2009 First Half Results

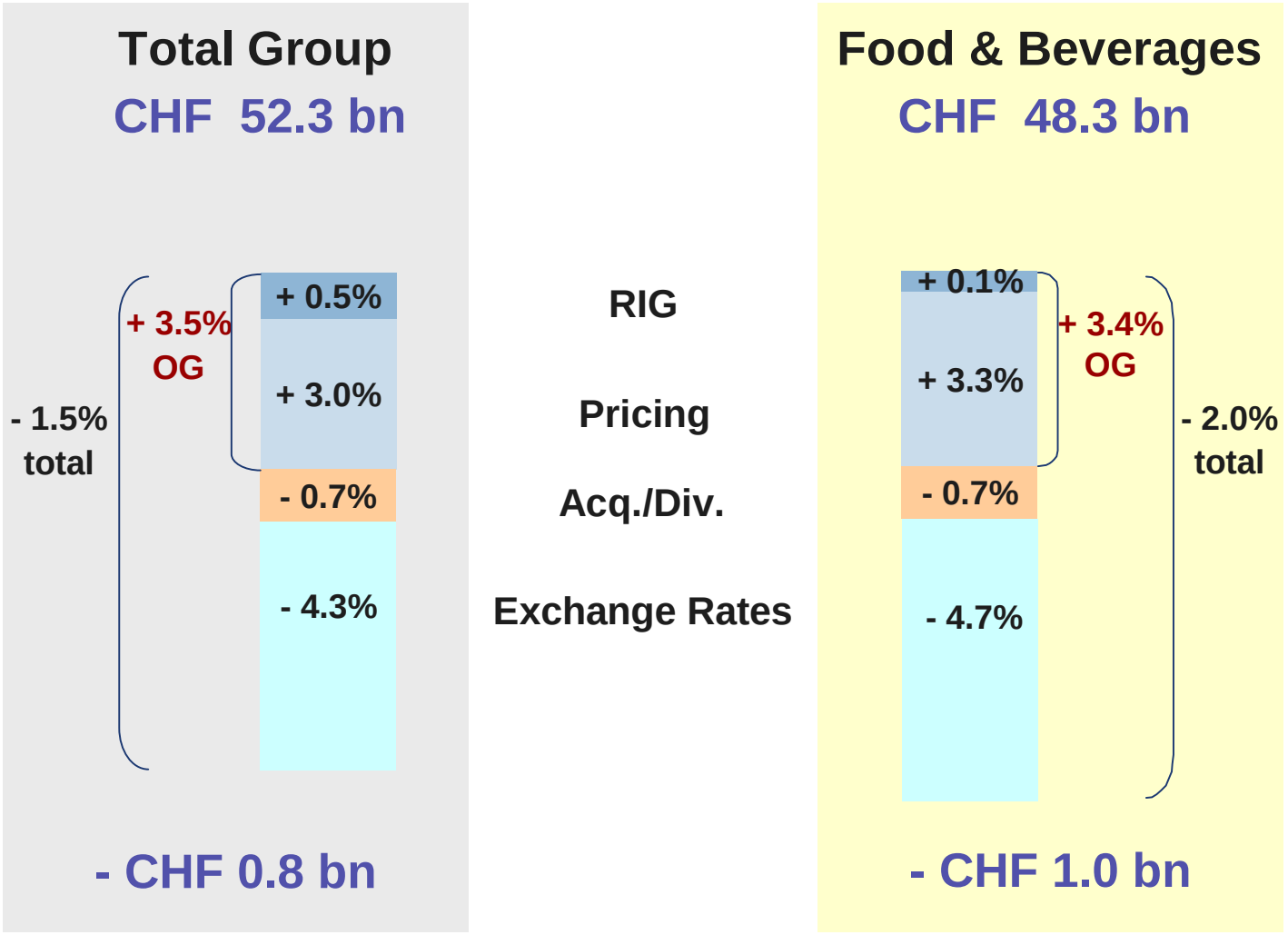
Disclaimer

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.

