Nestlé

Good Food, Good Life

Half-Year Report
January–June 2019

Nestlé.
Enhancing quality of life and contributing to a healthier future.

Letter to our shareholders

Dear fellow shareholders,

Foreword

The *Half-Year Report* contains certain financial performance measures not defined by IFRS, which are used by management to assess the financial and operational performance of the Group. It includes among others:

- Organic growth, Real internal growth and Pricing;
- Underlying Trading operating profit margin and Trading operating profit margin;
- Net financial debt;
- Free cash flow; and
- Underlying earnings per share as reported and in constant currency.

Management believes that these non-IFRS financial performance measures provide useful information regarding the Group's financial and operating performance.

The *"Alternative Performance Measures"* document published under www.nestle.com/investors/publications defines these non-IFRS financial performance measures.

Introduction

We are encouraged by our first half results and have made further progress toward our 2020 financial goals. Disciplined execution and fast innovation contributed to improved organic growth and profitability. Our growth was broad-based with our largest market, the United States, performing particularly well. Across our categories increased investment behind our brands and in innovation is clearly paying off, as reflected in our strong momentum in PetCare and the return to mid single-digit growth in coffee. Our Starbucks launch has been a great success so far and we plan on further geographic expansion and product innovation to make the most of this unique opportunity. Active portfolio management will continue to sharpen our strategic focus and position the company in attractive high-growth businesses. Our value creation model is clearly delivering the expected results and will support sustained profitable growth.

Group results

Group sales

Organic growth reached 3.6%. Real internal growth (RIG) of 2.6% remained at the high end of the food and beverage industry. Pricing contributed 1.0% with some deceleration in the second quarter owing to the deflationary environment in Europe and lower pricing in Brazil. Organic growth was 3.4% excluding businesses under strategic review. The year-on-year growth acceleration was led by the United States and Brazil. AOA saw solid growth despite negative sales development in Pakistan and softness in some categories in China. Organic growth was 2.4% in developed markets, with a significant RIG acceleration in the second quarter. Growth in emerging markets was 5.3%.

All product categories posted positive growth. The largest contributions came from *Purina* PetCare, coffee and infant nutrition. Coffee returned to mid single-digit growth in the second quarter with improved *Nespresso* and *Nescafé* momentum across all Zones. The launch of Starbucks products in 14 markets saw strong demand and further markets will follow in the second half of the year.

Net acquisitions increased sales by 1.1%. Acquisitions of the Starbucks license and Atrium Innovations more than offset divestments, mainly Gerber Life Insurance. Foreign exchange had a negative impact of 1.2%. Total reported sales increased by 3.5% to CHF 45.5 billion.

Underlying Trading operating profit

Underlying Trading operating profit increased by 10.1% to CHF 7.8 billion. The Underlying Trading operating profit margin reached 17.1%, an increase of 100 basis points in constant currency and on a reported basis. The classification of Nestlé Skin Health as an asset held for sale contributed 20 basis points to the Group's Underlying Trading operating profit margin.

Margin expansion was supported by pricing, structural cost reductions, operational efficiencies and improved mix. Pricing more than offset input cost inflation in the first half. Consumer-facing marketing expenses increased by 5.1% in constant currency.

Restructuring expenses and net other trading items were CHF 0.7 billion. Trading operating profit increased by 10.4% to CHF 7.1 billion. The Trading operating profit margin increased by 90 basis points on a reported basis to 15.5%.

Net financial expenses and Income tax

Net financial expenses grew by 45.7% to CHF 504 million, largely reflecting an increase in net debt.

The Group reported tax rate increased by 110 basis points to 27.5%. The underlying tax rate declined by 280 basis points to 21.4%. The decrease resulted mainly from the development of our geographic and business mix.

Net profit and Earnings per share

Net profit declined by 14.6% to CHF 5.0 billion, and earnings per share decreased by 12.3% to CHF 1.68. In the first half of 2018, net profit benefited from the sale of the U.S. confectionery business.

Underlying earnings per share increased by 15.7% in constant currency and by 14.6% on a reported basis to CHF 2.13. The increase was mainly the result of improved operating performance and lower taxes. Nestlé's share buyback program contributed 1.9% to the underlying earnings per share increase, net of finance costs.

Cash flow

Free cash flow grew by 40.4% and reached CHF 4.1 billion. The increase resulted from stronger operating performance and several one-off items.

Share buyback program

During the first half of 2019, the Group repurchased CHF 4.2 billion of Nestlé shares. As of June 30, 2019, the Group had implemented 73% (CHF 14.5 billion) of the CHF 20 billion share buyback program announced in 2017. Nestlé intends to complete the current program by the end of December 2019.

Net debt

Net debt increased to CHF 38.3 billion as at June 30, 2019, compared to CHF 30.3 billion at December 31, 2018. The increase reflected the dividend payment of CHF 7.2 billion and share buybacks of CHF 4.2 billion, partially offset by strong free cash flow generation of CHF 4.1 billion.

Strategic development

In May, Nestlé announced the transition of the U.S. pizza and ice cream businesses from a Direct-Store-Delivery network to a warehouse distribution model. The transition will begin in the second half of 2019 and is expected to be completed in the second quarter of 2020.

Zone Americas (AMS)

Sales	CHF 15.7 billion
Organic growth	+3.9%
Real internal growth	+2.0%
Underlying Trading operating profit margin	19.2%
Underlying Trading operating profit margin	+40 basis points
Trading operating profit margin	16.6%
Trading operating profit margin	–110 basis points

- 3.9% organic growth: 2.0% RIG; 1.9% pricing.
- North America saw positive organic growth, with balanced RIG and pricing.
- Latin America reported mid single-digit organic growth, with positive RIG and pricing.
- The Underlying Trading operating profit margin increased by 40 basis points to 19.2%.

Organic growth increased to 3.9%, supported by higher RIG of 2.0%. This was based on an acceleration in both North and Latin America. Pricing was positive at 1.9%, with the largest contribution from the United States. Net acquisitions increased sales by 6.4%, largely related to the acquisition of the Starbucks license. Foreign exchange had a positive impact of 0.5%. Reported sales in Zone AMS increased by 10.8% to CHF 15.7 billion.

