



Nutrition, Health and Wellness in Food and Beverages



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.



Nestlé's Dairy Business

A dynamic business contributing to the Group vision
in Nutrition, Health and Wellness

Tom S. Coley
Head of Dairy SBU

- Develop winning strategies for:
 - Consumer
 - Capital
 - Technology
 - Route to market
- Develop and drive consumer-led and science-push innovations & renovations
- Develop People - core competent:
 - In SBUs and Markets
 - Strategic
 - Inspired and inspiring leaders



Sales: CHF 10.8 Billion
Organic Growth: 7.1 % (2006)

NIDO is a 'Billionaire' brand



- Nestlé's third largest brand (2006 Sales: CHF 2.9 bio)
- The No 1 wellness brand for Nestlé
- The largest brand in the Dairy SBU, in over 50 markets
- NIDO - one of our largest and most profitable businesses
- NIDO – consistent growth over the years: CAGR 11% in last 3 years

Ambition to lead the mother/child 1 to 6 years
of age franchise.....



.....by providing nutrition solutions to children's needs

Guided by '*Nurturing*' as the brand essence



Video
Clips

Consumer-oriented Science Building Blocks will enable us to continue drive the category...



NURTURING

Consumers

I&R Pipelines

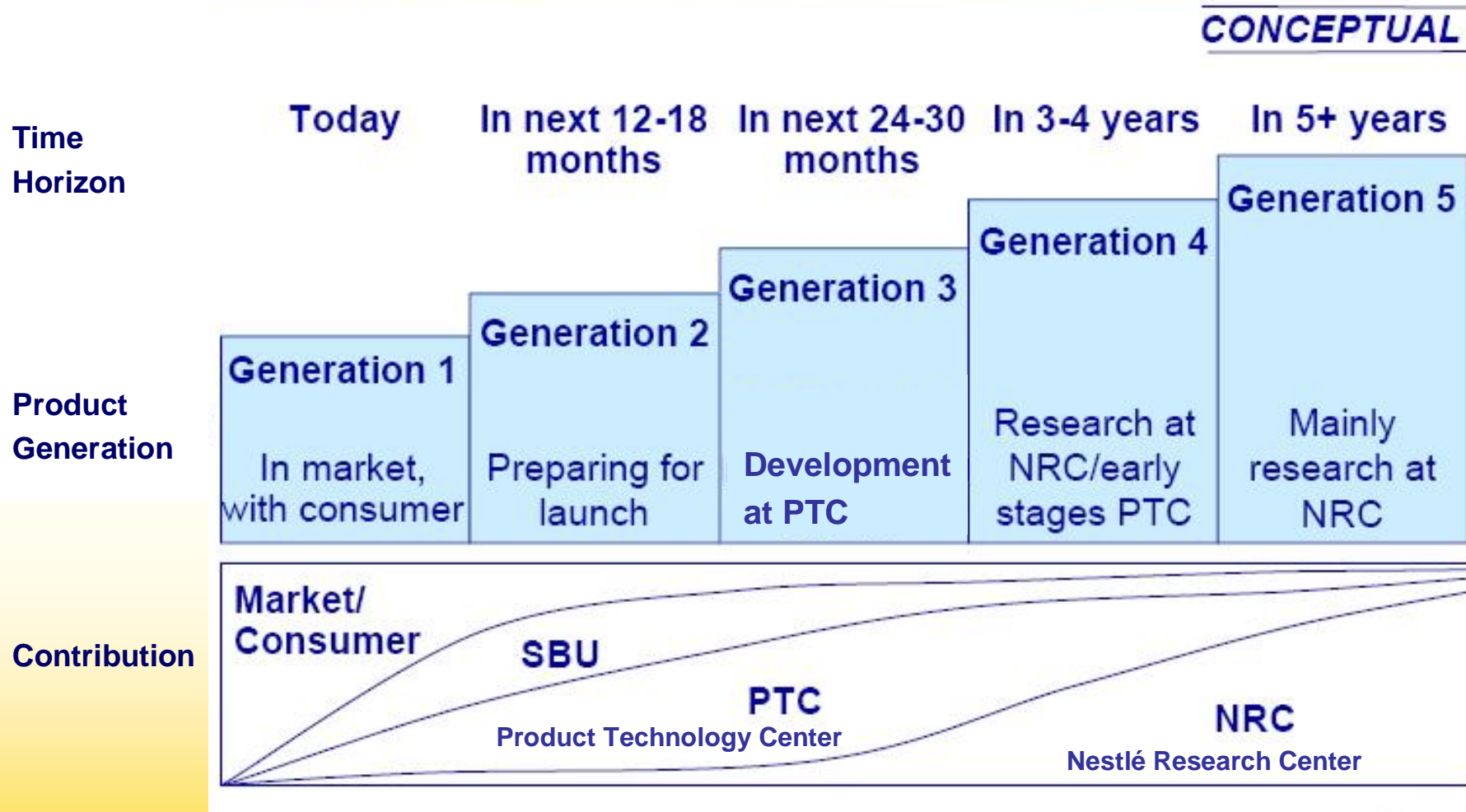
**Actionable
Consumer
Insights**

**PTC Technology/
Deployment**

**Desired
Consumer Benefits**

**Leveraging
NRC Science**

...translated into 5 generation I&R pipeline



Adding value to the business



PHILIPPINES



the power of protection

Introducing new **NIDO 1+**
with **Lactobacillus PROTECTUS™**
the latest innovation in milk nutrition

The 3-Point Revolution

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1 The Only Milk With Live Lactobacillus PROTECTUS™
NIDO 1+ is the first to introduce Lactobacillus PROTECTUS™ in a milk powder. It is a live microorganism that helps build your child's body defenses.
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2 How It Works
Once NIDO 1+ is mixed with water, the Lactobacillus PROTECTUS™ multiplies by the millions and when consumed start to boost your child's immune system.
- 
3 Active Protection And More!
NIDO 1+ also has Prebio¹ – a unique blend of natural fiber – and essential vitamins and minerals that further strengthen his immune system. Plus DHA for visual and mental development.

Continuous Drinking = Continuous Protection

The Nestlé Research Center
This milk innovation was scientifically developed by the Nestlé Research Center in Switzerland, a pioneer in nutrition research. The Nestlé Research Center's scientists, doctors and nutritionists work constantly to improve nutritional standards the world over.

The NIDO Nutrition System

Protecting the world's No.1 child

Age 1 is the **Discovery Stage**. Your child starts to walk and explore the world around him. He needs protection now, more than ever for him to discover the world and go further.



Video
Clips

Compelling benefits provide good reasons
for consumer to trade-up



.....and address the bottom of the pyramid

Reinventing the Category





- A leading Mega Brand driven by consumer insight and science
- Contributing to Group vision in nutrition, health and wellness
- Further potential for growth by expanding to untapped segments and geographies
- A dynamic business with strong growth & high returns

Nestlé Investor Seminar 2007

