

## Nestlé adopts IAS 19 Revised and IFRS 11 with effect from January 1<sup>st</sup> 2013

The adoption of IAS 19 Revised (Pensions) and IFRS 11 (Joint Ventures) is mandatory as from January 1<sup>st</sup> 2013. As a result, 2012 numbers are restated to reflect what they would have been using the new/revised standards.

### IAS 19 Revised

Employee benefit costs recognized in the Group Income Statement increase, mainly due to the replacement of the expected return on plan assets and interest costs on the defined benefit obligation by a single net interest component. This net interest cost of pensions is presented together with the Group financing costs, while service cost continues to be included in operating expenses. As a result, restated trading operating profit and net profit are lower.

### IFRS 11

The Group's main Joint Ventures (CPW, Galderma, DPA Chilled & Liquids, BPW) are consolidated using the equity method. This means that the Nestlé share (50%) of their sales and other Financial Statement line items is no longer consolidated, but the Nestlé share of their net profit is included in the Income Statement line "Share of results of associates and joint ventures". As a result, sales are lower but net profit and equity remain unchanged. On the balance sheet, net investments in joint ventures are presented together with investments in associates, on a single line.

### Summary of restatements

The estimated numbers presented during the February 14<sup>th</sup> 2013 Full Year 2012 results webcast are confirmed:

	<u>Reported</u>	<u>Restated</u>	
Sales	92.2 bn	89.7 bn	-2.5 bn (JVs)
Trading Operating Profit	15.2 %	15.0 %	-20 bps (Pensions/JVs)
Profit for the Year	11.06 bn	10.68 bn	-0.38 bn (Pensions)
Basic EPS	CHF 3.33	CHF 3.21	-0.12 CHF (Pensions)
Free Cash Flow	9.9 bn	9.9 bn	No material impact on Cash Flow

## Appendices

*Appendix 1: First Quarter 2012 – Group sales (restated)*

*Appendix 2: First Half 2012 – Group figures (restated)*

*Appendix 3: Nine Months 2012 – Group sales (restated)*

*Appendix 4: Full Year 2012 – Group figures (restated)*

## First Quarter sales: January – March 2012

In millions of CHF	Jan. - March 2012 restated	Jan. - March 2012 as published
	Sales in CHF millions	Sales in CHF millions
<b>By operating segment</b>		
Zone Europe	3 580	3 579
Zone Americas	6 460	6 537
Zone Asia, Oceania and Africa	4 579	4 588
Nestlé Waters	1 552	1 552
Nestlé Nutrition	1 877	1 877
Other	2 775	3 256
<b>Total Group</b>	<b>20 823</b>	<b>21 389</b>
<b>By product</b>		
Powdered and Liquid Beverages	4 718	4 671
Water (a)	1 463	1 553
Milk products and Ice cream	3 911	4 230
Nutrition and HealthCare	2 322	2 518
Prepared dishes and cooking aids	3 387	3 396
Confectionery	2 477	2 476
PetCare	2 545	2 545
<b>Total Group</b>	<b>20 823</b>	<b>21 389</b>

(a) Beverages other than Water sold by Nestlé Waters (mainly RTD Teas and Juices) have been reclassified to Powdered and Liquid Beverages.

Consolidated income statement  
for the period ended 30 June 2012

In millions of CHF	January–June 2012 restated	January–June 2012 as published
<b>Sales</b>	<b>42'878</b>	<b>44'097</b>
Other revenue	103	65
Cost of goods sold	(22'732)	(23'178)
Distribution expenses	(3'885)	(3'960)
Marketing and administration expenses	(9'222)	(9'573)
Research and development costs	(663)	(729)
Other trading income	75	75
Other trading expenses	(181)	(198)
<b>Trading operating profit</b>	<b>6'373</b>	<b>6'599</b>
Other operating income	34	34
Other operating expenses	(78)	(83)
<b>Operating profit</b>	<b>6'329</b>	<b>6'550</b>
Financial income	114	95
Financial expense	(424)	(293)
<b>Profit before taxes and associates</b>	<b>6'019</b>	<b>6'352</b>
Taxes	(1'542)	(1'629)
Share of results of associates and joint ventures	665	602
<b>Profit for the period</b>	<b>5'142</b>	<b>5'325</b>
of which attributable to non-controlling interests	205	205
of which attributable to shareholders of the parent (Net profit)	4'937	5'120
<b>As percentages of sales</b>		
Trading operating profit	14.9%	15.0%
Profit for the period attributable to shareholders of the parent (Net profit)	11.5%	11.6%
<b>Earnings per share (in CHF)</b>		
Basic earnings per share	1.55	1.61
Diluted earnings per share	1.54	1.60

