

24th Financial Analysts' Meet



Disclaimer

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves uncertainties and risks that could cause actual results to differ materially from the current views being expressed. Potential uncertainties and risks include factors such as general economic conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

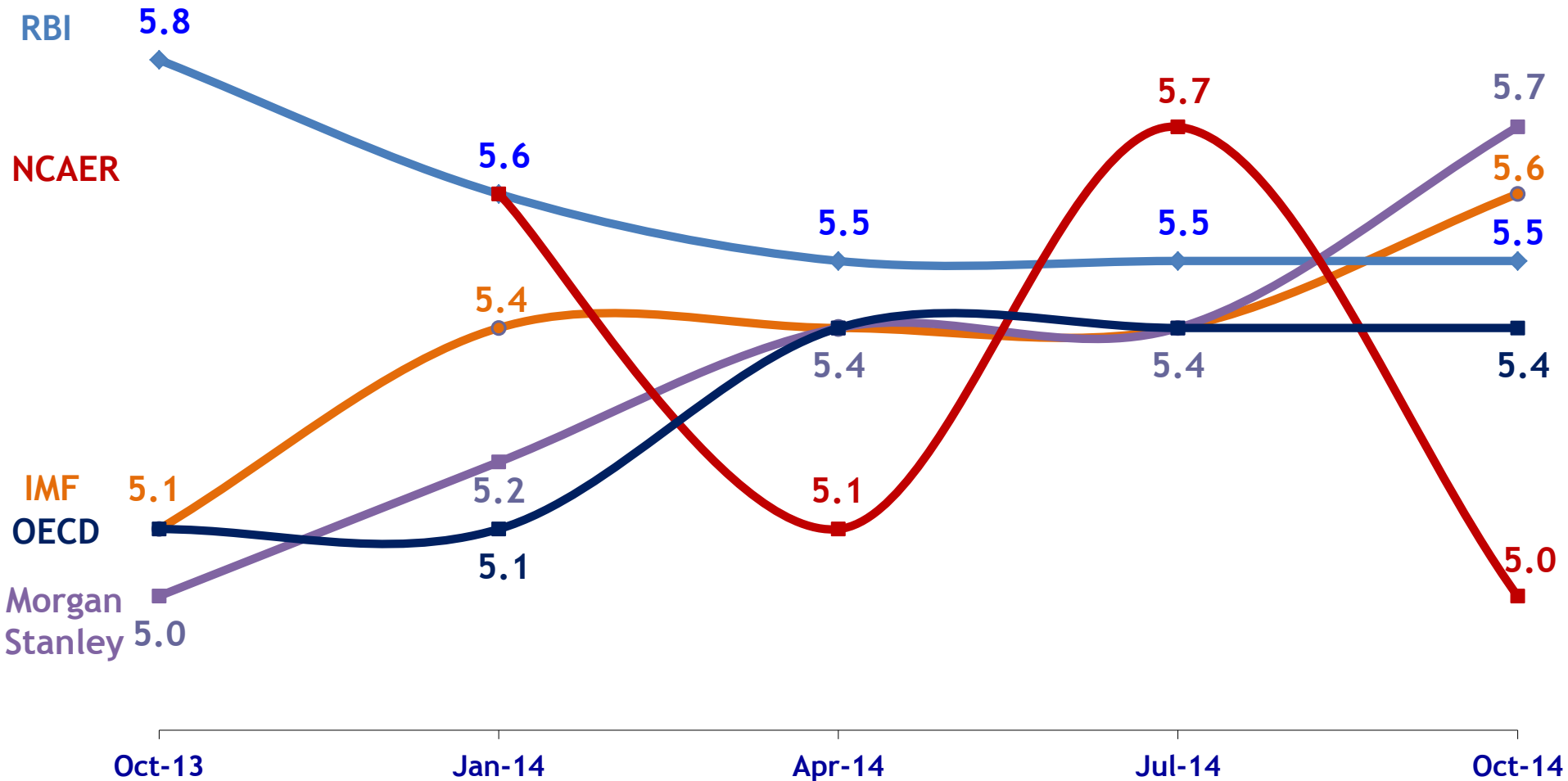
Responses can be given to questions, which are not price sensitive.

Calculations in this presentation are based on non-rounded figures.

Real Internal Growth (RIG) and Organic Growth (OG) are basis Nestlé Internal Reporting Standards.

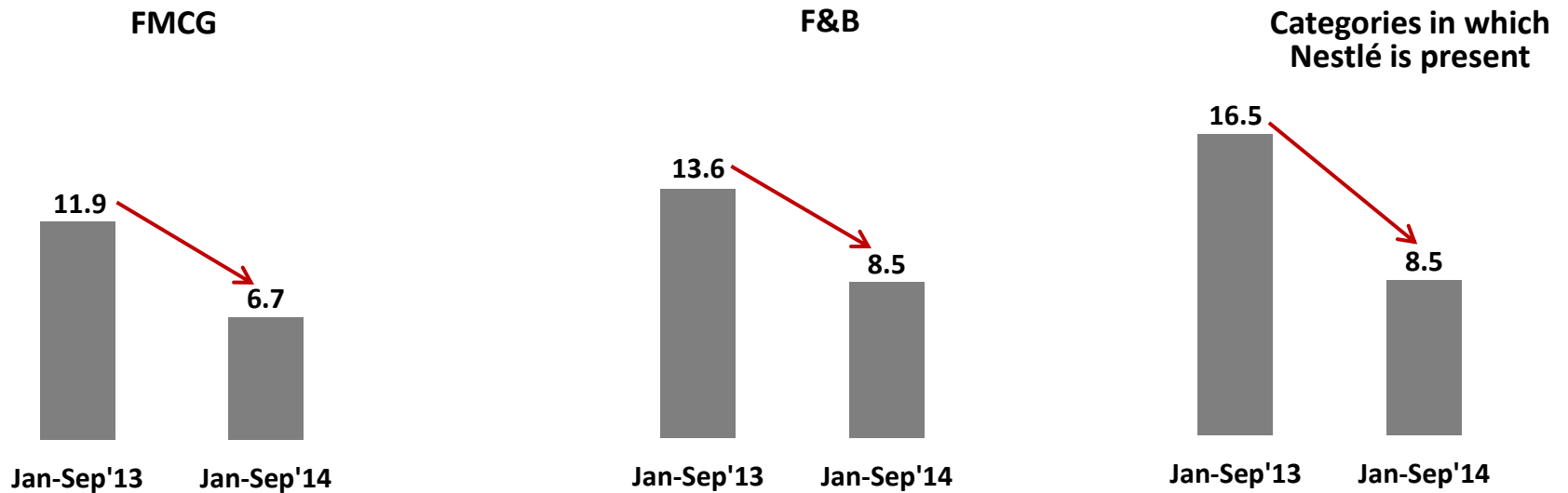
Not a “clear” consensus on Growth Outlook

Real GDP Forecast : 2014-15



Market Growth remains soft

Value growth %



Source: Nielsen; All India (Urban + Rural)

Highlights Jan - Sep

2014

INR 72.9 Bio



1.8



7.6

INR 13.0 Bio



17.9% *

INR 8.6 Bio



11.8% *

INR 89.02



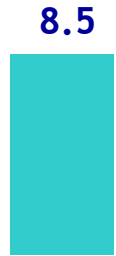
+ INR 4816 Mio. + 7.1%	Weighted Volumes & Prices	+ INR 73 Mio. - 115 bps	+ INR 228 Mio. - 50 bps	+ INR 2.37 + 2.7%
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2013

INR 68.1 Bio



Net Sales



8.5

RIG
Third Party Sales



8.4

OG%

INR 13.0 Bio



19.0%*

Profit from
Operations

INR 8.4 Bio



Net Profit

12.3% *

INR 86.65



EPS

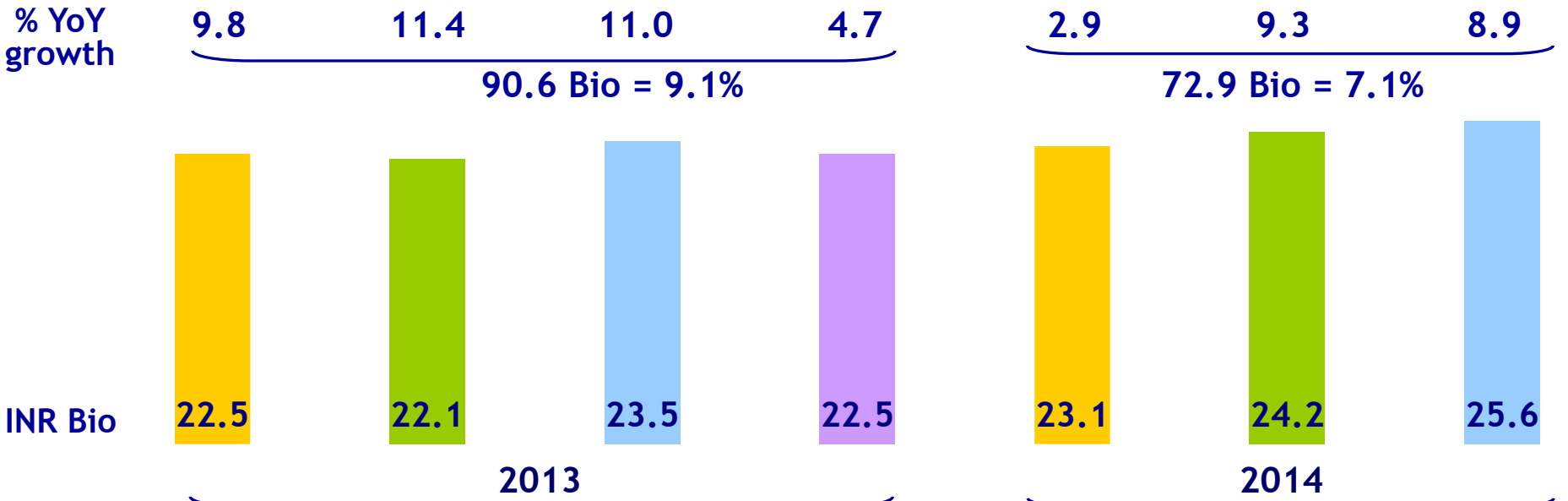
Includes figures from Nestlé Internal Reporting Standards