2009 First Half Highlights

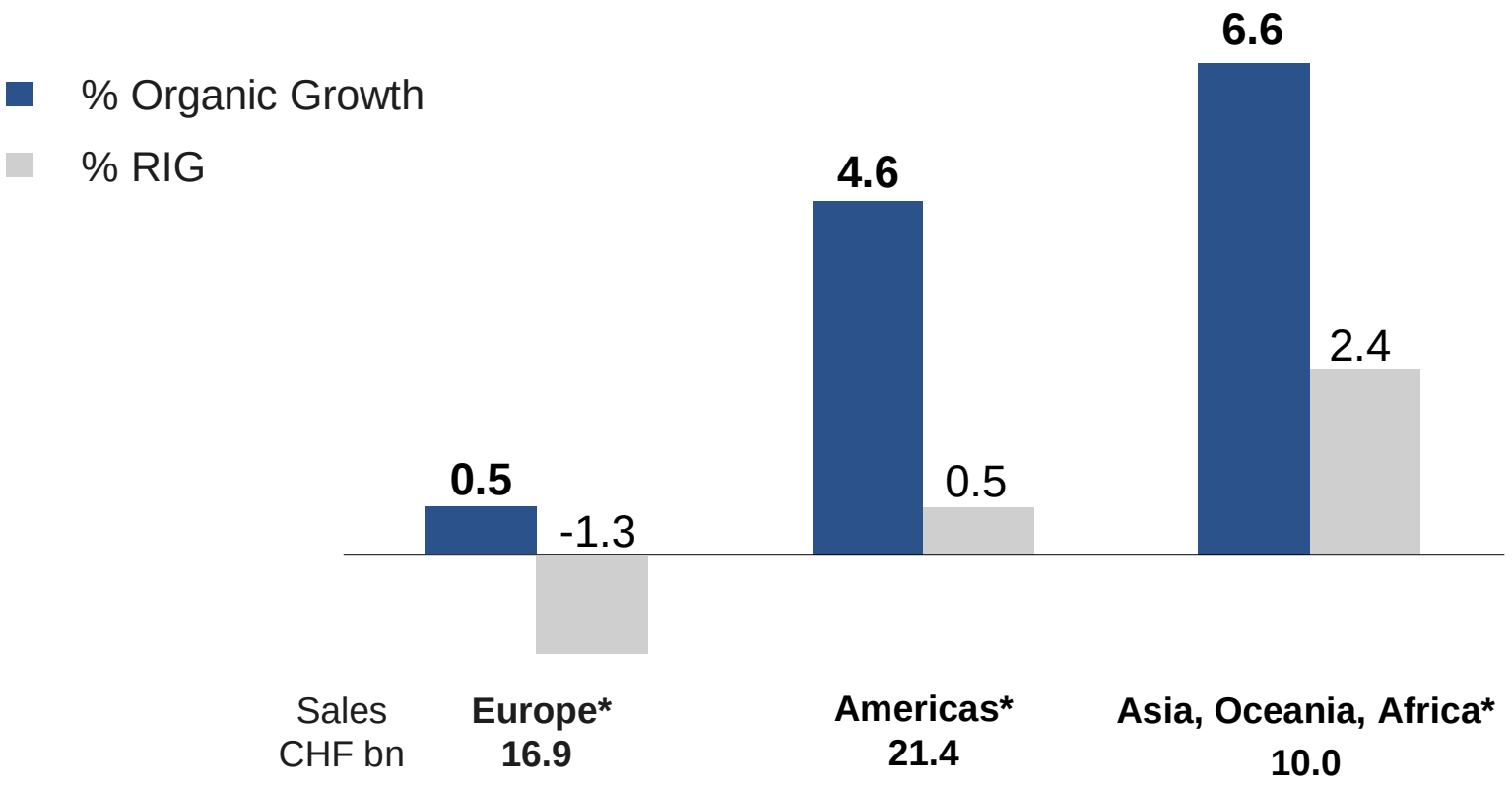
- **Successful delivery of profitable growth**
  Organic Growth of 3.5%
  EBIT margin +30bp reported & constant currencies
- **Resilient performance by Food & Beverages**
  OG 3.4%; EBIT margin +20bp CC; +10bp reported;
  5 out of 6 operating segments achieve positive organic growth, and hold/improve EBIT margin
- **Efficiencies drive investment in brands & R&D**
  Savings in COGS, distribution... Increase in R&D and consumer facing marketing expenses
- **Key brands grow & improve competitive positions**
- **Strong working capital & cashflow performance**

