

2008 Half-Year results



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.

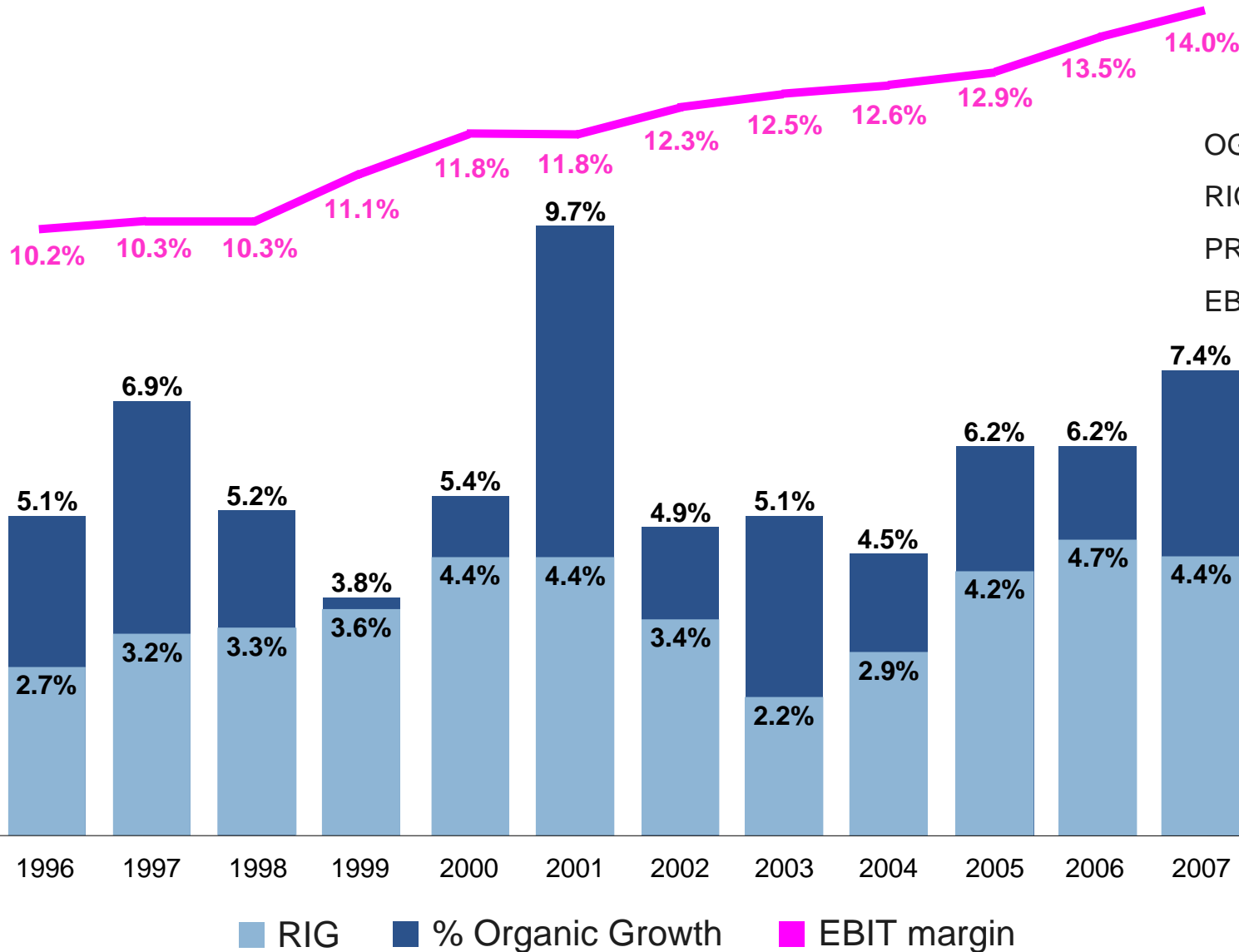
- **Successful delivery of the Nestlé Model**
Organic growth of 8.9%
EBIT margin +60bp / +30 after currency impact
- **Food & Beverages the driver of growth & profitability**
Organic growth of 8.9%
EBIT margin +50bp / +30 after currency impact
- **Billionaire brands drive growth**
Nutrition, Health & Wellness, PPP, premium strategies
- **Corporate & business initiatives moving rapidly**
Drive for efficiency with speed & discipline
Partial Alcon sale, smaller disposals, Buy-back
- **Improved Outlook**
Organic growth at least at 2007 level
Improved EBIT margin: reported and constant currency

A strong first half Delivering the Nestlé Model



	Improvements HY 08 v HY 07		HY 08 Total
Group			
Sales – total	+ 3.8 %	+ CHF 2.0 bn	CHF 53.1 bn
Organic growth	+ 8.9 %		
EBIT	+ 6.1 %	+ CHF 0.4 bn	CHF 7.3 bn
EBIT margin	+ 30 bp		13.8 %
Constant currency	+ 60 bp		
Net profit	+ 6.1 %	+ CHF 0.3 bn	CHF 5.2 bn
Net profit margin	+ 20 bp		9.8 %
EPS	+8.6%		CHF 1.39
Food & Beverages			
Sales – total	+ 4.0 %	+ CHF 1.9 bn	CHF 49.3 bn
Organic growth	+ 8.9 %		
EBIT	+ 6.7 %	+ CHF 0.4 bn	CHF 6.1 bn
EBIT margin	+ 30 bp		
Constant currency	+ 50 bp		

The Nestlé Model – driving organic growth & EBIT margin improvement



12-year averages

OG	5.9%
RIG	3.6%
PRICE	2.3%
EBIT MARGIN	+35 bp

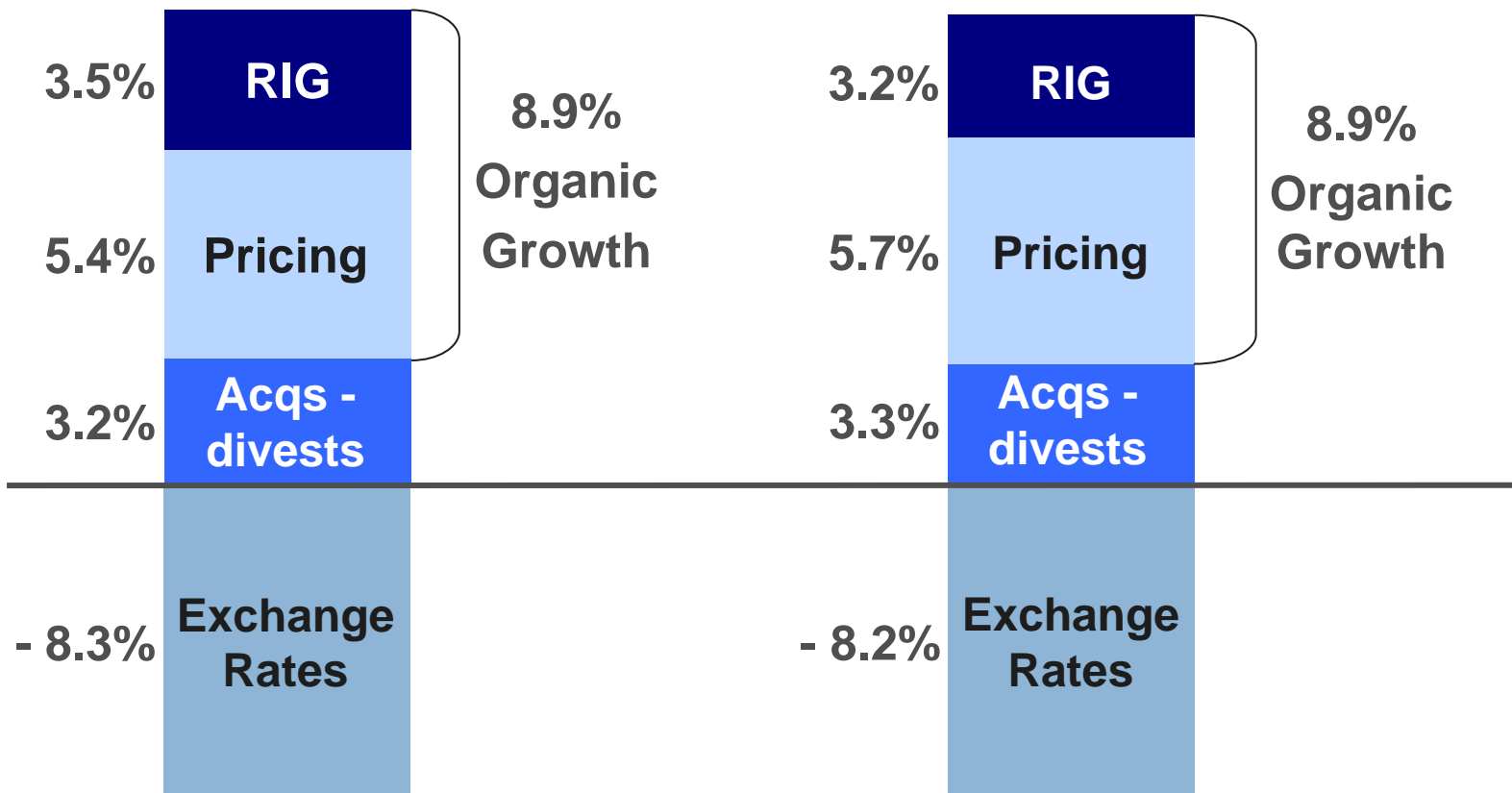
Data corresponds to published figures – not restated for accounting changes

