2011 Full Year Roadshow

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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.

2011 Full Year Roadshow

Jim Singh
Chief Financial Officer

Delivering progress sustainably in a New Reality

2011: Strong Full Year Performance

	As reported		At constant exchange rates
Sales	83.6 bn		
Organic Growth	+7.5%		
Real Internal Growth	+3.9%		
Trading Operating Profit	12.5 bn		
Trading Operating Profit Margin (vs. 2010 continuing operations)	15.0%	+60 bps	+90 bps
Net Profit (vs. 2010 continuing operations)	9.5 bn	+8.1%	
Net Profit Margin (vs. 2010 continuing operations)	11.3%	+130 bps	
Underlying EPS (vs. 2010 Group)	3.08		+7.8%
Dividend (proposed)	1.95	+5.4%	

All figures in CHF

Delivering the Nestlé Model in 2011

Former Nestlé Model	FY 2011
Organic growth 5-6%	+7.5%
Increased EBIT margin in constant currencies	+10 bps
Improvement in capital efficiency	

Enhanced Nestlé Model	FY 2011
Organic growth 5-6%	+7.5%
Increased trading operating margin in constant currencies	+90 bps
Increased underlying EPS in constant FX	+7.8%
Improvement in capital efficiency	

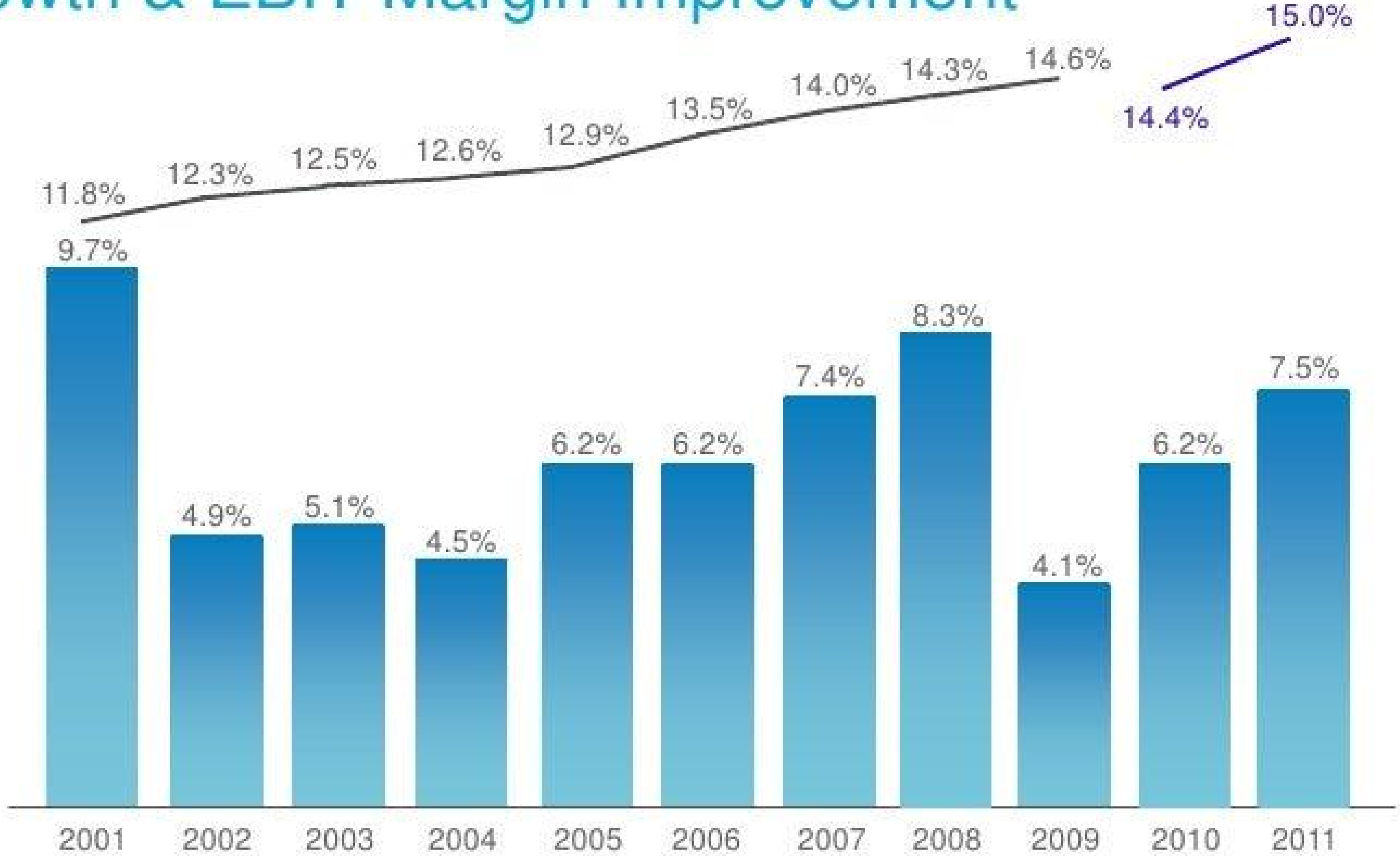
Nestlé

10 years of the Nestlé Model

Driving Organic Growth & EBIT Margin Improvement