Sales development
Group and Food & Beverages



OG = Organic Growth; RIG = Real Internal growth

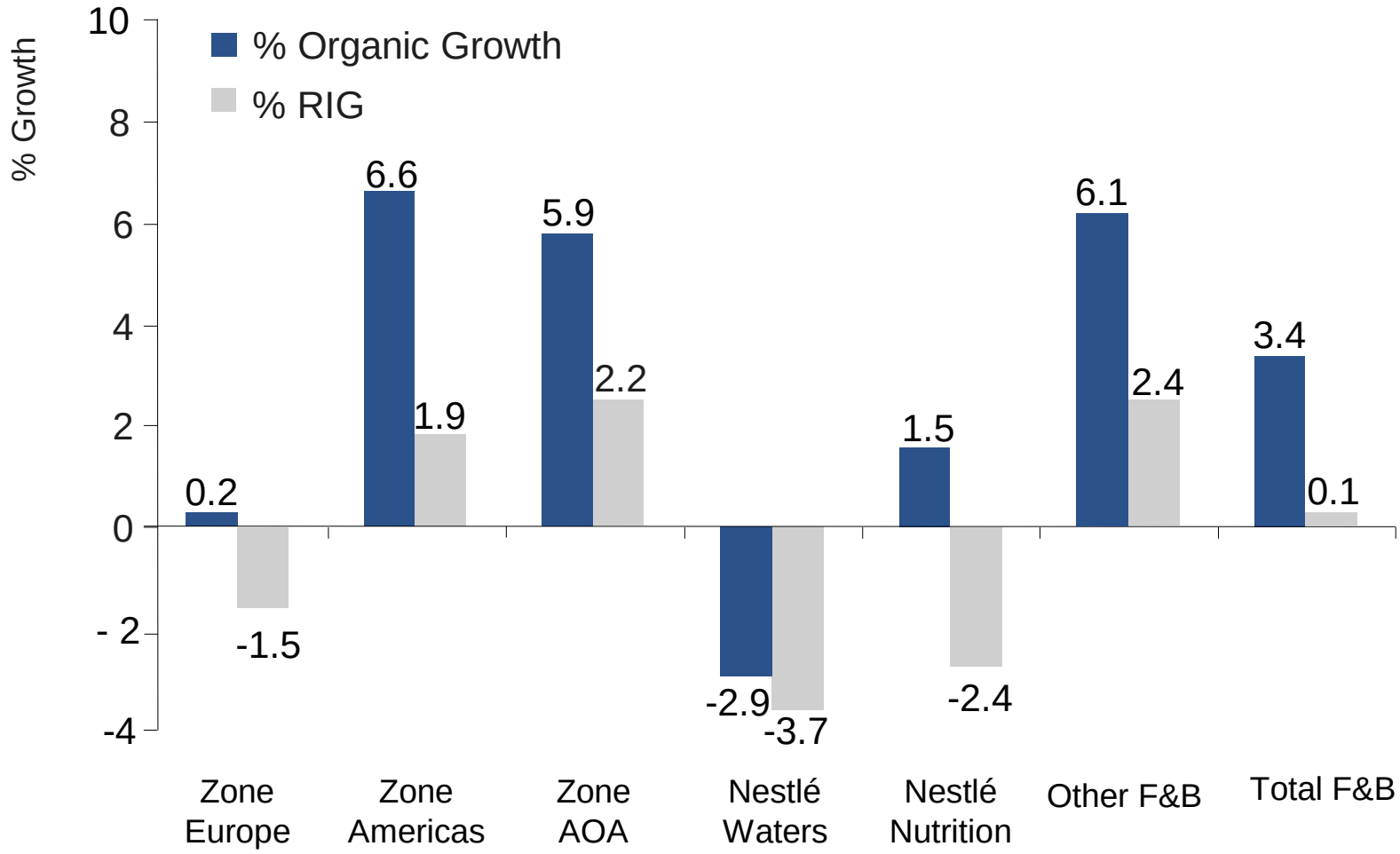
Total Food & Beverages
Broad-based Performance



