



NESTLÉ S.A.

Cham and Vevey, 20 March 2009

Invitation to the Annual General Meeting

Dear Shareholder,

We have the honour to invite you to the

142nd Annual General Meeting

to be held on Thursday, 23 April 2009, at 2:30 p.m.
at the "Palais de Beaulieu", Avenue des Bergières 10, 1004 Lausanne, Switzerland.

Agenda and Proposals of the Board of Directors

1 2008 Management Report

- 1.1 2008 Annual Report, financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group; reports of the statutory auditors

Proposal

Approval of the 2008 Annual Report, financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group

- 1.2 Advisory vote on the 2008 Compensation Report

Proposal

Acceptance of the 2008 Compensation Report (non-binding advisory vote)

Explanation

While the Swiss legislation on the issue of the compensation granted to the members of the Board of Directors and the Executive Board is under revision, the Board of Directors decided to submit the 2008 Compensation Report to a separate advisory vote of the shareholders in accordance with the Swiss Code of Best Practice for Corporate Governance. The Compensation Report is an appendix to the Corporate Governance Report included in the Management Report.

2 Release of the Board of Directors and of the Management

Proposal

Release of the members of the Board of Directors and of the Management

3 Appropriation of profits resulting from the balance sheet of Nestlé S.A.

Proposal

Retained earnings

Balance brought forward from 2007	CHF	730 608 258
Profit for the year 2008	CHF	16 160 468 011
	CHF	<u>16 891 076 269</u>

Proposed appropriation

Transfer to the special reserve	CHF	11 000 000 000
Dividend for 2008, CHF 1.40 per share on 3 662 222 000 shares ¹	CHF	5 127 110 800
	CHF	<u>16 127 110 800</u>
Balance to be carried forward	CHF	<u>763 965 469</u>

Provided that the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 1.40 per share. After payment of the Swiss withholding tax of 35%, a net amount of CHF 0.91 per share will be payable as from 29 April 2009 to all shareholders on record on 28 April 2009. The shares will be traded ex dividend as of 29 April 2009.

4 Elections

4.1 Re-elections to the Board of Directors

Proposal

Individual re-elections of Mr. Daniel Borel and Mrs. Carolina Müller-Möhl (each for a term of three years)

Explanation

At the Annual General Meeting of 23 April 2009 the mandates as Directors of Professor Günter Blobel, Mr. Kaspar Villiger, Mr. Daniel Borel and Mrs. Carolina Müller-Möhl will expire.

Professor Günter Blobel will not stand for re-election due to the age limit set forth in the Board Regulations, whereas Mr. Kaspar Villiger has decided not to seek a new mandate for reason of his candidacy as Chairman of the Board of Directors of a Swiss bank. The Board wishes to extend its gratitude to Mr. Kaspar Villiger and Professor Günter Blobel for their highly appreciated services. Mr. Kaspar Villiger joined the Board in 2004 and served as a member of the Chairman's and Corporate Governance Committee, the Audit Committee and the Finance Committee, and most recently as Chairman of the Nomination Committee. Professor Günter Blobel was a member of the Board since 2005 where he enriched the discussions with his great scientific knowledge.

The Board proposes the individual re-elections of Mr. Daniel Borel, Swiss, born 1950, co-founder of Logitech, and Mrs. Carolina Müller-Möhl, Swiss, born 1968, President of the Müller-Möhl Group. They have provided valuable services to the Company as members of the Board of Directors.

For further details on the nominees, see biographies on the internet (www.nestle.com).

4.2 Election of the statutory auditors

(financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group)

Proposal

Election of KPMG S.A., Geneva branch (for a term of one year)

¹ Depending on the number of shares issued as of the dividend record date (28 April 2009).

5 Capital reduction

Proposal

Cancellation of 180 000 000 shares repurchased under the share buy-back programme launched on 24 August 2007, and reduction of share capital by CHF 18 000 000

Article 3 of the Articles of Association shall be amended accordingly as follows:

«Article 3 Share capital

The share capital of Nestlé is CHF 365 000 000 (three hundred sixty five million Swiss francs) divided into 3 650 000 000 fully paid up registered shares with a nominal value of CHF 0.10 each.»

Explanation

On 24 August 2007, Nestlé S.A. launched its current share buy-back programme over a second trading line on SWX Europe.

The Board of Directors proposes that the shareholders approve the cancellation of 180 000 000 shares repurchased over the second trading line on SWX Europe and that the share capital in Article 3 of the Articles of Association be reduced accordingly.

In an audit report for the Annual General Meeting, the auditors KPMG Klynveld Peat Marwick Goerdeler S.A. confirmed that the claims of the creditors are fully covered even after the capital reduction.

The capital reduction by cancellation of shares can only be accomplished after publication of three notices to creditors in accordance with Article 733 of the Swiss Code of Obligations. Such notices to creditors will be published after the Annual General Meeting in the Swiss Official Gazette of Commerce. After lapse of the two-month waiting period required by law, the capital reduction can be effected and entered in the Commercial Register.

Admission cards

Only shareholders who are on record in the share register with voting rights on 16 April 2009 at 12:00 noon are entitled to exercise their voting rights. The registration of shares for voting purposes does not affect the tradeability of such shares.

All shareholders registered with voting rights on 27 March 2009 will automatically receive by mail the invitation to the Annual General Meeting. They may order their admission card at any time prior to Thursday 16 April 2009, at the latest, from the Share Transfer Office in Cham, by means of the enclosed reply form. The mailing of admission cards will start on Monday 6 April 2009.

Shareholders whose registration in the share register with voting rights is made between 30 March 2009 and 16 April 2009 at 12:00 noon and who wish to attend the Annual General Meeting are asked to contact the Share Transfer Office to order an admission card.

Proxies

If you are unable to attend the Annual General Meeting in person, you can be represented by another person duly appointed by you, by Nestlé S.A. or by the independent representative pursuant to Article 689c of the Swiss Code of Obligations, Mr. Jean-Ludovic Hartmann, attorney, Boulevard de Pérolles 7, CH-1701 Fribourg. The enclosed reply form can be used to grant a proxy as well as to give voting instructions to the independent representative. If the independent representative does not receive written voting instructions for some or all of the proposals, he will vote in favour of the Board of Directors' proposals. Nestlé S.A. will only represent shareholders if they want to approve the proposals of the Board of Directors. All proxies with different instructions will be passed on to the independent representative. Signed proxies left blank will be deemed to be a mandate to Nestlé S.A. to vote in favour of the Board of Directors' proposals. The reply form is to be sent to the Share Transfer Office in Cham or directly to the independent representative by using the appropriate envelope.

Documentation

You will find enclosed the summary of the Management Report 2008 which will give you a brief overview of the financial results of the business year 2008 of Nestlé S.A. and of the Nestlé Group. If you wish to have more detailed information on the financial results and an insight into our different areas of activity, we invite you to order the full Management Report 2008 by ticking the appropriate box on the attached reply form. Should you also wish to receive the Half-Yearly Report January/June 2009, which will be published in August 2009, we invite you to tick the corresponding box on the same reply form. These documents will also be available on our homepage (www.nestle.com).

Please address all correspondence regarding the Annual General Meeting to the Share Transfer Office of Nestlé S.A., P.O. Box 380, CH-6330 Cham, phone +41 41 785 20 20, fax +41 41 785 20 24 or e-mail shareregister@nestle.com.

Yours faithfully,

NESTLÉ S.A.
BOARD OF DIRECTORS