

23rd Financial Analysts' Meet Gurgaon 31st March 2014



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 certain 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.

The Strategic Direction

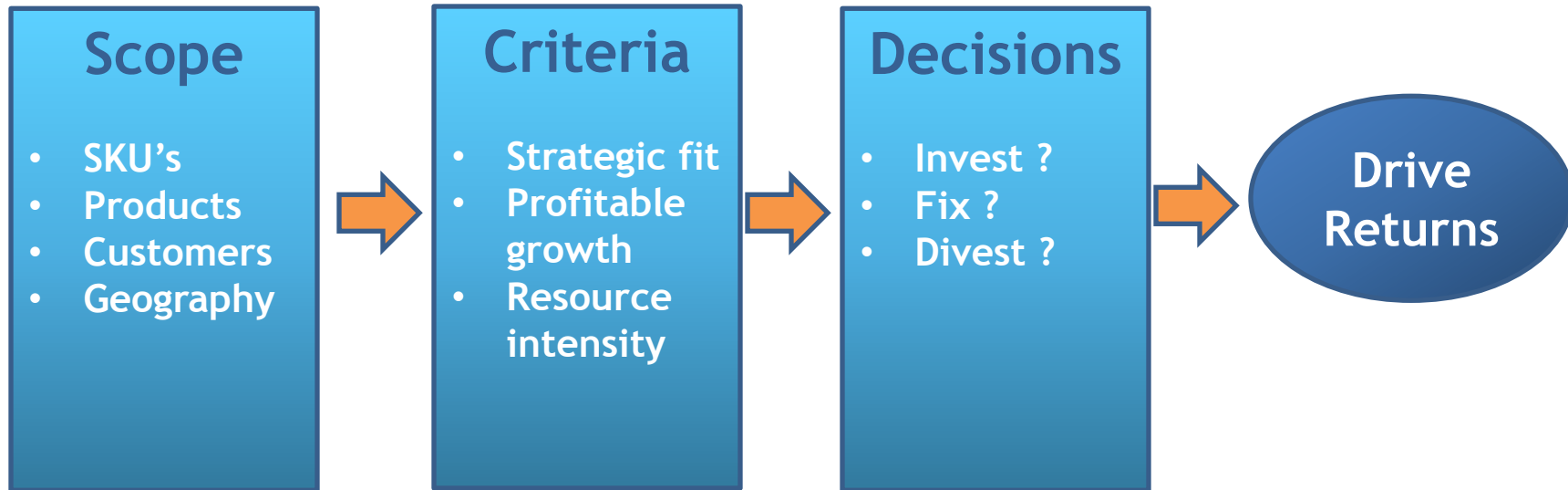
- **Consumer-centric**
- **NHW Leadership**
- **Big Ambition**

We continue to focus on..

Strengthening portfolio

Allocating resources

Strengthening Portfolio



Allocating Resources

Resources

Capex

M&A

Marketing Expenditure

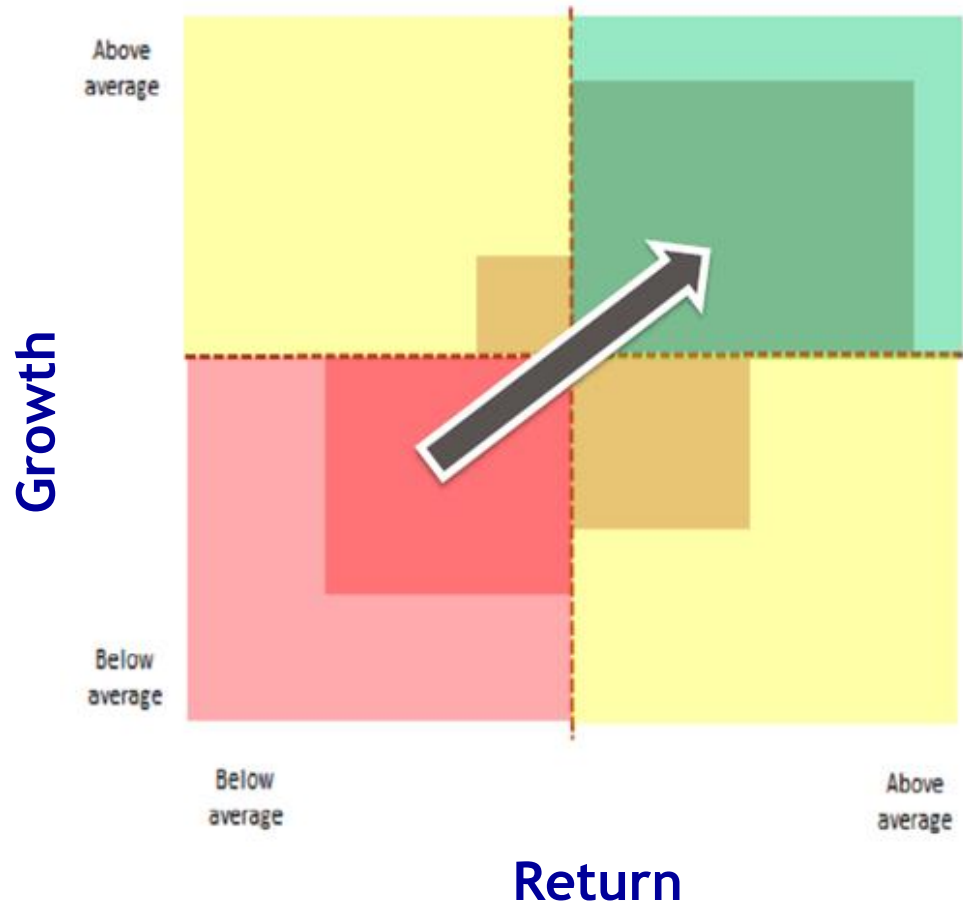
Talent

Time

Sales resources

Structure

Portfolio

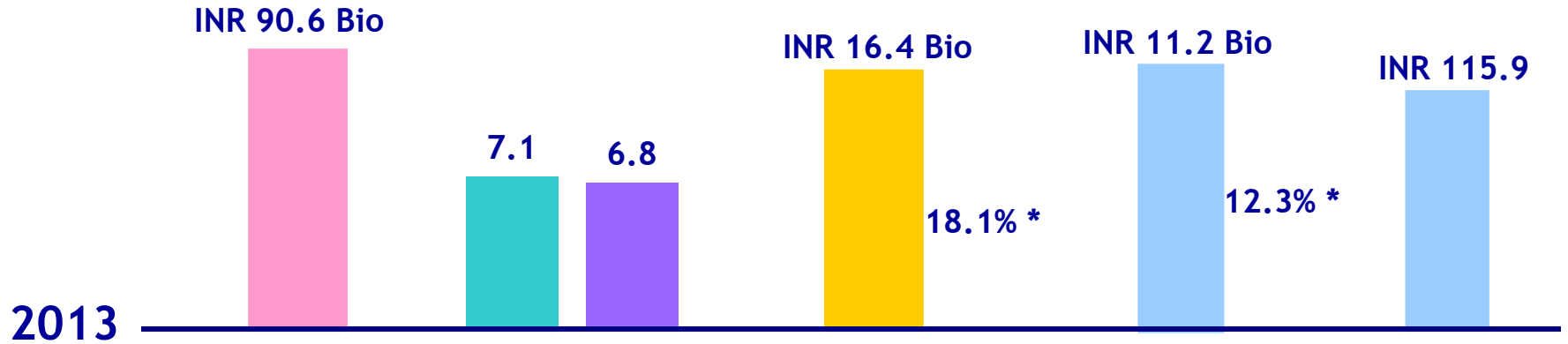


Brand Equity - Most Trusted Brands 2013

- 5 Nestlé Brands in top 100
- MAGGI as no. 1 food brand
- MUNCH, KIT-KAT & NESTLÉ MILK CHOCOLATE amongst top 5 Chocolate brands.
- NESCAFÉ is amongst the Top 5 brands in Hot Beverages



