

Nutrition, Health and Wellness as a Growth Engine



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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.

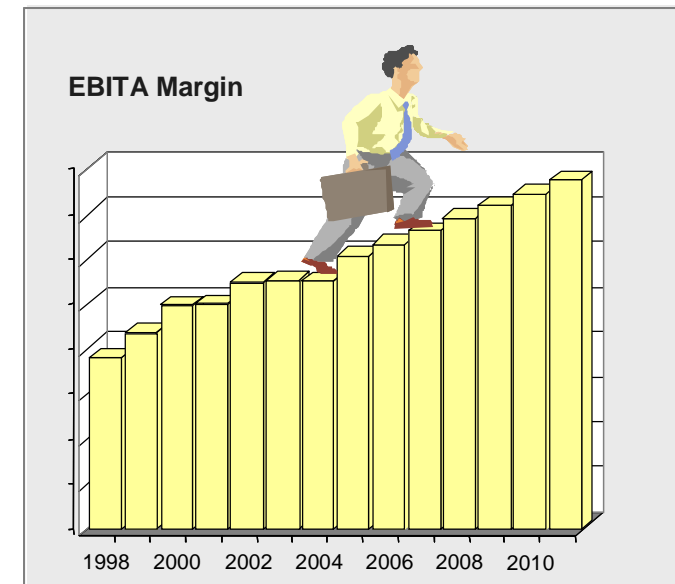
1. Sustainable **Organic Growth** of 5 - 6%

2. Continued year after year
improvement of **EBIT** margin

→ *focus on F&B*

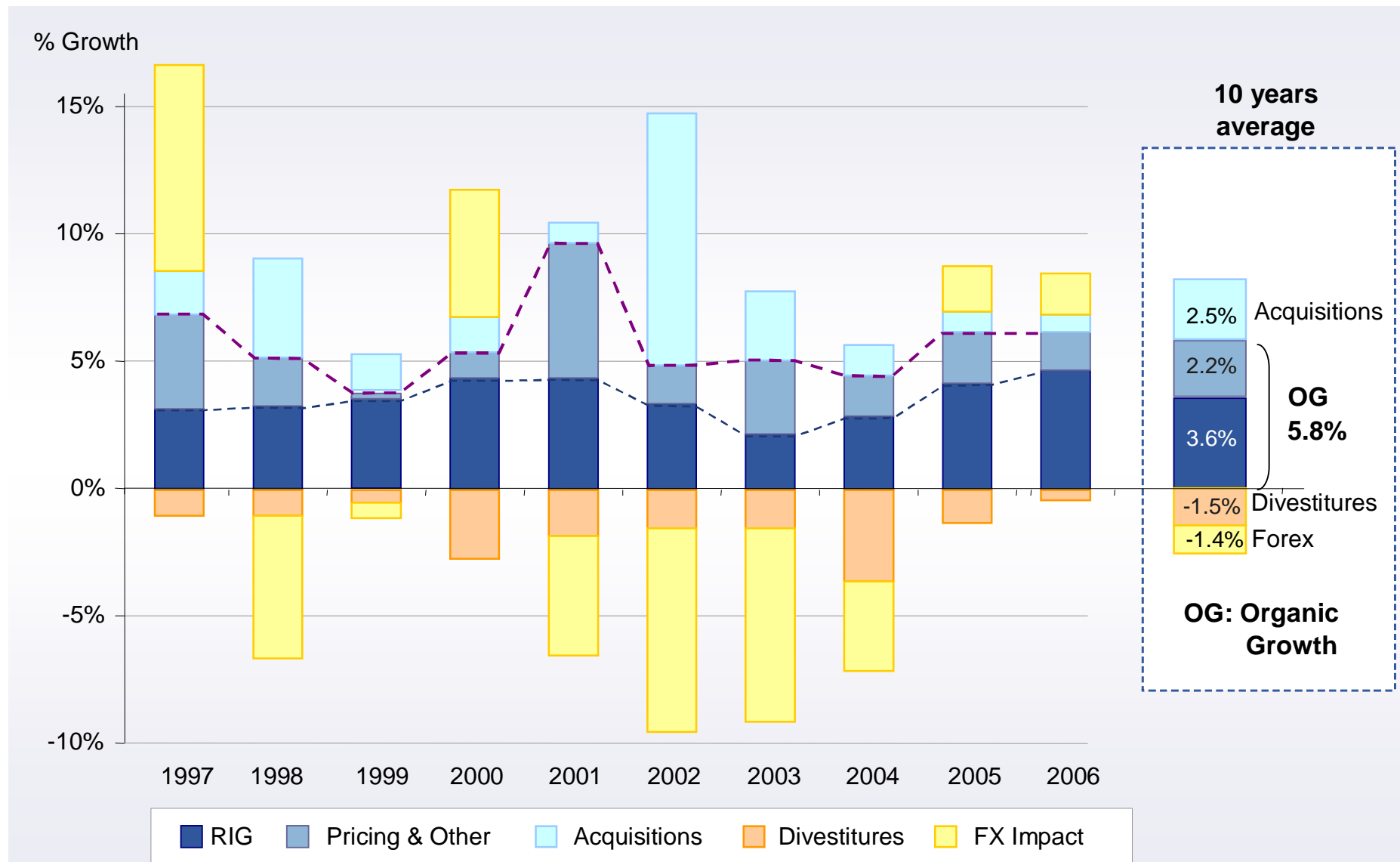
3. Responsible **capital management**
(Working Capital / Business ROIC)