* % of Net Sales

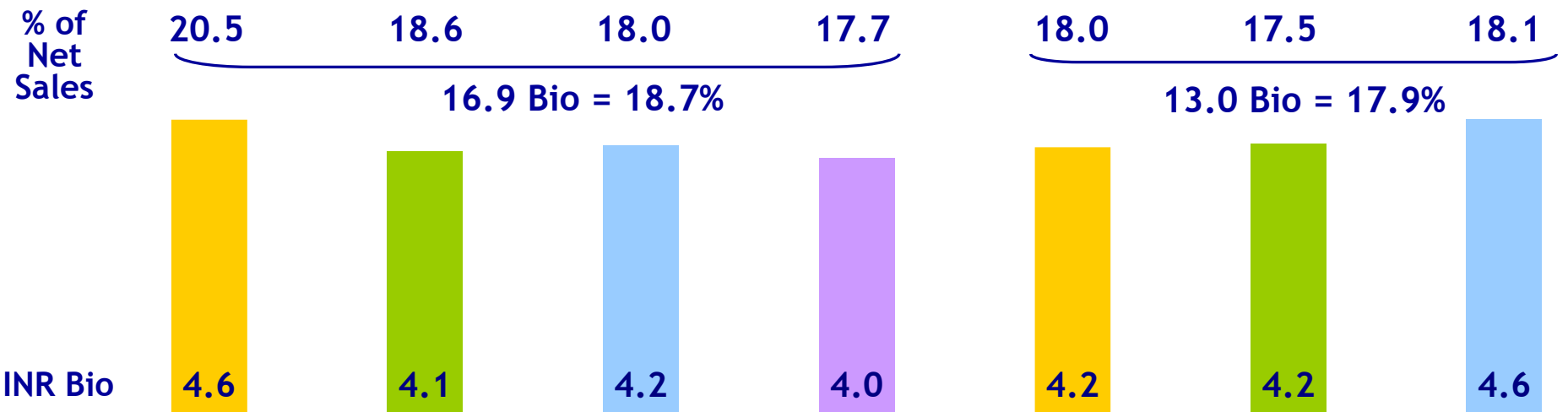
Quarterly evolution of results

Q1 Q2 Q3 Q4

NET SALES

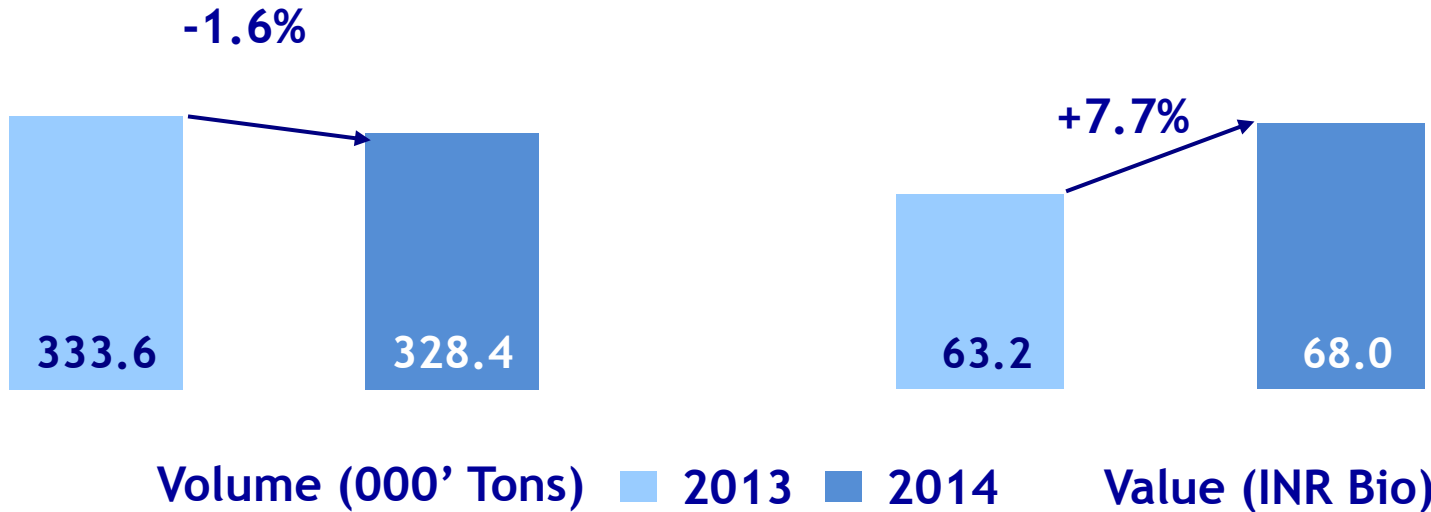


OPBIT



Jan Sep Sales Growth

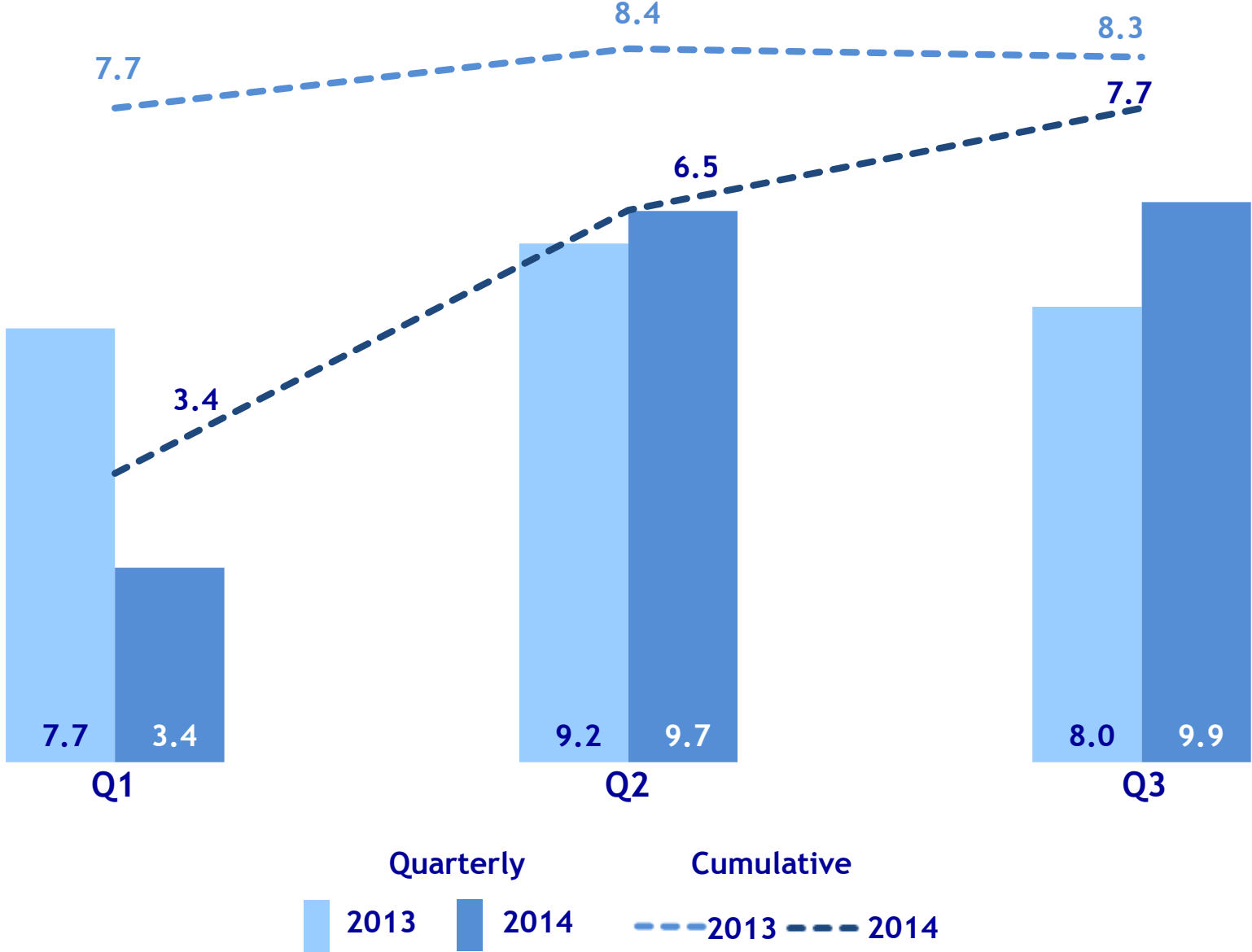
Domestic Sales



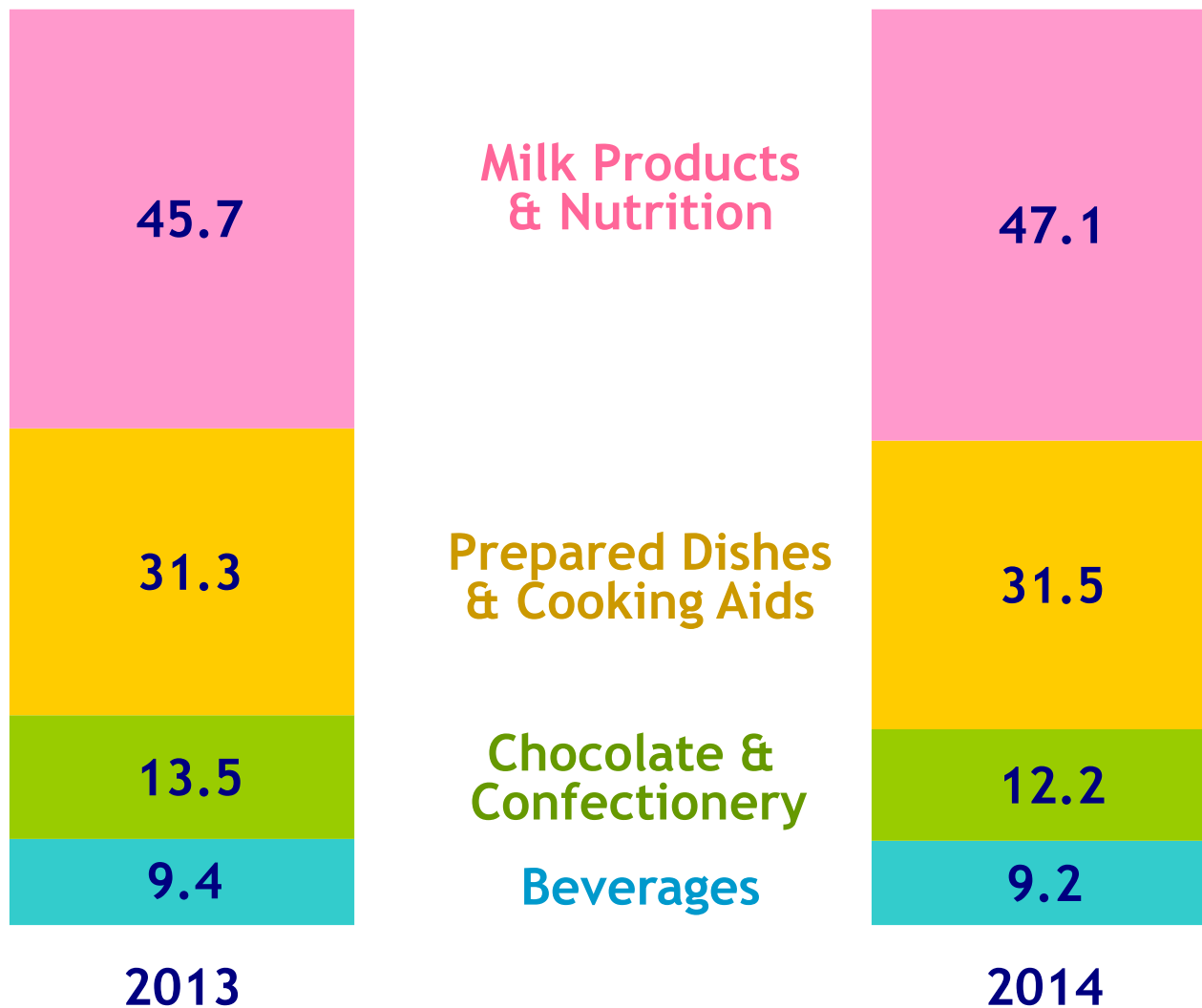
Exports (Affiliates + Third parties)



Domestic Sales Growth Jan - Sep



% Contribution to Domestic Sales Jan - Sep



Milk Products & Nutrition



Innovation & Renovation



SUPER BABY 2.0 CAMPAIGN to promote Breastfeeding



In Just 3 Weeks!

INTRODUCING
SUPERBABIES

Take the Pledge

5,200,000
Views

SHARE

900,000
Support Pledges

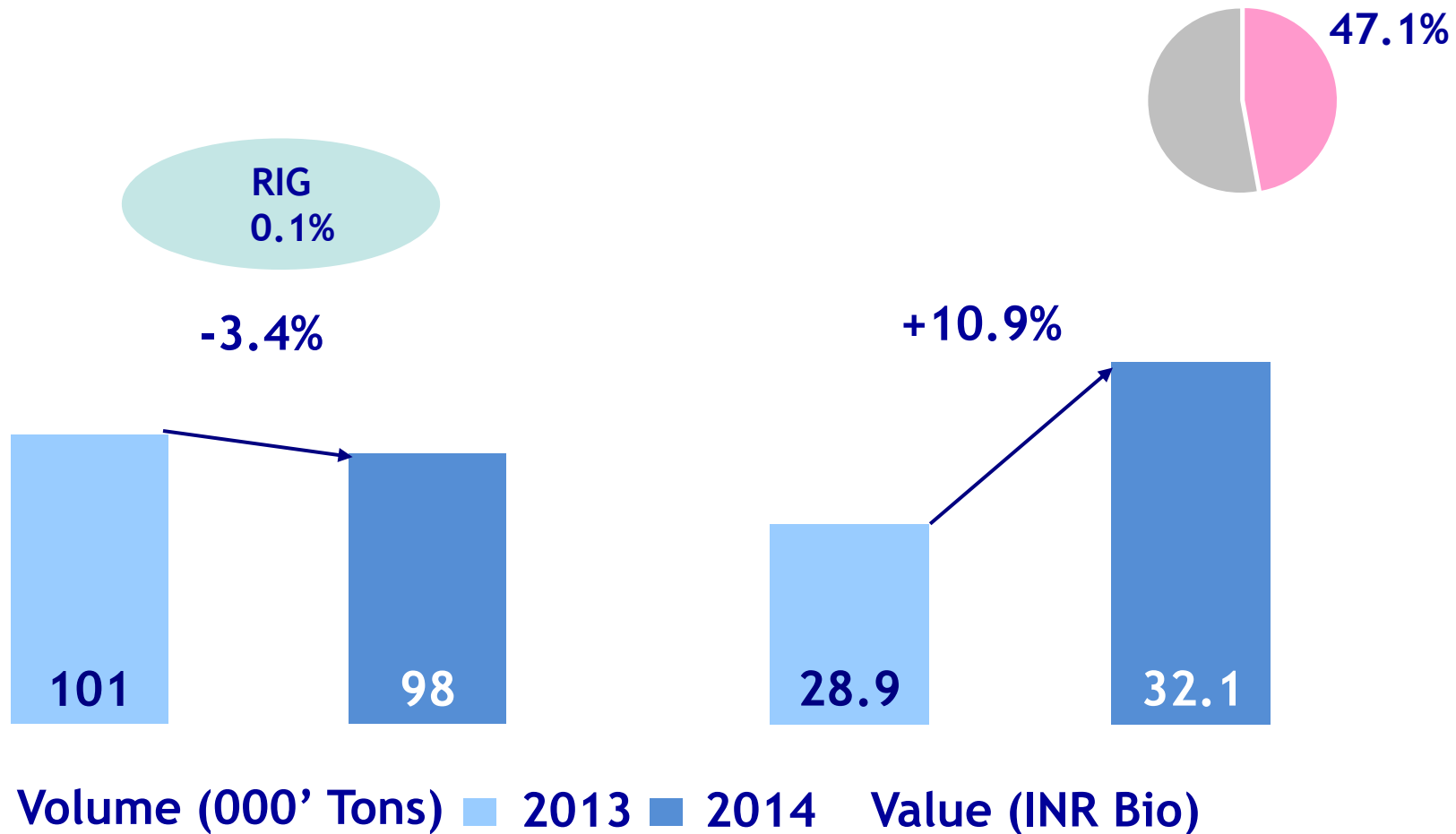
20,000
HCPs
Joined

211,000
Shares

Market Position (Value)

- No. 1 in Baby Foods
- No. 2 in Infant Formula
- No. 1 in Dairy Whitener
- No. 1 in Sweetened Condensed Milk

Milk Products & Nutrition - Domestic



High price led competitive intensity in certain products/ geographies.
Overall market conditions.