Emerging markets achieve 7.3% OG

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

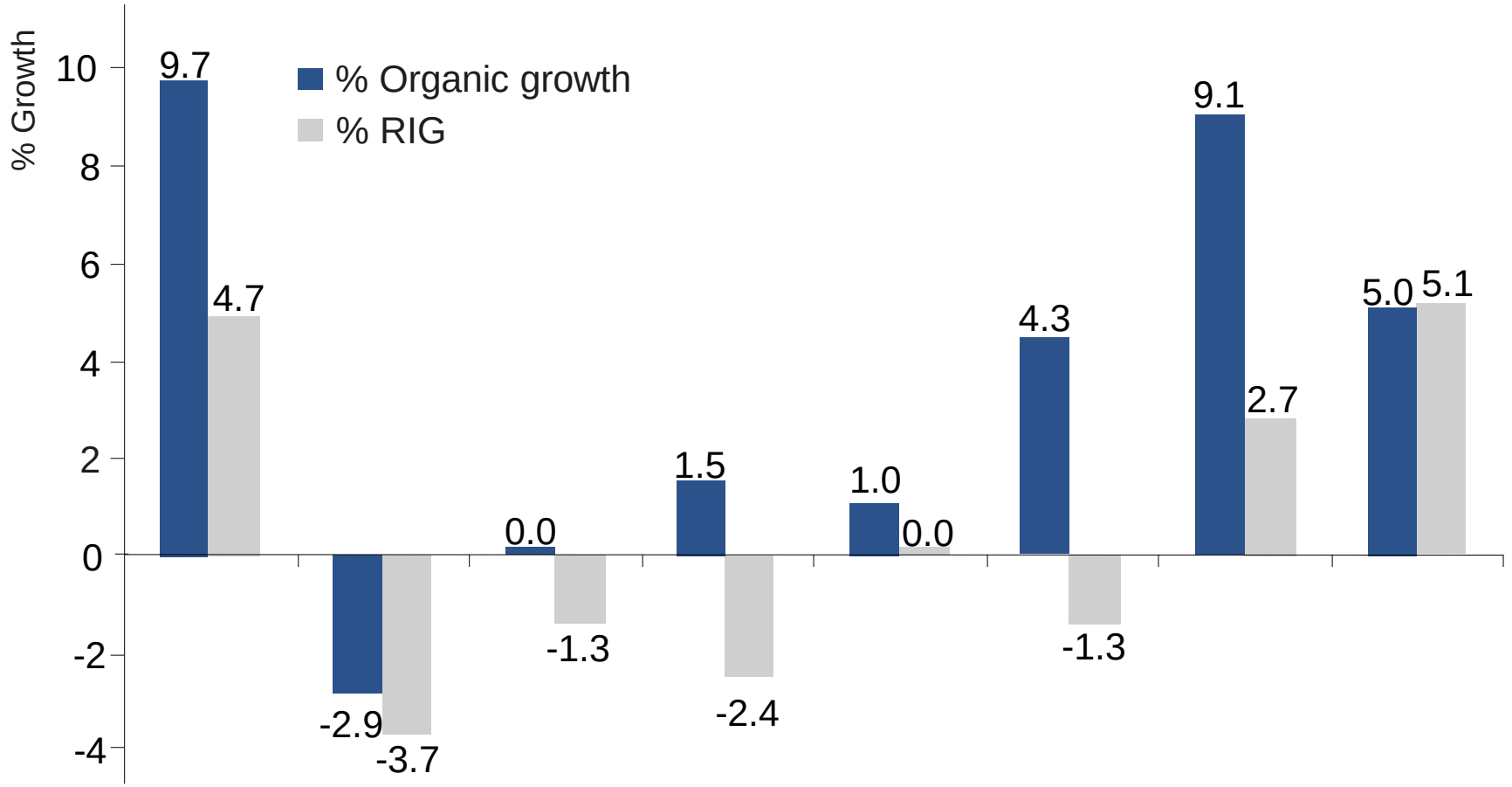
Operating Segments: F&B



	Zone Europe	Zone Americas	Zone AOA	Nestlé Waters	Nestlé Nutrition	Other F&B	Total F&B
Sales (CHF bn)	10.8	15.2	7.7	4.7	5.0	4.9	48.3
EBIT (CHF bn)	1.3	2.3	1.3	0.4	0.9	0.8	6.0*
EBIT (% / bp)	**11.8 +0**	**15.2 +20**	**16.7 +60**	**8.3 +110**	**17.4 -110**	**16.1 +20**	**12.4 +10**

