

2003 Full Year Results Roadshow

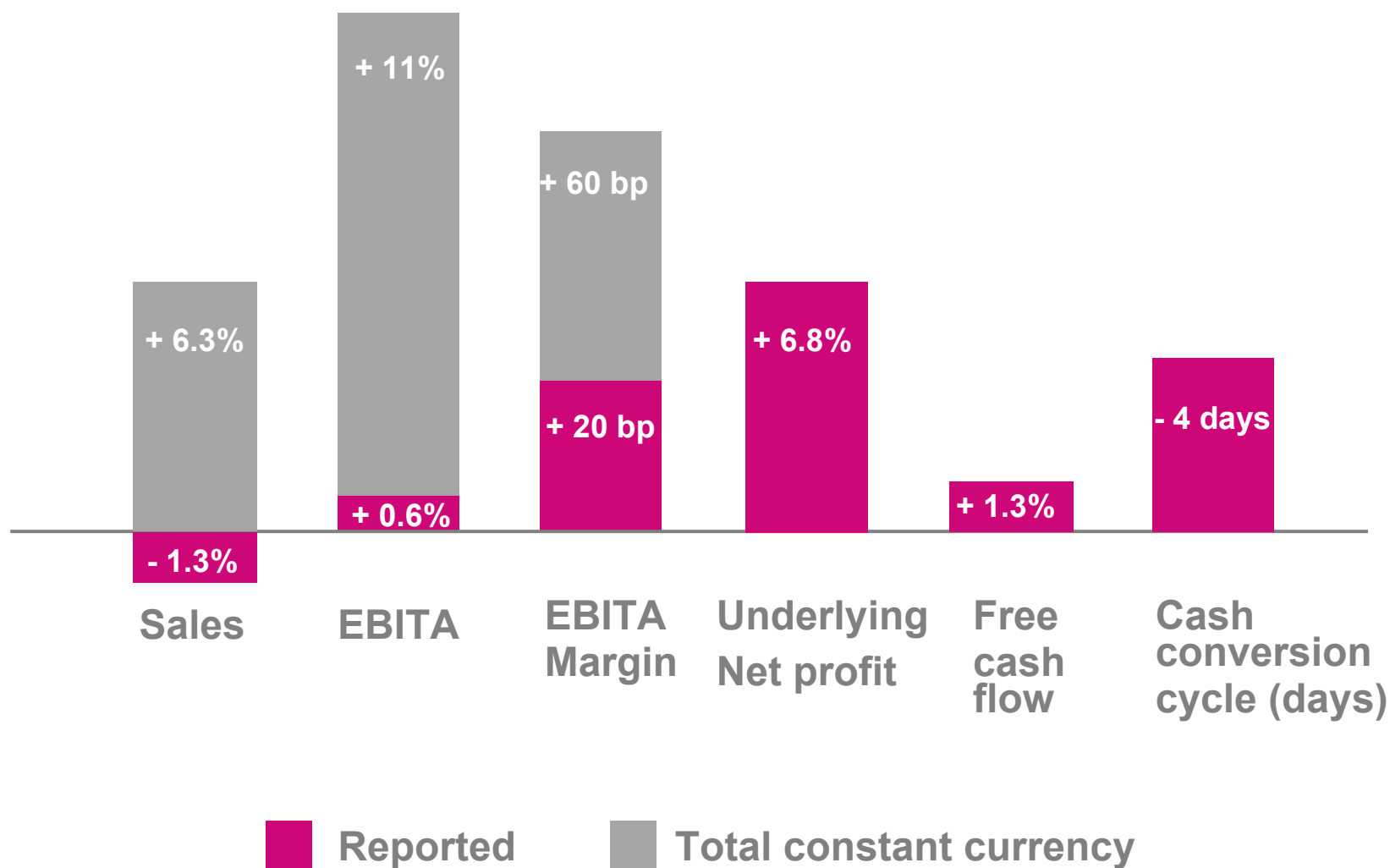


This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

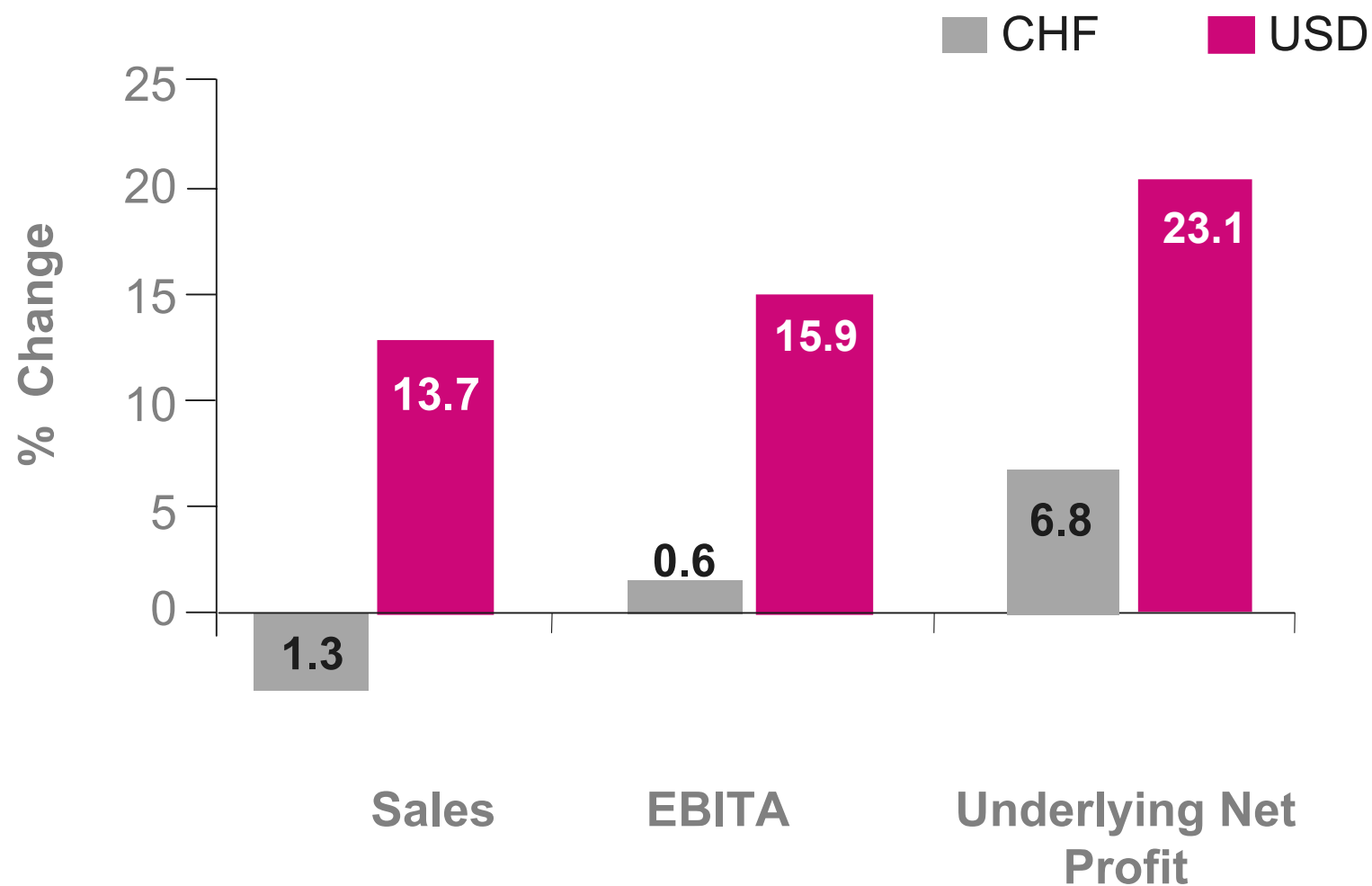
2003: in the industry context, an excellent year

