Nestlé PROFESSIONAL

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Investors Seminar
21 June 2010

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.

Agenda

Nestlé PROFESSIONAL

- The Opportunity
- Winning strategy
- Transformational Opportunity
- Short Term realities
- Global Beverages

What have we done since I last spoke to you?

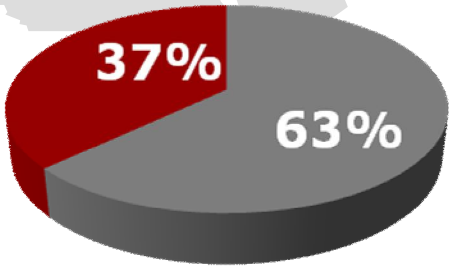
- Winning strategy developed
- Globally managed business created
- Nestlé Professional brand architecture developed
- Transformation journey started
- People plan – Attraction, retention, development
- I&R pipeline food and beverages established

Economic and Financial crisis

An attractive global opportunity

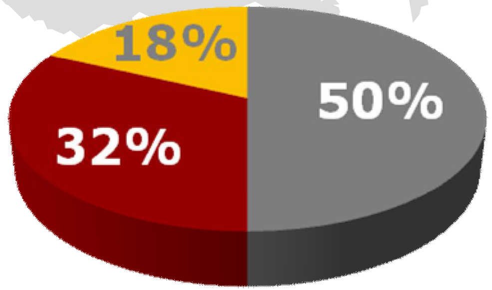
CHF 500 billion market

OOH Sales 2010



■ Developed markets
■ Emerging markets

OOH Sales 2019



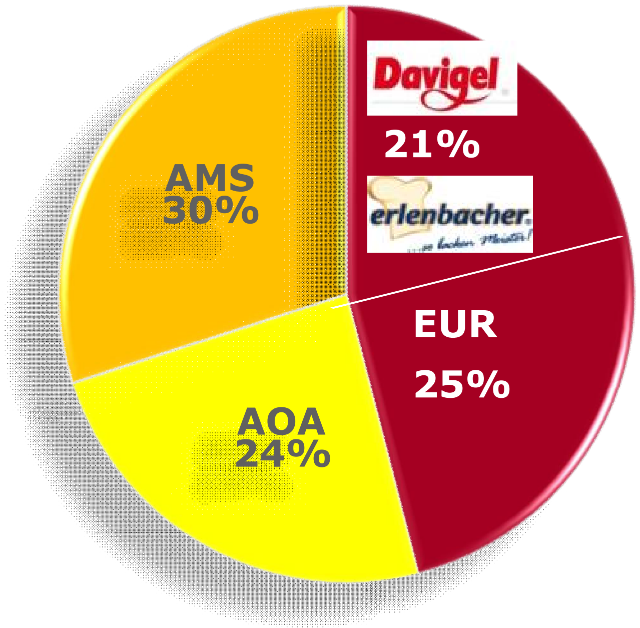
■ Developed markets
■ Emerging markets
■ China

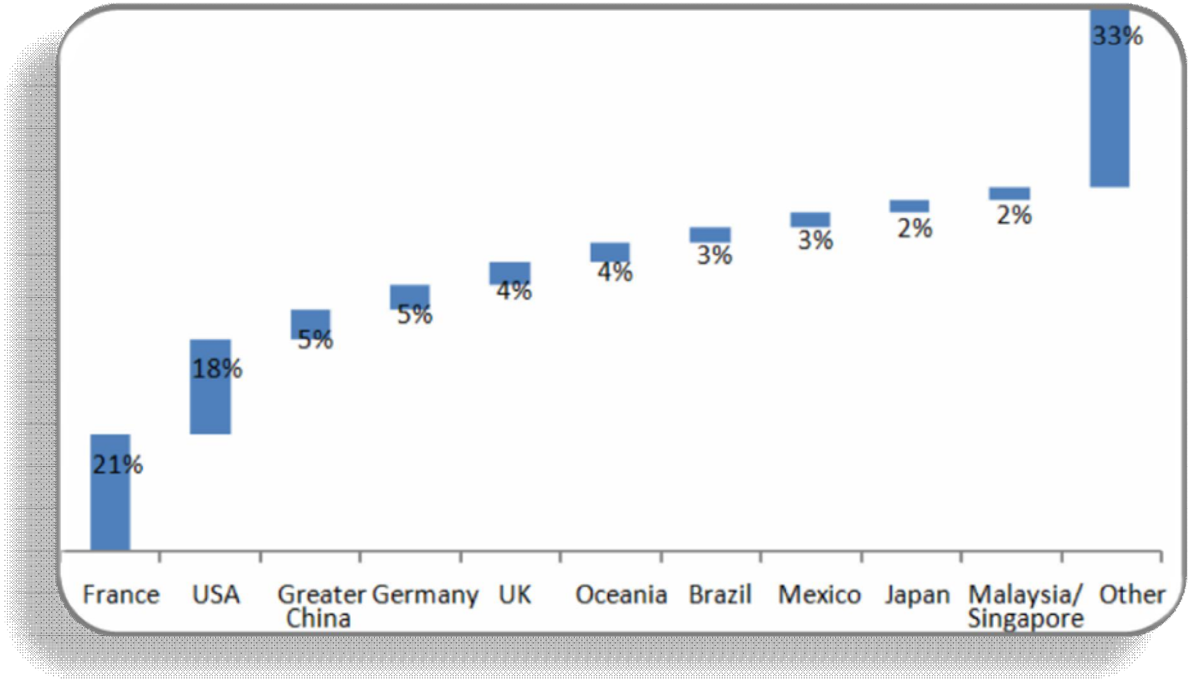
Nestlé PROFESSIONAL Creative Food & Beverage Solutions | KRAFT Foodservice | Unilever foodsolutions | Sara Lee FOODSERVICE | Heinz Foodservice