Above target organic growth of 8.9% by Group and Food & Beverages



Total Group
+ 3.8% to CHF 53.1 bn

Food and Beverages
+ 4.0% to CHF 49.3 bn



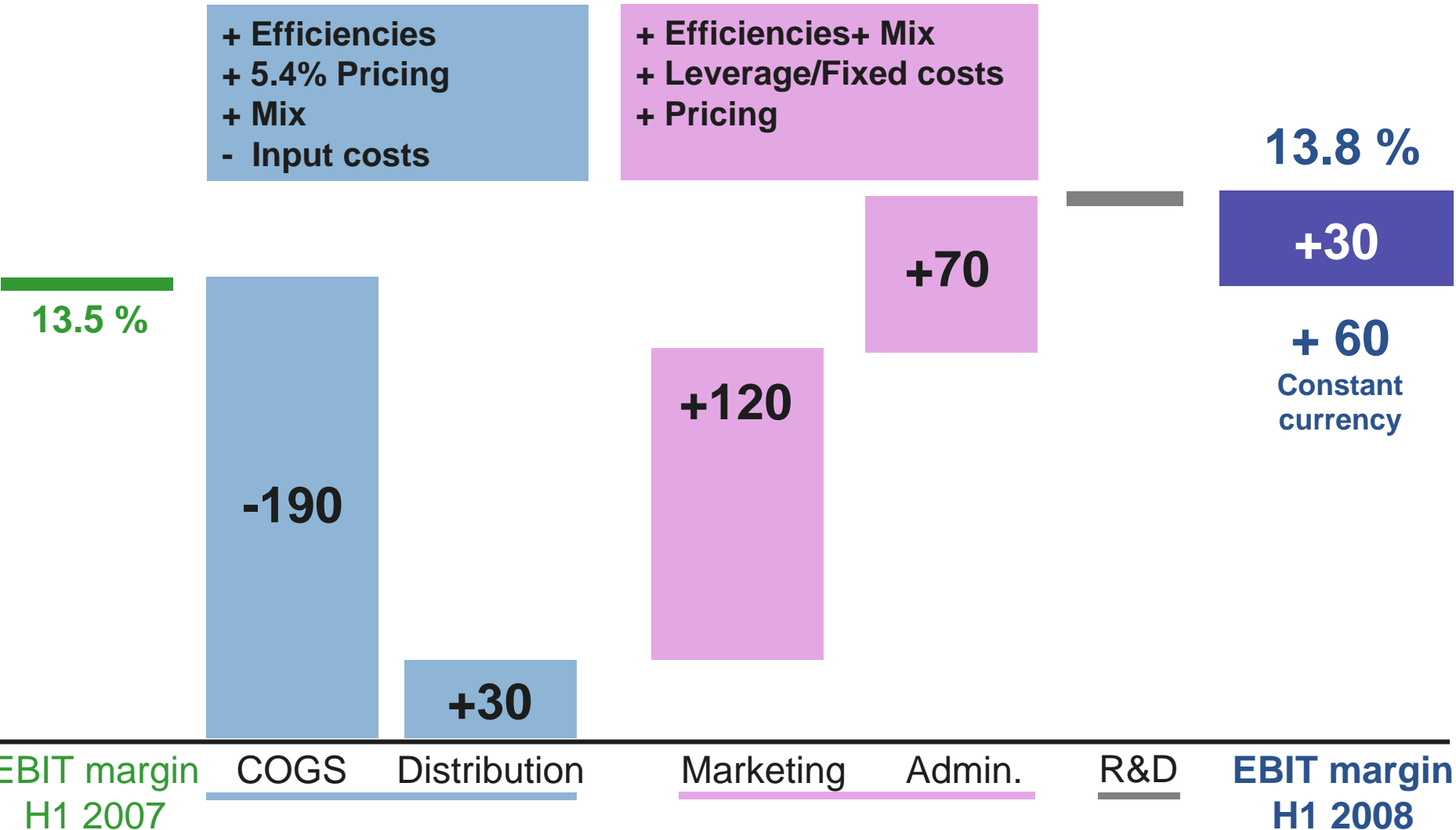
First Half Sales reach CHF 53.1 bn

2008 Half-Year Results

Key factors of margin improvement

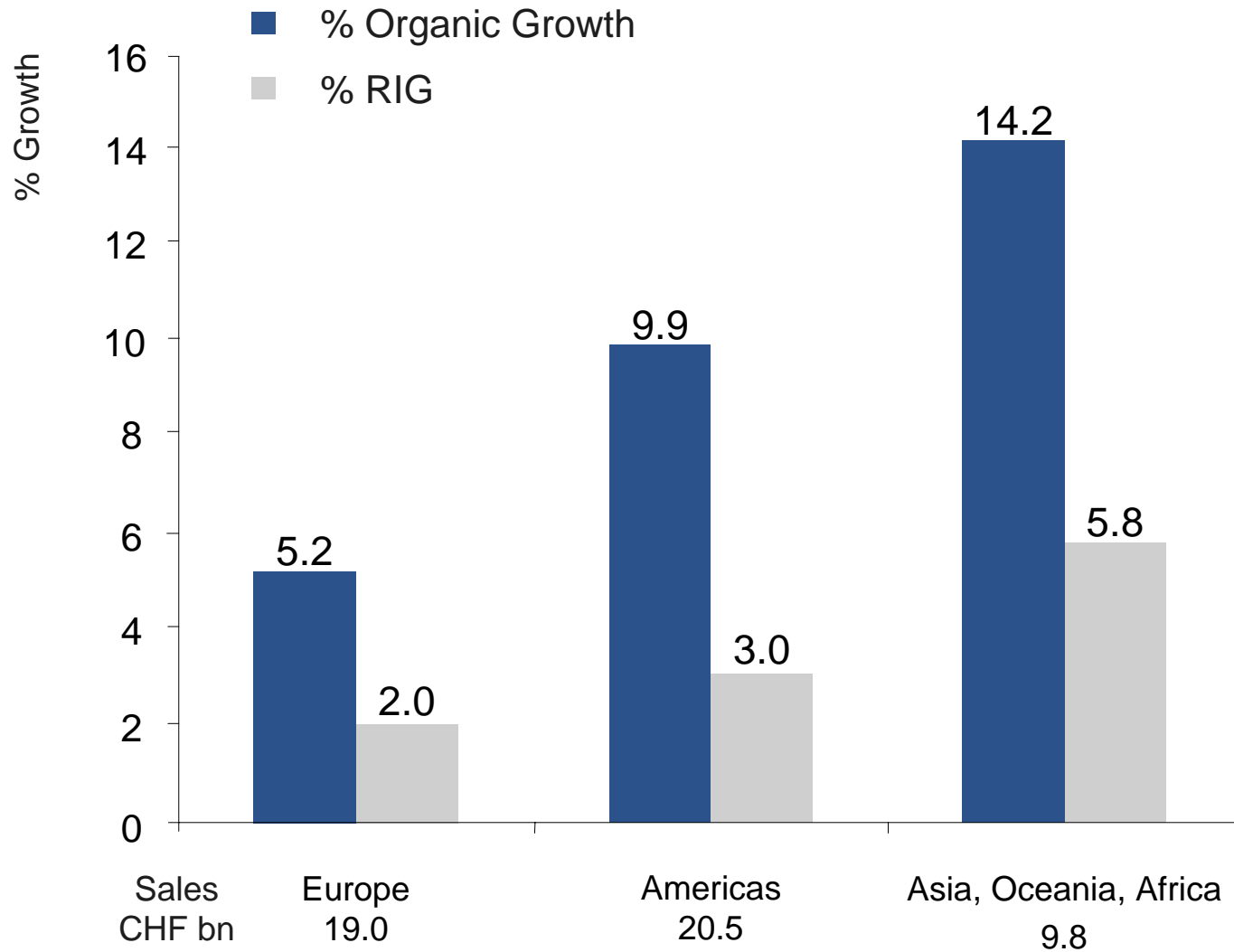


GROUP EBIT MARGIN + 30 bp (+ 60 constant currency)
F&B EBIT MARGIN + 30 bp (+ 50 constant currency)