- Organic growth within our target
- Strong margin improvement: 80 basis points, at constant currency excluding pension impact
- All Zones, Nestlé Waters and Other activities improved - demonstrating sustained operating improvement

A good operating performance in 2003

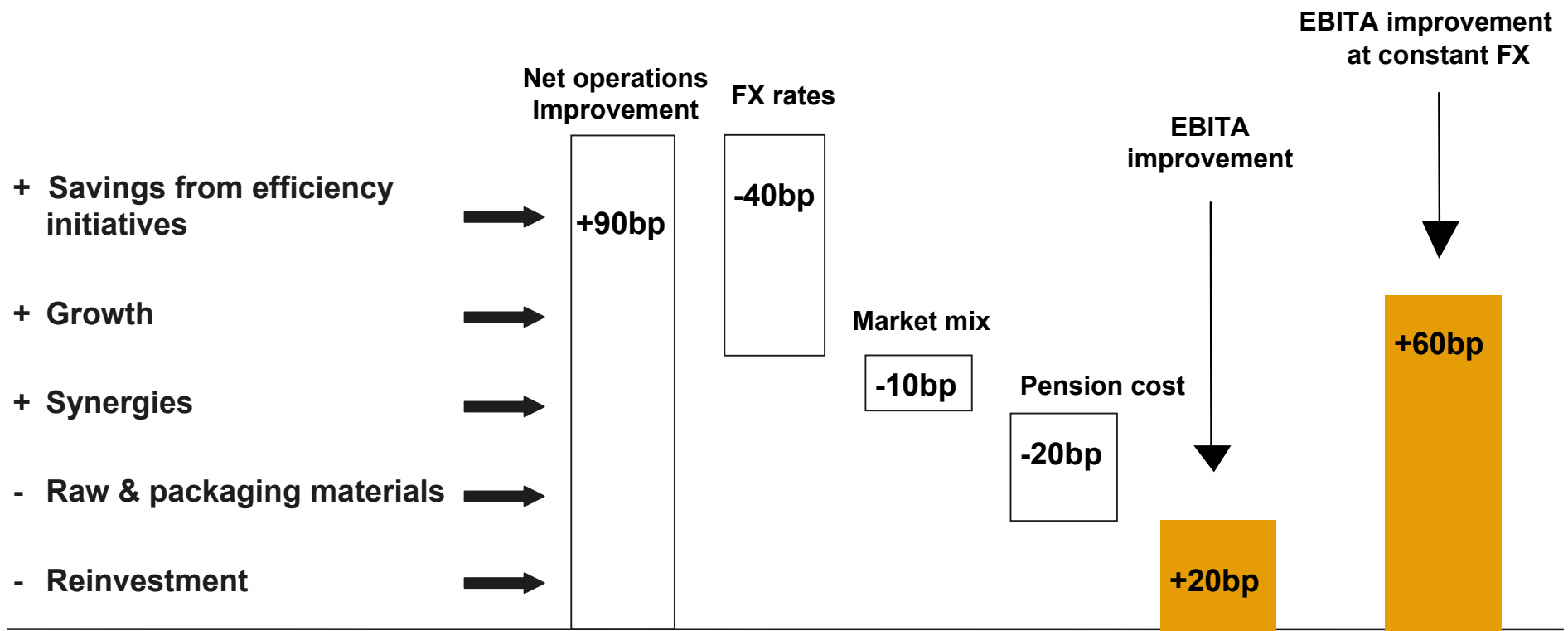


Excellent 2003 performance in US Dollars*



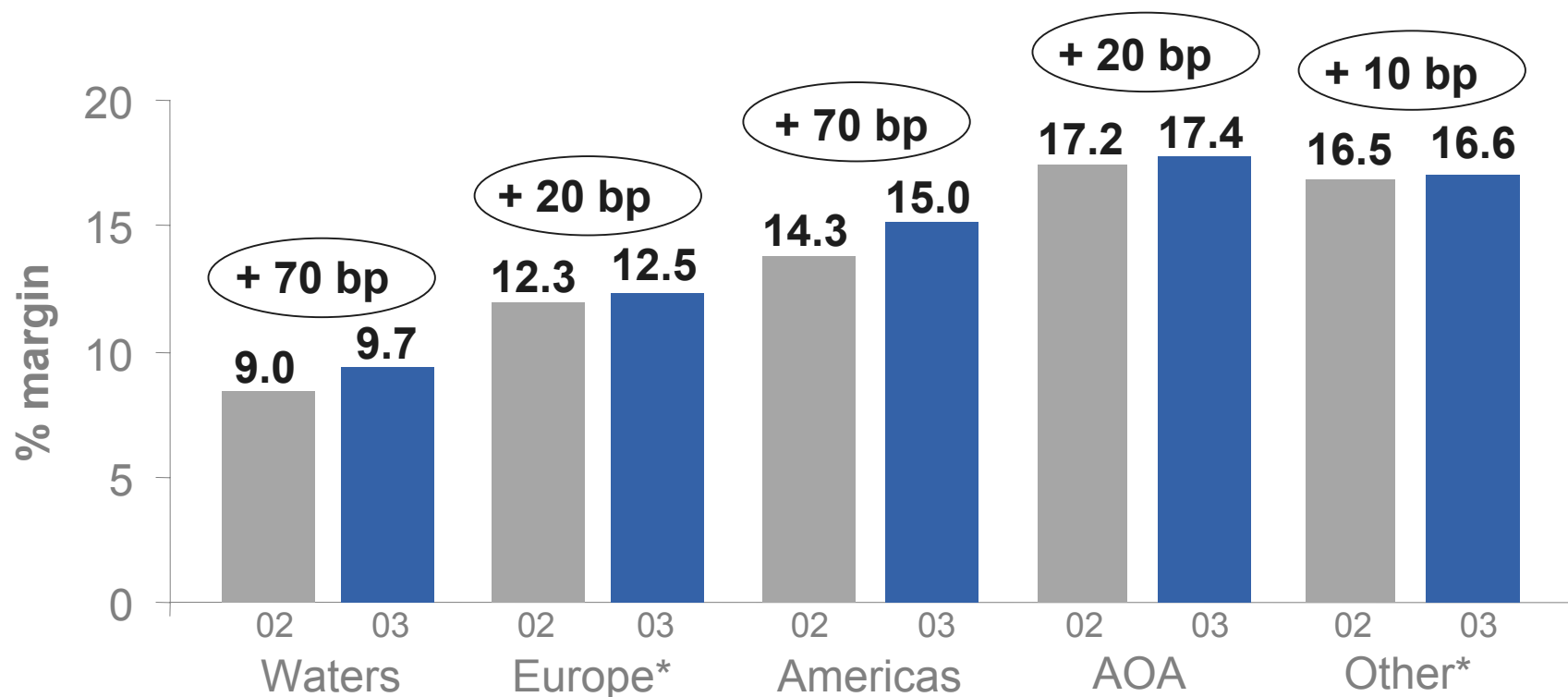
**P&L at average rates. Illustrative only*

Positive EBITA margin development 2002-2003



Based on estimates. No impact from 2003 M&A.

