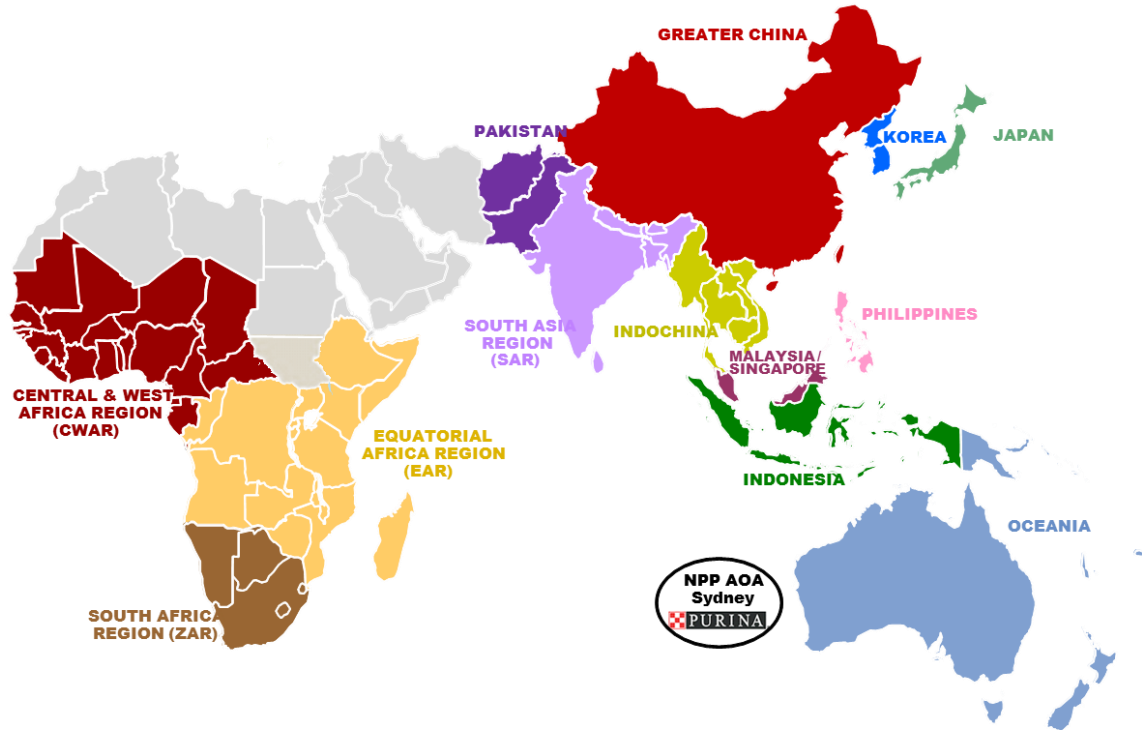


Zone AOA

Reigniting Growth

Wan Ling Martello
EVP, Asia, Oceania,
sub-Saharan Africa

Zone AOA: *diverse and complex*



- 68% of world's population
- 80% of global births
- 33% of World's GDP

- 92 countries
- 3 continents
- 15 time zones
- All major religions

Long term trends positive for Nestlé

1 Accelerated Urbanization



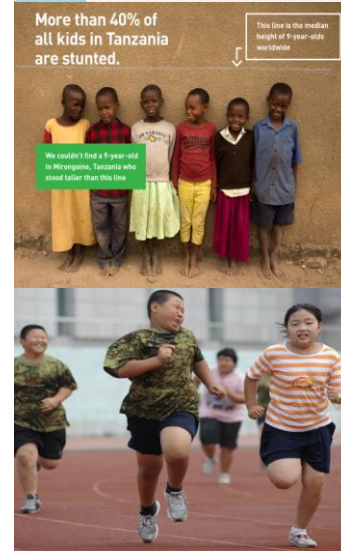
2 Growing middle class



3 Fast Digitalization



4 Nutritional Challenges



5 Evolving Consumers



1 Urbanization: 14 out of 20 largest megacities in AOA

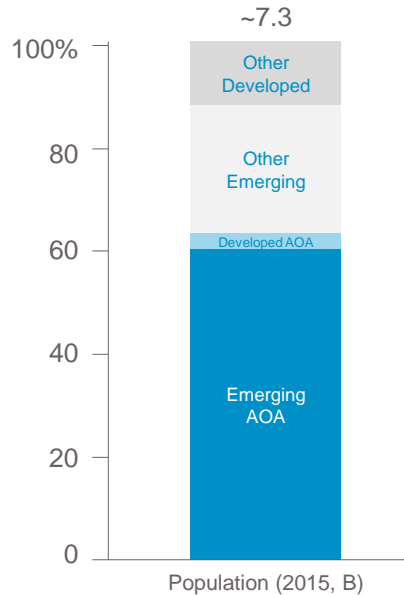
World's Top 20 megacities (2015)

