28th
Financial Analysts
&
Institutional Investors Meet
21st August 2018
1. 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.

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

3. Figures are regrouped / reclassified to make them comparable.

4. Calculations are based on non-rounded figures.

5. ‘Analytical data’ are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.

6. Answers may be given to non-price sensitive questions.
AGENDA

Committed to a Healthier Future (15:30 hrs):
Suresh Narayanan

Financial Highlights & Nestlé Business Excellence (16:20 hrs):
Shobinder Duggal

Q&A (17:00 – 17:45 hrs)
Driven by our purpose and values

Growth plus sustained profits

Focus on penetration + volume to drive growth

Continued efforts towards innovation and renovation

Commitment towards relevant Nutrition Proposition / NHW

Consumer centric initiatives on digital, on ground activation, route to market

People initiatives to internalize change
Healthier Business and Healthier Products
Where Are We Today?
Largest listed F&B Company in India
Third Largest FMCG by Market Cap
Innovation As a strong GROWTH foundation
Organizational Stability
Lowest level of Talent attrition
Market Leadership In Nearly 85% of the Portfolio
# Brand Strength & Market Position

<table>
<thead>
<tr>
<th>Category</th>
<th>Brand</th>
<th>YTD (Jan-Jun 2018)</th>
<th>MAT (Jul’17-June’18)</th>
<th>Nestlé India’s Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instant Noodles</td>
<td>Maggi</td>
<td>59.1</td>
<td>59.7</td>
<td>1</td>
</tr>
<tr>
<td>Ketchups &amp; Sauces</td>
<td>Maggi</td>
<td>21.6</td>
<td>22.3</td>
<td>2</td>
</tr>
<tr>
<td>Instant Pasta</td>
<td>Maggi</td>
<td>66.4</td>
<td>67.6</td>
<td>1</td>
</tr>
<tr>
<td>Infant Formula (excluding Amul Spray)</td>
<td>LACTOGEN, NAN</td>
<td>67.4</td>
<td>68.1</td>
<td>1</td>
</tr>
<tr>
<td>Infant Cereals</td>
<td>Nestum CERELAC</td>
<td>96.1</td>
<td>96.3</td>
<td>1</td>
</tr>
<tr>
<td>Tea Creamer</td>
<td>Everyday</td>
<td>45.2</td>
<td>45.3</td>
<td>1</td>
</tr>
<tr>
<td>Chocolates</td>
<td>Nestle</td>
<td>14.4</td>
<td>14.2</td>
<td>2</td>
</tr>
<tr>
<td>White &amp; Wafers</td>
<td>KIRKLAND, MUNCHY, MILKY DAY</td>
<td>61.1</td>
<td>61.4</td>
<td>1</td>
</tr>
<tr>
<td>Instant Coffee</td>
<td>NESCAFE</td>
<td>50.2</td>
<td>49.4</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: AC Nielsen – June 2018

Leadership Position In 7 Out Of 9 Categories
The Brands India **LOVES** And **TRUST**

### PRODUCT BRANDS 2017-2016

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Colgate</td>
</tr>
<tr>
<td>2</td>
<td>Lux</td>
</tr>
<tr>
<td>3</td>
<td>Lifebuoy</td>
</tr>
<tr>
<td>4</td>
<td>Dettol</td>
</tr>
<tr>
<td>5</td>
<td>Samsung Mobiles</td>
</tr>
<tr>
<td>6</td>
<td>Parle Snacks</td>
</tr>
<tr>
<td>7</td>
<td>Britannia Biscuits</td>
</tr>
<tr>
<td>8</td>
<td>Frooti</td>
</tr>
<tr>
<td>9</td>
<td>Samsung Consumer Durables</td>
</tr>
<tr>
<td>10</td>
<td>Rin</td>
</tr>
<tr>
<td>11</td>
<td>Clinic Plus</td>
</tr>
<tr>
<td>12</td>
<td>Tata Salt</td>
</tr>
<tr>
<td>13</td>
<td>Maggi</td>
</tr>
<tr>
<td>14</td>
<td>Saffola</td>
</tr>
<tr>
<td>15</td>
<td>Coca-Cola</td>
</tr>
<tr>
<td>16</td>
<td>Glucon-D</td>
</tr>
<tr>
<td>17</td>
<td>Fair &amp; Lovely</td>
</tr>
<tr>
<td>18</td>
<td>All Out</td>
</tr>
<tr>
<td>19</td>
<td>Kurkure</td>
</tr>
<tr>
<td>20</td>
<td>Horlicks</td>
</tr>
</tbody>
</table>