EBITA margin improves in all areas



EBITA
CHF bn

0.8

3.6

4.1

2.5

1.5

**Europe 2002 restated excluding Eismann. Other includes Eismann*

Contribution to Group EBITA in 2003

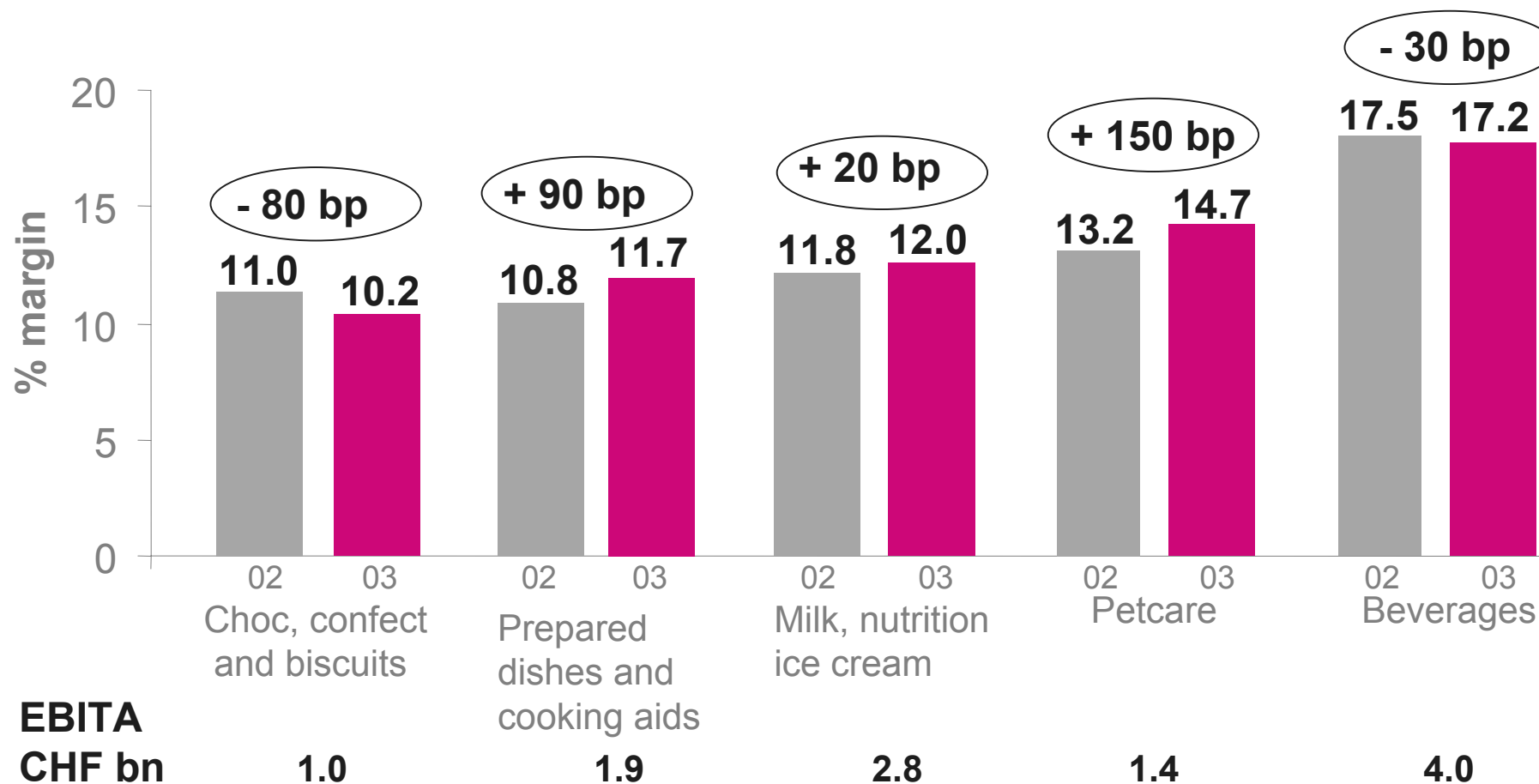
in basis points	% EBITA margin	EBITA margin change	Contribution to Group EBITA
Z-EUR	12.5	+ 20	+ 18
Z-AMS	15.0	+ 70	+ 1
Z-AOA	17.4	+ 20	- 3
Nestlé Waters	9.7	+ 70	+ 10
Other Act.	16.6	+ 10	+ 4
Unallocated items			- 10
Total Group	12.5	+ 20	+ 20
Constant currency		+ 60	