10-year annual averages

Organic Growth	6.4%
Real Internal Growth	3.6%

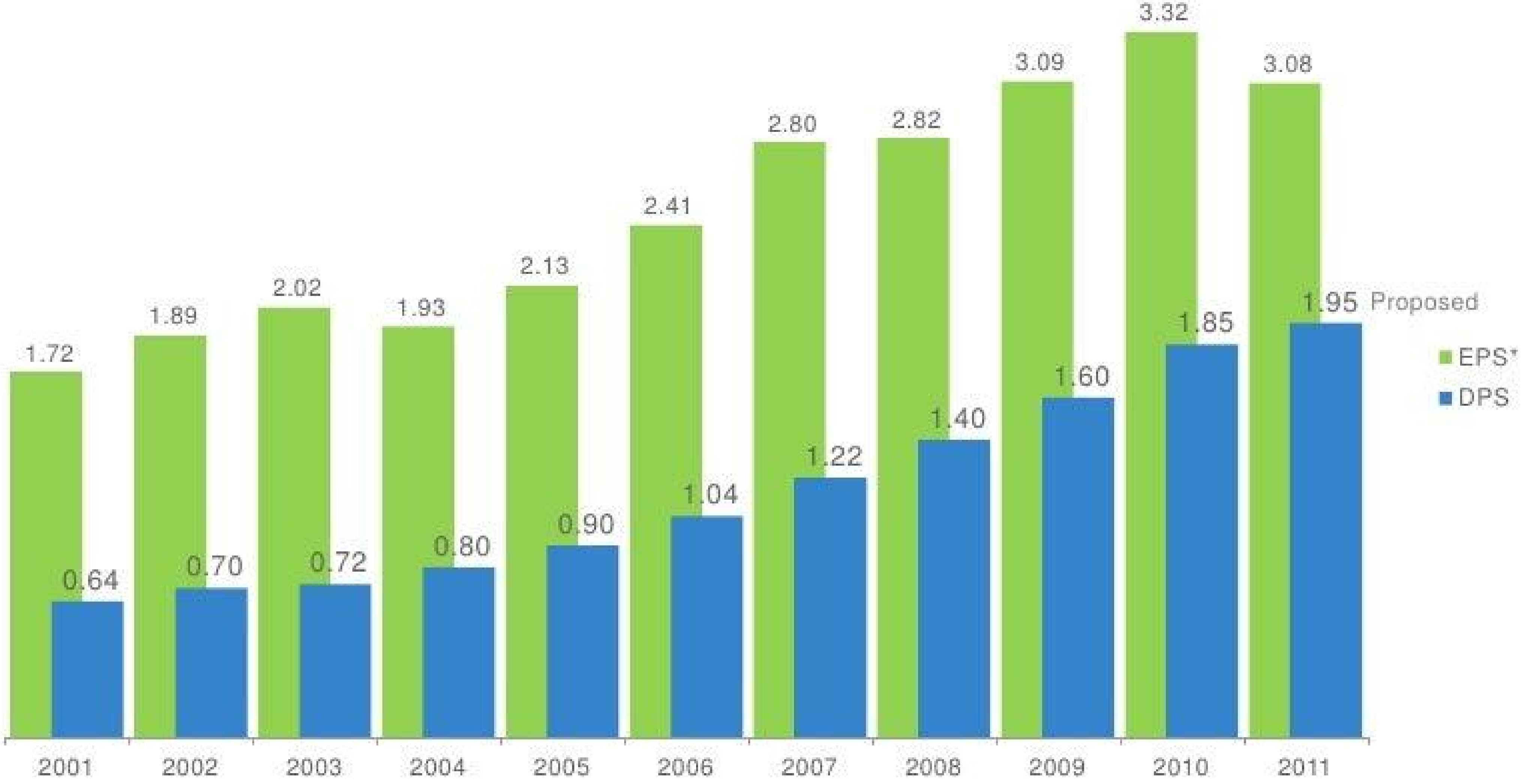


Organic Growth
EBIT margin *
TOP margin

* Before net trading items

Data corresponds to published figures – not restated for accounting changes

Enhancing performance – EPS and DPS evolution



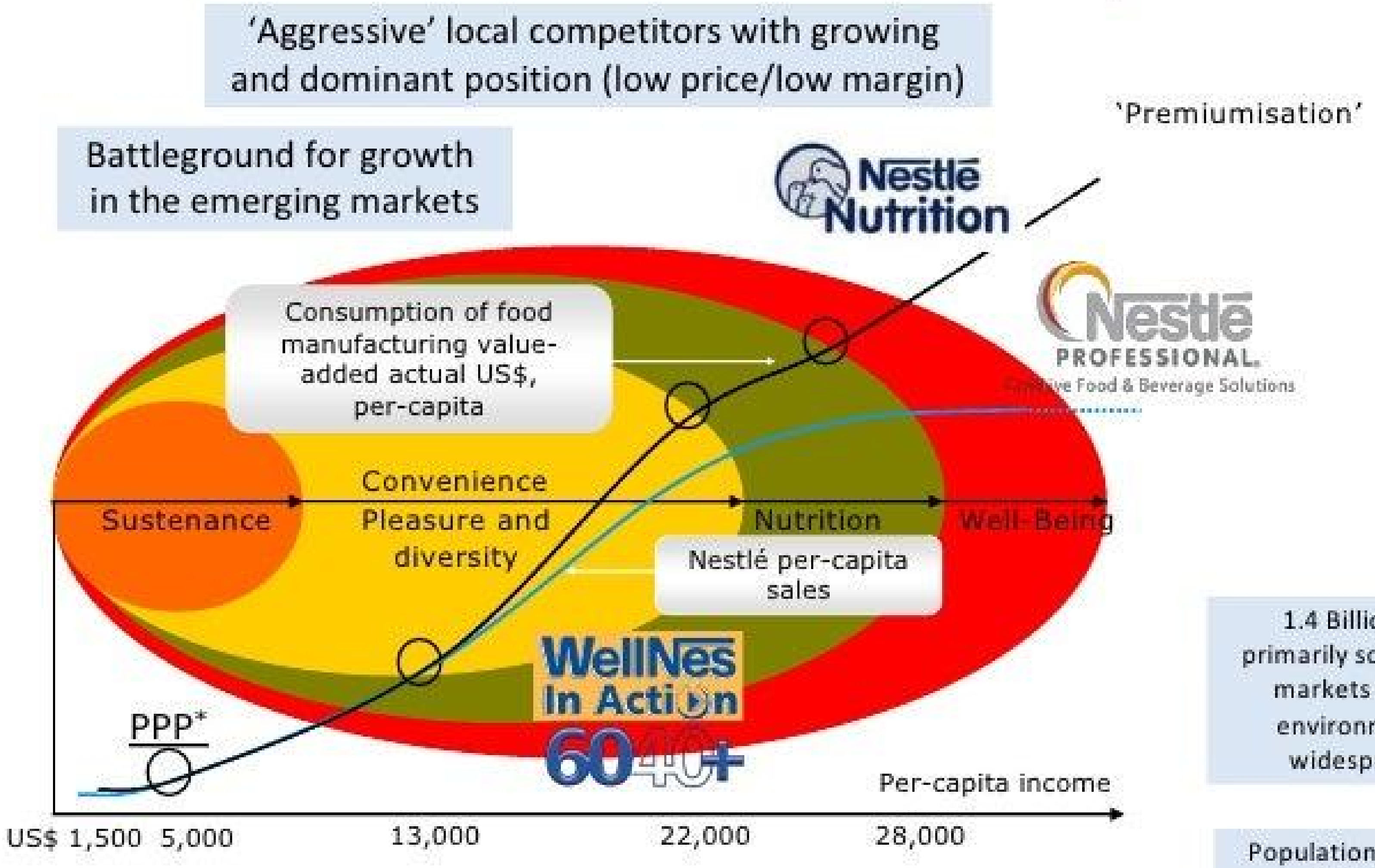
* Underlying EPS, excl. 2001 which is Basic EPS

All figures in CHF

A winning strategy driving superior shareholder returns

Source: Bloomberg

Growth opportunities – consumers increasingly focusing on Nutrition, Health and Wellness as per-capita income rises



