1g SUGAR
1g FIBER

39 words

INGREDIENTS: BROWN RICE, WATER, CHICKEN BREAST WITH RIB MEAT, SNAP PEAS, CARROTS, RED BELL PEPPERS, SUGAR, CORN STARCH, MOLASSES, PINEAPPLE JUICE CONCENTRATE, RICE WINE VINEGAR, SALT, SOYBEANS, SESAME OIL, GARLIC, GINGER, MALT EXTRACT, POTASSIUM CHLORIDE, SALT, TAPIOCA STARCH, ONION POWDER

Lean Cuisine new communication





Ice Cream: Meeting consumers' expectations on taste and modern health



High quality ingredients
with transparency



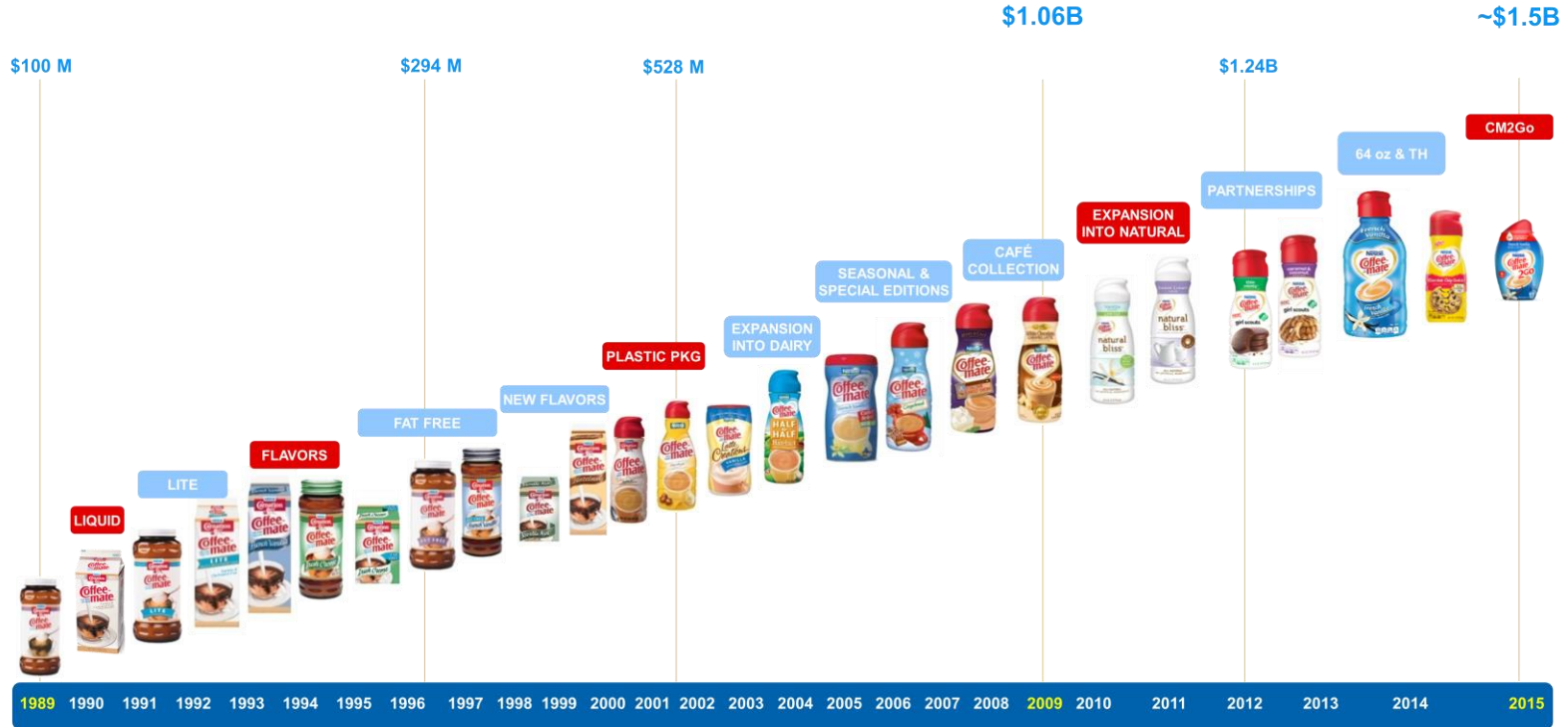
Real fruits and
vegetables



Clean & Simple by
Design



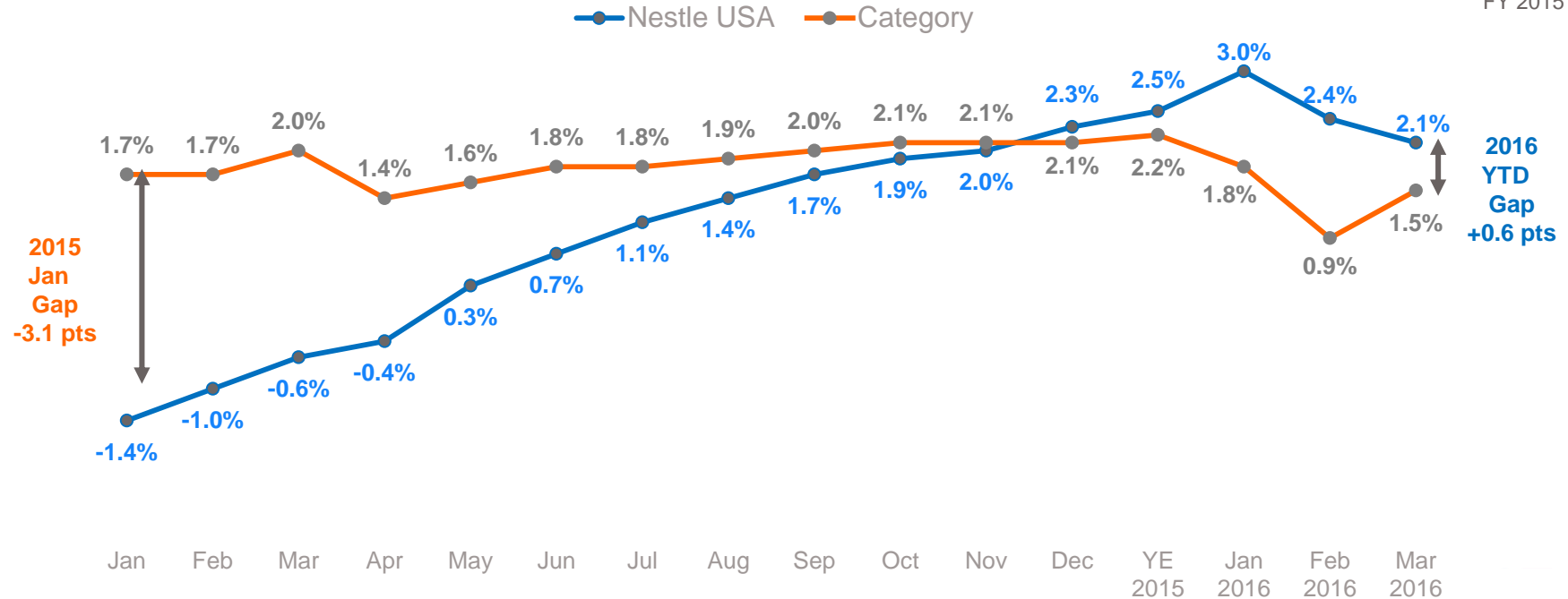
Coffee-mate: Continuous growth thanks to continuous innovation



Nestlé USA: Market Share momentum and profit improvement

TOP +20bps

FY 2015



Pet Care North America: Winning with new consumer trends



Brand Restaging Plan building pride through people and origins



Evolution to Clean Label and natural ingredients



Strong momentum in the Natural Segment 2 years after launch



Unique, complementary Brands in high-growth segments



NPPC Wet Cat Premiumization



Brand Proposition

Purely Fancy Feast : All natural, complete and balanced meals featuring real, recognizable ingredients

Price Per Oz

\$.65



Muse (Pet Specialty Exclusive): Natural, balanced meals guaranteed to taste great

\$.40



Beyond: Naturally and nutritionally complete meals with a focus on ingredients and sourcing

\$.35



Pro Plan (Pet Specialty Exclusive): Super Premium Nutrition

\$.25



Fancy Feast: An elevated, gourmet feeding experience for cats. Complete and balanced nutrition