Tokyo	37.8
Jakarta	30.5
Delhi	25.0
Metro Manila	24.1
Seoul	23.5
Shanghai	23.4
Karachi	22.1
Beijing	21.0
New York City	20.6
Guangzhou	20.6
Sao Paulo	20.4
Mexico	20.0
Mumbai	17.7
Osaka-Kobe	17.4
Moscow	16.2
Dhaka	15.7
Greater Cairo	15.6
Los Angeles	15.1
Bangkok	15.0
Kolkata	14.7

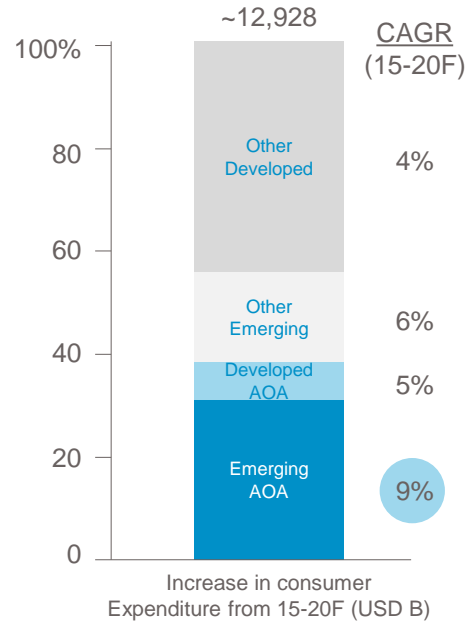


2 Growing Middle Class: *Ample room for growth*

~2/3 of the world's population...

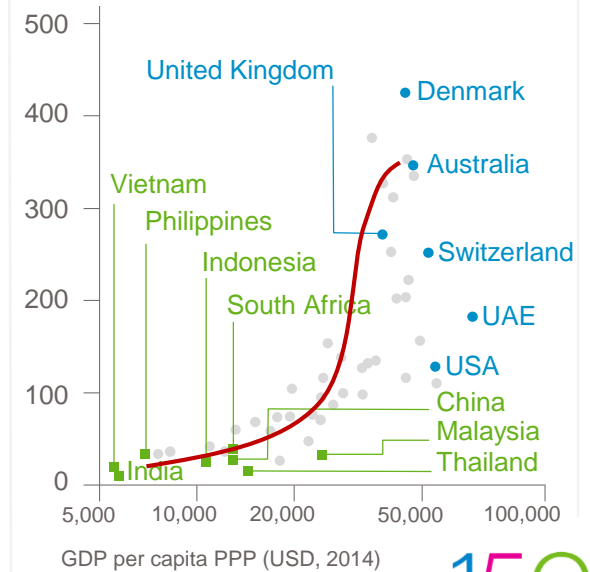


...Material share of **FUTURE** growth...



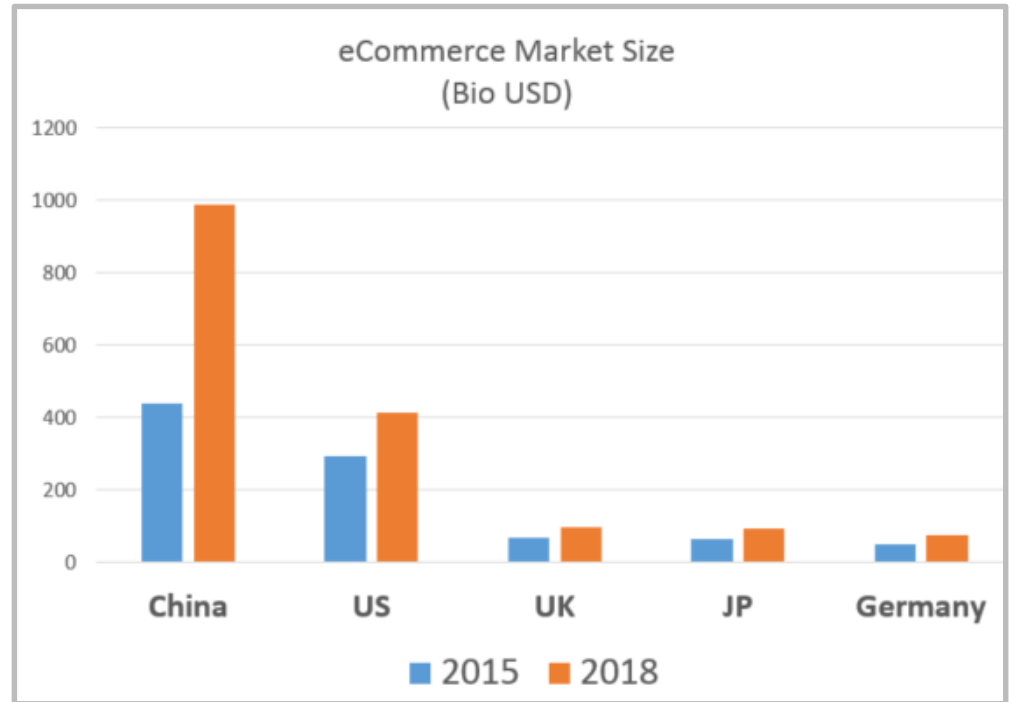
...and low penetration

Confectionery consumption
Per capita (USD, 2014)