Zone Europe

- First Half 2003 EBITA margin up 80bps
 - Marketing spend up versus H1 2002
 - "Don't extrapolate" - Lars Olofsson on roadshow
- Full year 2003 EBITA margin up 20bps despite:
 - Significant increase in H2 marketing spend
 - Pension cost up 40 bps over 2002
 - Heat wave impact on sales
- 14 factories sold/closed; reduced blue & white collar expenses

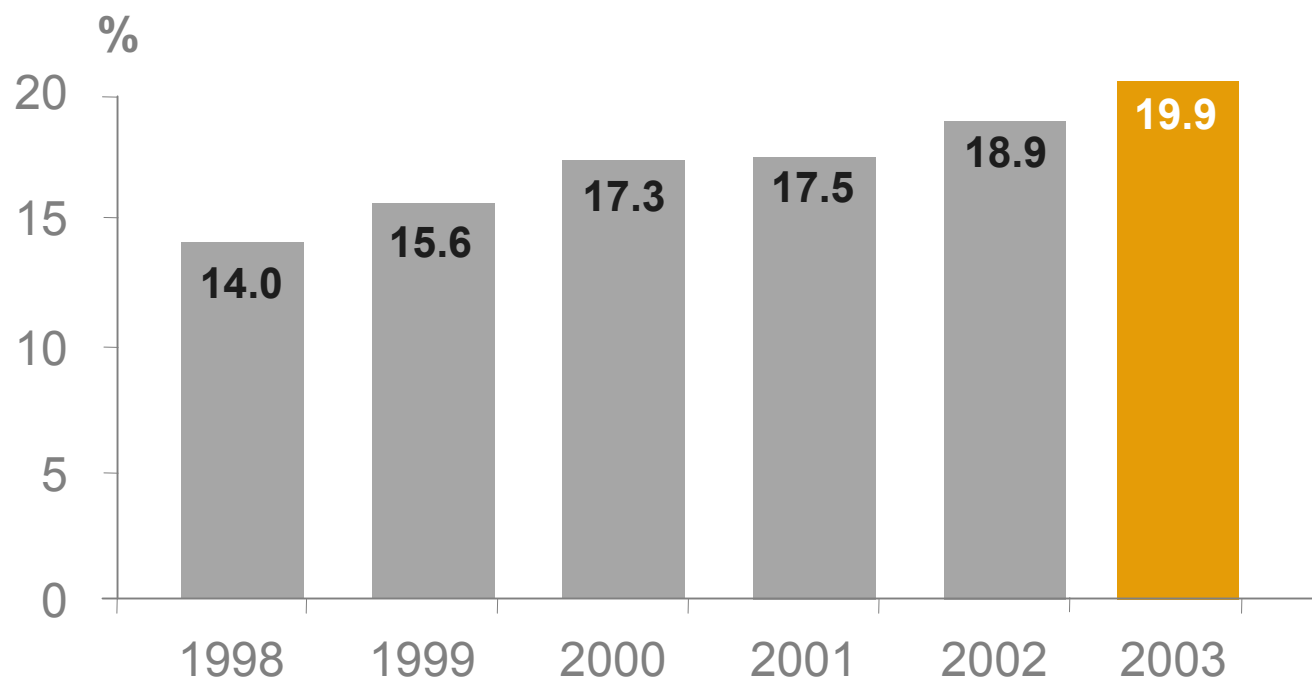
On track to "Destination Growth"