Consolidated statement of comprehensive income  
for the period ended 30 June 2012

In millions of CHF	January–June 2012 restated	January–June 2012 as published
<b>Profit for the period recognised in the income statement</b>	<b>5'142</b>	<b>5'325</b>
Currency retranslations	223	224
Fair value adjustments on available-for-sale financial instruments		
– Unrealised results	96	96
– Recognition of realised results in the income statement	12	12
Fair value adjustments on cash flow hedges		
– Recognised in hedging reserve	39	45
– Removed from hedging reserve	63	62
Actuarial gains/(losses) on defined benefit schemes	(1'266)	(1'524)
Share of other comprehensive income of associates and joint ventures	160	155
Taxes	334	407
<b>Other comprehensive income for the period</b>	<b>(339)</b>	<b>(523)</b>
<b>Total comprehensive income for the period</b>	<b>4'803</b>	<b>4'802</b>
of which attributable to non-controlling interests	179	179
of which attributable to shareholders of the parent	4'624	4'623

## Consolidated balance sheet as at 30 June 2012

## APPENDIX 2

In millions of CHF	30 June 2012 restated	30 June 2012 as published
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	4'814	4'983
Short-term investments	4'807	4'838
Inventories	9'605	9'784
Trade and other receivables	12'859	13'333
Prepayments and accrued income	1'080	1'103
Derivative assets	887	892
Current income tax assets	886	932
Assets held for sale	12	12
<b>Total current assets</b>	<b>34'950</b>	<b>35'877</b>
<b>Non-current assets</b>		
Property, plant and equipment	23'898	24'421
Goodwill	28'926	29'326
Intangible assets	8'793	9'355
Investments in associates and joint ventures	10'686	8'882
Financial assets	5'268	5'273
Employee benefits assets	114	115
Current income tax assets	36	36
Deferred tax assets	2'860	2'920
<b>Total non-current assets</b>	<b>80'581</b>	<b>80'328</b>
<b>Total assets</b>	<b>115'531</b>	<b>116'205</b>

In millions of CHF	30 June 2012 restated	30 June 2012 as published
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Financial debt	17'659	17'864
Trade and other payables	12'755	12'794
Accruals and deferred income	2'644	2'785
Provisions	478	478
Derivative liabilities	550	558
Current income tax liabilities	1'423	1'449
<b>Total current liabilities</b>	<b>35'509</b>	<b>35'928</b>
<b>Non-current liabilities</b>		
Financial debt	6'926	6'970
Employee benefits liabilities	8'114	8'308
Provisions	2'879	2'891
Deferred tax liabilities	2'194	2'263
Other payables	2'178	2'183
<b>Total non-current liabilities</b>	<b>22'291</b>	<b>22'615</b>
<b>Total liabilities</b>	<b>57'800</b>	<b>58'543</b>
<b>Equity</b>		
Share capital	322	322
Treasury shares	(2'028)	(2'028)
Translation reserve	(16'678)	(16'677)
Retained earnings and other reserves	74'540	74'470
<b>Total equity attributable to shareholders of the parent</b>	<b>56'156</b>	<b>56'087</b>
Non-controlling interests	1'575	1'575
<b>Total equity</b>	<b>57'731</b>	<b>57'662</b>
<b>Total liabilities and equity</b>	<b>115'531</b>	<b>116'205</b>