Top five players account for only 4% of global manufacturer market

▪Source; Pro-Intal, Euromonitor, Nestlé Professional

Broad based sales geographically





Well balanced geographically

Top 10 Markets = 67% of Nestlé Professional

Our strategy

A service-driven customer-focused solutions business in three key areas

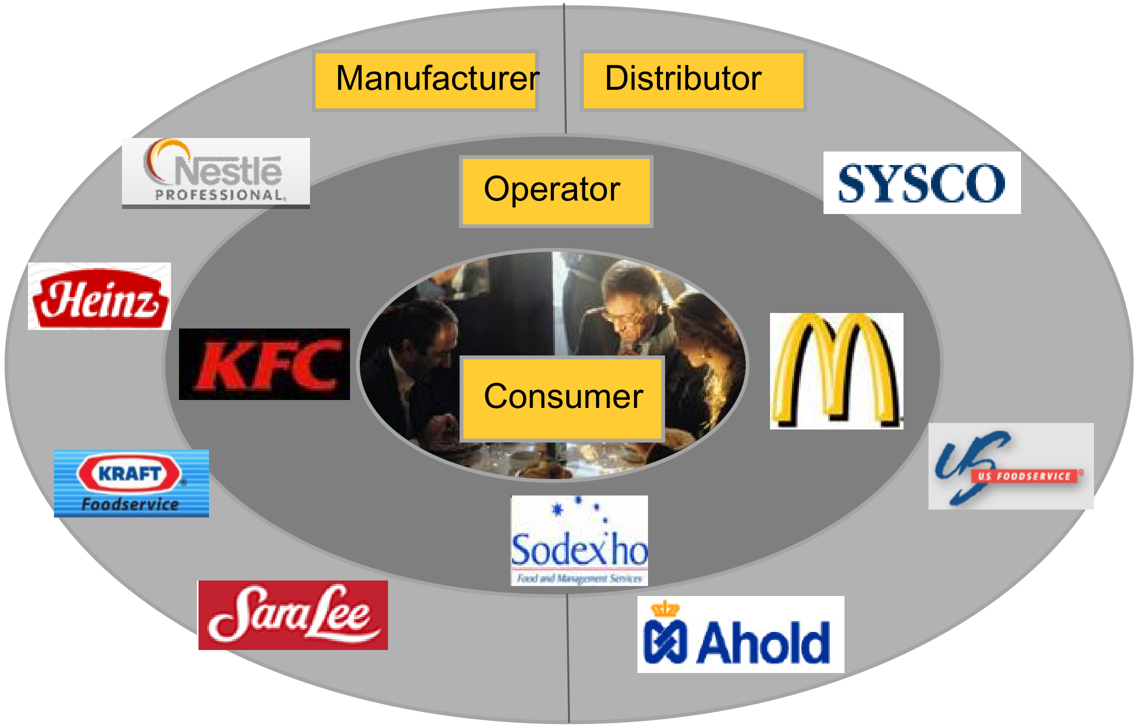
Branded Beverages 37%

Branded Food 42%

Davigel & Erlenbacher 21%

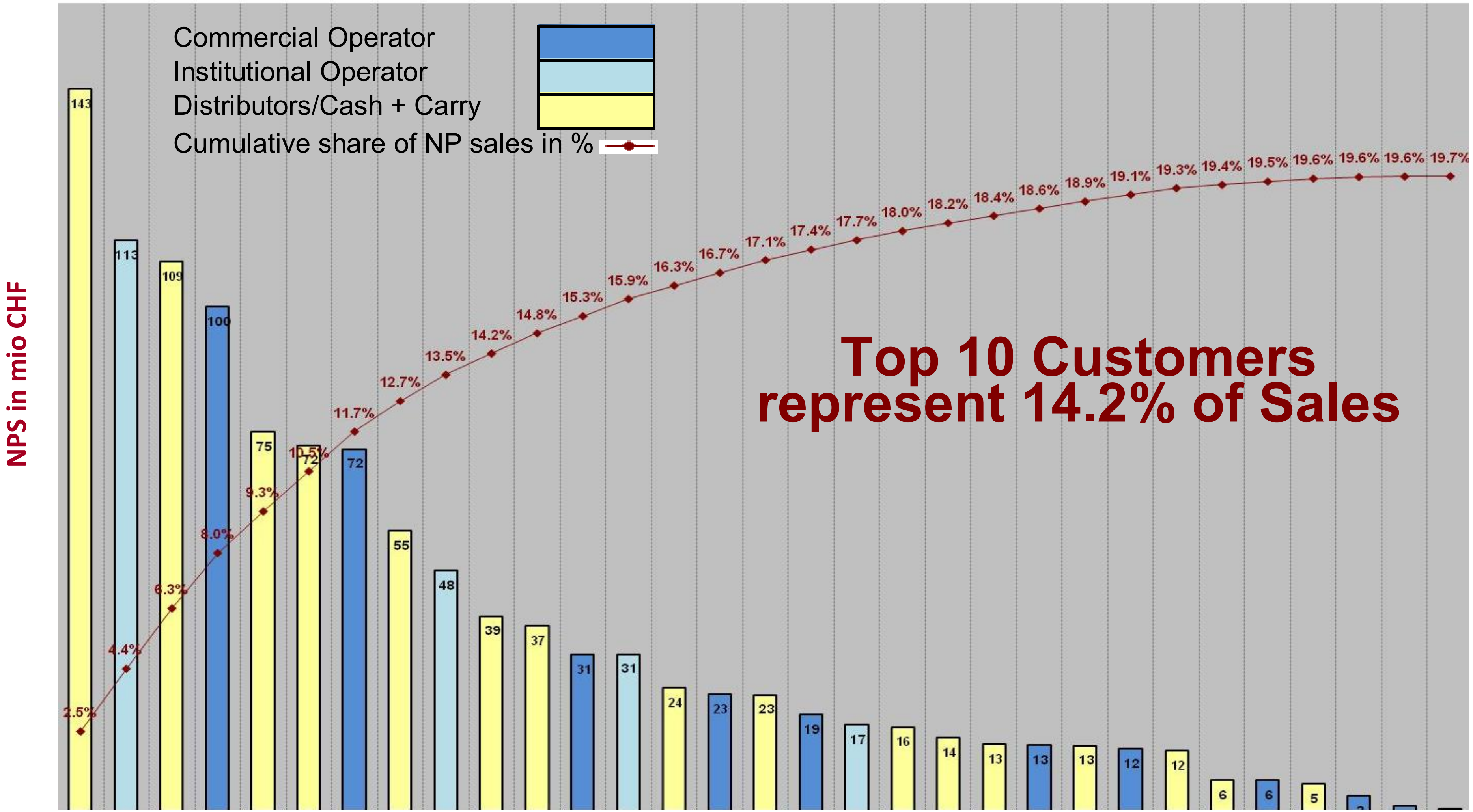
One of the 4 Growth Pillars for the Group, delivering incrementally to the Nestlé Model