*PPP = Popularly Positioned Products

Sources: UNIDO (value-added), WIDER and World Bank; Nestlé

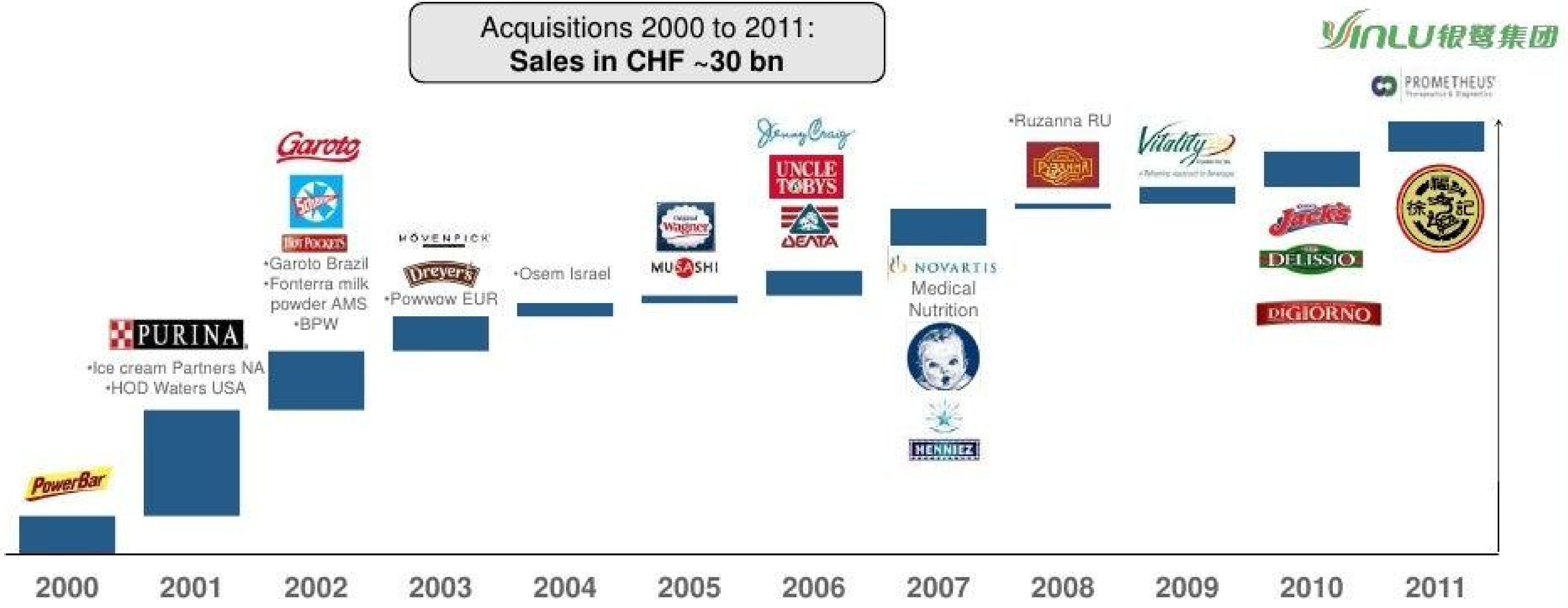
1.4 Billion new consumers primarily sourced from emerging markets where competitive environment is much more widespread and dynamic

Population in developed markets in general is in decline

The transformational opportunity

WHAT	HOW
Strategic Transformation	**Organisational Transformation**
From traditional businesses into a Nutrition, Health and Wellness company	Create an agile fleet of businesses/markets Focus on demand generation Leverage scale through an efficient support structure Tackle under-performers

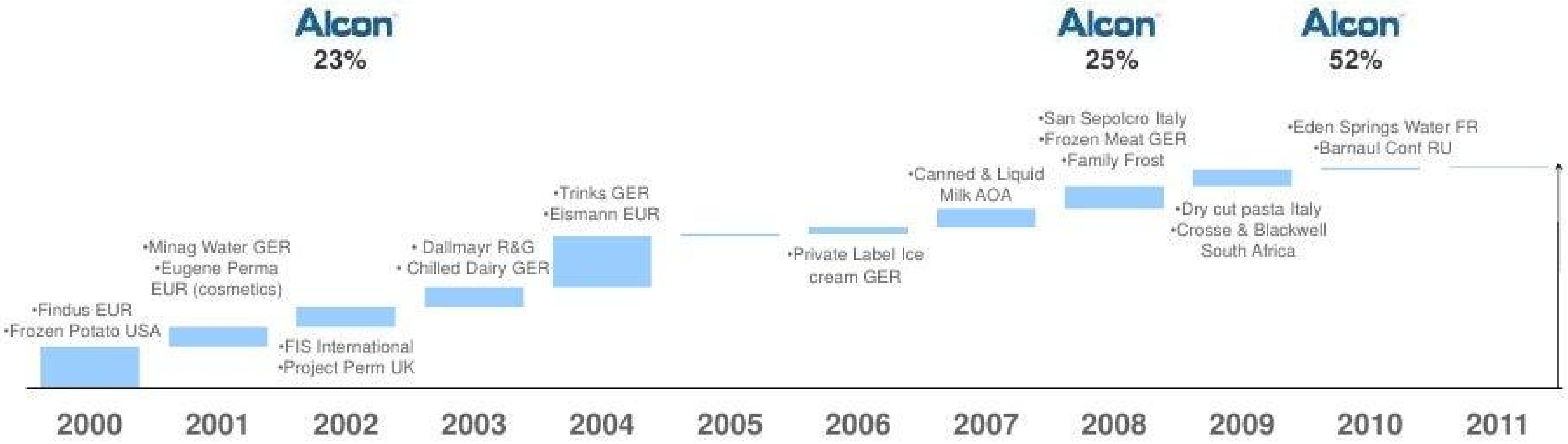
Significant acquisitions added new growth platforms and strengthened market leadership