### HOT BEVERAGES 2017-2016

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Horlicks</td>
</tr>
<tr>
<td>2</td>
<td>Tata Tea</td>
</tr>
<tr>
<td>3</td>
<td>Bournvita</td>
</tr>
<tr>
<td>4</td>
<td>Complan</td>
</tr>
<tr>
<td>5</td>
<td>Tajmahal Tea</td>
</tr>
<tr>
<td>6</td>
<td>Nescafe</td>
</tr>
<tr>
<td>7</td>
<td>Boost</td>
</tr>
<tr>
<td>8</td>
<td>Red Label</td>
</tr>
<tr>
<td>9</td>
<td>Bru (Coffee)</td>
</tr>
<tr>
<td>10</td>
<td>Brooke Bond</td>
</tr>
</tbody>
</table>

### CHOCOLATES & CONFECTIONERY 2017-2016

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cadbury Dairy Milk</td>
</tr>
<tr>
<td>2</td>
<td>Perk</td>
</tr>
<tr>
<td>3</td>
<td>Kit Kat</td>
</tr>
<tr>
<td>4</td>
<td>Nestle Milk Chocolate</td>
</tr>
<tr>
<td>5</td>
<td>Nestle Eclairs</td>
</tr>
<tr>
<td>6</td>
<td>Nestle Milky Bar</td>
</tr>
<tr>
<td>7</td>
<td>Munch</td>
</tr>
<tr>
<td>8</td>
<td>5 Star</td>
</tr>
<tr>
<td>9</td>
<td>Alpenliebe</td>
</tr>
<tr>
<td>10</td>
<td>Polo Mint</td>
</tr>
<tr>
<td>11</td>
<td>Halls</td>
</tr>
<tr>
<td>12</td>
<td>Mentos</td>
</tr>
<tr>
<td>13</td>
<td>Center Fresh</td>
</tr>
<tr>
<td>14</td>
<td>Candy Man</td>
</tr>
<tr>
<td>15</td>
<td>Pulse</td>
</tr>
</tbody>
</table>

Source: ET Brand Equity Survey
Innovations - Fueling The Growth

Contribution to Domestic Sales

- Full Year 2016 – 1.5%
- Full Year 2017 – 2.6%
- H1 2017 – 2.8%
- H1 2018 – 3.0%

25 sustainable innovations
NESPLUS – Entry Into New Category


Making Breakfast Better Everyday!
Adult Oral Nutrition Supplement

Pediatric Allergy

Disease Specific Supplements

Critical Care Nutrition

Laying the Foundation for the Future
Out of Home – Large Opportunity

Over 350 touch points & 30000 vending machines setup pan - India
Most Recognized FMCG

Humbled by 40+ Awards and Recognitions in 2017 and 2018

Ceregrow wins Product of The Year Award 2018!

Best Initiative for Working Mothers and among India’s Most Admired Employer

“Responsible Business Leader” Award

Best Supplier Award

Ceregrow wins Product of The Year Award 2018!

CSR Leadership Award’ from ET Now
Double Digit Growth
In Step With Our Listed Peers

Comparable Growth

VALUE GROWTH

Nestlé India  Listed Peers

FULL YEAR 2016  12.80%  6.40%
FULL YEAR 2017  11.00%  9.20%
H1 2018  13.60%  14.80%
On The Road To Double Digit Value Growth

*Reported growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits.
On The Road To Broad Based Volume Growth
On The Road To Deliver What We Promise

Comparable numbers are on estimated basis adjusted for change in Indirect Tax Structure (GST)
Total Shareholder’s Return

Total Return (%) : 504.8
Annualized Return (%) : 20.7

Bar size represents Market Capitalisation (INR Billion)

Market Capitalization is calculated on period end closing share price on BSE

Up 7.3 times vs. FMCG benchmark index 6.0 times
8 Essential M’s

- Mindset of GROWTH
- Method & Plan
- Meaning & Outcomes
- Mastery of Execution
8 Essential M's

- Might lies in Detailed Clusters
- Managing Infrastructure to match GROWTH
- Magic of PEOPLE
- Music of Performance
Consumer Clusters – Our New Approach
Regional players and Start-ups are showing keen consumer connect and high agility.

