

Nestlé (Malaysia) Berhad

Financial Analysts' Briefing - May 3, 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

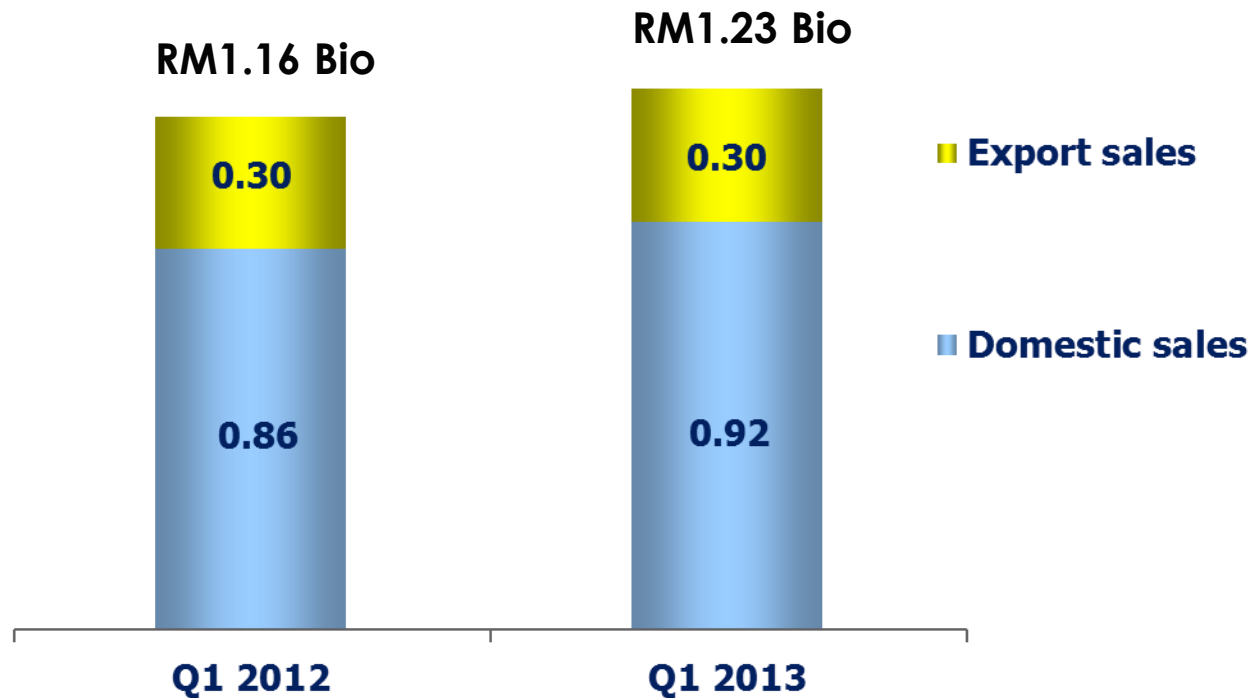


SALES GROWTH



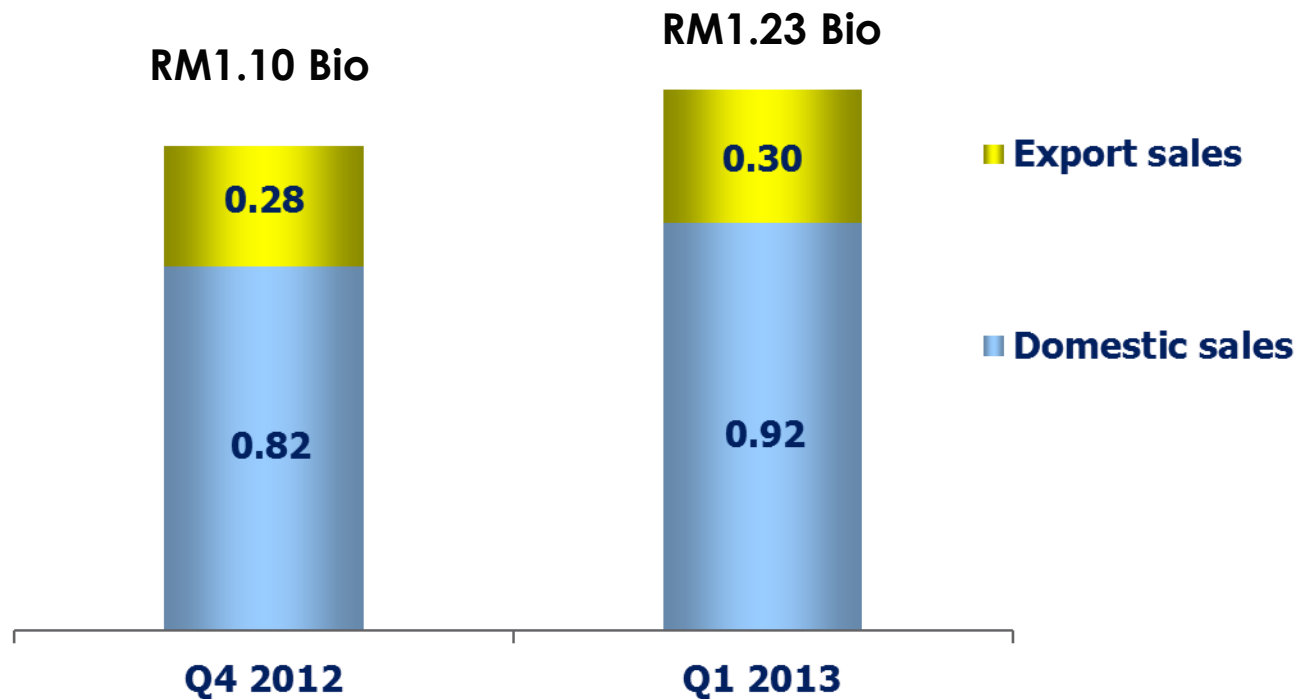
Sales Evolution Q1 2013