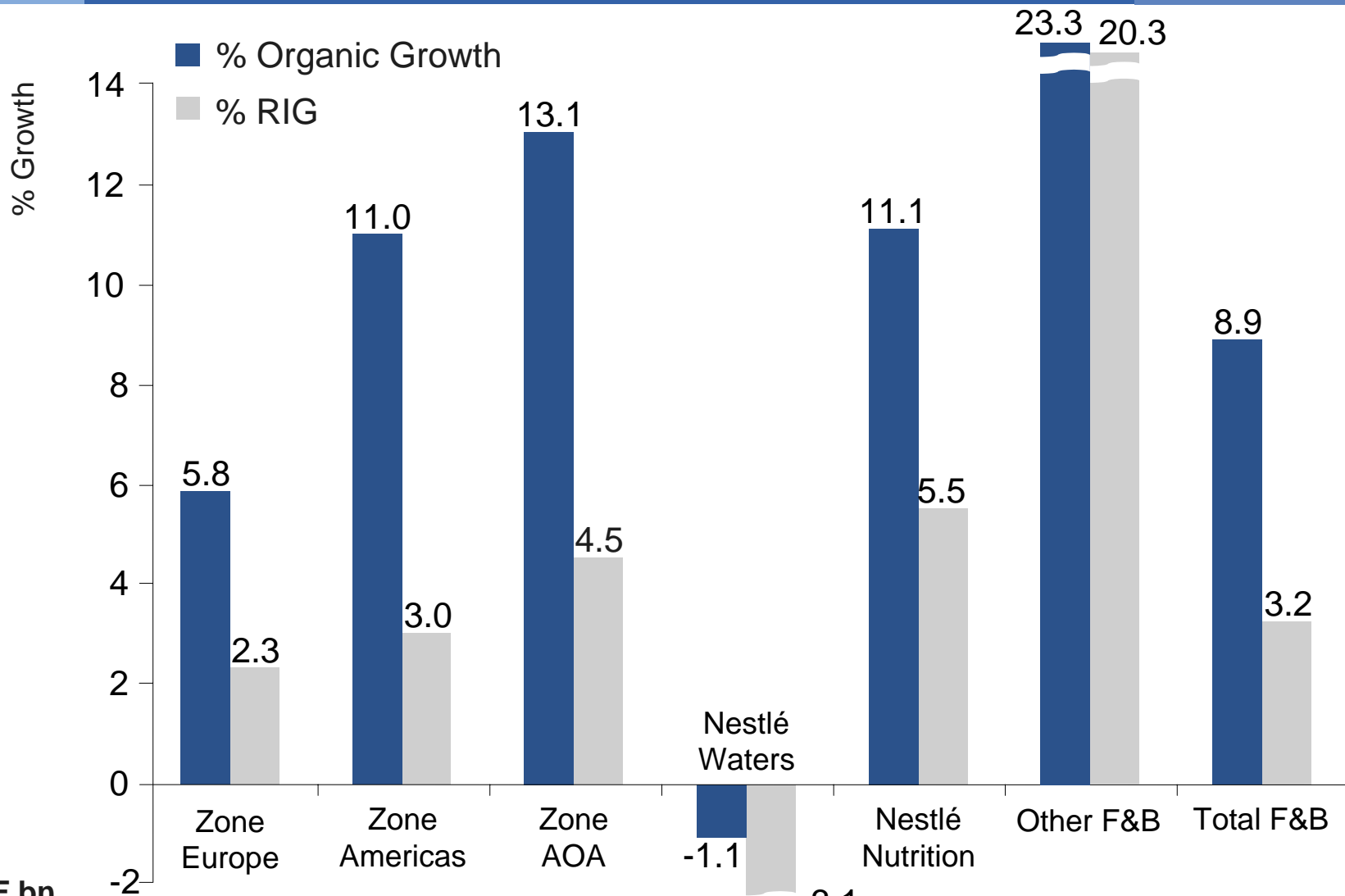
Total Food & Beverages*

All geographies contribute well



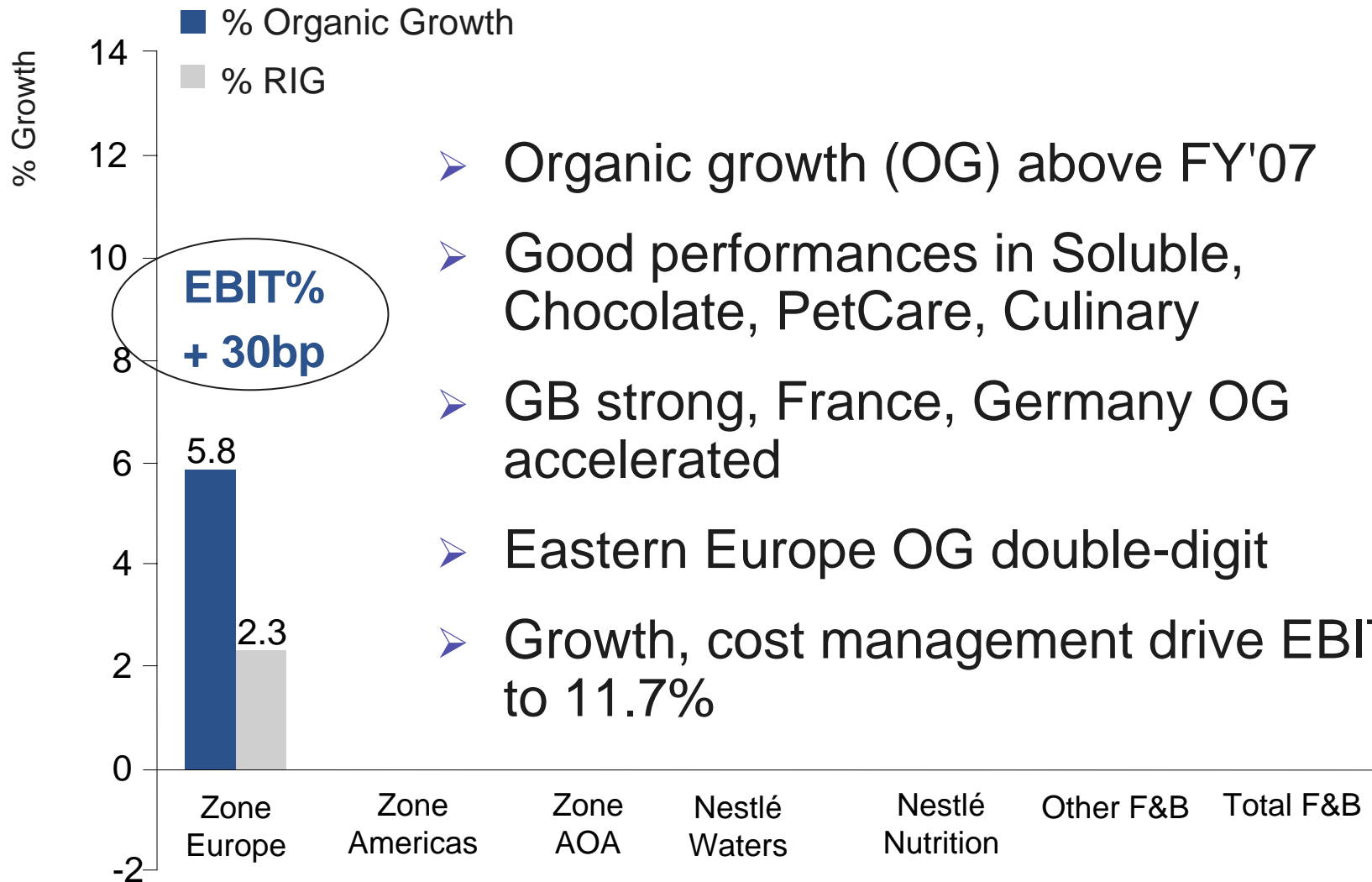
* each region includes sales of Food & Beverages, Nestlé Waters and Nestlé Nutrition businesses, Nespresso and F&B JVs

Primary Reporting: F&B



CHF bn

Sales	13.8	15.1	8.4	4.9	5.2	1.9	49.3	*After unallocated items
EBIT	1.6	2.3	1.4	0.4	0.9	0.4	6.1*	
EBIT %	11.7	14.9	16.3	7.2	18.5	20.4	12.3	