→ *focus on F&B*

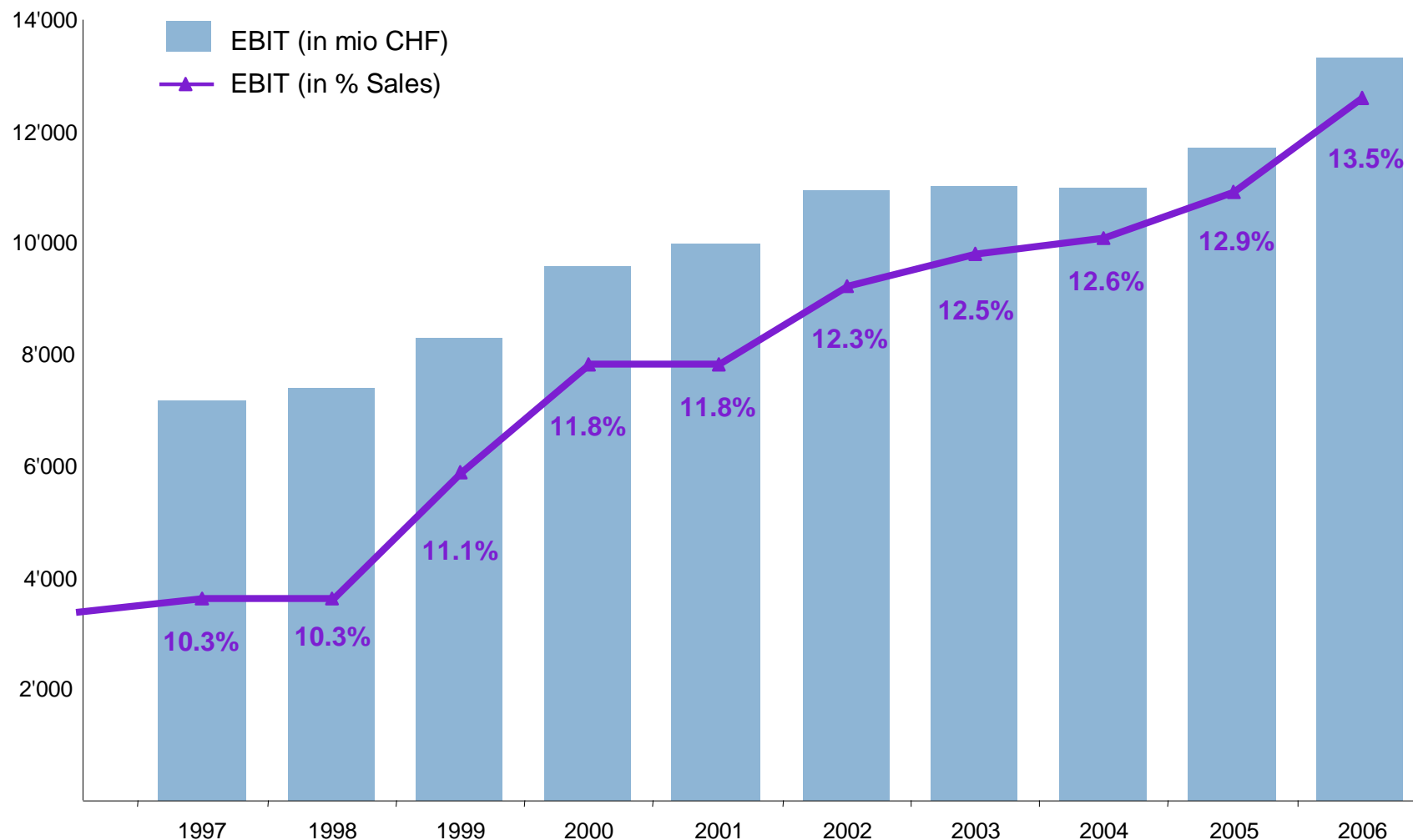


**Resulting in an industry outperforming,
long-term total shareholder return**

Organic Growth 5.8% in average over last 10 years



Group EBIT Margin over last 10 years 30 bps improvement in average per annum



Figures correspond to published figures - not restated for accounting changes

Acquisitions

+

Divestitures



Chilled Dairy Europe



Perrier bottle making



Japanese vending



Schöller Private Label



Liquid milk businesses in Asia



Vlachas (Dairy) Greece



“It is not the strongest of the species which survives, nor the most intelligent. It is those most adaptive to change.”

