

Nestlé (Malaysia) Berhad

Financial Analysts' Briefing, August 30th, 2012



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



1. SALES GROWTH
2. PROFIT MARGIN
3. WORKING CAPITAL INTENSITY
4. FIXED CAPITAL INTENSITY

Financial



5. INCOME TAX RATE
6. COST OF CAPITAL

Strategic



7. VALUE GROWTH DURATION

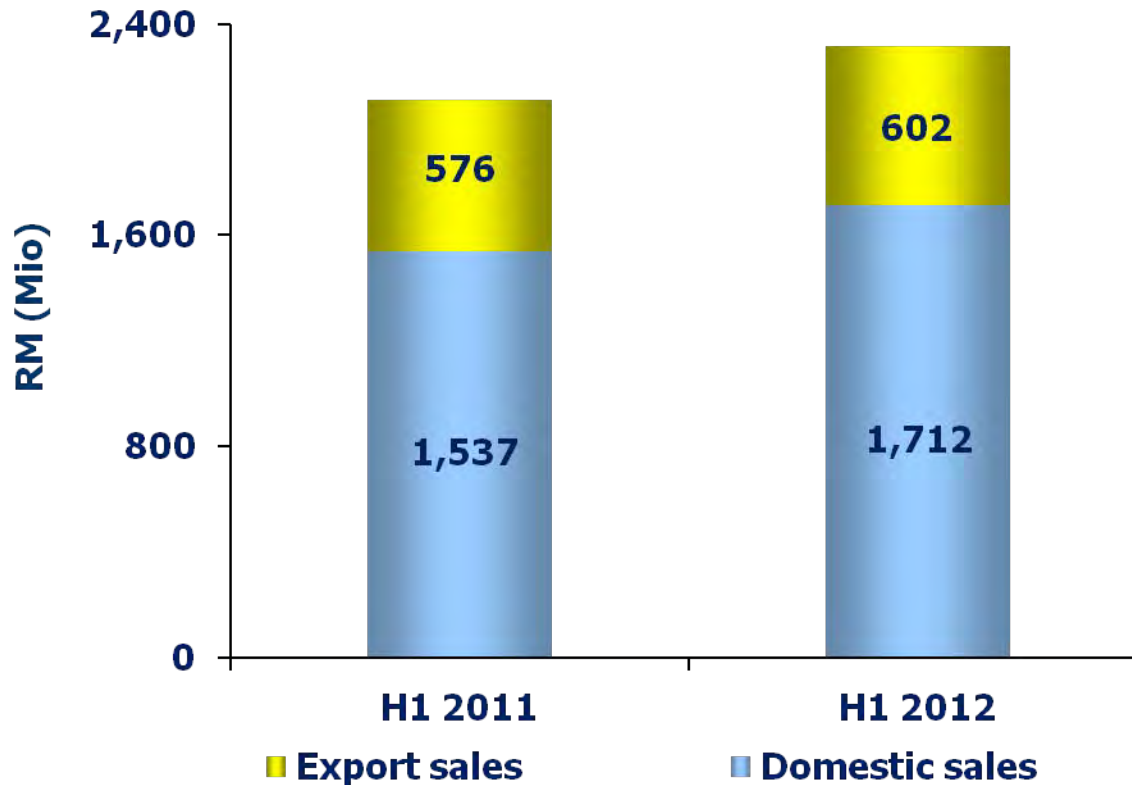
VALUE DRIVERS

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

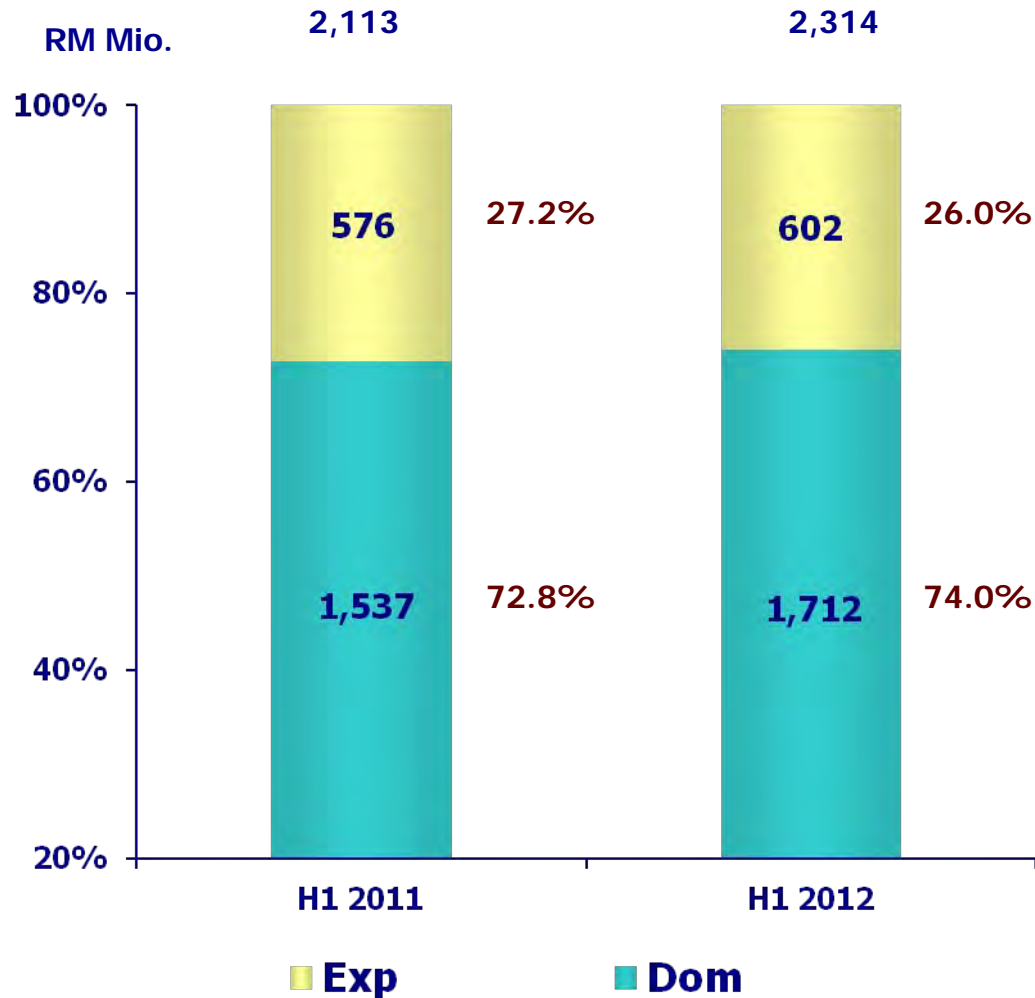
SALES GROWTH

Sales Evolution H1 2012

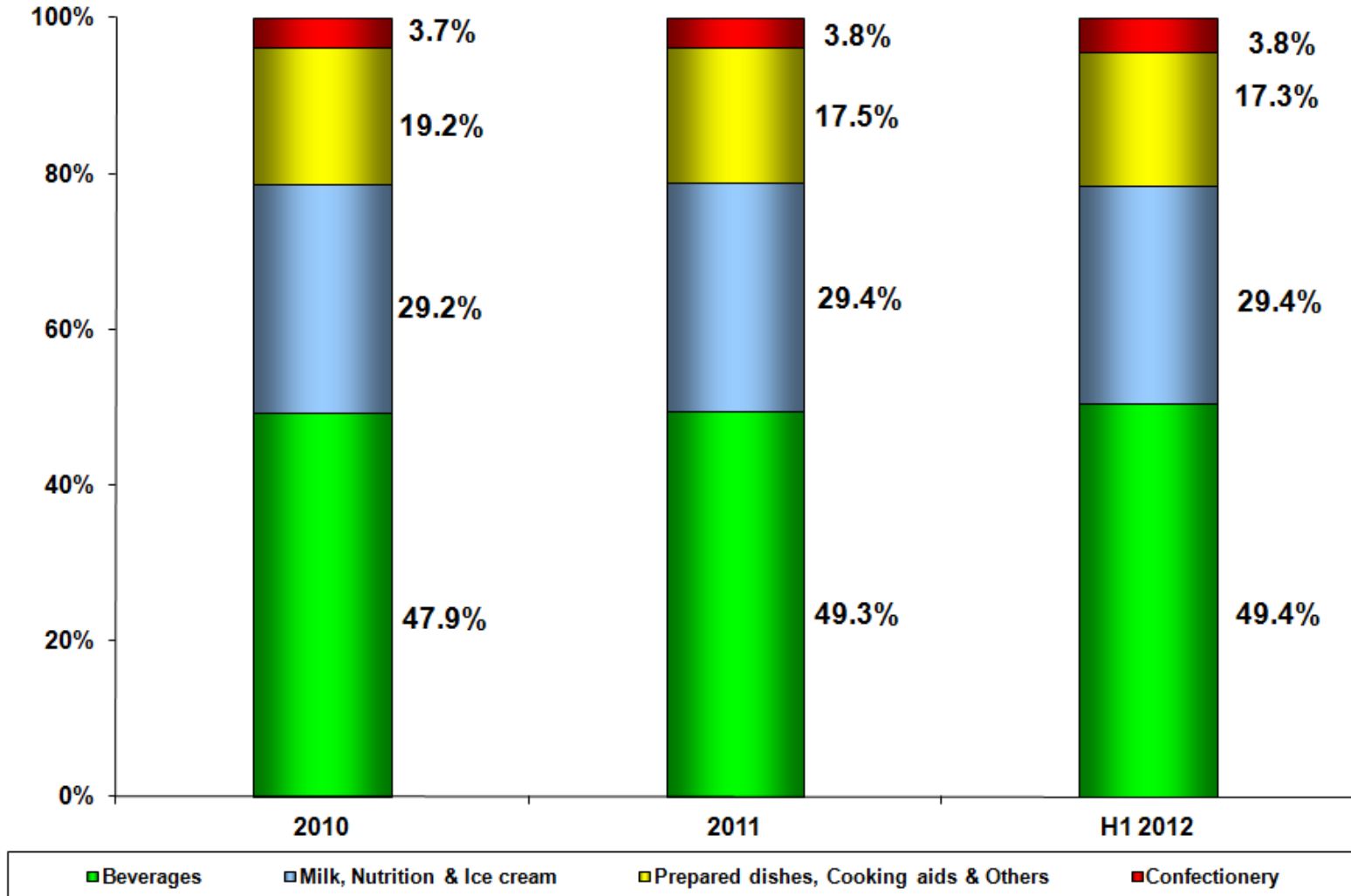
- Domestic Sales +11.4%
 - Export Sales +4.5%
- } +9.5%