We need to update our view of Consumer India.

To grow by reaching out to consumers more efficiently.

By having a sharper understanding of:
- Varying Consumer Potential
- Consumer Differentiation
- What sells Where
- Who buys what and why

Maps not to scale.
Our India in 15 Clusters

3 clusters per geographic branch
3 metro(s) clusters

Maps not to scale
Cluster Approach Will Unleash Growth Potential

Planning Ahead

Problem Solving

Performance Tracking

Resource Optimization

Empowerment at Local Levels
#proudtoplaymypart

**Center of Scale (CoS)**
- Global Expertise & world-class services

**Center of Competence (CoC)**
- Shareable Judgmental or competence-driven activities

**NiM In-Market (Local)**
- Non-Shareable Category / Business / customer focused
Attract

Gender Diversity Overall

People, Passion, Progress Our Way Of Our Life

Women Employees (Total) 18.5%

Women in Managerial Position 14.9%

Women in Field Force 17%

Management Trainees 71%

Technical Trainees 63%

Gender Diversity In Hiring

Multiple Touch Points On Campus Enhancing Offline & Online Connect

FMCG ON CAMPUS
NESTLÉ INDIA in TOP 3
ACROSS SECTORS ON CAMPUS
NESTLÉ INDIA in TOP 6

AMONGST ASPIRING STUDENTS
NESTLÉ INDIA in TOP 2
AMONGST CURRENT STUDENTS
NESTLÉ INDIA in TOP 3

LinkedIn

InsidellM.com
Most desirable FMCG recruiter on Sales & Marketing Campuses
Retention & Key Initiatives

A soft skill enhancement program for Technical campuses

- 1st of its kind initiative in the industry
- 2 campuses, 85 students

% High Performer Attrition

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>7%</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

% Women Managers Attrition

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>15%</td>
<td>11%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Employee Wellness Initiative

- 3000+ employees covered
- 24*7 professional counselling support
- 50+ self assessment tools available

Dainik Jagran
The Times Of India - Rajasthan
Healthier Society and Healthier Environment
Enhancing quality of life and contributing to a healthier future

for individuals & families
Enabling healthier and happier lives

Encouraging good nutrition and breastfeeding practices through community action

Over 3 million beneficiaries

for our communities
Helping develop thriving, resilient communities

Creating access to water and sanitation

Nearly 11,000 vendors

Safe and hygienic food

Over 290,000 students

Over 100,000 students

for the planet
Stewarding resources for future generations

Reducing water use in agriculture

Over 240 trees saved

Creating awareness about water conservation

Over 200,000 farmers

Recycling waste paper at our offices

Over 200,000 students

Nearly 1400 employees

Engaging employees in social initiatives

Over 20,000 students

Nearly 1400 vendors

Over 240 trees saved

Over 11,000 trees saved
Reduced sodium by 10% in relevant product categories in recent years.

Reduced 850 tonnes of sugar in relevant product categories in recent years.

Further by 2020, we will reduce in our relevant product categories:
- An average 6% reduction in added sugar
- An average 10% reduction in salt
- An average of about 2.5% reduction in total fat

Reduced sodium by 10% in relevant product categories in recent years.
Plastic Waste Management

WASTE MANAGEMENT RULES

Plastic Waste Management Rules 2016

Published in the Gazette of India, Part-II, Section-3, Sub-section (i)
Ministry of Environment, Forest and Climate Change
New Delhi, the 18th March, 2016

Recyclable MLP (mono-material)

Around 26,000 tonnes of plastic waste is generated every day in India, 6% of which is multilayered plastic waste.
Why Is Plastic Important For The Food Industry?