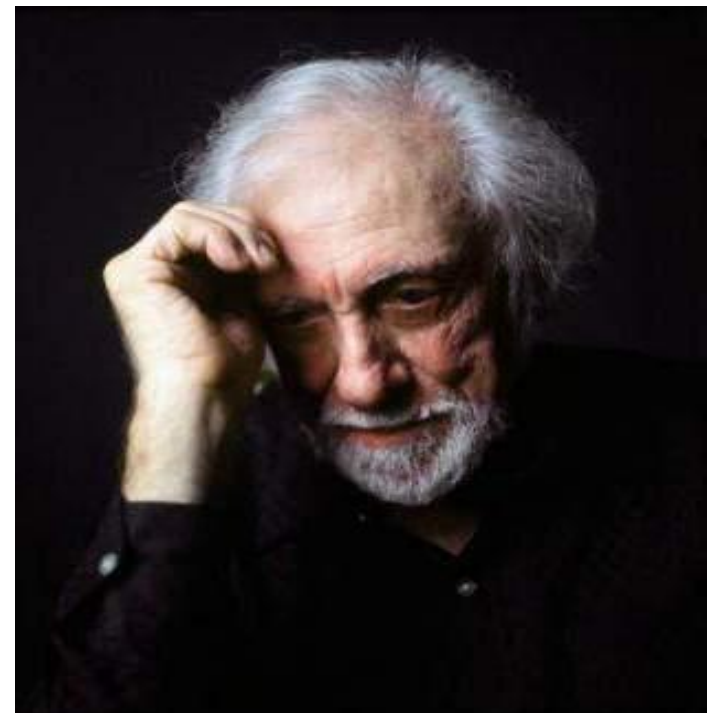
Charles Darwin

Growing & Ageing population

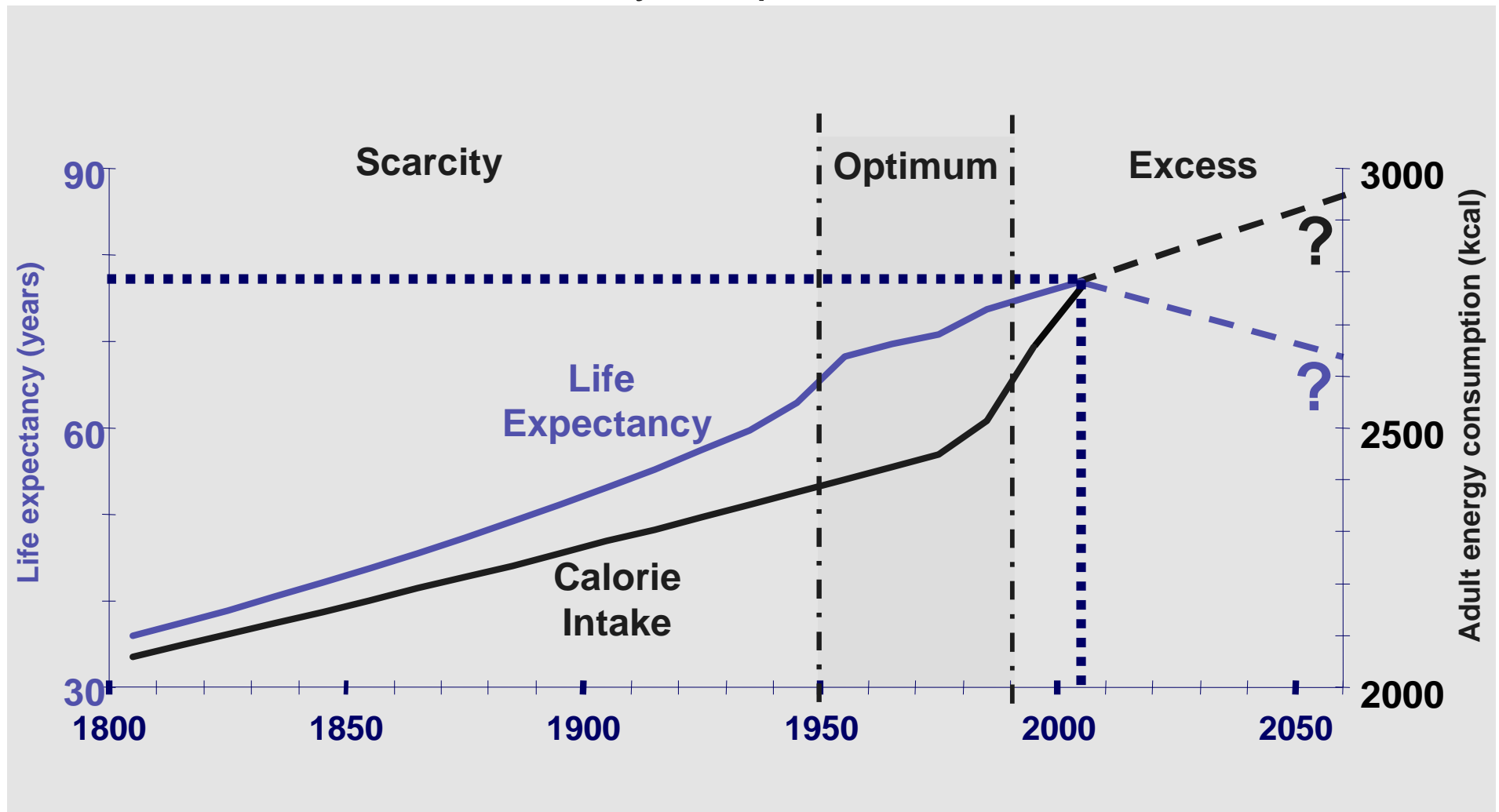


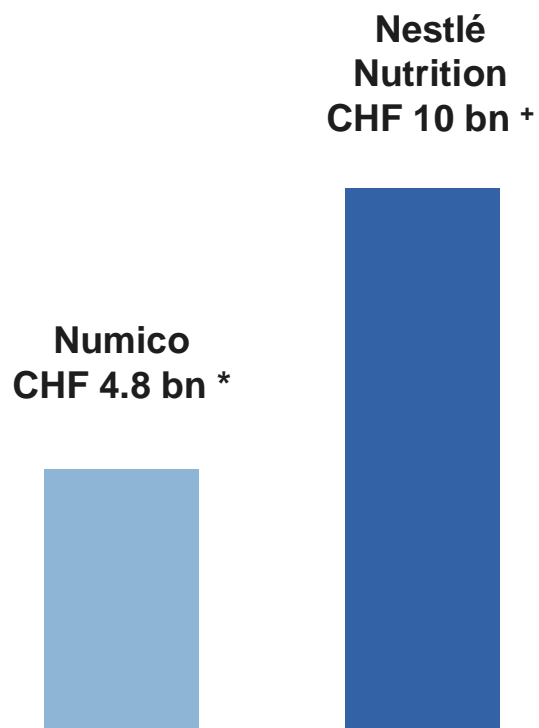
World population is expected to increase by **2.6 billion** to **9.1 billion** in 2050 from over **6.5 billion** in 2005

Percentage of people aged 60 years & older will grow to **21%** in 2050 from **10%** in 2000