## Consolidated cash flow statement for the period ended 30 June 2012

In millions of CHF	January–June 2012 restated	January–June 2012 as published
<b>Operating activities</b>		
Operating profit	6'329	6'550
Non-cash items of income and expense	1'619	1'668
<b>Cash flow before changes in operating assets and liabilities</b>	<b>7'948</b>	<b>8'218</b>
Decrease/(increase) in working capital	(1'458)	(1'533)
Variation of other operating assets and liabilities	(205)	(343)
<b>Cash generated from operations</b>	<b>6'285</b>	<b>6'342</b>
Net cash flows from treasury activities	(130)	(136)
Taxes paid	(1'482)	(1'524)
Dividends and interest from associates and joint ventures	544	443
<b>Operating cash flow</b>	<b>5'217</b>	<b>5'125</b>
<b>Investing activities</b>		
Capital expenditure	(1'654)	(1'689)
Expenditure on intangible assets	(195)	(207)
Sale of property, plant and equipment	77	77
Acquisition of businesses	(18)	(18)
Disposal of businesses	3	5
Investments (net of disinvestments) in associates and joint ventures	(177)	(42)
Outflows from non-current financial investments	(62)	(62)
Inflows from non-current financial investments	720	720
Inflows/(outflows) from short-term financial investments	(217)	(210)
Other investing cash flows	(125)	(174)
<b>Cash flow from investing activities</b>	<b>(1'648)</b>	<b>(1'600)</b>
<b>Financing activities</b>		
Dividend paid to shareholders of the parent	(6'213)	(6'213)
Dividends paid to non-controlling interests	(100)	(100)
Acquisition (net of disposal) of non-controlling interests	(129)	(129)
Purchase of treasury shares	(206)	(206)
Sale of treasury shares	848	848
Inflows from bonds and other non-current financial debt	983	983
Outflows from bonds and other non-current financial debt	(1'052)	(1'052)
Inflows/(outflows) from current financial debt	2'315	2'357
<b>Cash flow from financing activities</b>	<b>(3'554)</b>	<b>(3'512)</b>
Currency retranslations	30	32
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>45</b>	<b>45</b>
Cash and cash equivalents at beginning of year	4'769	4'938
<b>Cash and cash equivalents at end of period</b>	<b>4'814</b>	<b>4'983</b>



Consolidated statement of changes in equity  
for the period ended 30 June 2012

APPENDIX 2

In millions of CHF

	Share capital	Treasury shares	Translation reserve	Retained earnings and other reserves	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
<b>Equity as at 31 December 2011 as reported last year</b>	<b>330</b>	<b>(6'722)</b>	<b>(16'927)</b>	<b>80'116</b>	<b>56'797</b>	<b>1'477</b>	<b>58'274</b>
First application of IAS 19 revised				68	68		68
<b>Equity restated as at 31 December 2011</b>	<b>330</b>	<b>(6'722)</b>	<b>(16'927)</b>	<b>80'184</b>	<b>56'865</b>	<b>1'477</b>	<b>58'342</b>
Profit for the period				4'937	4'937	205	5'142
Other comprehensive income for the period			249	(562)	(313)	(26)	(339)
<b>Total comprehensive income for the period</b>			<b>249</b>	<b>4'375</b>	<b>4'624</b>	<b>179</b>	<b>4'803</b>
Dividend paid to shareholders of the parent				(6'213)	(6'213)		(6'213)
Dividends paid to non-controlling interests						(100)	(100)
Movement of treasury shares (a)		559		297	856		856
Equity compensation plans		204		(108)	96		96
Changes in non-controlling interests				(113)	(113)	19	(94)
Reduction in share capital	(8)	3'931		(3'923)	—		—
<b>Total transactions with owners</b>	<b>(8)</b>	<b>4'694</b>		<b>(10'060)</b>	<b>(5'374)</b>	<b>(81)</b>	<b>(5'455)</b>
Other movements (b)				41	41		41
<b>Equity restated as at 30 June 2012</b>	<b>322</b>	<b>(2'028)</b>	<b>(16'678)</b>	<b>74'540</b>	<b>56'156</b>	<b>1'575</b>	<b>57'731</b>
<b>Equity as at 31 December 2011</b>	<b>330</b>	<b>(6'722)</b>	<b>(16'927)</b>	<b>80'116</b>	<b>56'797</b>	<b>1'477</b>	<b>58'274</b>
Profit for the period				5'120	5'120	205	5'325
Other comprehensive income for the period			250	(747)	(497)	(26)	(523)
<b>Total comprehensive income for the period</b>			<b>250</b>	<b>4'373</b>	<b>4'623</b>	<b>179</b>	<b>4'802</b>
Dividend paid to shareholders of the parent				(6'213)	(6'213)		(6'213)
Dividends paid to non-controlling interests						(100)	(100)
Movement of treasury shares (a)		559		297	856		856
Equity compensation plans		204		(108)	96		96
Changes in non-controlling interests				(113)	(113)	19	(94)
Reduction in share capital	(8)	3'931		(3'923)	—		—
<b>Total transactions with owners</b>	<b>(8)</b>	<b>4'694</b>		<b>(10'060)</b>	<b>(5'374)</b>	<b>(81)</b>	<b>(5'455)</b>
Other movements (b)				41	41		41
<b>Equity as at 30 June 2012</b>	<b>322</b>	<b>(2'028)</b>	<b>(16'677)</b>	<b>74'470</b>	<b>56'087</b>	<b>1'575</b>	<b>57'662</b>