North America maintained good sales growth throughout the first half, with a significant acceleration in the second quarter to record its strongest quarter of organic growth in eight years. The largest contributor to growth was *Purina* PetCare, which continued to see strong momentum in e-commerce and in premium brands, such as *Purina Pro Plan*, *Purina ONE* and *Tidy Cats* litter. Veterinary products grew at a double-digit pace, helped by new product launches such as *Purina Calming Care* probiotic supplements for dogs. The beverages category, comprising Starbucks, *Coffee mate* creamers, and *Nescafé*, posted high single-digit growth. Frozen food saw positive growth led by *Hot Pockets* and *Stouffer*'s brands. U.S. pizza and ice cream had strong momentum in the second quarter.

Latin America posted mid single-digit growth, with positive contributions in most markets and categories. Brazil had high single-digit growth, supported by strong performances in ambient dairy, infant nutrition, professional and *KitKat*. Second-quarter growth was helped by favorable comparables due to the May 2018 truck drivers' strike. Mexico saw mid single-digit growth, with strong demand for *Nescafé* and confectionery. Latin America recorded double-digit growth in *Purina* PetCare.

The Zone's Underlying Trading operating profit margin improved by 40 basis points. The improvement was supported by pricing, portfolio management and structural cost reductions. These more than offset cost increases from commodity inflation.

Zone Europe, Middle East and North Africa (EMENA)

Sales	CHF 9.2 billion
Organic growth	+2.4%
Real internal growth	+3.7%
Underlying Trading operating profit margin	18.8%
Underlying Trading operating profit margin	+10 basis points
Trading operating profit margin	18.1%
Trading operating profit margin	+80 basis points

- 2.4% organic growth: 3.7% RIG; –1.3% pricing.
- Western Europe posted strong RIG, partially offset by negative pricing.
- Central and Eastern Europe maintained mid single-digit organic growth, mainly driven by RIG. Pricing was also positive.
- Middle East and North Africa saw continued mid single-digit organic growth. RIG and pricing were positive.
- The Underlying Trading operating profit margin grew by 10 basis points to 18.8%.

Organic growth was 2.4%, supported by strong RIG of 3.7%. Pricing declined by 1.3% as deflationary trends continued to affect the food and retail sectors across most markets in Western Europe. Net acquisitions decreased sales by 0.1% and foreign exchange negatively impacted sales by 3.1%. Reported sales in Zone EMENA decreased by 0.8% to CHF 9.2 billion.

Zone EMENA posted strong RIG based on good results in Western Europe and Eastern Europe, particularly in the second quarter. Pricing remained negative, mainly due to the continued deflationary environment in Western Europe. The *Purina* PetCare and infant nutrition categories were the main contributors to growth across the Zone. In PetCare, *Felix*, *Purina ONE* and *Tails.com* were the key growth platforms. Coffee was slightly negative in the first half, but returned to positive growth in the second quarter. Confectionery had improved momentum, with double-digit growth for *KitKat*. Vegetarian-based food products posted strong double-digit growth in Western Europe. The plant-based *Garden Gourmet Incredible Burger* was launched in nine markets in the second quarter.

The Zone's Underlying Trading operating profit margin increased by 10 basis points, based on structural cost reductions and favorable mix. Marketing and commercial investments increased to support innovation and brand building.

Zone Asia, Oceania and sub-Saharan Africa (AOA)

Sales	CHF 10.7 billion
Organic growth	+3.3%
Real internal growth	+2.5%
Underlying Trading operating profit margin	23.1%
Underlying Trading operating profit margin	+40 basis points
Trading operating profit margin	22.4%
Trading operating profit margin	+190 basis points

- 3.3% organic growth: 2.5% RIG; 0.8% pricing.
- China reported low single-digit organic growth, with positive RIG and pricing.
- South-East Asia saw mid single-digit organic growth, supported by strong RIG and positive pricing.
- South Asia had low single-digit organic growth. Both RIG and pricing were positive.
- Sub-Saharan Africa reported mid single-digit organic growth, with balanced RIG and pricing.
- Japan and Oceania posted positive organic growth, with strong RIG but negative pricing.
- The Underlying Trading operating profit margin increased by 40 basis points to 23.1%.

Organic growth was 3.3%, with RIG of 2.5% and pricing of 0.8%. Net acquisitions negatively impacted sales by 0.1%. Foreign exchange reduced sales by 2.3%. Reported sales in Zone AOA increased by 0.9% to CHF 10.7 billion.

Zone AOA saw solid growth in the first half despite negative sales development in Pakistan due to challenging trading conditions. China saw softer growth in some categories but reported good growth in culinary and ice cream. South-East Asia saw strong growth, with double-digit contributions from Indonesia and Vietnam led by *Bear Brand*, ready-to-drink *Nescafé* and ready-to-drink *Milo*. South Asia excluding Pakistan grew at a high single-digit pace and saw strong growth in *NAN*, *Maggi* and *KitKat*. Sub-Saharan Africa maintained mid single-digit growth. Japan and Oceania returned to positive growth, based on improved RIG momentum in the second quarter.

Purina PetCare grew at a double-digit pace and infant nutrition delivered broad-based mid single-digit growth. In coffee there was strong demand for Starbucks products in the launch markets (Japan, South Korea, Hong Kong and Taiwan).

The Zone's Underlying Trading operating profit margin improved by 40 basis points, supported by pricing, structural cost reductions and favorable mix. Marketing investments increased to support innovation and brand building.

Nestlé Waters

Sales	CHF 4.0 billion
Organic growth	+1.4%
Real internal growth	–3.3%
Underlying Trading operating profit margin	11.8%
Underlying Trading operating profit margin	+180 basis points
Trading operating profit margin	8.2%
Trading operating profit margin	–50 basis points

- 1.4% organic growth: –3.3% RIG; 4.7% pricing.
- North America reported positive organic growth. Strong pricing was partially offset by negative RIG.
- Europe saw negative organic growth. Slightly positive pricing was fully offset by negative RIG.
- Emerging markets posted high single-digit organic growth, with strong pricing and positive RIG.
- The Underlying Trading operating profit margin increased by 180 basis points to 11.8%.

Organic growth for the first half was 1.4%. RIG declined by 3.3%, impacted by price increases in the United States and slower growth in Europe. Pricing increased by 4.7%. Net acquisitions reduced sales by 0.2%. Foreign exchange decreased sales by 0.3%. Reported sales in Nestlé Waters increased by 0.9% to CHF 4.0 billion.

