



Welcome to the New York Press Conference

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.

New York Press Conference

Paul Bulcke

Chief Executive Officer
Nestlé S.A.



Joining us today



Jim Singh



Luis Cantarell



Brad Alford



Kurt Schmidt



Kim Jeffery



Jorge Sadurni



Pat McGinnis

New York Press Conference

Jim Singh
Chief Financial Officer

Good Food

Good Life



Introduction

Nestlé growth momentum continued

Group and F&B organic growth unchanged from H1

A broad-based top line performance

All geographies & global businesses

All product groups contribute

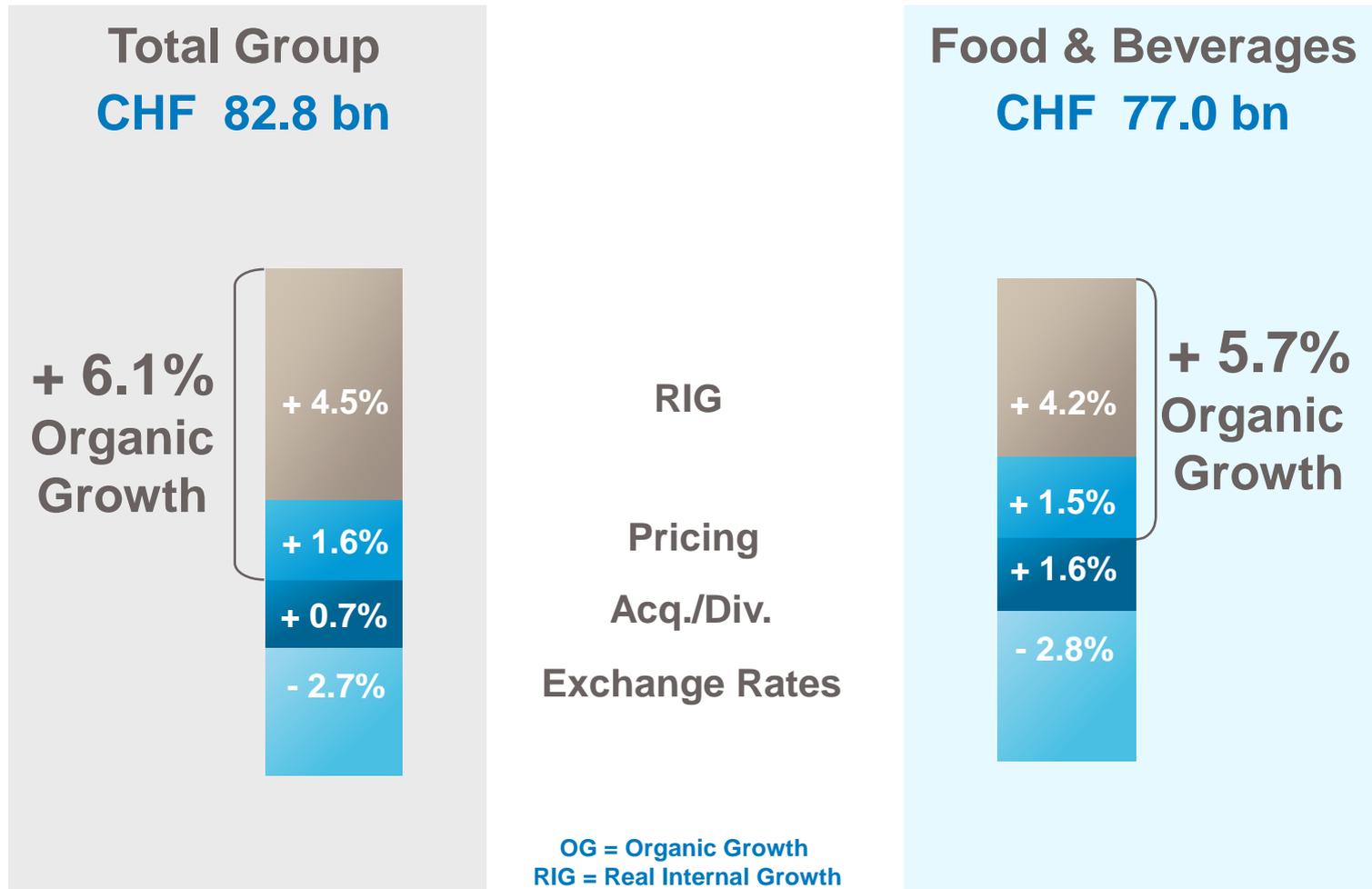
All growth pillars advancing

General economic conditions: mixed, outlook unclear

F&B guidance unchanged

Organic growth of around 5%, combined with an improvement in EBIT margin in constant currencies