2013 highlights



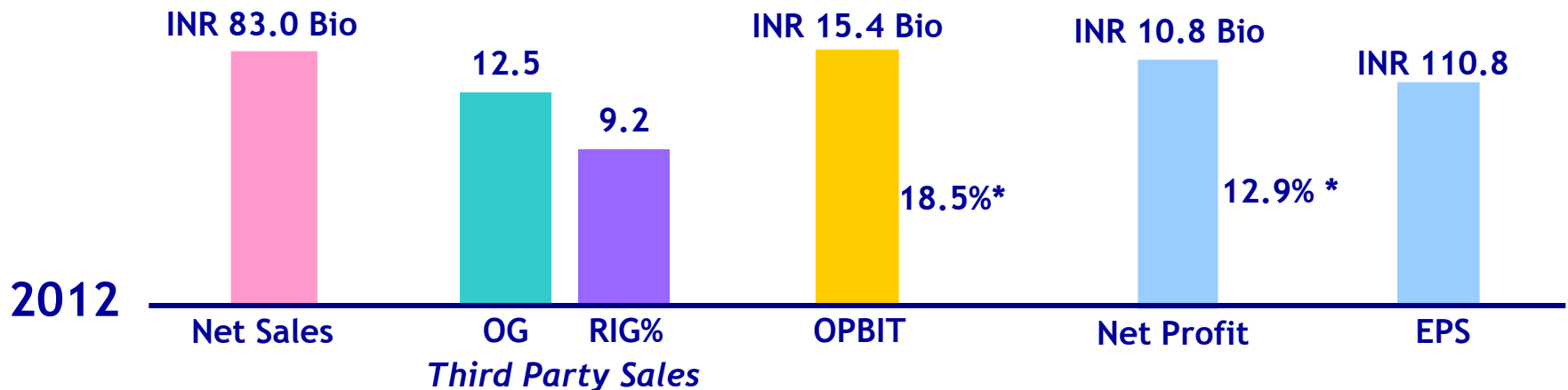
+ INR 7.6 Bio
+ 9.1%

Weighted Volumes & Prices

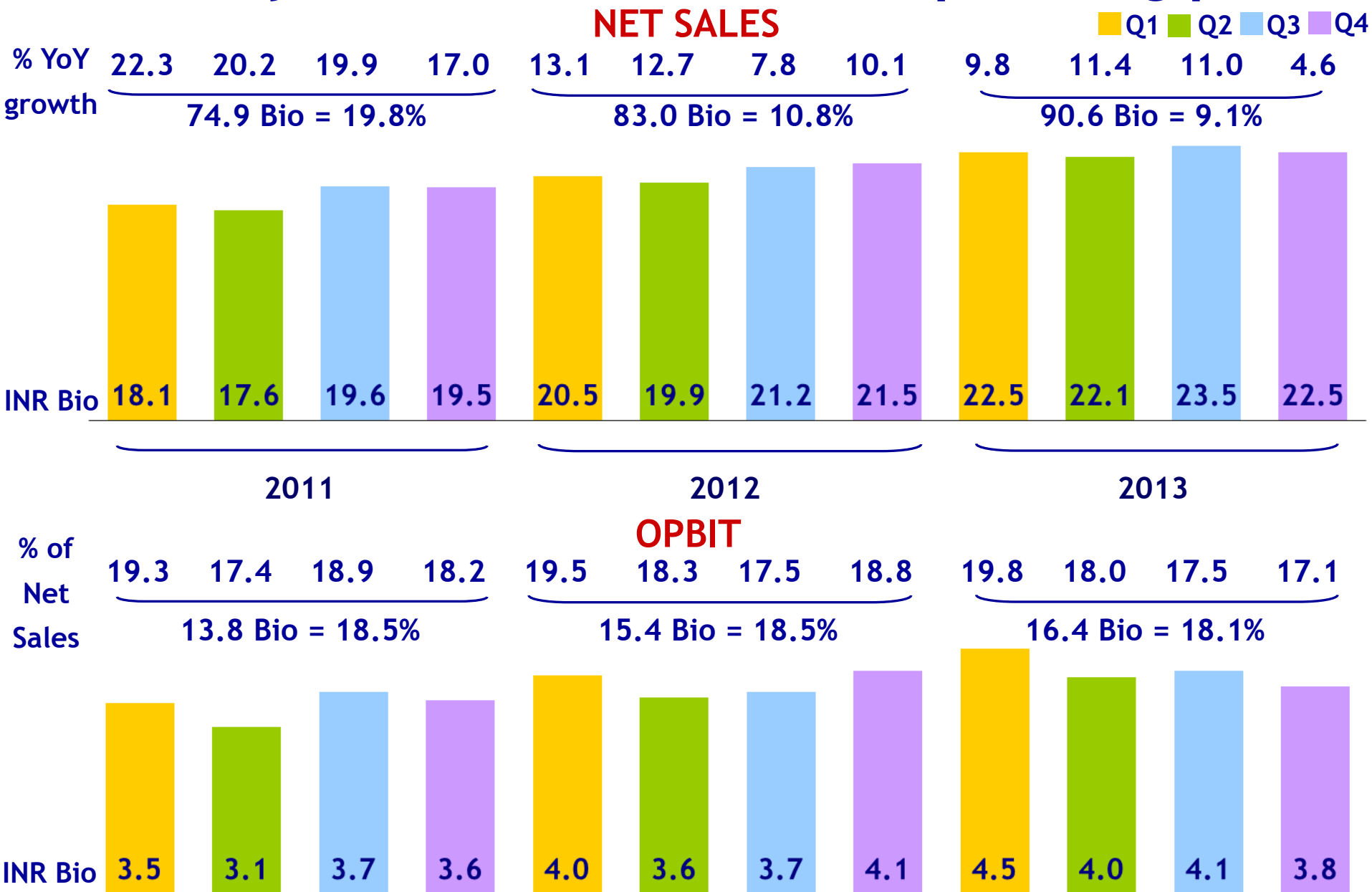
+ INR 1.0 Bio
- 45 bps

+ INR 0.5 Bio
- 55 bps

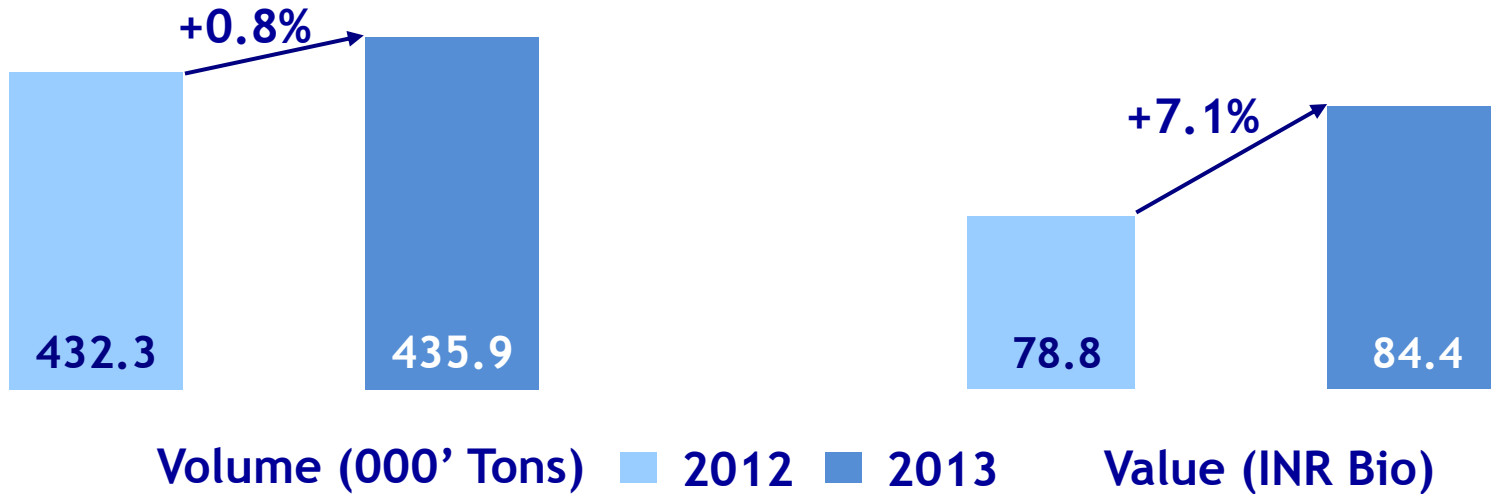
+ INR 5.1
+4.6%



Quarterly evolution of sales & operating profit



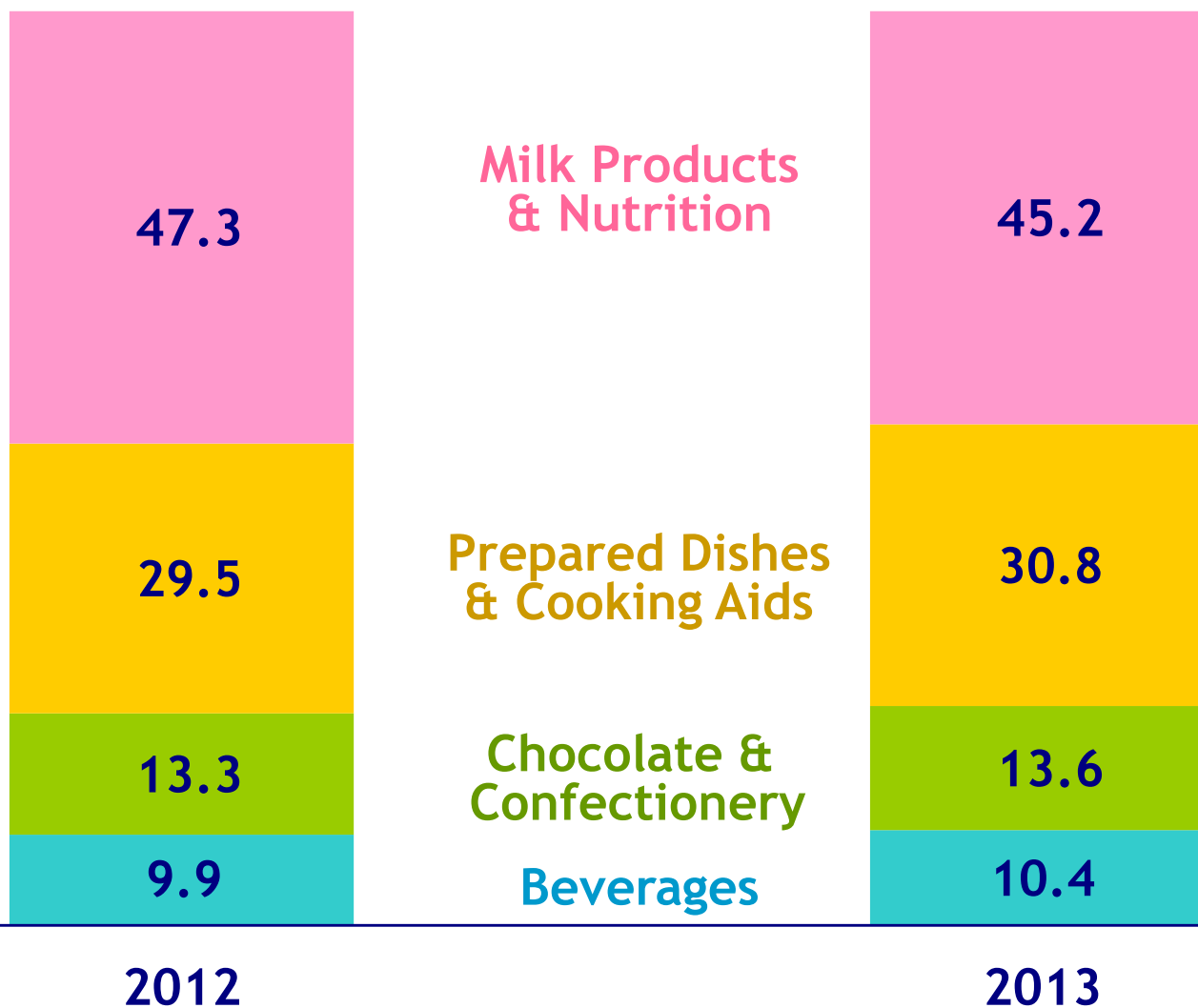
Full year Sales Growth: Domestic Sales



Exports (Affiliates + Third parties)



% Contribution to Domestic Sales



Milk Products & Nutrition



Innovation & Renovation



SUPER BABY CAMPAIGN to promote Breast Feeding

Superbaby.
When breastfed, it shows.

500,000 pledges
1,000,000 videos views on YouTube

THE TIMES OF INDIA
Superbaby. When breastfed, it shows.

Telangana stakes statehood demands in Assam, WB, UP
Govt may tap overseas bonds, NRIs to boost ₹

Publication: Deccan Chronicle
Breast feed is best for infants

Hangouts

Start Healthy Stay Healthy

329710

How far can you take your quest for healthy living? It's the best food for a baby. Let's have it like the Super Baby.

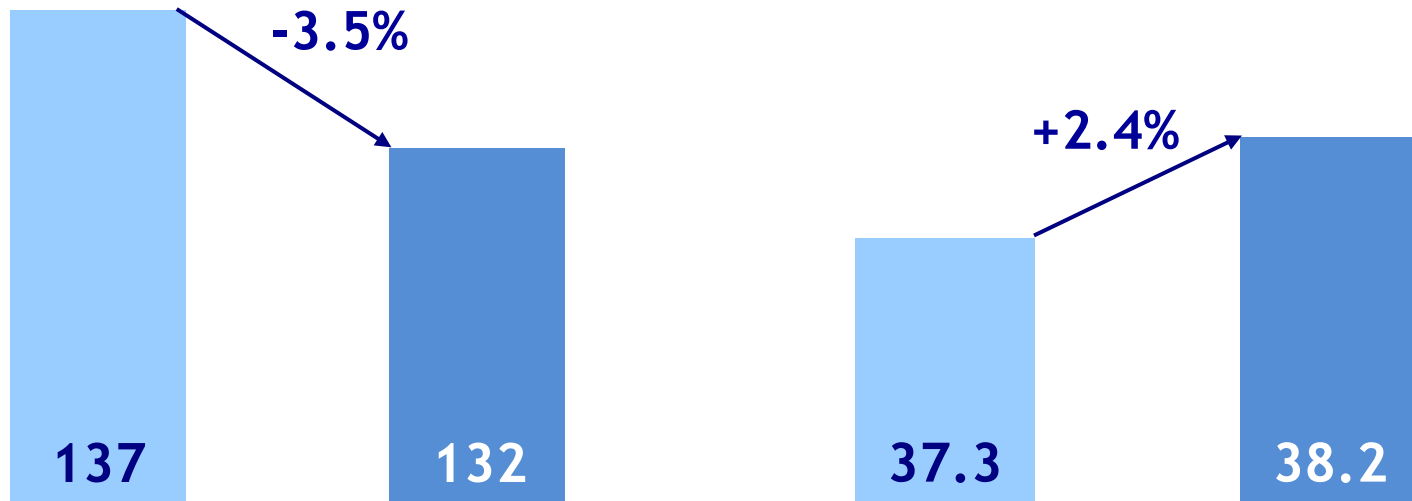
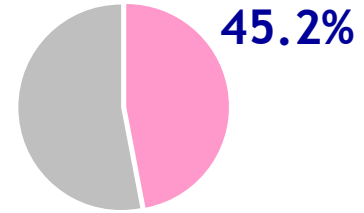
Super Baby

Meet with Farah Khan: Breast feeding and the working mother

Market Position (Value)

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

Milk Products & Nutrition - Domestic



Volume (000' Tons) ■ 2012 ■ 2013 Value (INR Bio)

Growth impacted by portfolio review & challenges in certain products.

Prepared Dishes & Cooking Aids



Innovation & Renovation



Maggi
Win
 exciting prizes every 2-Minutes^A
2-Minute mein KHUSHIYAN
 WIN every 2 minutes^A

Prizes include: smartphone, car, camera, washing machine, vacations, and air conditioner.

Maggi products shown at the bottom: Vegetable Atta Noodles, Xtra-delicious Chicken, 2-minute noodles, Magical Masala, and Hungroo.

Maggi Taste Bhi Health Bhi[®]

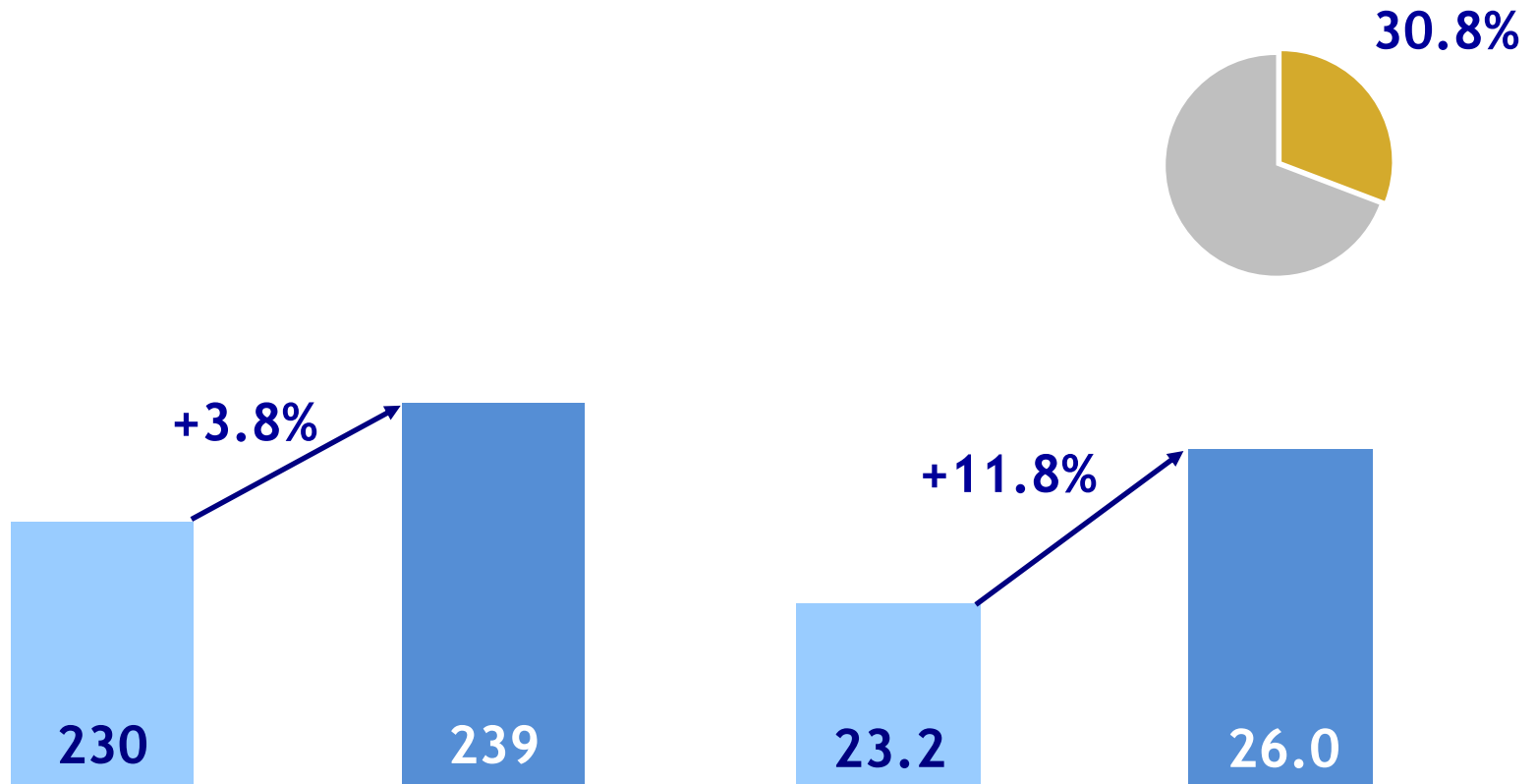
Prizes & conditions: The winner will be selected by the name to draw the prize. *Prize valid till 31st Jul, 2014. For guidelines and conditions, register with us on Maggi's page on www.maggi.com. For 100% Veg. Maggi, visit www.maggi.com. Maggi, Masala Magic, Pickkoo, Xtra-delicious, Hungroo, and 2-Minute are registered trademarks of Nestlé India Limited. © 2014 Nestlé India Limited.