In North America growth was supported by 2018 price increases following significant cost inflation in packaging and distribution. Premium brands *S.Pellegrino*, *Perrier*, and *Acqua Panna* saw high single-digit growth, helped by successful innovations such as *S.Pellegrino Essenza* and *Perrier & Juice.* The *ReadyRefresh* direct-to-consumer business grew at a mid single-digit pace, benefiting from a new online platform and improved execution. *Poland Spring* also contributed with positive growth. New products included *Poland Spring ORIGIN*, a premium bottled spring water using 100% recycled packaging. *Nestlé Pure Life* posted negative growth in the context of price competition in the affordable segment.

Europe saw negative sales development. Growth decelerated in the second quarter following unfavorable weather conditions, particularly in Northern Europe. Emerging markets saw high single-digit growth, supported by strong momentum in Asia, Turkey and Egypt. *Nestlé Pure Life* made a strong contribution to growth in emerging markets, with the launch of sparkling and flavored varieties.

The Underlying Trading operating profit margin increased by 180 basis points. The improvement was based on increased pricing and structural cost reductions. These more than offset a further increase in PET packaging costs, as well as higher marketing investments.

Other businesses

Sales	CHF 5.8 billion
Organic growth	+7.4%
Real internal growth	+6.7%
Underlying Trading operating profit margin	19.6%
Underlying Trading operating profit margin	+320 basis points
Trading operating profit margin	19.6%
Trading operating profit margin	+400 basis points

- 7.4% organic growth: 6.7% RIG; 0.7% pricing.
- Nespresso reported mid single-digit organic growth, with very strong momentum in the Americas.
- Nestlé Health Science maintained mid single-digit organic growth mainly based on RIG.
- Nestlé Skin Health posted double-digit organic growth, with strong RIG.
- The Underlying Trading operating profit margin increased by 320 basis points to 19.6%.

Organic growth of 7.4% was driven by strong RIG of 6.7% and pricing of 0.7%. Net acquisitions reduced sales by 6.5%, mainly due to the disposal of Gerber Life Insurance, which offset the contribution of Atrium Innovations. Foreign exchange negatively impacted sales by 1.4%. Reported sales in Other businesses decreased by 0.5% to CHF 5.8 billion.

Nespresso maintained mid single-digit organic growth. North America and emerging markets saw double-digit growth. Europe posted positive growth, supported by strong demand for the *Vertuo* system and Nespresso's *Limited Editions*.

Nestlé Health Science saw mid single-digit growth, based on strong sales development in medical nutrition and geographic expansion in emerging markets. Innovation provided additional growth momentum, with strong demand for the recently launched *Dr. Formulated* CBD products, which are THC (tetrahydrocannabinol)-free and non-GMO certified. Nestlé Skin Health posted double-digit growth in both the first and second quarters.

The Underlying Trading operating profit margin of Other businesses increased by 320 basis points. This was the result of broad-based improvements in all businesses, in particular Nestlé Skin Health.

Our business as a force for good

Creating Shared Value is fundamental to how we do business at Nestlé. We believe that our company will be successful in the long term by creating value for both our shareholders and for society. This company-wide mindset is well illustrated by Nestlé Health Science.

<u>Leading in nutritional science</u>. Nestlé Health Science offers an extensive portfolio of science-based medical nutrition, consumer health and supplement brands. Every year, it produces over a billion nutritional health solutions for consumers, patients and their healthcare providers. Nestlé Health Science is committed to redefining the management of health in areas such as healthy aging, metabolic health, allergy and pediatric health.

<u>Providing nutrition and wellness support for cancer patients</u>. Cancer is one particular area where Nestlé Health Science can make a meaningful difference. Cancer survival rates are increasing due to advances in science. However, up to 80% of cancer patients experience weight loss and/or malnutrition during their illness. This slows their recovery and leaves them less responsive to treatment. To address this challenge, Nestlé Health Science provides nutritional support to 400 000 cancer patients globally. Based on the advice of healthcare professionals and in collaboration with partners, Nestlé Health Science has developed the COPES™ (Cancer Oriented Personalized Eating & Emotional Support) digital platform to provide nutrition and wellness support. COPES™ was launched in April in the United States with the enrollment of its first cancer patients and the ambition to scale up significantly. The physician-supervised platform is unique as it addresses an unmet need in providing cancer patients with a holistic approach to nutritional and wellness guidance, well beyond the sale of our products. It offers the following advantages:

- **Patients** take an active and informed role in meeting their specific nutritional and wellness needs. This is supported by one-on-one counseling from oncology-certified nutrition specialists, as well as recipes and meal plans that can be tailored by symptom.
- **Healthcare professionals** extend their continuity of care beyond the clinic through real-time access to patients. This allows them to tailor treatment based on patients' symptoms and side-effects.

- **Health insurers and payers** benefit from expected improved health outcomes related to increased adherence to treatment, reduced hospital stay and enhanced quality of life for the patients.

Pioneering next-generation nutritional products and services. For Nestlé Health Science, effective cancer care goes beyond offering products and means providing effective and collaborative solutions to patients at a time of need. COPES™ deepens this collaboration. This is vital to advancing next-generation nutritional products and services that are even more beneficial and cost-effective.

Nestlé audit tender

Following a comprehensive tender process under the supervision of the Audit Committee, the Board decided to propose to the next Annual General Meeting the appointment of EY as the principal audit provider for the 2020 financial year.

2019 outlook

Full-year guidance for 2019 confirmed. We expect organic sales growth around 3.5% and the full-year Underlying Trading operating profit margin at or above 17.5%. Underlying earnings per share in constant currency and capital efficiency are expected to increase.

Paul Bulcke
Chairman of the Board

U. Mark Schneider
Chief Executive Officer

Key figures (consolidated)

Key figures in CHF

In millions (except for data per share)	January–June 2019	January–June 2018
Results		
Sales	45 456	43 920
Underlying Trading operating profit *	7 773	7 063
as % of sales	17.1%	16.1%
Trading operating profit *	7 058	6 391
as % of sales	15.5%	14.6%
Profit for the period attributable to shareholders of the parent (Net profit)	4 972	5 825
as % of sales	10.9%	13.3%
Balance sheet and cash flow statement		
Equity attributable to shareholders of the parent (a)	50 173	56 314
Net financial debt */(a)	38 344	28 809
Operating cash flow	5 159	4 399
Free cash flow *	4 050	2 884
Capital additions	1 658	4 191
Data per share		
Weighted average number of shares outstanding (in millions of units)	2 954	3 035
Basic earnings per share	1.68	1.92
Market capitalization	296 342	231 419

* Certain financial performance measures are not defined by IFRS. For further details, refer to the document "Alternative Performance Measures" published under www.nestle.com/investors/publications.