➤ Domestic Sales +6.9%
➤ Export Sales +1.3% } **+5.4%**

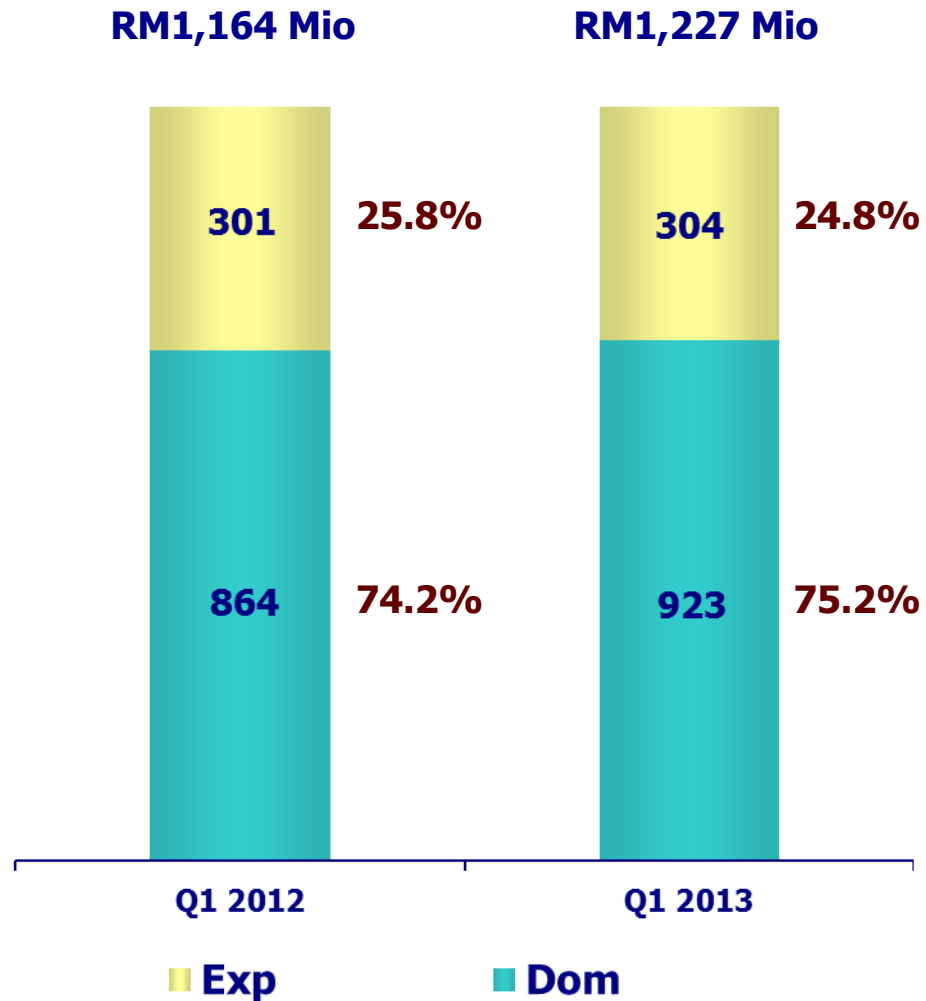


Sales Evolution Q1 2013

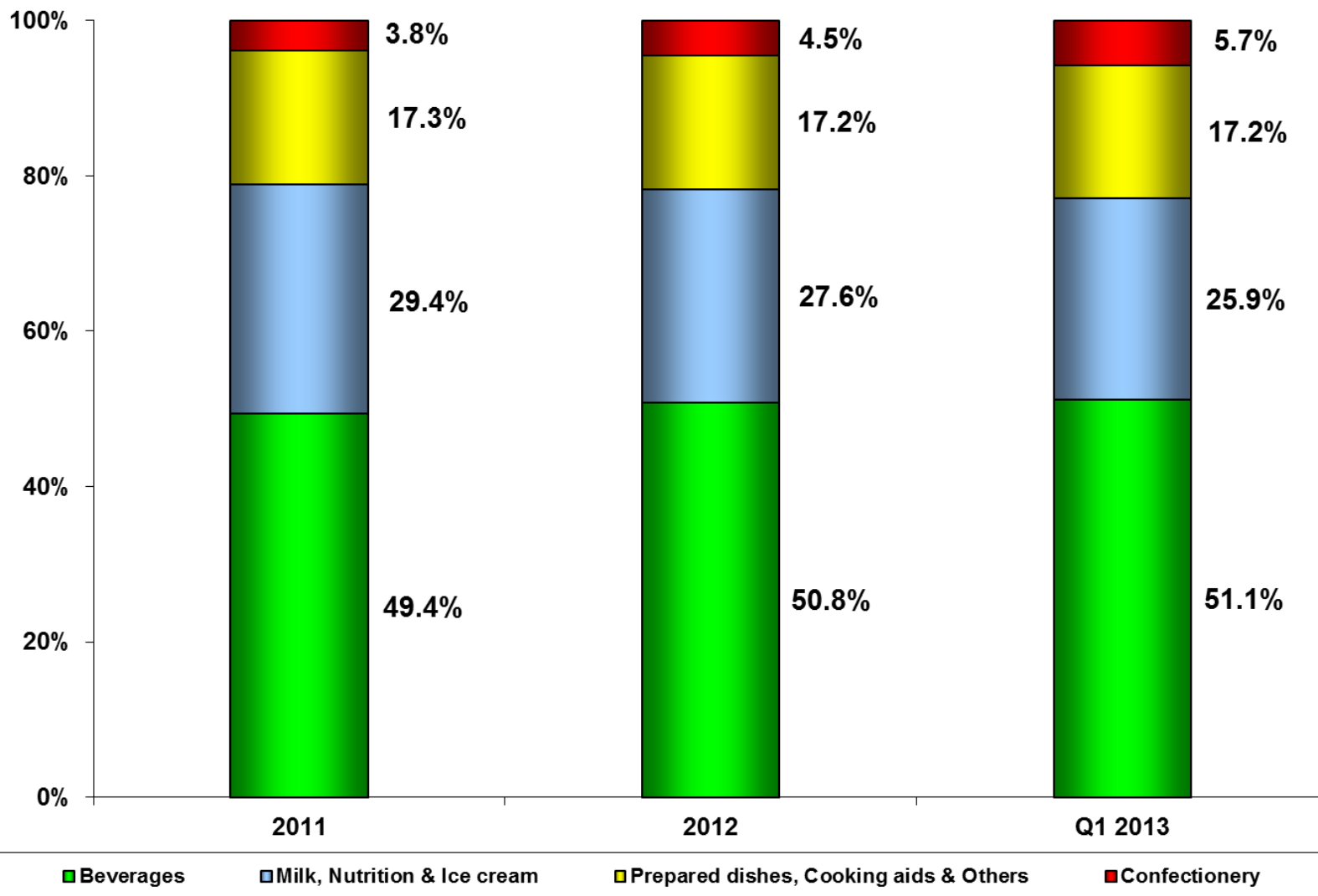
- Domestic Sales +11.9%
 - Export Sales +10.7%
- +11.6%**