\$.20



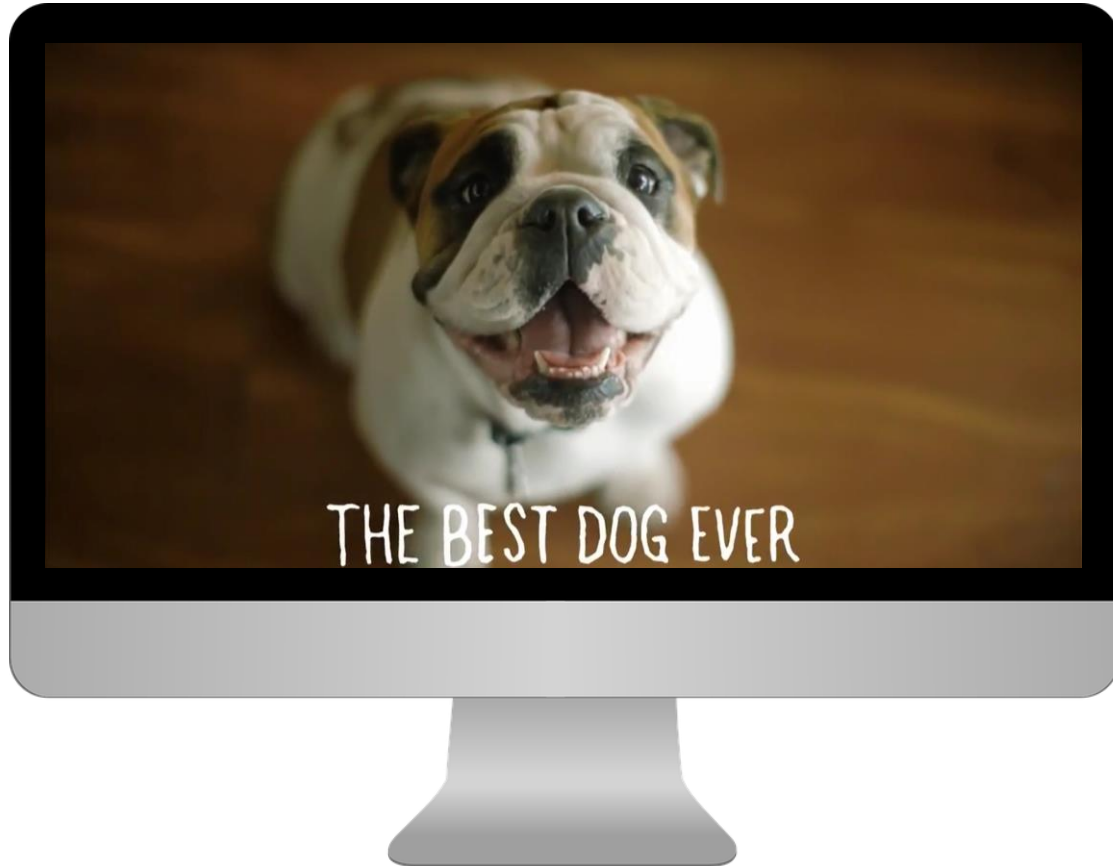
Friskies: A wide variety of flavors and forms that deliver complete and balanced nutrition

\$.10

Purina new communication



Merrick communication



LATAM: Leveraging trends early on



The Coffee shop at home



Natural, whole grain



Lactose Free



Speed Scratch



Being an employer of choice for the new generations



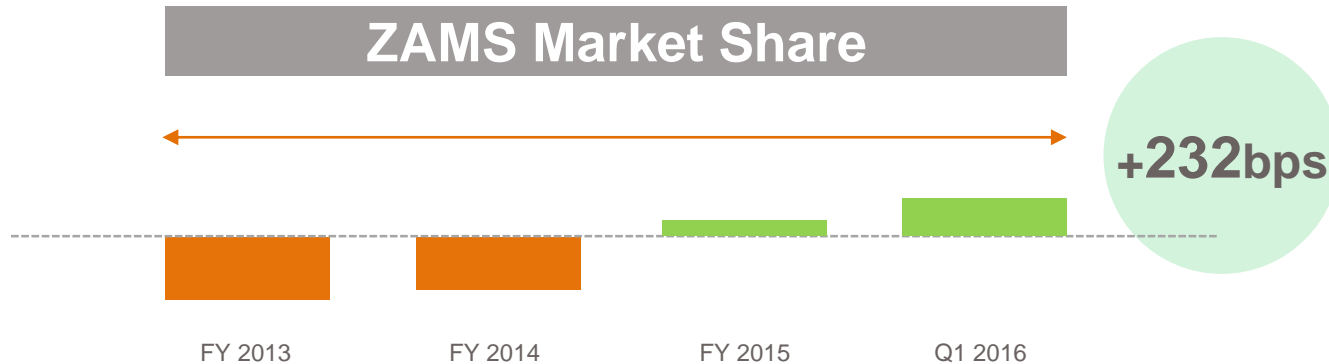
First Pacific Alliance Summit for Youth



The Strategic Virtuous Circle in action



Market Share back to positive, driving RIG and profitability



7 out of top 10 markets gaining share

Key Takeaways

1 INNOVATION IN LINE WITH CONSUMER TRENDS

2 GAINING MARKET SHARE

3 GENERATING PROFITABLE GROWTH