Prepared Dishes & Cooking Aids



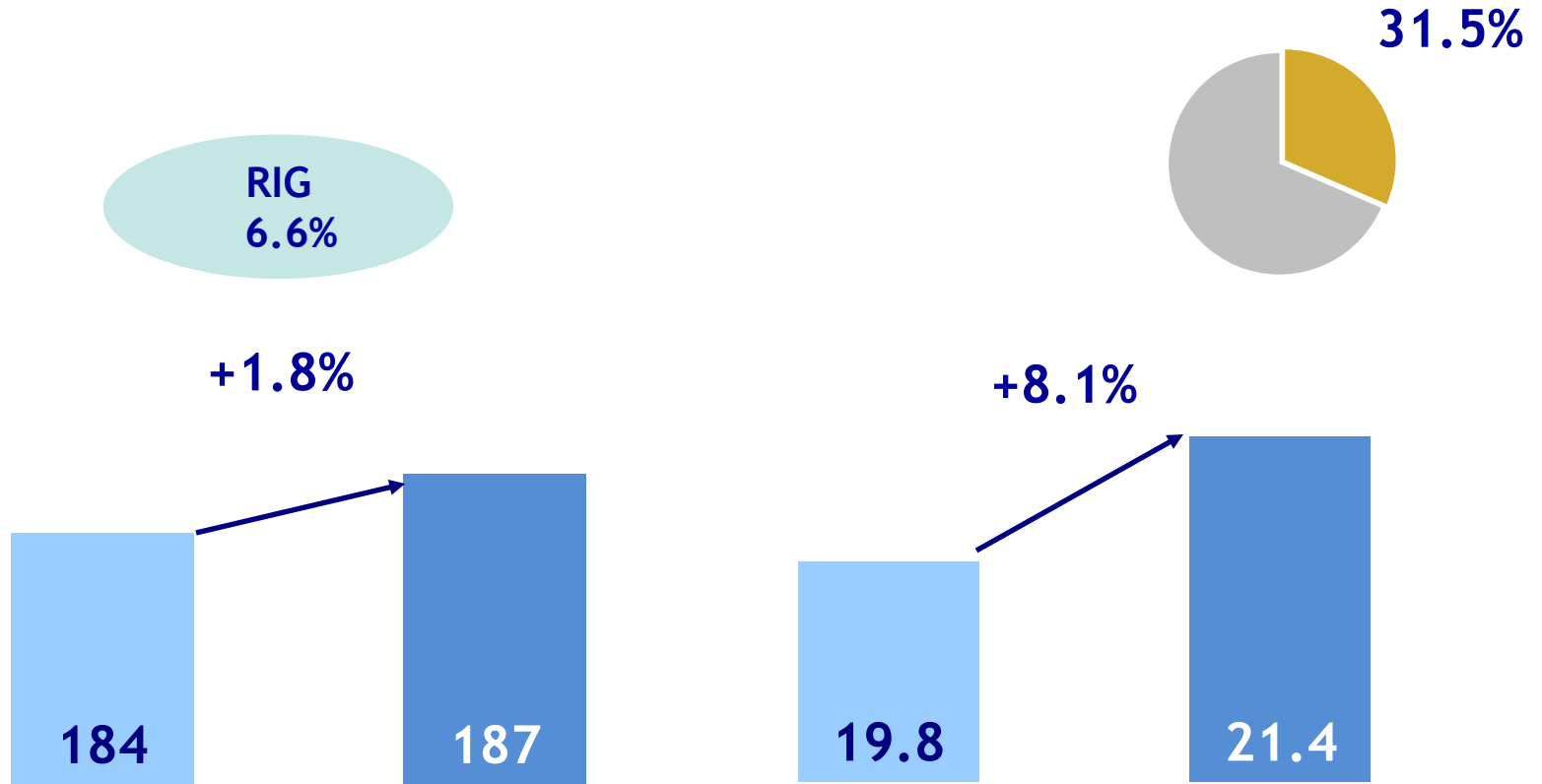
Innovation & Renovation



Market Position (Value)

- No. 1 in Instant Noodles
- No. 1 Sauces
- No. 1 Pasta
- No. 2 in Soups

Prepared Dishes & Cooking Aids - Domestic



Volume (000' Tons) ■ 2013 ■ 2014 Value (INR Bio)

Value market share stable at ~ 80% in Noodles. Good response to MAGGI Oats Noodles . Strong performance of fortified seasoning.

Chocolate & Confectionery

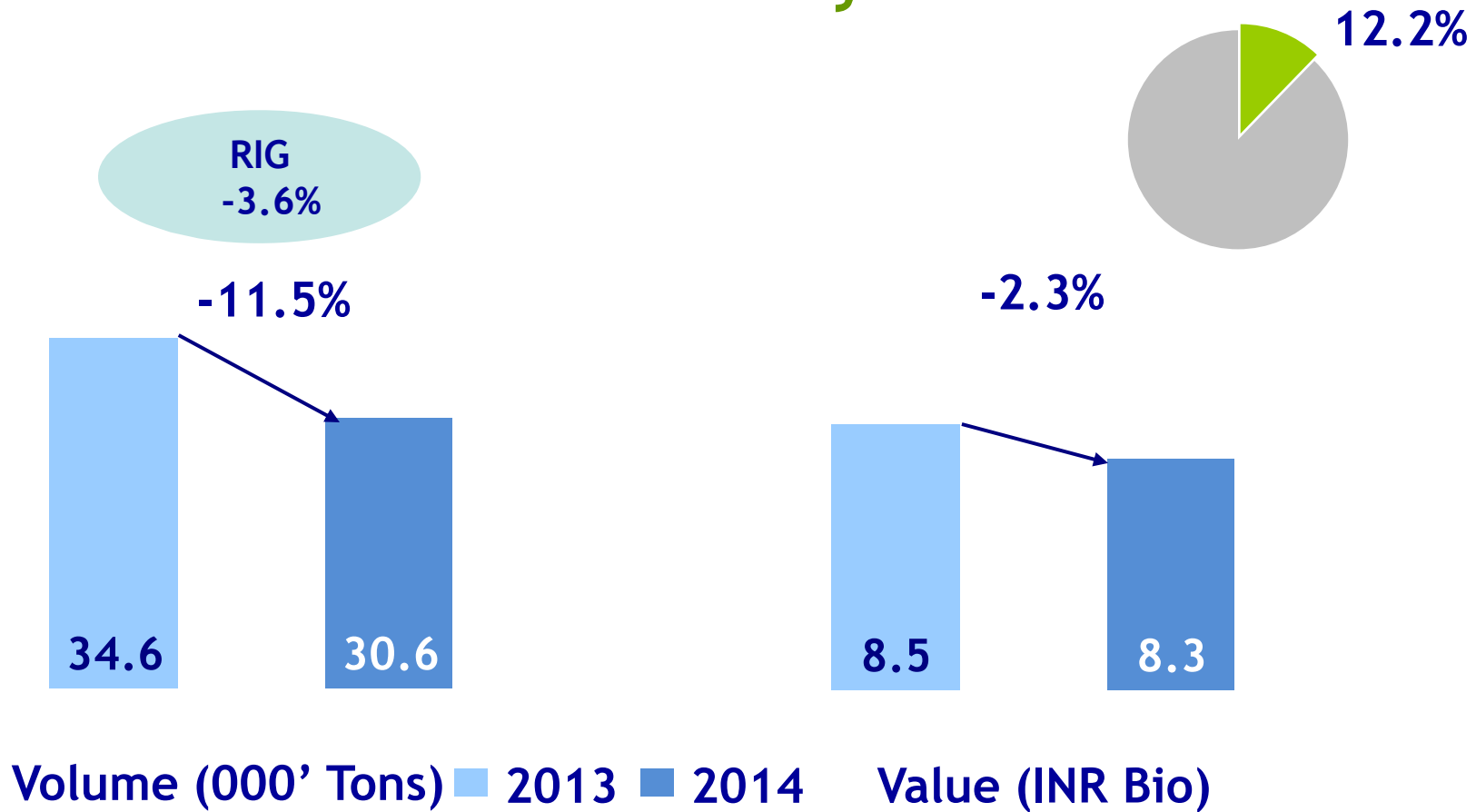
Innovation & Renovation



Market Position (Value)

- No. 1 in Wafers and Whites

Chocolate & Confectionery - Domestic



High price led competitive intensity. Impact of portfolio review.

Beverages

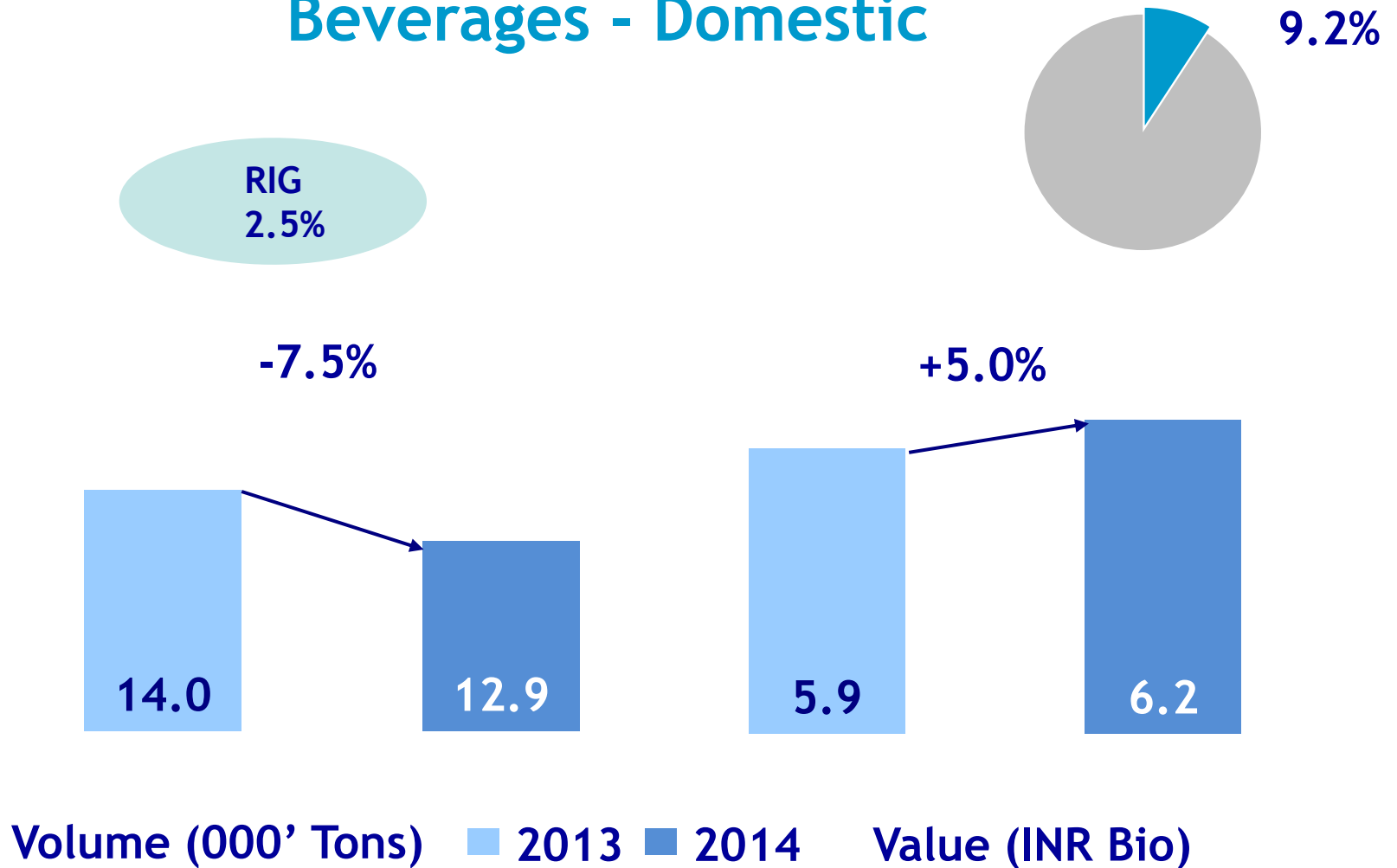
Innovation & Renovation



Market Position (Value)

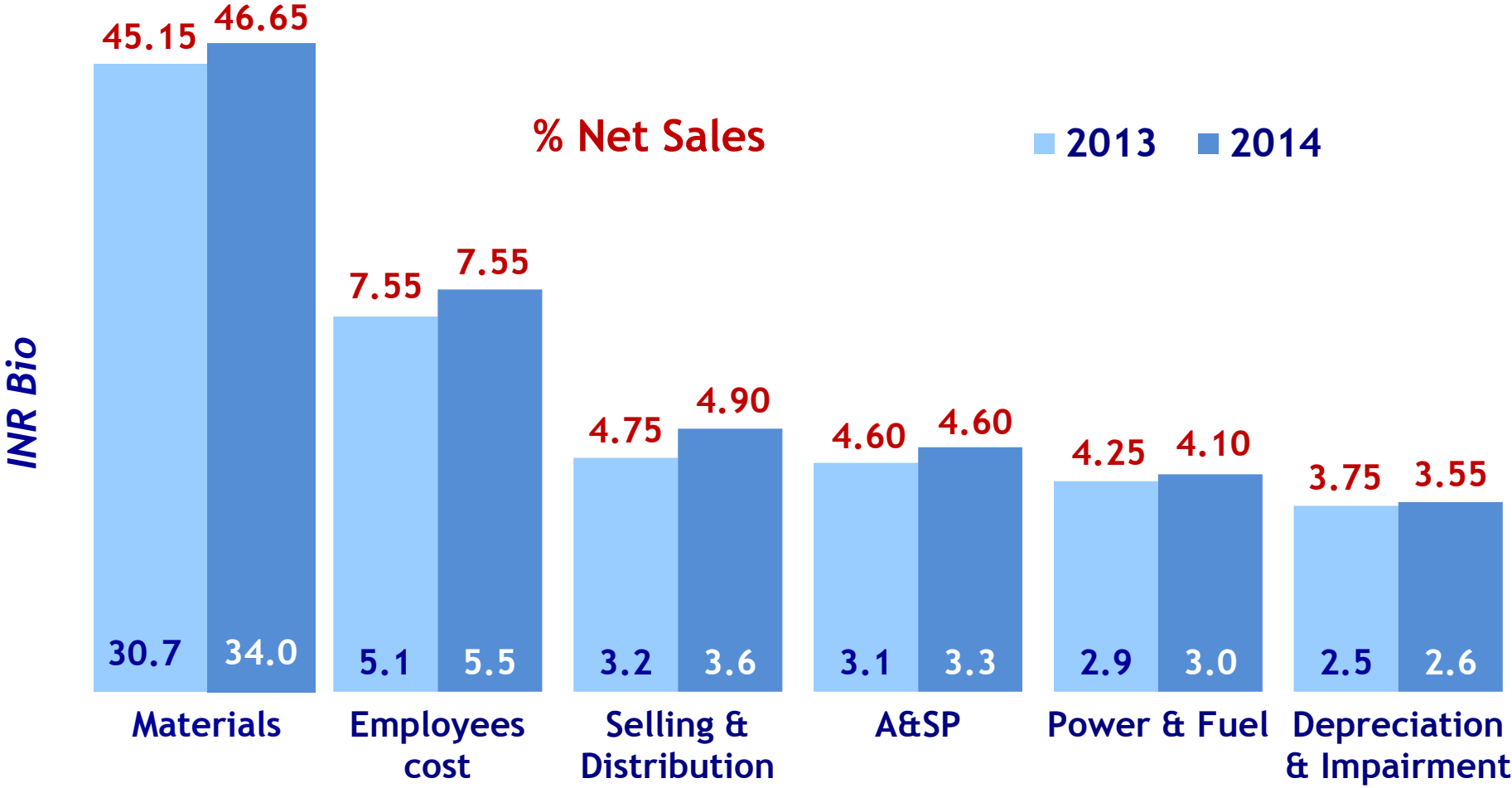
- No. 1 in Instant Coffee
- Strong presence in Vending