Note: Emerging AOA includes Sub-Saharan Africa; Developed AOA includes Hong Kong, Japan, Singapore, South Korea, Taiwan Source: Lit. search, Euromonitor

3 Digitalization: AOA has become the global center of gravity

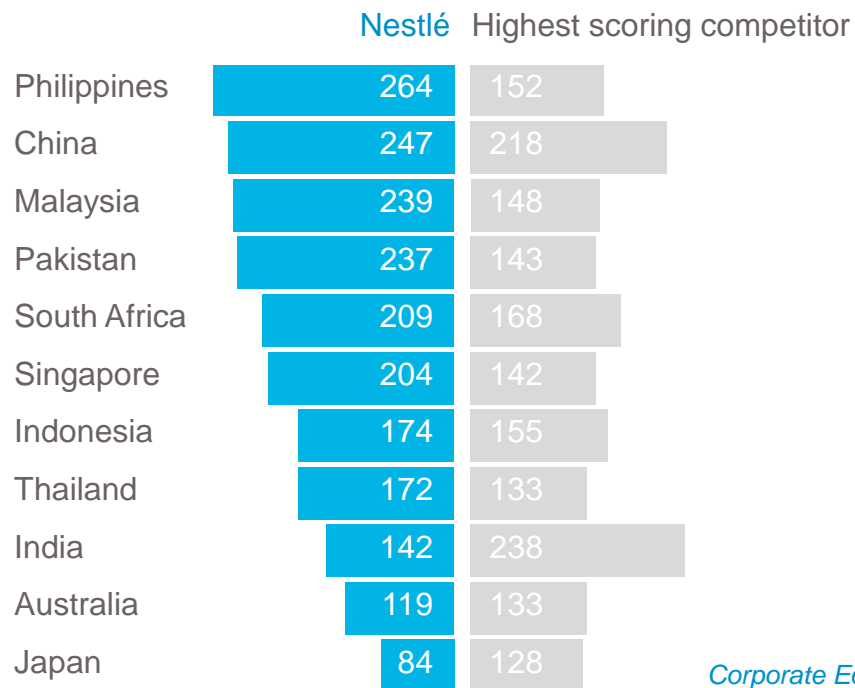


Own estimate based on multiple sources

Over 100 Years of presence in many countries



Highest trust scores in most markets



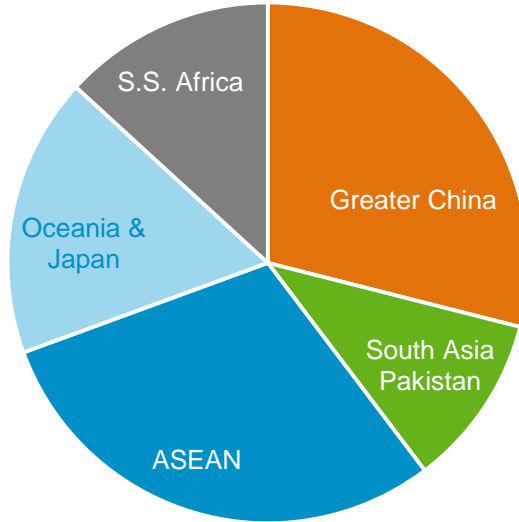
Corporate Equity Monitor, 2015

Our brands are part of consumers lives everyday

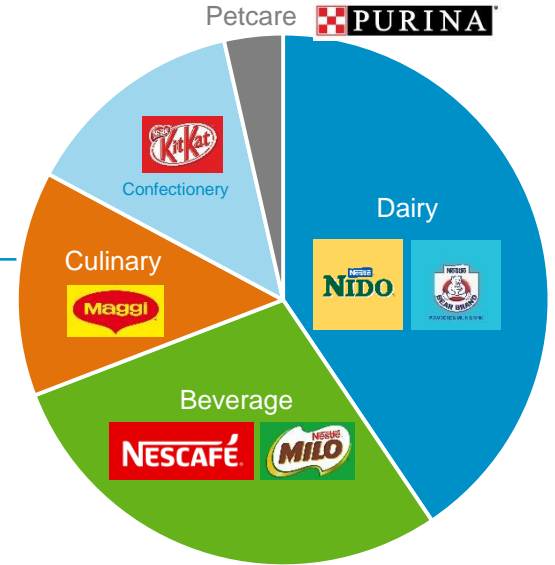


Nestlé in AOA: *Broad-based portfolio*

Zone AOA Sales
 CHF **14.2** Bn
 (CHF **22.2** Bn NIM)