Nestlé
 Good Food. Good Life.[®]

Market Position (Value)

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

Prepared Dishes & Cooking Aids - Domestic



Volume (000' Tons) ■ 2012 ■ 2013 Value (INR Bio)

Increasing the value up part of portfolio.

Chocolate & Confectionery

Innovation & Renovation



Click on the link below to view it.



Crunчиest Ever. Tastiest ever



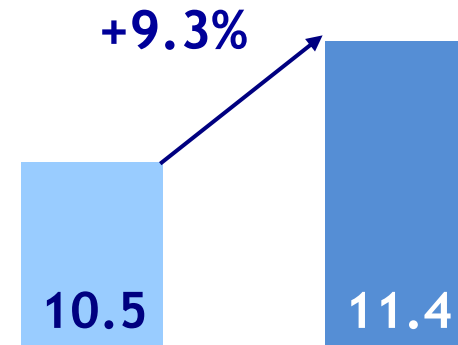
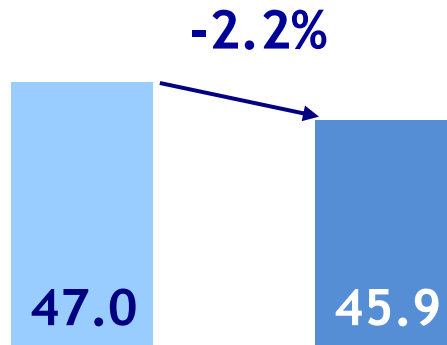
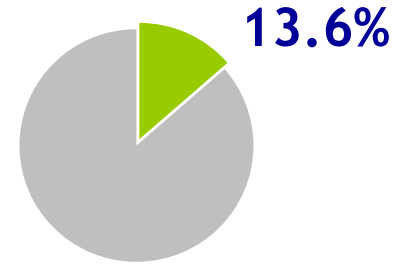
Good Food, Good Life™

The mailer is strictly for Nestlé employees and internal use only.

Market Position (Value)

- No. 1 in Wafers and Whites

Chocolate & Confectionery - Domestic



Volume (000' Tons) ■ 2012 ■ 2013 Value (INR Bio)

Growth impacted by portfolio review & challenges in certain products.

Beverages



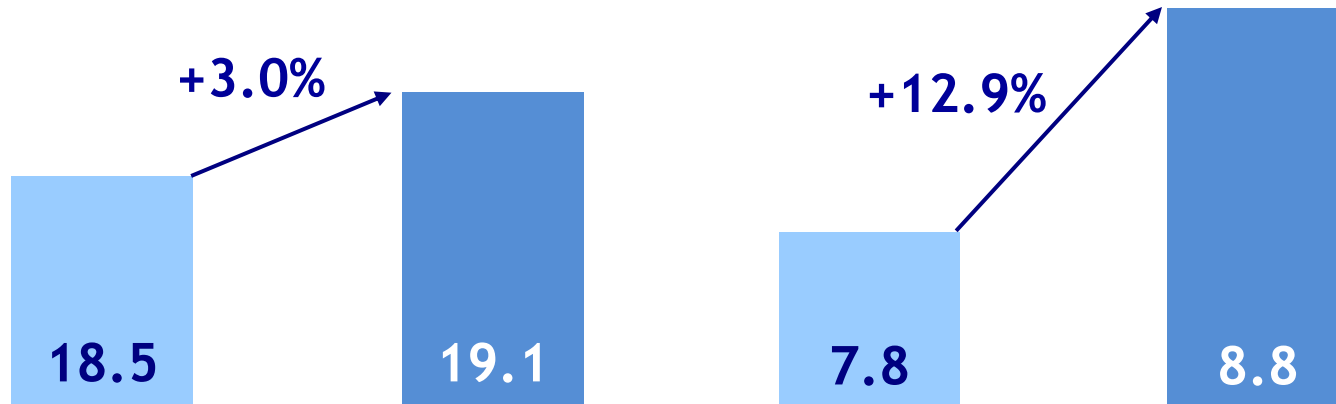
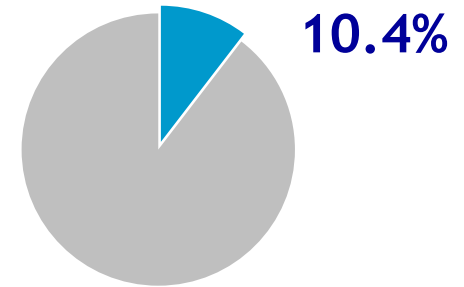
Innovation & Renovation



Market Position (Value)

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

Beverages - Domestic

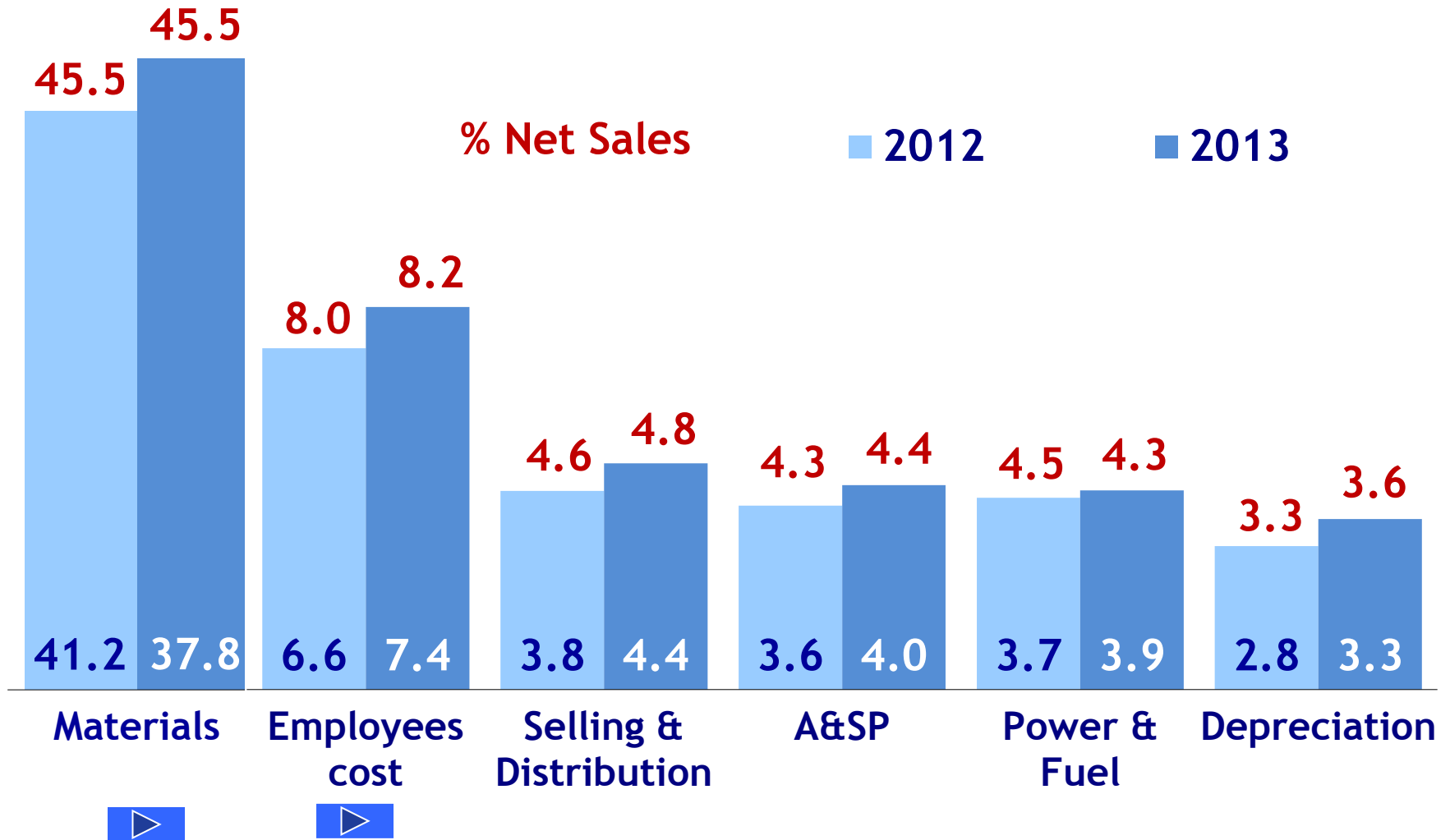


Volume (000' Tons) 2012 2013 Value (INR Bio)

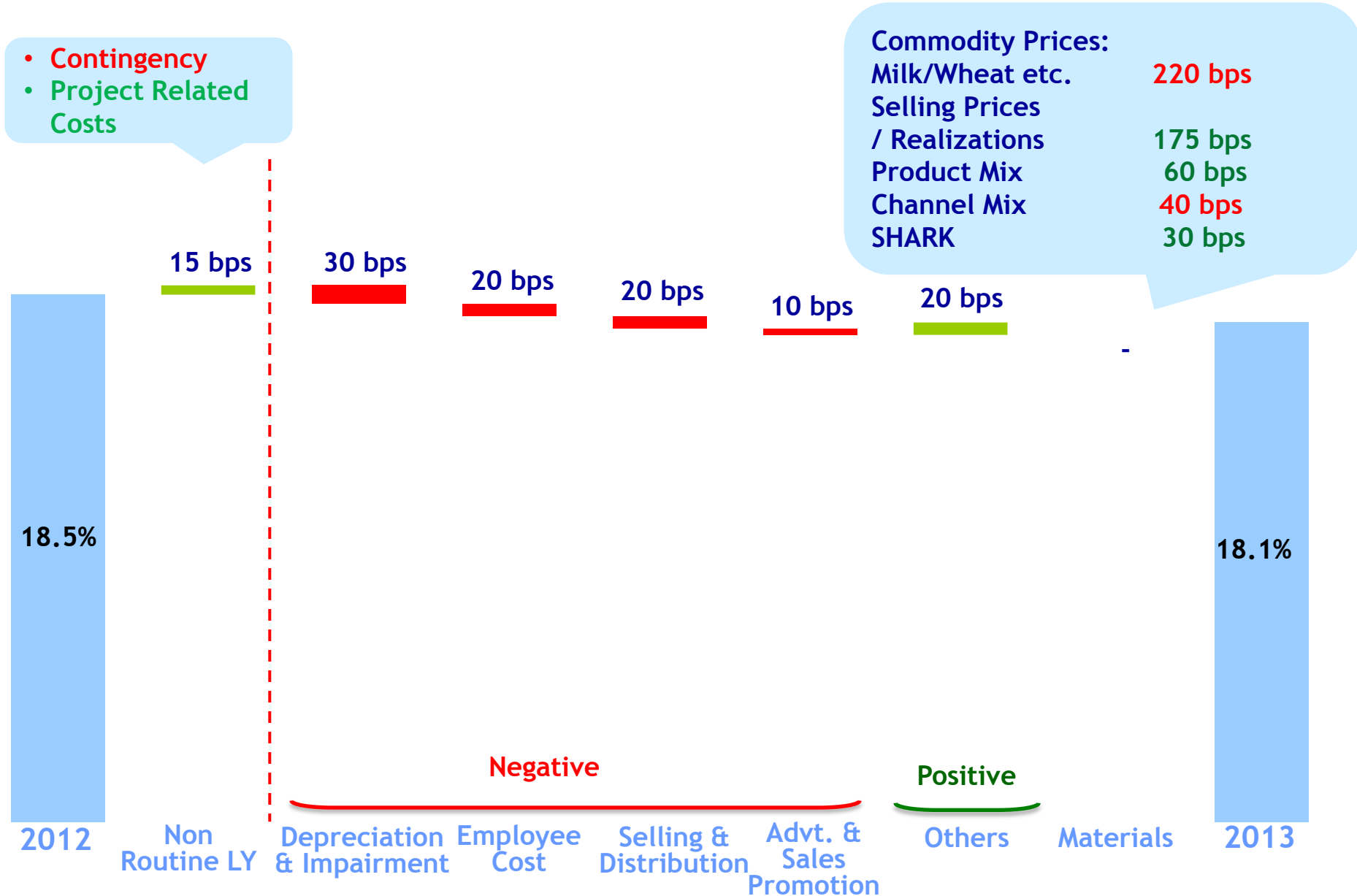
Growth impacted by portfolio review.

Increasing the value up part of portfolio.