Nestlé

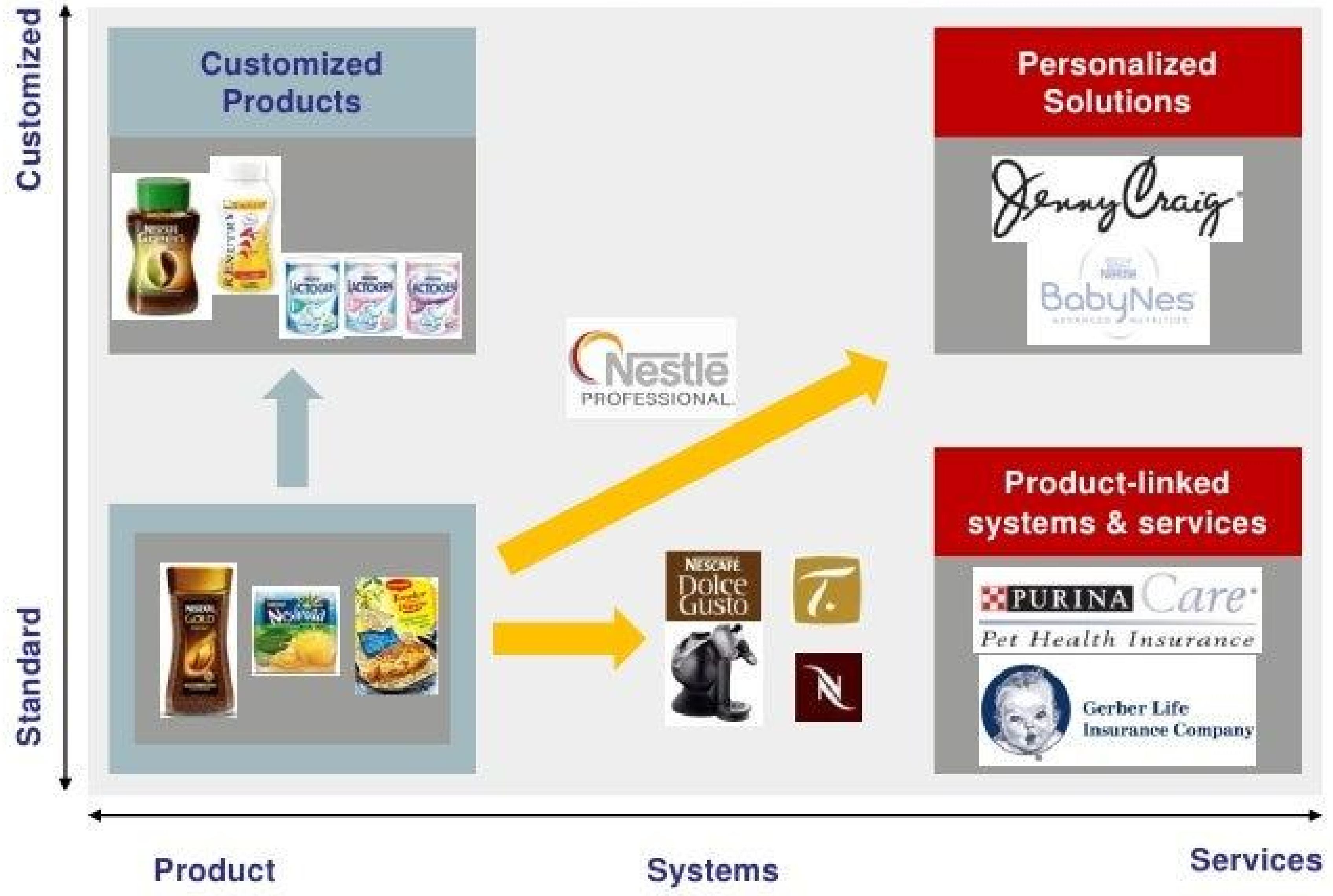
Significant divestitures rationalized the portfolio and eliminated non strategic and loss-making businesses