Beverages - Domestic

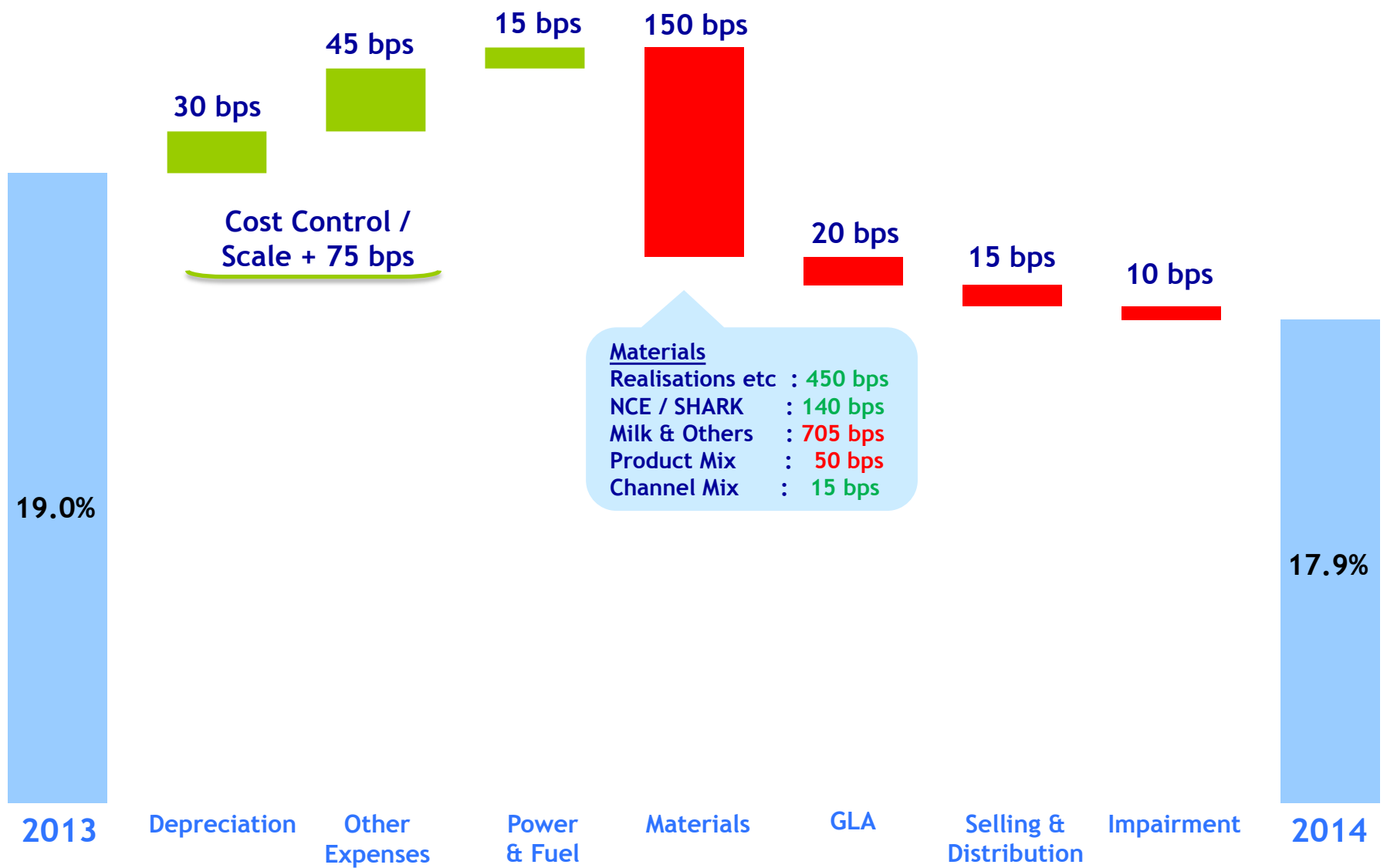


Good performance in Retail. Business model being reviewed in Out of Home. Impact of portfolio review in Retail and OOH.

High materials cost mitigated by cost containment.



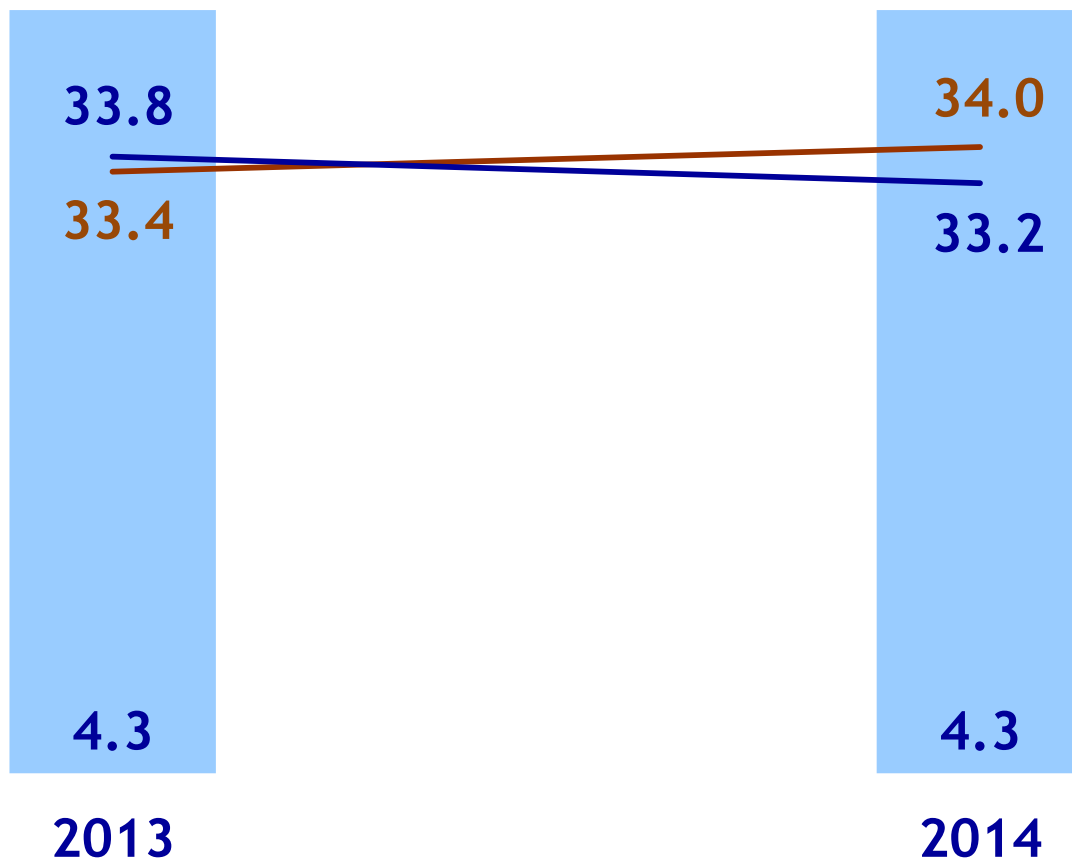
Materials cost not fully passed to consumers. Partially offset by efficiencies applying Group knowhow.



% are with reference to Net sales

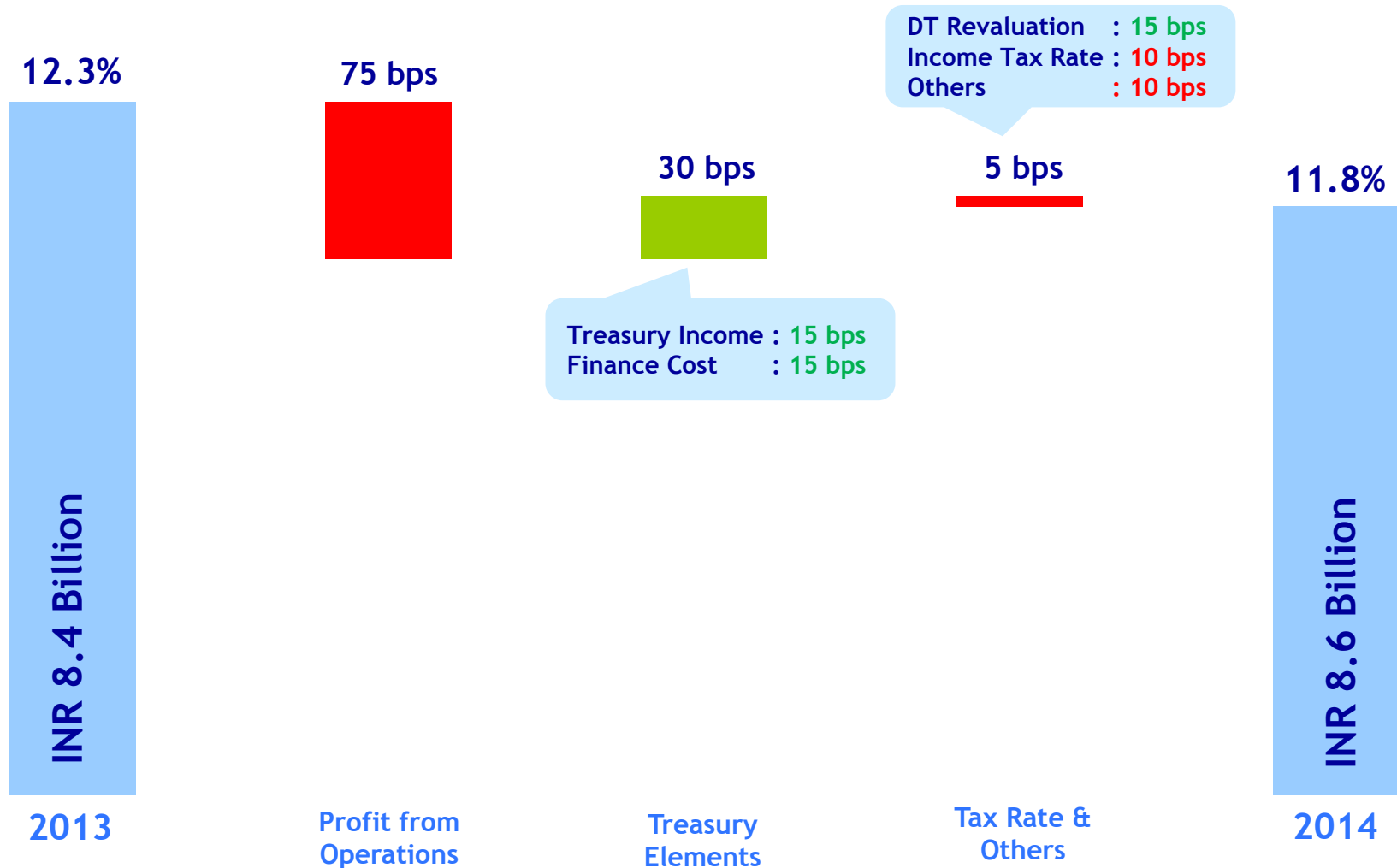
Continued high contribution to exchequer

MTR increase : 55 bps
Tax free treasury income : 40 bps
Deferred Tax revaluation in 2013 : 70 bps

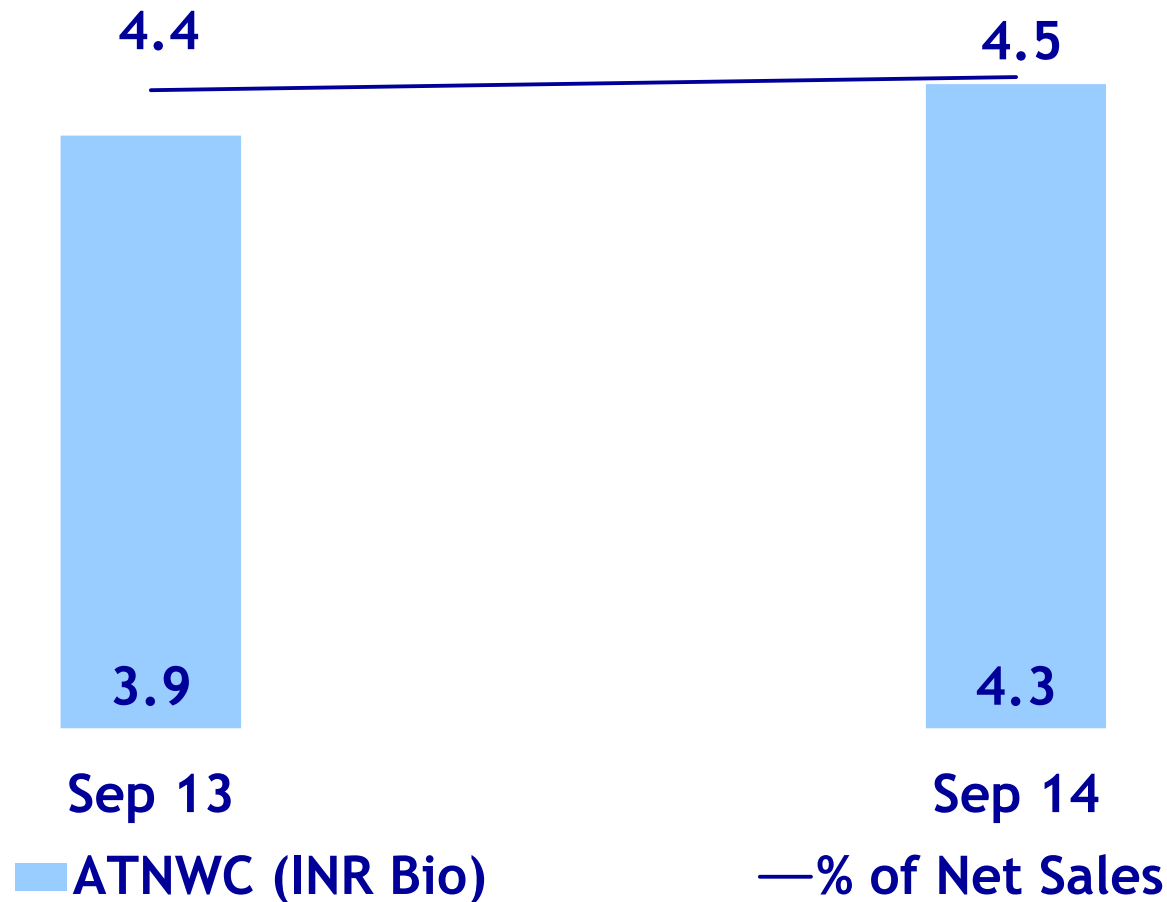


■ Tax Expense (INR Bio) — Marginal Tax Rate (%) — Effective Tax Rate (%)

Treasury initiatives have partially offset the headwinds in materials cost.