Key Cost Elements



Profit from Operations



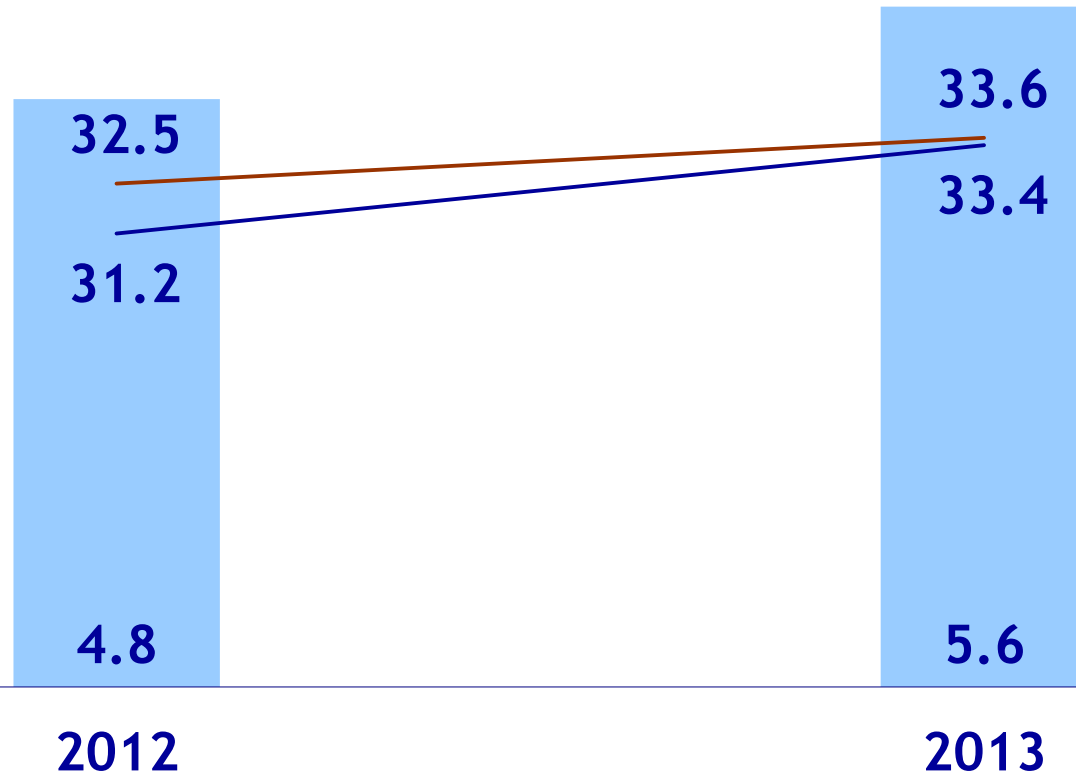
% are with reference to Net sales

Income Tax

Increase in effective tax rate:

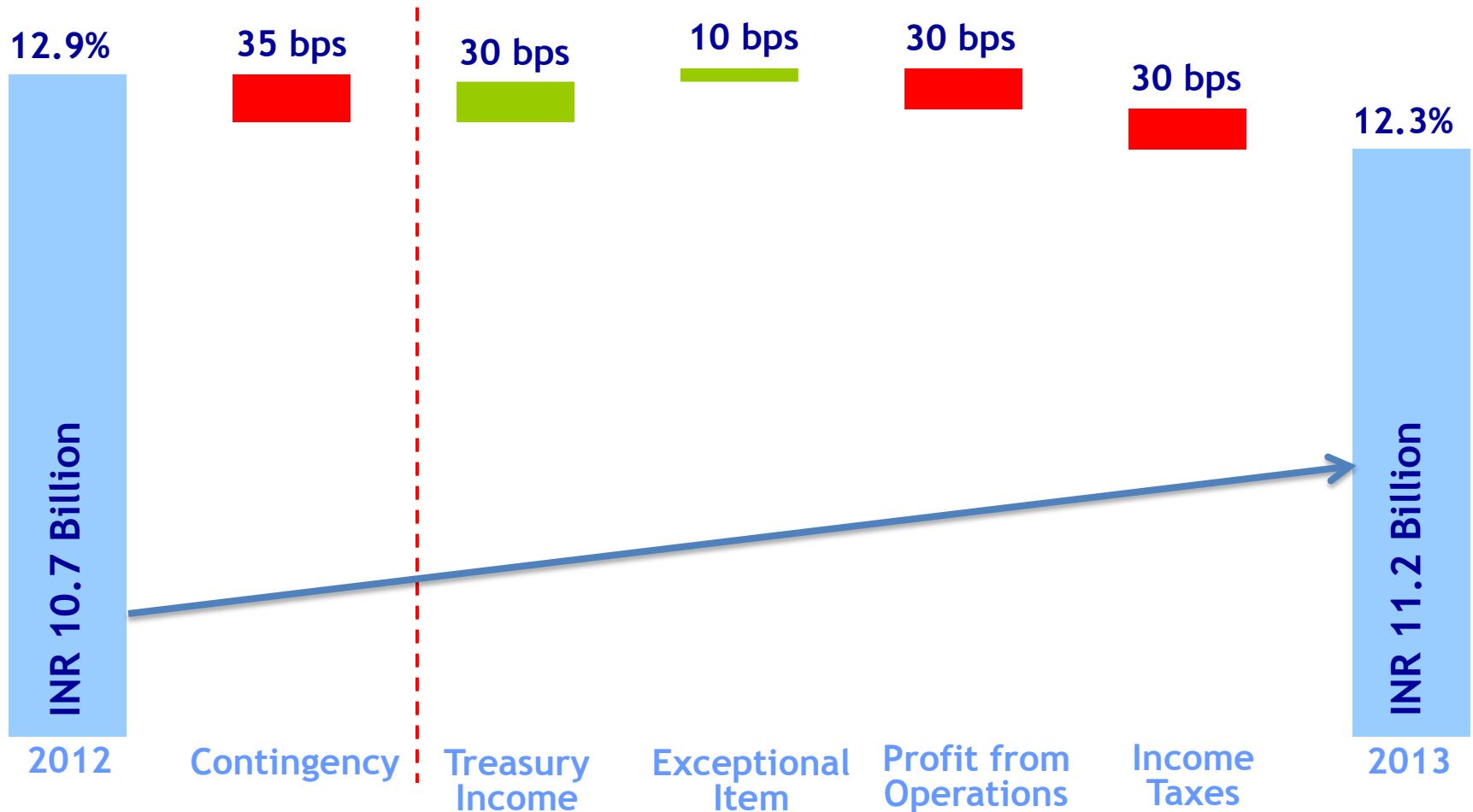
Surcharge up from 5 to 10%:

- Current Tax : 110 bps
- Deferred Tax revaluation : 50 bps
- One offs in 2012 & timing difference : 60 bps



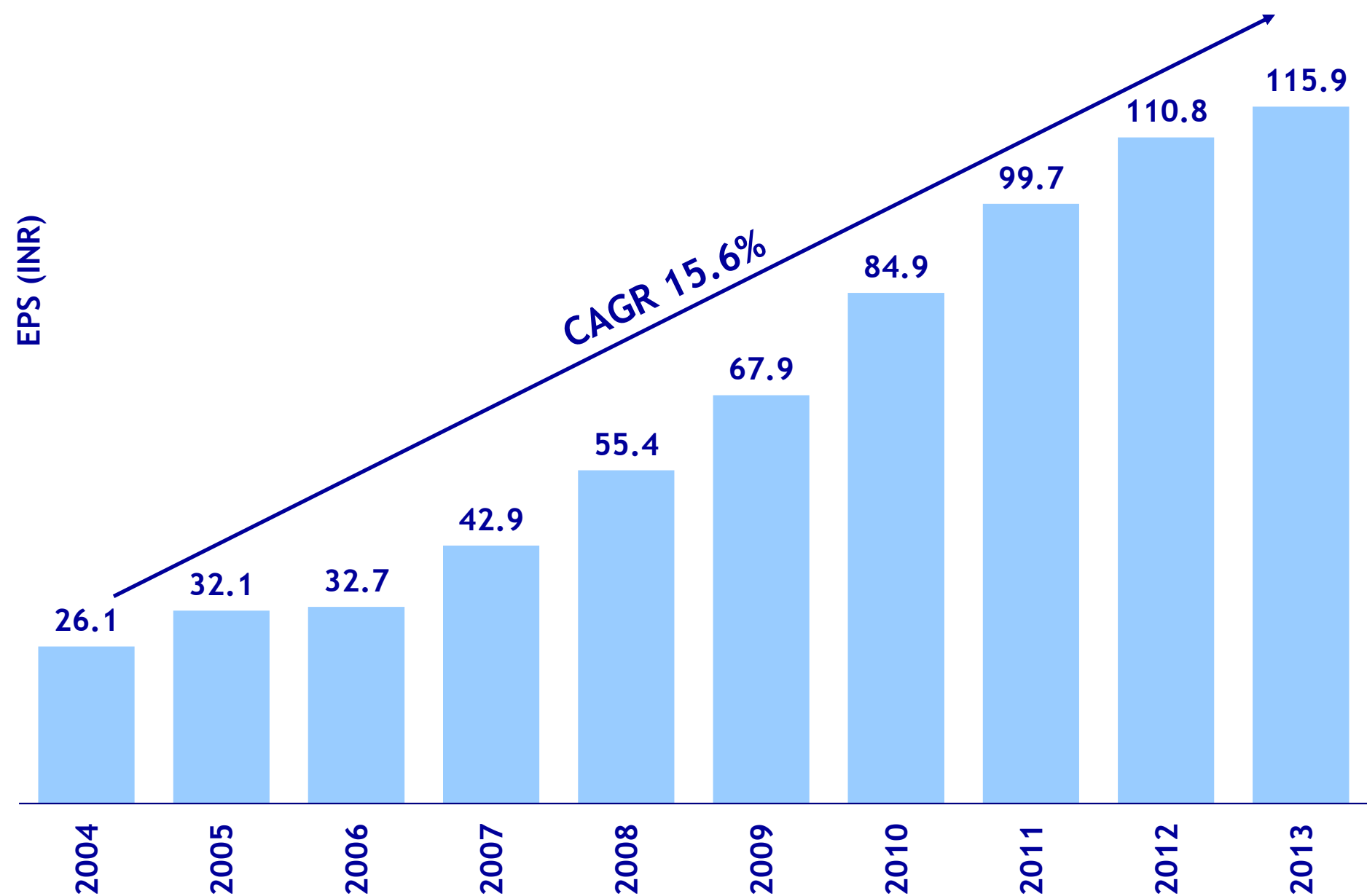
■ Tax Expense (INR Bio) — Marginal Tax Rate (%) — Effective Tax Rate (%)