Channel Sales



Sales by Product Categories



New Products Qtr 1 2013



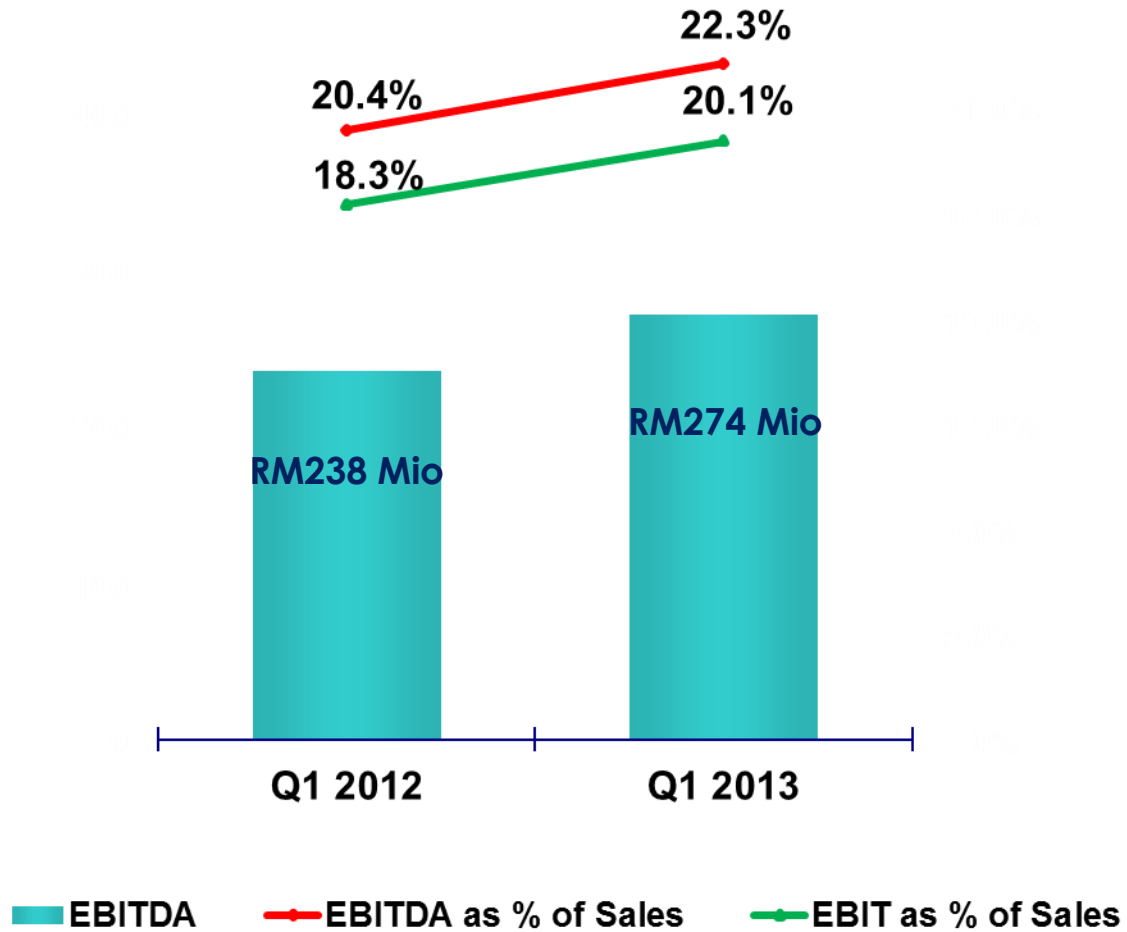


NESCAFÉ Celebrates 75 Years Anniversary

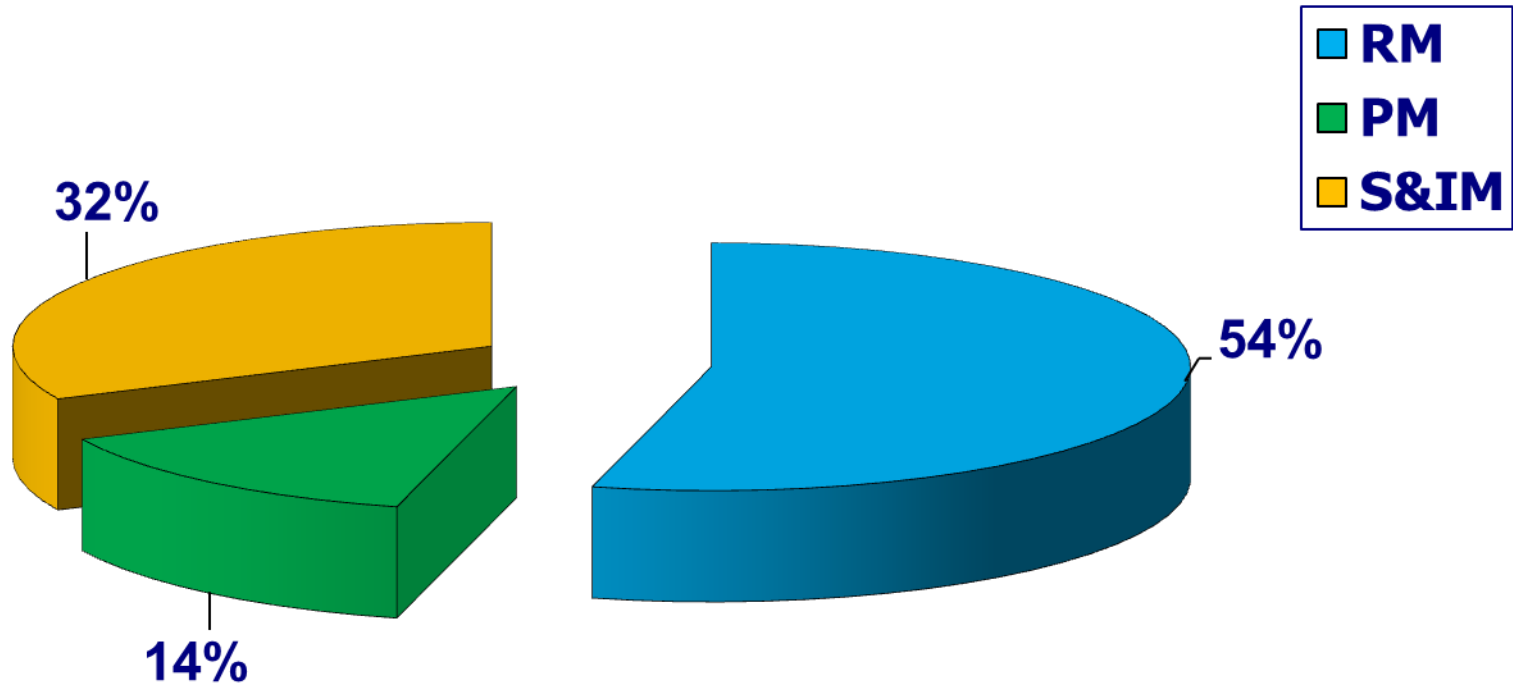