Channel Sales

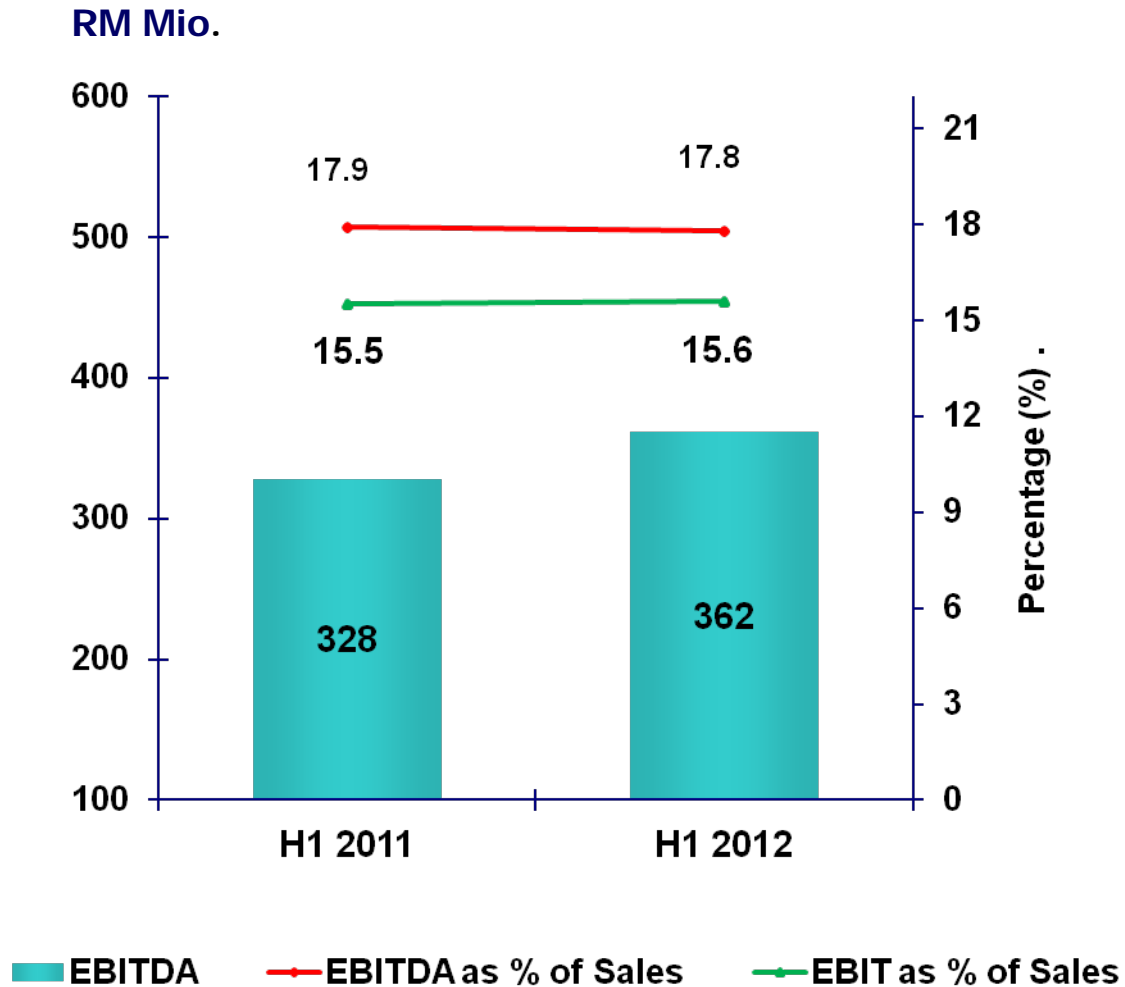


Sales by Product Categories