From calorific scarcity to optimum to excess





* 2007E Rabo Securities CHF/EUR = 1.6

+ 2007 FY run-rate including recent acquisitions

Nestlé Nutrition Critical mass leveraging Scale



Numico
CHF 4.8 bn *

Nestlé
Nutrition
CHF 10 bn +

Nestlé
Nutrition
+ BABs
CHF 14 bn +

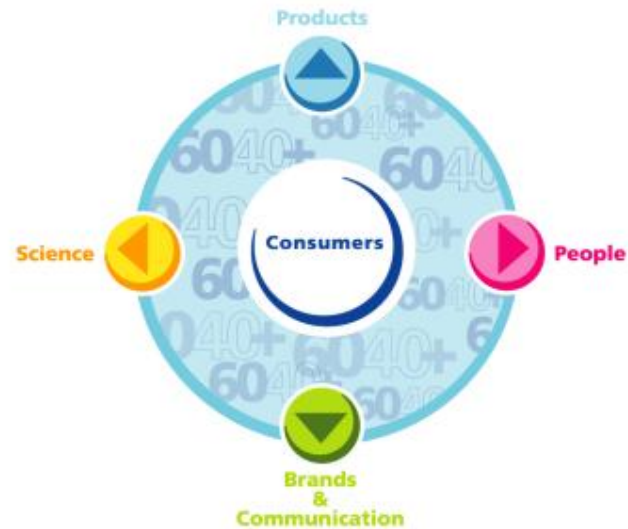


Adding relevant **nutrition, health & wellness benefits** to strong brands in a **proprietary** way

* 2007E Rabo Securities CHF/EUR = 1.6

+ 2007 FY run-rate including recent acquisitions

Corporate Wellness Unit



Exploiting scale & nutrition know-how
to leverage bigger, better innovation faster

Opportunity

- | | |
|---|---------|
| Ø Nutrition & affordability in developing markets | \$70bn |
| Ø Nutrition, health and wellness in Nestlé Food and Beverages | \$75bn |
| Ø Nutrition for specific need states | \$100bn |



Popularly Positioned Products:

winning the emerging
consumer

A \$70 billion opportunity

Opportunity

Ø Nutrition & affordability in developing markets	\$70bn
Ø Nutrition, health and wellness in Nestlé Food and Beverages	\$75bn
Ø Nutrition for specific need states	\$100bn



Beauty

BODY ENHANCEMENT



Vitality

BONE HEALTH



HEART HEALTH



Opportunity

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Science aligned with consumer benefits

Health Benefits

- Protection
- Growth & development
- Digestive comfort
- Weight management
- Performance
- Healthy ageing
- Skin health & beauty



Breakthrough innovations and bolder solutions...