EBITDA MARGIN

Evolution of EBITDA

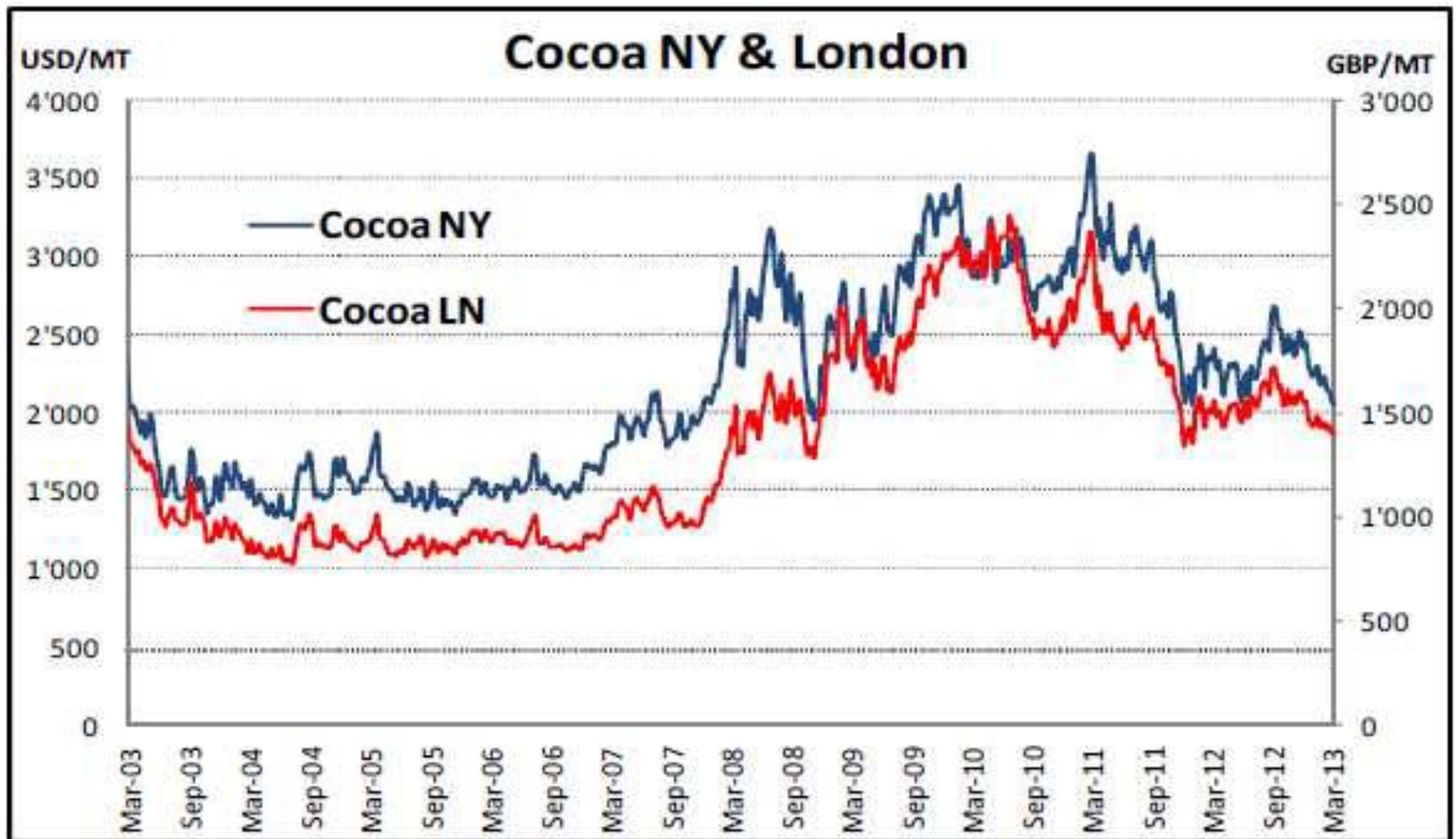


Breakdown of Material & Services Consumed Jan '13 – Mar'13



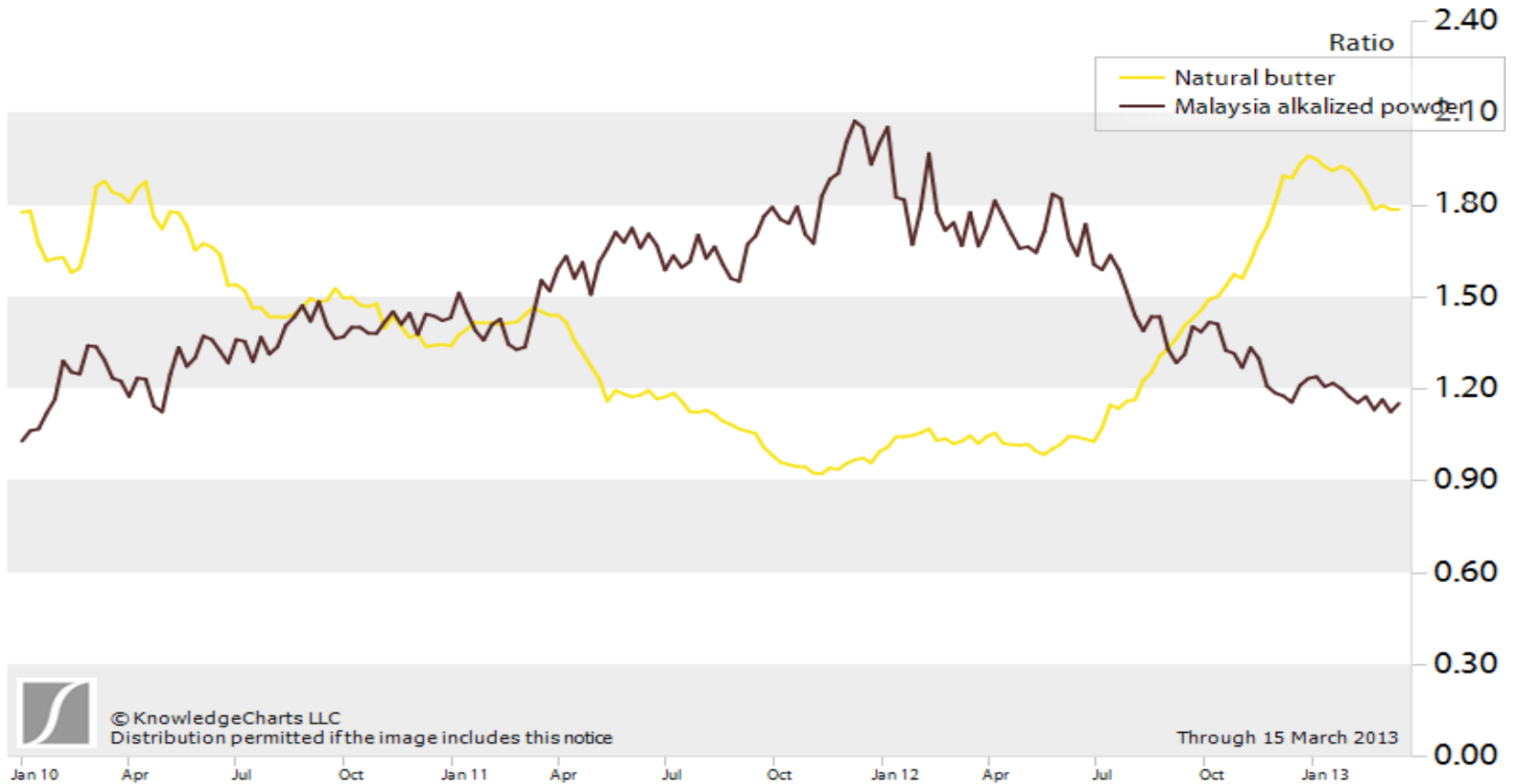
Total = RM 0.65 Bio.