(a) Movements reported under retained earnings and other reserves mainly relate to written put options on own shares.

(b) Relates to Venezuela, considered as a hyperinflationary economy.

## 3. Analyses by segment for the period ended 30 June 2012

## 3.1 Operating segments

January–June  
2012 restated

In millions of CHF

	Sales (a)	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Zone Europe	7'381	1'109	(27)	(6)	(18)	—
Zone Americas	13'266	2'326	(37)	—	8	—
Zone Asia, Oceania and Africa	9'173	1'733	(4)	(3)	(6)	—
Nestlé Waters	3'555	357	(6)	(4)	(4)	(1)
Nestlé Nutrition	3'831	788	(8)	—	(2)	—
Other (b)	5'672	1'054	(19)	(1)	(2)	(1)
Unallocated items (c)		(994)	(5)	—	—	(1)
<b>Total</b>	<b>42'878</b>	<b>6'373</b>	<b>(106)</b>	<b>(14)</b>	<b>(24)</b>	<b>(3)</b>

\* included in Trading operating profit

January–June  
2012 as published

In millions of CHF

	Sales (a)	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Zone Europe	7'379	1'137	(27)	(6)	(18)	—
Zone Americas	13'419	2'334	(37)	—	8	—
Zone Asia, Oceania and Africa	9'192	1'737	(4)	(3)	(6)	—
Nestlé Waters	3'555	354	(6)	(4)	(4)	(1)
Nestlé Nutrition	3'831	788	(8)	—	(2)	—
Other (b)	6'721	1'182	(36)	(1)	(7)	(1)
Unallocated items (c)		(933)	(5)	—	—	(1)
<b>Total</b>	<b>44'097</b>	<b>6'599</b>	<b>(123)</b>	<b>(14)</b>	<b>(29)</b>	<b>(3)</b>

\* included in Trading operating profit

(a) Inter-segment sales are not significant.

(b) Mainly Nespresso, Nestlé Professional, Nestlé Health Science, Food and Beverages Joint Ventures and Pharma Joint Ventures managed on a worldwide basis.

(c) Mainly corporate expenses as well as research and development costs.

## 3. Analyses by segment for the period ended 30 June 2012 (continued)

## 3.2 Products

January–June  
2012 restated

In millions of CHF

	Sales	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Powdered and Liquid Beverages	9'731	2'238	(26)	(6)	(7)	—
Water (a)	3'343	353	(5)	(4)	(4)	(1)
Milk products and Ice cream	8'442	1'277	(33)	—	(7)	—
Nutrition and HealthCare	4'744	913	(11)	—	(2)	—
Prepared dishes and cooking aids	6'869	910	(17)	(2)	(2)	(1)
Confectionery	4'563	630	(35)	(2)	(9)	—
PetCare	5'186	1'046	26	—	7	—
Unallocated items (b)		(994)	(5)	—	—	(1)
<b>Total</b>	<b>42'878</b>	<b>6'373</b>	<b>(106)</b>	<b>(14)</b>	<b>(24)</b>	<b>(3)</b>