Product groups*: EBITA margins



**Food and Beverage only*

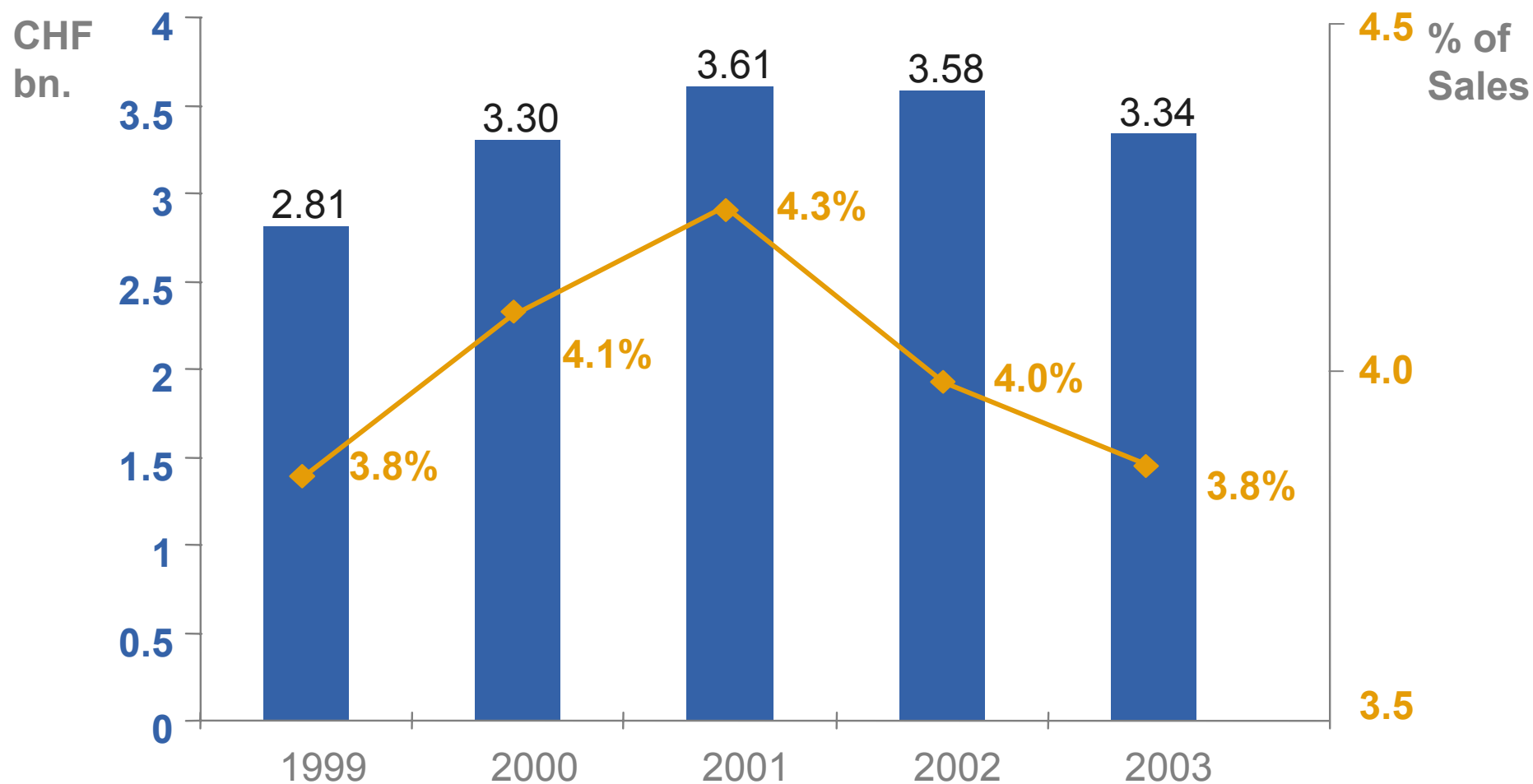
Return on invested capital* improves in 2003



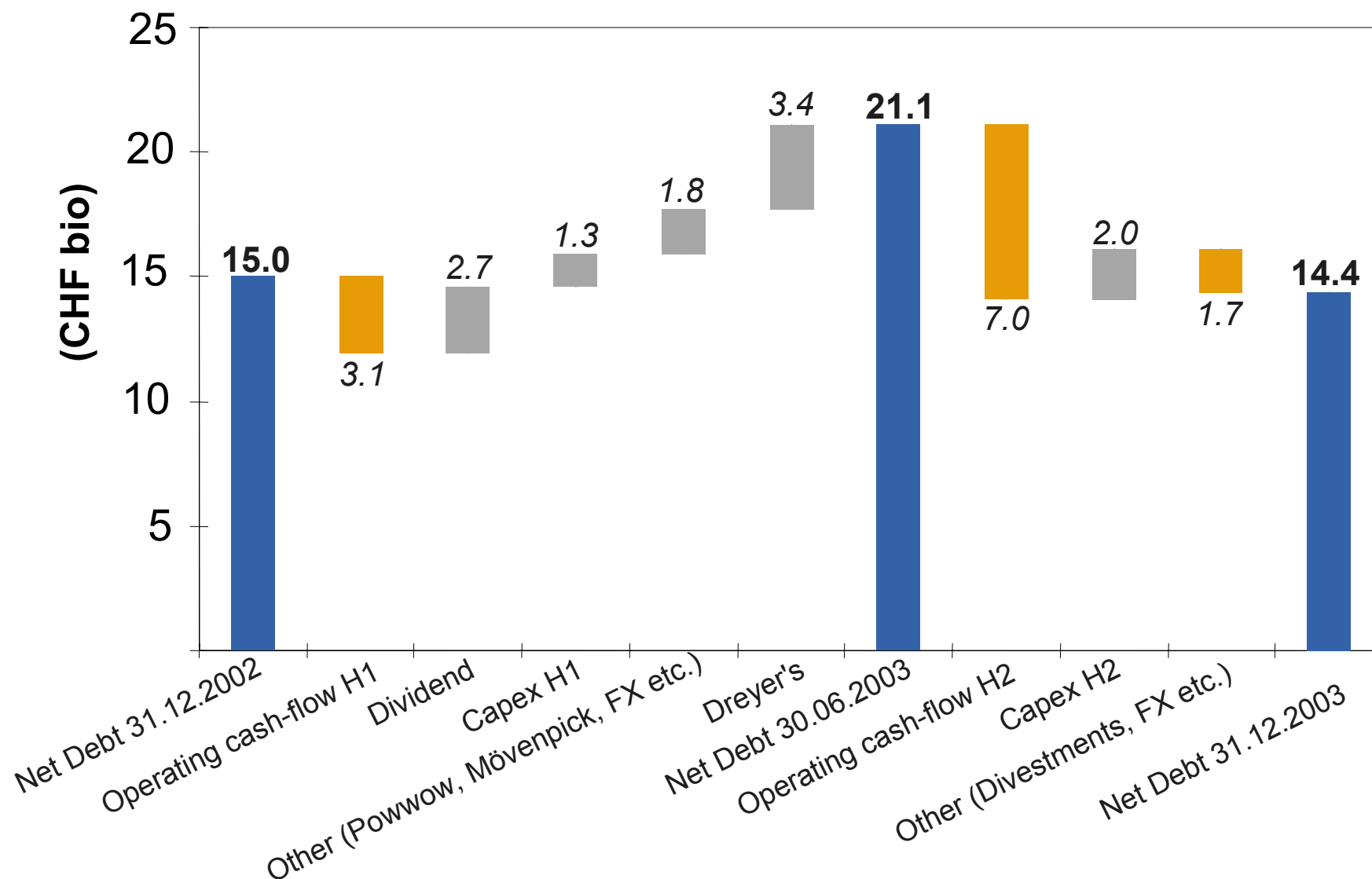
ROIC including goodwill remained stable at 11.0%