Key elements of sales



Total F&B: A strong broad-based performance globally

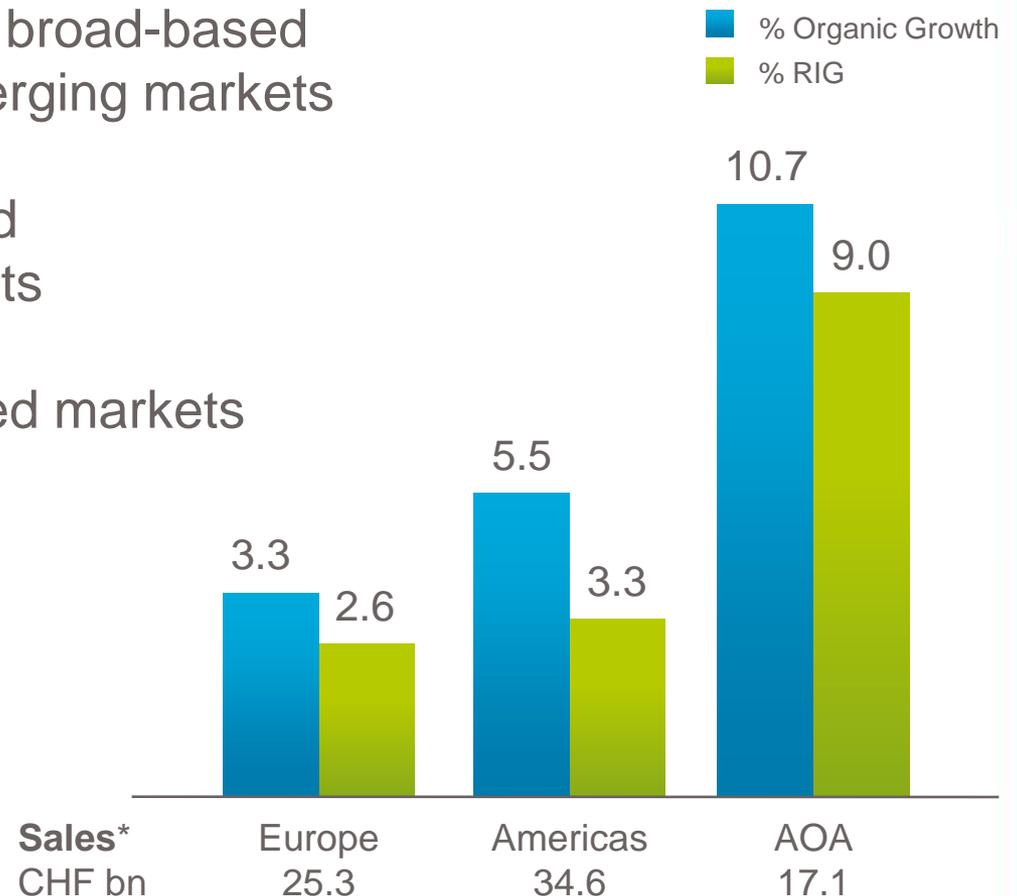
Positive RIG/OG in all regions: A broad-based performance in developed & emerging markets