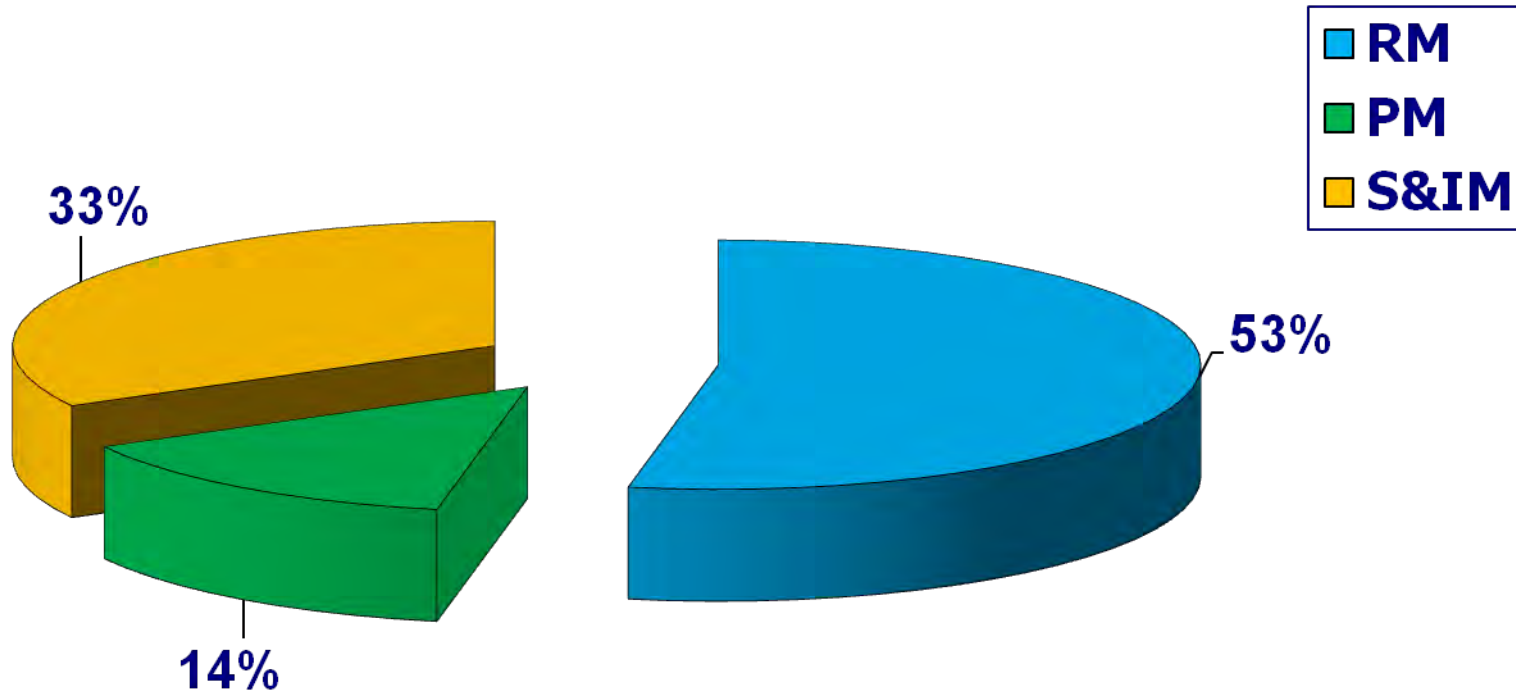


EBITDA MARGIN

Evolution of EBITDA



Breakdown of Material & Services Consumed Jan '12 – Jun'12

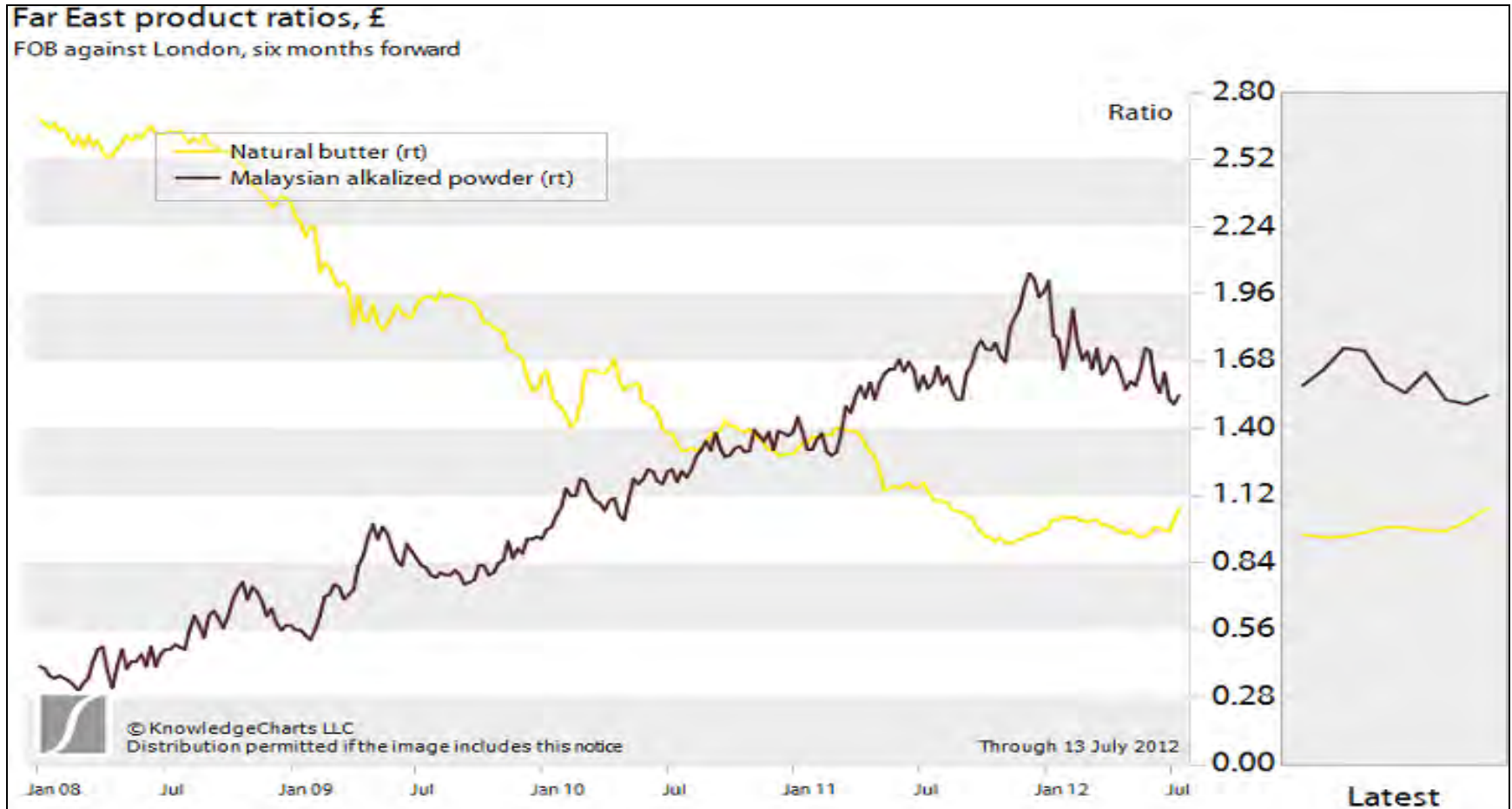


Total = RM 1.21 Bio.