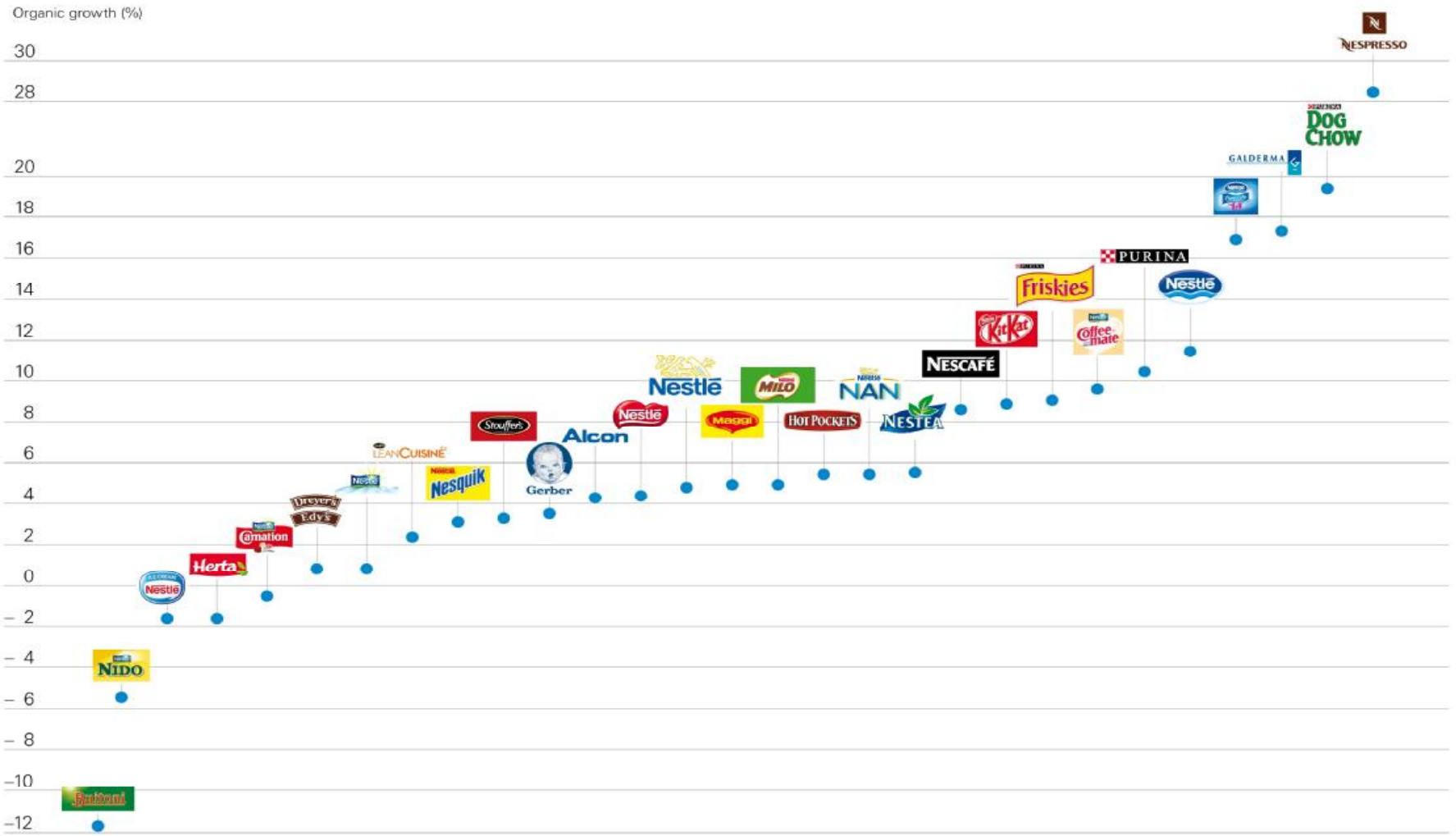
*After unallocated items

Product Segments



Sales (CHF bn)	9.2	4.7	9.6	5.0	8.2	5.1	6.4	4.0
EBIT (CHF bn)	2.0	0.4	1.0	0.9	1.0	0.6	1.0	1.4
EBIT (% / bp)	**21.8 -110**	**8.3 +110**	**11.0 -20**	**17.4 -110**	**12.2 +90**	**11.3 +60**	**15.7 +120**	**34.6 +80**