(a) Situation as at June 30.

Principal key figures in USD and EUR (illustrative)

Income statement and cash flow statement figures translated at weighted average rate;
Balance sheet figures at ending June exchange rate

In millions (except for data per share)	January–June 2019	January–June 2018	January–June 2019	January–June 2018
	in USD	in USD	in EUR	in EUR
Sales	45 512	45 397	40 243	37 540
Underlying Trading operating profit *	7 782	7 301	6 881	6 037
Trading operating profit *	7 067	6 606	6 248	5 463
Profit for the period attributable to shareholders of the parent (Net profit)	4 978	6 021	4 401	4 979
Equity attributable to shareholders of the parent [(a)]	51 457	56 614	45 223	48 663
Basic earnings per share	1.68	1.98	1.49	1.64
Market capitalization	303 925	232 652	267 104	199 977

* Certain financial performance measures are not defined by IFRS. For further details, refer to the document "Alternative Performance Measures" published under www.nestle.com/investors/publications.

(a) Situation as at June 30.

Consolidated income statement for the six months ended June 30, 2019

In millions of CHF	Notes	January–June 2019	January–June 2018
Sales	3	**45 456**	**43 920**
Other revenue		158	154
Cost of goods sold		(22 768)	(22 259)
Distribution expenses		(4 241)	(4 166)
Marketing and administration expenses		(10 032)	(9 792)
Research and development costs		(800)	(794)
Other trading income	5	89	19
Other trading expenses	5	(804)	(691)
Trading operating profit	3	**7 058**	**6 391**
Other operating income	5	142	2 467
Other operating expenses	5	(466)	(1 158)
Operating profit		**6 734**	**7 700**
Financial income		110	81
Financial expense		(614)	(427)
Profit before taxes, associates and joint ventures		**6 230**	**7 354**
Taxes		(1 711)	(1 939)
Income from associates and joint ventures	6	600	573
Profit for the period		**5 119**	**5 988**
of which attributable to non-controlling interests		147	163
of which attributable to shareholders of the parent (Net profit)		4 972	5 825
As percentages of sales			
Trading operating profit		15.5%	14.6%
Profit for the period attributable to shareholders of the parent (Net profit)		10.9%	13.3%
Earnings per share (in CHF)			
Basic earnings per share		1.68	1.92
Diluted earnings per share		1.68	1.92

Consolidated statement of comprehensive income for the six months ended June 30, 2019

In millions of CHF	January–June 2019	January–June 2018
Profit for the period recognized in the income statement	**5 119**	**5 988**
Currency retranslations, net of taxes	(560)	33
Fair value changes and recycling on debt instruments, net of taxes	—	(140)
Fair value changes and recycling on cash flow hedges, net of taxes	(47)	132
Share of other comprehensive income of associates and joint ventures	20	(51)
Items that are or may be reclassified subsequently to the income statement	(587)	(26)
Remeasurement of defined benefit plans, net of taxes	(203)	520
Fair value changes on equity instruments, net of taxes	—	3
Share of other comprehensive income of associates and joint ventures	(14)	(90)
Items that will never be reclassified to the income statement	(217)	433
Other comprehensive income for the period	**(804)**	**407**
Total comprehensive income for the period	**4 315**	**6 395**
of which attributable to non-controlling interests	196	84
of which attributable to shareholders of the parent	4 119	6 311

Consolidated balance sheet as at June 30, 2019

In millions of CHF	Notes	June 30, 2019	December 31, 2018
Assets			
Current assets			
Cash and cash equivalents		4 535	4 500
Short-term investments		487	5 801
Inventories		10 154	9 125
Trade and other receivables		11 421	11 167
Prepayments and accrued income		763	530
Derivative assets		234	183
Current income tax assets		825	869
Assets held for sale	2	9 060	8 828
Total current assets		**37 479**	**41 003**
Non-current assets			
Property, plant and equipment		28 579	29 956
Goodwill		31 368	31 702
Intangible assets		18 538	18 634
Investments in associates and joint ventures		11 151	10 792
Financial assets		2 619	2 567
Employee benefits assets		681	487
Current income tax assets		62	58
Deferred tax assets		1 978	1 816
Total non-current assets		**94 976**	**96 012**
Total assets		**132 455**	**137 015**

In millions of CHF	Notes	June 30, 2019	December 31, 2018
Liabilities and equity			
Current liabilities			
Financial debt		19 250	14 694
Trade and other payables		16 976	17 800
Accruals and deferred income		4 100	4 075
Provisions		842	780
Derivative liabilities		550	448
Current income tax liabilities		2 663	2 731
Liabilities directly associated with assets held for sale	2	2 747	2 502
Total current liabilities		**47 128**	**43 030**
Non-current liabilities			
Financial debt		23 735	25 700
Employee benefits liabilities		6 305	5 919
Provisions		1 048	1 033
Deferred tax liabilities		2 644	2 540
Other payables		381	390
Total non-current liabilities		**34 113**	**35 582**
Total liabilities		**81 241**	**78 612**
Equity			
Share capital	8	298	306
Treasury shares		(4 217)	(6 948)
Translation reserve		(21 046)	(20 432)
Other reserves		(108)	(183)
Retained earnings		75 246	84 620
Total equity attributable to shareholders of the parent		**50 173**	**57 363**
Non-controlling interests		1 041	1 040
Total equity		**51 214**	**58 403**
Total liabilities and equity		**132 455**	**137 015**