Cocoa Bean Price

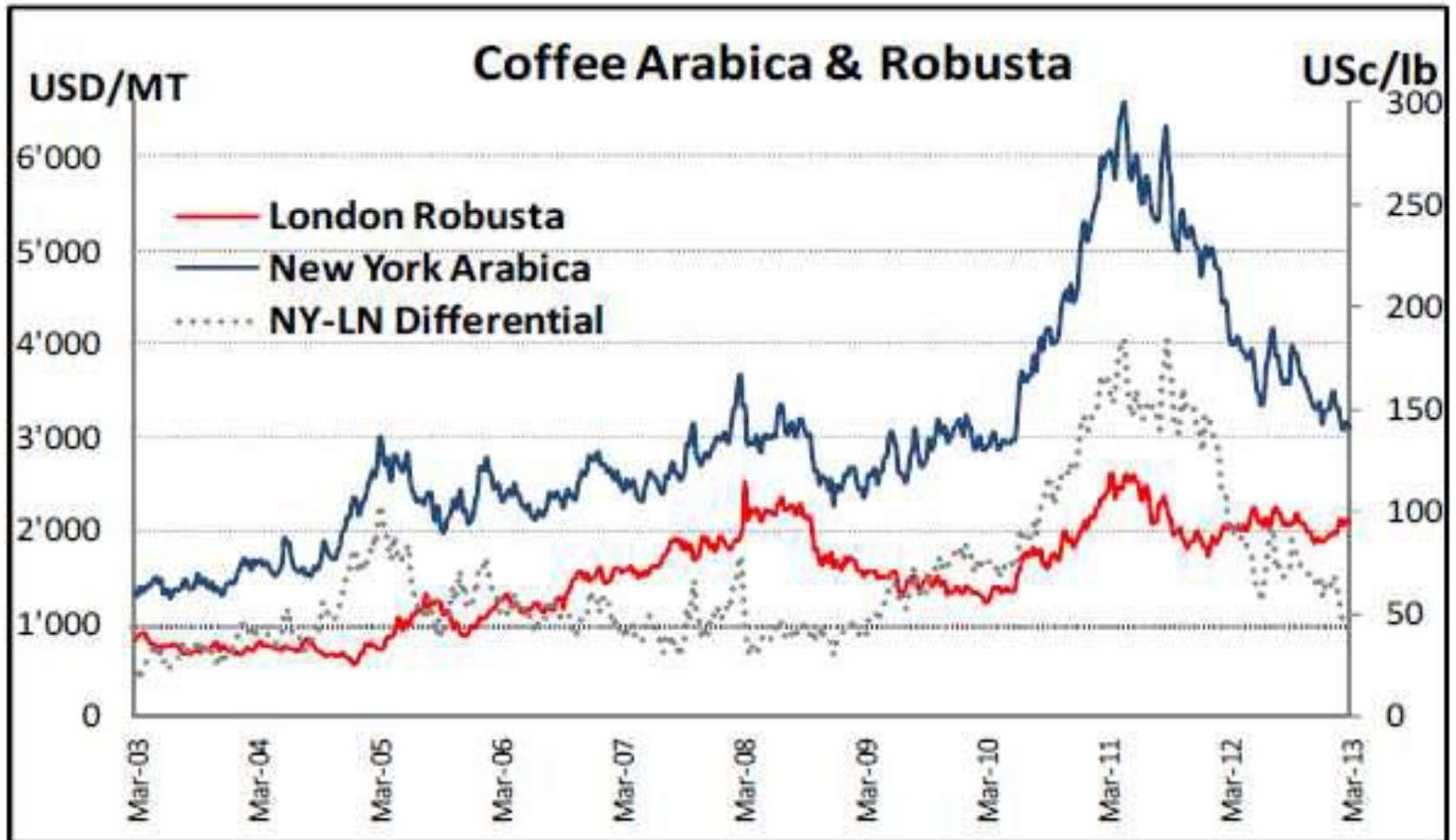


Cocoa Powder Ratio

Far East cocoa butter price and ratio, powder price
FOB against New York, six months forward