Key factors impacting Profit after tax

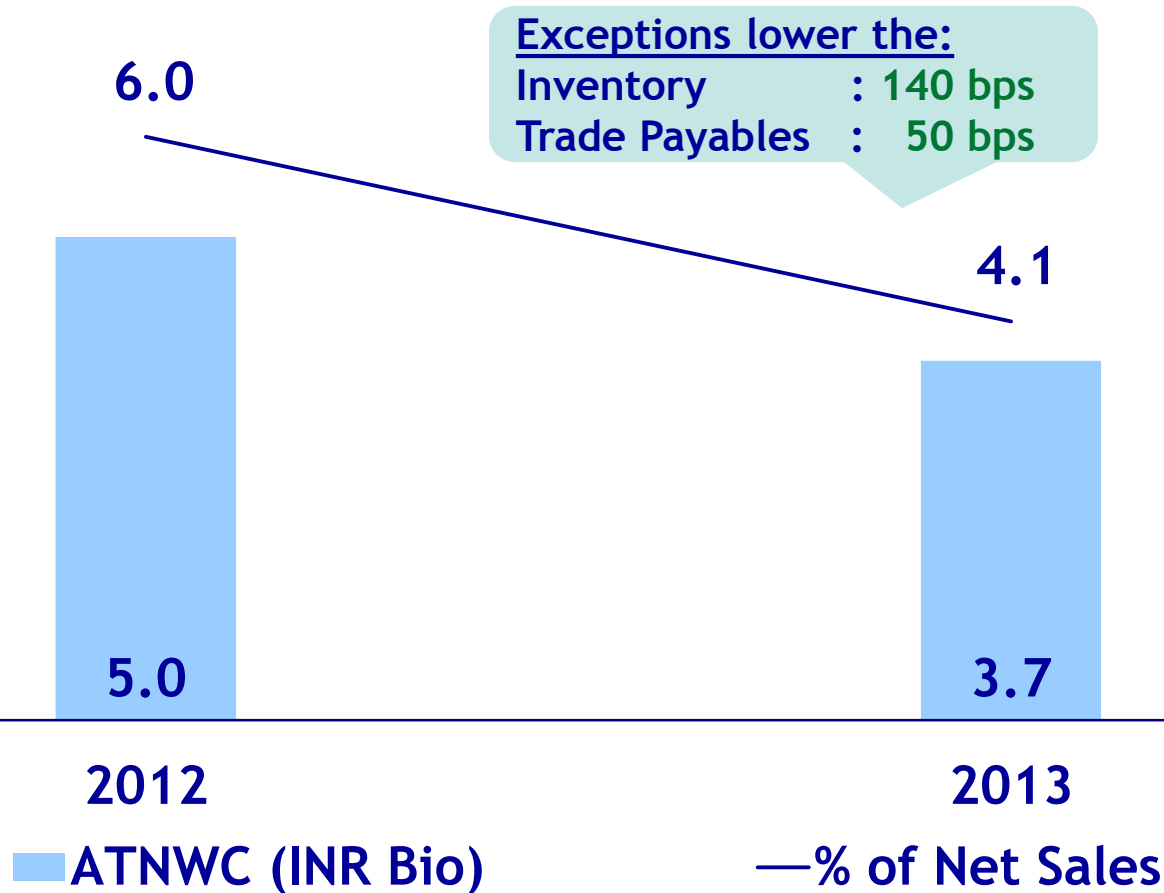


% is in reference to sales

Evolution of basic earnings per share



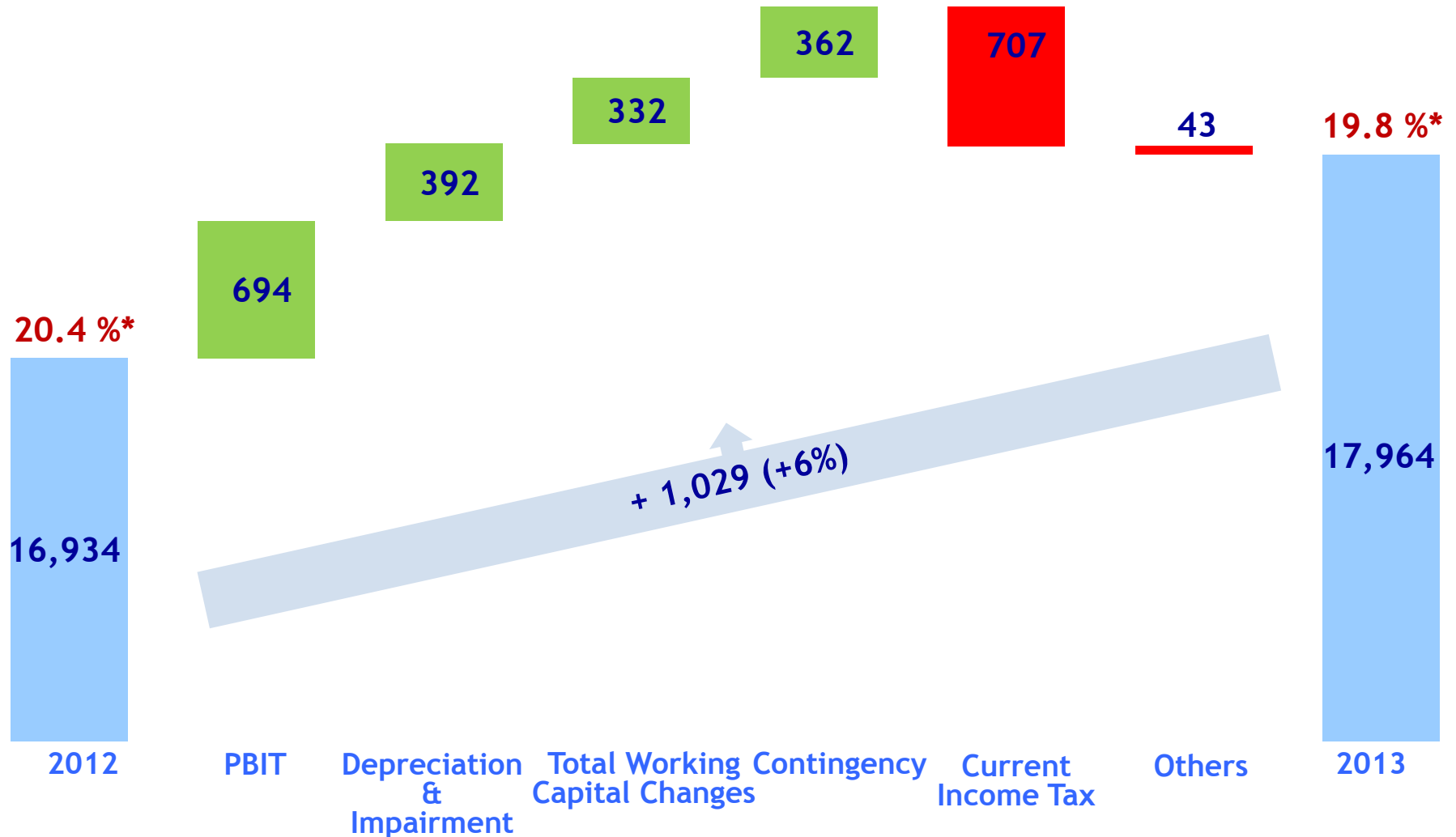
Average Trade Net Working Capital (ATNWC)



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

Operating Cash Flow

INR (Mio)



** % of Net Sales*

Sources and Utilisation of Cash

INR Bio

*Operating
Cash Flow*

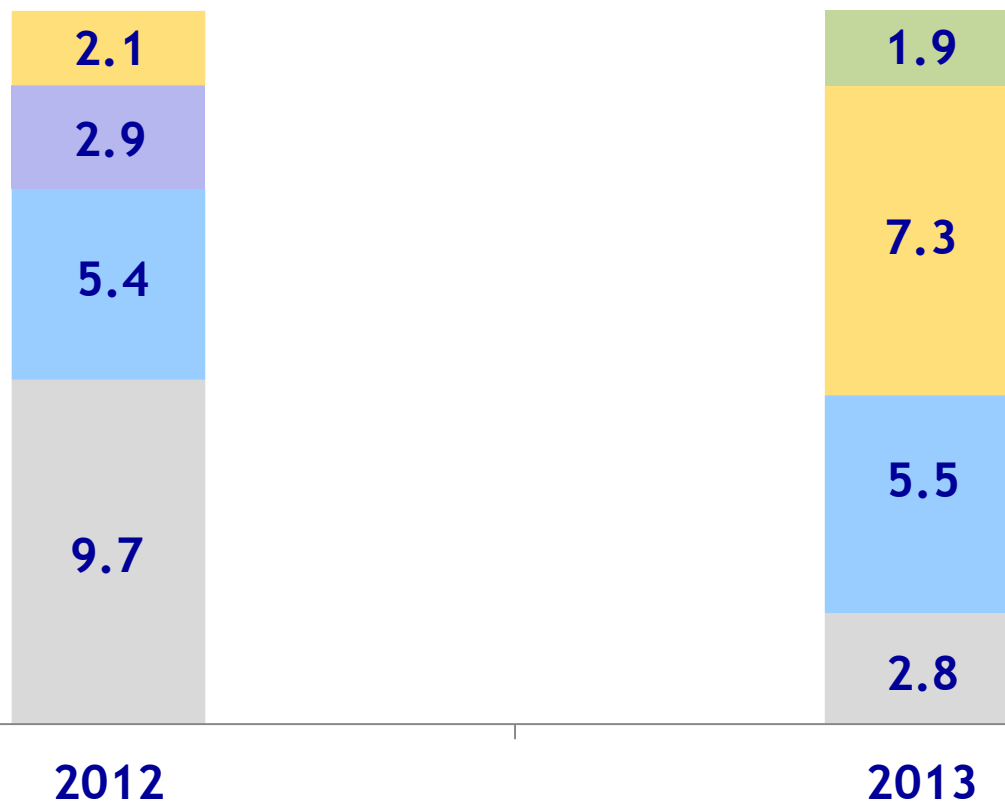
16.9

18.0

Net Borrowings

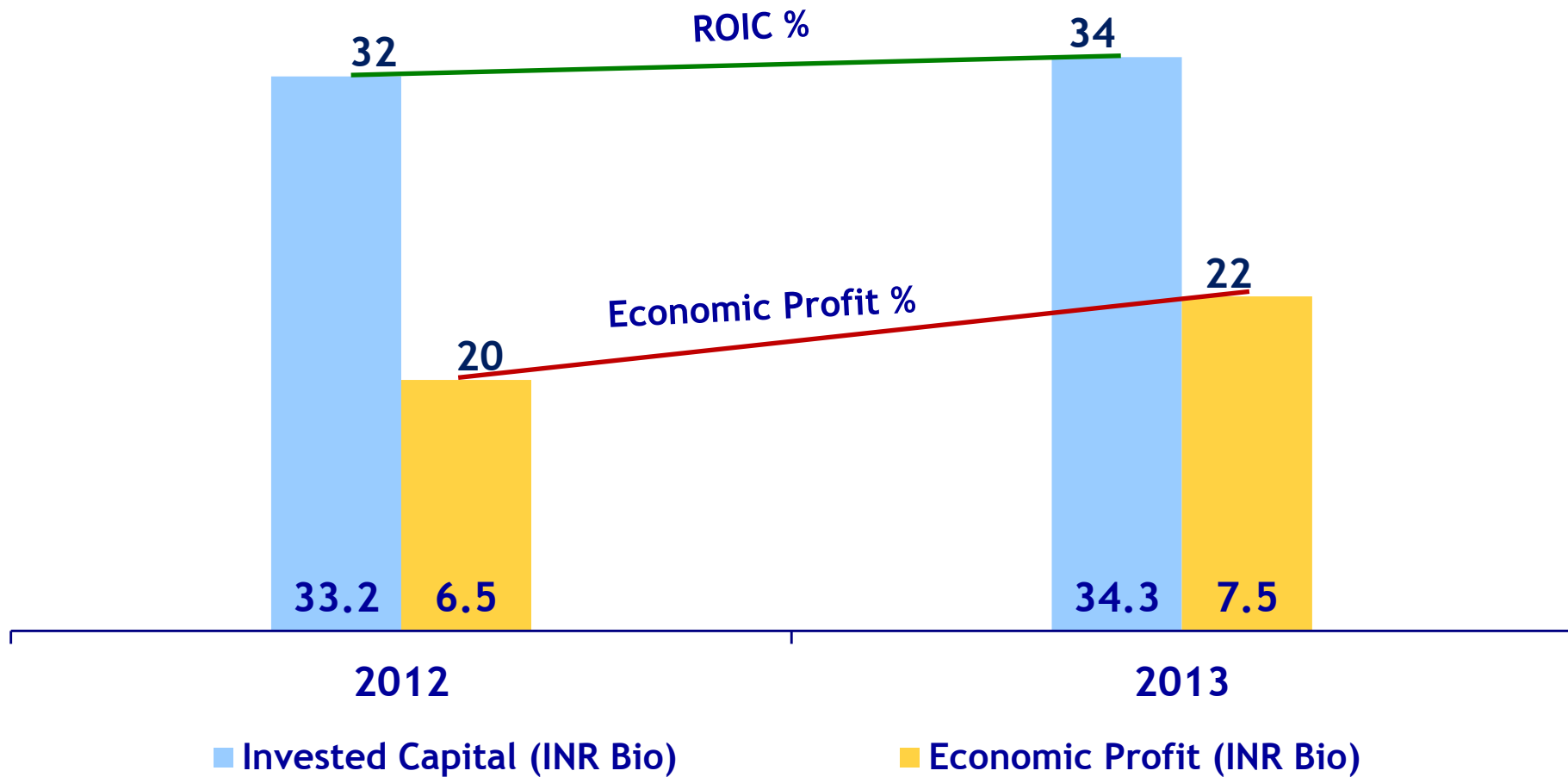
3.2

Nil



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

Capital Efficiency and Value Creation



ACC %	12.7	11.8
Risk Free rate %	8.3	8.2
Group risk Premium %	3.5	3.5

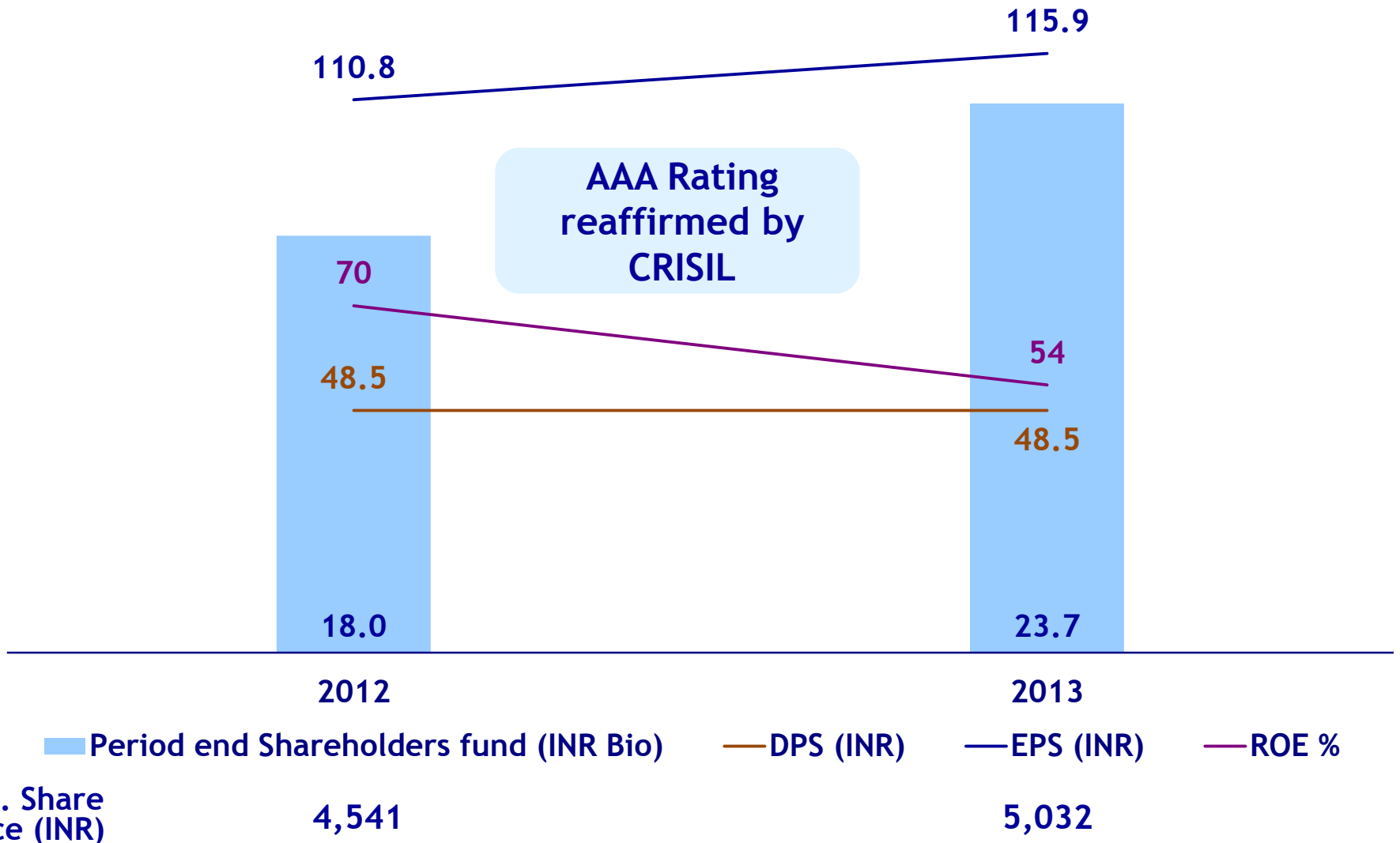
Invested capital : basis average of 5 quarter end (Nestlé Internal Reporting Standards)