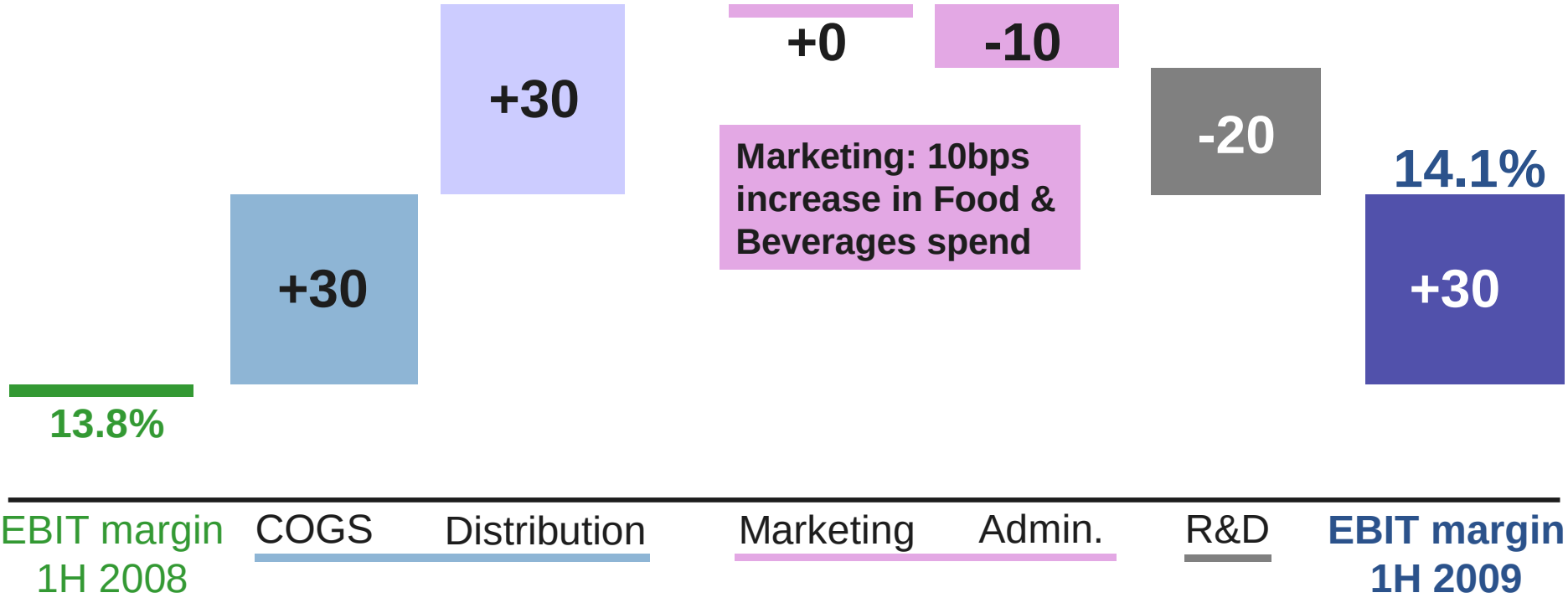
“Billionaire Brands” achieve faster than Group average organic growth



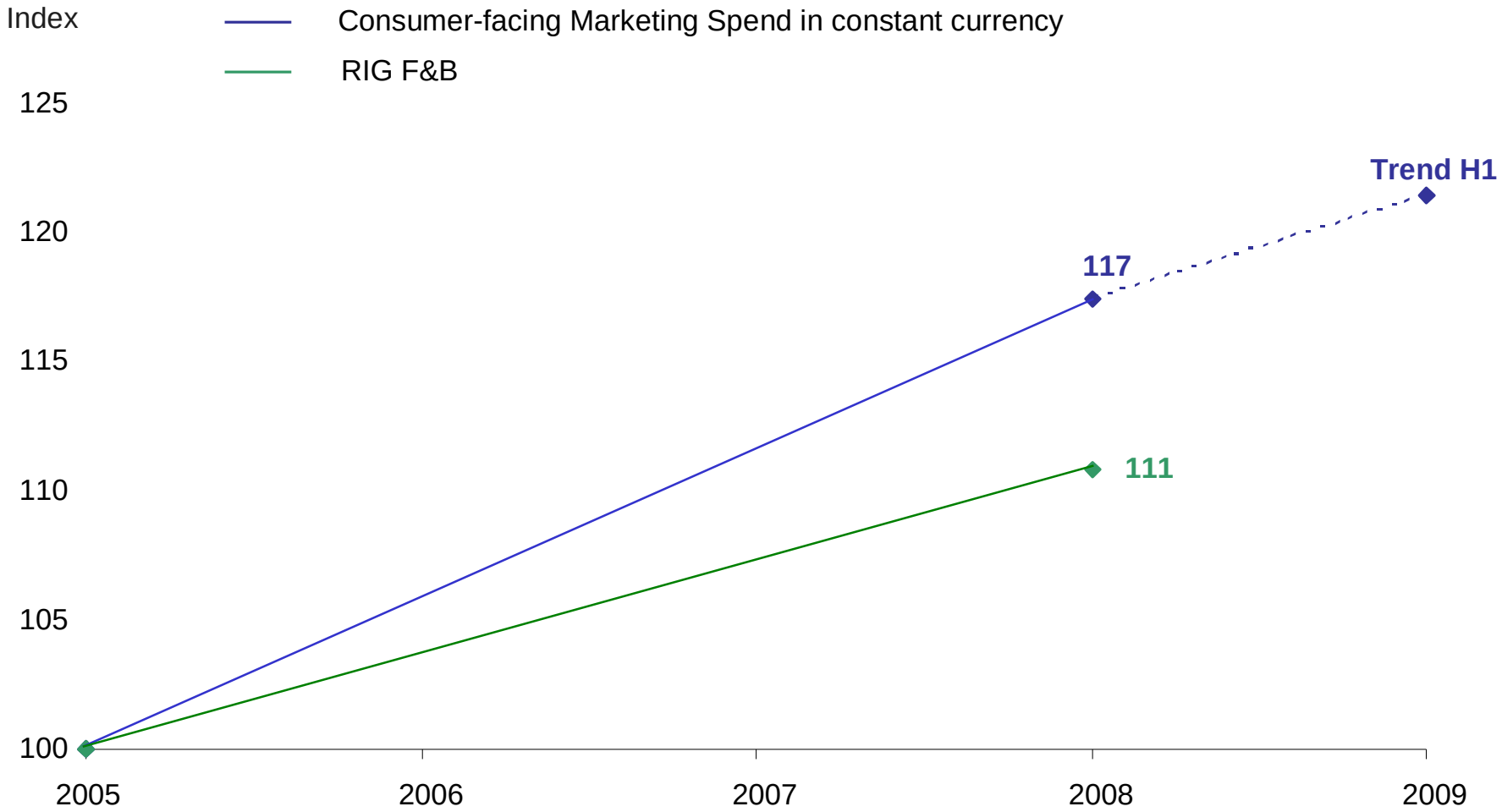
2009 Half Year Results
Key Factors of Margin Improvement

