

Nestlé (Malaysia) Berhad

Financial Analysts' Briefing,
August 26, 2013





Agenda

Introduction & overview

Financials

Questions & answers



Disclaimer

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.



FINANCIALS

Focus on 7 value drivers

Operational



Financial



Strategic



VALUE DRIVERS

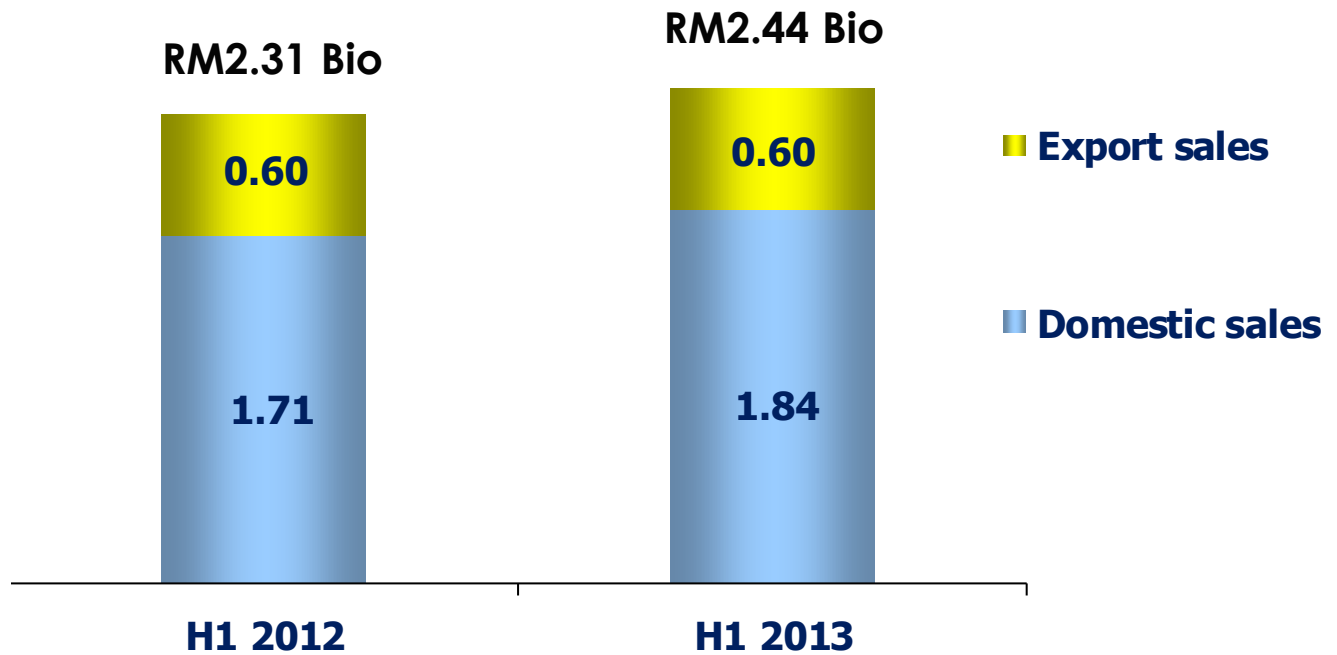
1. SALES GROWTH
2. PROFIT MARGIN
3. WORKING CAPITAL INTENSITY
4. FIXED CAPITAL INTENSITY
5. INCOME TAX RATE
6. COST OF CAPITAL
7. VALUE GROWTH DURATION