\* included in Trading operating profit

January–June  
2012 as published

In millions of CHF

	Sales	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Powdered and Liquid Beverages	9'620	2'276	(38)	(6)	(10)	—
Water	3'558	354	(6)	(4)	(4)	(1)
Milk products and Ice cream	9'078	1'309	(34)	—	(8)	—
Nutrition and HealthCare	5'207	966	(15)	—	(3)	—
Prepared dishes and cooking aids	6'888	915	(17)	(2)	(2)	(1)
Confectionery	4'560	638	(34)	(2)	(9)	—
PetCare	5'186	1'074	26	—	7	—
Unallocated items (b)		(933)	(5)	—	—	(1)
<b>Total</b>	<b>44'097</b>	<b>6'599</b>	<b>(123)</b>	<b>(14)</b>	<b>(29)</b>	<b>(3)</b>

\* included in Trading operating profit

(a) Beverages other than Water sold by Nestlé Waters (mainly RTD Teas and Juices) have been reclassified to Powdered and Liquid Beverages.

(b) Mainly corporate expenses as well as research and development costs.

## Third Quarter sales: January – September 2012

In millions of CHF	Jan. - Sept. 2012 restated	Jan. - Sept. 2012 as published
	Sales in CHF millions	Sales in CHF millions
<b>By operating segment</b>		
Zone Europe	11 201	11 198
Zone Americas	20 659	20 892
Zone Asia, Oceania and Africa	13 923	13 951
Nestlé Waters	5 584	5 584
Nestlé Nutrition	5 831	5 831
Other	8 541	10 112
<b>Total Group</b>	<b>65 739</b>	<b>67 568</b>
<b>By product</b>		
Powdered and Liquid Beverages	14 637	14 441
Water (a)	5 250	5 588
Milk products and Ice cream	13 120	14 083
Nutrition and HealthCare	7 222	7 921
Prepared dishes and cooking aids	10 391	10 419
Confectionery	7 169	7 166
PetCare	7 950	7 950
<b>Total Group</b>	<b>65 739</b>	<b>67 568</b>

(a) Beverages other than Water sold by Nestlé Waters (mainly RTD Teas and Juices) have been reclassified to Powdered and Liquid Beverages.

Consolidated income statement  
for the year ended 31 December 2012

In millions of CHF	January–December 2012 restated (unaudited)	January–December 2012 as published
<b>Sales</b>	<b>89'721</b>	<b>92'186</b>
Other revenue	210	138
Cost of goods sold	(47'500)	(48'398)
Distribution expenses	(8'017)	(8'167)
Marketing and administration expenses	(19'041)	(19'688)
Research and development costs	(1'413)	(1'544)
Other trading income	141	141
Other trading expenses	(637)	(656)
<b>Trading operating profit</b>	<b>13'464</b>	<b>14'012</b>
Other operating income	146	146
Other operating expenses	(222)	(226)
<b>Operating profit</b>	<b>13'388</b>	<b>13'932</b>
Financial income	120	110
Financial expense	(825)	(591)
<b>Profit before taxes and associates</b>	<b>12'683</b>	<b>13'451</b>
Taxes	(3'259)	(3'451)
Share of results of associates and joint ventures	1'253	1'060
<b>Profit for the year</b>	<b>10'677</b>	<b>11'060</b>
of which attributable to non-controlling interests	449	449
of which attributable to shareholders of the parent (Net profit)	10'228	10'611
<b>As percentages of sales</b>		
Trading operating profit	15.0%	15.2%
Profit for the year attributable to shareholders of the parent (Net profit)	11.4%	11.5%
<b>Earnings per share (in CHF)</b>		
Basic earnings per share	3.21	3.33
Diluted earnings per share	3.20	3.32

Consolidated statement of comprehensive income  
for the year ended 31 December 2012

In millions of CHF	January–December 2012 restated (unaudited)	January–December 2012 as published
<b>Profit for the year recognised in the income statement</b>	<b>10'677</b>	<b>11'060</b>
Currency retranslations	(1'053)	(1'052)
Fair value adjustments on available-for-sale financial instruments		
– Unrealised results	310	309
– Recognition of realised results in the income statement	15	16
Fair value adjustments on cash flow hedges		
– Recognised in hedging reserve	(116)	(110)
– Removed from hedging reserve	266	272
Actuarial gains/(losses) on defined benefit schemes	(1'534)	(2'063)
Share of other comprehensive income of associates and joint ventures	502	497
Taxes	355	501
<b>Other comprehensive income for the year</b>	<b>(1'255)</b>	<b>(1'630)</b>
<b>Total comprehensive income for the year</b>	<b>9'422</b>	<b>9'430</b>
of which attributable to non-controlling interests	393	393
of which attributable to shareholders of the parent	9'029	9'037