- Increased Food safety, Quality and Shelf life. Better Product Hygiene
- Reduced Food Waste
- Innovative Packaging Options for Consumers. Consumer Convenience

The properties of plastics that enable:

1. Inert, inherent barrier against oxygen and moisture
2. Light weight and shatter proof
3. Highly versatile
Why Is Plastic an Environment Issue?
What is Nestlé India going to do

<table>
<thead>
<tr>
<th>Reduce the use of Plastics</th>
<th>Support the development of waste management systems</th>
<th>Change complex combinations of packaging materials</th>
<th>Collective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reduced around 1500 MTs of plastic material used in product packaging</td>
<td>• Working with Authorities, State Pollution Boards, NGOs, other industry members to develop waste management models</td>
<td>• Work in progress to develop and transit to more environment friendly packaging</td>
<td>• Special plan of action for hill states and tourist destinations</td>
</tr>
<tr>
<td></td>
<td>• EPR implementation already in place for 12 states</td>
<td>• Commercial pilots done for new MAGGI and MUNCH packaging</td>
<td>• Building consumer awareness on plastic waste disposal</td>
</tr>
</tbody>
</table>
Today

Speed, Sharpness, Sustainability

Innovations at the Core → Improvise but Act!

Growth dimension → Thrive not Survive

Manage for “Market Share” → Our growth > Category Growth

Clusters, Micro targeting, Resourcing for Action

Key efficiency enhancement through Nestlé Business Excellence

Active engagement with environment and issues

People, passion, progress our way of our life
Agenda

1. Nestlé Business Excellence (NBE)
2. Market Dynamics
3. Recap - Impact of GST on financial results
4. Financial Performance: January-June 2018
Leveraging Skills and Capabilities of Globe & NCE
FUEL FOR GROWTH

SIMPLIFY · STANDARDIZE · SHARE

Optimize Global End-to-End Flows
Provide World Class Business Services
Support Demand Focused Organizations

ENABLE THROUGH PEOPLE
Alignment, Leadership and Lean ways of working

ENABLE THROUGH TECHNOLOGY
Processes, Data and Systems
Optimizing End-to-End Flows

ORDER TO CASH
From Customer Order to Invoice Payment
E2E Owner is Supply Chain, contributors are Marketing & Sales, Finance

SOURCE TO PAY
From Sourcing Materials and Services to paying vendors
E2E Owner is Supply Chain (Procurement), contributors are Supply Chain, Finance

HIRE TO RETIRE
From attracting talent to enabling employees on their Nestlé journey
E2E Owner is Human Resources, contributor is Finance

RECORD TO REPORT
From recording transactions to financial and performance reporting
E2E Owner is Finance, contributors are all End-to-Ends

IDEA TO LAUNCH
From innovative product ideas to consumer launch
E2E Owner is Marketing & Sales, contributors are R&D, Supply Chain, Finance and Control, Technical & Production

PLAN TO EXECUTE
From strategic and product planning to supplying our products
E2E Owner is Supply Chain, contributors are Technical & Production, Marketing & Sales, Finance
Provide World Class Business Services

Center of Competence (CoC)

Shareable Judgmental or Competence-driven activities
e.g. Costing, Treasury, Pricing, Order Fulfillment, Customer Exception & Solution Management, Talent & Reward Management, Procurement

Center of Scale* (CoS)

Shareable Transactional activities
e.g. AP, AR, Order Management, Billing, Payroll, HR Administration, Contract & Purchase Order Management

Leveraging Skills and Scale to drive Agility

*11 Centers of Scale spread across geographies
Phases of the NBE Program

Transparency
- AS-IS data gathering
- Shared service coverage

Engagement
- AS-IS Vs TO-BE comparison
- Identify Change Impacts
- Change management
- Prepare project plan

Transformation
Implement:
- New processes
- New solutions
- Change impacts
- New organization designs
Market Dynamics

Market Size

2017

- FMCG 52.9 Bio
- F&B 29.7 Bio
- Processed Food (excl Commodities) 17.0 Bio
- Nestlé Categories 4.8 Bio

Market Growth (YoY)

H1'18 | H2'17
--- | ---
10.9 | 11.7
12.0 | 12.1
11.0 | 11.4
8.3 | 9.6

Market momentum continued to be favourable

Market Size in USD Bio for 2017 (INR 65.08)
Note: Infant Formula and Infant Cereal segments included in FMCG, F&B, Processed Foods and Nestlé categories

Source: AC Nielsen
Market Dynamics and Product Portfolio

Leadership position in ~85% of the product portfolio

Products scoring higher on NHW grow faster and are more profitable

Source: AC Nielsen - June 2018

*In whites and wafers category
# Internal Estimates
Impact due to change in Indirect Tax Structure and reduction in realisations (drop in selling price/ increase in grammage) to pass on GST benefits

