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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.



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Current Environment

- Various patterns of consumer demand
- Tough competition amongst retailers
- Growth of private label threatening weaker players
- Intense competition for consumers
- Renewed inflationary pressures in raw materials
- Currency volatility, economic challenges
- Opportunities exist



Nestlé's response

- Identifying best opportunities for growth – categories and strategies
- Investing to support profitable growth
- Accelerating innovation/renovation with particular focus on affordability
- Deeper distribution – all the channels
- Accelerating efficiency initiatives
- Continuing to invest in longer term growth opportunities





- Q1 trends continue
- Good performances in Soluble coffee, petcare, chocolate
- The challenge is to gain share not just from branded

- Priorities: differentiation, leadership, price competitiveness, winning with customers...
- ... through innovation/renovation, brand investment, efficient supply chain, customised customer activities

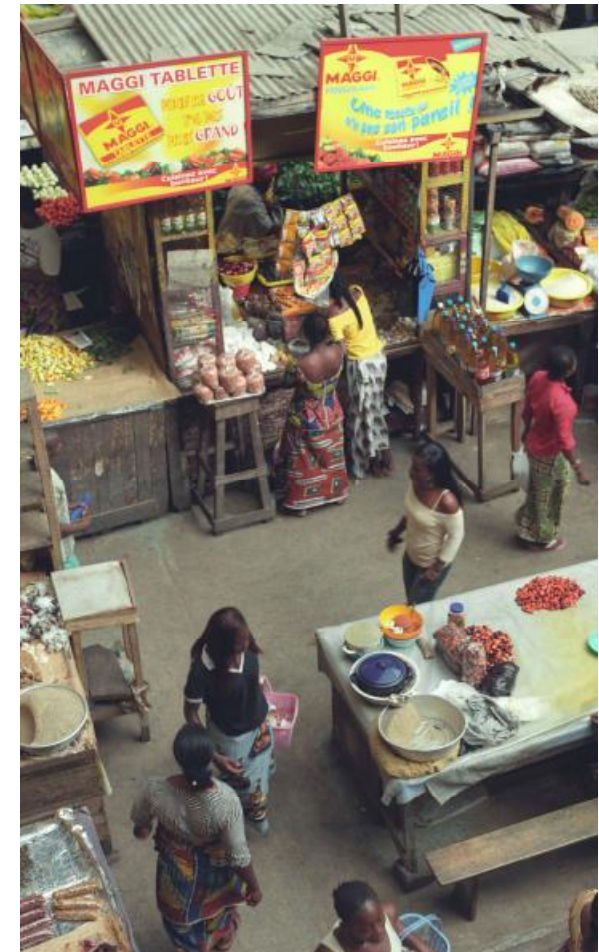


- USA performing well
- PetCare proving its strong defensive characteristics
- Frozen Food benefiting from stay home diners
- Ready-to-drink beverages & Soluble coffee also strong



- Brazil & Mexico resilient
- Smaller Latin American markets slower – impact of milk, economies

- Double digit growth in Mainland China, India & much of Africa
- Japan, exporting economies weaker
- Innovation directed towards affordability and value, including PPP – enabling down-trading consumers to buy Nestlé
- Driving distribution deeper in emerging markets



- North American market showing some improvement, Nestlé achieving share gains
- Nestlé Pure Life growth continues double digit in US and emerging markets – now No.1 in the US



- Western European market unchanged, but share gains in some markets
- Major focus on costs & efficiencies, capital
- 2009: year of consolidation



- Infant Nutrition Europe continues to be tough but signs of improvement
- Gerber performing well in US
- Emerging markets performance is strong in Infant Nutrition



- Healthcare Nutrition trending better following sku rationalisation
- Slight improvement in trends at Jenny Craig
- 2009: to trend better in H2



The Roadmap to Value Creation



- The environment is tough, but there are opportunities
- Nestlé is focused on
 - growth
 - accelerating efficiencies
 - EBIT margin
- Guidance reiterated:
 - “at least approaching 5%”
 - EBIT margin improvement constant currency
- Performance weighted towards H2