## Consolidated balance sheet as at 31 December 2012

APPENDIX 4

In millions of CHF	31 December 2012 restated (unaudited)	31 December 2012 as published
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5'713	5'840
Short-term investments	3'583	3'585
Inventories	8'949	9'125
Trade and other receivables	13'045	13'404
Prepayments and accrued income	822	844
Derivative assets	576	586
Current income tax assets	971	1028
Assets held for sale	793	793
<b>Total current assets</b>	<b>34'452</b>	<b>35'205</b>
<b>Non-current assets</b>		
Property, plant and equipment	26'346	26'903
Goodwill	32'217	32'615
Intangible assets	13'097	13'643
Investments in associates and joint ventures	11'579	9'846
Financial assets	4'995	5'003
Employee benefits assets	83	84
Current income tax assets	27	27
Deferred tax assets	2'855	2'903
<b>Total non-current assets</b>	<b>91'199</b>	<b>91'024</b>
<b>Total assets</b>	<b>125'651</b>	<b>126'229</b>

In millions of CHF	31 December 2012 restated (unaudited)	31 December 2012 as published
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Financial debt	18'408	18'568
Trade and other payables	14'437	14'455
Accruals and deferred income	3'079	3'229
Provisions	441	441
Derivative liabilities	423	428
Current income tax liabilities	1'597	1'631
Liabilities directly associated with assets held for sale	1	1
<b>Total current liabilities</b>	<b>38'386</b>	<b>38'753</b>
<b>Non-current liabilities</b>		
Financial debt	9'008	9'009
Employee benefits liabilities	8'359	8'554
Provisions	2'826	2'842
Deferred tax liabilities	2'225	2'276
Other payables	2'183	2'191
<b>Total non-current liabilities</b>	<b>24'601</b>	<b>24'872</b>
<b>Total liabilities</b>	<b>62'987</b>	<b>63'625</b>
<b>Equity</b>		
Share capital	322	322
Treasury shares	(2'078)	(2'078)
Translation reserve	(17'924)	(17'923)
Retained earnings and other reserves	80'687	80'626
<b>Total equity attributable to shareholders of the parent</b>	<b>61'007</b>	<b>60'947</b>
Non-controlling interests	1'657	1'657
<b>Total equity</b>	<b>62'664</b>	<b>62'604</b>
<b>Total liabilities and equity</b>	<b>125'651</b>	<b>126'229</b>



## Consolidated cash flow statement for the year ended 31 December 2012

In millions of CHF	January–December 2012 restated (unaudited)	January–December 2012 as published
<b>Operating activities</b>		
Operating profit	13'388	13'932
Non-cash items of income and expense	3'217	3'316
<b>Cash flow before changes in operating assets and liabilities</b>	<b>16'605</b>	<b>17'248</b>
Decrease/(increase) in working capital	2'015	1'988
Variation of other operating assets and liabilities	(95)	(375)
<b>Cash generated from operations</b>	<b>18'525</b>	<b>18'861</b>
Net cash flows from treasury activities	(324)	(334)
Taxes paid	(3'118)	(3'201)
Dividends and interest from associates and joint ventures	585	446
<b>Operating cash flow</b>	<b>15'668</b>	<b>15'772</b>
<b>Investing activities</b>		
Capital expenditure	(5'273)	(5'368)
Expenditure on intangible assets	(325)	(343)
Sale of property, plant and equipment	130	130
Acquisition of businesses	(10'916)	(10'918)
Disposal of businesses	142	144
Investments (net of disinvestments) in associates and joint ventures	(79)	(86)
Outflows from non-current financial investments	(192)	(192)
Inflows from non-current financial investments	1'561	1'561
Inflows/(outflows) from short-term financial investments	677	711
Other investing cash flows	(216)	(226)
<b>Cash flow from investing activities</b>	<b>(14'491)</b>	<b>(14'587)</b>
<b>Financing activities</b>		
Dividend paid to shareholders of the parent	(6'213)	(6'213)
Dividends paid to non-controlling interests	(204)	(204)
Acquisition (net of disposal) of non-controlling interests	(165)	(165)
Purchase of treasury shares	(532)	(532)
Sale of treasury shares	1'199	1'199
Inflows from bonds and other non-current financial debt	5'226	5'226
Outflows from bonds and other non-current financial debt	(1'650)	(1'680)
Inflows/(outflows) from current financial debt	2'325	2'312
<b>Cash flow from financing activities</b>	<b>(14)</b>	<b>(57)</b>
Currency retranslations	(219)	(226)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>944</b>	<b>902</b>
Cash and cash equivalents at beginning of year	4'769	4'938
<b>Cash and cash equivalents at end of year</b>	<b>5'713</b>	<b>5'840</b>