Winning with Customers



Consumer insight, customer intimacy - People

Broad based sales by customers



Our Ambition - Branded Beverages

Where we came from

Where we are going

The Global Leader in Branded hot and cold non-carbonated Beverage Solutions

Our Challenge and Opportunity

Optimising this

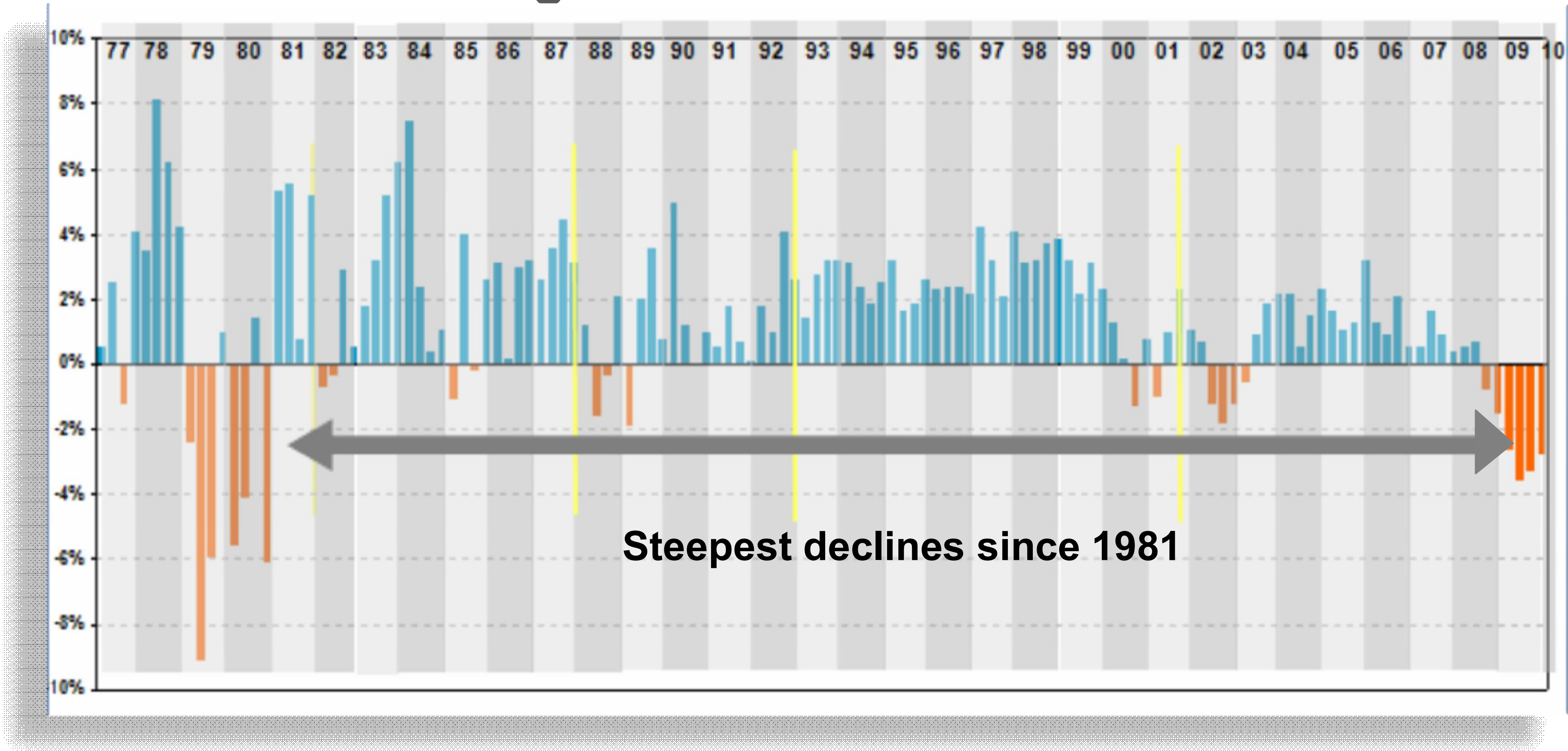
Ingredients

Launching this

Solutions

Dealing with short-term reality

Change in USA restaurant traffic %