**EBITA on segment assets - taxes at 30%*

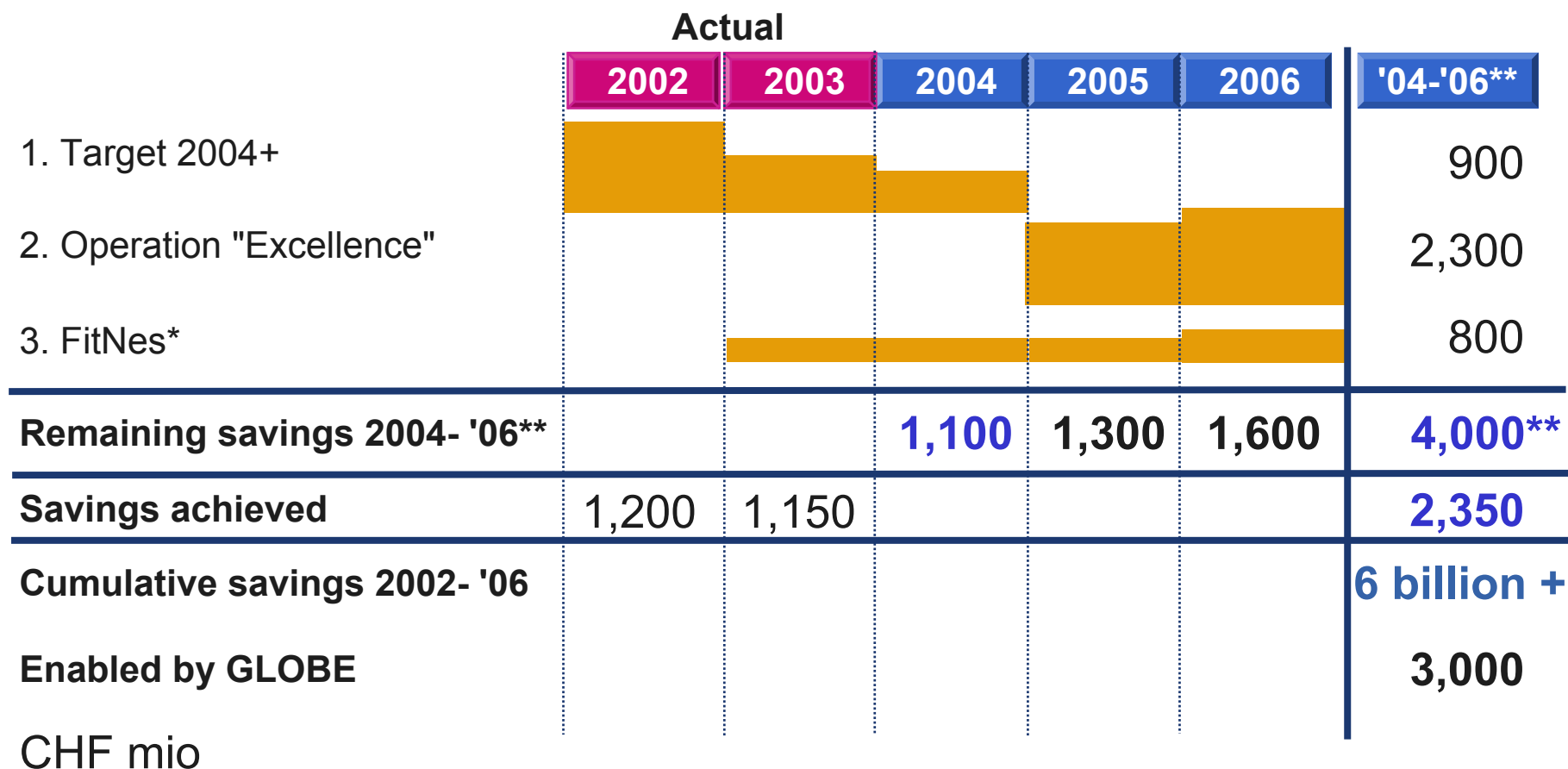
Capital expenditure declined in 2003



Evolution of Net Debt 2003



Efficiency initiatives savings schedule



*Pro memoria FitNes's savings target is defined as a cost reduction of 1% of sales by 2006. **Rounded

Reshaping our business

GLOBE: Best practices, Data standards, IT

FitNes Target 2004+ Operation "Excellence"

Reshape organisation

Shared services

Manage product portfolio

Improve performance

GLOBE Status: general

- No change to objectives
- On time and on budget; will enable benefits of CHF 3 billion by 2006 through savings initiatives
- Business Excellence and Data Management in progress in all markets: the key benefit enablers
- Lessons from pilot markets implemented in "next wave" markets (Thailand, Poland and Indonesia)
- Systems implementation timing will respect budget
- A number of key market implementations in 2004

GLOBE status: market implementations

Switzerland, Chile, Peru, Bolivia, Malaysia, Singapore, Thailand, Poland & Indonesia have implemented all three objectives (Best practices, Data management, IS/IT)

- Relatively complex businesses
- About CHF 5 billion in sales
- Over 20,000 employees (13,000 users of the system)
- 51 factories
- 58 distribution centres
- 100 sales offices

GLOBE: best practice examples and benefits from markets without new systems

- **Accelerated Close (S.E. Africa):** from 14 days to 5 at year end, reduced cost (CHF 1 mio), better management information
- **Intermarket Supply (Waters in N, America & Europe):** reduced stocks & write-offs (EUR 1.3 mio in 2002/03)
- **Transport (Philippines):** reduced distribution centres by 7 to 20, reduced costs (CHF 0.7 mio), improved service
- **Demand planning (Ice Cream in Brazil):** improved forecasting, customer service level up from 91% to 98%
- **Outlet classification (France):** 25% reduction in database management time, 66% reduction in data, new business opportunities identified

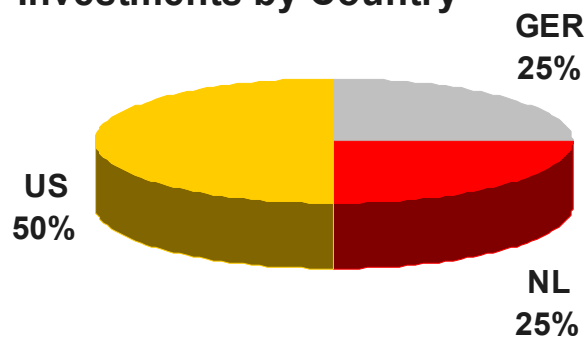
Life Ventures: access to emerging technologies