Return on Equity

Debt : Equity

37 : 63

33 : 67

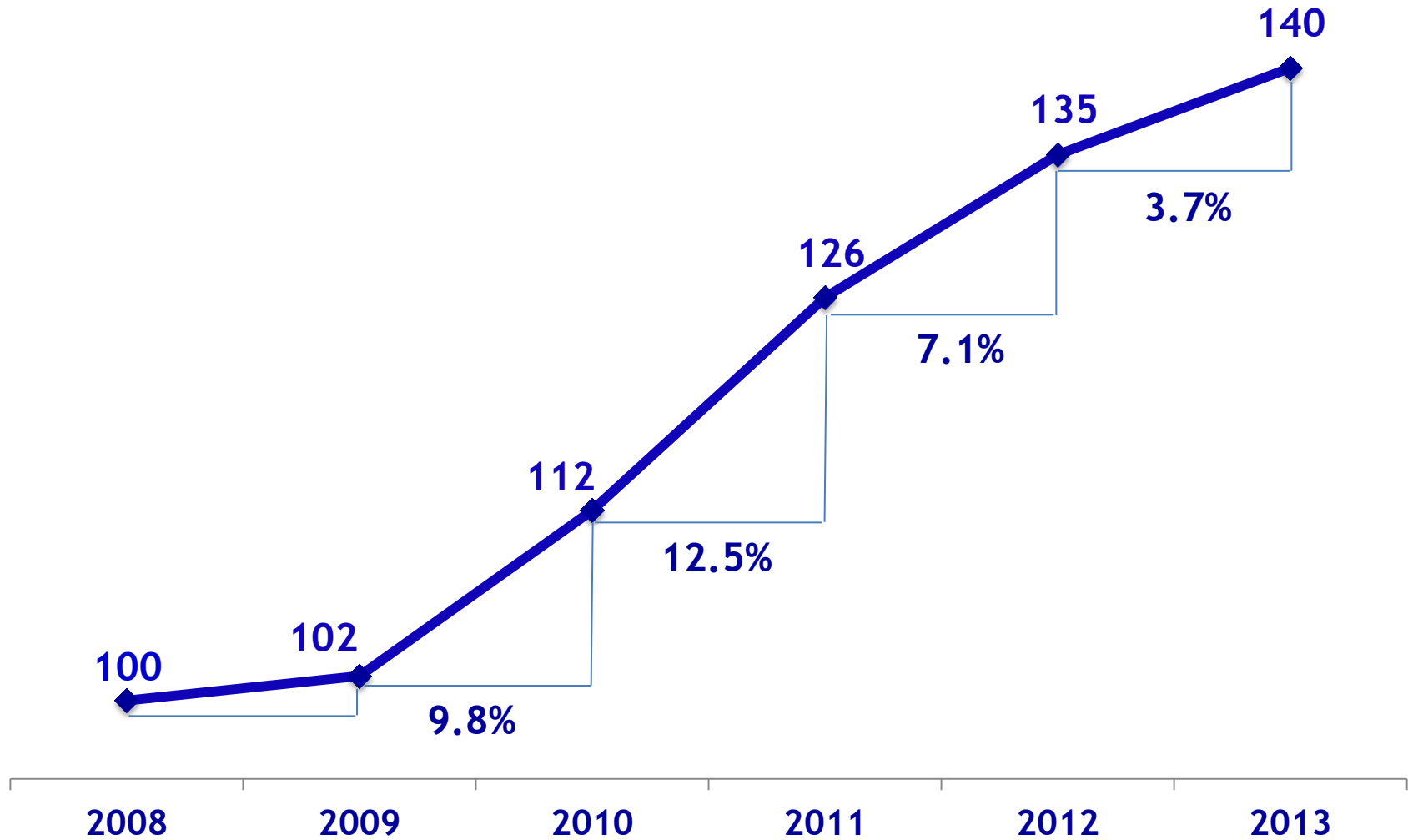


Excerpts from Nov'10 Analysts' Meet

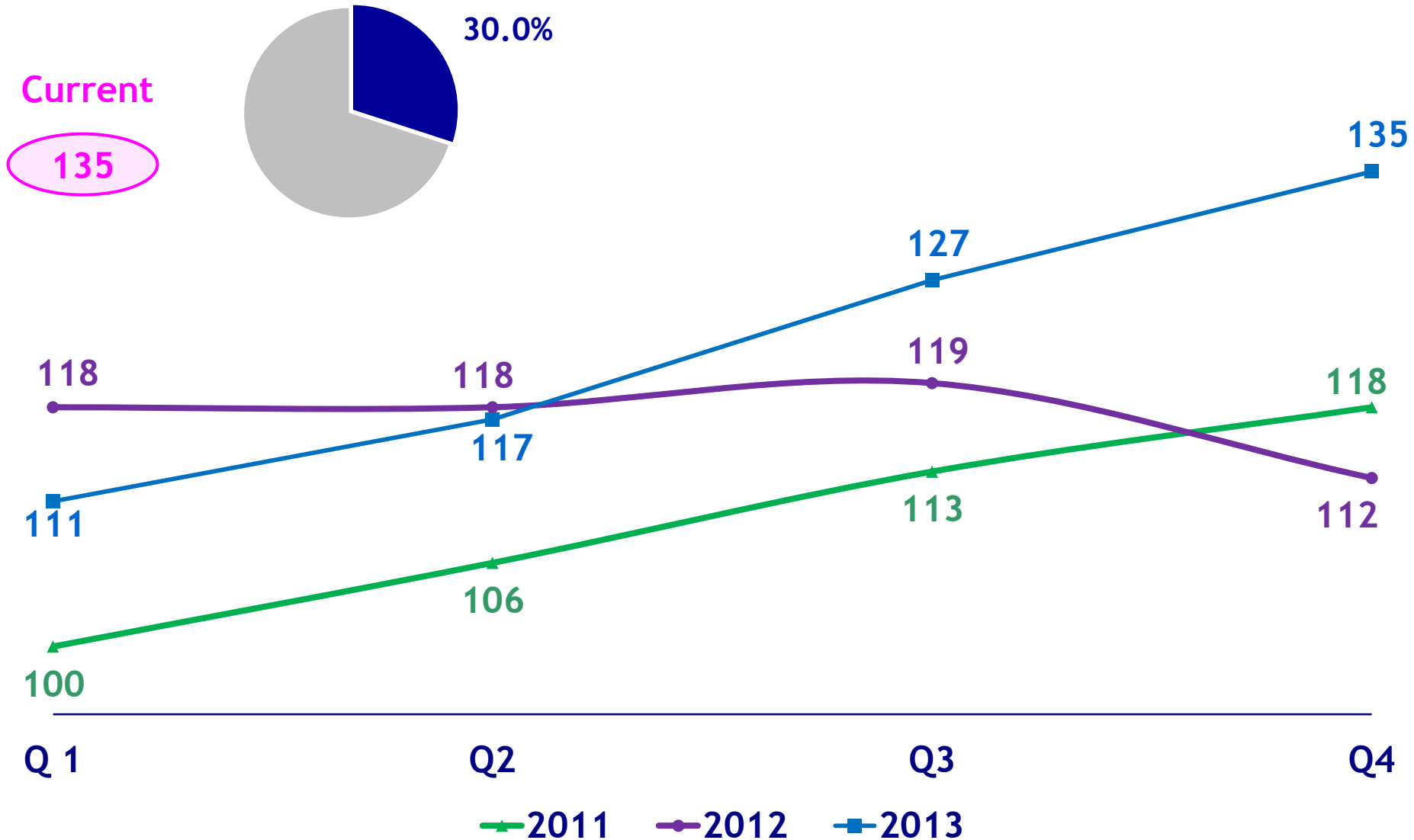
- Nestlé has generated strong cash flows.
- Annualized return to the shareholders has been over 35%.
- Current capacity utilizations are at all time high
- India growth story is compelling
- CAPEX is being stepped up across most locations & products
- Financing is foreseen through a judicious mix of 'Internal Accruals' and 'Debt'
- Following elements will be key to the financing strategy:
 - Dividend Payout
 - Debt :Equity
 - Local and foreign currency debt.
 - Credit Ratings : Nestlé India (**locally AAA**); Nestlé SA (**AA**)