- Reported Domestic Sales ~ 5.8%
- Domestic Sales Growth ~ 6.7%
- Operating Profit as % of sales ~120 bps
- Net Profit as % of sales ~ 80 bps
Recap - Impact of GST on Financial results (H1’18)

Reported Expenses

Pre GST
- Reported inclusive of Taxes when not Cenvatable

Post GST
- Reported net of GST where ITC available

Comparability of Results

Accordingly, **Sales, Absolute expenses, Elements of Working Capital and Ratios in percentage of Sales** are not comparable.
Highlights: January - June

**Total Sales**
- Reported Growth*: +7.3%
- Comparable Growth: +13.6%

<table>
<thead>
<tr>
<th></th>
<th>H1'17</th>
<th>H1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>50.4</td>
<td>54.2</td>
</tr>
</tbody>
</table>

**RIG (%) & OG (%)**
- RIG: 8.1%
- OG: 9.9%
- Total: 7.3%/13.9%

<table>
<thead>
<tr>
<th></th>
<th>H1'17</th>
<th>H1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIG</td>
<td>16.2</td>
<td>11.9</td>
</tr>
<tr>
<td>OG</td>
<td>8.2</td>
<td>11.9</td>
</tr>
</tbody>
</table>

**Profit from Operations**
- Reported Margin*: +590 bps
- Effective Margin: +470 bps

<table>
<thead>
<tr>
<th></th>
<th>H1'17</th>
<th>H1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>22.1</td>
<td>20.9</td>
</tr>
<tr>
<td>Effective Margin</td>
<td>16.2</td>
<td>11.9</td>
</tr>
</tbody>
</table>

**Net Profit**
- Reported Margin*: +380 bps
- Effective Margin: +300 bps

<table>
<thead>
<tr>
<th></th>
<th>H1'17</th>
<th>H1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>11.3</td>
<td>15.1</td>
</tr>
<tr>
<td>Effective Margin</td>
<td>5.7</td>
<td>8.2</td>
</tr>
</tbody>
</table>

**Total Comprehensive Income**
- Total: 14.7%/13.9%

<table>
<thead>
<tr>
<th></th>
<th>H1'17</th>
<th>H1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>5.5</td>
<td>7.9</td>
</tr>
</tbody>
</table>

**EPS (INR)**
- INR: +25.9
- Growth: +43.6%

<table>
<thead>
<tr>
<th></th>
<th>H1'17</th>
<th>H1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>59.1</td>
<td>85.0</td>
</tr>
</tbody>
</table>

---

(a) *Reported Growth rates are adversely impacted and Reported Profit margins are positively impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits

(b) RIG & OG % are based on Nestlé’s Internal Reporting Standards in relation to third party sales

(c) Figures in maroon colour represents comparable numbers
Evolution of Quarterly results

Total Sales

<table>
<thead>
<tr>
<th>% YoY Growth</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Net Sales</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INR Billion</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25.8</td>
<td>27.4</td>
</tr>
<tr>
<td></td>
<td>24.7</td>
<td>26.8</td>
</tr>
<tr>
<td></td>
<td>25.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.4</td>
<td>6.2</td>
</tr>
<tr>
<td></td>
<td>3.8</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td></td>
</tr>
</tbody>
</table>

Profit from Operations

<table>
<thead>
<tr>
<th>% of Net Sales</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INR Billion</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17.0</td>
<td>22.1</td>
</tr>
<tr>
<td></td>
<td>15.4</td>
<td>20.9</td>
</tr>
<tr>
<td></td>
<td>20.1</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td>19.1</td>
<td>21.4</td>
</tr>
<tr>
<td></td>
<td>19.6</td>
<td>21.4</td>
</tr>
<tr>
<td></td>
<td>18.5</td>
<td>20.3</td>
</tr>
</tbody>
</table>

(a) *Reported Growth rates are adversely impacted and Reported Profit margins are positively impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits

(b) Figures in maroon colour represents comparable numbers
Sales Performance

**Value (INR Billion)**
- H1'17: 47.3
- H1'18: 50.7
- Growth: 7.1/13.8%

**Volume (in '000 Tons)**
- H1'17: 188.7
- H1'18: 206.1*
- Growth: 9.2%

*Domestic Contribution: 94%*

**Exports**
- H1'17: 3.1
- H1'18: 3.5
- Growth: 10.7%

*Exports Contribution: 6%*

(a) Figures in maroon colour represents comparable growth on estimated basis
(b) *Includes extra grammage to comply with anti-profiteering rules*
Domestic Sales - Growth