- The fund was set up in mid-2002
- Objective to provide access to emerging technologies and active compounds which are
 - relevant to innovation strategies
 - support the move to nutrition & wellness
 - provide a long term-capital growth opportunity
- Progress
 - over 500 companies have been screened
 - eight investments have been made

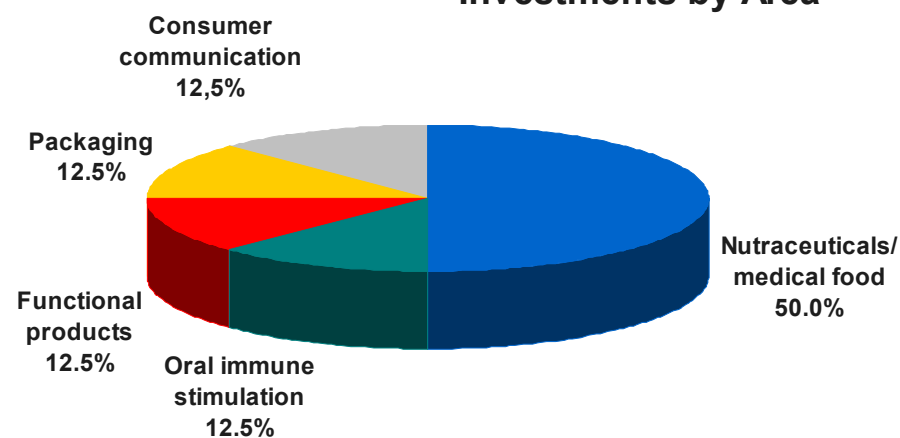
Life Ventures - investments

Fund size	Amount invested	Typical investment size
€ 140 million	€ 26 million	€ 2 – 6 million

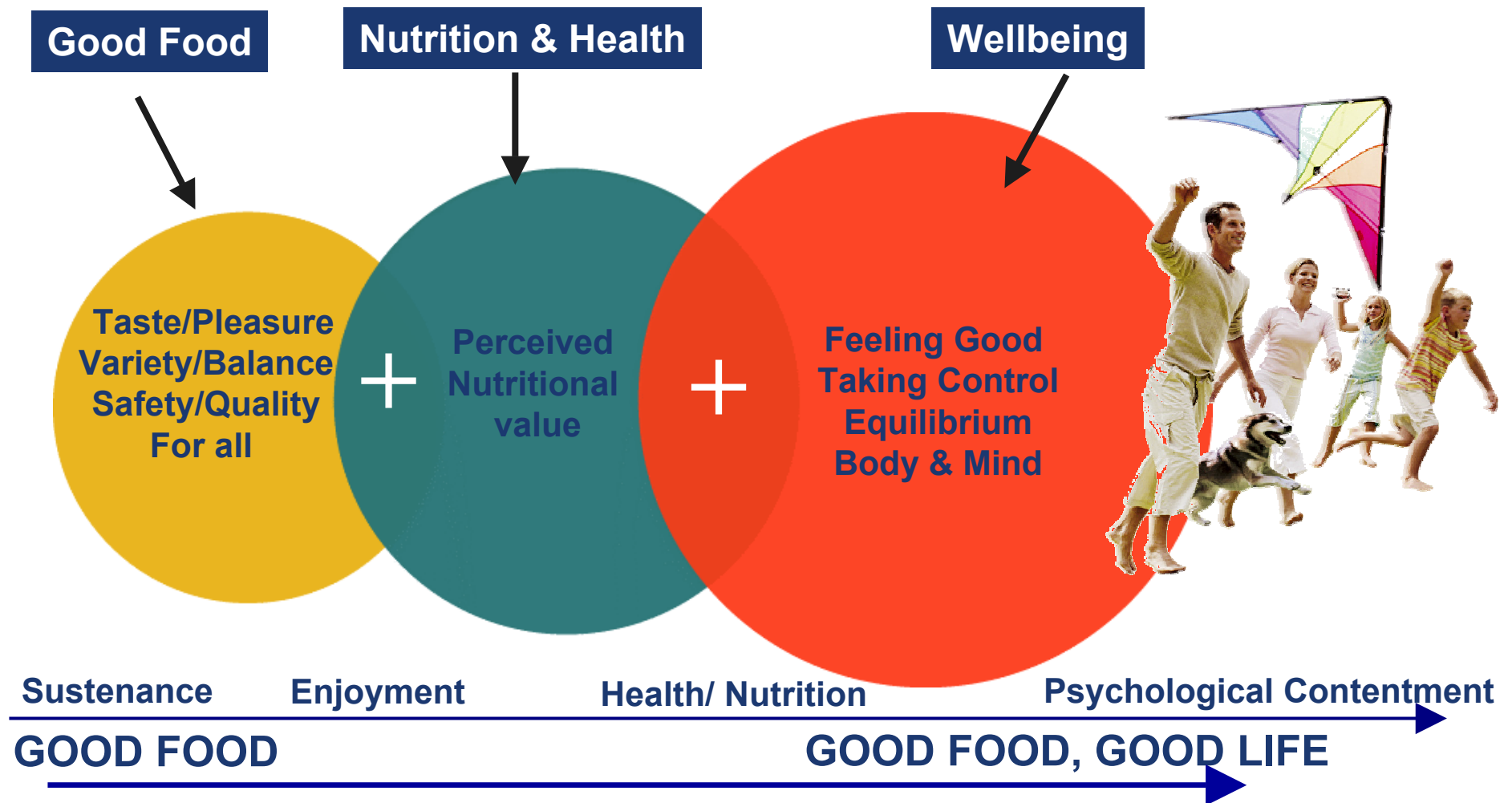
Investments by Country



Investments by Area



Evolution of Need States in Food



Food, health and nutrition

- Over 700 products have undergone recent Innovation/renovation to enhance nutritional profile
- 60:40+ drives the development of nutrition and health value-added
- Clear nutrition communication on packaging
- Nutrition education programmes for consumers
- Wellness days held in a number of markets
- Training tools produced for nutritional education
- BAI's sales exceed CHF 2.0 Bio in 2003, up over 50%



Nestlé

Une touche de sérénité au cœur d'un plaisir intense

Nestlé Noir Intense est riche en magnésium (59% des AJR⁽¹⁾), qui aide à se ressourcer et à lutter contre les petits stress quotidiens.