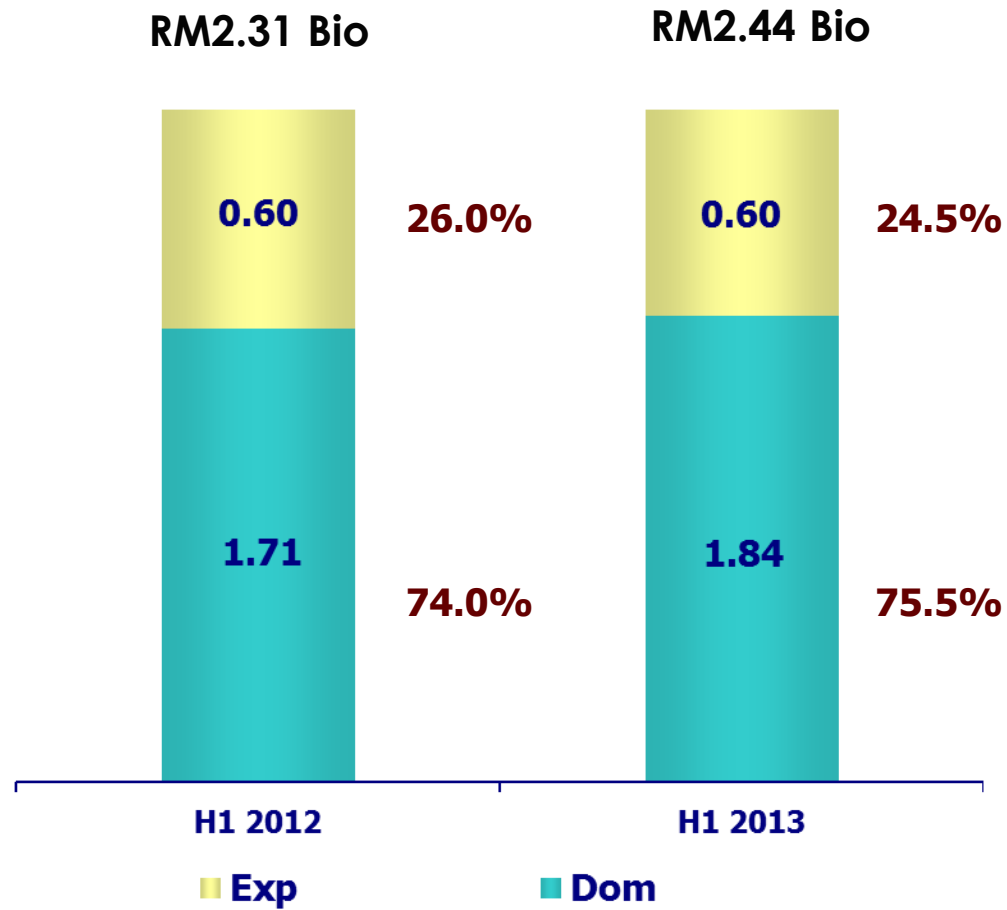
SALES GROWTH

Sales Evolution H1 2013

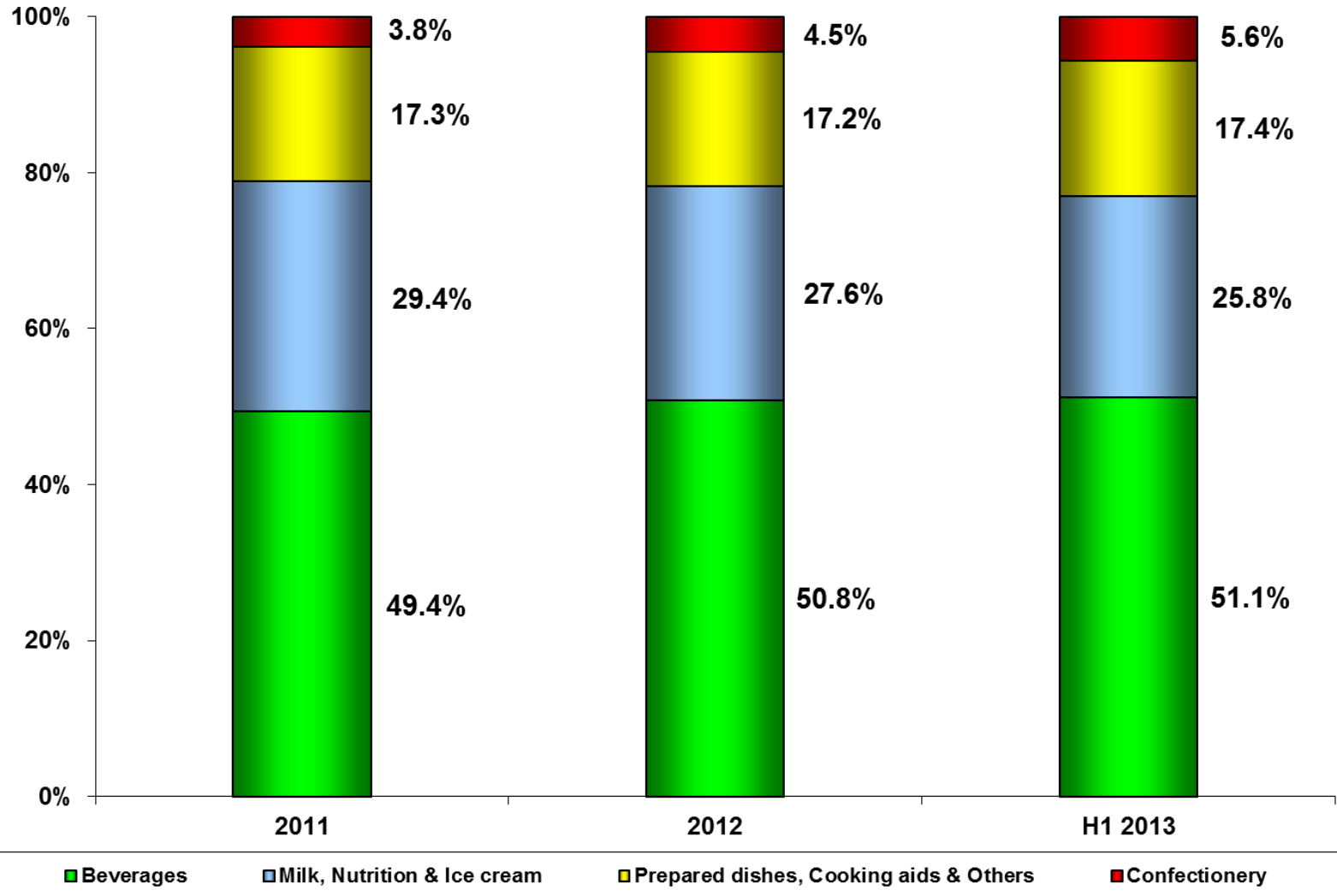
- Domestic Sales +7.7%
 - Export Sales -0.7%
- } **+5.5%**



Channel Sales



Sales by Product Categories



New Products

Qtr 2 2013

Q2'13

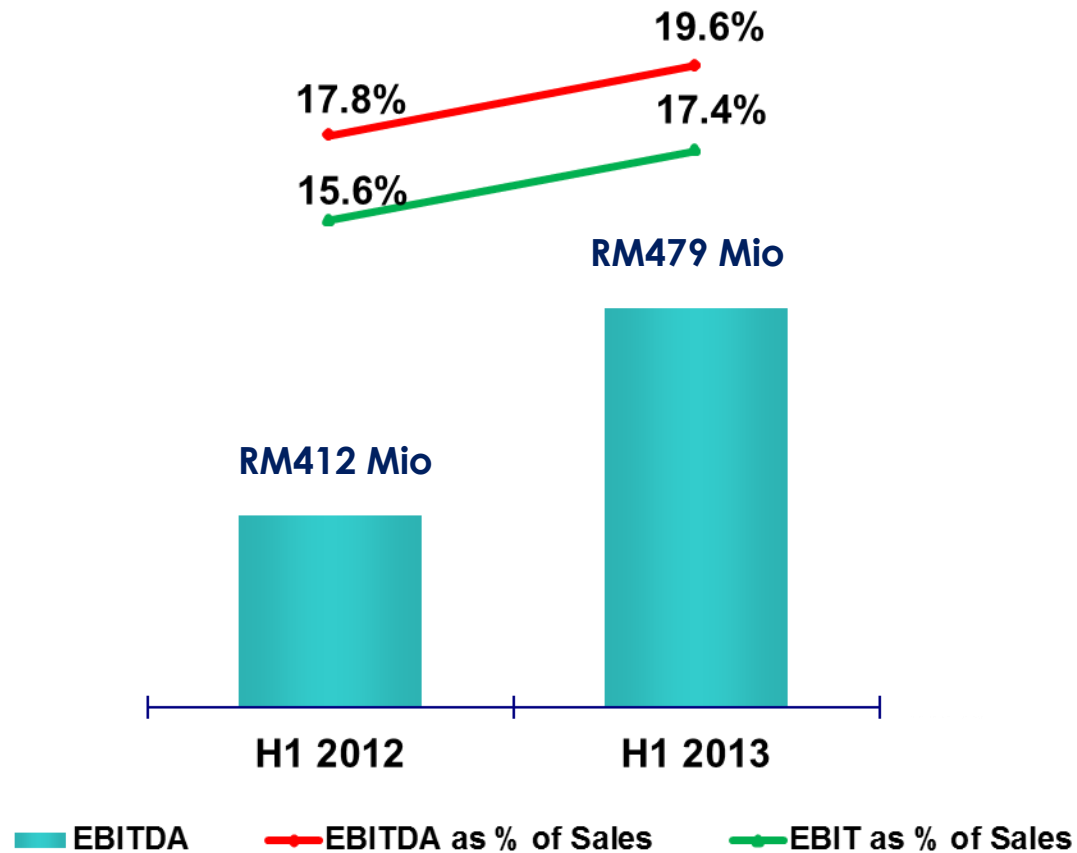
Products	
<p>Nestle Greek Yogurt Natural Flavour</p> <p>Nestle Greek Yogurt Strawberry Field</p> <p>Nestle Greek Yogurt Peach Harvest</p> <p>BEAR Brand RTD Milk Tin</p>	<p>Apr'13</p> <p>Apr'13</p> <p>Apr'13</p> <p>Apr'13</p>