GROUP EBIT MARGIN +30 bp (+30 constant currencies)
F&B EBIT MARGIN +10 bp (+20 constant currencies)

+ Efficiencies - Input costs	+ Efficiencies + Input costs	+ Efficiencies - Consumer-facing spend	- Increased R&D investment



Investment in Consumer-Facing Marketing Spend Outpaces RIG



P&L: EBIT to Net Profit

As % of sales	H1 2008	**H1 2009**	Diff. basis points (rounded)
EBIT	**13.8**	**14.1**	**+ 30**
Other income/expenses	(0.4)	(0.4)	0
Net Financial income/expense	(1.0)	(0.6)	+ 40
Profit before taxes & Associates	**12.4**	**13.1**	**+ 70**
Taxes	(3.0)	(3.1)	- 10
Share of results of Associates	1.1	1.0	- 10
Profit for the period	10.5	11.0	+ 50
Attributable to non-controlling interests (*increased Alcon N-CI)	(0.7)	(1.3*)	-60*
Attrib. to the shareholders of the parent (Net profit)	9.8	9.7	- 10
Underlying EPS	**1.41**	**1.46**	**+3.5%**
Constant currencies			**+8.5%**

Financial Position

- Good working capital management
  - continued good management of payables/receivables
  - exploiting H1 '08 inventory build-up
- Strong cash flow performance
  - Operating cash flow: CHF6.4bn
  - Free cash flow: CHF4.4bn
- Buy-back on-track: CHF1.5bn H1 (CHF4bn FY)
- Net debt of CHF17.4bn

Summary

First Half 2009:

- A strong financial performance:
  - Organic growth builds on strong performance in 2008
  - EBIT margin improvement, with increased brand investment
  - Good cash flow and working capital performances