Split of Sales
 Geographies
 &
 Categories



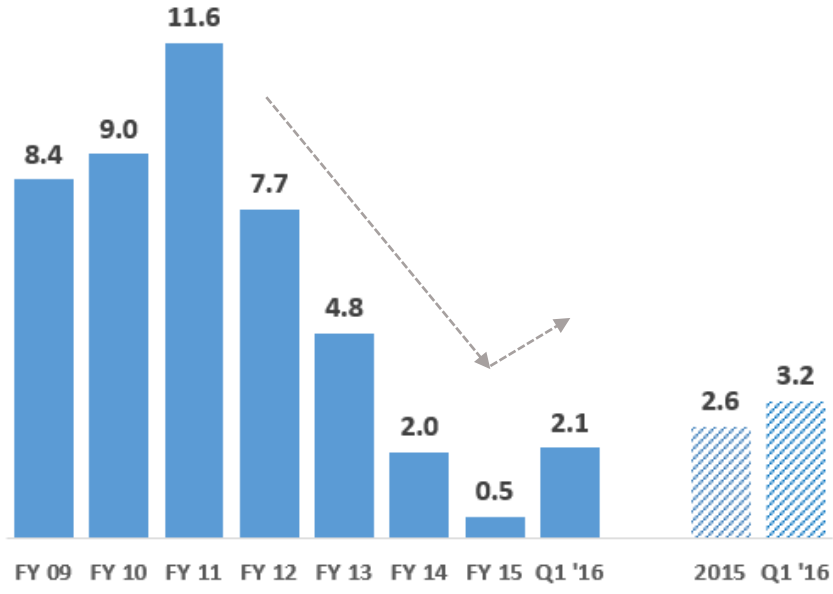
Zone AOA: *Highly accretive to Group on most dimensions*



	Group 2015	AOA
OG	4.2%	●
TOP%	15.1%	●
FCF	11.2%	●
WC%	4.7%	●
ROIC	29.9%	●

Top line growth under pressure in recent years

Organic Growth 2009-2015

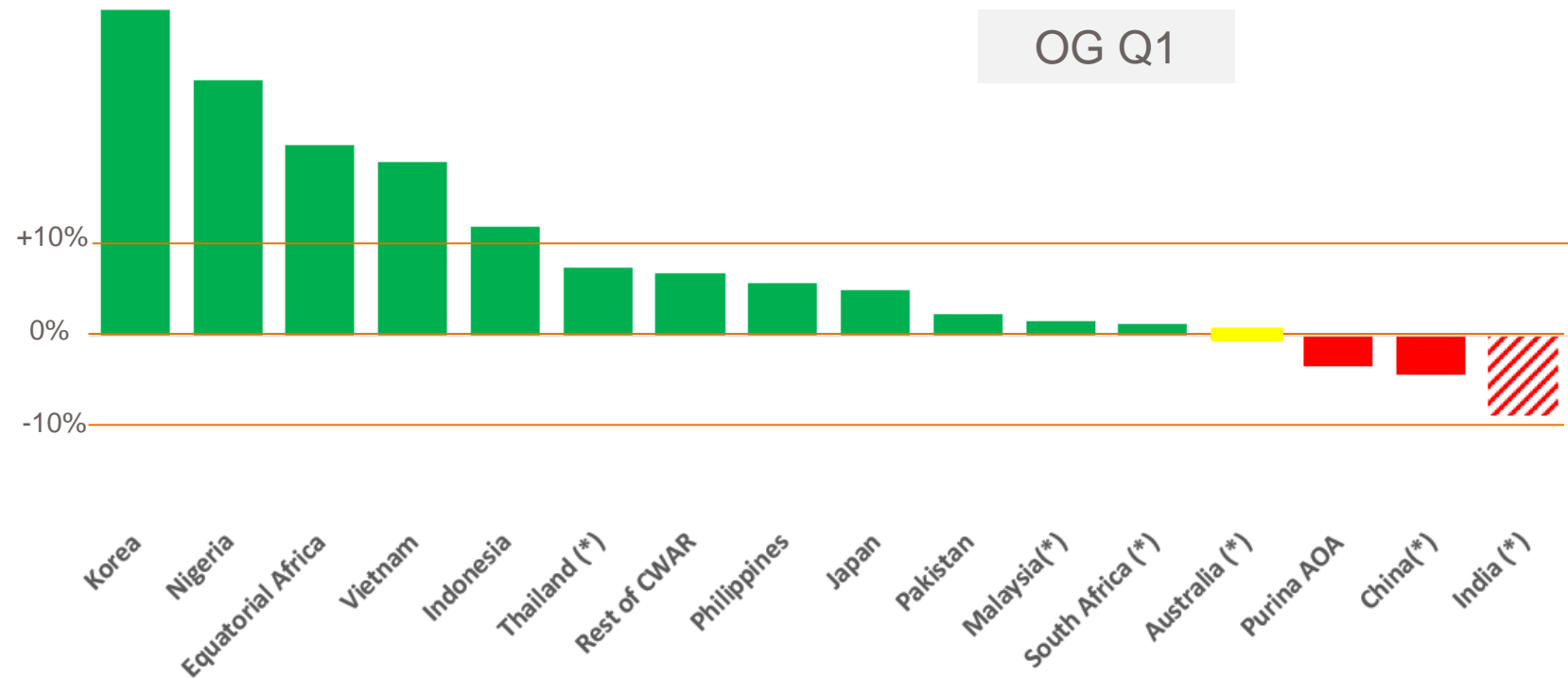


Source: Nestlé F&C

Excluding
India

- Economy slowing down
- Commodity deflation dilutes pricing ability
- Market slowdown exposed some internal gaps