Cocoa Bean Price



Cocoa Powder Ratio



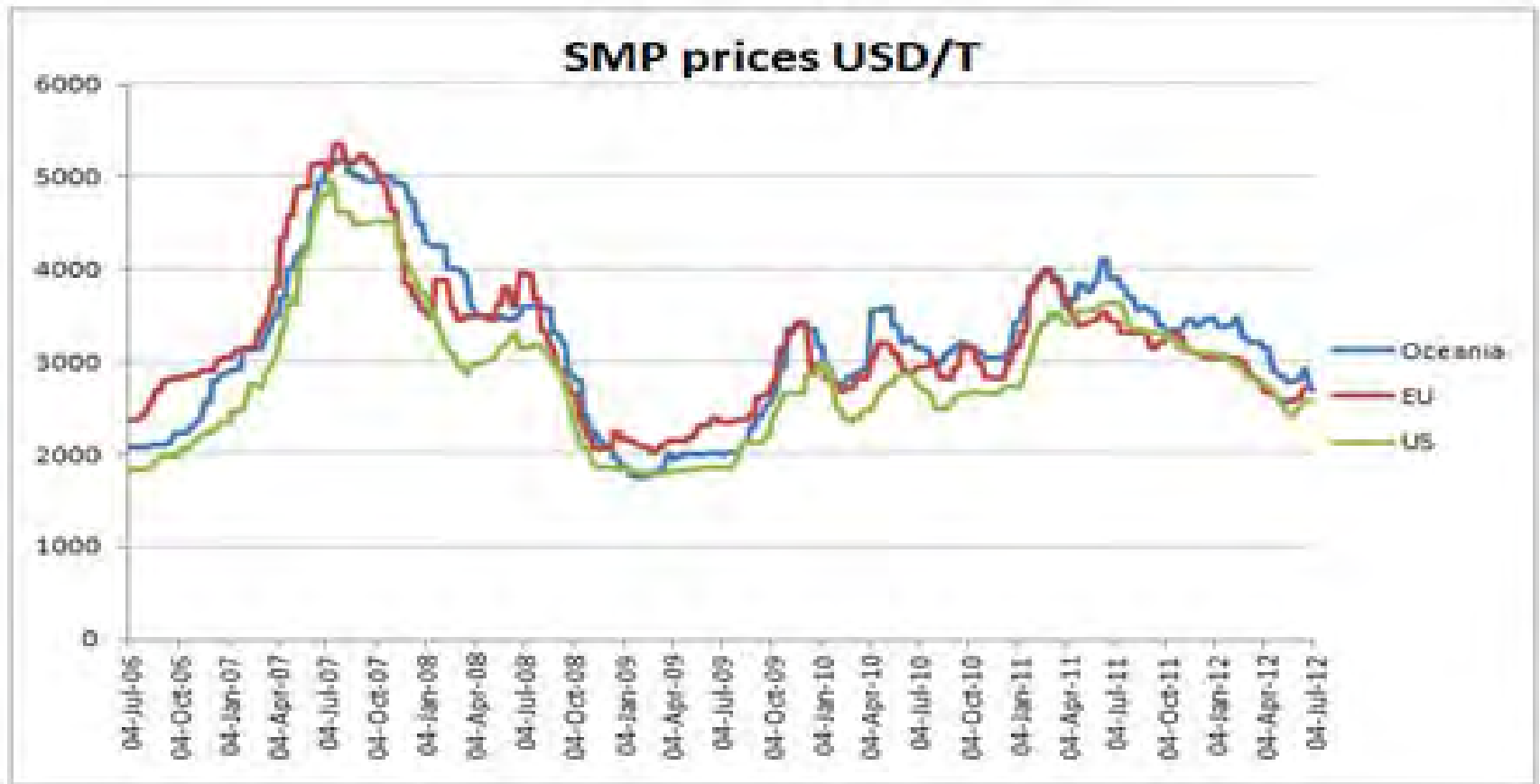
Coffee bean - Arabica



Coffee bean - Robusta



Milk Solids



Crude Palm Oil



Wheat Flour



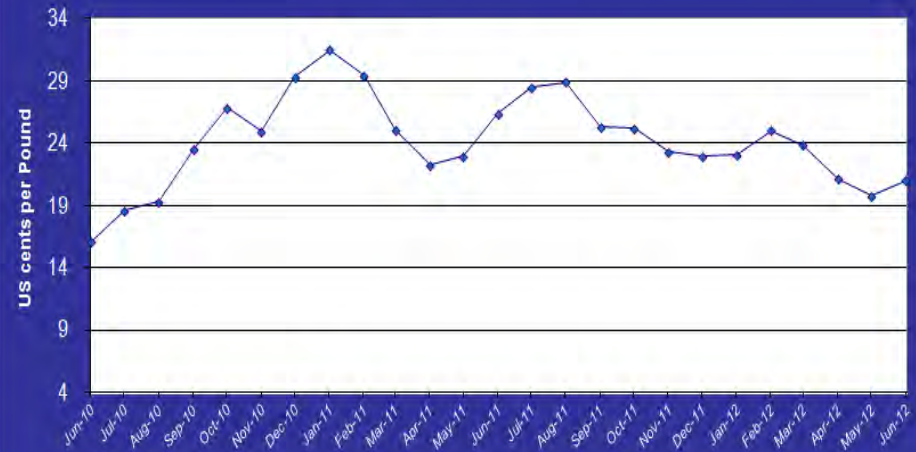
Above Graph is CBOT Wheat Futures (US cents/bushel)