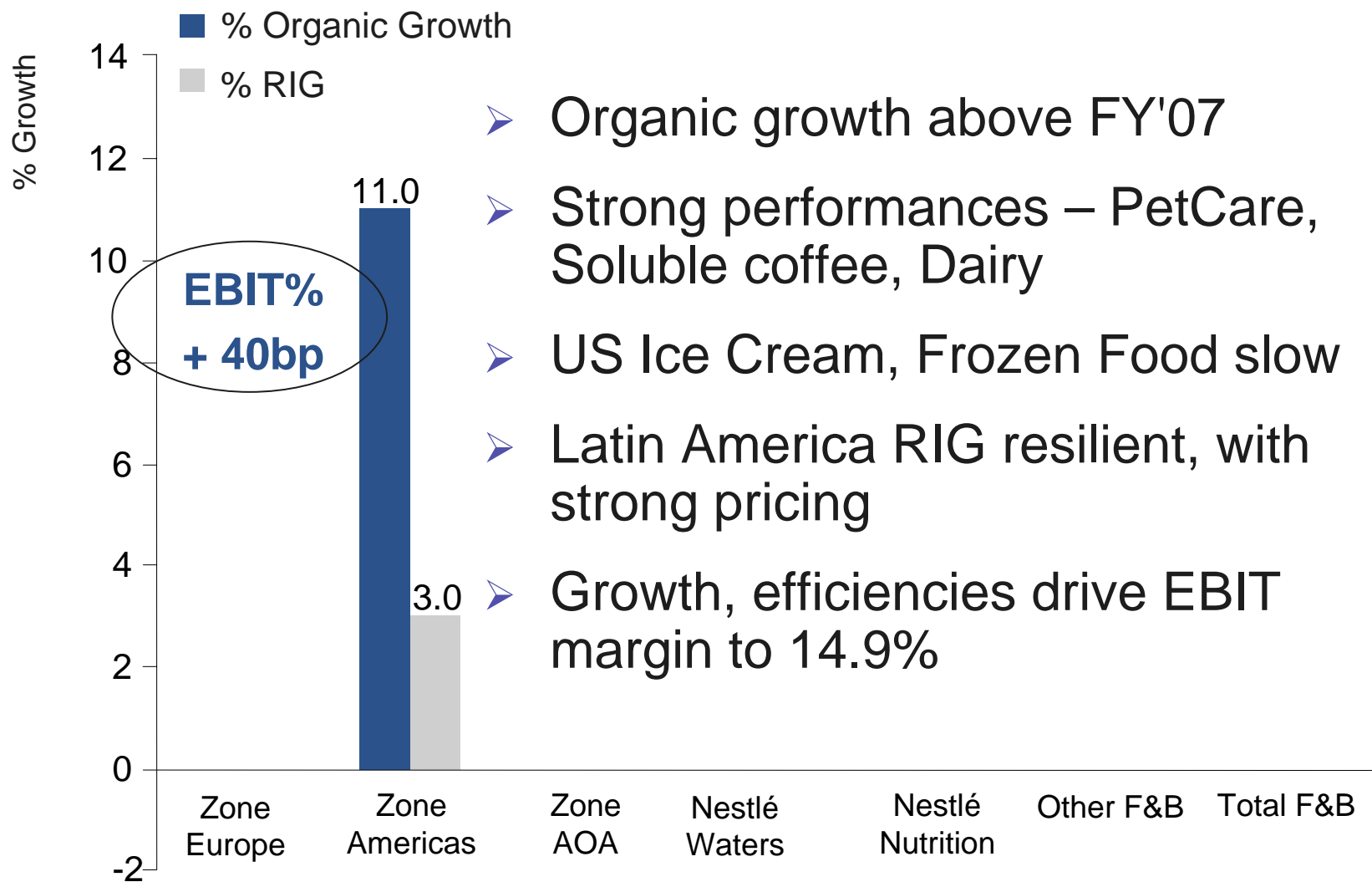
- Organic growth (OG) above FY'07

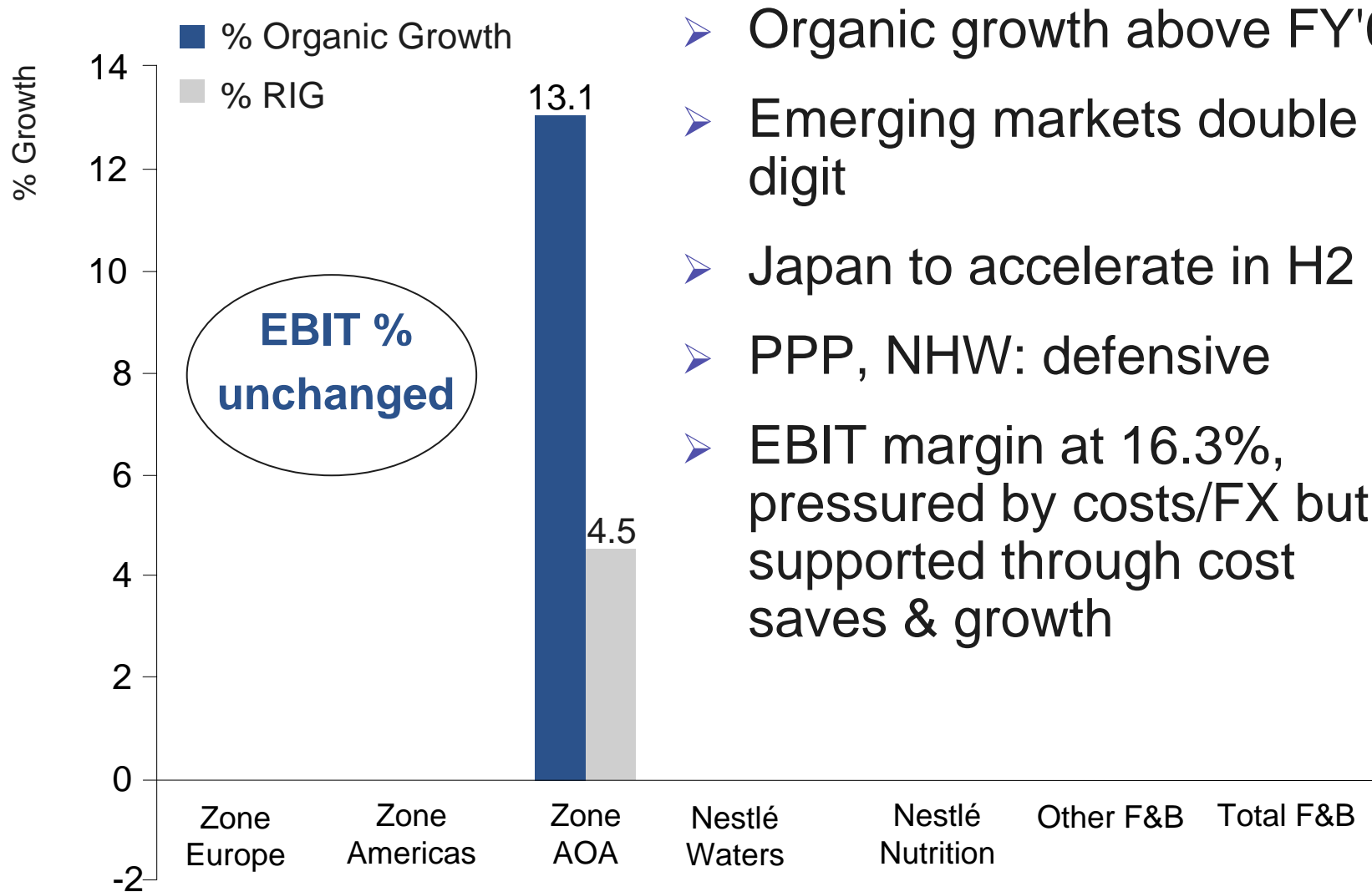
- Good performances in Soluble, Chocolate, PetCare, Culinary

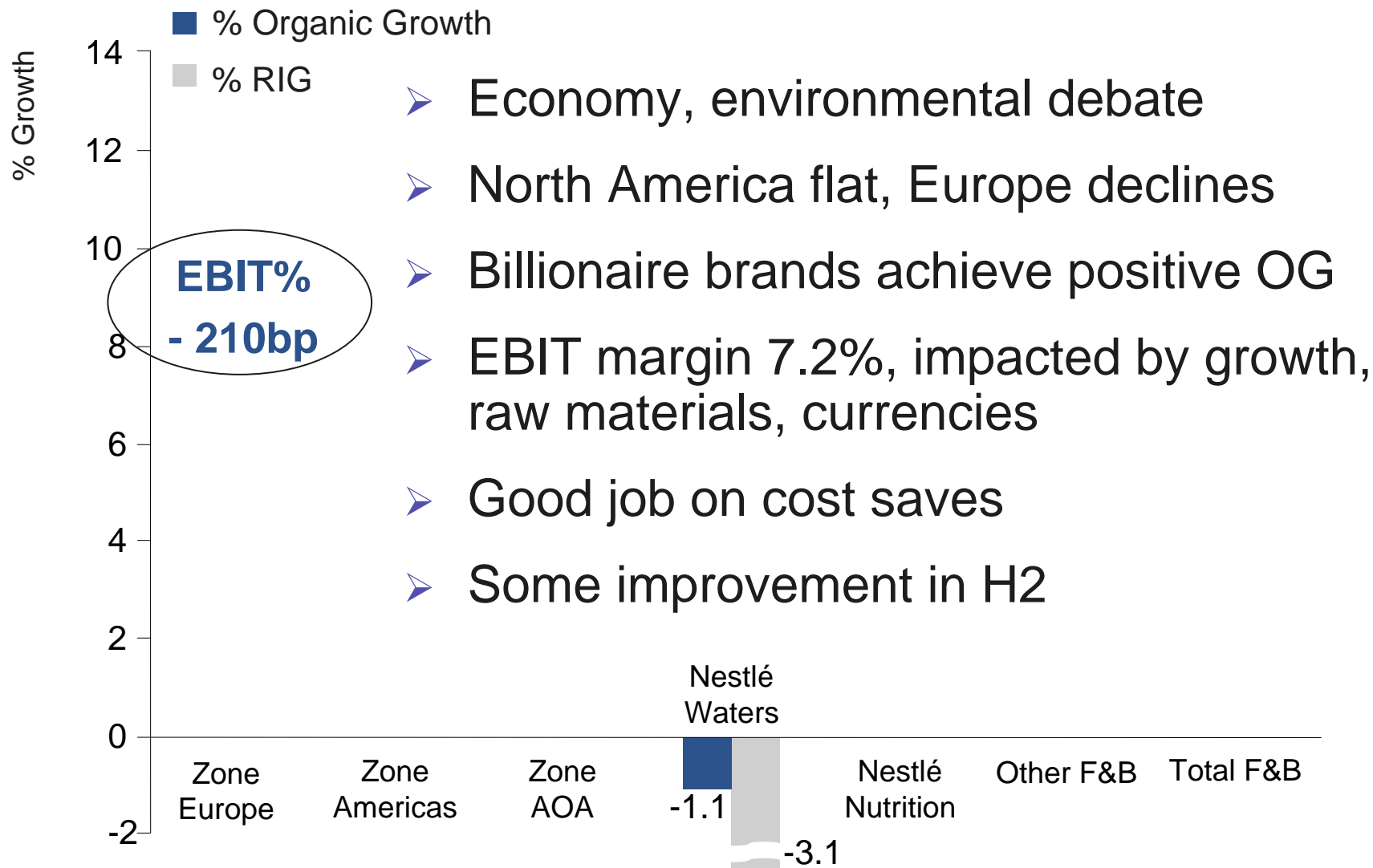
- GB strong, France, Germany OG accelerated