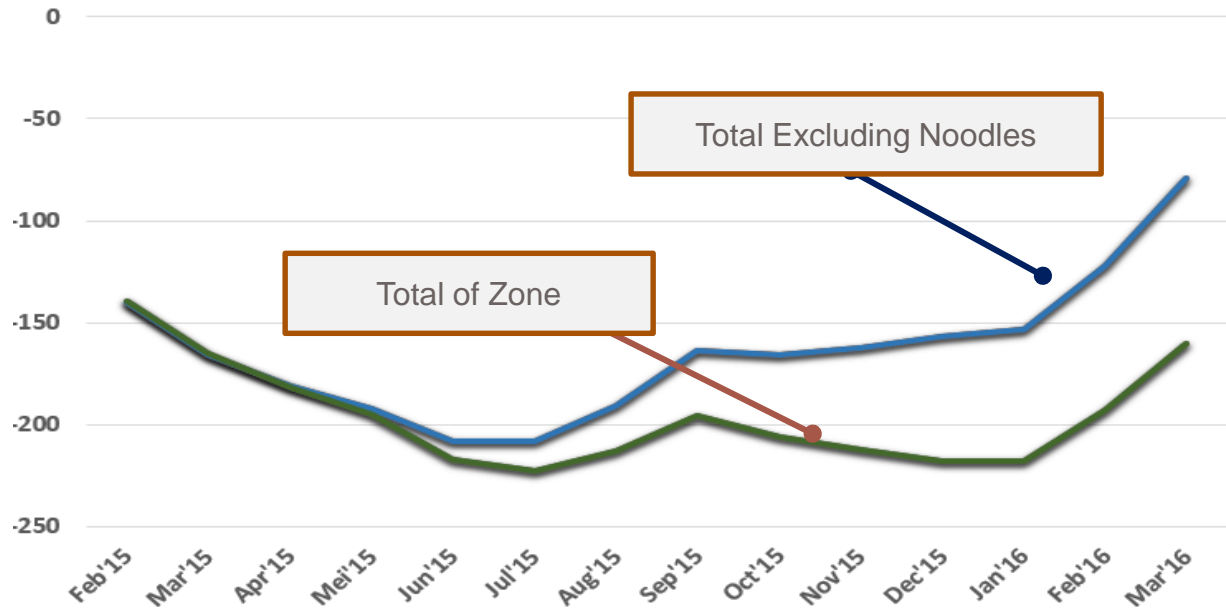
However, growth momentum across the Zone



(*) Indicates other smaller countries under the same Market responsibility scope.

Market Shares also recovering

Zone AOA Market Share Tracking (growth gap vs. Market)