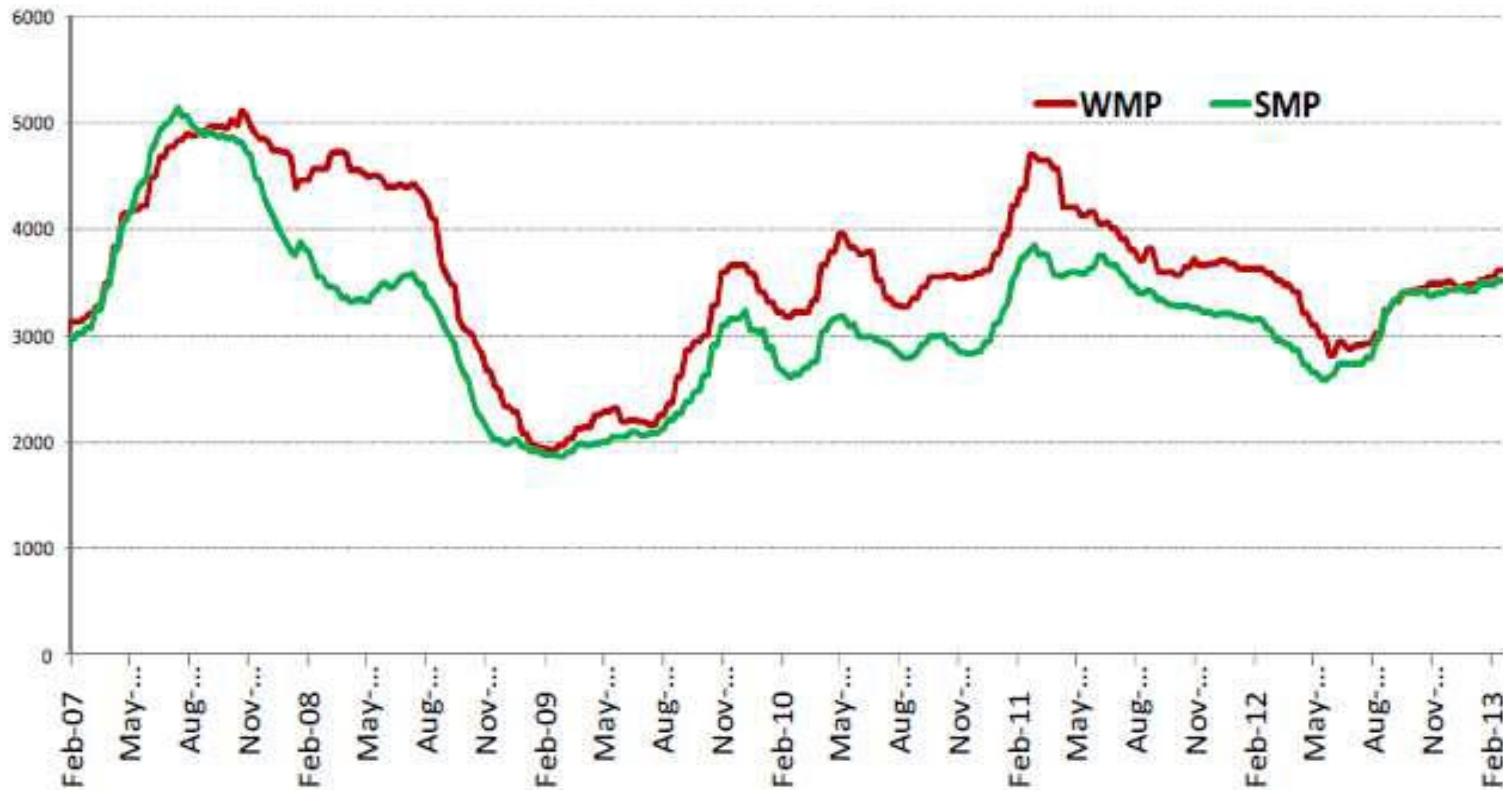


Coffee bean

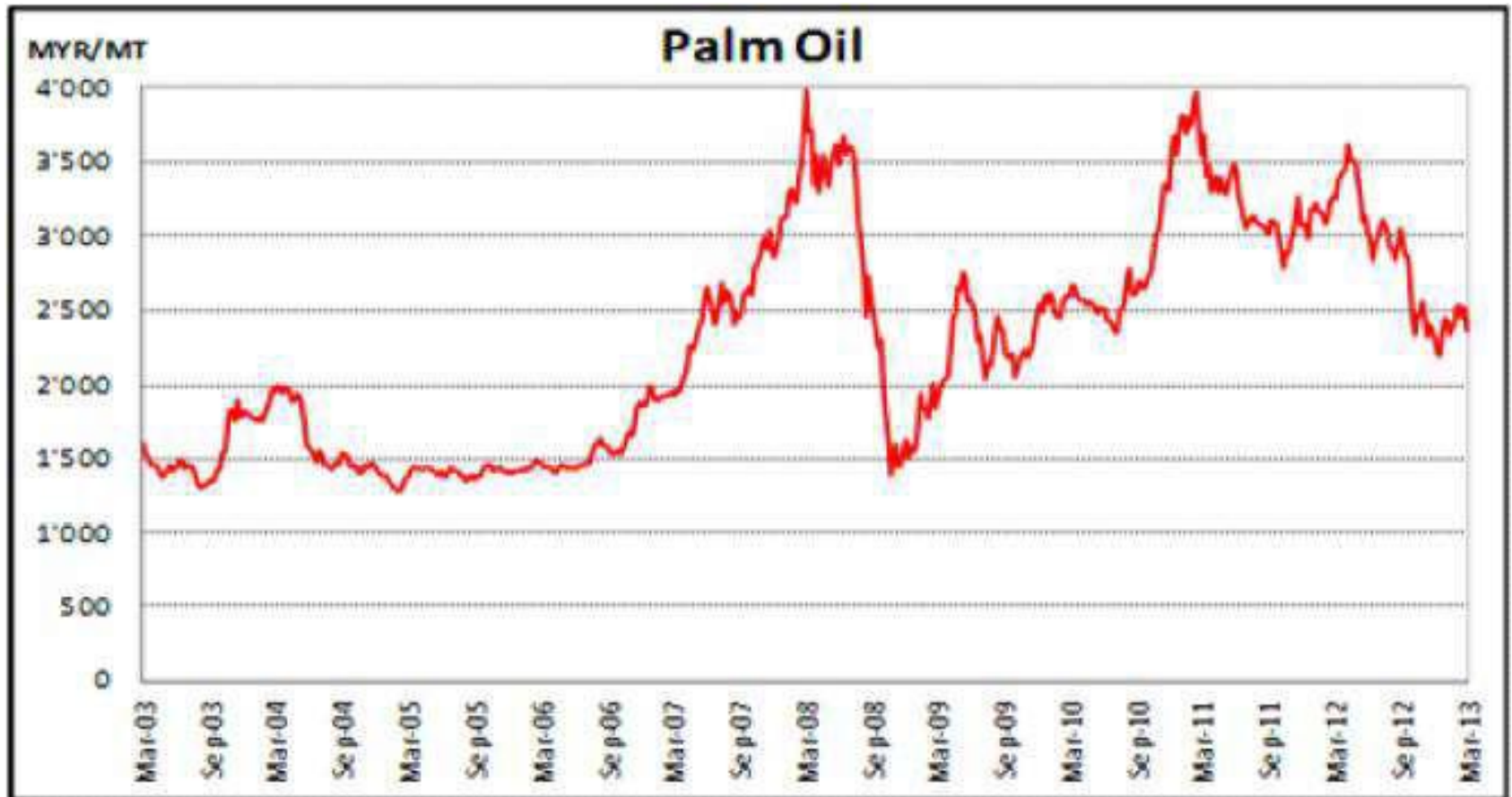


Milk Solids

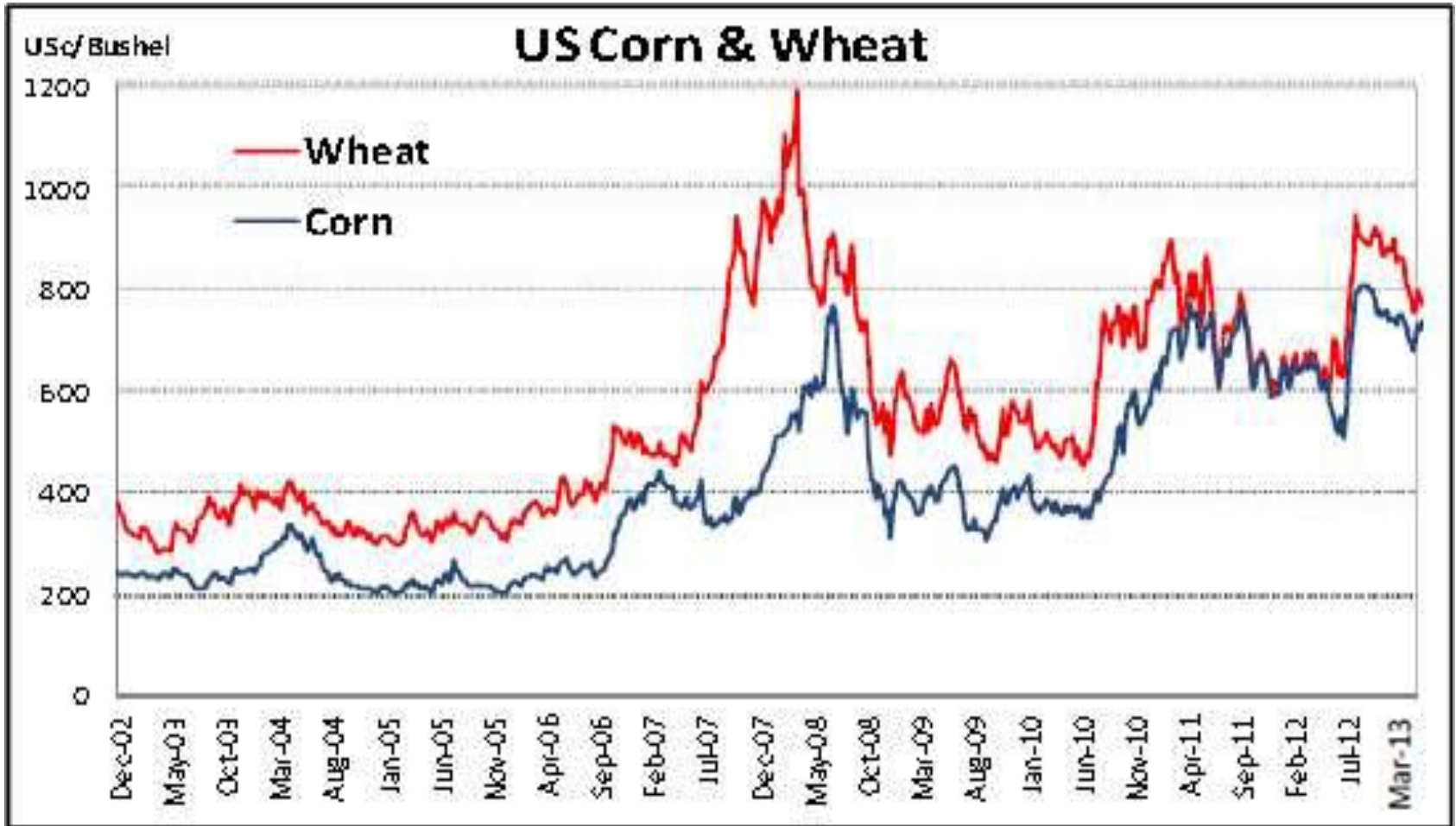
World SMP, WMP prices USD/T (USDA, clal)