Consolidated cash flow statement for the six months ended June 30, 2019

In millions of CHF	Notes	January–June 2019	January–June 2018
Operating activities			
Operating profit	7	6 734	7 700
Depreciation and amortization		1 864	1 943
Impairment		333	384
Net result on disposal of businesses		95	(1 400)
Other non-cash items of income and expense		(12)	6
Cash flow before changes in operating assets and liabilities	7	**9 014**	**8 633**
Decrease/(increase) in working capital		(2 510)	(2 779)
Variation of other operating assets and liabilities		(40)	(197)
Cash generated from operations		**6 464**	**5 657**
Interest paid		(514)	(367)
Interest received		88	63
Taxes paid		(1 497)	(1 640)
Dividends and interest from associates and joint ventures		618	686
Operating cash flow		**5 159**	**4 399**
Investing activities			
Capital expenditure		(1 079)	(1 158)
Expenditure on intangible assets		(222)	(251)
Acquisition of businesses	2	(52)	(2 341)
Disposal of businesses	2	21	2 719
Investments (net of divestments) in associates and joint ventures		(569)	725
Inflows/(outflows) from treasury investments		5 375	(1 441)
Other investing activities		192	(106)
Investing cash flow		**3 666**	**(1 853)**
Financing activities			
Dividend paid to shareholders of the parent	8	(7 230)	(7 124)
Dividends paid to non-controlling interests		(195)	(139)
Acquisition (net of disposal) of non-controlling interests		5	(1)
Purchase (net of sale) of treasury shares		(4 149)	(3 911)
Inflows from bonds and other non-current financial debt		16	2 121
Outflows from bonds and other non-current financial debt		(1 156)	(1 353)
Inflows from current financial debt		3 937	4 724
Financing cash flow		**(8 772)**	**(5 683)**
Currency retranslations		(89)	(186)
Increase/(decrease) in cash and cash equivalents		**(36)**	**(3 323)**
Cash and cash equivalents at beginning of year		4 640	7 938
Cash and cash equivalents at end of period [(a)]		**4 604**	**4 615**

(a) Cash and cash equivalents as of June 30, 2019 includes CHF 69 million classified as assets held for sale, see Note 2.4 (June 30, 2018: CHF nil).

Consolidated statement of changes in equity for the six months ended June 30, 2019

In millions of CHF

	Share capital	Treasury shares	Translation reserve	Other reserves	Retained earnings	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Equity as at January 1, 2018	**311**	**(4 537)**	**(19 612)**	**(181)**	**84 962**	**60 943**	**1 271**	**62 214**
Profit for the period	—	—	—	—	5 825	**5 825**	163	**5 988**
Other comprehensive income for the period	—	—	116	(65)	435	**486**	(79)	**407**
Total comprehensive income for the period	—	—	116	(65)	6 260	**6 311**	84	**6 395**
Dividends	—	—	—	—	(7 124)	**(7 124)**	(139)	**(7 263)**
Movement of treasury shares	—	(3 757)	—	—	(70)	**(3 827)**	—	**(3 827)**
Equity compensation plans	—	136	—	—	(54)	**82**	—	**82**
Changes in non-controlling interests	—	—	—	—	26	**26**	24	**50**
Reduction in share capital [(a)]	(5)	4 113	—	—	(4 108)	**—**	—	**—**
Total transactions with owners	(5)	492	—	—	(11 330)	**(10 843)**	(115)	**(10 958)**
Other movements	—	—	—	12	(109)	**(97)**	1	**(96)**
Equity as at June 30, 2018	**306**	**(4 045)**	**(19 496)**	**(234)**	**79 783**	**56 314**	**1 241**	**57 555**
Equity as at January 1, 2019	**306**	**(6 948)**	**(20 432)**	**(183)**	**84 620**	**57 363**	**1 040**	**58 403**
Profit for the period	—	—	—	—	4 972	**4 972**	147	**5 119**
Other comprehensive income for the period	—	—	(614)	(23)	(216)	**(853)**	49	**(804)**
Total comprehensive income for the period	—	—	(614)	(23)	4 756	**4 119**	196	**4 315**
Dividends	—	—	—	—	(7 230)	**(7 230)**	(195)	**(7 425)**
Movement of treasury shares	—	(4 389)	—	—	152	**(4 237)**	—	**(4 237)**
Equity compensation plans	—	258	—	—	(180)	**78**	(1)	**77**
Changes in non-controlling interests	—	—	—	—	(15)	**(15)**	—	**(15)**
Reduction in share capital [(a)]	(8)	6 862	—	—	(6 854)	**—**	—	**—**
Total transactions with owners	(8)	2 731	—	—	(14 127)	**(11 404)**	(196)	**(11 600)**
Other movements	—	—	—	98	(3)	**95**	1	**96**
Equity as at June 30, 2019	**298**	**(4 217)**	**(21 046)**	**(108)**	**75 246**	**50 173**	**1 041**	**51 214**

(a) Reduction in share capital, see Note 8.

Notes

1. Accounting policies

Basis of preparation
These Condensed Interim Financial Statements are the unaudited Condensed Interim Consolidated Financial Statements (hereafter "the Condensed Interim Financial Statements") of Nestlé S.A., a company registered in Switzerland, and its subsidiaries for the six-month period ended June 30, 2019. They have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting, and should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2018.

The accounting conventions and accounting policies are the same as those applied in the Consolidated Financial Statements for the year ended December 31, 2018 (as described in Note 1 and highlighted with a grey background in the relevant notes), except for the changes in presentation mentioned below.

The preparation of the Condensed Interim Financial Statements requires Group Management to exercise judgment and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. The key sources of estimation uncertainty within these Condensed Interim Financial Statements remain the same as those applied to the Consolidated Financial Statements for the year ended December 31, 2018.

Changes in presentation – analyses by segment
Starting in 2019, following a change of allocation methodology used to determine segment profit or loss, some Marketing and administration expenses previously included under Unallocated items have been allocated to Operating segments. This was done to better reflect the use of central overheads by each Zone and Globally Managed business.

2018 comparatives have been adjusted (see Note 3). An amount of CHF 49 million has been reallocated from Unallocated items to Operating segments.

Changes in accounting standards
The Group early adopted IFRS 16 – Leases and IFRIC 23 – Uncertainty over Income Tax Treatments on January 1, 2018 with the impacts already disclosed in the 2018 *Half-Year Report*. A number of other standards have been modified on miscellaneous points with effect from January 1, 2019 which have no material impact on the Group's Financial Statements.

2. Scope of consolidation, acquisitions and disposals of businesses and assets held for sale

2.1 Modification of the scope of consolidation

Acquisitions
There were no significant acquisitions during the first six months of 2019.

During the comparative period, there was one significant acquisition:
– Atrium Innovations, mainly North America – nutritional health products (Nutrition and Health Science) – 100%, March.

Cash outflows for the 2019 interim period are related to non-significant acquisitions and those of the comparative period mainly related to Atrium Innovations.

Disposals
There were no significant disposals during the first six months of 2019.

During the comparative period, there was one significant disposal:
– US Confectionery business, North America – chocolate and sugar products (Confectionery) – 100%, end of March.

Cash inflows during the 2019 interim period are related to non-significant disposals and those of the comparative period mainly related to the US Confectionery business.