Major Commodities

CRUDE OIL

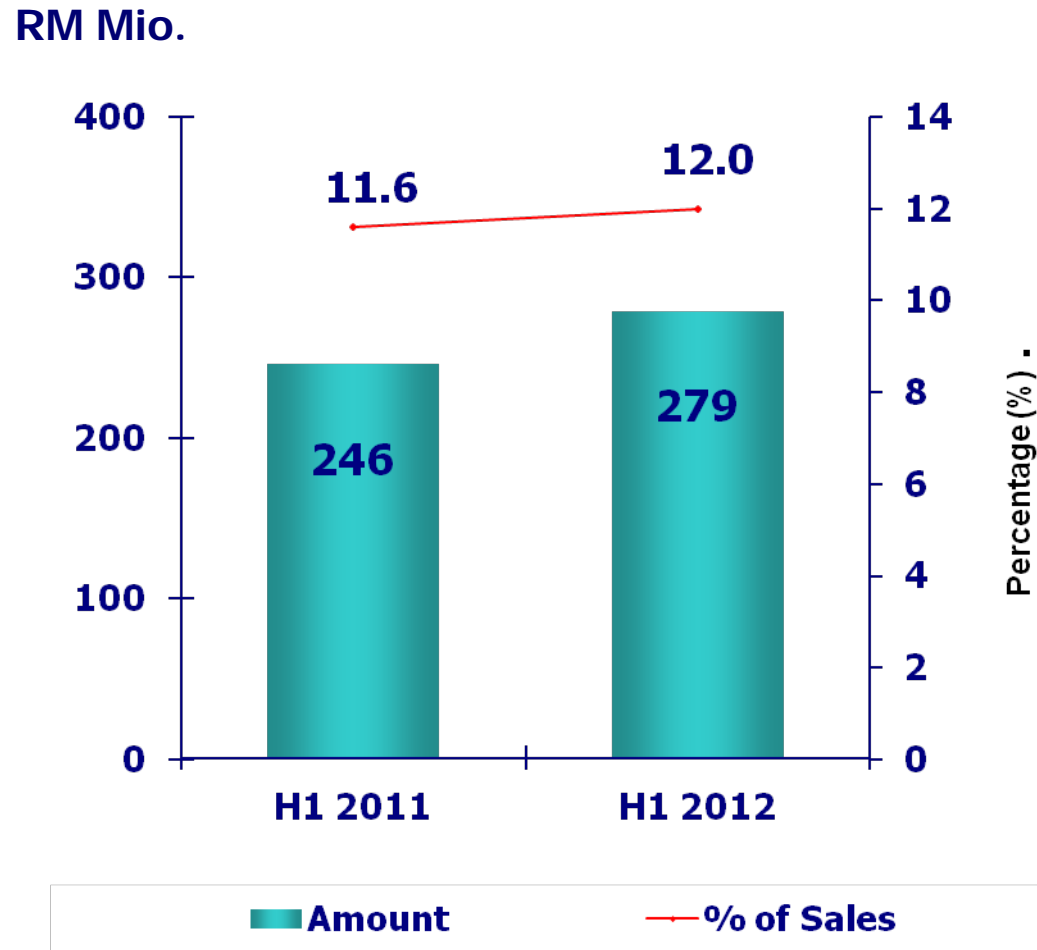


SUGAR



NET PROFIT MARGIN

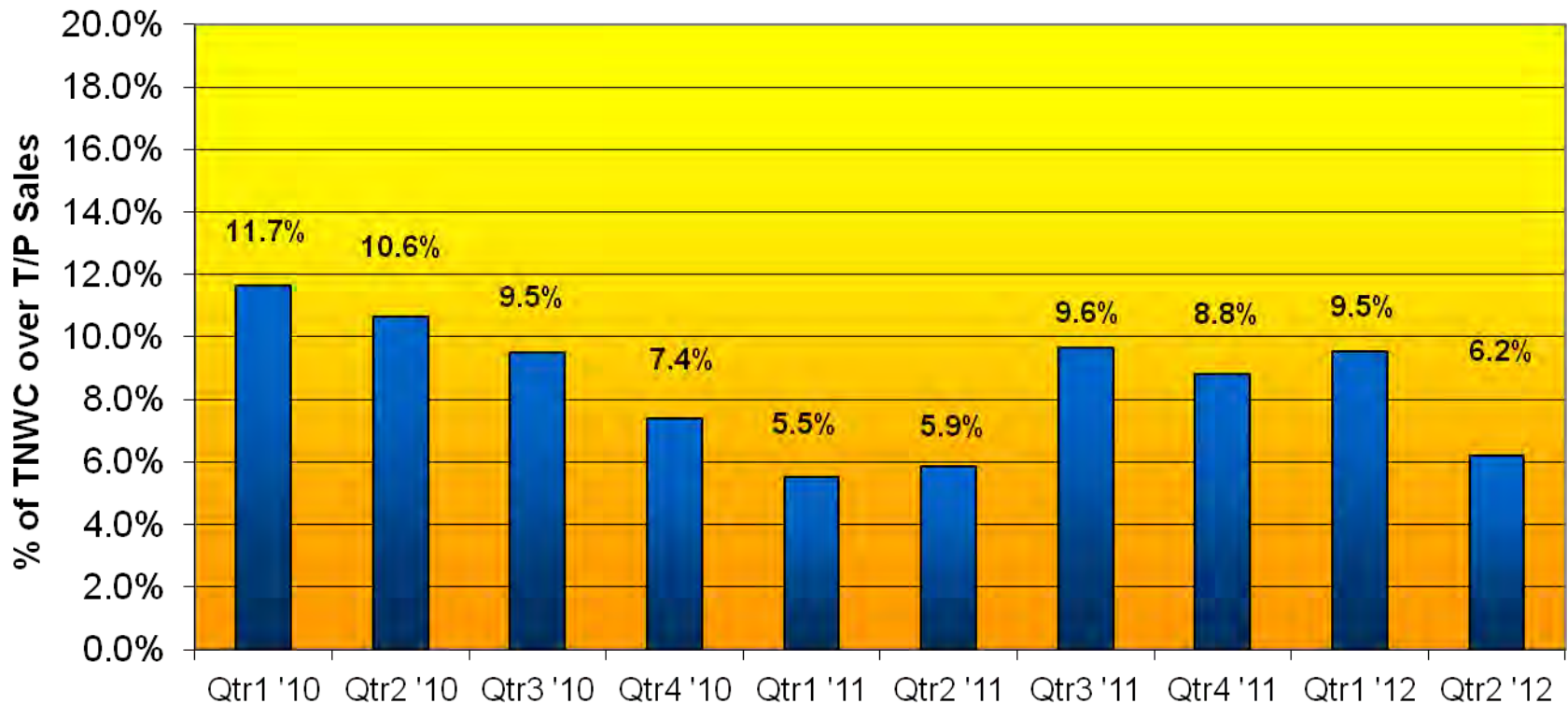
Evolution of Net Profit Margins



Key Figures

NESTLÉ MALAYSIA BERHAD H1 2012 KEY FIGURES			
<i>Amounts in RM mio</i>	2012	2011	% Change
Sales	2,314	2,113	9.5
Domestic	1,712	1,537	11.4
Export	602	576	4.5
Operating Profit/(Loss)	362	328	10.2
<i>% of Sales</i>	15.6	15.5	
Net Profit	279	246	13.5
<i>% of Sales</i>	12.0	11.6	
Operating Expenses	412	373	10.5
Current Assets	980	874	12.2
Inventories	452	404	11.8
<i>Days</i>	15	16	
Trade Receivable	183	189	(3.2)
<i>Days</i>	16	19	
Capital Expenditure	33	24	37.0

MY Trade Net Working Capital (Individual Qtr position)



Free Cash Flow H1 2012

	<u>MYR(Mio)</u>
➤ Cash flow from operating activities	401
➤ (Less)/Add	
➔ Decrease in working capital	27
➔ Income tax & others	(38)
➔ Capital investment	(33)
Total impact	<u>(44)</u>
➤ Free Cash Flow H1 2012	<u>357</u>
➤ Free Cash Flow H1 2011	<u>342</u>

QUESTIONS



Thank You