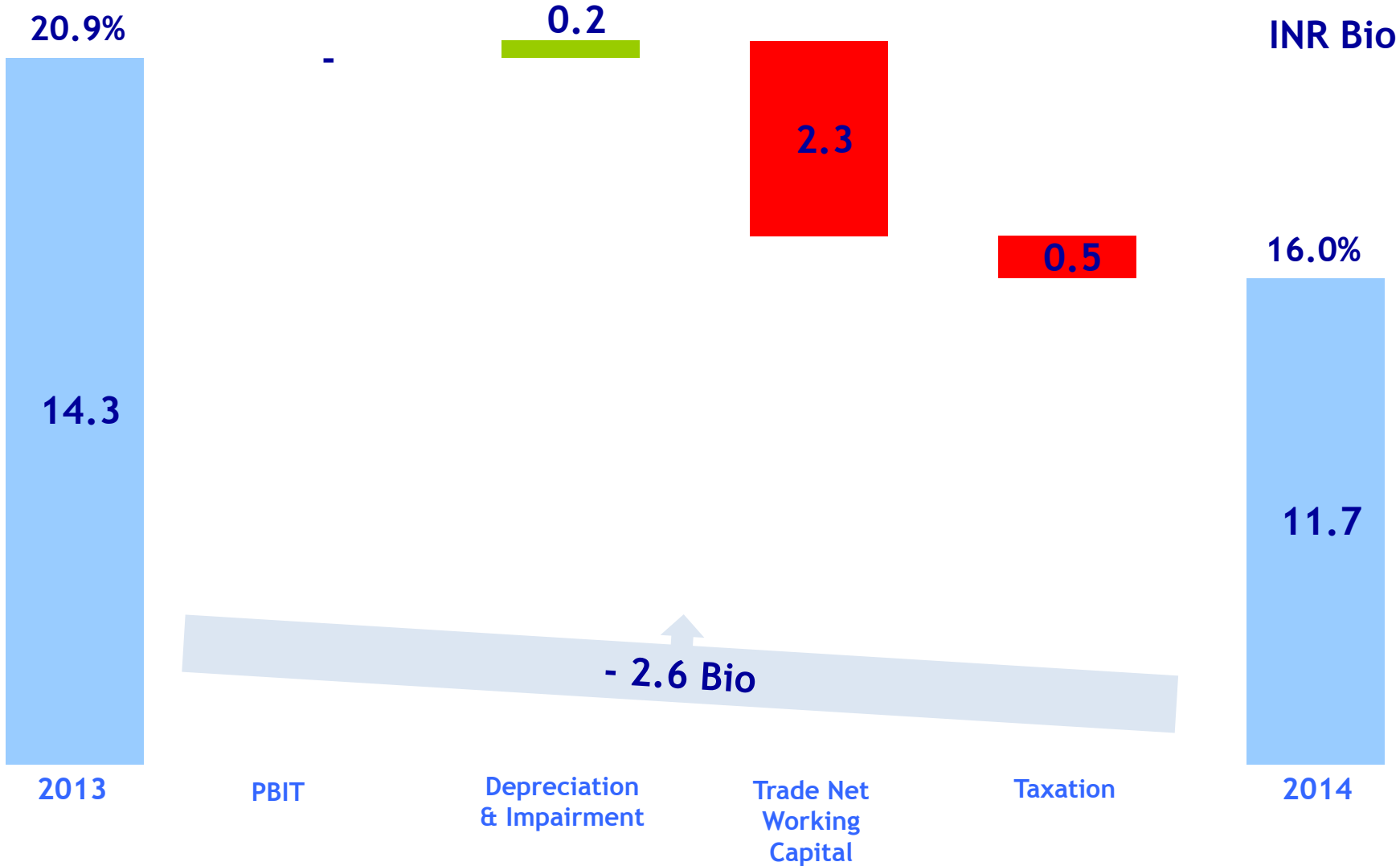


Average trade net working capital remained stable; but TNWC has increased in 2014 due low base and strategic reasons.



ATNWC : Basis 12 Months Average (Nestlé Internal Reporting Standards)
: Inventories + Debtors - Trade Payables (except Staff Costs, Contingencies, Capex & Taxes)

A low TNWC on 1.1. 2014, lower base in 2013 & strategic build of inventories has impacted Operating Cash Flow.

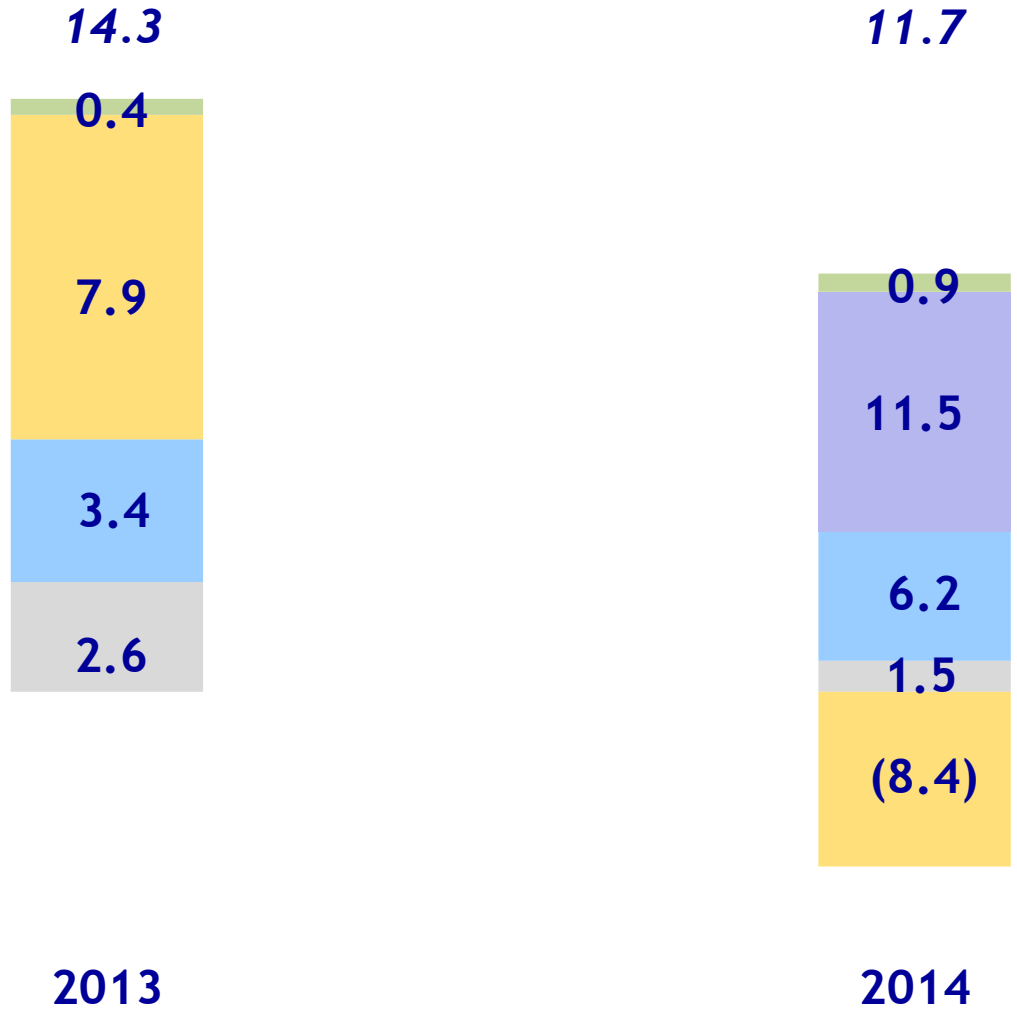


% are in reference to sales

Entire external commercial borrowings have been repaid.

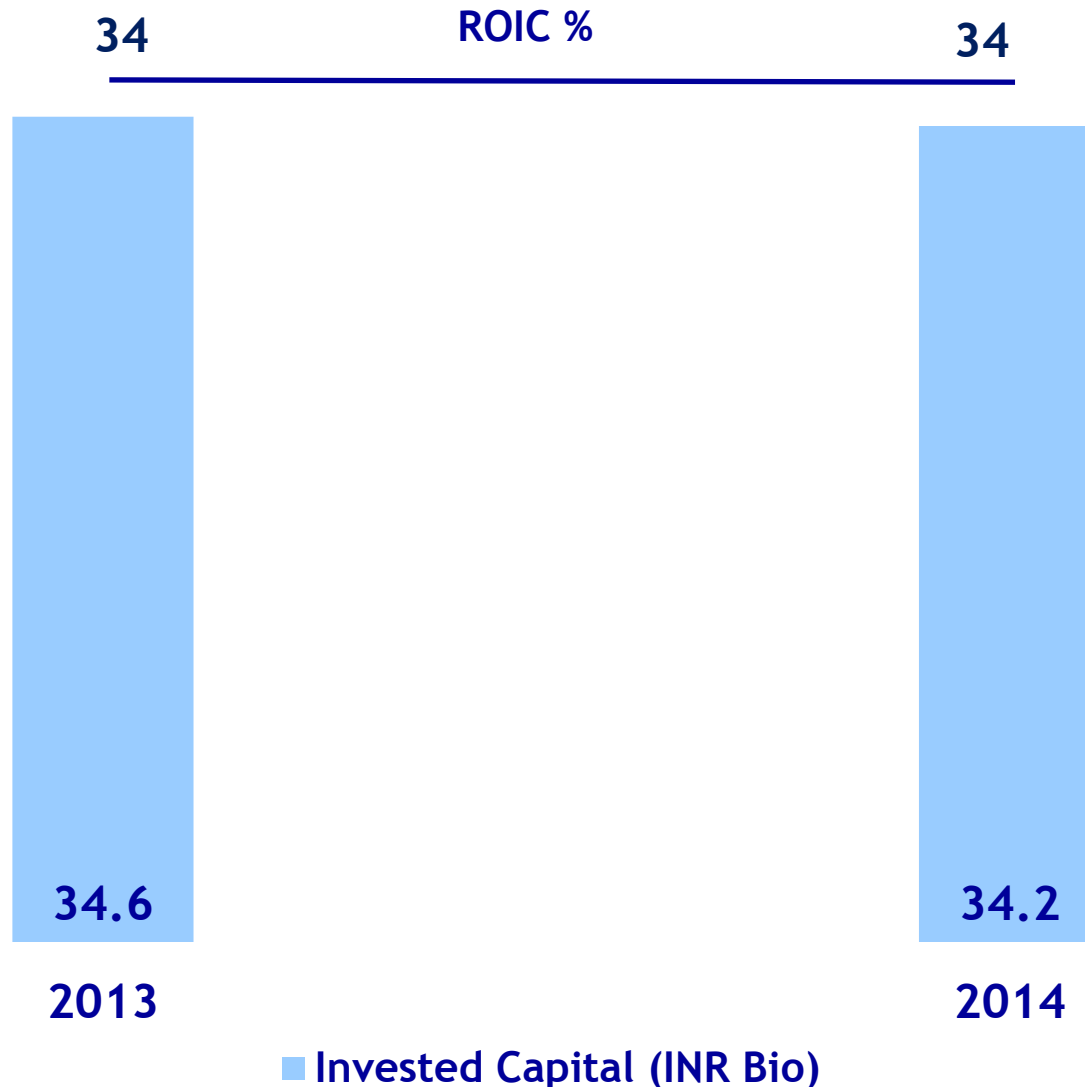
*Operating
Cash Flow*

INR Bio



■ Fixed Assets ■ Dividends ■ Loan Repayment ■ Cash movement ■ LT Investments

Capital Efficiency maintained despite severe pressure on margins due to materials cost.