2.2 Acquisitions of businesses

Atrium Innovations
At the beginning of March 2018, the Group acquired Atrium Innovations, a global leader in nutritional health products with sales mainly in North America and Europe. Atrium's brands are a natural complement to Nestlé Health Science's Consumer Care portfolio and its portfolio extends Nestlé's product range with value-added solutions such as probiotics, plant-based protein nutrition and multivitamins. Atrium's largest brands are *Garden of Life*, the number one brand in the natural products industry in the US; and *Pure Encapsulations*, a full line of hypoallergenic, research-based dietary supplements and the number one recommended brand in the US practitioner market. The goodwill arising on this acquisition includes elements such as distribution synergies and strong growth potential and is not expected to be deductible for tax purposes.

The provisional fair values of the identifiable net assets at the acquisition date of Atrium Innovations have been disclosed in the 2018 Condensed Interim Financial Statements. Those values have been adjusted during the second half of 2018 with no further significant adjustment in the 2019 interim period.

2.3 Disposals of businesses

The gain on disposal of businesses of the comparative period was mainly composed of the disposal at end of March 2018 of the US Confectionery business. The cash inflow of this transaction included in the comparative interim period amounted to CHF 2650 million and the result, net of disposal-related expenses, amounted to CHF 2245 million (recorded in other operating income under profit on disposal of businesses).

The loss on disposal of businesses of the comparative period was mainly composed of a write-off of CHF 881 million related to the assets held for sale of Gerber Life Insurance business sold during the second semester of 2018.

2.4 Assets held for sale

As of June 30, 2019, assets held for sale and liabilities directly associated with assets held for sale are mainly composed of the Nestlé Skin Health business, which is part of the Other businesses segment. This business had already been classified as held for sale in 2018 due to future growth opportunities lying outside the Group's strategic scope. On May 16, 2019, the Group announced that it had entered into exclusive negotiations with a consortium led by EQT and a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA) for its sale for an amount of CHF 10.2 billion. The proposed transaction is subject to employee consultations and approval of regulatory authorities and is expected to close in the second half of 2019. Finally, the cumulative loss of the Nestlé Skin Health business currently recognized in other comprehensive income has been estimated at about CHF 135 million (mainly cumulative currency translation loss). It will be recognized in the income statement at the date the control is lost.

Assets held for sale and liabilities directly associated with assets held for sale include also the *Herta* charcuterie business and the DSD network assets in the USA for Frozen Pizza and Ice Cream (see Note 11).

As of June 30, 2019, assets held for sale and liabilities directly associated with assets held for sale are composed as follows:

In millions of CHF

	June 30, 2019			December 31, 2018		
	Nestlé Skin Health	Other	Total	Nestlé Skin Health	Other	Total
Cash, cash equivalents and short-term investments	69	—	**69**	140	—	**140**
Inventories	244	40	**284**	214	16	**230**
Trade and other receivables, prepayments and accrued income	687	141	**828**	686	91	**777**
Deferred taxes	267	9	**276**	298	16	**314**
Property, plant and equipment	409	371	**780**	395	100	**495**
Goodwill and intangible assets	6 767	—	**6 767**	6 787	15	**6 802**
Other assets	55	1	**56**	70	—	**70**
Assets held for sale	**8 498**	**562**	**9 060**	**8 590**	**238**	**8 828**
Financial liabilities	(147)	(63)	**(210)**	(174)	(25)	**(199)**
Trade and other payables, accruals and deferred income	(1 022)	(191)	**(1 213)**	(1 026)	(67)	**(1 093)**
Employee benefits and provisions	(412)	(49)	**(461)**	(360)	(2)	**(362)**
Deferred taxes	(719)	(20)	**(739)**	(722)	—	**(722)**
Other liabilities	(122)	(2)	**(124)**	(126)	—	**(126)**
Liabilities directly associated with assets held for sale	**(2 422)**	**(325)**	**(2 747)**	**(2 408)**	**(94)**	**(2 502)**
Net assets held for sale	**6 076**	**237**	**6 313**	**6 182**	**144**	**6 326**

3. Analyses by segment

3.1 Operating segments
Revenue and results

In millions of CHF — January–June 2019

	Sales (a)	Underlying Trading operating profit (b)	Trading operating profit	Net other trading income/(expenses) (c)	of which impairment of property, plant and equipment	of which restructuring costs	Depreciation and amortization
Zone EMENA	9 231	1 733	1 671	(62)	(12)	(57)	(370)
Zone AMS	15 666	3 009	2 605	(404)	(182)	(132)	(533)
Zone AOA	10 725	2 482	2 404	(78)	(32)	(11)	(375)
Nestlé Waters	4 003	472	327	(145)	(32)	(89)	(213)
Other businesses (d)	5 831	1 144	1 140	(4)	19	(9)	(266)
Unallocated items (e)	—	(1 067)	(1 089)	(22)	—	(8)	(107)
Total	**45 456**	**7 773**	**7 058**	**(715)**	**(239)**	**(306)**	**(1 864)**

In millions of CHF — January–June 2018 *

	Sales (a)	Underlying Trading operating profit (b)	Trading operating profit	Net other trading income/(expenses) (c)	of which impairment of property, plant and equipment	of which restructuring costs	Depreciation and amortization
Zone EMENA	9 303	1 738	1 611	(127)	(9)	(112)	(384)
Zone AMS	14 153	2 667	2 501	(166)	(29)	(77)	(489)
Zone AOA	10 634	2 419	2 177	(242)	(195)	(32)	(389)
Nestlé Waters	3 967	398	346	(52)	(8)	(24)	(205)
Other businesses (d)	5 863	960	915	(45)	(7)	(24)	(374)
Unallocated items (e)	—	(1 119)	(1 159)	(40)	(4)	(30)	(102)
Total	**43 920**	**7 063**	**6 391**	**(672)**	**(252)**	**(299)**	**(1 943)**

* 2018 comparatives adjusted, see Note 1 Accounting policies, Changes in presentation – analyses by segment.

(a) Inter-segment sales are not significant.
(b) Trading operating profit before Net other trading income/(expenses).
(c) Included in Trading operating profit.
(d) Mainly Nespresso, Nestlé Health Science, Nestlé Skin Health and in 2018 Gerber Life Insurance.
(e) Mainly corporate expenses as well as research and development costs.