<table>
<thead>
<tr>
<th></th>
<th>Reported Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td></td>
</tr>
</tbody>
</table>

**Of Which:**

- **RIG (Volume/Mix)**
  - 9.8

- **Net Pricing**
  - -2.7

**Broad Based Growth supported by increase in volumes offset by negative pricing due to GST**

(a) Reported growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits

(b) Real Internal Growth (RIG)% is based on Nestlé Internal Reporting Standards
## Region-wise Sales

<table>
<thead>
<tr>
<th>Region</th>
<th>H1’18 Growth%</th>
<th>Reported</th>
<th>Comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>7.9</td>
<td>14.6</td>
<td></td>
</tr>
<tr>
<td>East</td>
<td>9.4</td>
<td>16.2</td>
<td></td>
</tr>
<tr>
<td>South</td>
<td>3.9</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>6.9</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.1</td>
<td>13.8</td>
<td></td>
</tr>
</tbody>
</table>

% Cont to Domestic Sales

## E-Commerce

% Cont. to domestic Sales

- H1’17: 0.7
- H1’18: 1.1

Bar size represents Sales Value

Comparable Growth is on estimated basis
## Categorywise Contribution

<table>
<thead>
<tr>
<th>Product Groups</th>
<th>Products</th>
<th>Contribution (%)</th>
<th>H1’18 Growth%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk Products &amp; Nutrition</td>
<td></td>
<td>48.1</td>
<td>6.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10.8</td>
</tr>
<tr>
<td>Prepared Dishes &amp; Cooking Aids</td>
<td></td>
<td>28.0</td>
<td>8.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>15.0</td>
</tr>
<tr>
<td>Confectionery</td>
<td></td>
<td>12.7</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>15.3</td>
</tr>
<tr>
<td>Powdered &amp; Liquid Beverages</td>
<td></td>
<td>11.2</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>23.6</td>
</tr>
<tr>
<td>Domestic Growth</td>
<td></td>
<td></td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>13.8</td>
</tr>
</tbody>
</table>

**Domestic Sales: INR 50.7 Billion**

Comparable Growth is on estimated basis
Milk Products & Nutrition - Domestic

**Value (INR Bio)**
- H1'17: 22.9
- H1'18: 24.4

**Volume (000' Tons)**
- H1'17: 62.5
- H1'18: 65.4

**Broad based Growth in Key Brands**

**Good response to new launches like CEREGROW, NAN Excella Pro**

Figures in maroon colour represents comparable growth on estimated basis.
Prepared Dishes & Cooking Aids - Domestic

Value (INR Bio) - 8.9/15.0%

Volume (000' Tons) - 12.8%

Continued to rebuild MAGGI Noodles

Strong growth in Masala-e-Magic

(a) Figures in maroon colour represents comparable growth on estimated basis
(b) *Includes extra grammage to comply with anti-profiteering rules
**Confectionery - Domestic**

**Value (INR Bio)**

- **H1’17:** 6.2
- **H1’18:** 6.4

**Volume (000’ Tons)**

- **H1’17:** 18.4
- **H1’18:** 19.5 *

**Focus on Value Up and Mainstream**

Strong Growth in KitKat. Good response to New launches

(a) Figures in maroon colour represents comparable growth on estimated basis
(b) *Includes extra grammage to comply with anti-profiteering rules
Powdered & Liquid Beverages - Domestic

**Value (INR Bio)**

- **H1'17**: 5.2
- **H1'18**: 5.7

**Volume (000' Tons)**

- **H1'17**: 9.1
- **H1'18**: 10.0 *

**Strong Growth in NESCAFE Classic & NESCAFE Sunrise**

**Volume Growth positively influenced by liquid beverages**

**Regained No. 1 Market Position** in Instant Coffee

*Source: AC Nielsen

(a) Figures in maroon colour represents comparable growth on estimated basis
(b) *Includes extra grammage to comply with anti-profiteering rules
Improvement in Margins due lower commodity prices, operating leverage & lower base

(a) Percentages are with reference to sales
(b) *Reported Profit margins are positively impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits
(c) Reported numbers have been adjusted to make them Comparable
Marketing Spends*

Direct Marketing spends grew faster
Maintained Investment behind Innovations
Digital Media spends growing at CAGR of over 40% for past 3 years

(a)*Marketing Spends include: Advertisement & Sales Promotion, Marketing & Selling incentives to trade, free goods to consumers etc.
(b) Reported numbers have been adjusted to make them Comparable
Effective Tax rate Impacted by

- End of first 5 years of tax holiday @ 100% of profits of “Samalkha factory Unit II” on 31st March 2017. For the next 5 years, tax holiday is applicable @ 30% of profits.