AOA Execution Plan: *Building Blocks to Reignite Growth*

WIN WITH CONSUMERS AND SHOPPERS – DRIVE GROWTH AND MARKET SHARE



Accelerators

Consumer Insights Excellence

Perfect Brand, Perfect Assortment, Perfect Store

RTM: Expand Distribution

INNOVATION

R&D / NHW

eComm

Digital Transformation

OPS EXCELLENCE

On shelf freshness & pipeline management

SG&A Excellence

NBE

HIGH-PERFORMANCE ORG

Talent Development

Performance recognition

Diversity and Inclusion

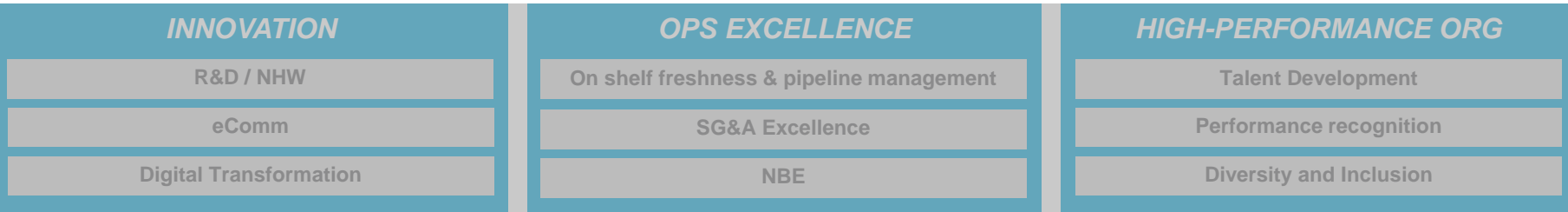
WIN WITH NESTLE IN SOCIETY

AOA Execution Plan: *Building Blocks to Reignite Growth*

WIN WITH CONSUMERS AND SHOPPERS – DRIVE GROWTH AND MARKET SHARE



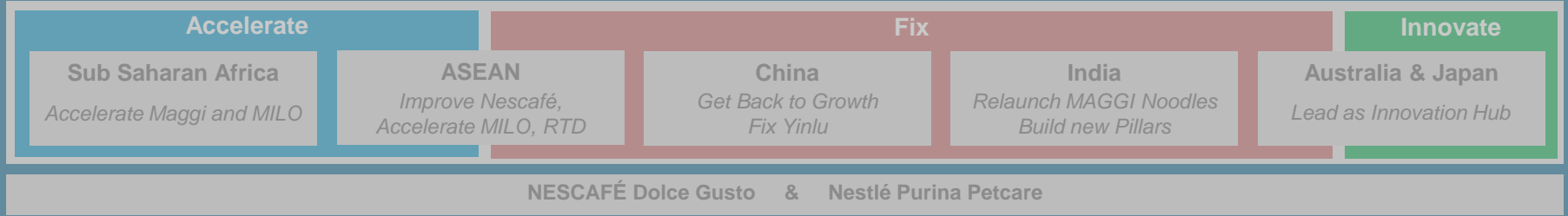
Accelerators



WIN WITH NESTLE IN SOCIETY

AOA Execution Plan: *Building Blocks to Reignite Growth*

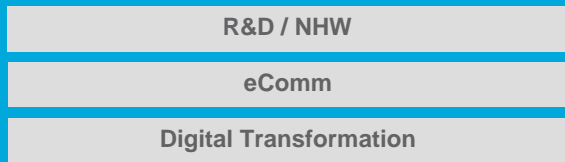
WIN WITH CONSUMERS AND SHOPPERS – DRIVE GROWTH AND MARKET SHARE



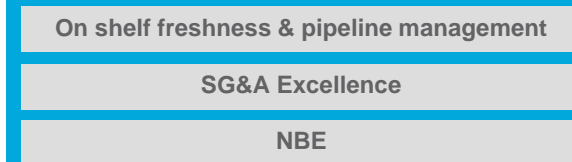
Accelerators



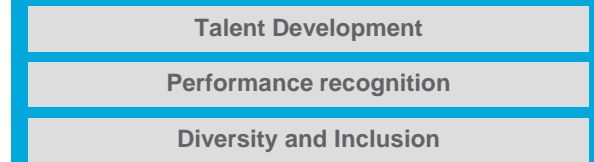
INNOVATION



OPS EXCELLENCE



HIGH-PERFORMANCE ORG



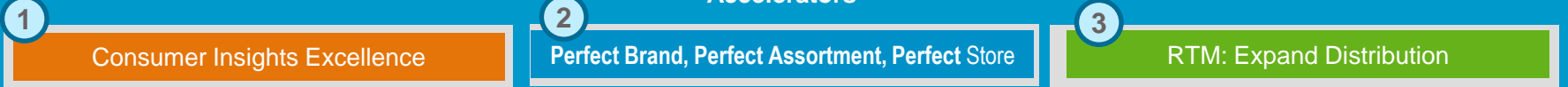
WIN WITH NESTLE IN SOCIETY

Accelerators: *Strengthening the basics across AOA*

WIN WITH CONSUMERS AND SHOPPERS – DRIVE GROWTH AND MARKET SHARE



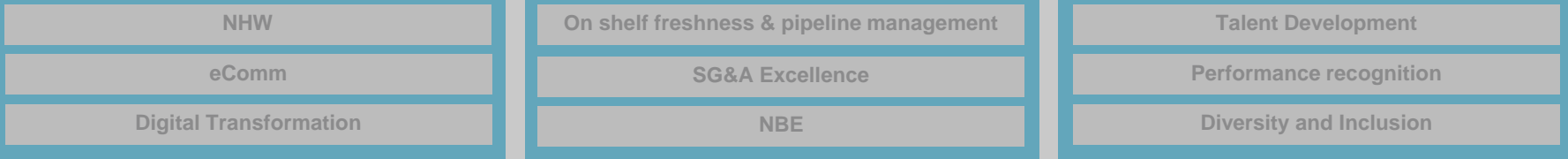
Accelerators



INNOVATION

OPS EXCELLENCE

HIGH-PERFORMANCE ORG



WIN WITH NESTLE IN SOCIETY

Nescafé in ASEAN: *Locally led Innovation*



Malaysia



Philippines



Thailand



Nescafé in ASEAN: *Locally led Innovation*



Malaysia



Philippines



Thailand



Nescafé in ASEAN: Centrally led Innovation



- Consumers prefer ‘Café Style Coffee’
- May’16 Launch Thailand & Philippines



PH : 65% of consumer preference vs competition



TH : 80% of consumer preference vs competition

Milo Champions Program: *Driving consumer engagement to the next level, while reinforcing the brand's positioning*