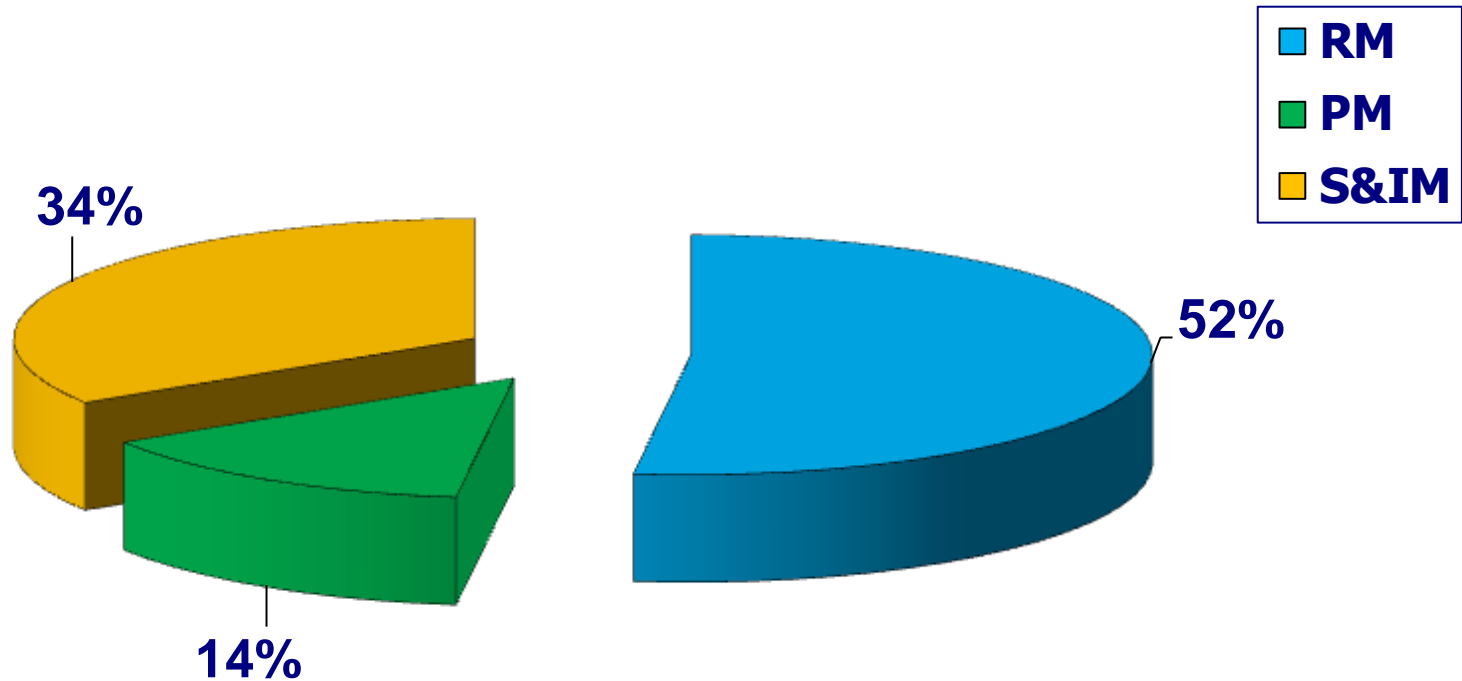


EBITDA MARGIN

Evolution of EBITDA

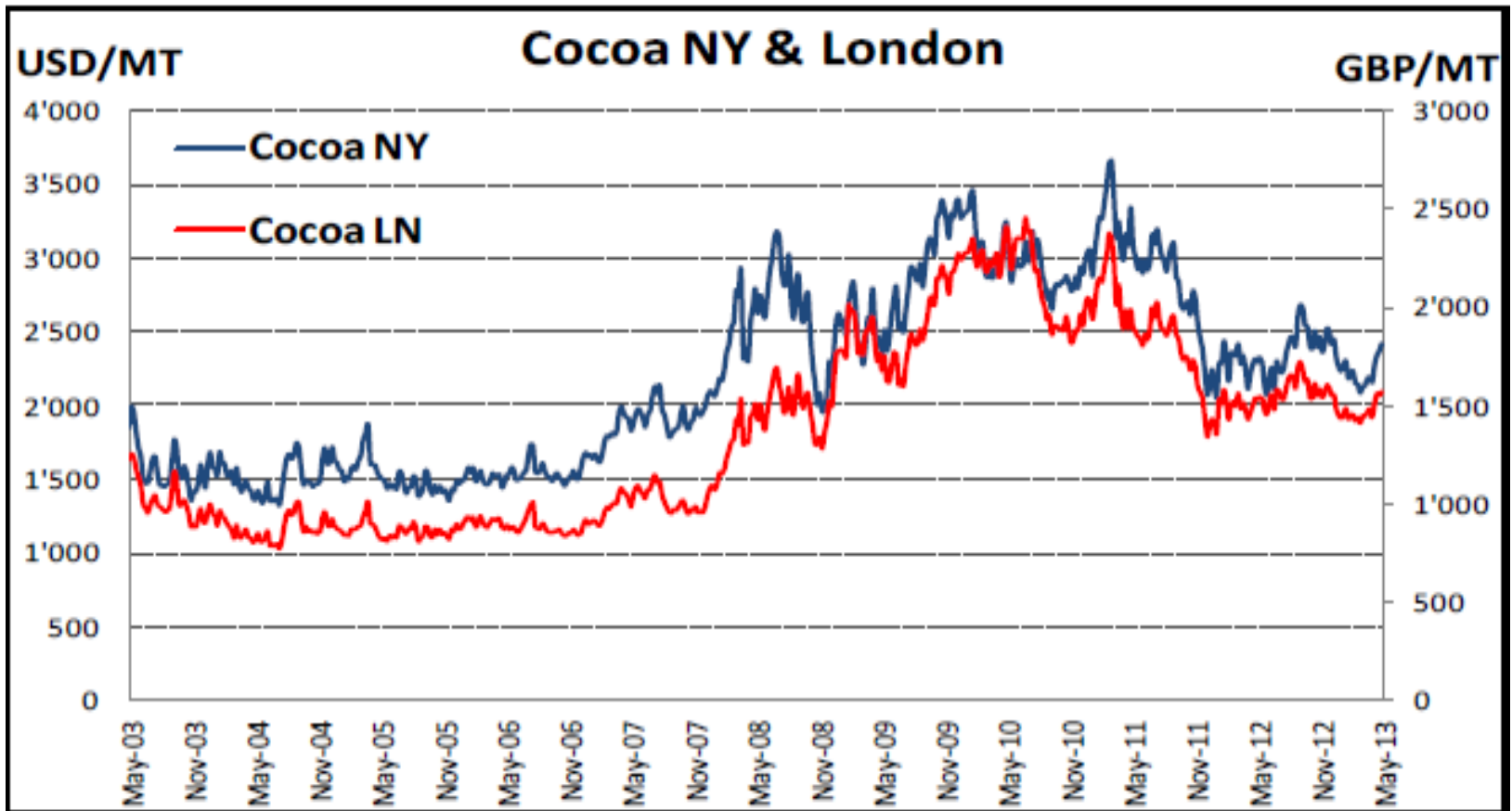


Breakdown of Material & Services Consumed Jan '13 – Jun'13



Total = RM 1.31 Bio.