BABs



Extrusion technology

eg LTF*



Booster technology

2002:
Coffee



2004:
Creamer



Next:
Culinary



Packaging

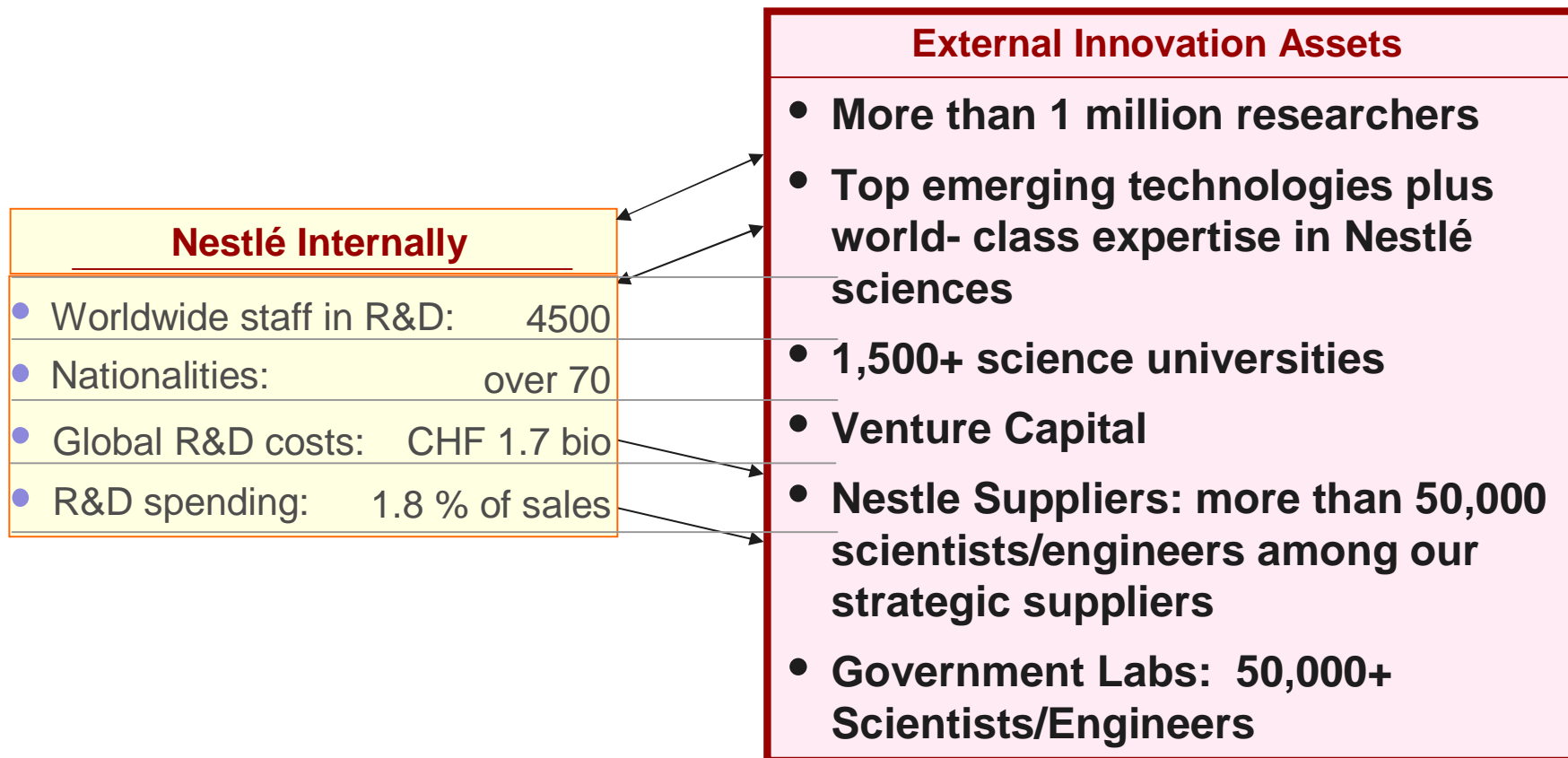


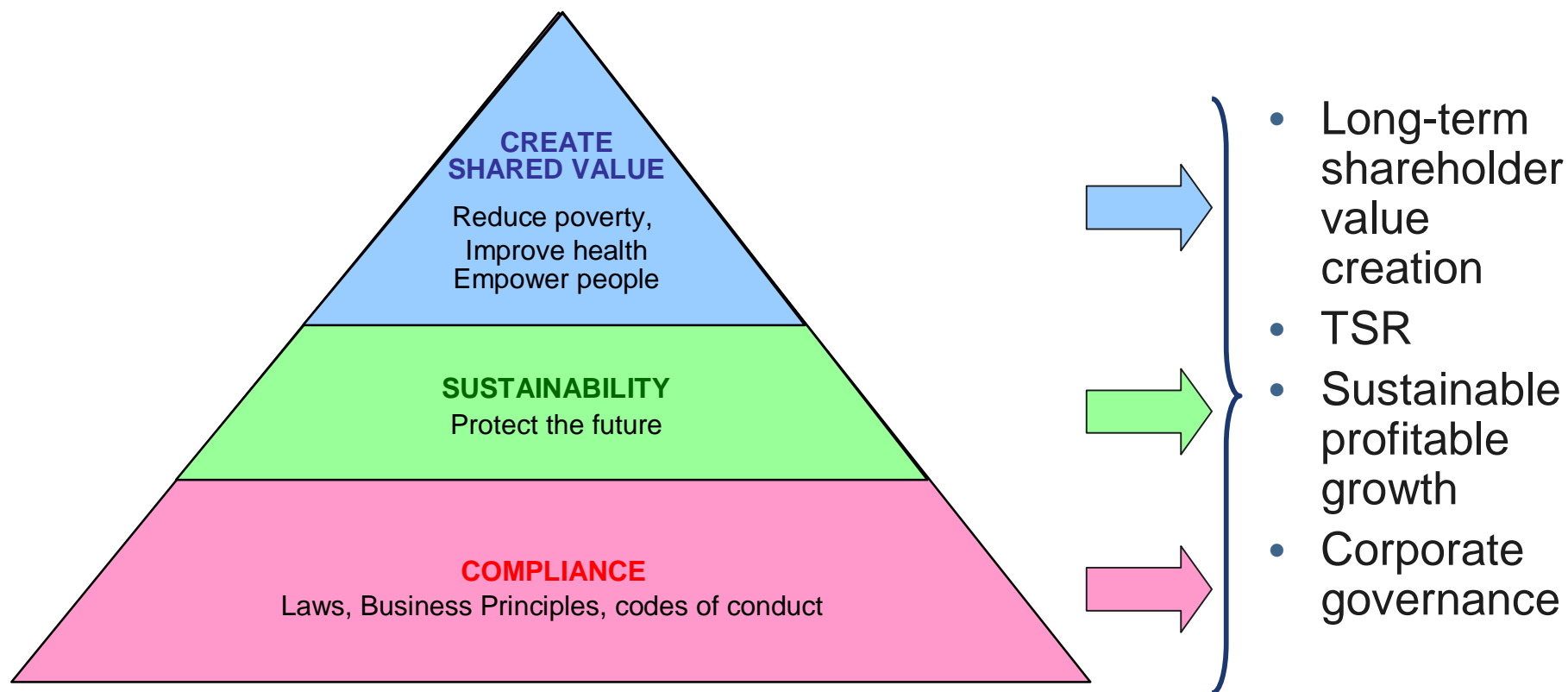
Systems



* LTF: Low temperature freezing/ Ice cream