- Launch of a connected sports bracelet
- Australia launched. ASEAN markets to follow
- One brand platform, multi-countries content building and sharing

Kit Kat: Premiumization with new consumer engagement



JAPAN:
KIT KAT Chocolatory

AUSTRALIA:
KIT KAT STUDIO

- Consumer excitement
- Premiumization
- Ultimate brand experience

Increased focus on Lunch Box consumption occasions in ASEAN



Increase in marketing support, category adjacency & distribution points

+35% Growth in Q1

Making nutritional products affordable and accessible to lower income consumers



NESTUM in ANGOLA

- Leveraging strong nutritional credentials to develop a local recipe, highly affordable that consumers love.
- Dedicated RTM to reach the target

MAKE CHOICES

PRIORITIZE CELLS & CATEGORIES



Prioritize cells and categories based on Value Creation Opportunity

Strategic Resource Allocation

RIGOROUS PLANNING FOR IMPROVED EXECUTION

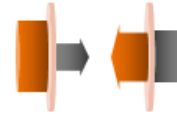
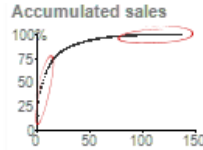
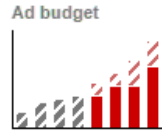
STEP 1:
BRAND



STEP 2:
ASSORTMENT



STEP 3:
STORE



Define brand and channel priorities for each business

Review advertising and trade spend mix

Maximize distribution of "Hero" brand/SKUs

Review and optimize range to focus behind winners

Optimize shelf and 2nd placement configuration

Optimize promo, trade terms and pricing

REPEAT

ROLL-OUT & REPEAT



Drive learning cross-markets & cross categories

Speed up, repeat and embed as a key Nestlé process

Making choices by focusing on HERO SKUs to deliver accelerated growth

Indonesia:

- Accelerating MILO (key SKUs)
- Discontinue 14g, 150g & 600g
- +12% Growth in Q1'16



18g



800g

Winning in differentiated trade channels



Winning in Convenience Channel

Thailand: +24% growth in Q1'16



Winning in Specialty Channel

Indonesia: +49% growth in Q1'16

Myowbu expanding beyond Africa: *Creating Shared Value while driving growth*



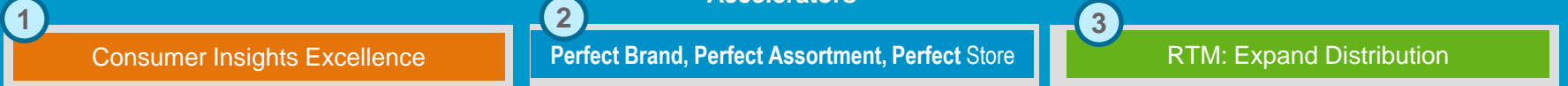
- Fostering entrepreneurship
- Enabling distribution to lower income consumers
- Over 1500 Operators in Sub Saharan Africa
- Roll out to Bangladesh

Accelerators: *Strengthening the basics across AOA*

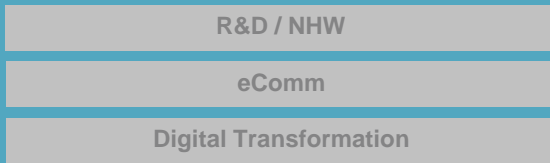
WIN WITH CONSUMERS AND SHOPPERS – DRIVE GROWTH AND MARKET SHARE



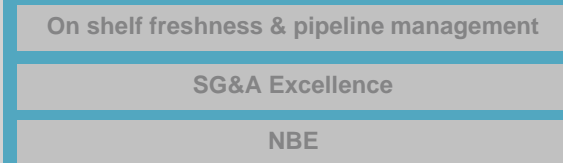
Accelerators



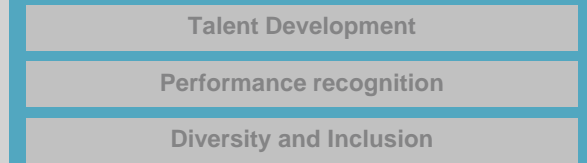
INNOVATION



OPS EXCELLENCE



HIGH-PERFORMANCE ORG



WIN WITH NESTLE IN SOCIETY

Geographic Building Blocks

WIN WITH CONSUMERS AND SHOPPERS – DRIVE GROWTH AND MARKET SHARE



NESCAFÉ Dolce Gusto & Nestlé Purina Petcare

Accelerators

Consumer Insights Excellence

Perfect Brand, Perfect Assortment, Perfect Store

RTM: Expand Distribution

INNOVATION

R&D / NHW

eComm

Digital Transformation

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On shelf freshness & pipeline management