Linked Slides

Nestlé India's Commodity Basket



Milks: 7% Increase over 2012

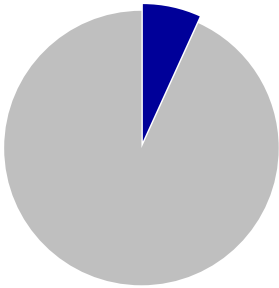


Indexed with base Q1-11

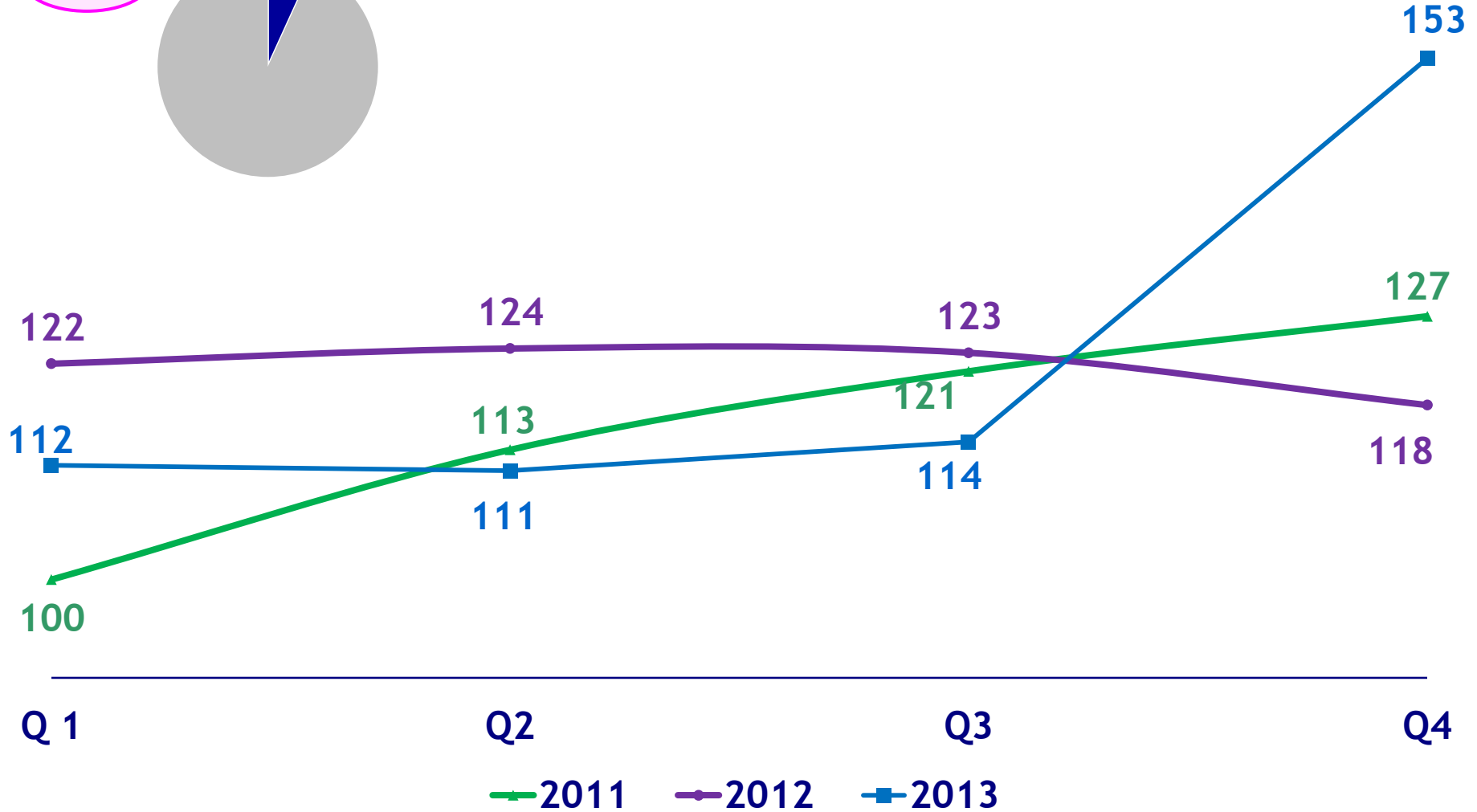
MSK: 28% Increase over 2012

Current

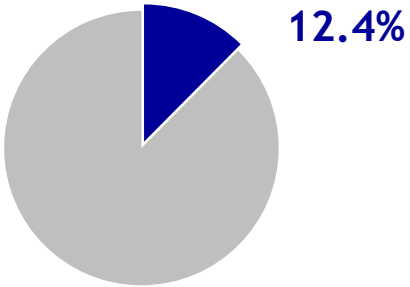
195



6.8%

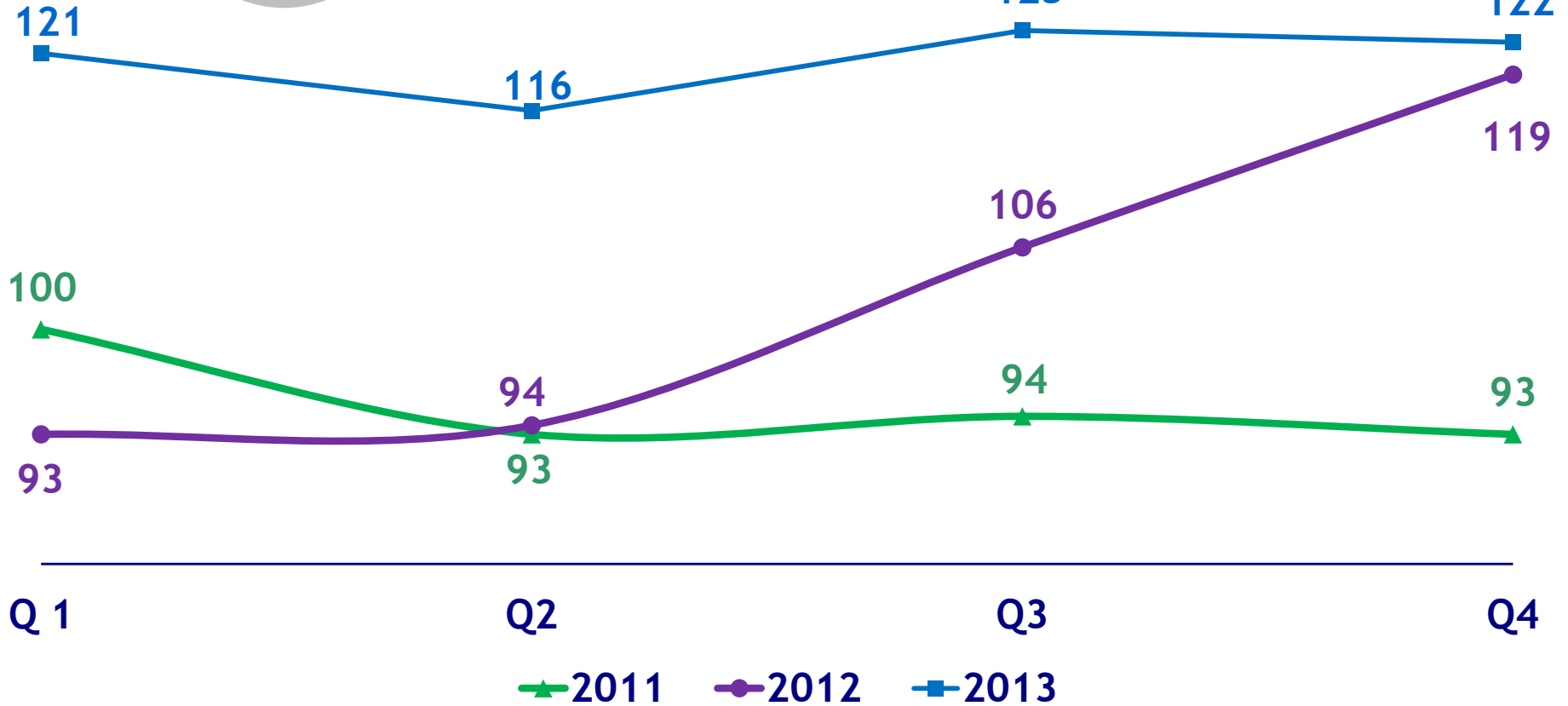


Wheat Flour: 17 % Increase over 2012



Current

123

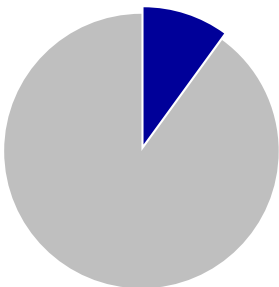


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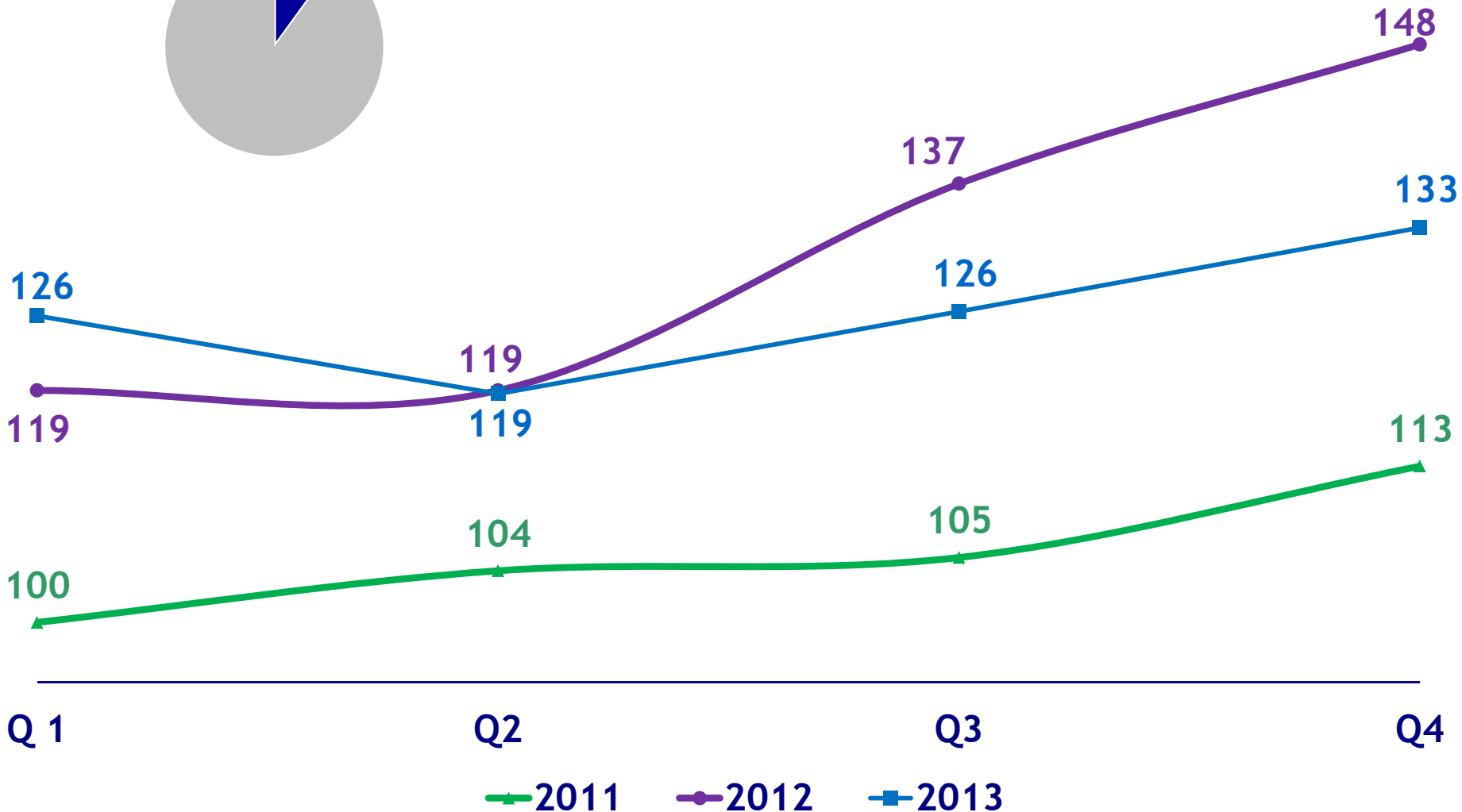
Green Coffee: 5% decrease over 2012

Current

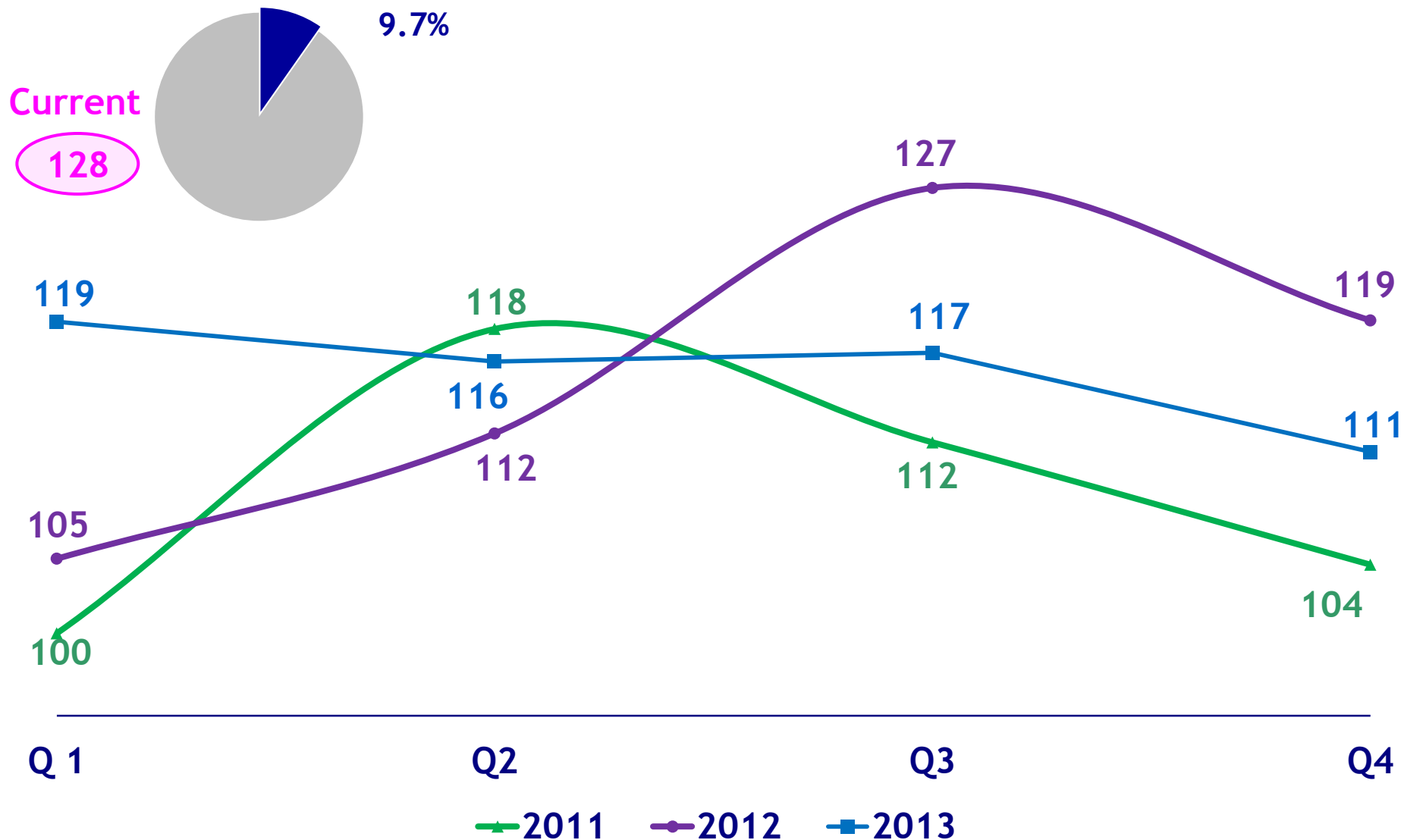
158



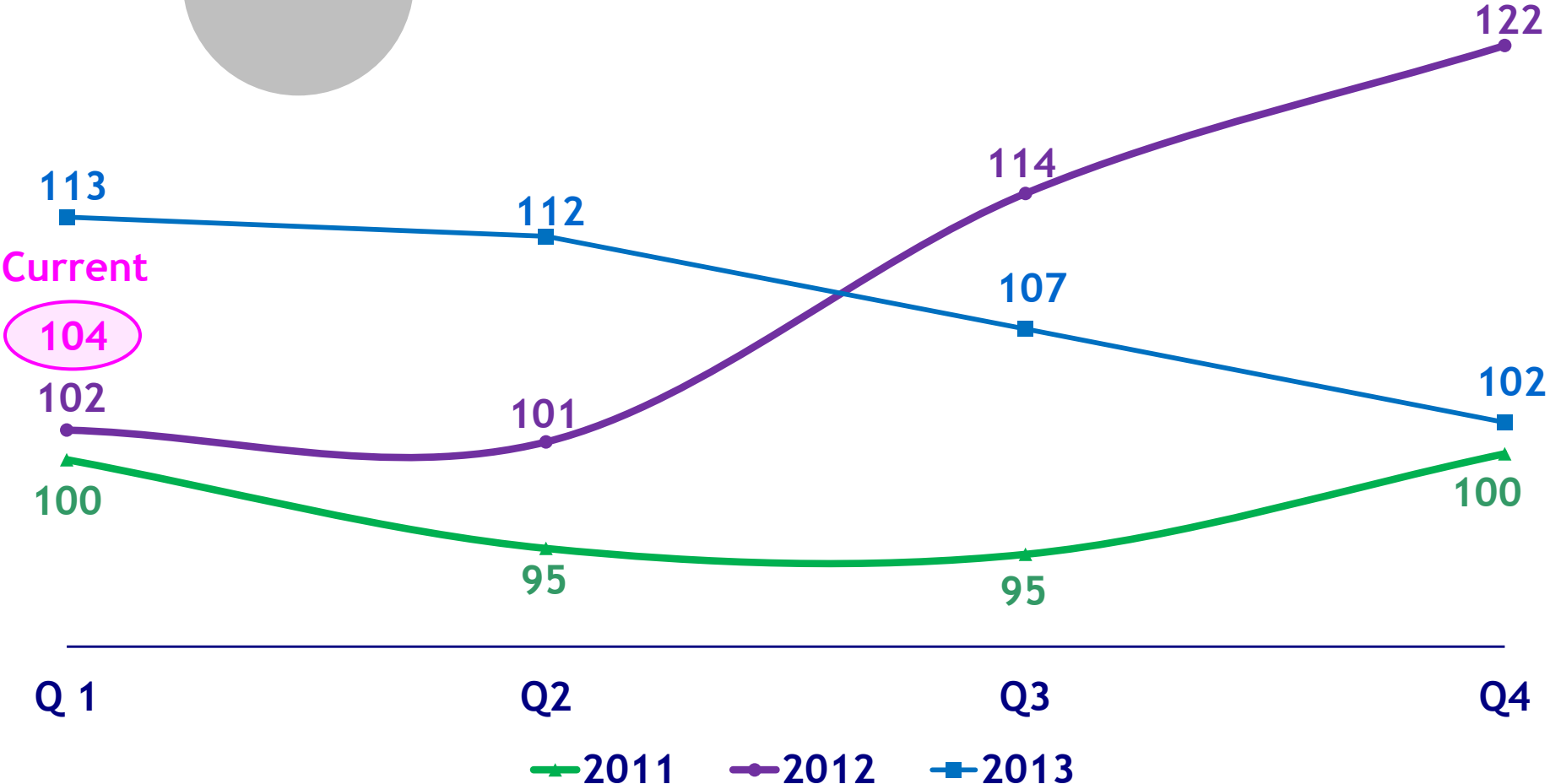
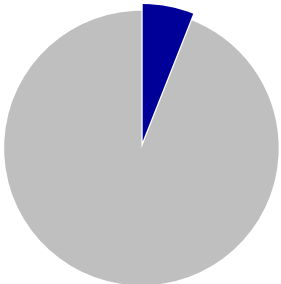
11.0%