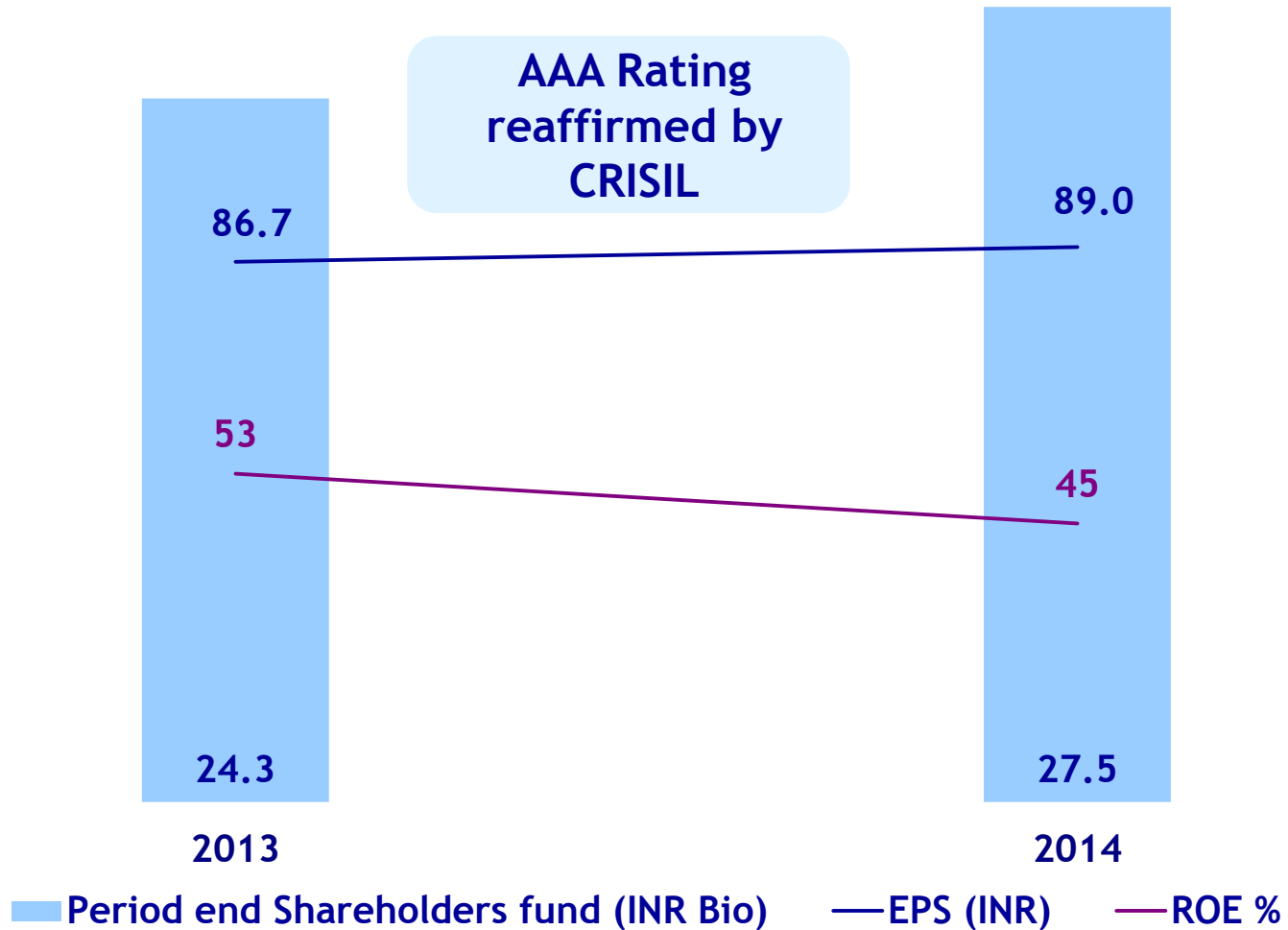


The company is debt free again. ROE impacted by build of shareholders funds

Debt : Equity

33 : 67

0 : 100



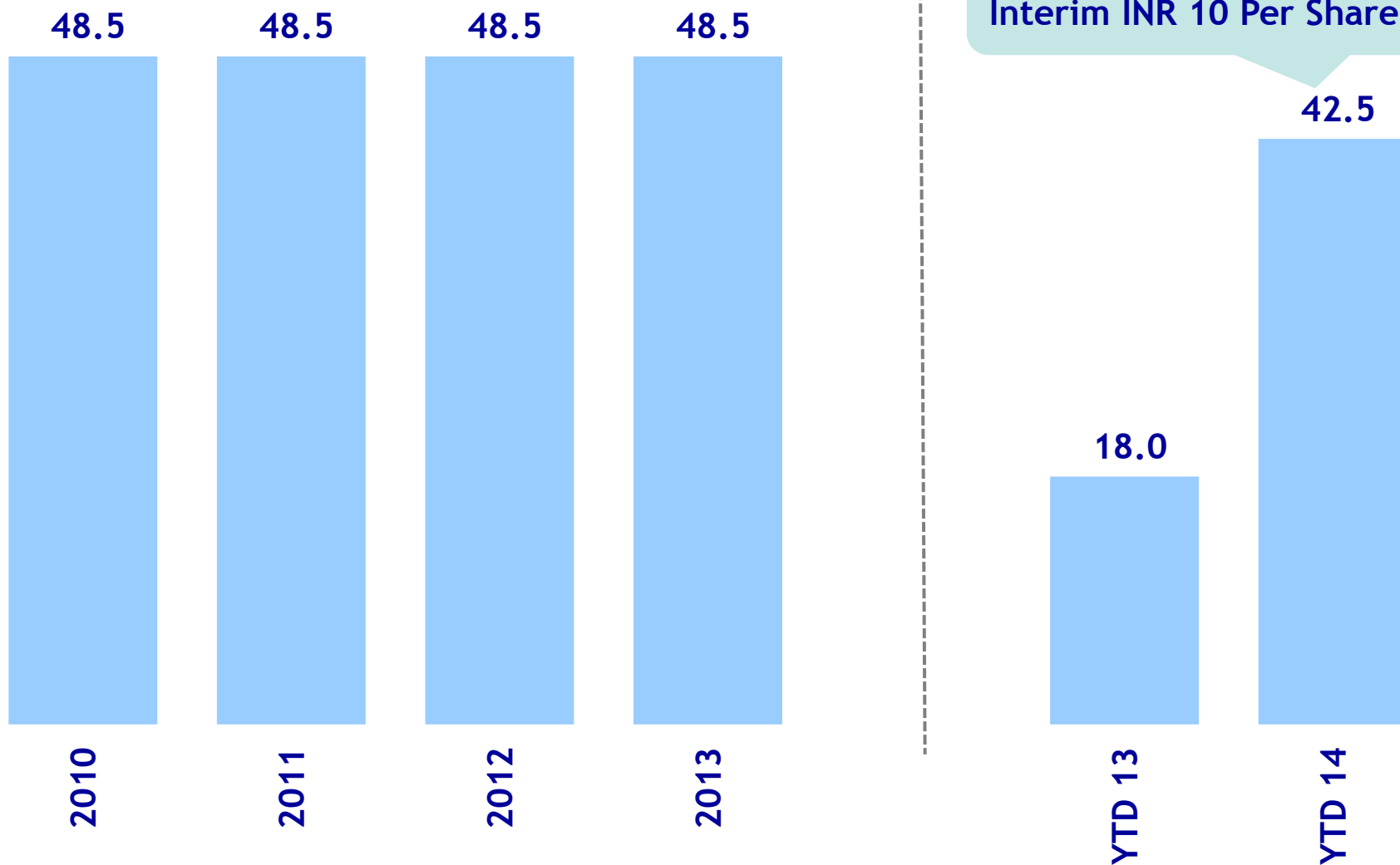
Avg. Share Price (INR)

4,925

5,153

Increased interim dividend on completion of CAPEX programme

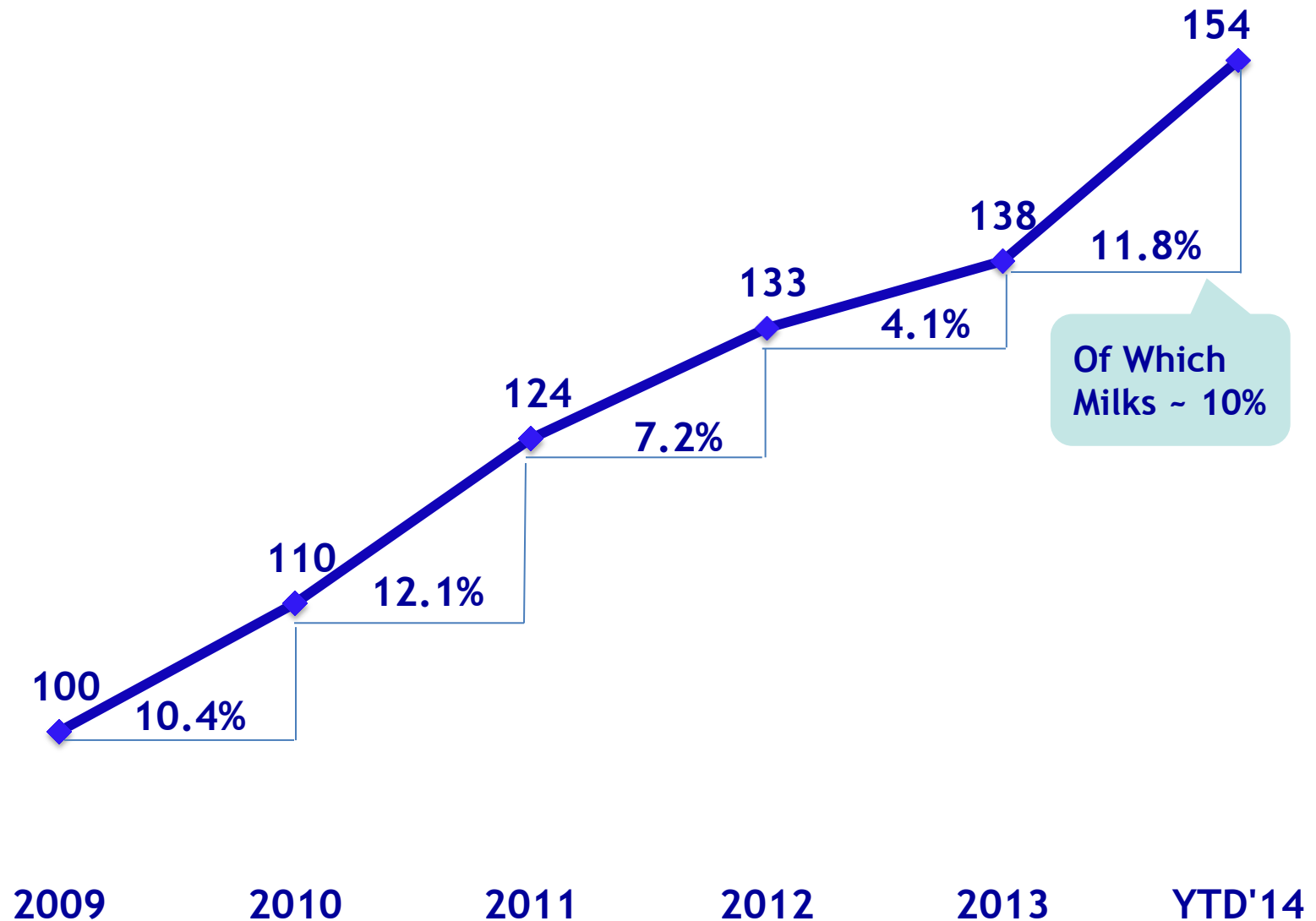
DPS (INR)



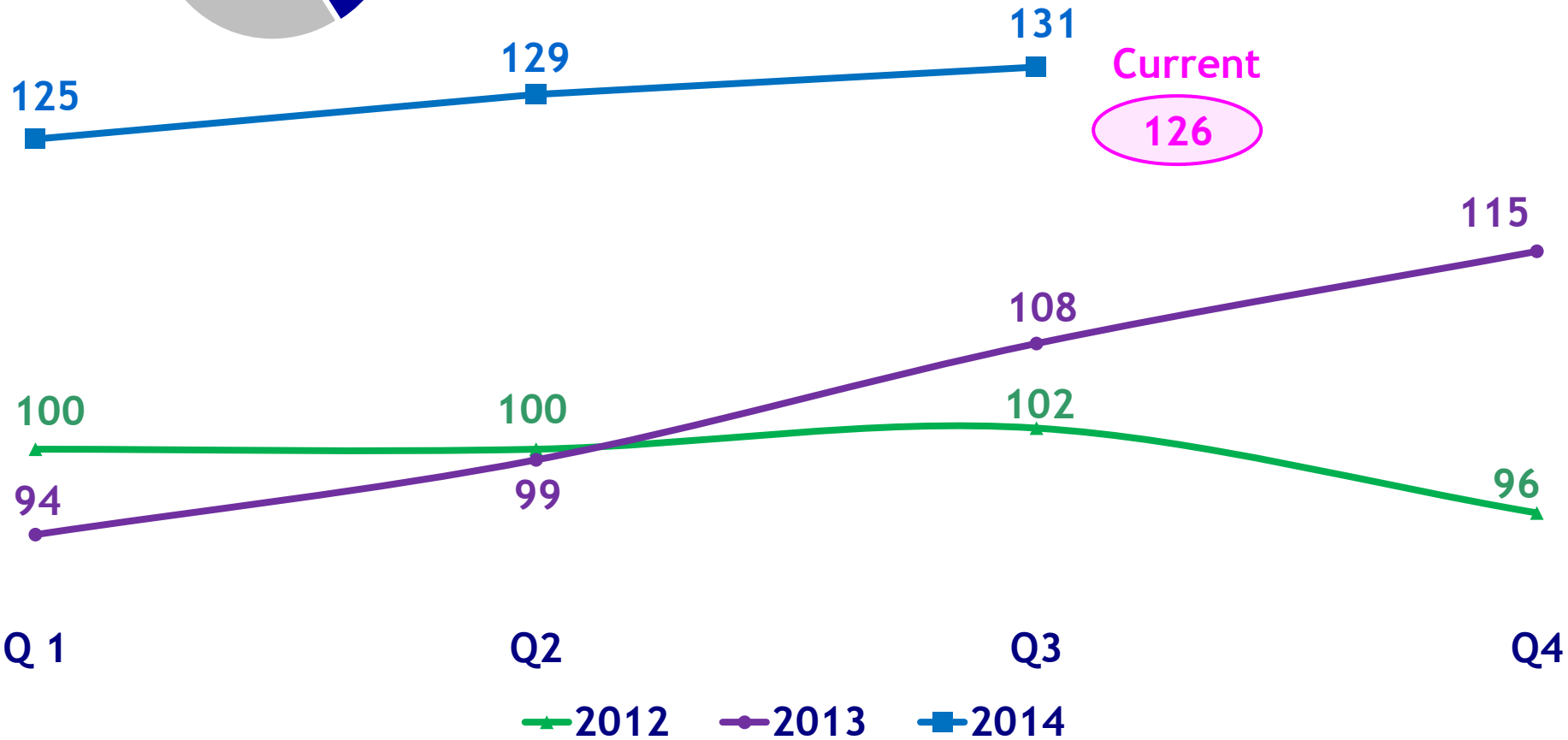
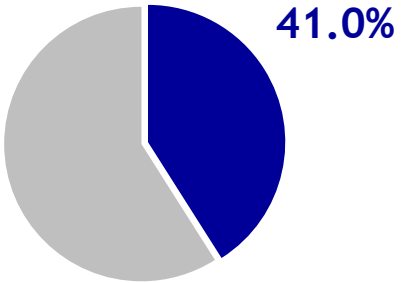
Includes additional
Interim INR 10 Per Share