Other information

In millions of CHF	January–June 2019		January–June 2018	
	Impairment of goodwill	Impairment of intangible assets	Impairment of goodwill	Impairment of intangible assets
Zone EMENA	(39)	—	(99)	—
Zone AMS	(25)	(9)	—	(4)
Zone AOA	(8)	—	—	—
Nestlé Waters	(13)	—	(29)	—
Other businesses (a)	—	—	—	—
Unallocated items (b)	—	—	—	—
Total	**(85)**	**(9)**	**(128)**	**(4)**

(a) Mainly Nespresso, Nestlé Health Science, Nestlé Skin Health and in 2018 Gerber Life Insurance.
(b) Mainly corporate and research and development assets.

3.2 Products
Revenue and results

In millions of CHF	Sales	Underlying Trading operating profit (a)	Trading operating profit	Net other trading income/(expenses) (b)	of which impairment of property, plant and equipment	of which restructuring costs
						January–June 2019
Powdered and Liquid Beverages	11 367	2 619	2 577	(42)	(12)	(18)
Water	3 786	433	290	(143)	(32)	(87)
Milk products and Ice cream	6 539	1 236	1 026	(210)	(97)	(61)
Nutrition and Health Science	7 822	1 800	1 756	(44)	(5)	(17)
Prepared dishes and cooking aids	5 938	1 025	809	(216)	(85)	(84)
Confectionery	3 450	408	378	(30)	(8)	(12)
PetCare	6 554	1 319	1 311	(8)	—	(19)
Unallocated items (c)	—	(1 067)	(1 089)	(22)	—	(8)
Total	**45 456**	**7 773**	**7 058**	**(715)**	**(239)**	**(306)**

In millions of CHF	Sales	Underlying Trading operating profit (a)	Trading operating profit	Net other trading income/(expenses) (b)	of which impairment of property, plant and equipment	of which restructuring costs
						January–June 2018 *
Powdered and Liquid Beverages	10 265	2 385	2 297	(88)	(17)	(43)
Water	3 729	352	308	(44)	(4)	(22)
Milk products and Ice cream	6 385	1 121	1 079	(42)	(7)	(25)
Nutrition and Health Science	7 912	1 589	1 273	(316)	(209)	(85)
Prepared dishes and cooking aids	5 819	1 002	937	(65)	(7)	(57)
Confectionery	3 634	443	408	(35)	(4)	(23)
PetCare	6 176	1 290	1 248	(42)	—	(14)
Unallocated items (c)	—	(1 119)	(1 159)	(40)	(4)	(30)
Total	**43 920**	**7 063**	**6 391**	**(672)**	**(252)**	**(299)**

* 2018 comparatives adjusted, see Note 1 Accounting policies, Changes in presentation – analyses by segment.

(a) Trading operating profit before Net other trading income/(expenses).
(b) Included in Trading operating profit.
(c) Mainly corporate expenses as well as research and development costs.

Other information

In millions of CHF	January–June 2019		January–June 2018	
	Impairment of goodwill	Impairment of intangible assets	Impairment of goodwill	Impairment of intangible assets
Powdered and Liquid Beverages	(18)	—	—	(4)
Water	(13)	—	(29)	—
Milk products and Ice cream	(10)	(5)	—	—
Nutrition and Health Science	—	—	—	—
Prepared dishes and cooking aids	(10)	(4)	(99)	—
Confectionery	(28)	—	—	—
PetCare	—	—	—	—
Unallocated items [(a)]	(6)	—	—	—
Total	**(85)**	**(9)**	**(128)**	**(4)**

(a) Mainly corporate and research and development assets.

3.3 Sales by geographic area (country and type of market)

In millions of CHF	January–June 2019	January–June 2018
EMENA	**13 143**	**13 253**
France	2 203	2 283
United Kingdom	1 392	1 357
Germany	1 314	1 357
Italy	847	902
Russia	786	765
Spain	759	775
Switzerland	568	610
Rest of EMENA	5 274	5 204
AMS	**20 459**	**19 000**
United States	13 932	12 590
Brazil	1 751	1 724
Mexico	1 441	1 361
Canada	995	918
Rest of AMS	2 340	2 407
AOA	**11 854**	**11 667**
Greater China Region	3 430	3 416
Philippines	1 321	1 239
Japan	848	828
India	821	759
Australia	715	755
Rest of AOA	4 719	4 670
Total sales	**45 456**	**43 920**
of which developed markets	26 121	24 929
of which emerging markets	19 335	18 991

3.4 Reconciliation from Underlying Trading operating profit to profit before taxes, associates and joint ventures

In millions of CHF	January–June 2019	January–June 2018
Underlying Trading operating profit [(a)]	**7 773**	**7 063**
Net other trading income/(expenses)	(715)	(672)
Trading operating profit	**7 058**	**6 391**
Impairment of goodwill	(85)	(128)
Net other operating income/(expenses) excluding impairment of goodwill	(239)	1 437
Operating profit	**6 734**	**7 700**
Net financial income/(expense)	(504)	(346)
Profit before taxes, associates and joint ventures	**6 230**	**7 354**

(a) Trading operating profit before Net other trading income/(expenses).

4. Seasonality

The business of the Group is not highly cyclical. Seasonal evolutions in some countries or product groups are generally compensated within the Group.

5. Net other trading and operating income/(expenses)

5.1 Net other trading income/(expenses)

In millions of CHF	January–June 2019	January–June 2018
Other trading income	**89**	**19**
Restructuring costs	(306)	(299)
Impairment of property, plant and equipment and intangible assets [(a)]	(248)	(256)
Litigations and onerous contracts	(171)	(104)
Miscellaneous trading expenses	(79)	(32)
Other trading expenses [(b)]	**(804)**	**(691)**
Total net other trading income/(expenses)	**(715)**	**(672)**

(a) January–June 2018: mainly includes an impairment of property, plant and equipment in Zone AOA.
(b) January–June 2019: includes one-off costs of CHF 395 million related to the exit of the DSD network in the USA for Frozen Pizza and Ice Cream (see Note 11).

5.2 Net other operating income/(expenses)

In millions of CHF	Notes	January–June 2019	January–June 2018
Profit on disposal of businesses	2	73	2 317
Miscellaneous operating income		69	150
Other operating income		**142**	**2 467**
Loss on disposal of businesses	2	(168)	(917)
Impairment of goodwill [(a)]		(85)	(128)
Miscellaneous operating expenses		(213)	(113)
Other operating expenses		**(466)**	**(1 158)**
Total net other operating income/(expenses)		**(324)**	**1 309**

(a) January–June 2018: mainly in Zone EMENA.