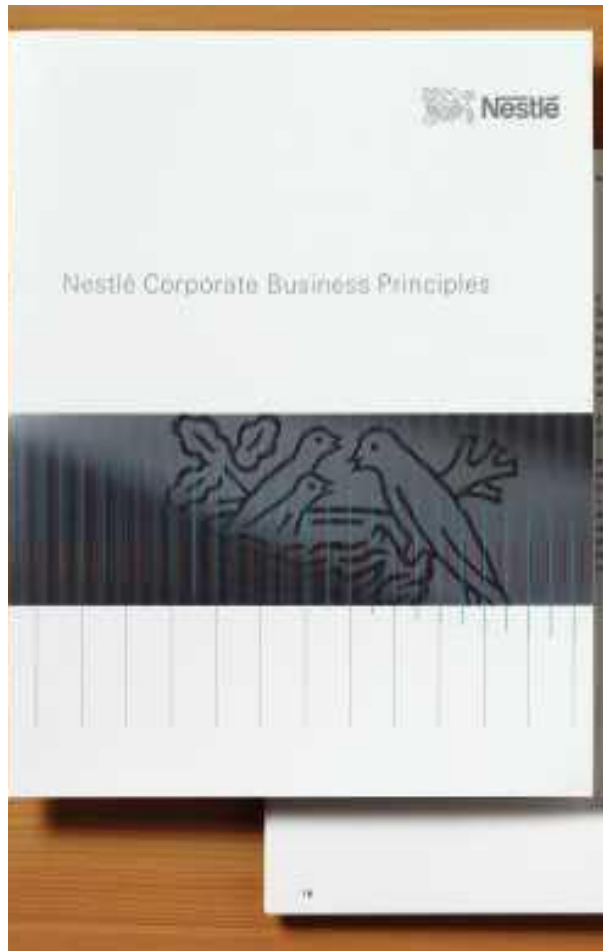
Opening the R&D process to significant external innovation assets





The creation of sustainable shareholder value is dependent upon creating sustainable value in communities where Nestlé operates