Divestitures 2000 to 2011:
Sales in CHF ~ -17 bn

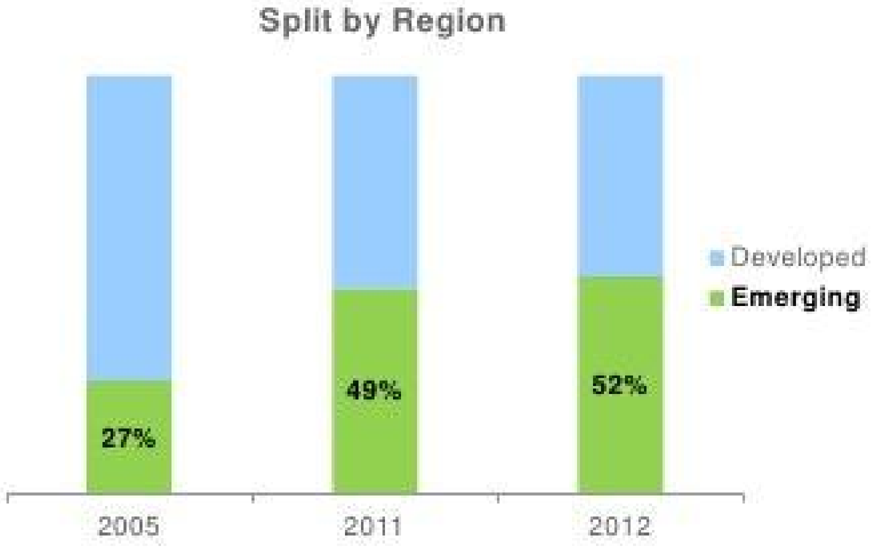


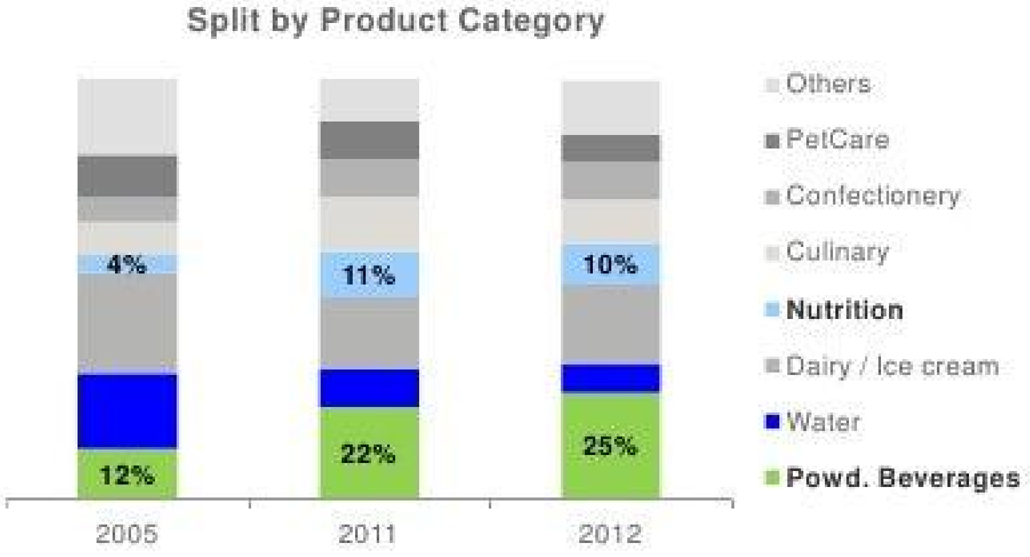
Nestlé

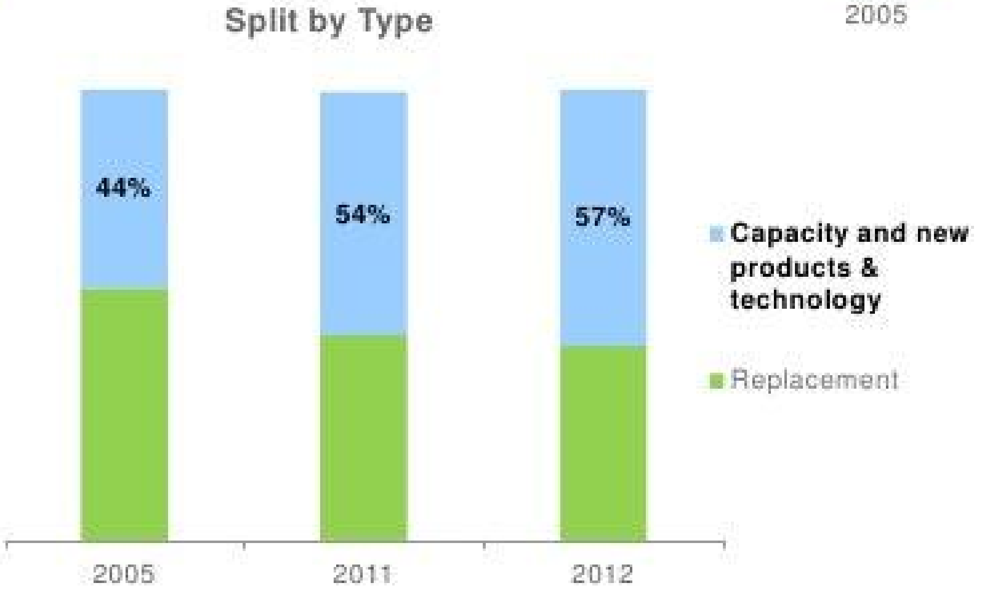
Nestlé Innovation Territory: expanding to new dimensions