- “Health and Education Cess” increased from 3% to 4% w.e.f Financial Year 2018-19.
Net Profit after Tax

H1’17 Reported: 11.3%
Profit from Operations: INR 8.19 Bio
Financial Income: INR 5.70 Bio
Effective Tax Rate: 14.3%
Denominator impact: (Reported sales being lower than comparable)*
H1’18 Comparable: INR 8.19 Bio
H1’18 Reported: 15.1%

Movement in Bps:
- 310
- 30
- 40
- 80

Net Profit supported by increase in operating margins and treasury income

(a) % and bps movements are net of effective tax & in reference to sales
(b) *Reported Profit margins are positively impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits
Cash generation from Operating activities

Strong Cash generation from operations

(a) Percentages are with reference to sales
(b) *Positively Impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits
(c) Figures in maroon colour represents comparable numbers
Dividend Payout Increased

Includes additional Interim dividend of INR 10 Per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Per Share (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>63.0</td>
</tr>
<tr>
<td>2015</td>
<td>48.5</td>
</tr>
<tr>
<td>2016</td>
<td>63.0</td>
</tr>
<tr>
<td>2017</td>
<td>86.0</td>
</tr>
<tr>
<td>H1 '17</td>
<td>30.0</td>
</tr>
<tr>
<td>H1 '18</td>
<td>40.0</td>
</tr>
</tbody>
</table>
Capital Efficiency & Value Creation Improves

<table>
<thead>
<tr>
<th>Invested Capital (INR Billion)</th>
<th>ROIC %</th>
<th>Economic Profit%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>35.6</td>
<td>21.1</td>
</tr>
<tr>
<td>2015</td>
<td>18.9</td>
<td>5.0</td>
</tr>
<tr>
<td>2016</td>
<td>38.5</td>
<td>24.6</td>
</tr>
<tr>
<td>2017</td>
<td>46.4</td>
<td>34.2</td>
</tr>
<tr>
<td>H1'18</td>
<td>65.4</td>
<td>52.6</td>
</tr>
</tbody>
</table>

ROIC %
Economic Profit%
Asset Turns

Invested capital: Basis average of 5 quarter end (Nestlé Internal Reporting Standards)
Key Messages

- Market Momentum continued to be favorable
- Market Leadership in 85% of portfolio. Retained focus on NHW & Innovations
- Sales Growth broad based
- Margin improvement aided by softer commodity prices & lower base
- Strong Cash Generation from operations
- Dividend Payout increased
- Sustained Value Creation
Rebuild of MAGGI Noodles

Bar size represents Sales Value

Sales Indexed with Q1’16

Figures in maroon colour represents comparable numbers
Commodity Price Movement

H1’18 Vs H1’17

- Milks: -12%
- Wheat: -0.4%
- Coffee: -8%
- Palm Oil: 23%
- Sugar: -14%
- DWP: 10%
- MSK: -6%
- Palm Kernel: -21%

Nestlé India’s Commodity basket Price Index

Indexed with base year 2011
Movement in price index of commodity basket

Indexed with base Q4-16
Wheat Flour Consumption Price Index

Indexed with base Q1-16
Green Coffee Consumption Price Index

Indexed with base Q1-16
Palm Oil Consumption Price Index

Indexed with base Q1-16

Palm Oil

Indexed with base Q1-16

Current Price

125

Palm Oil

7%
Sugar Consumption Price Index

Indexed with base Q1-16
DWP Consumption Price Index

Indexed with base Q1-16
MSK Consumption Price Index

Indexed with base Q1-16

Current Price 97
Palm Kernel Oil Consumption Price Index

Indexed with base Q1-16

Current Price

135

Palm Kernel Oil
3%

100 102 116 153 163 168 136 114 107 121

Q1 Q2 Q3 Q4 2016

Q1 Q2 Q3 Q4 2017

Q1 Q2 2018