Crude Palm Oil



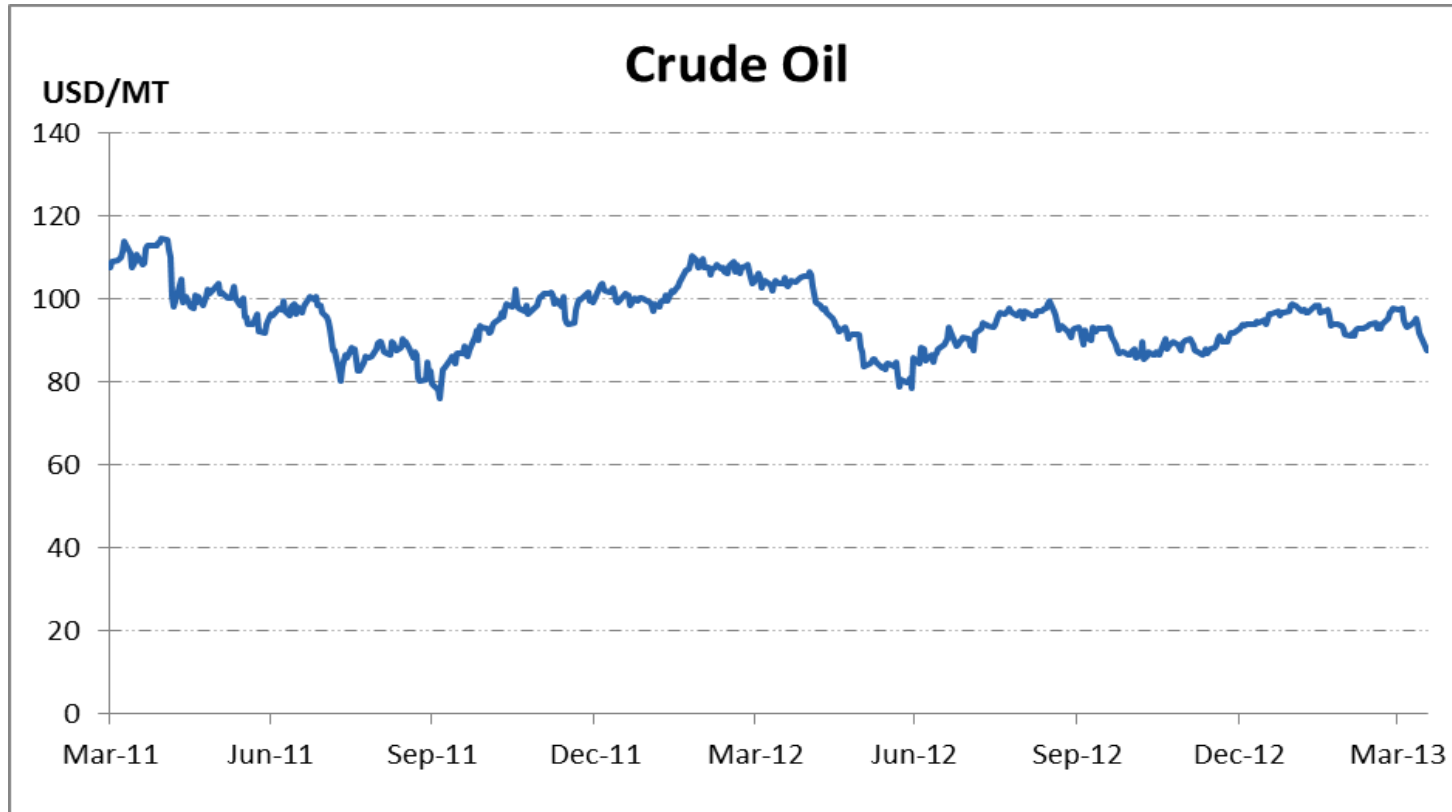
Wheat



Major Commodities



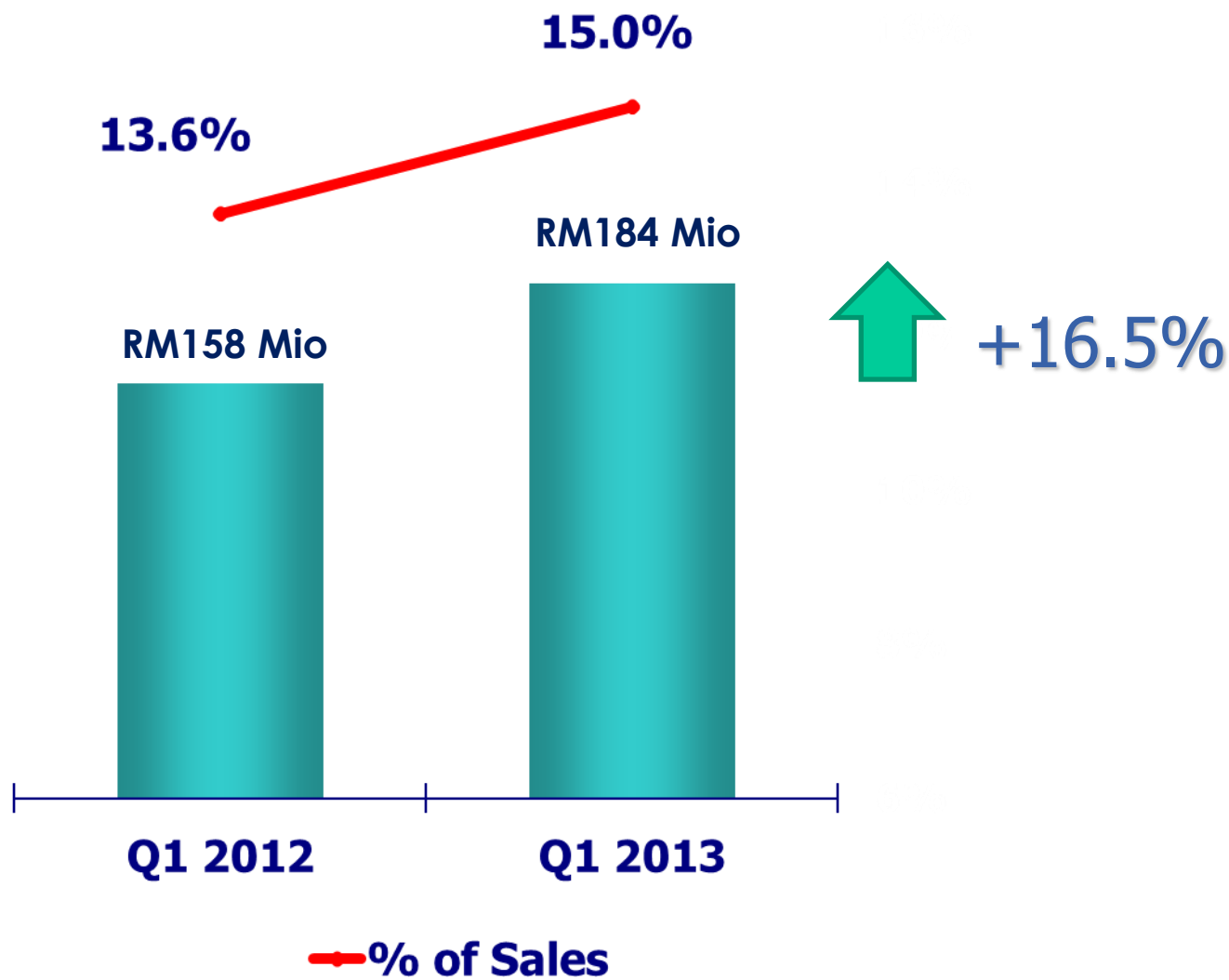
Major Commodities



NET PROFIT MARGIN



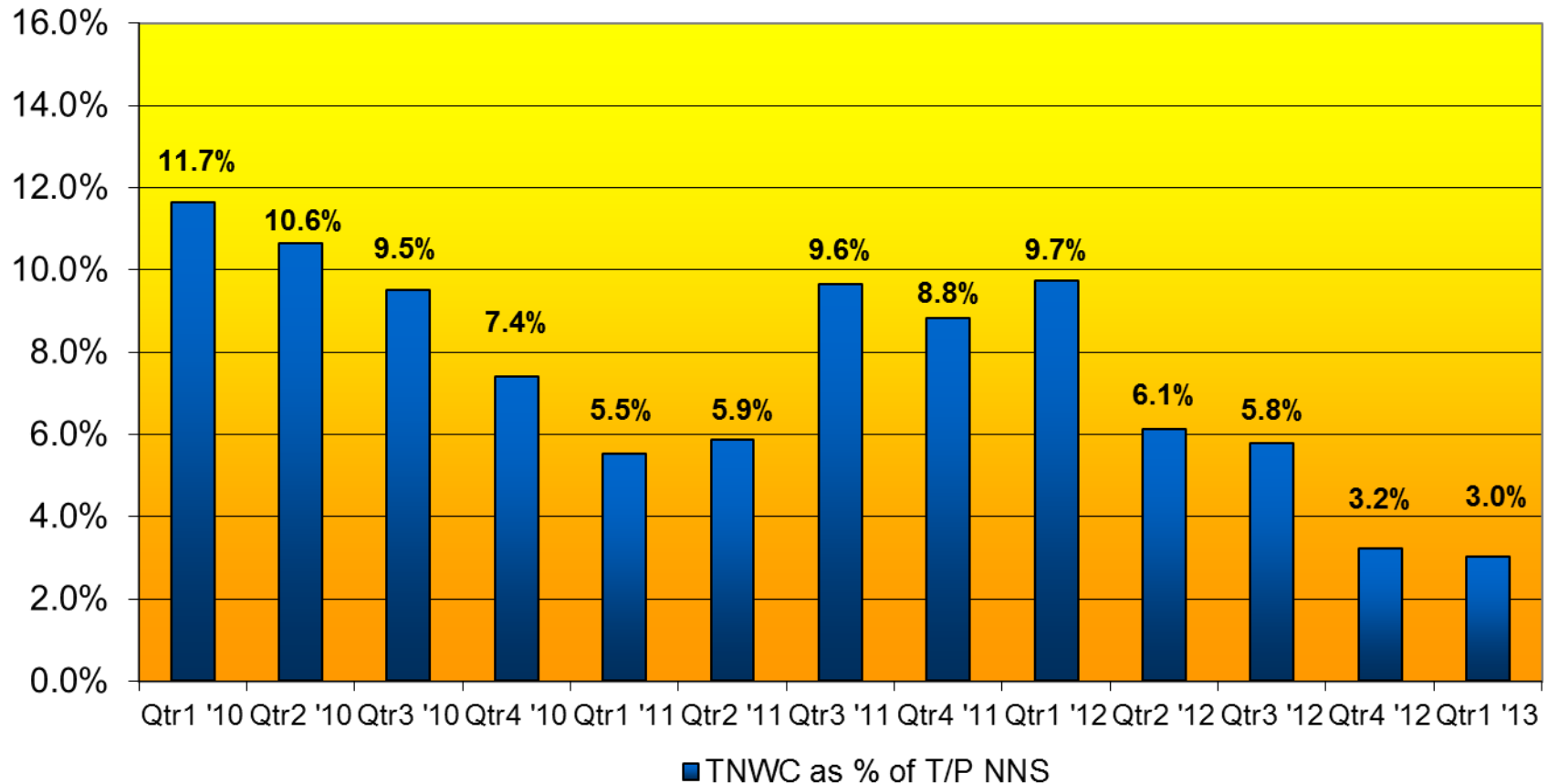
Net Profit Evolution



Key Figures

NESTLÉ MALAYSIA BERHAD KEY FIGURES			
<i>Amounts in RM mio</i>	Q1 2013	Q1 2012	% Change
Sales	1,227	1,164	5.4
Domestic	923	864	6.9
Export	304	301	1.3
Operating Profit/(Loss)	247	213	16.2
<i>% of Sales</i>	20.1	18.3	
Net Profit	184	158	16.7
<i>% of Sales</i>	15.0	13.6	
Operating Expenses	201	173	16.0
Current Assets	1,028	973	5.6
Inventories	384	460	(16.7)
<i>Days</i>	14	17	
Trade Receivable	216	231	(6.7)