## Consolidated statement of changes in equity for the year ended 31 December 2012

In millions of CHF

	Share capital	Treasury shares	Translation reserve	Retained earnings and other reserves	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
<b>Equity as at 31 December 2011 as reported last year</b>	<b>330</b>	<b>(6'722)</b>	<b>(16'927)</b>	<b>80'116</b>	<b>56'797</b>	<b>1'477</b>	<b>58'274</b>
First application of IAS 19 revised				68	68		68
<b>Equity restated as at 31 December 2011</b>	<b>330</b>	<b>(6'722)</b>	<b>(16'927)</b>	<b>80'184</b>	<b>56'865</b>	<b>1'477</b>	<b>58'342</b>
Profit for the year				10'228	10'228	449	10'677
Other comprehensive income for the year			(997)	(202)	(1'199)	(56)	(1'255)
<b>Total comprehensive income for the year</b>			<b>(997)</b>	<b>10'026</b>	<b>9'029</b>	<b>393</b>	<b>9'422</b>
Dividend paid to shareholders of the parent				(6'213)	(6'213)		(6'213)
Dividends paid to non-controlling interests						(204)	(204)
Movement of treasury shares (a)		501		599	1'100		1'100
Equity compensation plans		212		(39)	173		173
Changes in non-controlling interests				(94)	(94)	(9)	(103)
Reduction in share capital	(8)	3'931		(3'923)	—		—
<b>Total transactions with owners</b>	<b>(8)</b>	<b>4'644</b>		<b>(9'670)</b>	<b>(5'034)</b>	<b>(213)</b>	<b>(5'247)</b>
Other movements (b)				147	147		147
<b>Equity restated as at 31 December 2012</b>	<b>322</b>	<b>(2'078)</b>	<b>(17'924)</b>	<b>80'687</b>	<b>61'007</b>	<b>1'657</b>	<b>62'664</b>
<b>Equity as at 31 December 2011</b>	<b>330</b>	<b>(6'722)</b>	<b>(16'927)</b>	<b>80'116</b>	<b>56'797</b>	<b>1'477</b>	<b>58'274</b>
Profit for the year				10'611	10'611	449	11'060
Other comprehensive income for the year			(996)	(578)	(1'574)	(56)	(1'630)
<b>Total comprehensive income for the year</b>			<b>(996)</b>	<b>10'033</b>	<b>9'037</b>	<b>393</b>	<b>9'430</b>
Dividend paid to shareholders of the parent				(6'213)	(6'213)		(6'213)
Dividends paid to non-controlling interests						(204)	(204)
Movement of treasury shares (a)		501		599	1'100		1'100
Equity compensation plans		212		(39)	173		173
Changes in non-controlling interests				(94)	(94)	(9)	(103)
Reduction in share capital	(8)	3'931		(3'923)	—		—
<b>Total transactions with owners</b>	<b>(8)</b>	<b>4'644</b>		<b>(9'670)</b>	<b>(5'034)</b>	<b>(213)</b>	<b>(5'247)</b>
Other movements (b)				147	147		147
<b>Equity as at 31 December 2012</b>	<b>322</b>	<b>(2'078)</b>	<b>(17'923)</b>	<b>80'626</b>	<b>60'947</b>	<b>1'657</b>	<b>62'604</b>

(a) Movements reported under retained earnings and other reserves mainly relate to written put options on own shares.

(b) Relates mainly to the adjustment for hyperinflation in Venezuela, considered as a hyperinflationary economy.