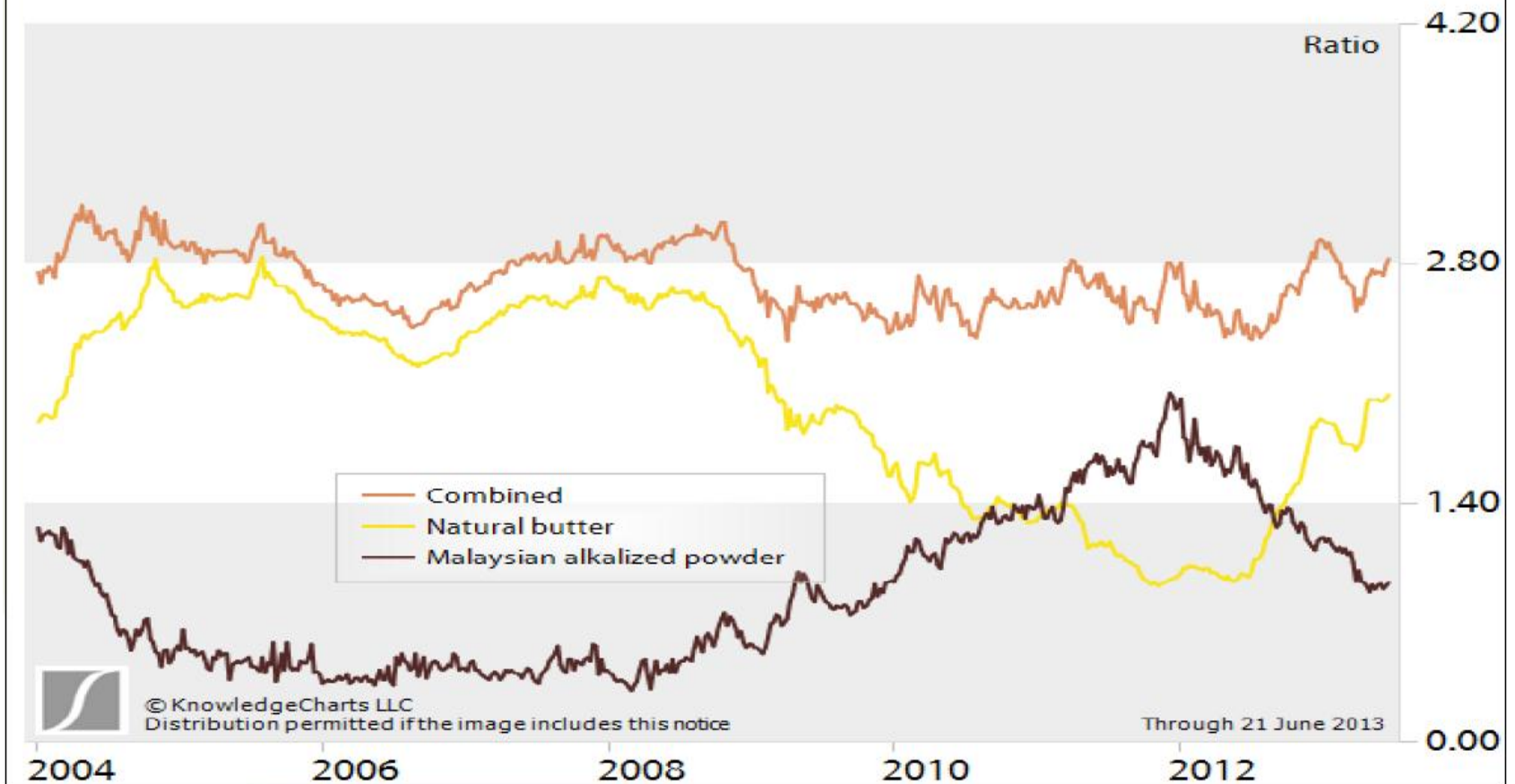
Cocoa Bean Price



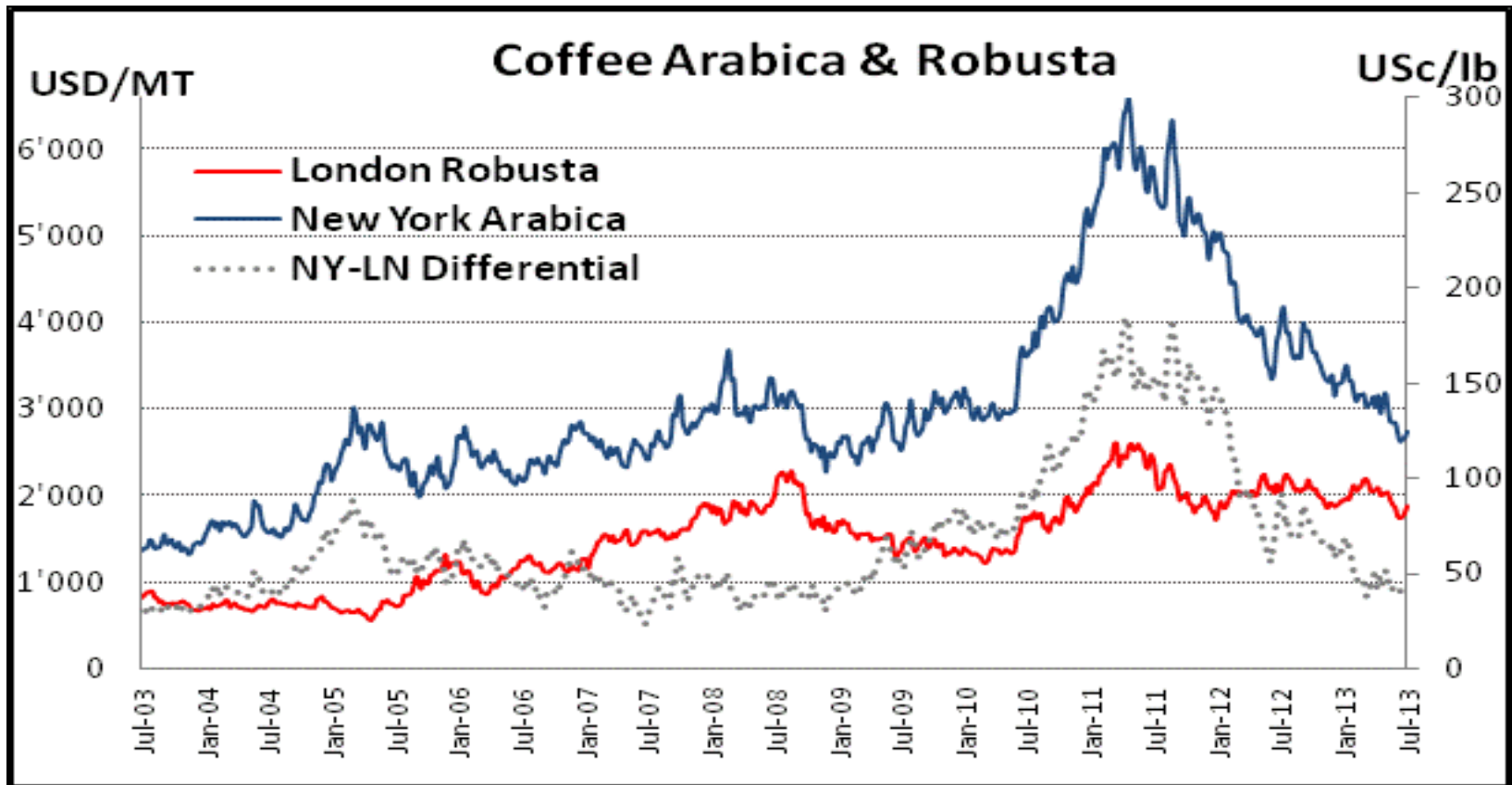
Cocoa Powder Ratio

Far East product ratios, £

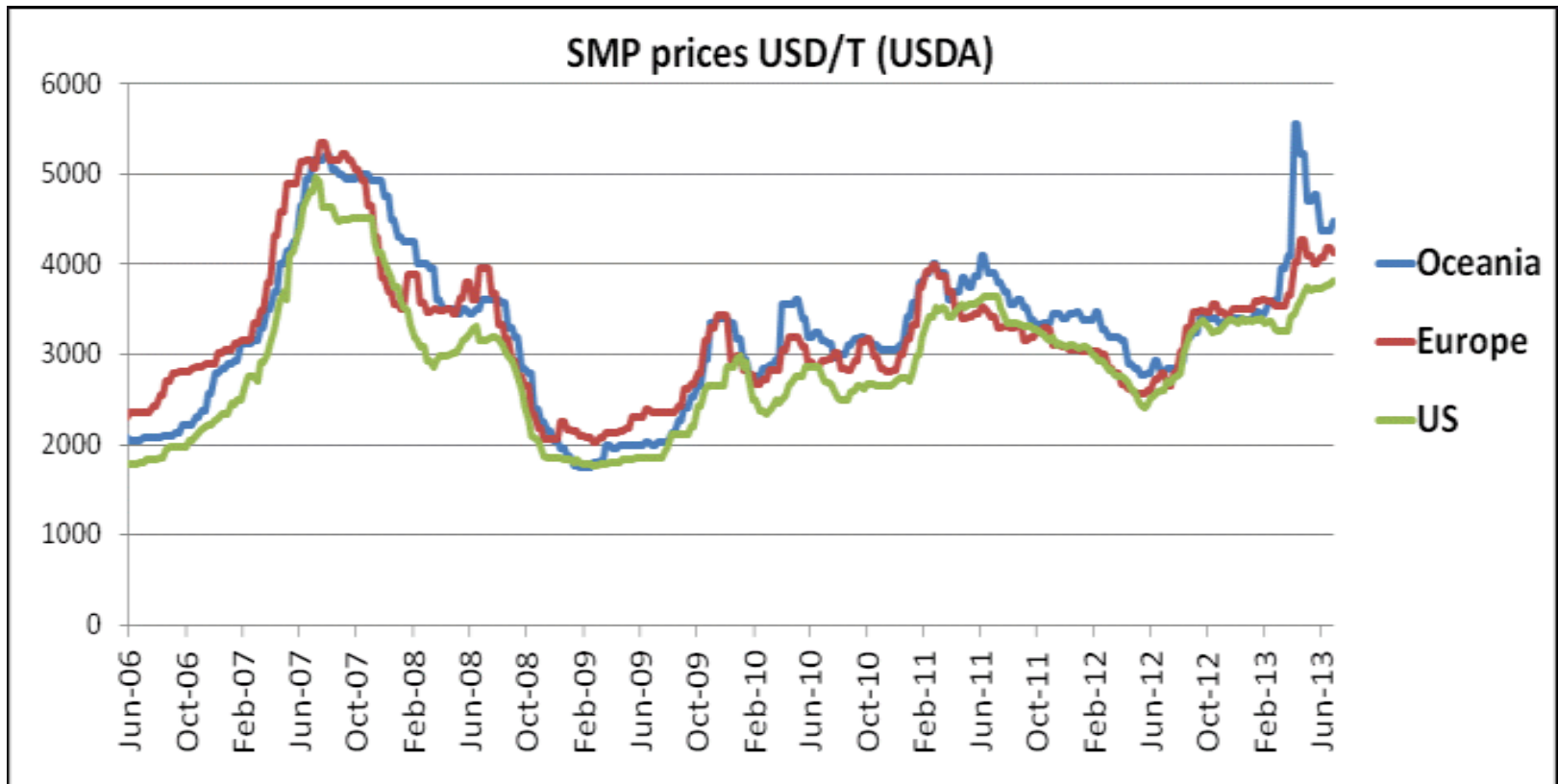
FOB against London, six months forward



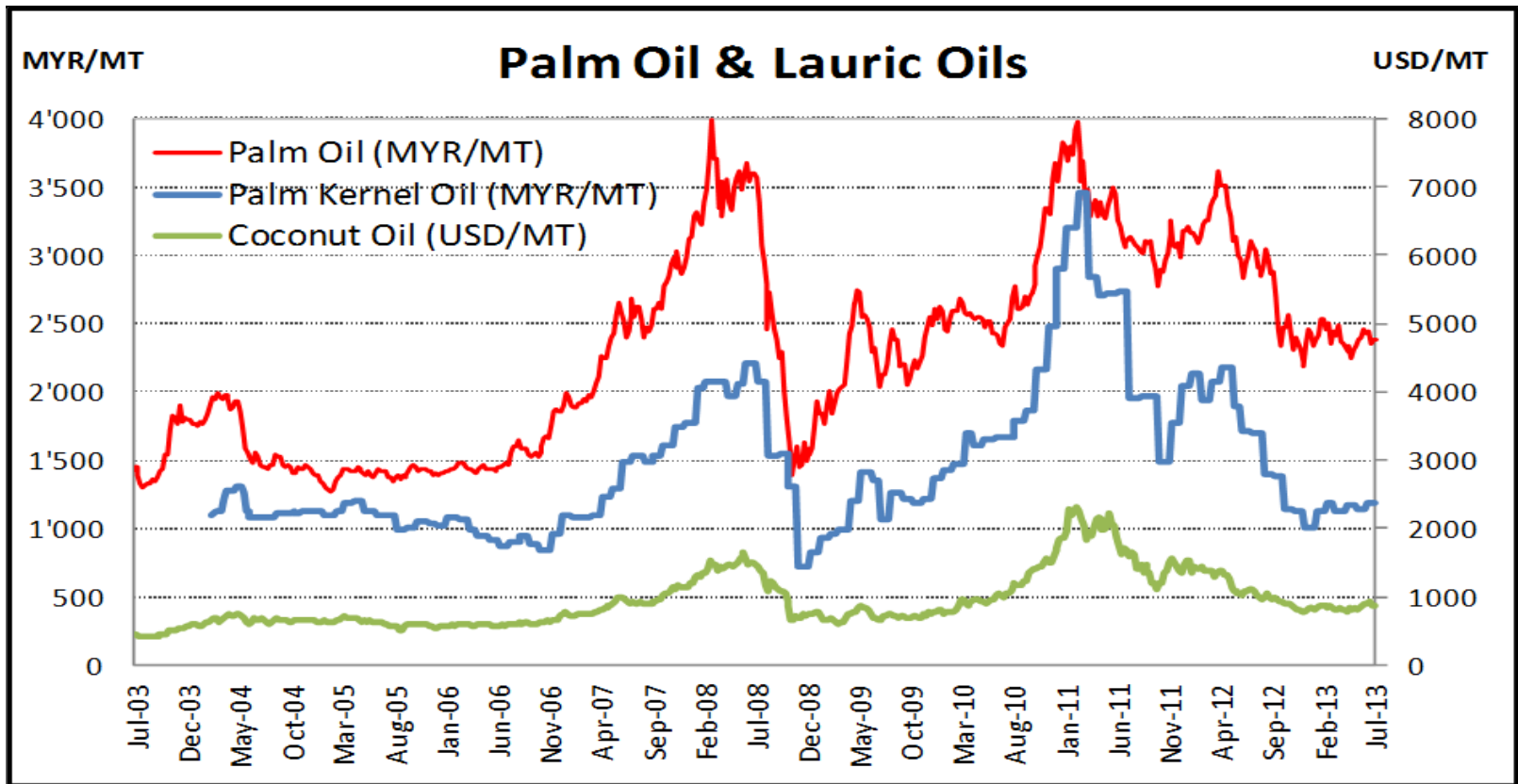
Coffee bean



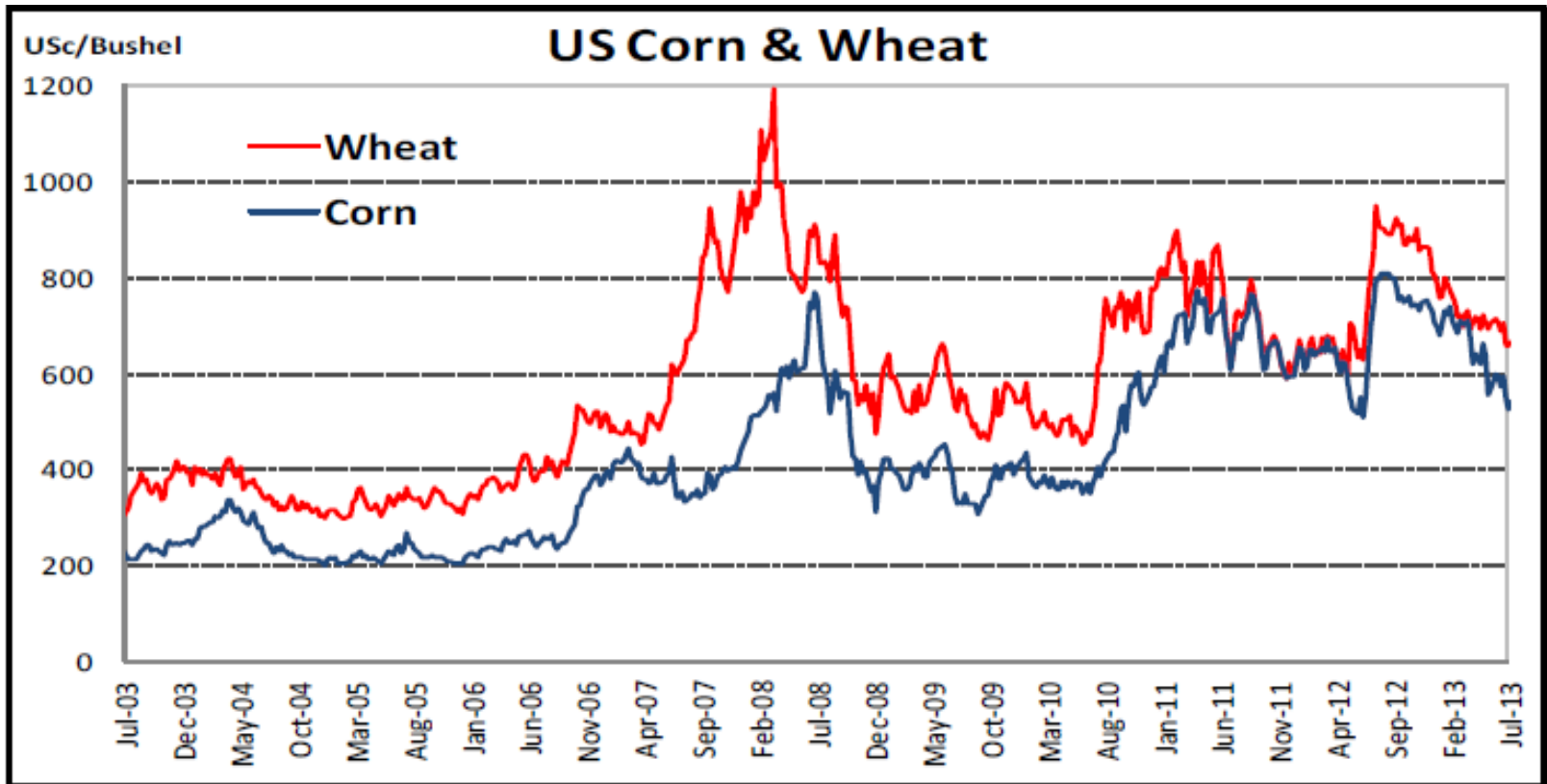