6. Share of results of associates and joint ventures

This item mainly includes our share of the estimated results of L’Oréal as well as the share of results of our joint ventures.

7. Cash flow before changes in operating assets and liabilities

In millions of CHF	January–June 2019	January–June 2018
Profit for the period	**5 119**	5 988
Income from associates and joint ventures	(600)	(573)
Taxes	1 711	1 939
Financial income	(110)	(81)
Financial expense	614	427
Operating profit	**6 734**	**7 700**
Depreciation of property, plant and equipment	1 757	1 767
Impairment of property, plant and equipment	239	252
Impairment of goodwill	85	128
Amortization of intangible assets	107	176
Impairment of intangible assets	9	4
Net result on disposal of businesses	95	(1 400)
Net result on disposal of assets	19	57
Non-cash items in financial assets and liabilities	(86)	(129)
Equity compensation plans	63	70
Other	(8)	8
Non-cash items of income and expense	**2 280**	**933**
Cash flow before changes in operating assets and liabilities	**9 014**	**8 633**

8. Equity

8.1 Share capital

The share capital changed in 2019 and 2018 as a consequence of the share buyback program launched in July 2017. The cancellation of shares was approved at the Annual General Meetings on April 11, 2019 and April 12, 2018. The share capital was reduced by 87 000 000 shares from CHF 306 million to CHF 298 million in 2019 and by 49 160 000 shares from CHF 311 million to CHF 306 million in 2018.

At June 30, 2019, the share capital of Nestlé S.A. is composed of 2 976 000 000 registered shares with a nominal value of CHF 0.10 each.

Started in July 2017, a share buyback program of up to CHF 20 billion to be completed by the end of December 2019 was still on going at end of June 2019. It is subject to market conditions and strategic opportunities.

8.2 Dividend

The dividend related to 2018 was paid on April 17, 2019 in accordance with the decision taken at the Annual General Meeting on April 11, 2019. Shareholders approved the proposed dividend of CHF 2.45 per share, resulting in a total dividend of CHF 7230 million.

9. Fair value of financial instruments

9.1 Fair value hierarchy

In millions of CHF	June 30, 2019	December 31, 2018
Derivative assets	103	36
Bonds and debt funds	365	1 681
Equity and equity funds	205	211
Other financial assets	28	9
Derivative liabilities	(32)	(71)
Prices quoted in active markets (Level 1)	**669**	**1 866**
Derivative assets	131	147
Bonds and debt funds	431	396
Equity and equity funds	232	224
Other financial assets	793	695
Derivative liabilities	(518)	(377)
Valuation techniques based on observable market data (Level 2)	**1 069**	**1 085**
Valuation techniques based on unobservable input (Level 3)	**80**	**165**
Total financial instruments at fair value	**1 818**	**3 116**

The fair values categorized in level 2 above were determined as follows:
- Derivatives are valued based on discounted contractual cash flows using risk adjusted discount rates and relying on observable market data for interest rates and foreign exchange rates; and
- The other level 2 investments are based on a valuation model derived from the most recently published observable financial prices for similar assets in active markets.

There have been no significant transfers between the different hierarchy levels in the 2019 and the 2018 interim periods.

9.2 Carrying amount and fair value

As at June 30, 2019, the carrying amount of bonds issued is CHF 24.1 billion (December 31, 2018: CHF 24.9 billion), compared to a fair value of CHF 25.4 billion (December 31, 2018: CHF 25.2 billion). This fair value is categorized as level 2, measured on the basis of quoted prices.

For all other financial assets and liabilities, the carrying amount is a reasonable approximation of the fair value.

10. Bonds

During the period Nestlé Holdings, Inc., USA reimbursed a USD 500 million bond with coupon of 2.25%. No bonds were issued.

11. Exit of the DSD network in the USA for Frozen Pizza and Ice Cream

In the second quarter of 2019, the Group decided to exit the Direct-Store-Delivery (DSD) network in the USA for Frozen Pizza and Ice Cream. As a consequence, the assets formerly allocated to the cash generating unit of DSD for Frozen Pizza and Ice Cream – USA, including CHF 2481 million of goodwill, have been allocated between the Frozen Pizza business and the Ice Cream business, which have been tested as separate CGUs with no impairment identified. However, one-off costs of CHF 395 million (see Note 5.1) have been recognized in the first half of 2019, and include impairment charges related to property, plant and equipment which will no longer be used as a result of the exit of the DSD network; restructuring costs; and onerous contracts and other expenses.

12. Events after the balance sheet date

As at July 24, 2019 the Group has no subsequent events which either warrant a modification of the value of its assets and liabilities or any additional disclosure.

Principal exchange rates

CHF per		June 2019	December 2018	June 2018	January–June 2019	January–June 2018
			Ending rates		Weighted average rates	
1 US Dollar	USD	0.975	0.986	0.995	0.999	0.967
1 Euro	EUR	1.109	1.128	1.157	1.130	1.170
100 Chinese Yuan Renminbi	CNY	14.202	14.335	15.032	14.720	15.182
100 Brazilian Reais	BRL	25.235	25.448	25.824	25.994	28.110
100 Philippine Pesos	PHP	1.903	1.877	1.864	1.916	1.858
1 Pound Sterling	GBP	1.236	1.256	1.304	1.294	1.329
100 Mexican Pesos	MXN	5.082	5.015	5.050	5.214	5.069
1 Canadian Dollar	CAD	0.745	0.724	0.752	0.750	0.757
100 Japanese Yen	JPY	0.905	0.894	0.899	0.909	0.890
1 Australian Dollar	AUD	0.684	0.697	0.735	0.706	0.745
100 Russian Rubles	RUB	1.544	1.416	1.587	1.535	1.624

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Shareholder information

Stock exchange listing
Nestlé S.A. shares are listed on the SIX Swiss Exchange (ISIN code: CH0038863350). American Depositary Receipts (ISIN code: US6410694060) representing Nestlé S.A. shares are offered in the USA by Citibank.

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The *Half-Year Report* is available online as a PDF in English, French and German.

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October 17, 2019
2019 Nine months sales figures

February 13, 2020
2019 Full-Year Results

April 23, 2020
153rd Annual General Meeting, Beaulieu Lausanne, Lausanne (Switzerland)

The *Half-Year Report* 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.

This *Half-Year Report* is published in English, German and French. The English version is binding.

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Concept
Nestlé S.A., Group Accounting and Reporting

Production
brain'print GmbH (Switzerland)

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