Linked Slides

Nestlé India's Commodity Basket

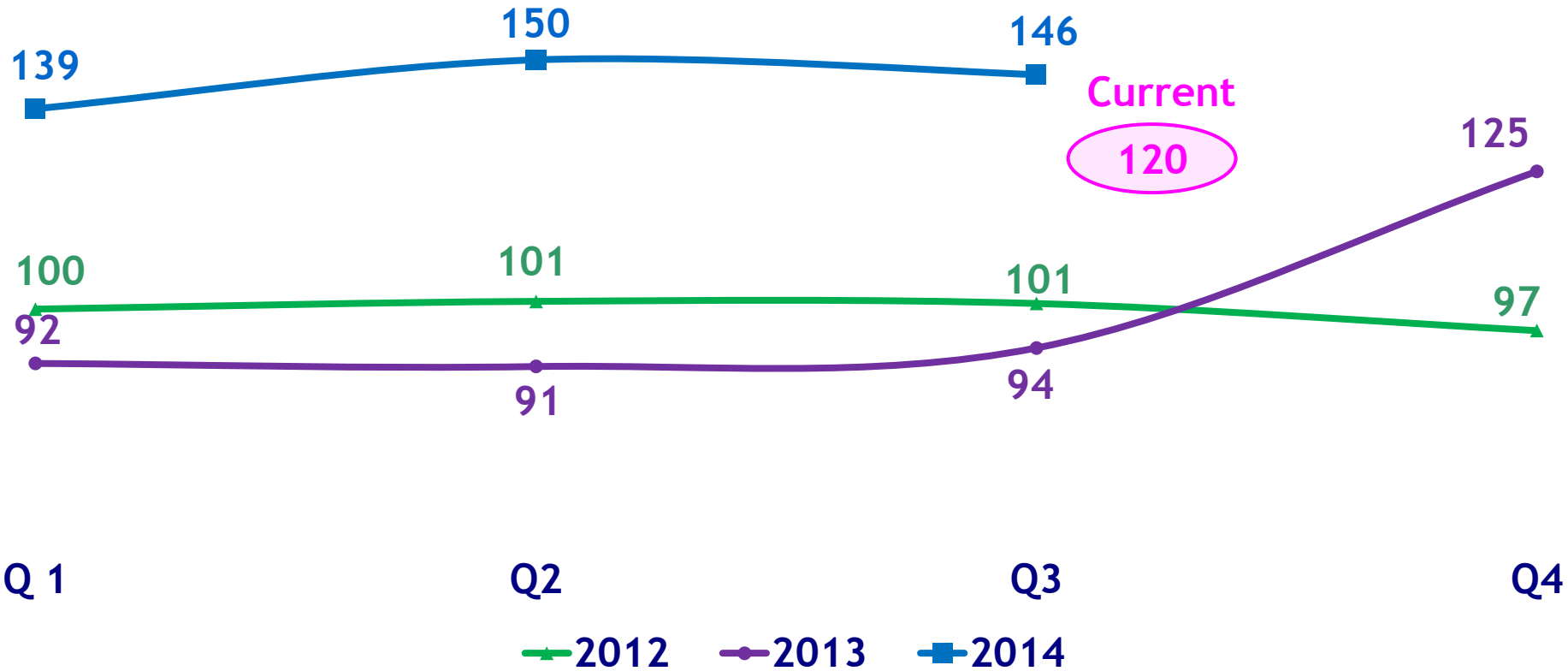
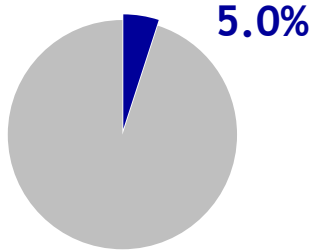


Milks: 22% Increase over 2013



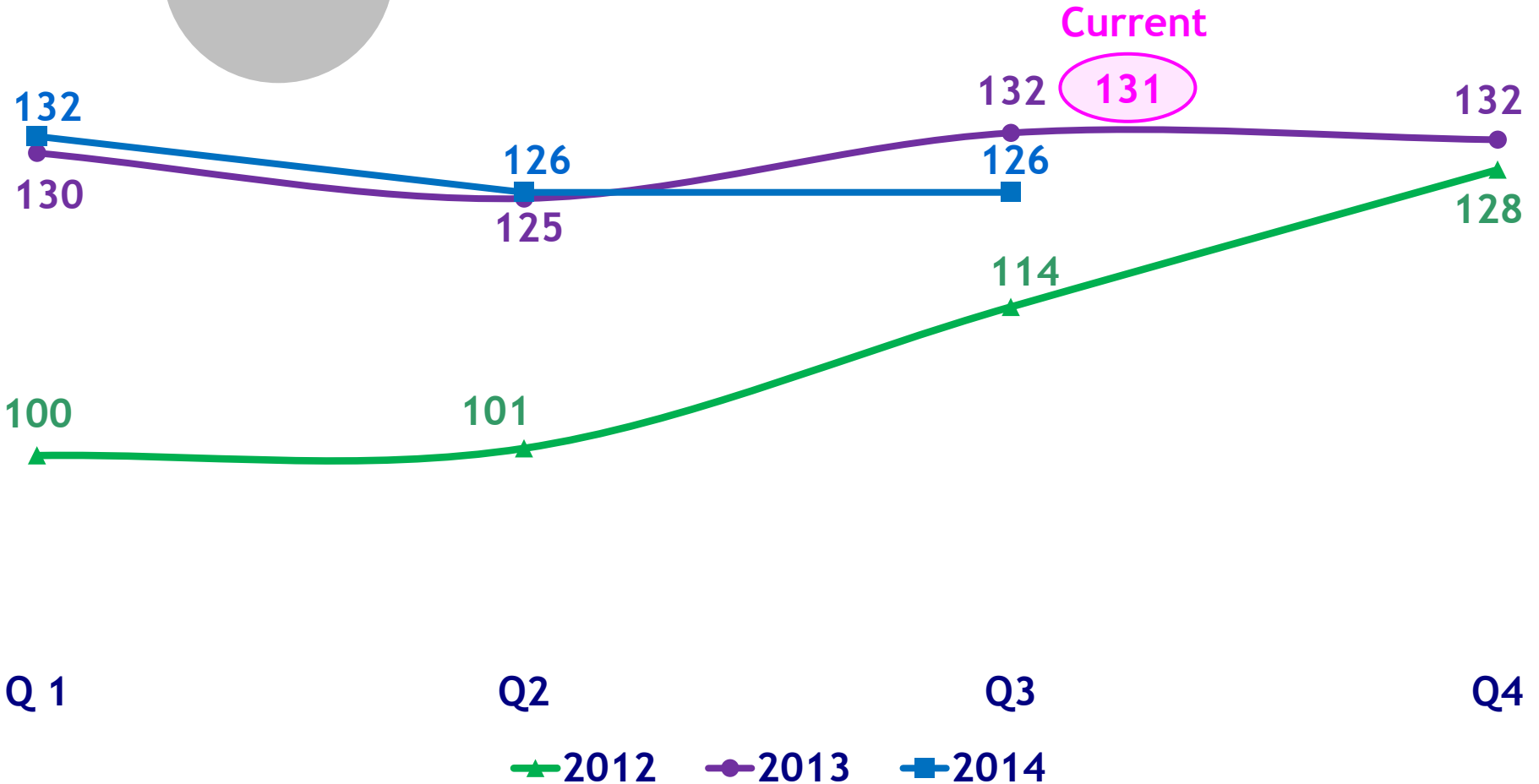
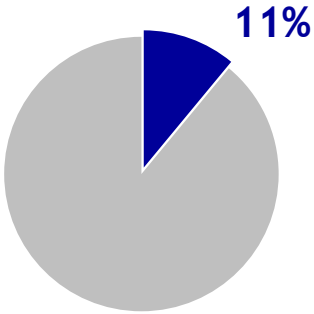
Indexed with base Q1-12

MSK: 58% Increase over 2013



Indexed with base Q1-12

Wheat Flour: 1 % Decrease over 2013



Q 1

Q2

Q3

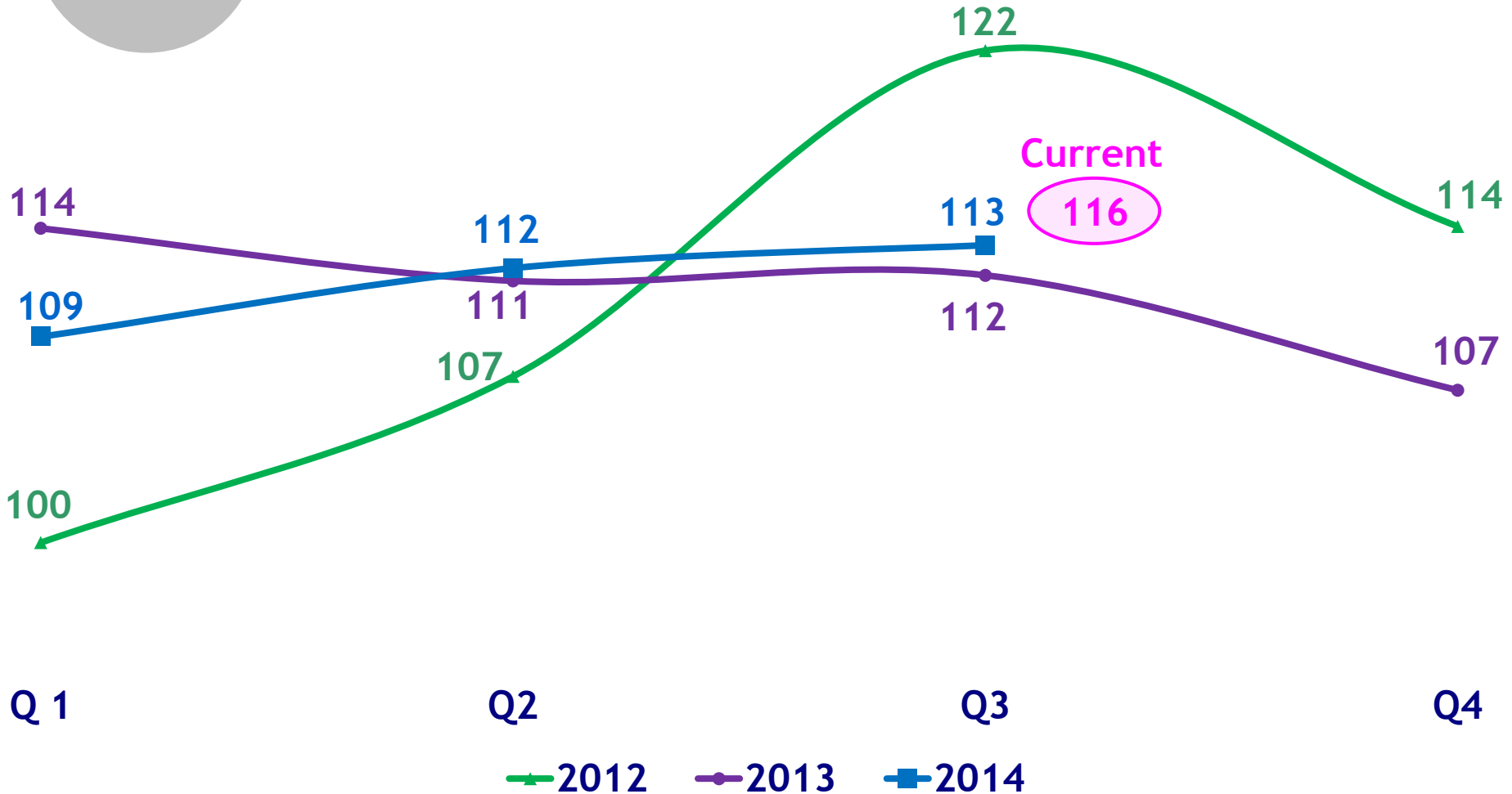
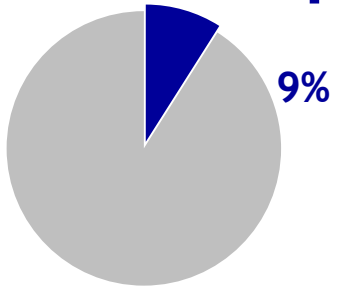
Q4