Milk Solids



Crude Palm Oil



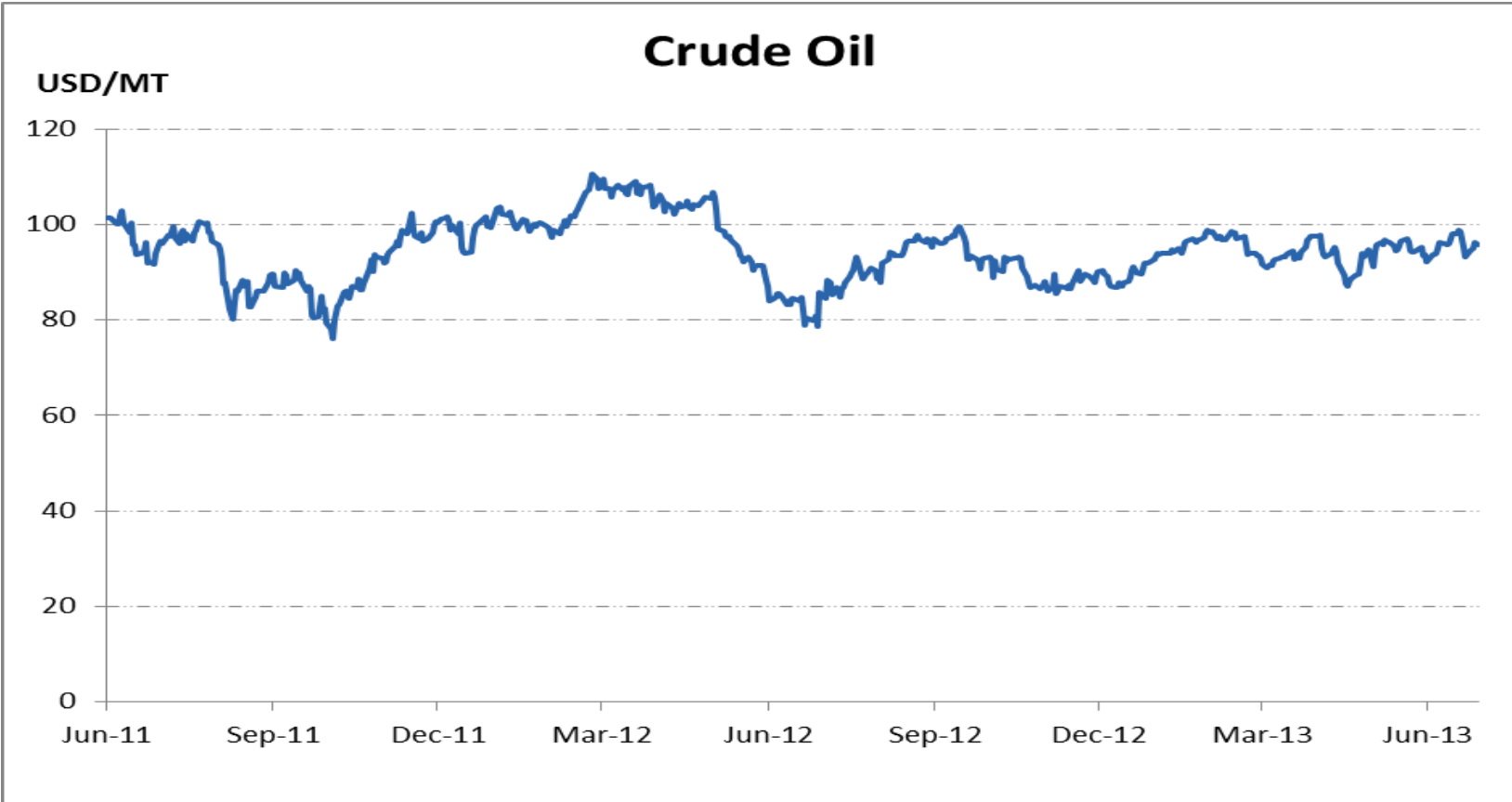
Wheat



Sugar



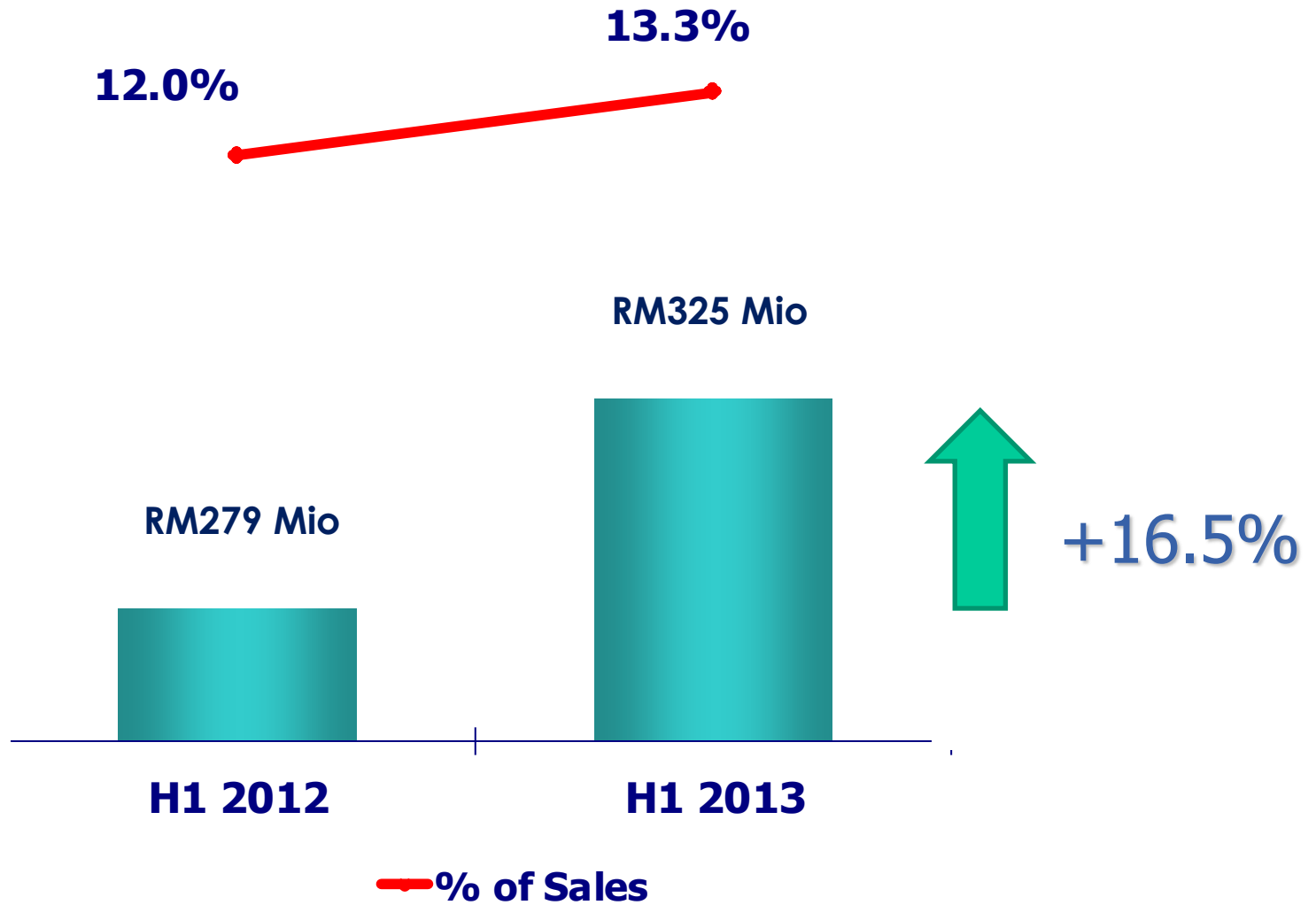
Crude Oil





NET PROFIT MARGIN

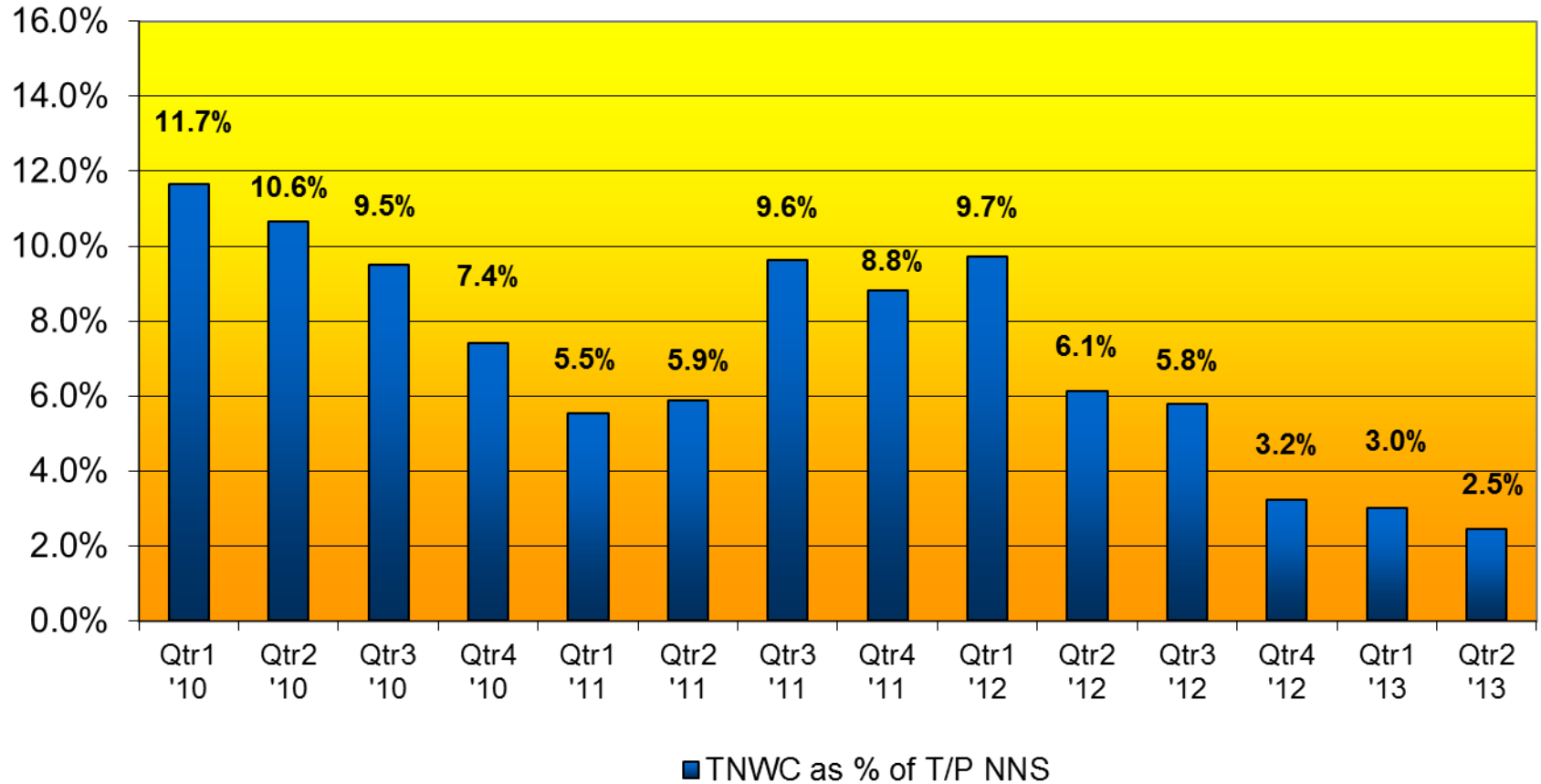
Net Profit Evolution



Key Figures

NESTLÉ MALAYSIA BERHAD			
KEY FIGURES			