Palm Oil: Neutral over 2012



Sugar: 1% Decrease Over 2012

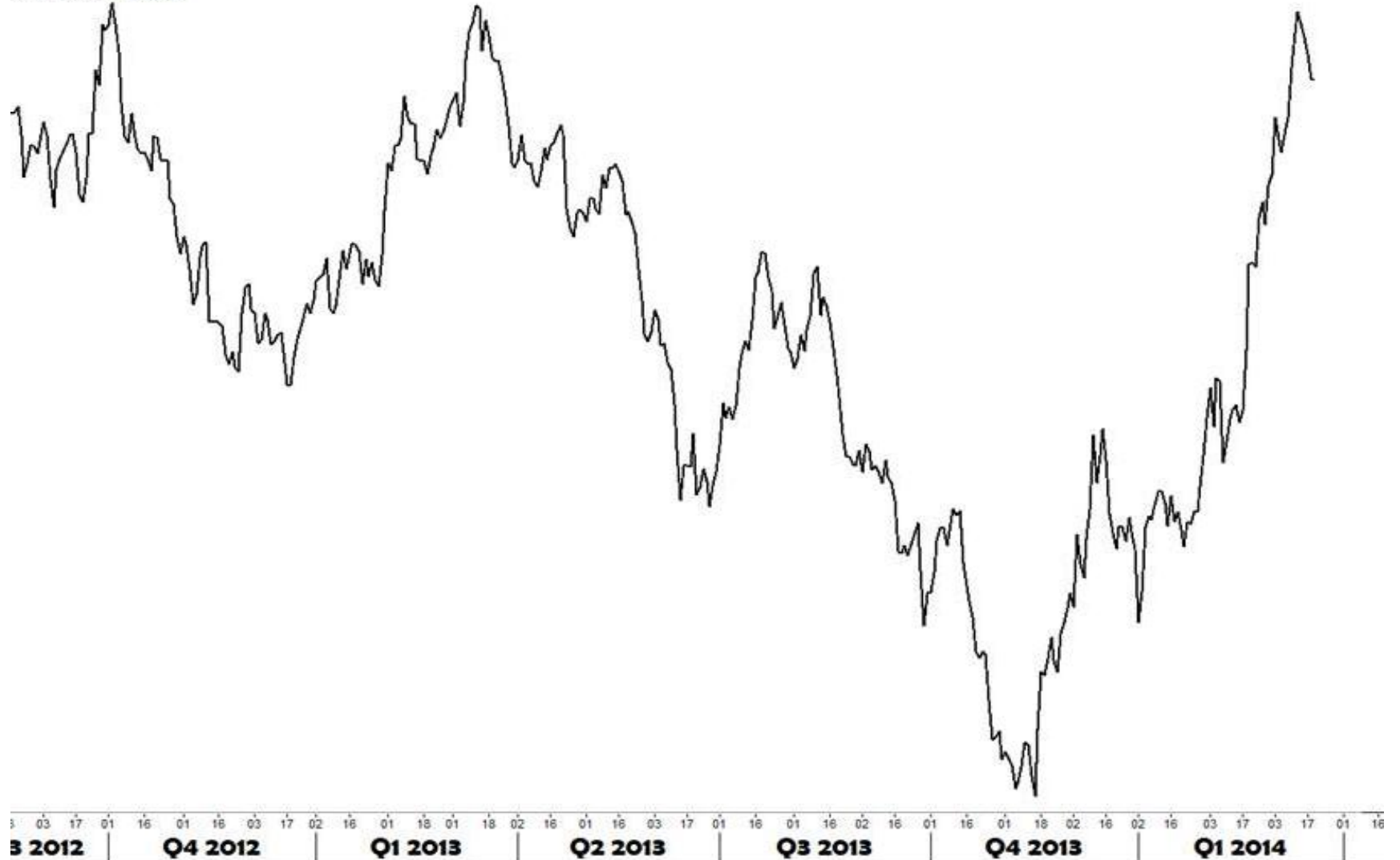


Indexed with base Q1-11



/LRCc2

Line, /LRCc2, Trade Price(Last)
19-Mar-14, 2,136, +1, (+0.05%)



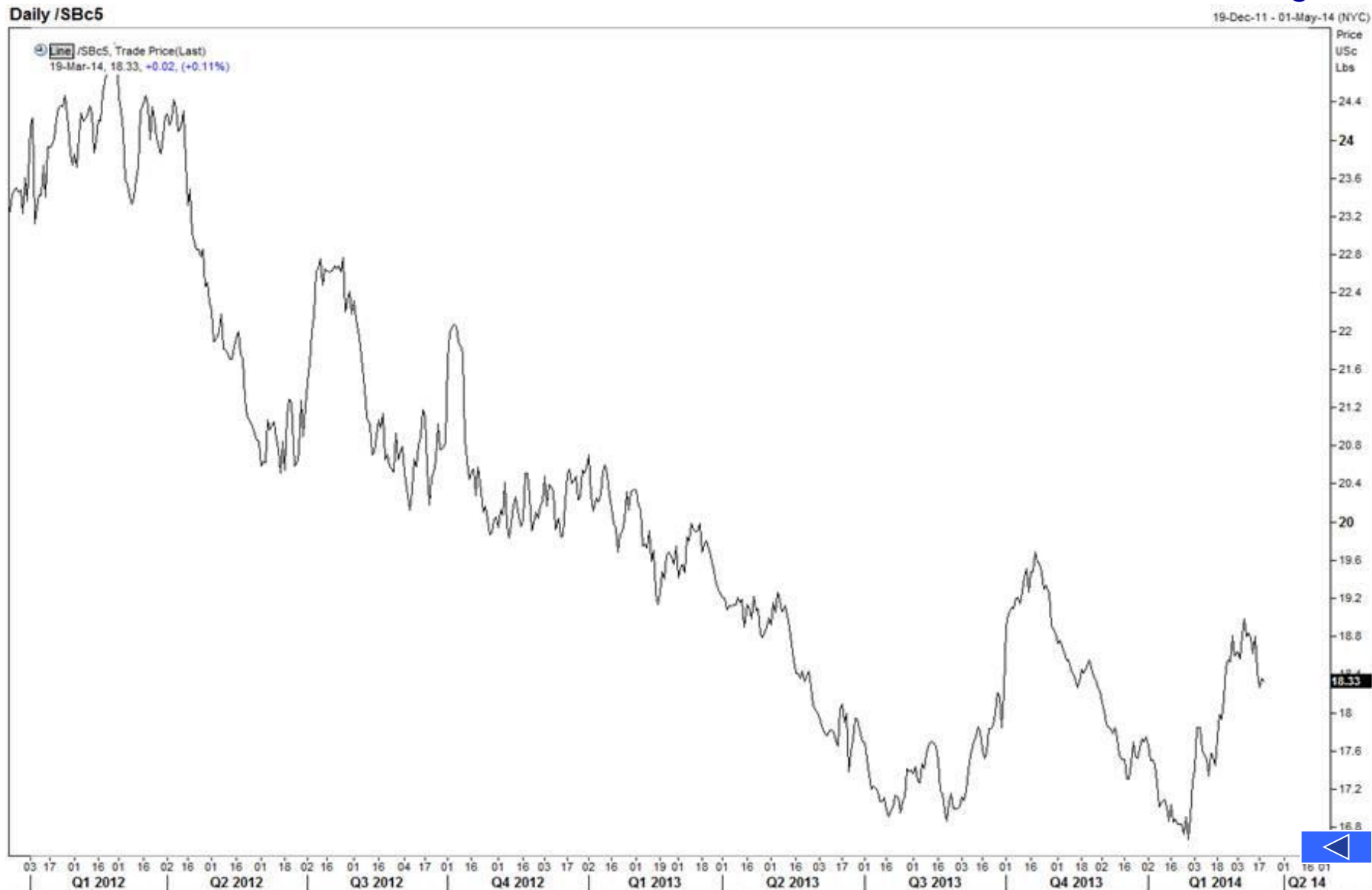
Arabica

New York Exchange



Sugar

New York Exchange



Palm Oil

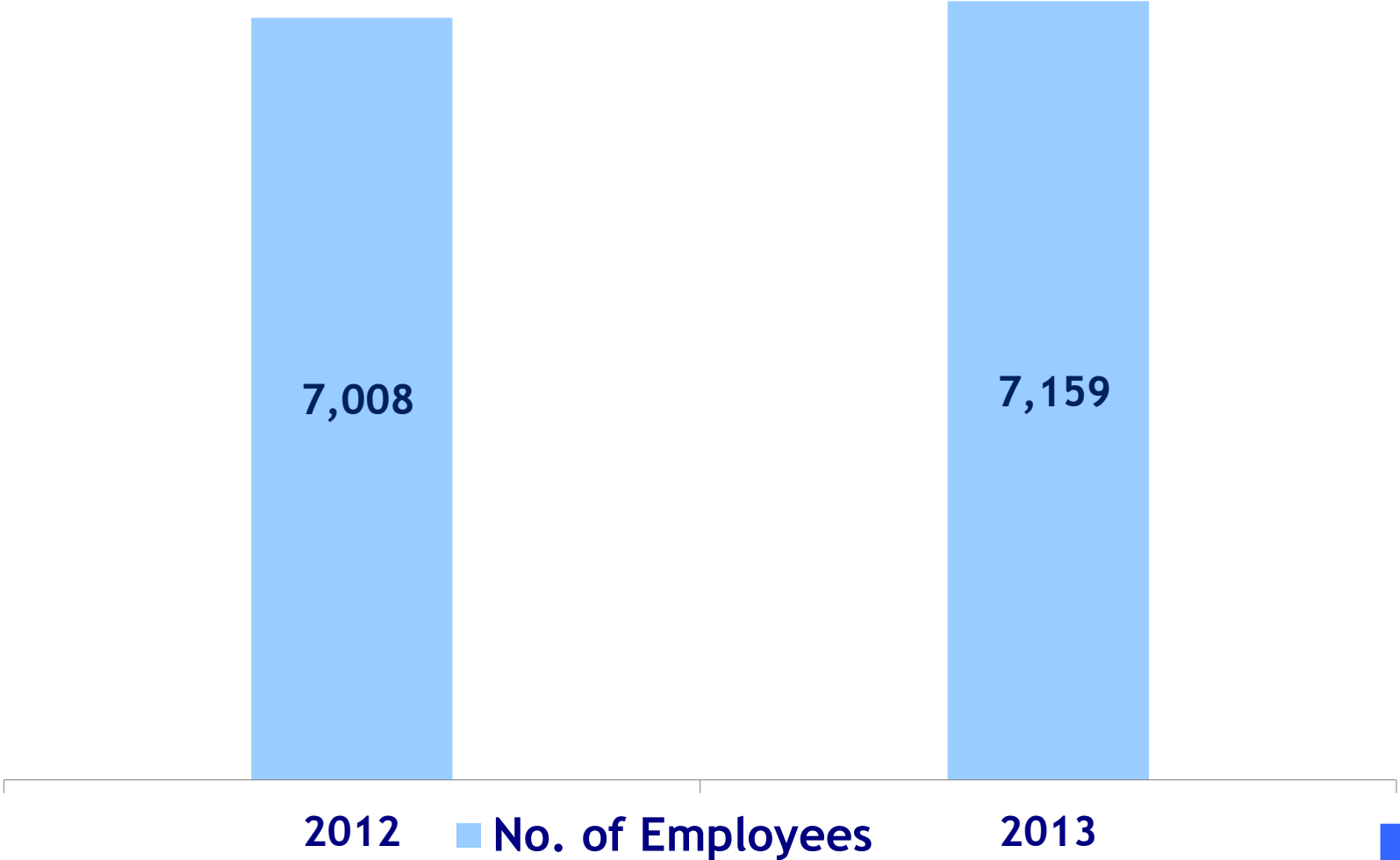
Malaysia Exchange



Brent



Employee Base



Thank You