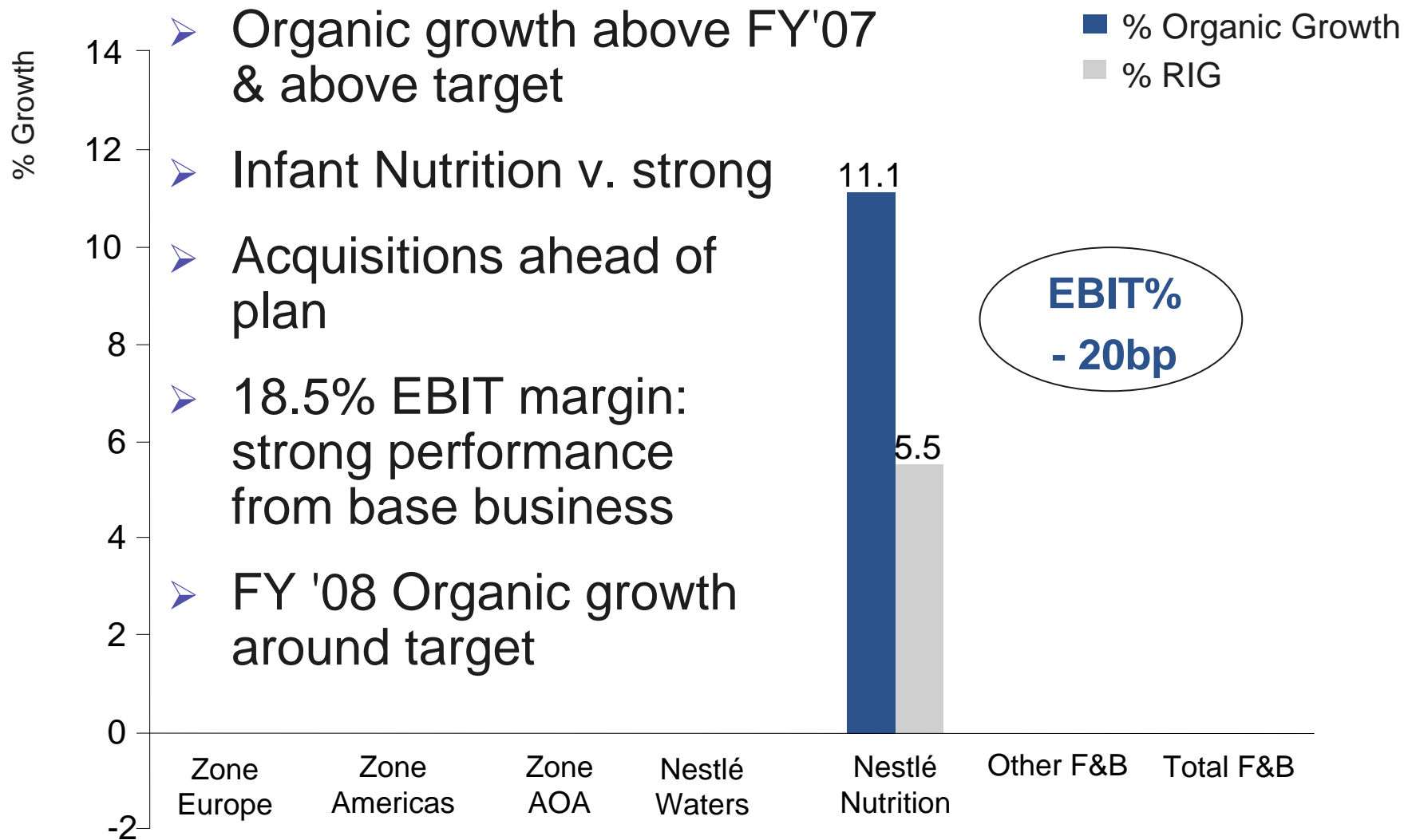
- Eastern Europe OG double-digit

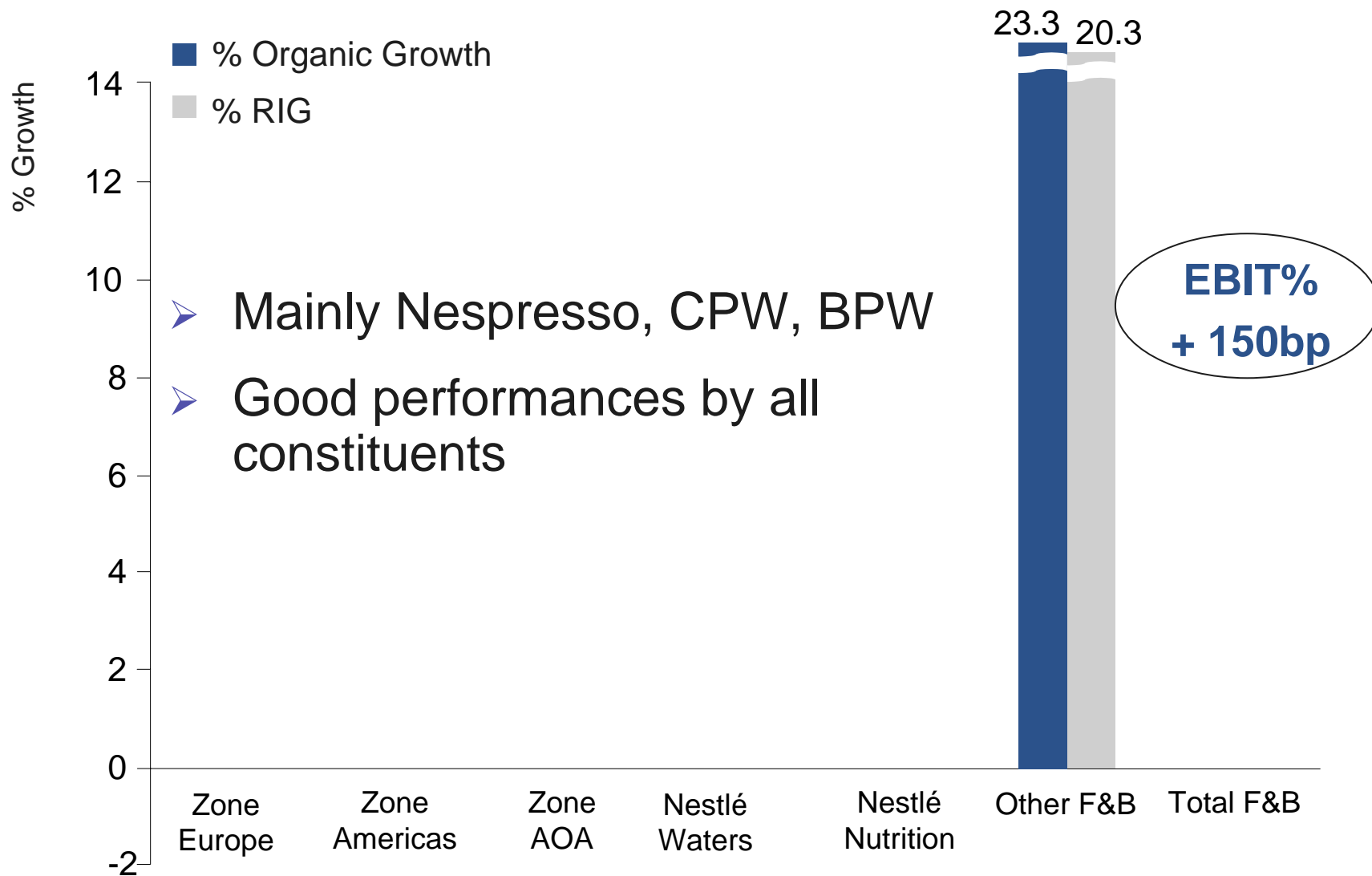
- Growth, cost management drive EBIT to 11.7%





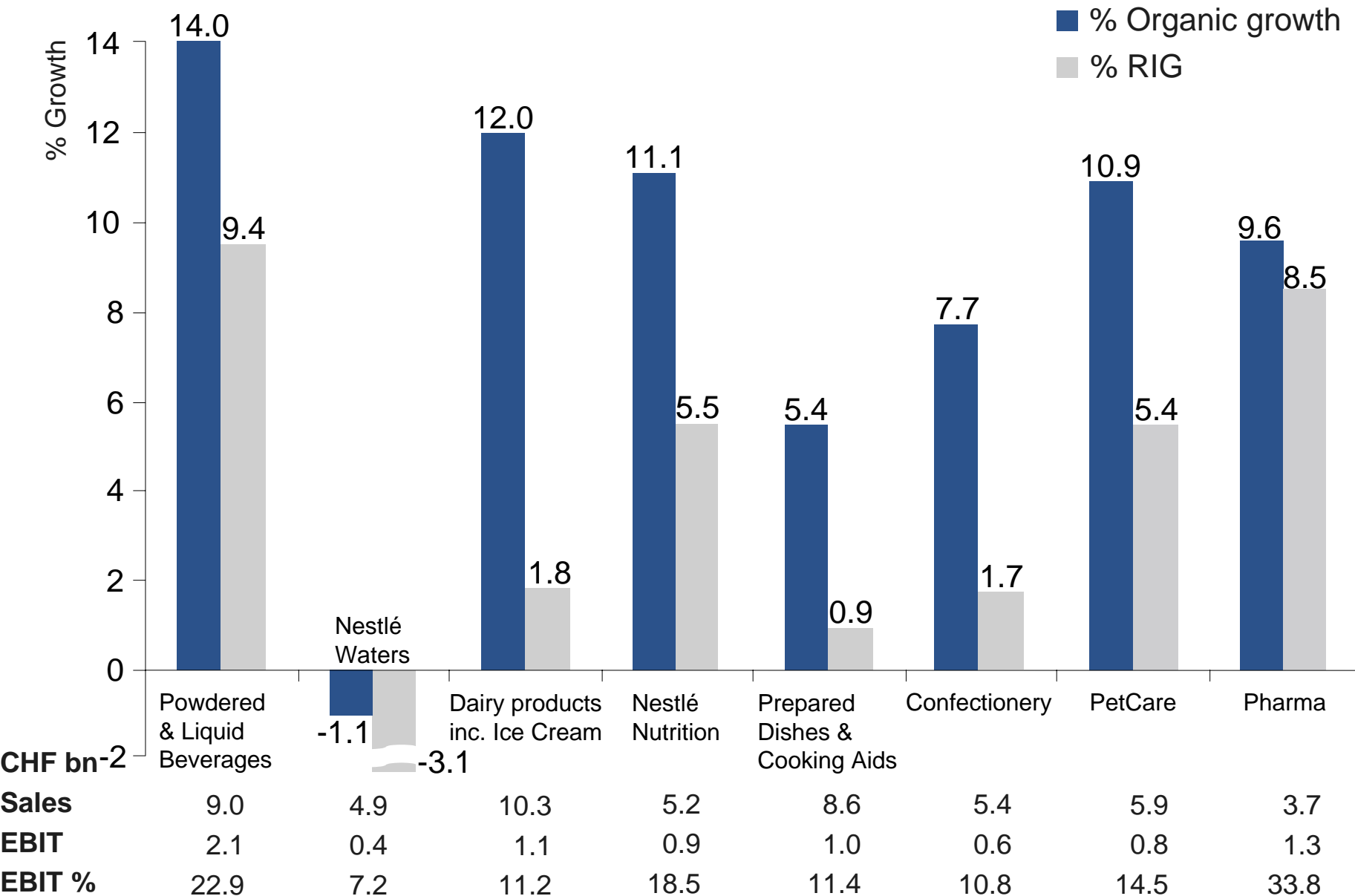






- Performance & prospects very much driven by own initiatives – execution of strategy
- Organic growth in Europe at twice 2007 year-end level
- Organic growth in AOA & Americas significantly above 2007 year-end level
- Unique product portfolio, unmatched brand strength, R&D and country roots
- Nestlé is uniquely positioned, resilient and opportunity-rich