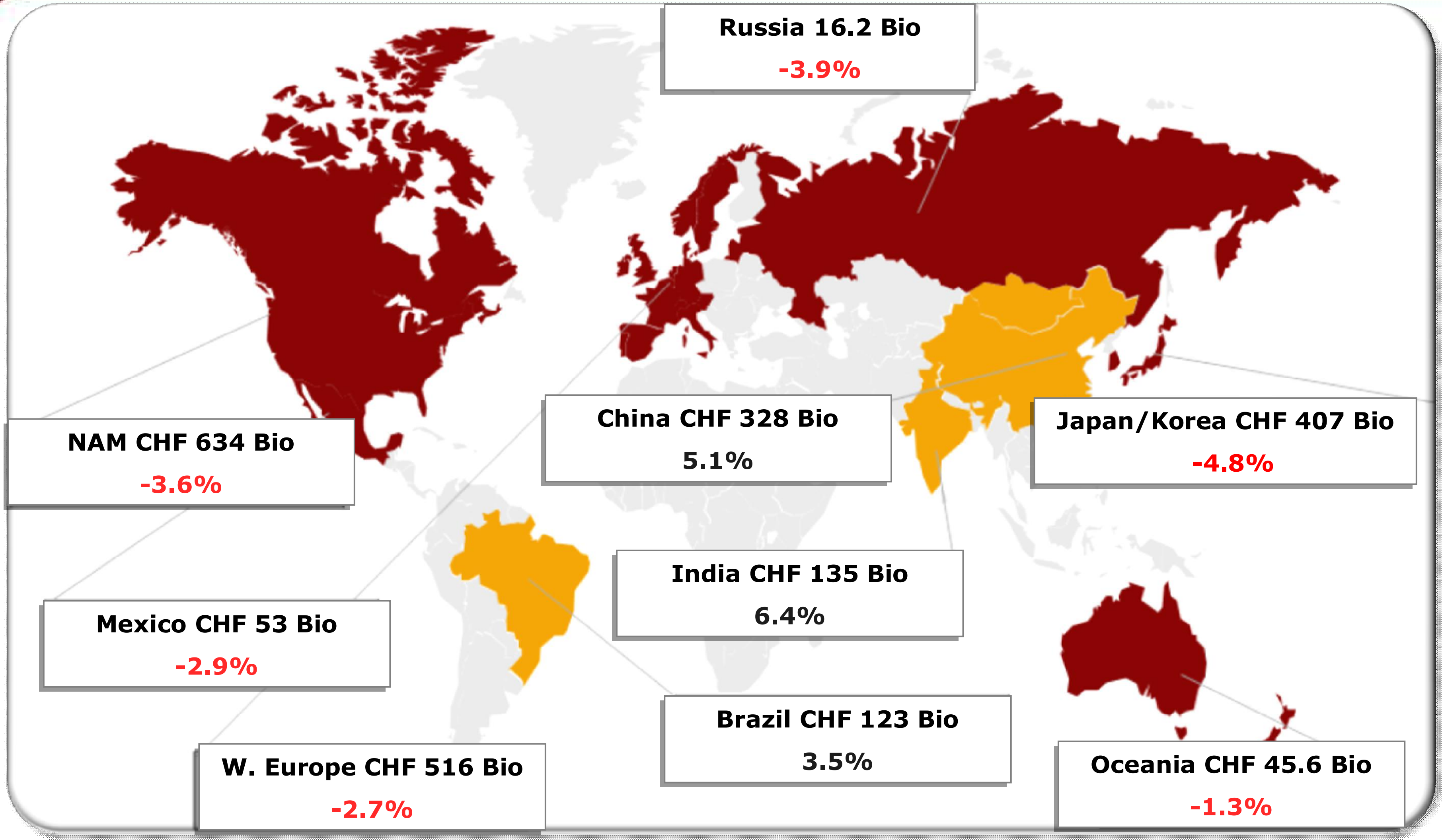


Total Restaurants – US 1977 - 2010

Yellow areas denote previous economic recession periods

Source: The NPD Group / CREST ®

The downturn has impacted the OOH industry, but not all markets



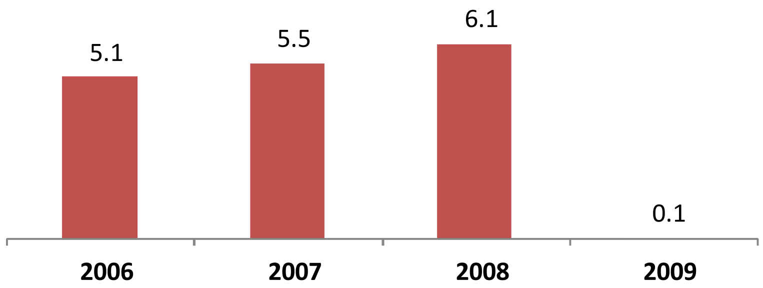
61% of Global Market

21 % of Global Market

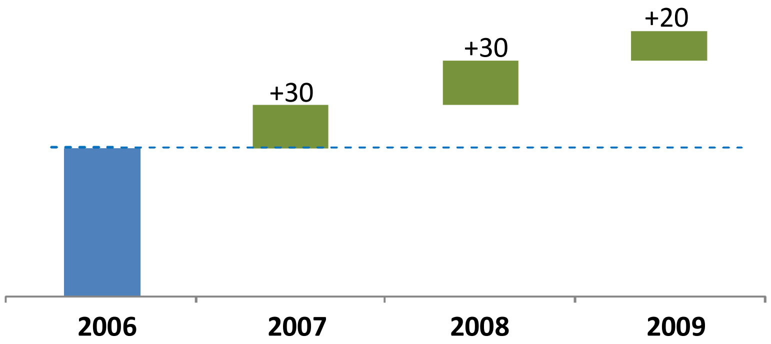
▪*Source: Euromonitor, Datamonitor, Technomics, Pro-Intal 2010*