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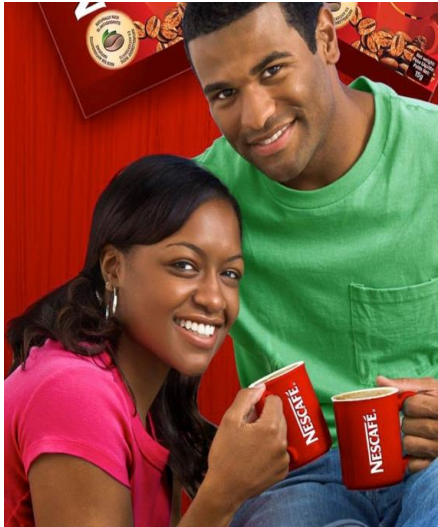
HIGH-PERFORMANCE ORG

Talent Development

Performance recognition

Diversity and Inclusion

WIN WITH NESTLE IN SOCIETY

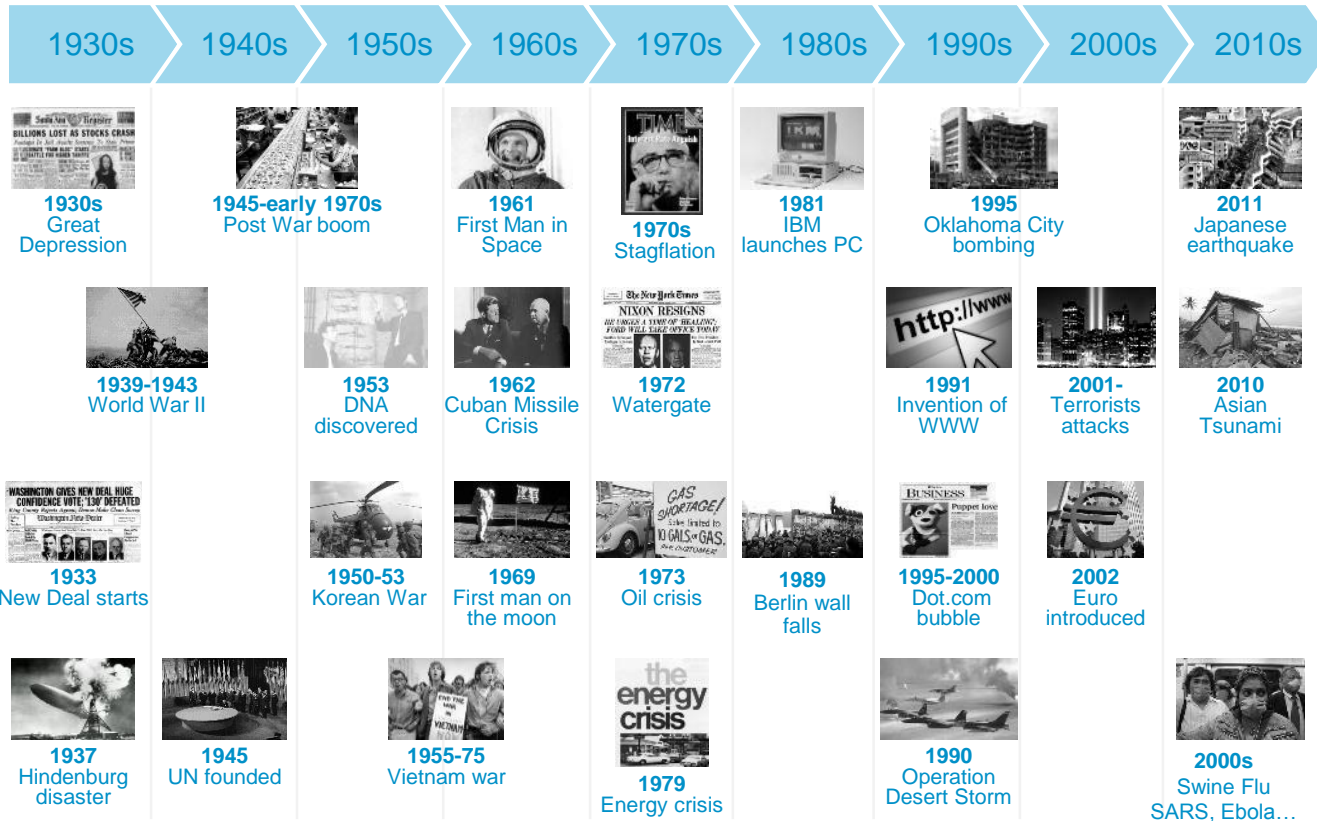


Zone AOA

Reigniting Growth

Wan Ling Martello

When have times not been turbulent?



SUMMARY: AOA

1

BULLISH ON AOA GROWTH OPPORTUNITIES

2

MOST BUSINESSES HAVE TURNED AROUND

3

WILL LEAD THE GROUP IN DIGITAL



AOA WILL EMERGE STRONGER WITH ENHANCED CAPABILITIES

THANK YOU