Americas: momentum maintained
Positive RIG in developed markets

Europe: Positive RIG in developed markets

AOA: Emerging markets growing double-digit

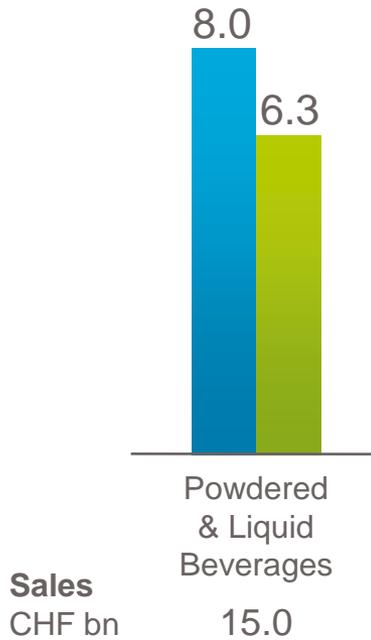
Emerging markets:
11% OG; BRIC higher



*each region includes Food & Beverages, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and F&B JVs

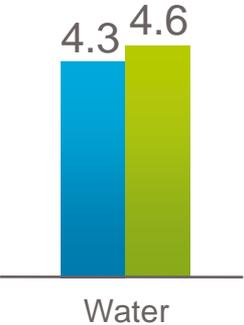
Product segments: Powdered & Liquid Beverages

■ % Organic Growth
■ % RIG



Product segments: Waters

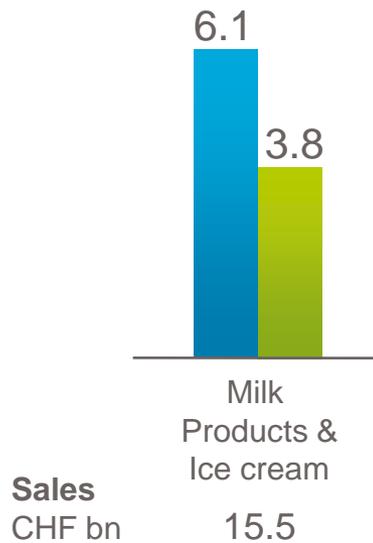
■ % Organic Growth
■ % RIG



Sales
CHF bn 7.3

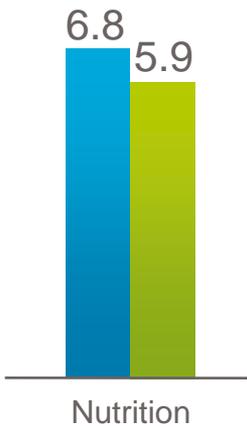
Product segments: Milk Products & Ice cream

■ % Organic Growth
■ % RIG



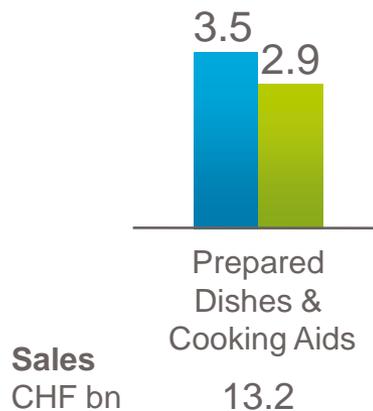
Product segments: Nutrition

■ % Organic Growth
■ % RIG



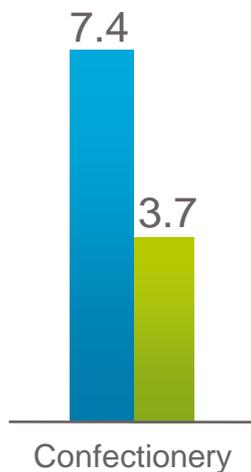
Product segments: Prepared dishes & Cooking Aids