Secondary Reporting

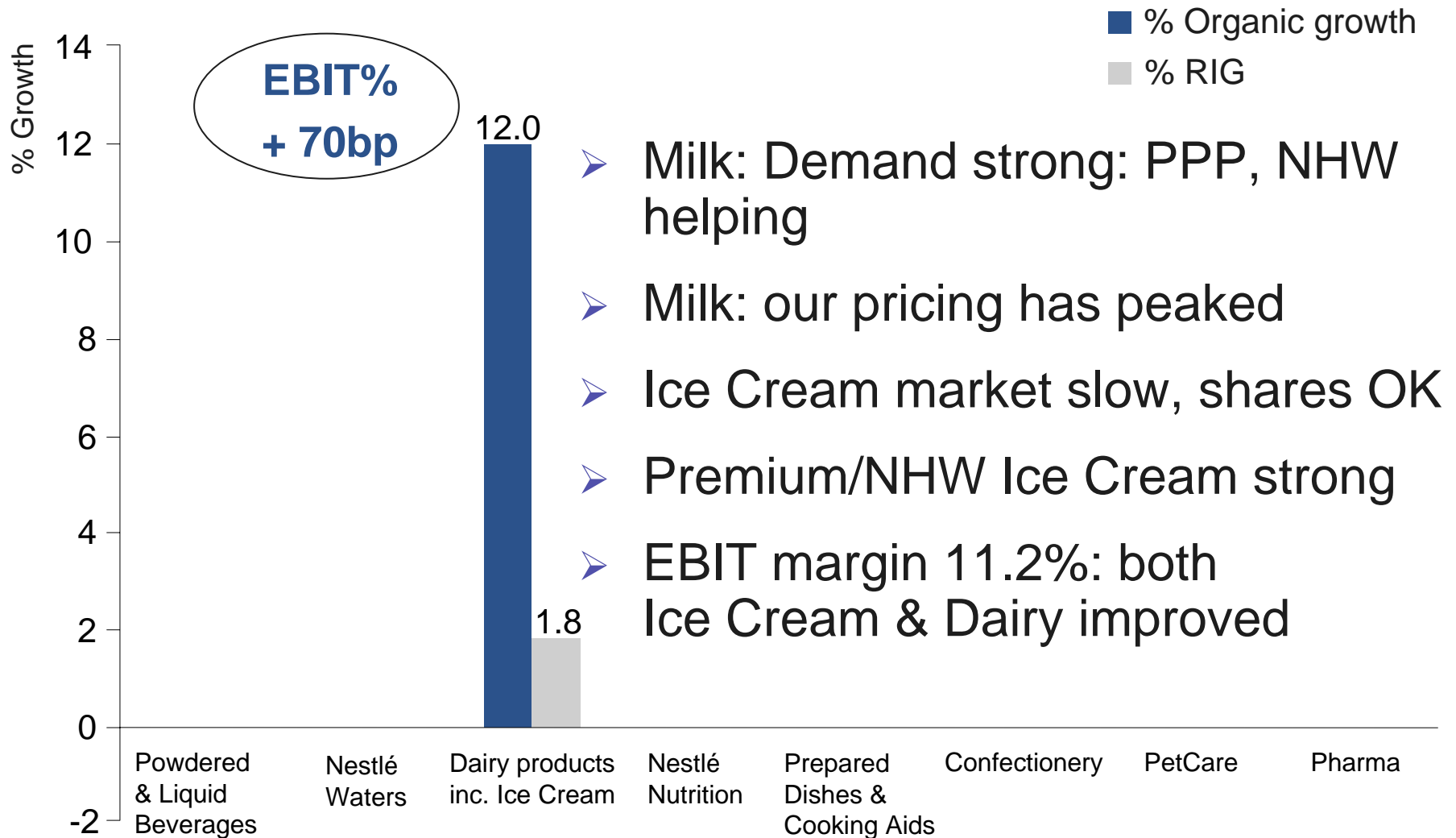


Secondary Reporting Powdered & Liquid Beverages



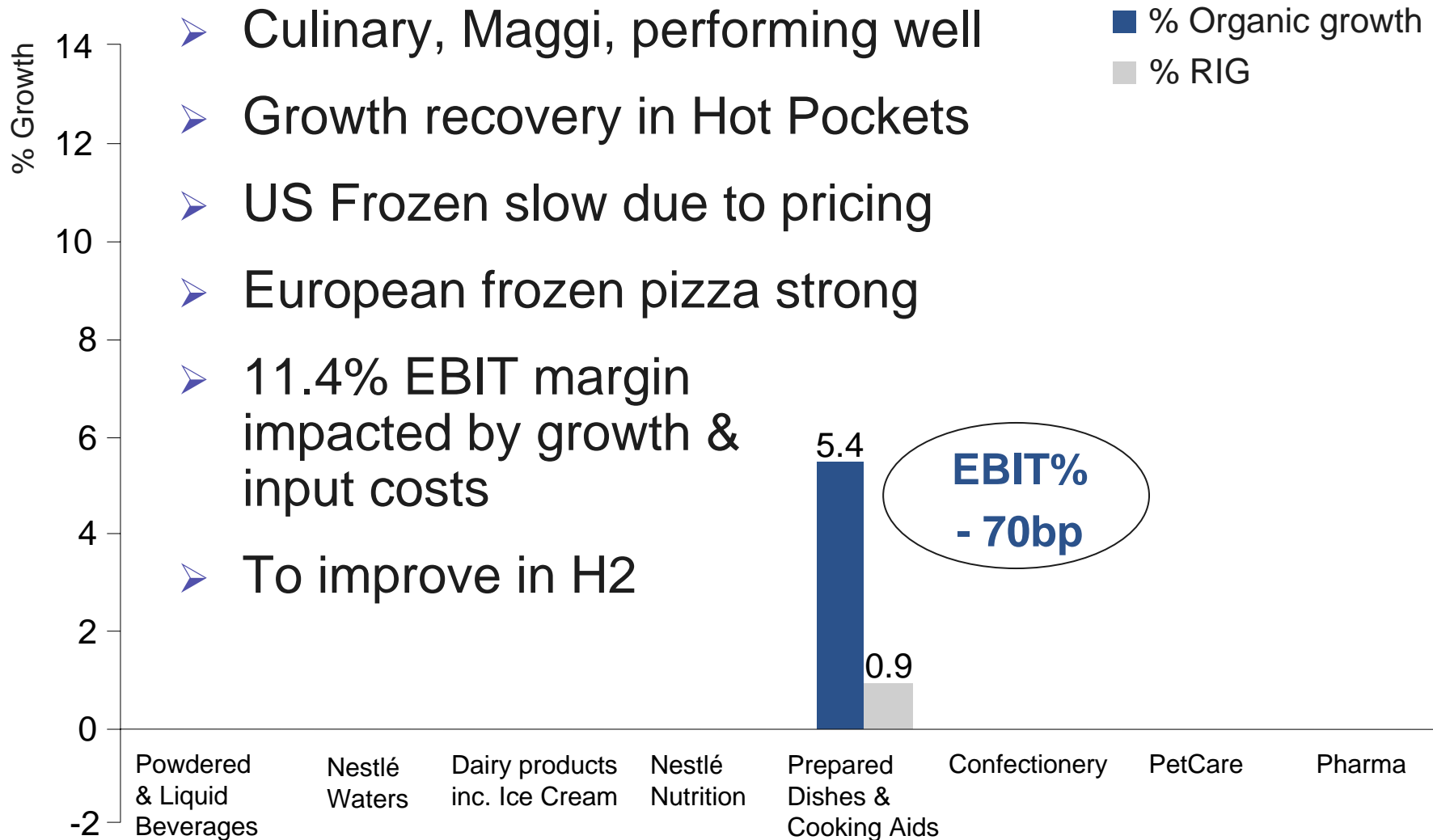
Secondary Reporting

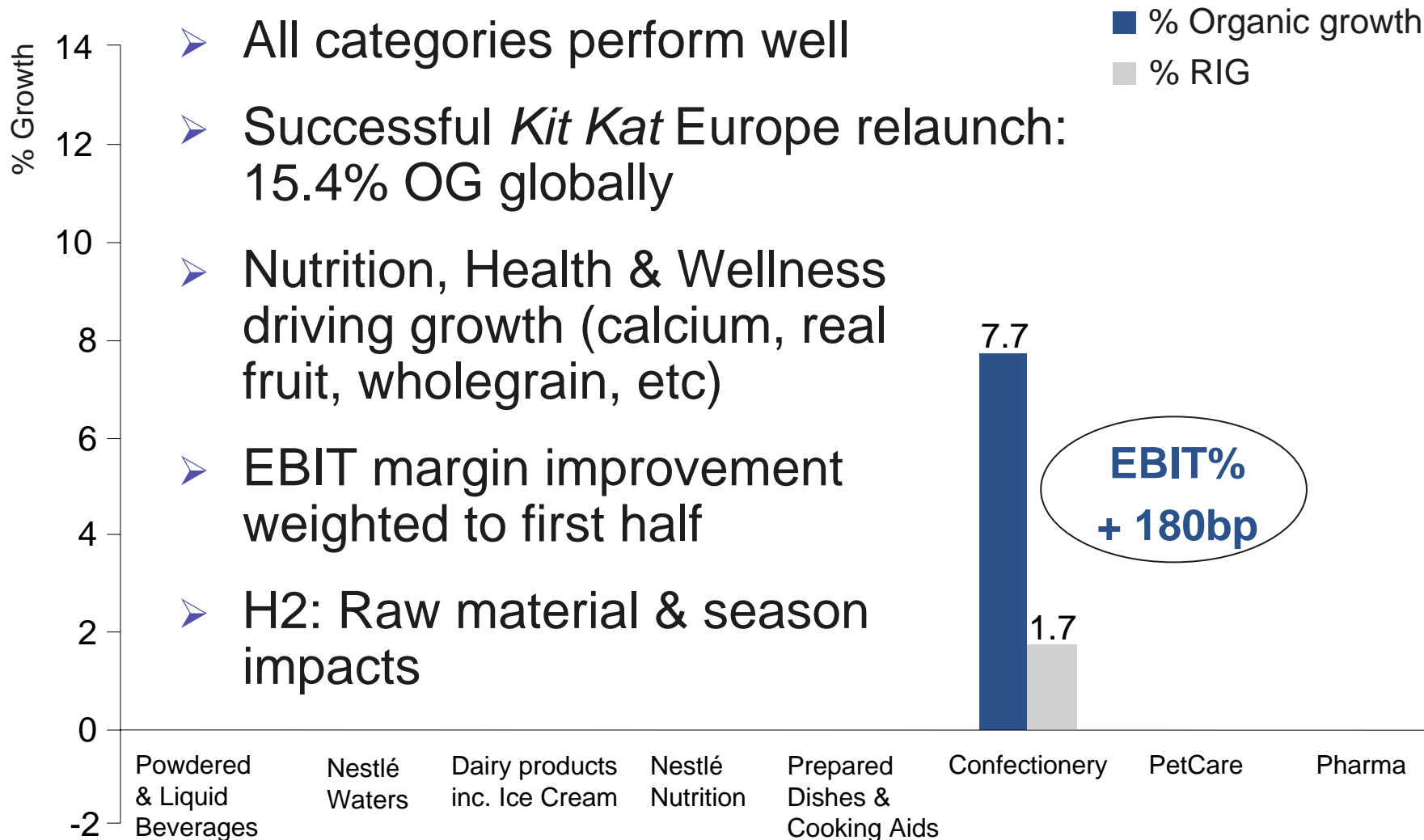
Dairy products, including Ice Cream

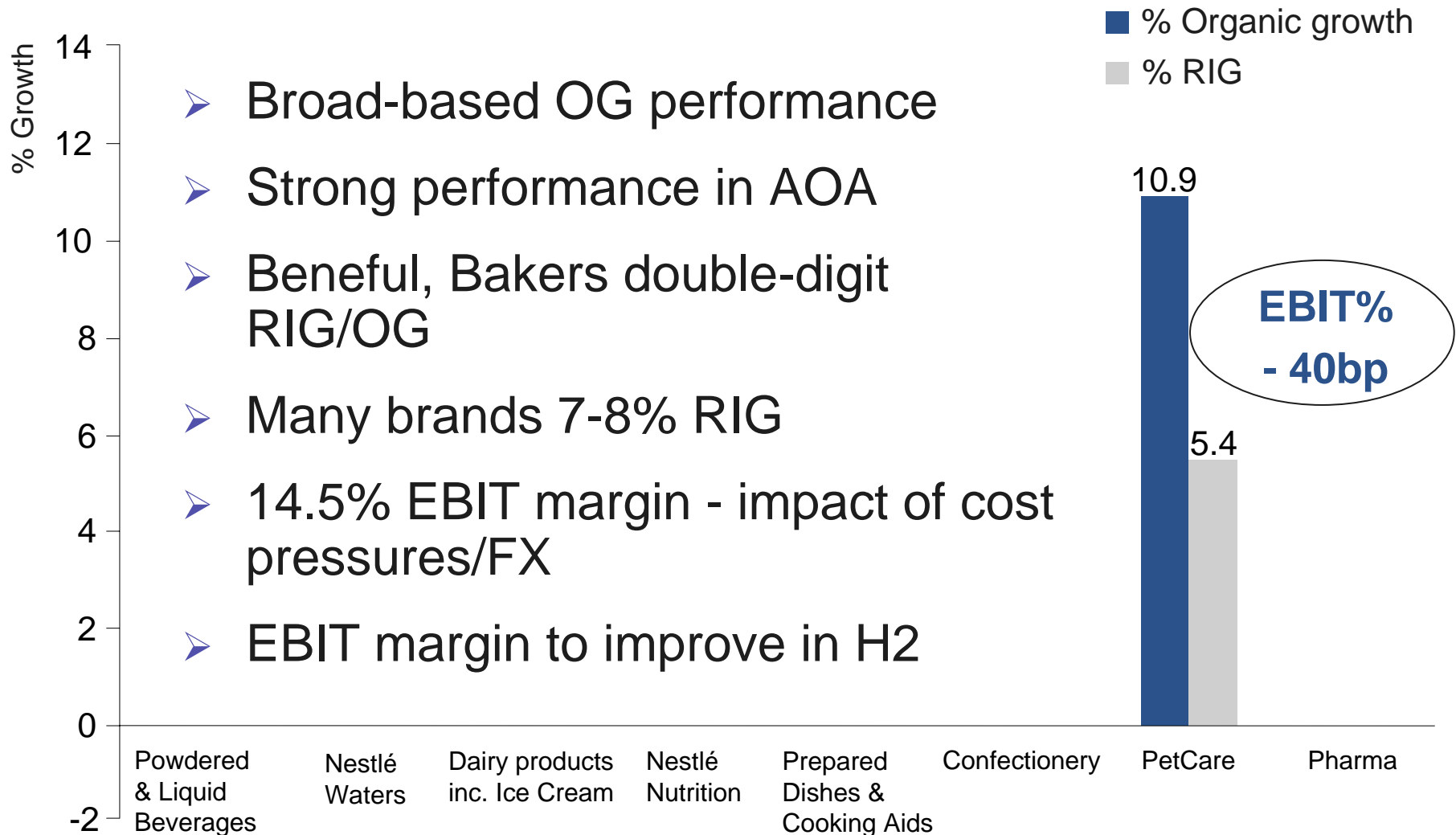


Secondary Reporting

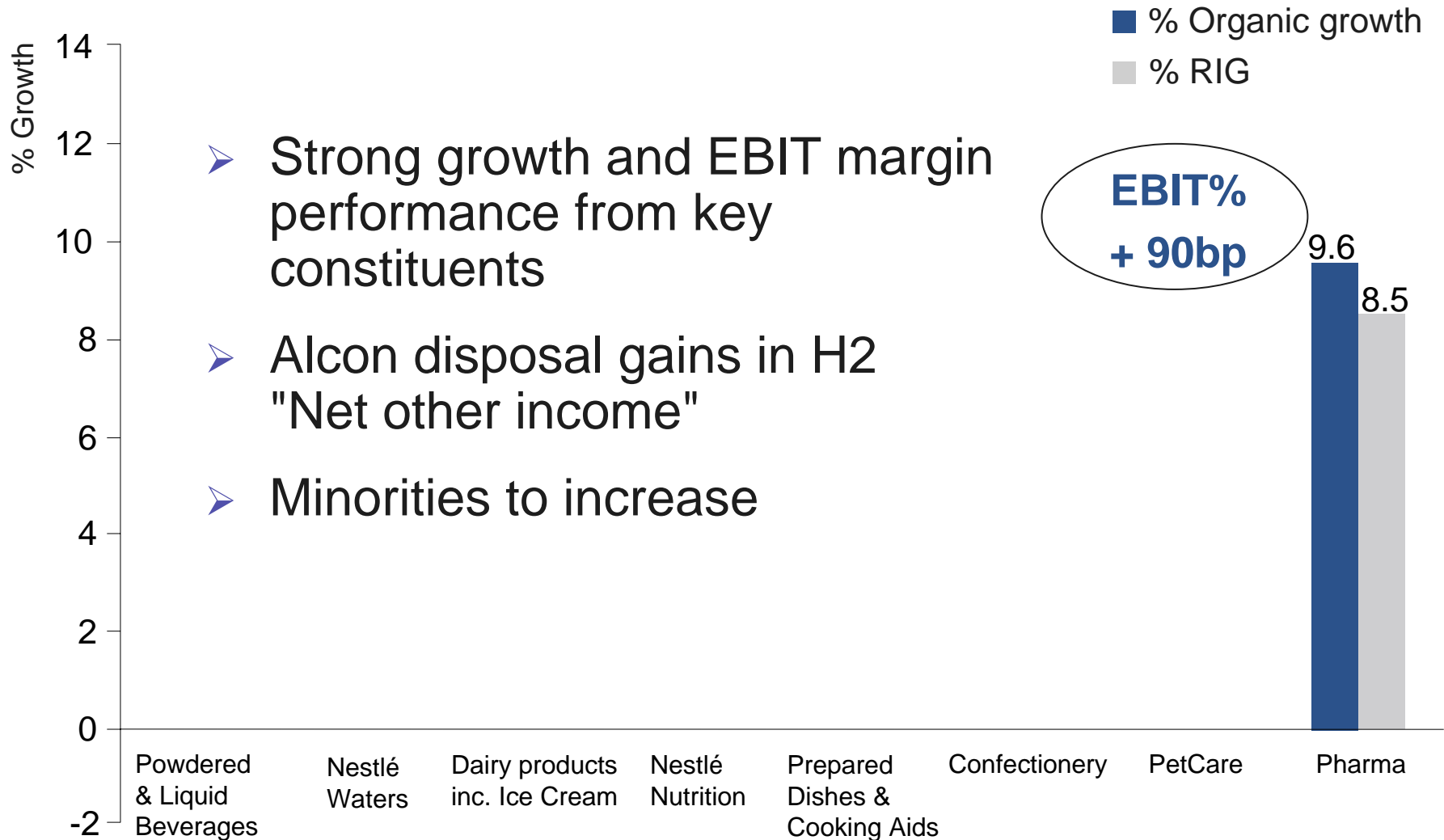
Prepared Dishes and Cooking Aids



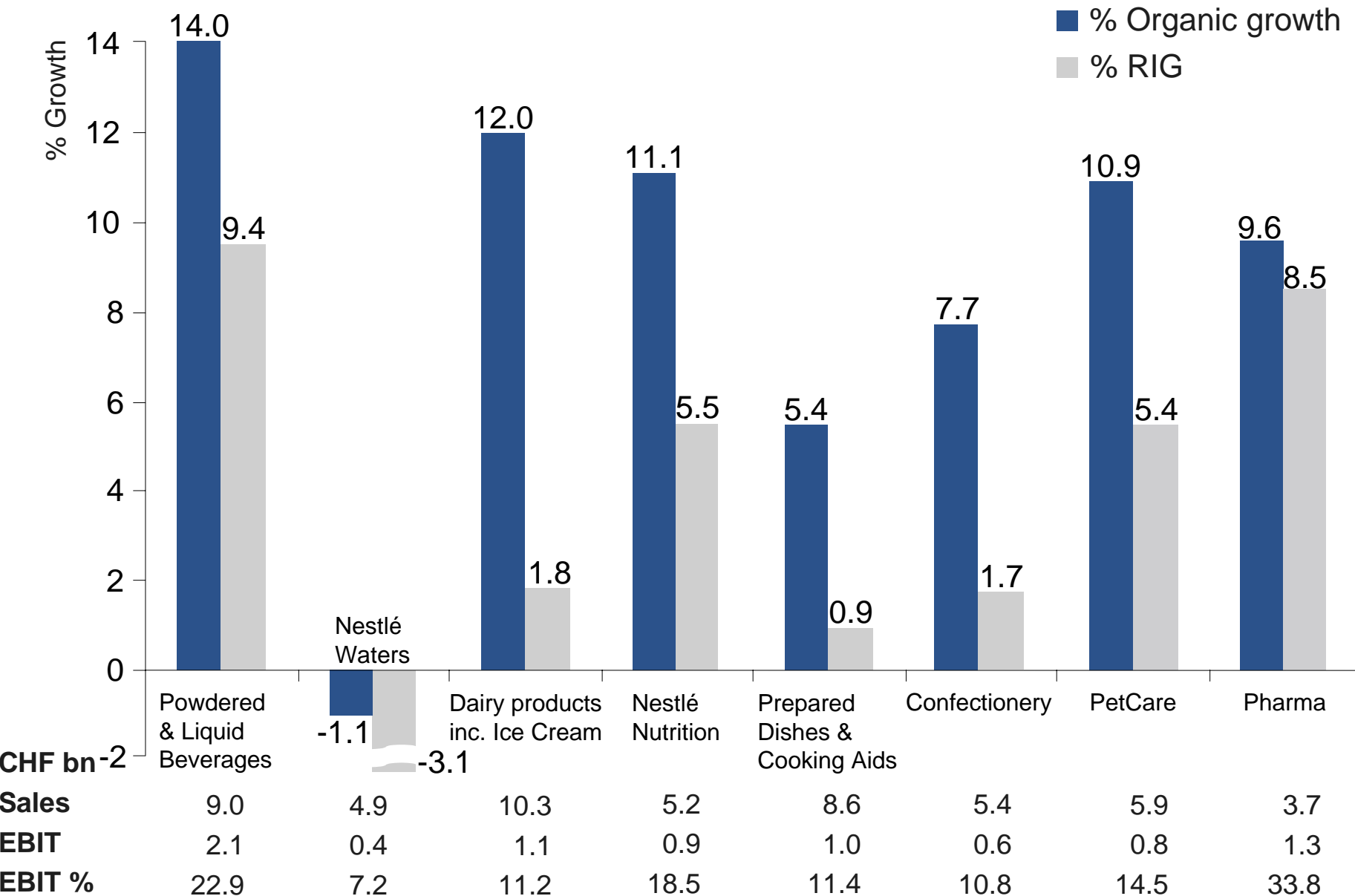




Secondary Reporting Pharmaceutical Products



Secondary Reporting



F&B "Billionaire Brands" Over half grow double digit



Key brands deliver growth above market

Organic growth (%)



P&L: EBIT to Net profit



As % of sales	H1 2007	H1 2008	Diff. basis points (rounded)
EBIT	13.5%	13.8%	+ 30