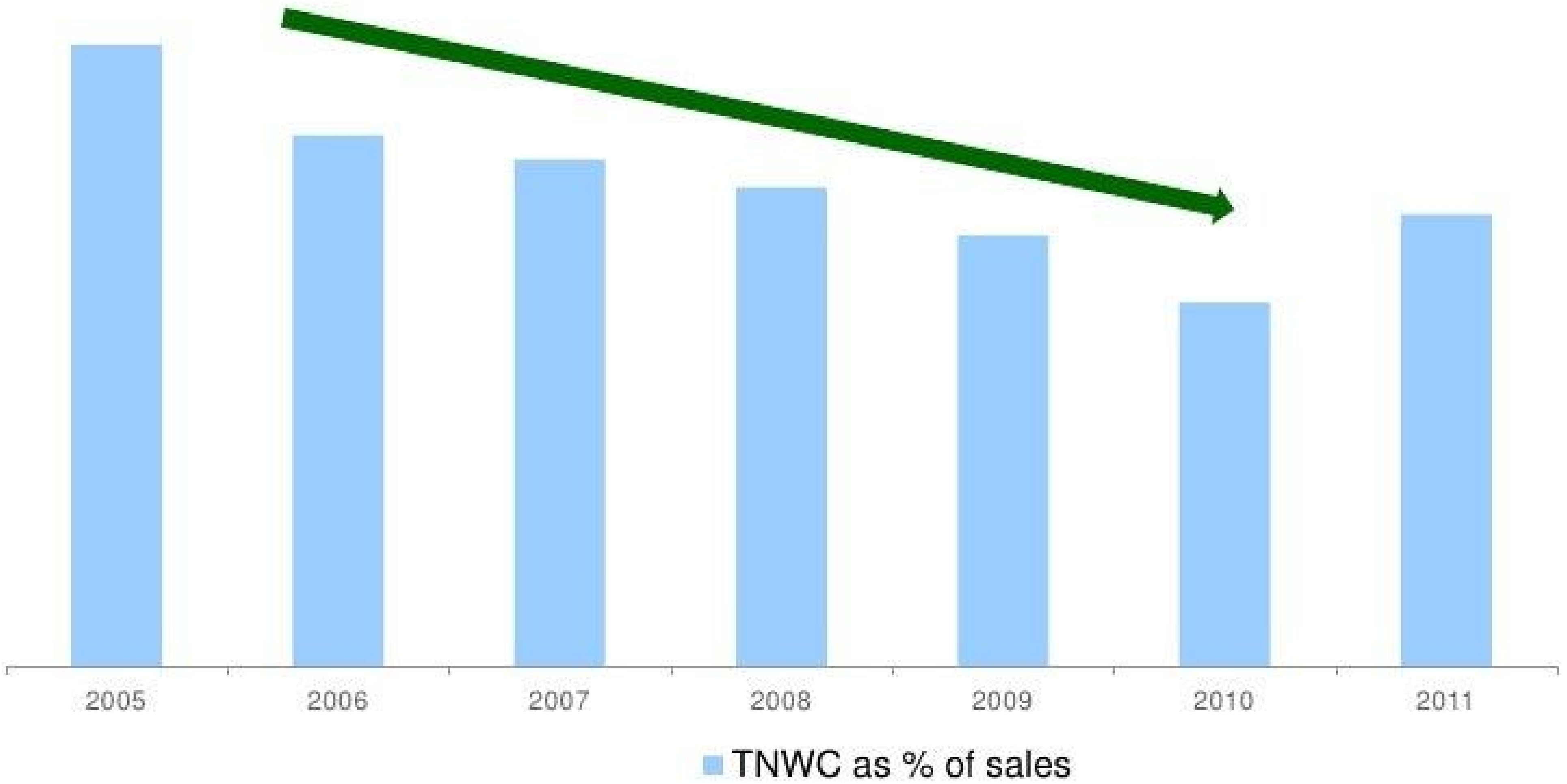
Capital expenditure driven by emerging markets, powdered beverages, nutrition and investments in capacity and new products & technology