■ % Organic Growth
■ % RIG



Product segments: Confectionery

■ % Organic Growth
■ % RIG



Sales
CHF bn 8.5

Product segments: PetCare

■ % Organic Growth
■ % RIG

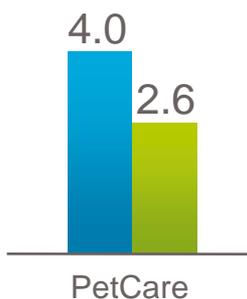
 **Beneful**

 **DOG
CHOW**

 **ONE[®]**

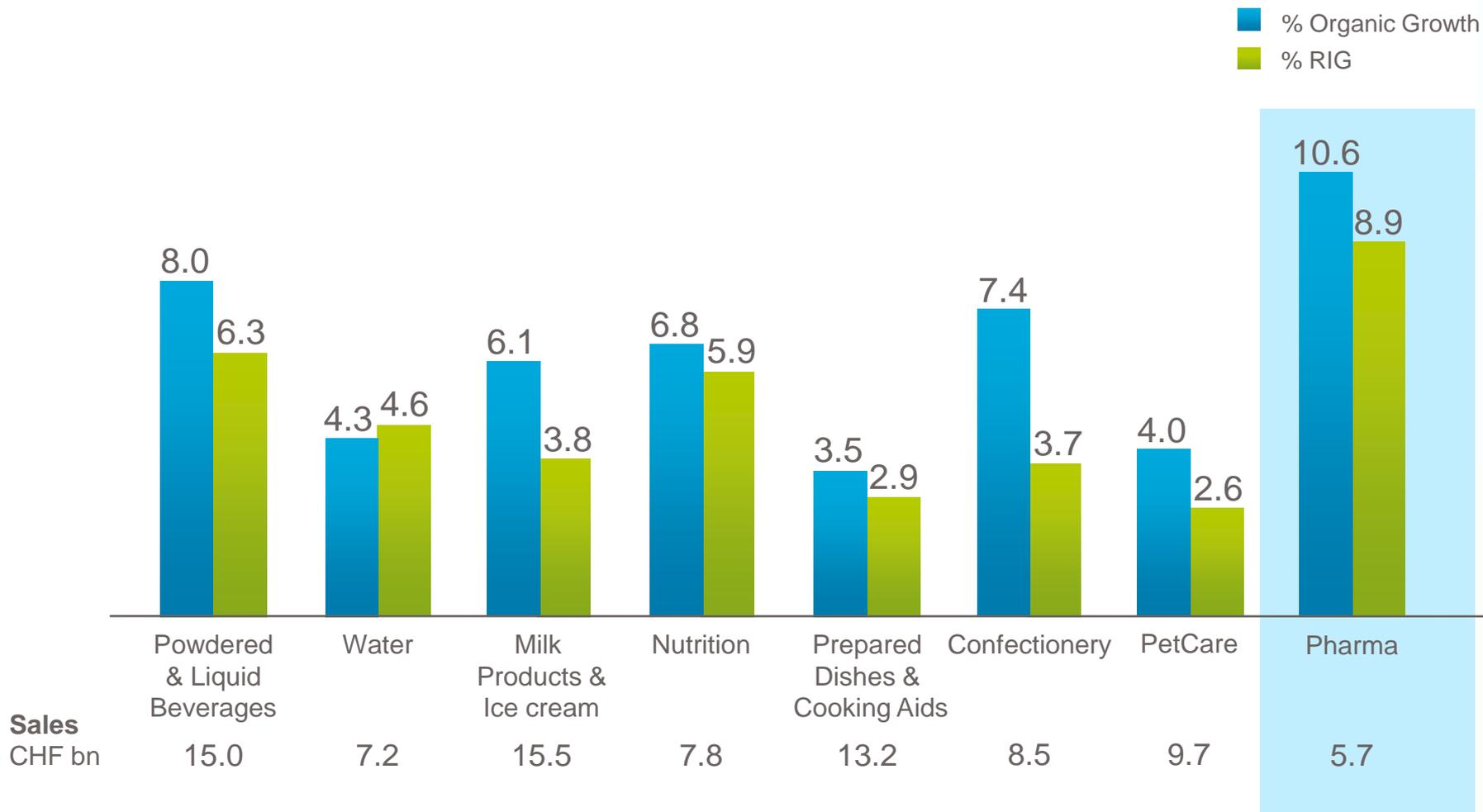
 **Friskies**

 **PURINA**



Sales
CHF bn 9.7

Product segments: Summary



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Paul Bulcke

Chief Executive Officer
Nestlé S.A.