<i>Days</i>	13	19	
Capital Expenditure	9	12	(20.9)

MY Trade Net Working Capital (Individual Qtr position)



Free Cash Flow Q1 2013

	<u>MYR(Mio)</u>
➤ Cash flow from operating activities	274
➤ (Less)/Add	
➔ Increase in working capital	(81)
➔ Income tax & others	(39)
➔ Capital investment	(9)
Total impact	<u>(129)</u>
➤ Free Cash Flow Q1 2013	<u>145</u>
➤ Free Cash Flow Q1 2012	<u>64</u>

Dividend 2012

Net final dividend of RM1.55 per share recommended by the Board

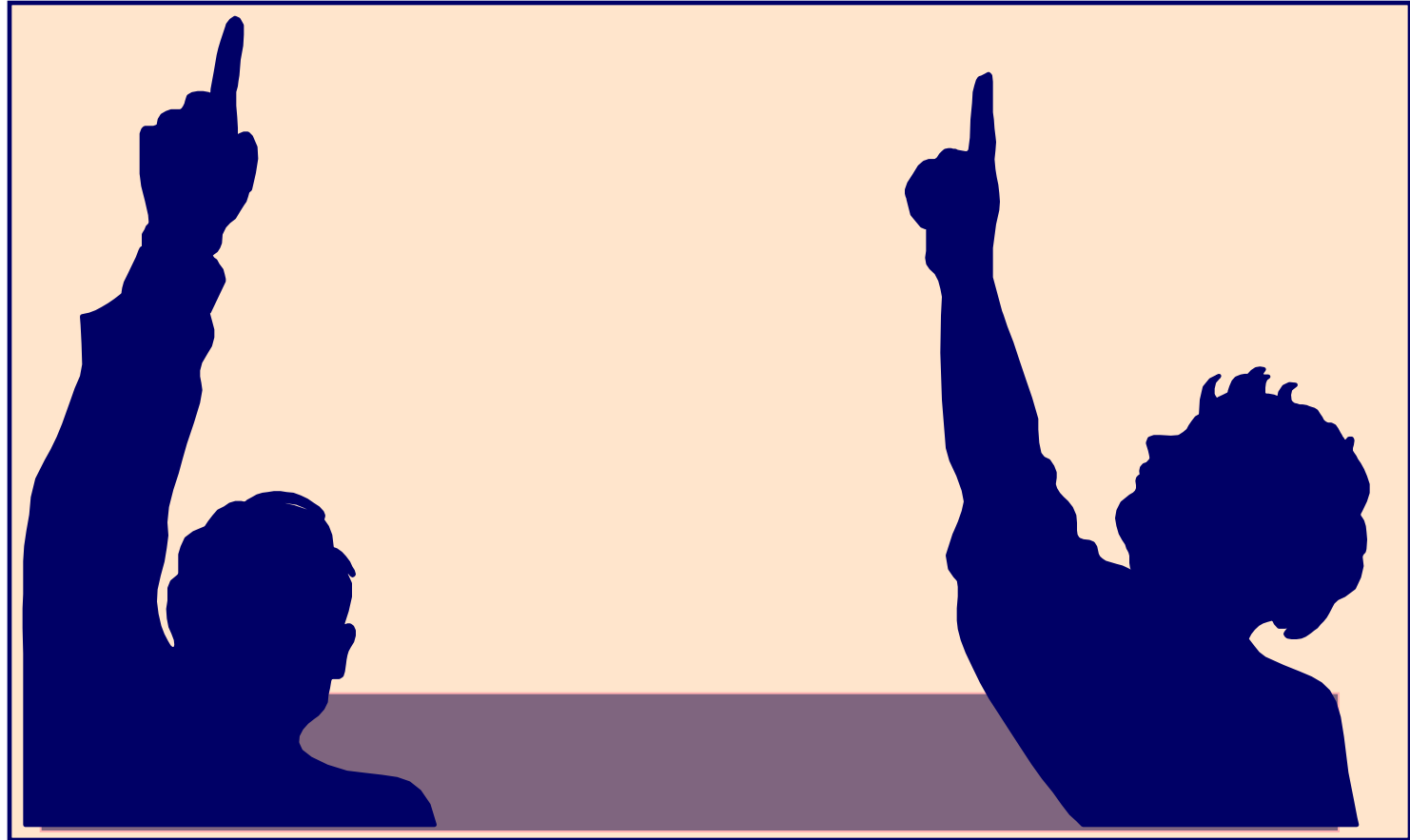
Total proposed and declared dividend is RM2.10, +16.7% vs 2011

Total payout ratio 97%

Investments in the Pipeline



QUESTIONS



Thank You