Nestlé three-month sales: 3.9% organic growth, 3.0% real internal growth, full-year outlook confirmed

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- Sales of CHF 20.9 billion, foreign exchange impact of -2.8%

- 3.9% organic growth, 3.0% real internal growth, 0.9% pricing

- Organic growth was 2.5% in developed markets, 5.6% in emerging markets

- Full-year outlook confirmed: organic growth in line with 2015, with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency

Paul Bulcke, Nestlé CEO:

> As anticipated, the first quarter continued the positive momentum in real internal growth, with softer pricing. We gained market share in the majority of our categories and businesses. The strongest performances were in Europe, in South East Asia and in Africa as well as for Nescafé, Nespresso and petcare. Our US frozen food business is progressing well. The trends seen over the last few quarters show the relevance of our investments and allow us to confirm our outlook for the year.

- Sales of CHF 20.9 billion, with a foreign exchange impact of -2.8%. The net result of acquisitions and divestitures reduced sales growth by 1.0%.

- Organic growth was 3.9%, composed of 3.0% real internal growth and 0.9% pricing. It was broad-based across geographies and

categories.

- 5.5% in the Americas (AMS)

- 3.0% in Europe, Middle East and North Africa (EMENA)

- 2.3% in Asia, Oceania and sub-Saharan Africa (AOA)

- Real internal growth continued its positive momentum.

- There was continued strength in developed markets with organic growth of 2.5% (real internal growth of 2.9%) and in emerging markets with 5.6% (real internal growth of 3.2%).

- Pricing, as anticipated, was low as a result of deflation in the developed markets and soft commodity prices.

Sales of CHF 5.8 billion, 5.0% organic growth, 2.7% real internal growth

- The year started with an acceleration of real internal growth in North America, resilience in volatile Latin America and market share gains across the Zone.

- The frozen food business delivered solid growth in North America. Innovation and a successful new communication campaign drove sales for Lean Cuisine and Stouffer’s. There were solid performances for ice cream and Coffee-mate. Petcare made a positive contribution with Purina One and Pro Plan.

- Latin America was a mixed picture. There was broad-based double-digit growth in Mexico and strong contributions from Chile, Colombia and from the Plata region. Both Nescafé Dolce Gusto and petcare continued their strong growth momentum. Brazil was resilient in the face of the worsening macro-economic situation.

Sales of CHF 4.0 billion, 3.2% organic growth, 3.1% real internal growth

- Good real internal growth momentum drove market share gains across the Zone. Most categories grew well while overall, pricing was flat.

- Western Europe delivered solid growth in a deflationary environment

with Germany, Great Britain, Spain and Italy the growth drivers. Nescafé, petcare, frozen pizza and ice cream did well.

- In Central and Eastern Europe Russia delivered double-digit real internal and organic growth. Nescafé, chocolate and petcare were the main contributors in the region.

- The instability in much of the Middle East and North Africa continued to affect our business, although Turkey delivered double-digit growth with Nescafé doing well.

Sales of CHF 3.6 billion, 2.1% organic growth, 1.7% real internal growth

- Many of the Zone's businesses have good sustainable growth momentum. India is recovering faster than anticipated, although it still weighed on the Zone's overall performance, as did Yinlu.

- In China there were good contributions from Nescafé soluble and ready-to-drink coffee, confectionery and culinary. Sales of Yinlu peanut milk and congee remained challenging.

- In India the Maggi noodles business gained back market share but the business results were still affected by the unfavourable comparatives.

- South East Asia delivered high single-digit growth and most markets performed well with Vietnam and Indonesia the highlights, led by the strong Milo business.

- Sub-Saharan Africa delivered double-digit growth, driven by the Central West Africa and Equatorial Africa regions.

- Japan and Oceania had a solid start to the year with a strong performance of Nescafé in Japan.

Sales of CHF 1.8 billion, 5.3% organic growth, 5.8% real internal growth

- Nestlé Waters delivered solid growth in all geographies, double-digit in emerging markets.

- There was accelerating double-digit growth for the premium international brands Perrier and S.Pellegrino. Nestlé Pure Life grew

double-digit in emerging markets. Local brands also contributed, notably Ozarka in the United States, Buxton in the United Kingdom, Sta.María in Mexico and La Vie in Vietnam.

Sales of CHF 2.6 billion, 2.6% organic growth, 2.2% real internal growth

- Low pricing in the category was the result of softer dairy input costs.

- The emerging markets continued to be the main source of growth. Wyeth Infant Nutrition was a key contributor, mainly driven by its premium brand illuma. Sub-Saharan Africa, Indonesia and Mexico also grew well. In North America, the exit from some US regional WIC contracts and the transition to new product formats in baby food slowed growth. There was a solid performance from meals and drinks supported by Latin America and France.

Sales of CHF 3.2 billion, 5.2% organic growth, 4.5% real internal growth

- Nestlé Professional grew in both emerging and developed markets although Europe was challenging. There was a good start to the year in North America and in most of Latin America. The strategic growth drivers beverages and culinary flavour solutions continued to perform well.

- Nespresso maintained solid positive growth in all regions and continued to build on its strong position in Europe. The success of the VertuoLine system in North America, continuing innovation and a new campaign there to help build brand awareness are supporting the growth. The company continued its geographic expansion, opening more new boutiques, and launching new limited editions of its Grand Crus coffees.

- The performance of Nestlé Health Science was driven by the double-digit growth of Consumer Care, especially in the United States with Boost and Carnation Breakfast Essentials. Medical Nutrition grew across most geographies. In Novel Therapeutic Nutrition, strategic partnerships in the microbiome therapy field (Seres Therapeutics) and in protein technology (Pronutria Biosciences) were completed.

- Growth for Nestlé Skin Health was driven by innovation and continued geographic expansion. The launches of Soolantra, a

treatment for rosacea and Epiduo Forte for acne supported the strong performance of the Prescription business. Self-Medication, with the Cetaphil range, also delivered very good growth. The acquisition of the leading consumer acne brand Proactiv was announced.

We confirm our full-year outlook: organic growth in line with 2015, with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency.

Three-month sales overview 2016

By Operating Segment - Zone AMS 5’835 5’844 +5.0 +2.7 - Zone EMENA 3’990 3’910 +3.2 +3.1 - Zone AOA 3’554 3’574 +2.1 +1.7 Nestlé Waters 1’779 1’697 +5.3 +5.8 Nestlé Nutrition 2’588 2’631 +2.6 +2.2 Other businesses 3’188 3’262 +5.2 +4.5 Total Group 20’934 20’918 +3.9 +3.0 By Product Powdered and liquid beverages 4’722 4’584 +6.3 +5.2 Water 1’670 1’589 +5.7 +6.2 Milk products and ice cream 3’217 3’321 +1.5 +2.2 Nutrition & Health Science 3’518 3’544 +3.8 +2.8 Prepared dishes and cooking aids 2’915 3’037 +1.5 +0.7 Confectionery 1’967 2’087 +2.8 +0.3 Petcare 2’925 2’756 +5.1 +3.6 Total Group 20’934 20’918 +3.9 +3.0

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