Nestlé Professional Performance 2006-2009 - Weathering the turbulence

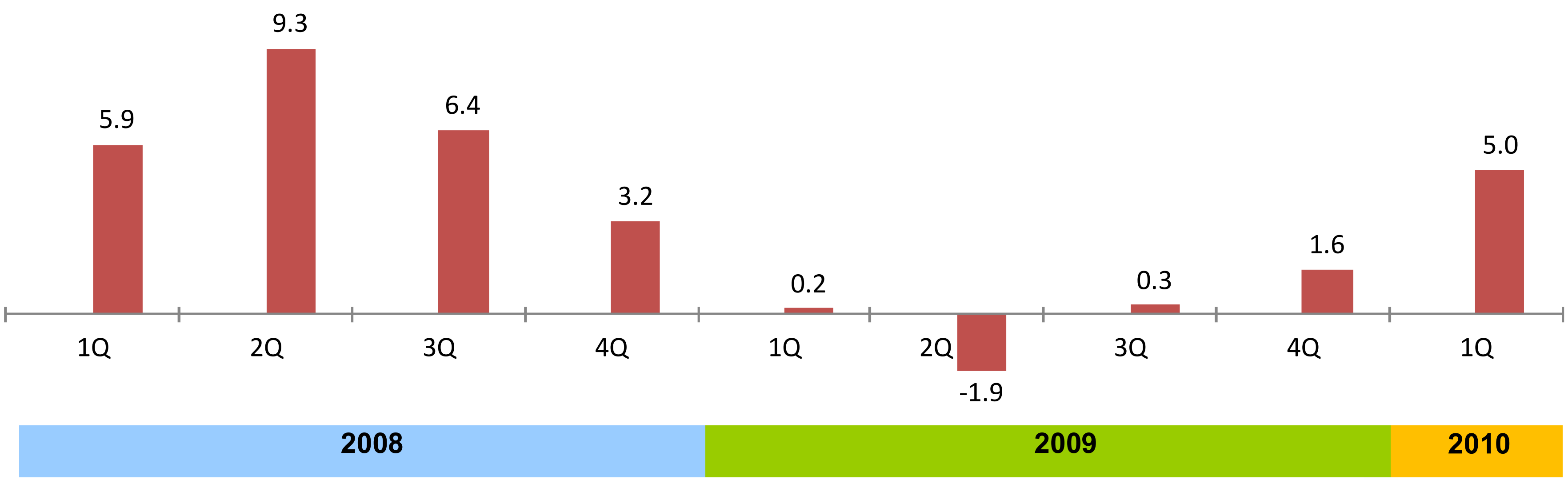
Organic Growth



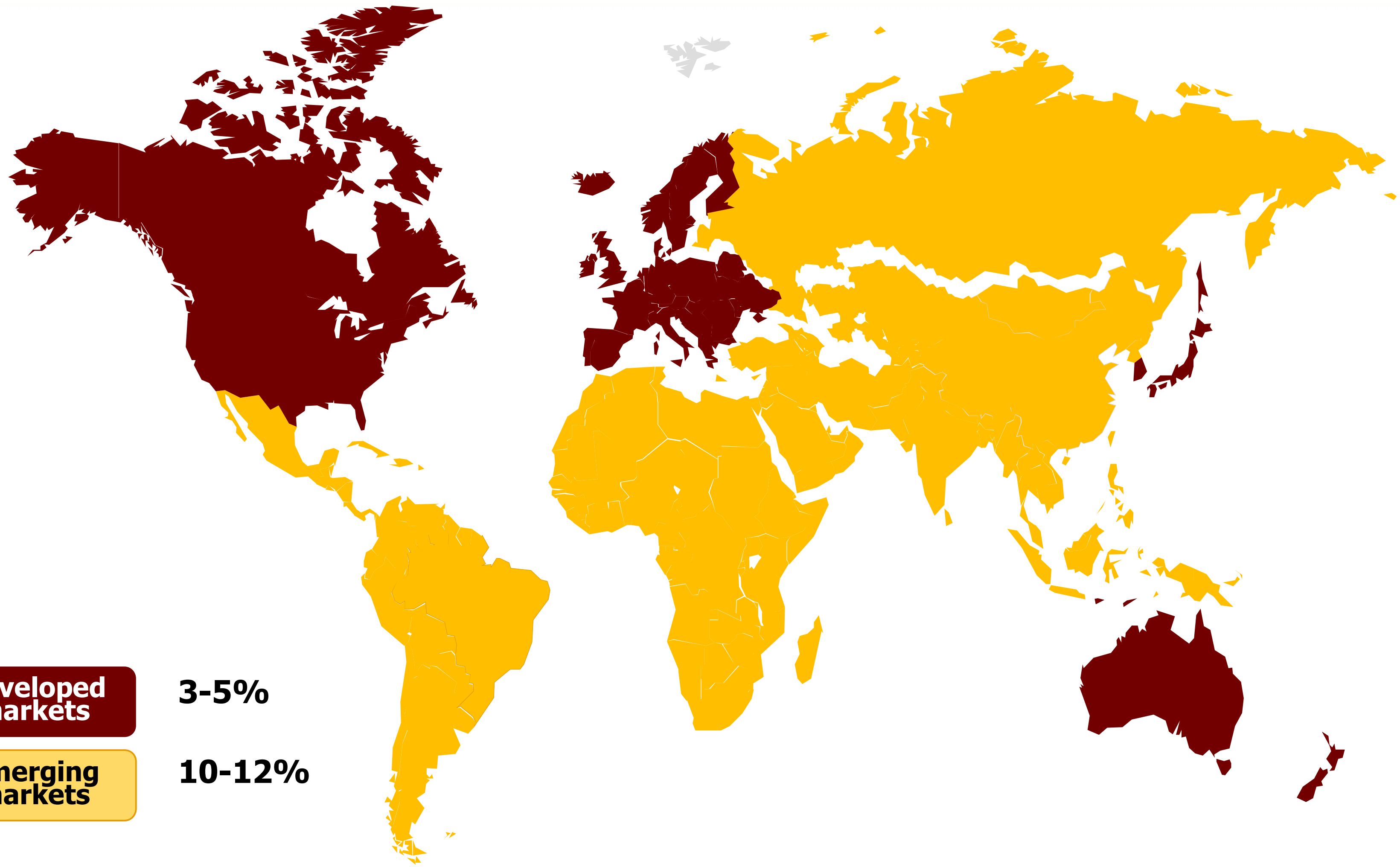
EBIT Margin



Organic Growth by quarter



Sources of future growth



Developed markets	**3-5%**
Emerging markets	**10-12%**

Why are we optimistic about our future?

- Industry expansion
- Fragmented industry
- Untapped commercial customers
- Nestlé R&D capabilities & NHW knowledge
- Nestlé global reach/emerging markets
- Dedicated resources to Nestlé Professional

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— BEVERAGE SOLUTIONS —

Michiel Kernkamp

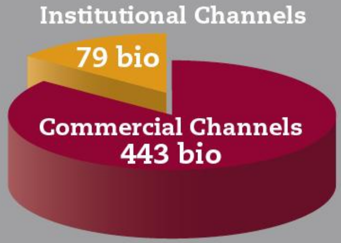
Global Head of Beverages

Global OOH beverages represents a significant opportunity

GLOBAL OOH BEVERAGES

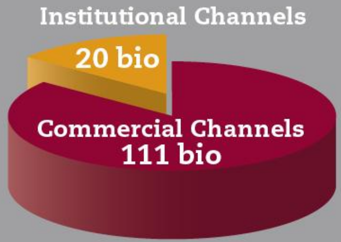
CONSUMER SPEND
(Excluding Alcohol)

CHF 522 bio



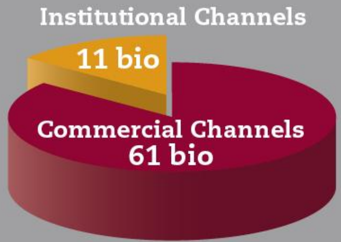
OPERATOR SPEND

CHF 131 bio



RELEVANT MARKET

CHF 72 Bio



Competitive Intensity

A long heritage.......

Max Morgenthaler
1901 - 1980

Delivering to customer expectations……

Many of our Customers…..

- want to become a beverage destination
- see beverage as a core part of their growth and profit strategies
- want convenience, operational efficiency, availability and cross border solutions
- have high staff turnover
- are looking for beverage variety, NHW customization, hot and cold, affordability
- are looking for food safety and quality expertise

We deliver Q^4 solutions..