Nestlé Corporate Business Principles



The Nestlé commitment to Africa



120+ projects supporting UNDG 2006
CSR reports: Africa 2005, Latin America 2006

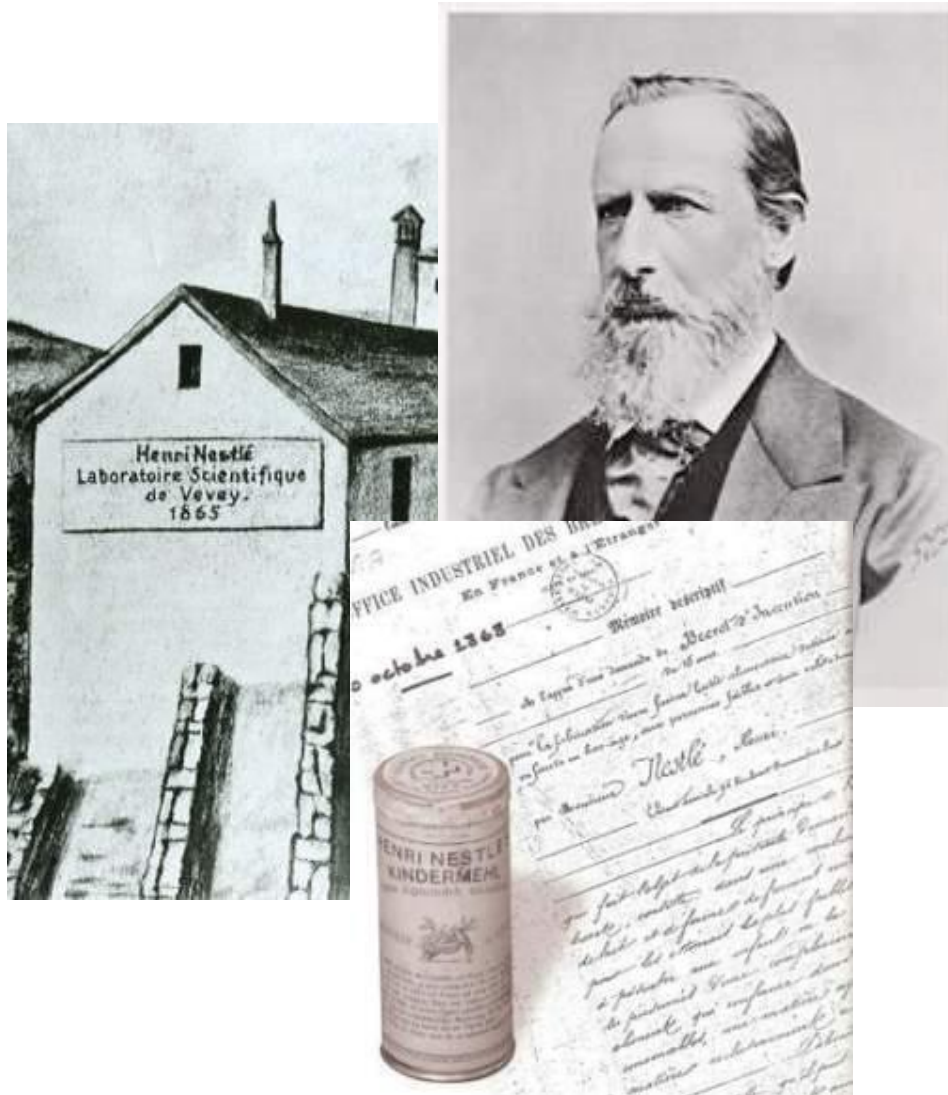
CSR = Corporate Social Responsibility

Consumer needs in mid-19th century: **Scarcity of calories for infants**

- Death in first year of life
 - Europe: 15% to 25%
 - Switzerland: 1 in 5
- Key factors
 - Socio-economics
 - General hygiene
 - **Nutrition**
- Infant nutrition on market
 - Wet nurses
 - Different animal milks
 - Milk & flour mixtures



Henri Nestlé: Science-based approach to infant nutrition



- Nestlé's infant cereal
 - Based on **scientific criteria** for infant nutrition
 - **Innovation**: based on more than 30 years of **research**
- Breakthrough in 1867
 - Premature baby: sick, weak, unable to feed
 - Neighbour suggests using Nestlé's infant food product, which saved the baby's life

Developing products for today's nutritional needs



- Applying 140 years' nutrition knowledge
 - Building ranges (water, dairy, etc)
 - Renovating/ reformulating (less fat, sugar, salt)
 - Innovating across categories (branded active benefits)
- Making nutrition key to all our activities
 - **Nestlé Research Centre**
 - **Corporate Wellness Unit**: cross-business driver



**We plan to deliver the Nestlé Model
annually over the next 10 years**

**5-6% organic growth
Sustainable improvement in EBIT margin
Improving trend in Return on Invested Capital**