Nestlé's objective

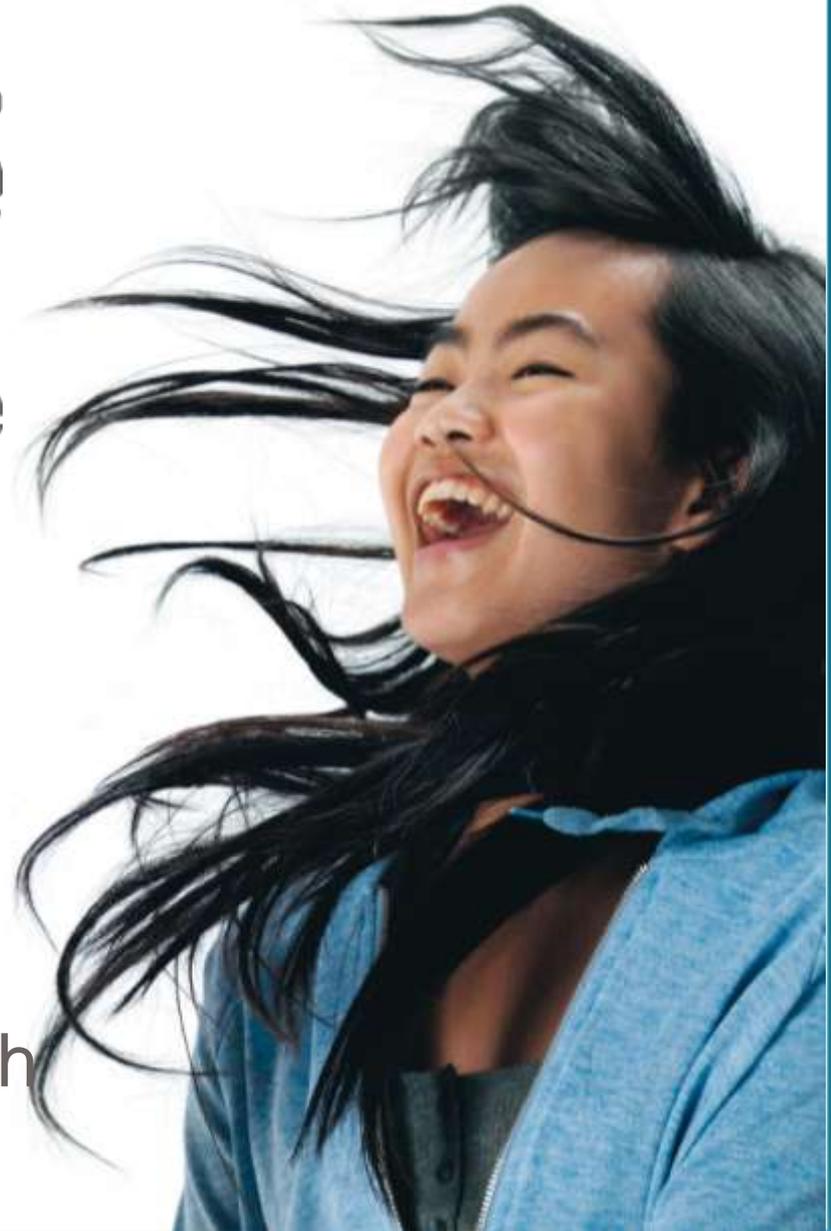
is to be the recognized leader in Nutrition, Health and Wellness, and the industry reference for financial performance



Nestlé

Good Food, Good Life

... captures the very essence of Nestlé and the promise we commit ourselves to everyday, everywhere as the leading Nutrition, Health and Wellness Company





Nestlé**Health**Science



Nestlé **Institute** of **Health**Sciences



Nestlé Roadmap



Competitive advantages



Nestlé

Good Food, Good Life

Growth drivers



Neslé

Good Food, Good Life

Operational pillars



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Good Food, Good Life

Nestlé Roadmap



Creating Shared Value

Businesses can only be successful in long term by creating value for shareholders *and* society



Nutrition



Water



Rural Development

Nestlé – The *and* Company

Top *and* bottom line performance

Emerging *and* developed markets

Modern *and* traditional trade

Premium *and* value-priced

... *and* ...