▲ 2012

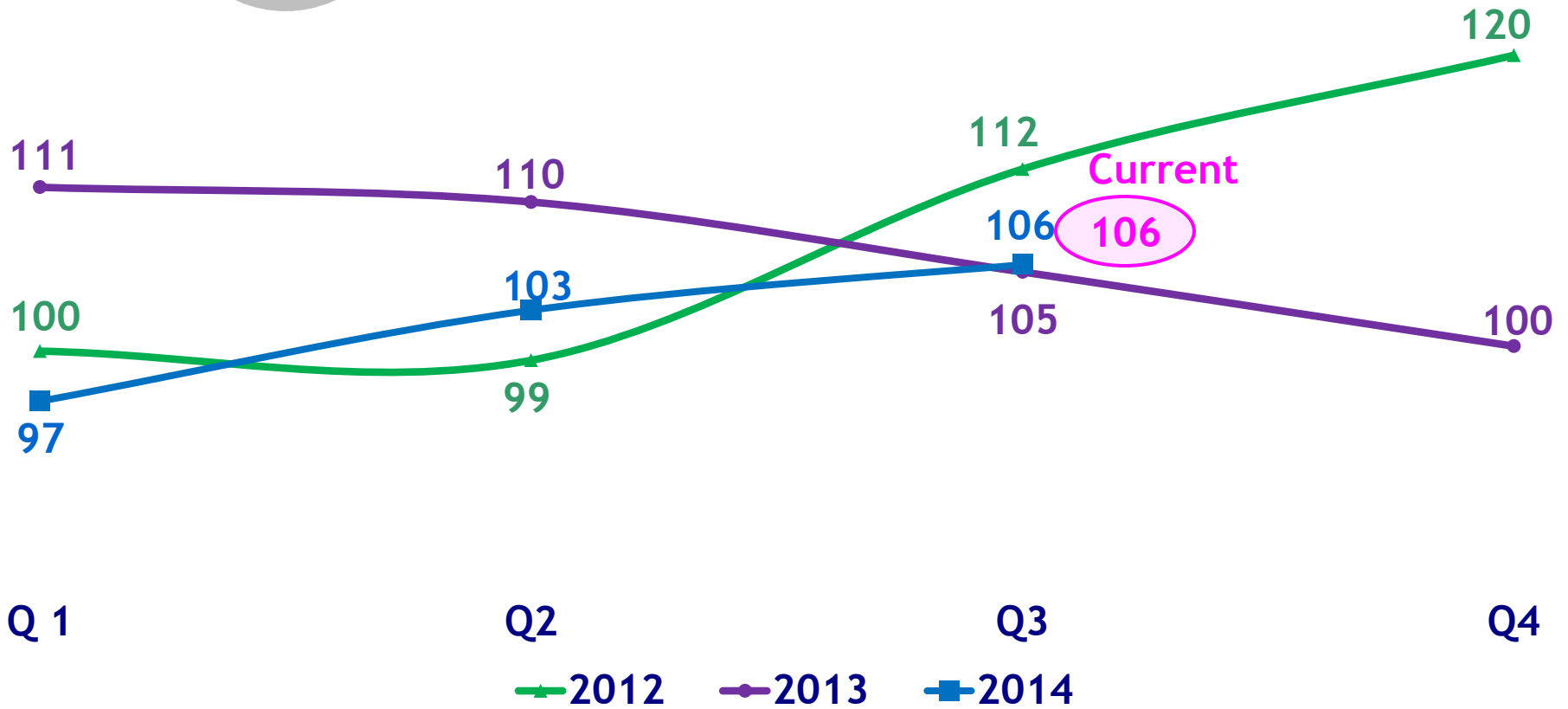
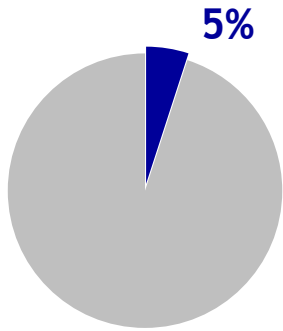
● 2013

■ 2014

Palm Oil: 1% Decrease over 2013



Sugar: 6% Decrease over 2013

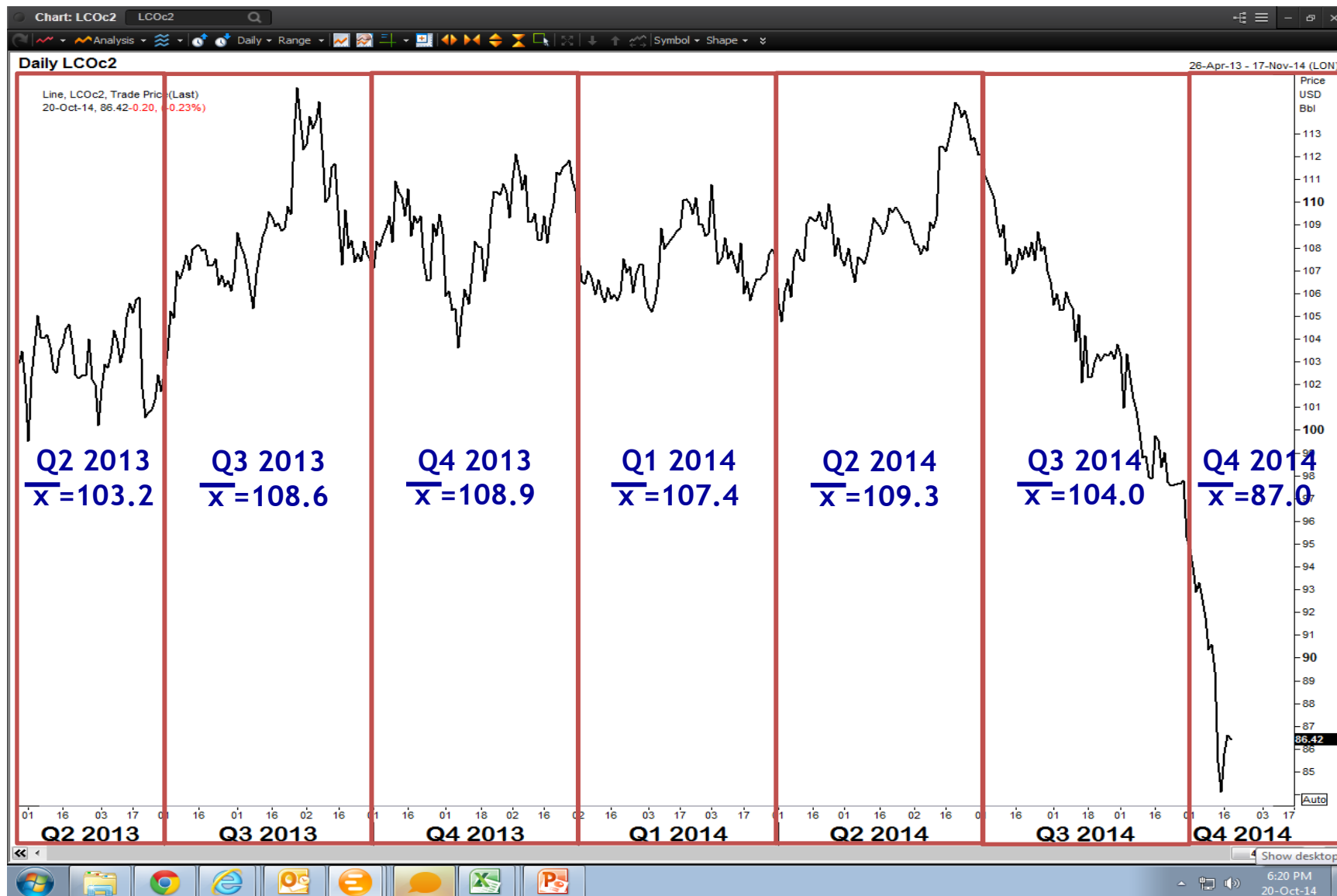


Brent from 2008 USD per Barrel



Brent

USD per Barrel



Robusta US Cent per Pound London Exchange



Arabica

US Cent per Pound

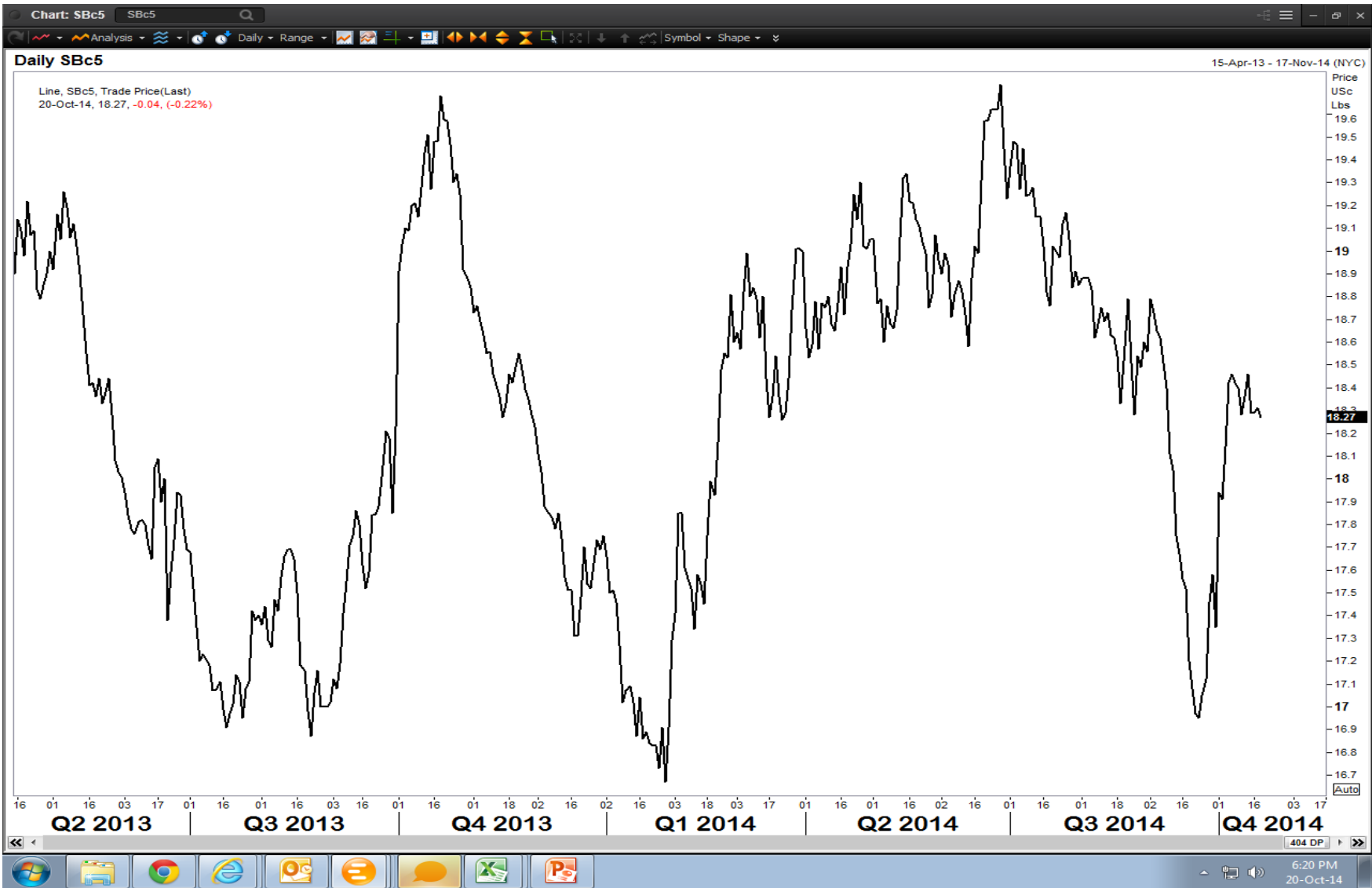
New York Exchange



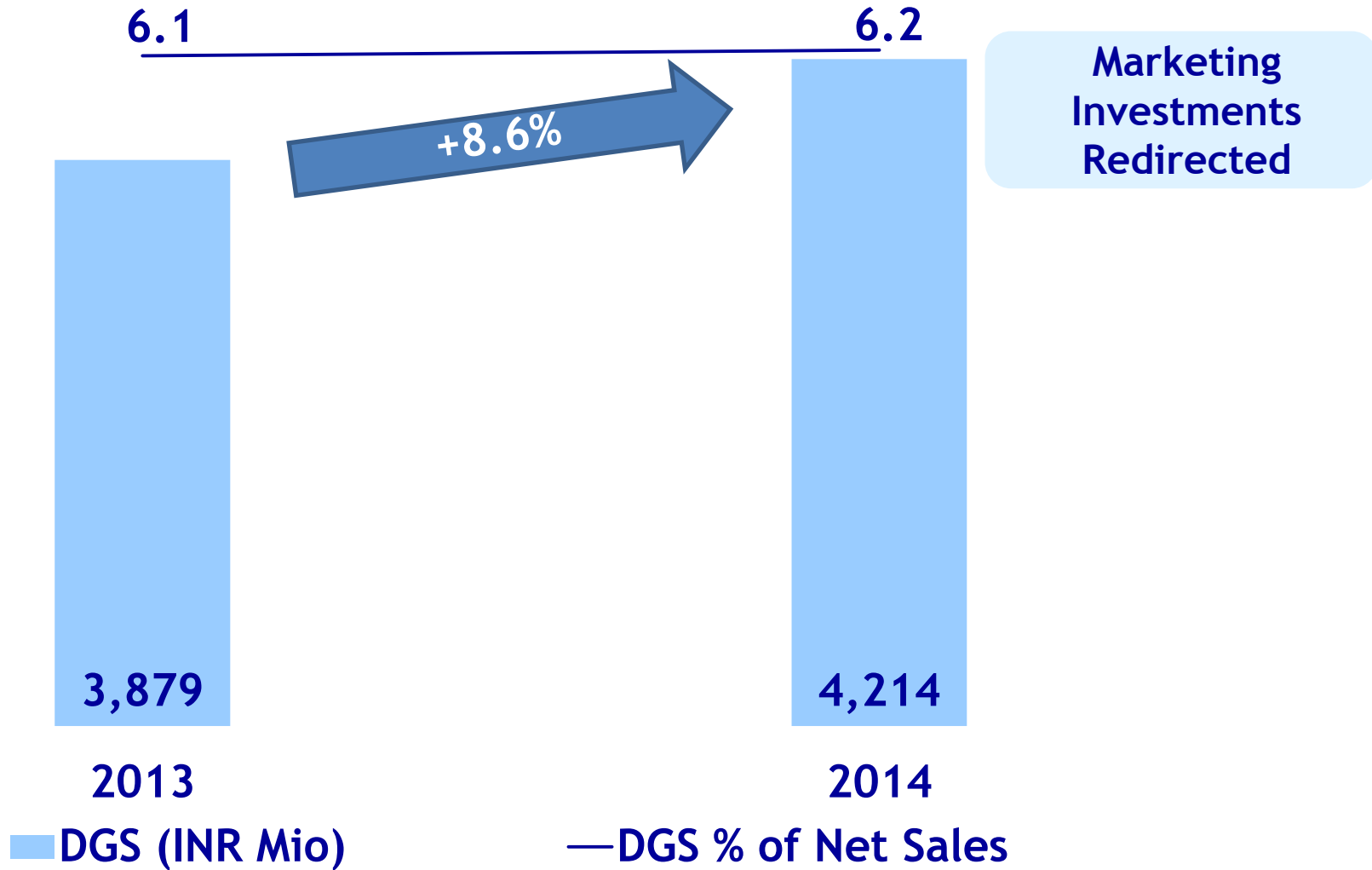
Sugar

US Cent per Pound

New York Exchange



Demand Generating Spends (DGS) - Jan Sep



DGS Include : Media, Consumer Promotions (free goods & Sampling), Trade Spends, Display, Point of Sales etc.