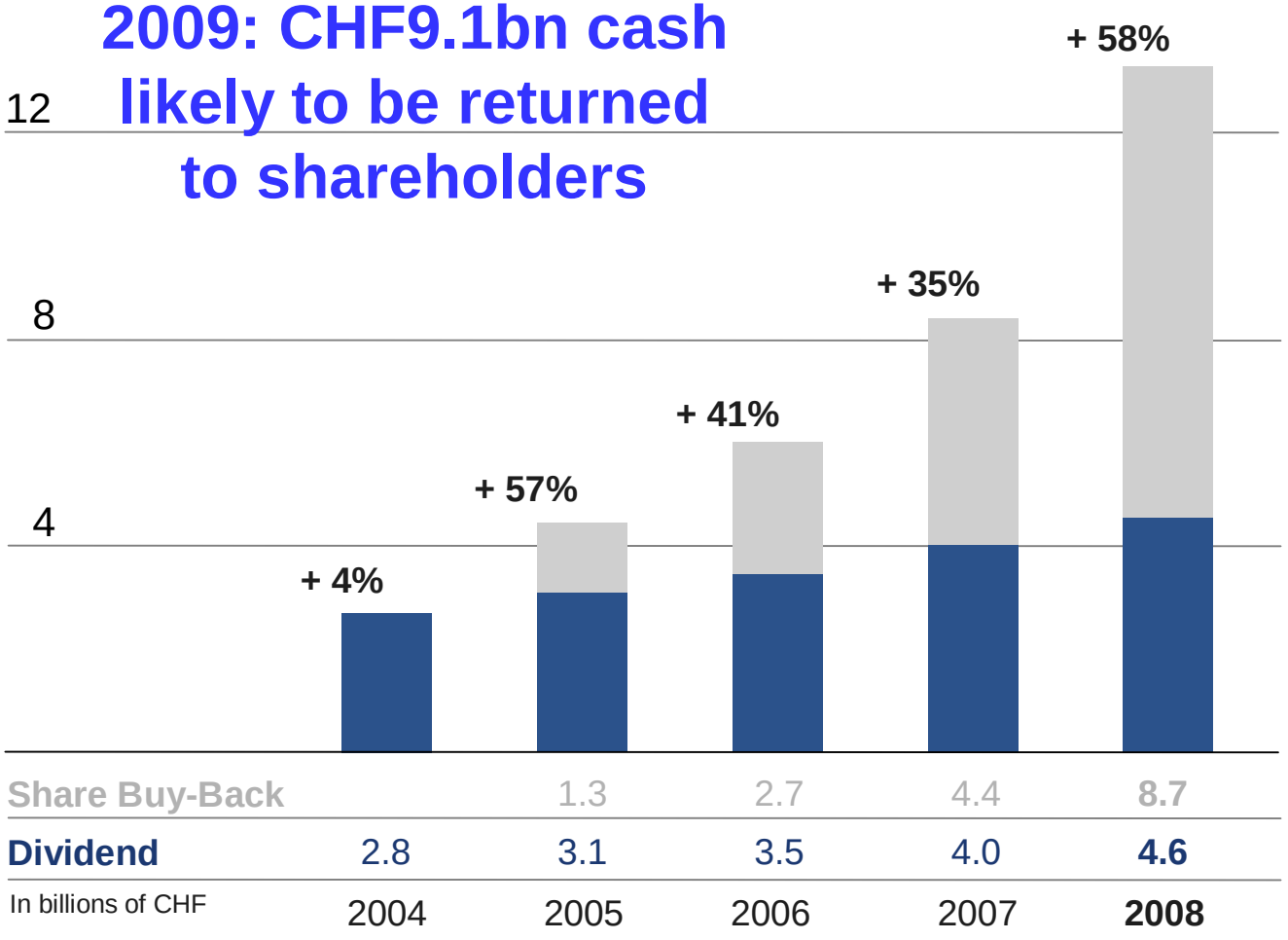
Full year 2009:

- Focus is on "Acceleration" of initiatives that bring efficiencies and drive growth
- EBIT margin improvement in constant currencies and organic growth to accelerate in the second half

Appendix Slides

Total Cash Returned to Shareholders

2009: CHF9.1bn cash likely to be returned to shareholders



2005-09: CHF41.4bn returned to shareholders

Significant Impact of FX

CHF per	HY 2008	HY 2009	(%)
U.S. Dollar (1)	1.05	**1.13**	**+ 7.8**
Euro (1)	1.61	**1.51**	**- 6.2**
£ Sterling (1)	2.07	**1.68**	**- 18.8**
Real (100)	61.94	**51.66**	**- 16.6**
Mex. Peso (100)	9.88	**8.17**	**- 17.3**
Yen (100)	1.00	**1.18**	**+ 18.2**

Weighted Average Exchange Rates

Operating Segment FX Impact On Sales

(%)	1Q09	HY09
Zone Europe	-11.5	**-10.8**
Zone Americas	-1.5	**-0.7**
Zone AOA	-6.4	**-4.6**
Nestlé Waters	-0.8	**-0.6**
Nestlé Nutrition	-4.1	**-3.4**
Other F&B	-7.2	**-6.7**
Total F&B	**-5.5**	**- 4.7**

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