Quality beverages everytime
Quick training
Quick dispensing
Quick servicing

Nestlé PROFESSIONAL
— BEVERAGE SOLUTIONS —

From locally driven to globally driven on 1st January 2009

Nestlé FoodServices	Nestlé Professional – Beverage Solutions
Consumer insight driven	Consumer, customer, channel, co mpetitive insight driven
Ingredients	Solutions
Coffee solutions	Non carbonated Hot & Cold beverage solutions
Off the shelf machines	Differentiated machines
C&C Institutional Channels	Commercial channel focus
Retail brands	Branded OOH industry partner

Creating competitive gaps

DRIVING
Nestlé PROFESSIONAL
GROWTH


Capitalizing on Global Scale


Leadership in Emerging Markets


Channel and Portfolio Reach

Ability to capture Value of Service


Leveraging Proprietary I&R

Creating competitive gaps

DRIVING NESTLÉ PROFESSIONAL GROWTH

- Capitalizing on Global Scale
- Leadership in Emerging Markets
- Channel and Portfolio Reach
- Ability to capture Value of Service
- Leveraging Proprietary I&R

Leveraging NESTLE Professional Global Scale to create competitive cost gaps

NESCAFÉ Sub-brands
45 to 12

NESCAFÉ OOH Branding Framework

NESCAFÉ OOH Sub-Brands

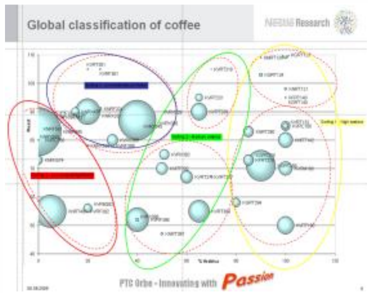
Approved Supplier Base
77 to 14

From

To

Harmonized Recipes and SKUs
884 to 300

Recipes

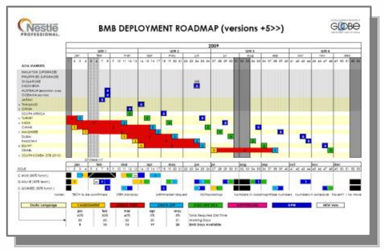


SKUs/Packaging

Proprietary Tracking
38 Countries

Machine Tracking/ Optimization Cup Quality Improvement

Tool Deployment



Creating competitive gaps

DRIVING

PROFESSIONAL

GROWTH

Capitalizing on Global Scale

Leadership in Emerging Markets

Channel and Portfolio Reach

Ability to capture Value of Service

Leveraging Proprietary I&R

Leadership in emerging markets

>100 mio. cups

Micro Distribution & Credit

KARTS

BUSINESS ON WHEELS

LATAM/AOA

51 mio. cups

LATAM/AOA

48 mio. cups

AOA

Creating competitive gaps

DRIVING NESTLÉ PROFESSIONAL GROWTH

Capitalizing on Global Scale

Leadership in Emerging Markets

Channel and Portfolio Reach

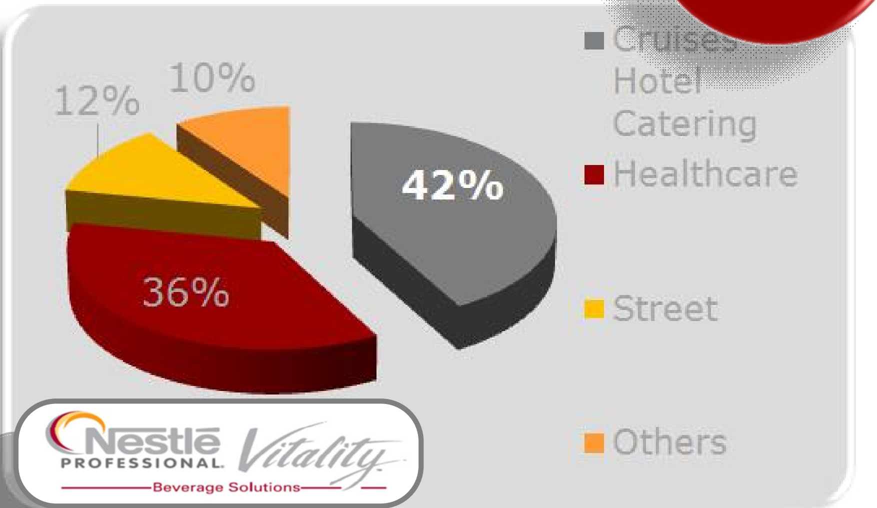
Ability to capture Value of Service

Leveraging Proprietary I&R

Vitality acquisition creates ideal route to market in North America

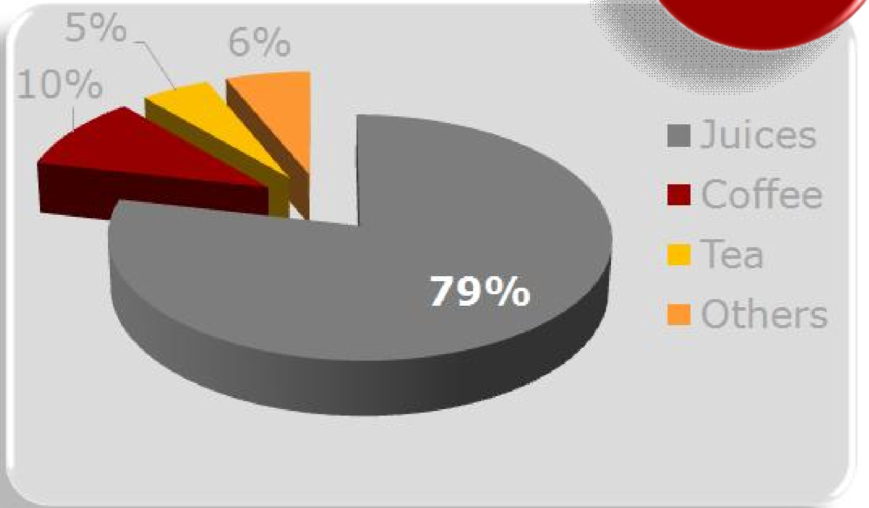
2009
Sales by Channel

+23'000 customers



2009
Sales by product Category

+56'000 dispensers