Net other income/expenses	(0.3%)	(0.4%)	-10
Financial income	0.8%	0.2%	- 60
Financial expense	(1.3%)	(1.2%)	+ 10
Profit before taxes	12.7%	12.4%	- 30
Taxes	(3.5%)	(3.0%)	+ 50
Share of results of Associates	1.1%	1.1%	0
Profit for the period	10.3%	10.5%	+ 20
Attrib. to minority interests	0.7%	0.7%	0
Attrib. to the Group (Net profit)	9.6%	9.8%	+ 20
Net profit (CHF million)	4,916	5,214	+ 6.1%

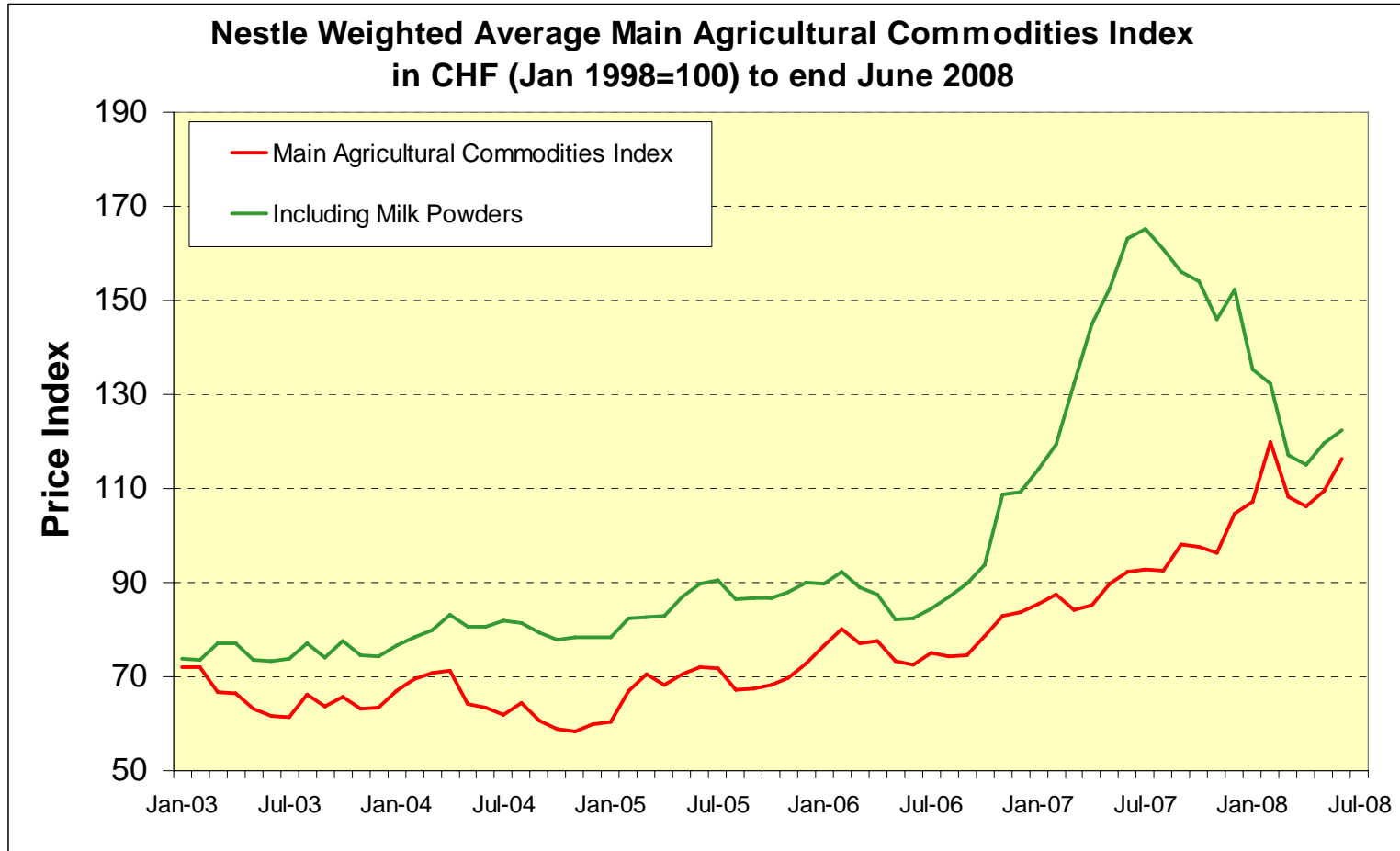
- H1 Operating cash flow of CHF 3.5 billion
- Working capital impacted by raw material inflation, increased stock levels, business planning
- Net debt of CHF 25.8 bn to decline in H2 (Alcon stake sale proceeds)
- Capital expenditure 3.1% of sales: accelerating in H2
- Buy-back accelerating: run-rate + CHF 2 bn to CHF 13 bn by year-end

- First half 2008 organic growth above 2007 – good momentum in our business
- Also a strong EBIT margin performance
- The Nestlé Model to be achieved:
Organic growth at least at 2007 level
Increased EBIT margin (reported & constant currency)
- Making Nestlé the reference for Nutrition, Health & Wellness and for Financial Performance



CHF per	Jan-Dec 2007	Jan-Jun 2007	Jan-Jun 2008	Variation (%)
U.S. dollar (1)	1.20	1.23	1.05	- 14.5
Euro (1)	1.64	1.63	1.61	- 1.6
£ sterling (1)	2.40	2.42	2.07	- 14.3
Real (100)	61.81	60.04	61.94	+ 3.2
Mex. Peso (100)	10.96	11.24	9.88	- 12.0
Yen (100)	1.02	1.02	1.00	- 2.3

Nestlé raw material basket remains volatile



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