<i>Amounts in RM mio</i>	1H 2013	1H 2012	% Change
Sales	2,442	2,314	5.5
Domestic	1,844	1,712	7.7
Export	597	601	(0.7)
Operating Profit/(Loss)	424	362	17.3
<i>% of Sales</i>	17.4	15.6	
Net Profit	325	279	16.5
<i>% of Sales</i>	13.3	12.0	
Operating Expenses	457	412	10.8
Current Assets	902	980	(8.0)
Inventories	406	452	(10.2)
<i>Days</i>	13	15	
Trade Receivable	206	183	12.7
<i>Days</i>	15	16	
Capital Expenditure	38	22	77.5

MY Trade Net Working Capital (Individual Qtr position)



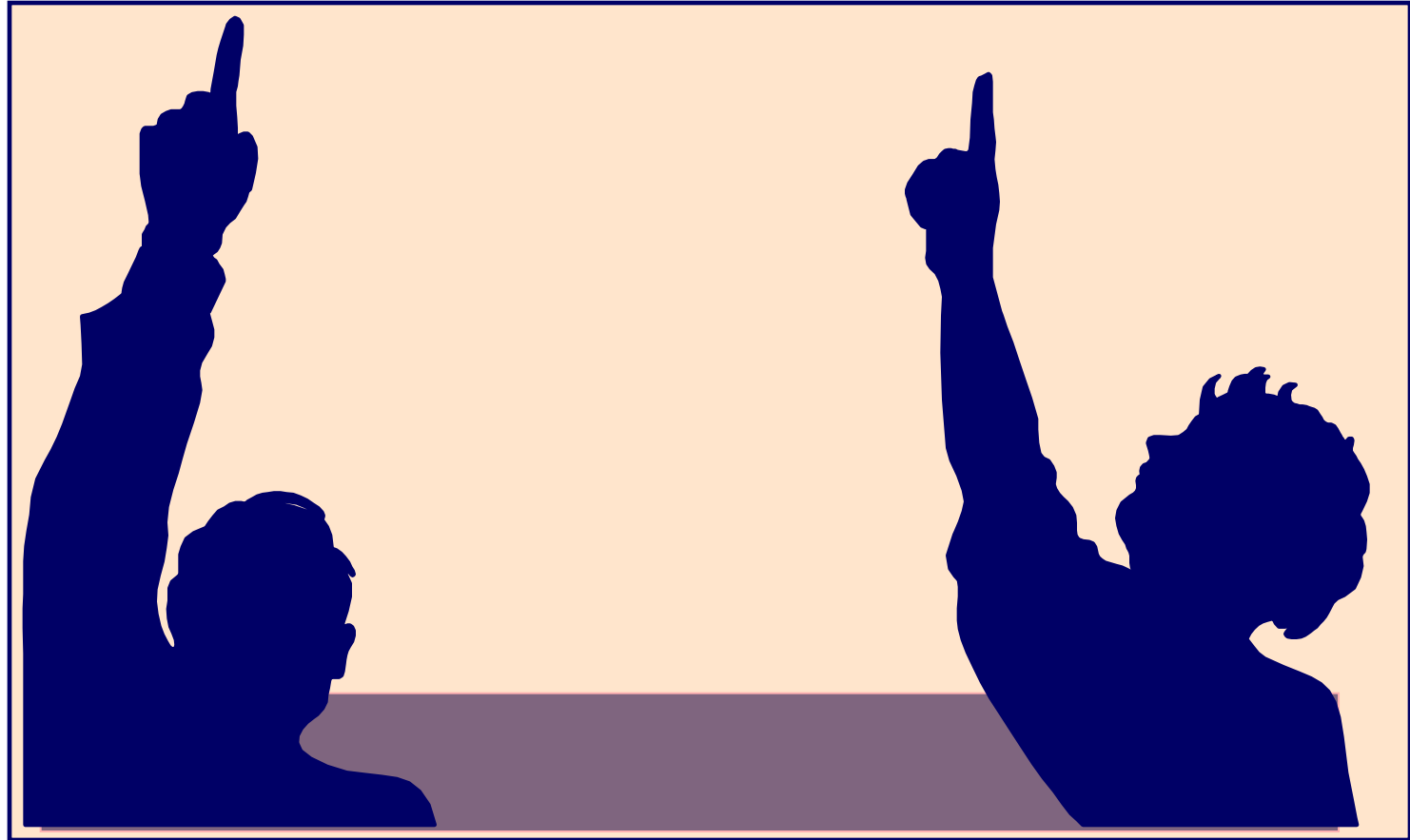
Free Cash Flow H1 2013

	<u>MYR(Mio)</u>
➤ Cash flow from operating activities	479
➤ (Less)/Add	
➔ Increase in working capital	(4)
➔ Income tax & others	(69)
➔ Capital investment	(38)
Total impact	<u>(111)</u>
➤ Free Cash Flow H1 2013	<u>368</u>
➤ Free Cash Flow H1 2012	<u>357</u>

Interim Dividend 2013

**Interim dividend of 60 sen per share
(2012 : 55 sen) declared by the Board**

QUESTIONS



Thank You