Cruise Liners

Health Care

Education

VITALITY ExpressPak®

VITALITY Express® beverage system

All figures are pre-acquisition

Creating competitive gaps

DRIVING
Nestlé PROFESSIONAL
GROWTH

Capitalizing on Global Scale

Leadership in Emerging Markets

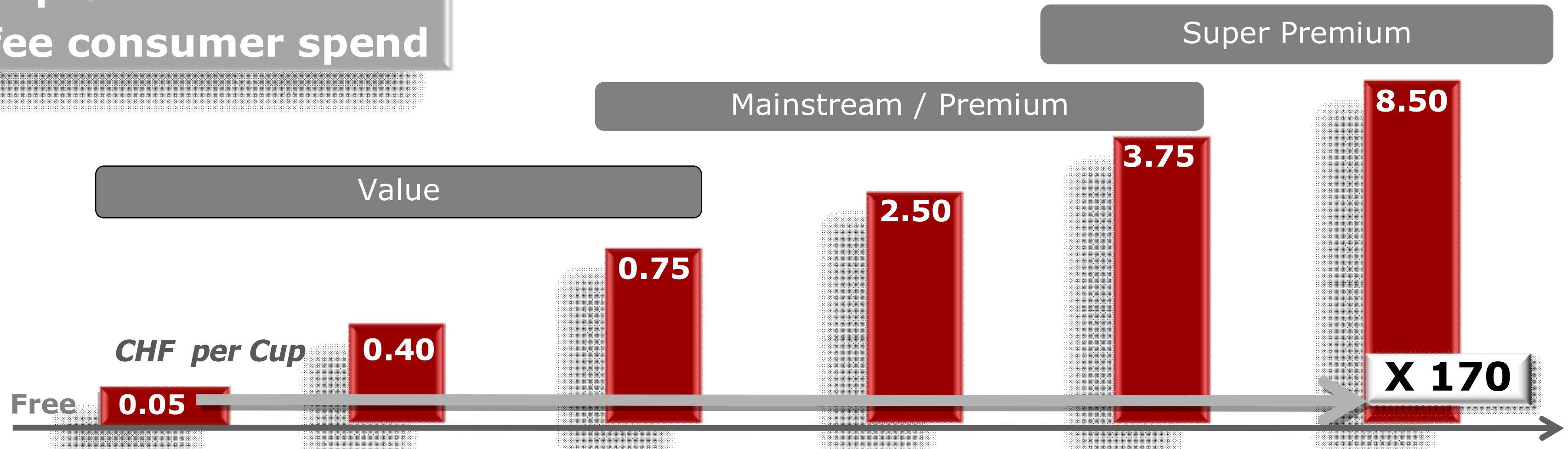
Channel and Portfolio Reach

Ability to capture Value of Service

Leveraging Proprietary I&R

Service represents a significant part of the value chain

Example:
Coffee consumer spend



COMPETITIVE GAPS IN:

INGREDIENTS

INGREDIENTS *and* **SYSTEMS**

INGREDIENTS *and* **SYSTEMS** *and* **SERVICES**

"TIN & SPOON" SOLUTIONS

NESCAFE BURGUNDY

NESCAFE MILANO

VIAGGI

Nescafé Milano: Beverage Acceleration Programmes

Capturing two distinct revenue streams

INGREDIENTS REVENUE *and* SYSTEMS and SERVICE REVENUE

BEVERAGE ACCELERATION PROGRAM

NESCAFÉ Milano

1. **Insight Program**
2. **Machine Provision**
3. **Machine Installation and commissioning**
4. **Support Service & Corrective Maintenance**
5. **Nestlé Professional Quality Assurance Program**
6. **Staff Training** – Operations, Latte Art, Up Selling
7. **Coffee & Beverages Menu Development**
8. **Brand Marketing – POS / POP Sales Support materials**
9. **Promotion development & activation**
10. **Performance reporting & Menu Engineering**

Creating competitive gaps

DRIVING

PROFESSIONAL

GROWTH

Capitalizing on Global Scale

Leadership in Emerging Markets

Channel and Portfolio Reach

Ability to capture Value of Service

Leveraging Proprietary I&R

Leveraging Proprietary technology
Super Premium: VIAGGI by NESCAFÉ

Nestlé PROFESSIONAL

11 Patents

Viaggi by NESCAFÉ

- 4 Machine patents
- 3 Packaging patents
- 3 Delivery System patents
- 1 Product patent

Nestlé PROFESSIONAL

DEDICATED

Nestlé PROFESSIONAL
— BEVERAGE SOLUTIONS —

UNIQUELY POSITIONED

INGREDIENTS

and

SYSTEMS

and

SERVICES

BEVERAGE
ACCELERATION PROGRAM

NESCAFÉ
Milano

1. Insight Program
2. Machine Provision
3. Machine Installation and commissioning
4. Support Service & Corrective Maintenance
5. Nestlé Professional Quality Assurance Program
6. Staff Training – Operations, Latte Art, Up Selling
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GLOBAL SCALE & LEVERAGE

Nestlé

Nestlé PROFESSIONAL®

— BEVERAGE SOLUTIONS —

Michiel Kernkamp
Global Head of Beverages