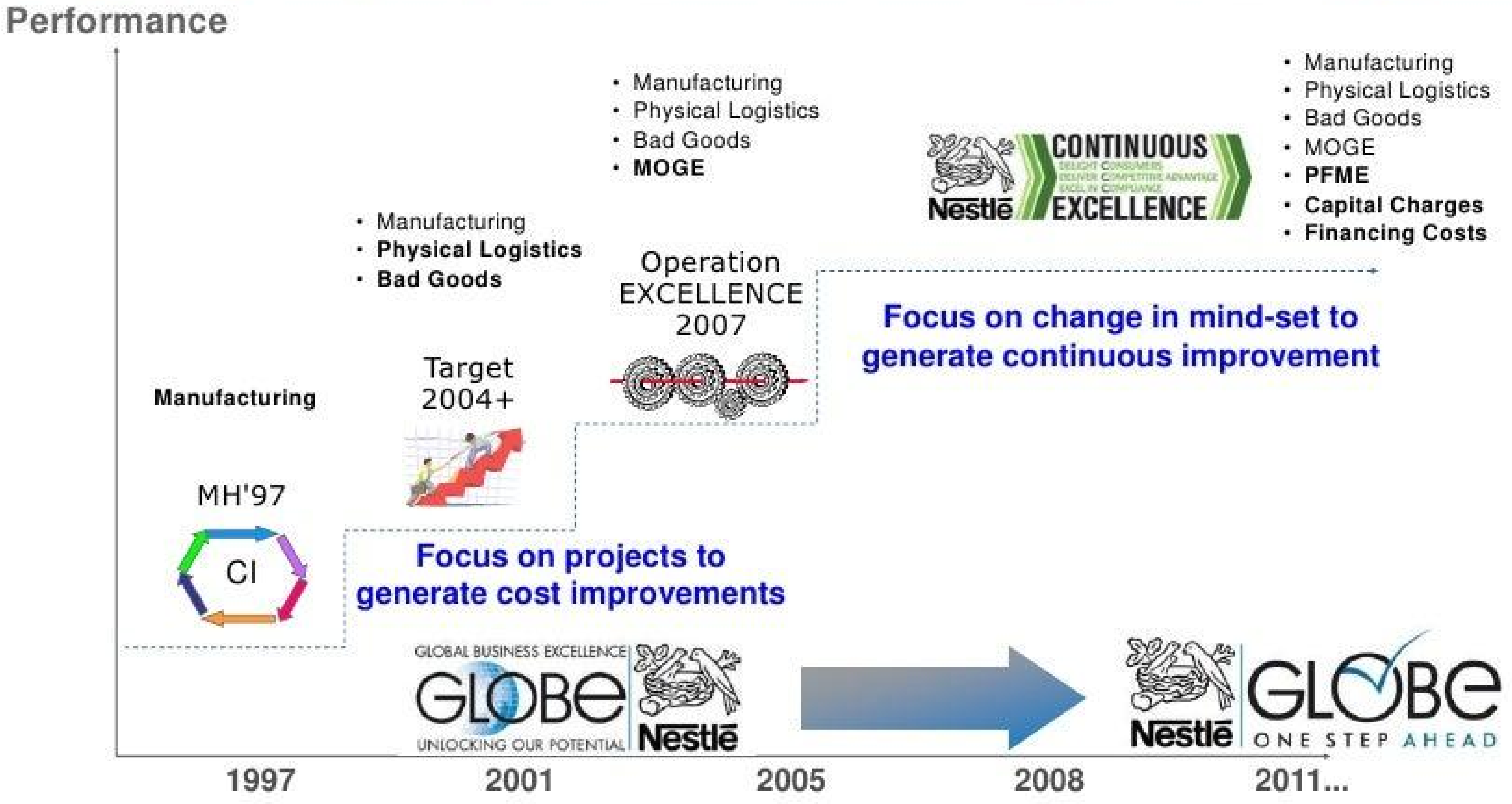
Trade Net Working Capital is an area of focus and improvement



Notes:
Like for like estimate
2010 and 2011 figures exclude Alcon, Hsu Fu Chi and Yinlu

Nestlé's Operational Efficiency

Delivering the highest quality, lowest cost & best customer service leveraging GLOBE



The Nestlé Model

- Organic growth 5-6%
- Increased trading operating margin in constant currencies
- Increased underlying EPS in constant currencies
- Improvement in capital efficiency

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Paul Bulcke

Chief Executive Officer

The New Reality