## 3. Analyses by segment for the year ended 31 December 2012

## 3.1 Operating segments

In millions of CHF

January–December  
2012 restated  
(unaudited)

	Sales (a)	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Zone Europe	15'388	2'363	(90)	(40)	(40)	—
Zone Americas	28'613	5'346	(247)	(13)	15	—
Zone Asia, Oceania and Africa	18'875	3'579	(10)	9	(19)	—
Nestlé Waters	7'174	640	(40)	(20)	(15)	(1)
Nestlé Nutrition	7'858	1'509	(32)	(3)	(6)	(12)
Other (b)	11'813	2'064	(60)	(5)	(23)	(1)
Unallocated items (c)		(2'037)	(17)	(2)	—	—
<b>Total</b>	<b>89'721</b>	<b>13'464</b>	<b>(496)</b>	<b>(74)</b>	<b>(88)</b>	<b>(14)</b>

\* included in Trading operating profit

In millions of CHF

January–December  
2012 as published

	Sales (a)	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Zone Europe	15'385	2'417	(88)	(40)	(40)	—
Zone Americas	28'927	5'380	(248)	(13)	15	—
Zone Asia, Oceania and Africa	18'912	3'587	(10)	9	(19)	—
Nestlé Waters	7'174	636	(41)	(20)	(15)	(1)
Nestlé Nutrition	7'858	1'511	(31)	(3)	(6)	(12)
Other (b)	13'930	2'393	(80)	(6)	(30)	(1)
Unallocated items (c)		(1'912)	(17)	(2)	—	—
<b>Total</b>	<b>92'186</b>	<b>14'012</b>	<b>(515)</b>	<b>(75)</b>	<b>(95)</b>	<b>(14)</b>

\* included in Trading operating profit

(a) Inter-segment sales are not significant.

(b) Mainly Nespresso, Nestlé Professional, Nestlé Health Science, Food and Beverages Joint Ventures and Pharma Joint Ventures managed on a worldwide basis.

(c) Mainly corporate expenses as well as research and development costs.

## 3. Analyses by segment for the year ended 31 December 2012 (continued)

## 3.2 Products

January–December  
2012 restated  
(unaudited)

In millions of CHF

	Sales	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Powdered and Liquid Beverages	20'248	4'445	(92)	(8)	(31)	—
Water (a)	6'747	636	(39)	(20)	(15)	(1)
Milk products and Ice cream	17'344	2'704	(145)	(11)	(14)	—
Nutrition and HealthCare	9'737	1'778	(44)	(3)	(9)	(11)
Prepared dishes and cooking aids	14'394	2'029	(63)	(13)	(15)	(1)
Confectionery	10'441	1'765	(93)	(15)	(16)	—
PetCare	10'810	2'144	(3)	(2)	12	—
Unallocated items (b)		(2'037)	(17)	(2)	—	(1)
<b>Total</b>	<b>89'721</b>	<b>13'464</b>	<b>(496)</b>	<b>(74)</b>	<b>(88)</b>	<b>(14)</b>

\* included in Trading operating profit

January–December  
2012 as published

In millions of CHF

	Sales	Trading operating profit	Net other trading * income/(expenses)	of which impairment of assets other than goodwill	of which restructuring costs	Impairment of goodwill
Powdered and Liquid Beverages	20'038	4'502	(101)	(8)	(35)	—
Water	7'178	636	(41)	(20)	(16)	(1)
Milk products and Ice cream	18'564	2'799	(148)	(12)	(15)	—
Nutrition and HealthCare	10'726	1'958	(50)	(3)	(10)	(11)
Prepared dishes and cooking aids	14'432	2'041	(62)	(13)	(15)	(1)
Confectionery	10'438	1'782	(92)	(15)	(16)	—
PetCare	10'810	2'206	(4)	(2)	12	—
Unallocated items (b)		(1'912)	(17)	(2)	—	(1)
<b>Total</b>	<b>92'186</b>	<b>14'012</b>	<b>(515)</b>	<b>(75)</b>	<b>(95)</b>	<b>(14)</b>

\* included in Trading operating profit

(a) Beverages other than Water sold by Nestlé Waters (mainly RTD Teas and Juices) have been reclassified to Powdered and Liquid Beverages.

(b) Mainly corporate expenses as well as research and development costs.