VALEURS NUTRITIONNELLES	100g	10g « 1 carré »
ENERGIE	2250 kJ 535 kcal	229 kJ 55 kcal
PROTEINES	8,1 g	0,8 g
GLUCIDES	20 g	2,0 g
LIPIDES	48,4 g	4,9 g
MAGNÉSIUM	179 mg 59% des AJR ⁽¹⁾	17 mg

(1) apports journaliers recommandés

Qualité Confiance
Nestlé
Direct

Internet : www.nestle.fr
0 810 63 35 45
Coût d'un appel local depuis un poste fixe

Service Client Nestlé France
BP 800 Nestlé 77448 Mennecy-la-Vallée Cedex 2

© Pat. Trademark of Société des Produits Nestlé S.A.
Pour les amateurs de chocolat : www.chocolat.nestle.fr

Chocolat Noir de Déglutition
à 70% de cacao. Ingrédients : pâte de cacao, cacao, beurre de cacao, sucre concassé, émulsifiant : lecithine de soja, arôme naturel de vanille. Traces éventuelles : fruits à coque, gluten, lait, œuf. Cacao 70% minimum.

A consommer dans sa date de préférence avant le :

14 02 2005
63 02 22 23

Poids net : 100 g e

Étudié et recommandé par le Docteur pour ouvrir cette languette.

Nestlé

Sveltesse 0%

« 100% plaisirs 0% complexe »

La légèreté du plaisir. Un produit allégé à 0% de matières grasses, c'est essentiel.

Des études ont prouvé une perte de poids plus importante avec une consommation des AJR en calcium sous forme de produits laitiers.

Valeurs nutritionnelles moyennes	par 100g	par pot (125g)
Energie	44 kcal 188kJ	55 kcal 230kJ
Protéines	4,1 g	5,1 g
Glucides	5,2 g	6,5 g
Lipides	traces	traces
Calcium	129mg	162mg
Vitamine B12	0,24µg	0,3µg

Fruits du Marché

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Nestlé
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SERVICE CONSOMMATEURS NESTLÉ
BP 800 Nestlé
77448 Mennecy-la-Vallée Cedex 2
www.nestle.com

Alcon

- Sales up 13.2% to \$3.4 billion
- Net earnings up 27.5% to \$595.4 million
- EPS up 25.5% to \$1.92
- Dec '03 market cap of \$18.7 billion, up 83% since partial IPO

Topical subjects

- Nestlé Waters USA: the right strategy in 2003; further growth in 2004
- Nestlé Purina: successful integration; growth drivers in 2004
- Ice cream: improving performance; US integration; positioned for leadership
- L'Oréal: a transparent solution, benefitting all

Topical subjects

- Prioritising profit over sales growth in '03
 - Chilled dairy disposals
 - European petcare portfolio focused
 - German chocolate portfolio reduced
 - Latin American pricing
 - Japan liquid drink vending downsized
 - 26 factories closed or divested
 - Trinks disposal to benefit '04

Operational improvement a priority in '04

2003 objectives - update

- Creation of 5-6% organic growth trend target
✓ 5.1% achieved
- Continued margin improvement
✓ 20 basis points, 60 basis points constant currency
- Continued improvement in ROIC
✓ 100 basis points improvement
- Improvement in Ice cream and Chilled dairy
✓ Both deliver good increase in margin
- Successful integration of acquisitions and GLOBE
✓ Acquisitions ahead, GLOBE on track
- First gains from the fixed asset impairments
✓ Improved margin in petcare, ice cream, chilled dairy

2004 outlook: overall positive

Perceived issues

- Competitive situation in Waters
- Chocolate & confectionery
- Retail environment in Europe
- Japan, Brazil, Milk price in AOA

Potential positives

- The business environment / FX compared to '03
- EBITA margin
 - Efficiency gains: Target 2004+, FitNes
 - Impact of 2003/04 disposals
- Higher RIG, lower pricing than 2003

Summary: excellent results, excellent prospects

2003

- Organic growth within target range
- Increased Group, Zones & Waters margins
- Underlying net profit & EPS increased

2004

- Market conditions to improve over 2003
- Efficiencies to deliver gross CHF 1.1 billion
- Further improvement in operating performance

2003 full year results





SVELTESSE CHILLED DAIRY

Innovation through geographic expansion and guiltless indulgence



Portugal
March 2003



Italy
Sept 2003



UK
Sept 2003



New Creamy texture
France, Spain, Portugal, Italy, Belgium



New Dessert Yogurt recipes
France, Spain, Portugal, Italy, Belgium, UK



New Coffee Liegeois
France; Spain, Belgium

SVELTESSE - Other categories Innovation 2003



SVELTESSE Chilled Soups
France



SVELTESSE Cereal Bar
Czech Republic, France



SVELTESSE Ready Meals
France

Nestle **NEW** Low Carbohydrate Products



Lean Cuisine low carb meals
USA (11 skus)



Lean Cuisine low carb meals
CANADA (2 skus)

Lean Cuisine US Introduces . . . *Healthy, Reduced Carbohydrate Entrées*

- Now, consumers can decrease their carbs and increase their vegetables for healthy eating
 - 25g or less of carbs
 - 2 full servings of fresh vegetables
 - Low in fat and calories
- Creative recipes bursting with flavour
- Available in eleven varieties:
 - 4 new items
 - 5 reformulations
 - 2 with new packaging



NONE of the Lean Cuisine products are part of the Atkins regime – they're more mainstream

- ❑ Recipes = 25g of carbs or less (vs. 50g on average for regular Lean Cuisine)
- ❑ Lean Cuisine is carb concerned
- ❑ 2 FULL servings of vegetables
- ❑ These new skus are part of the full line up of Lean Cuisine meals
- ❑ Available in chicken & beef varieties

Beneful Healthy Weight Formula



- Brand launched in June 2001 in the US
- HWF launched in 2003 as first line extension
- Features soy as a protein source for sustaining lean body mass
- Total brand over 7% share