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Luis Cantarell

Head of Zone Americas



Nestlé in the U.S.

excluding Alcon

2000

NPS: \$9.9 Billion
% of Group Sales: 20.5%
F&B Ranking: N/A

of Factories: 54
of Employees: 31,000

One Billionaire Brand



2005

NPS: \$18.3 Billion
% of Group Sales: 25.0%
F&B Ranking: #4

of Factories: 68
of Employees: 42,000

One Billionaire Brand



2009

NPS: \$25.4 Billion
% of Group Sales: 25.6%
F&B Ranking: #2

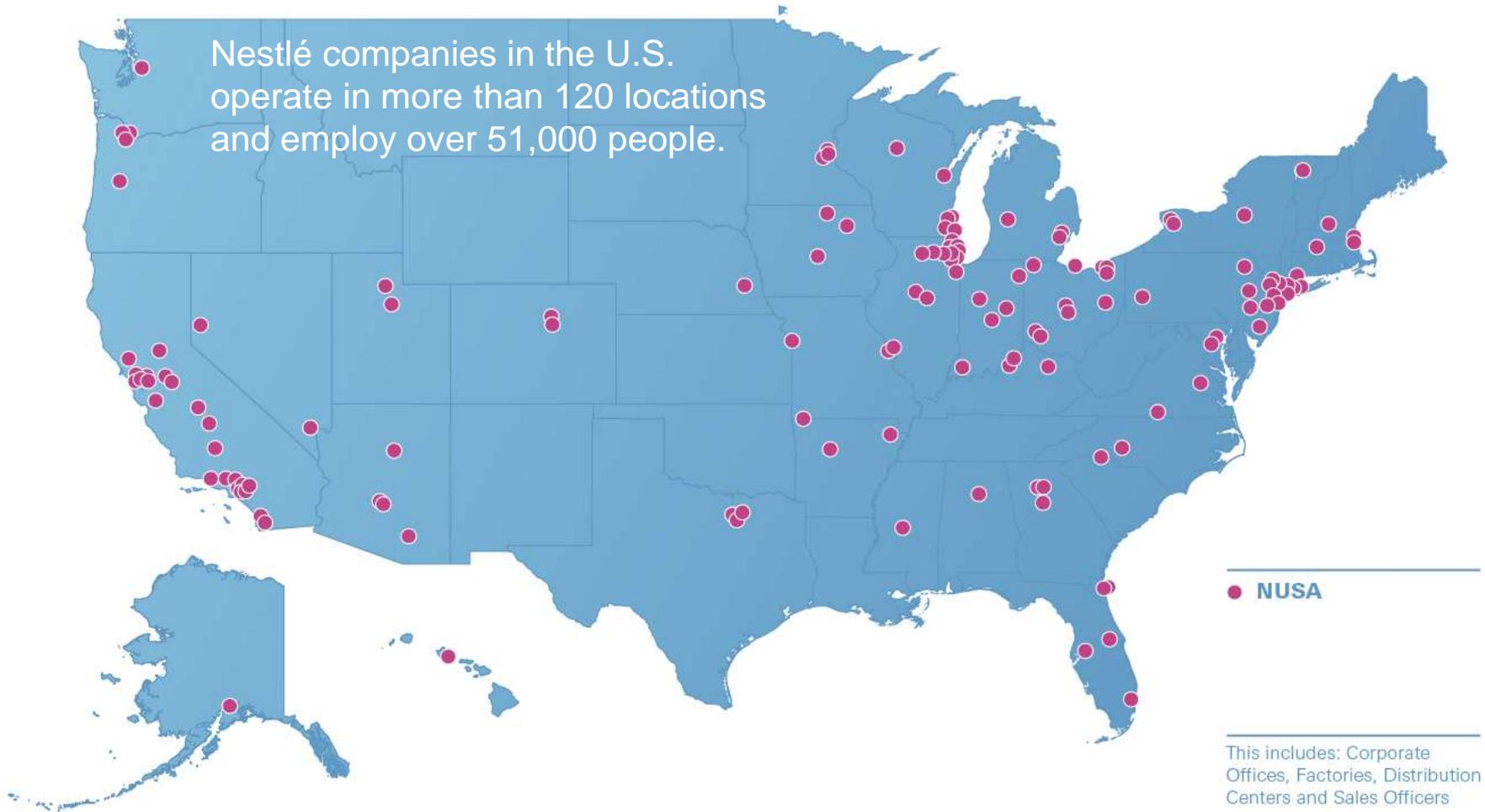
of Factories: 78
of Employees: 51,000

Nine Billionaire Brands



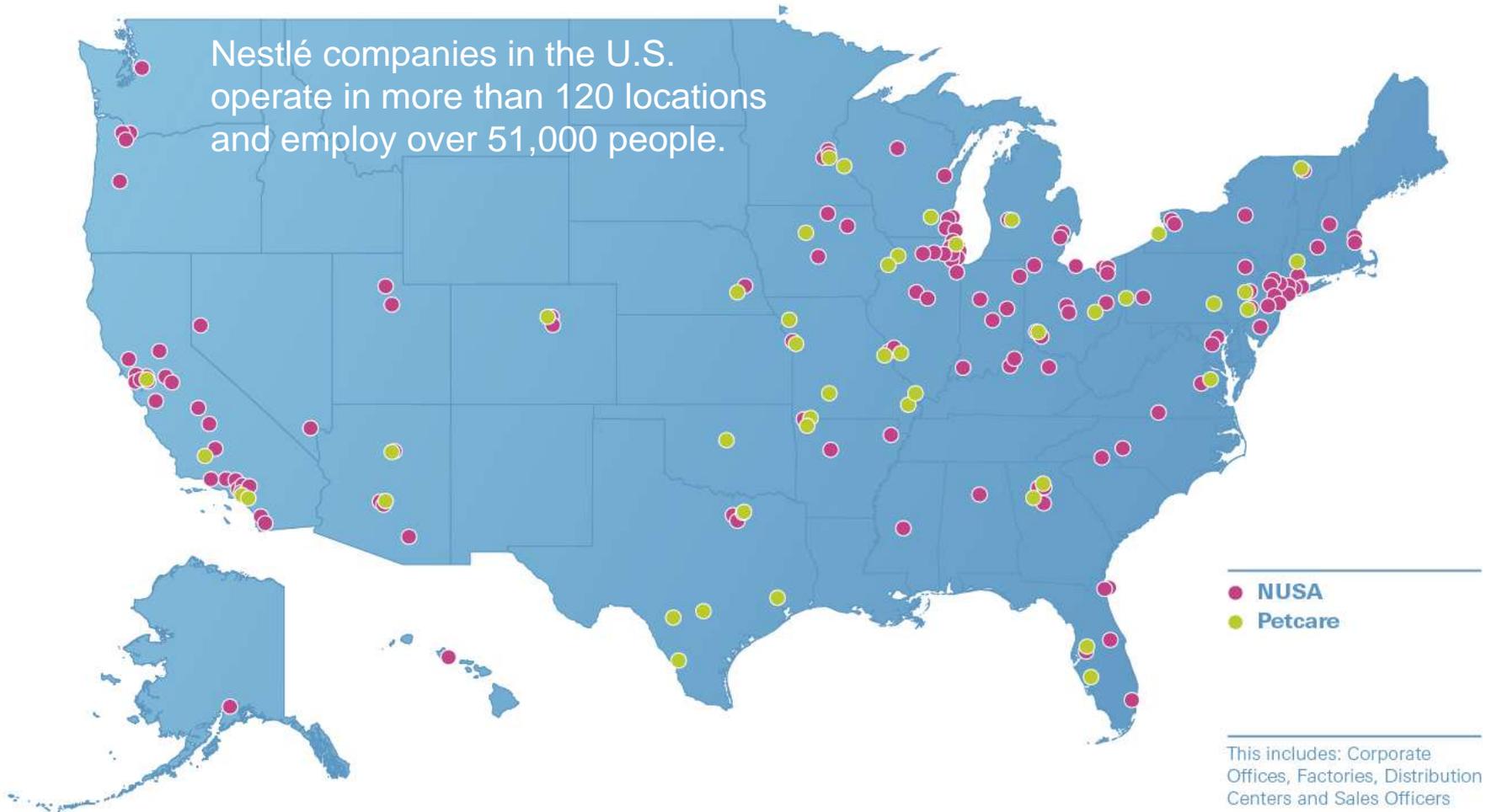
Nestlé in the U.S.

Nestlé companies in the U.S. operate in more than 120 locations and employ over 51,000 people.



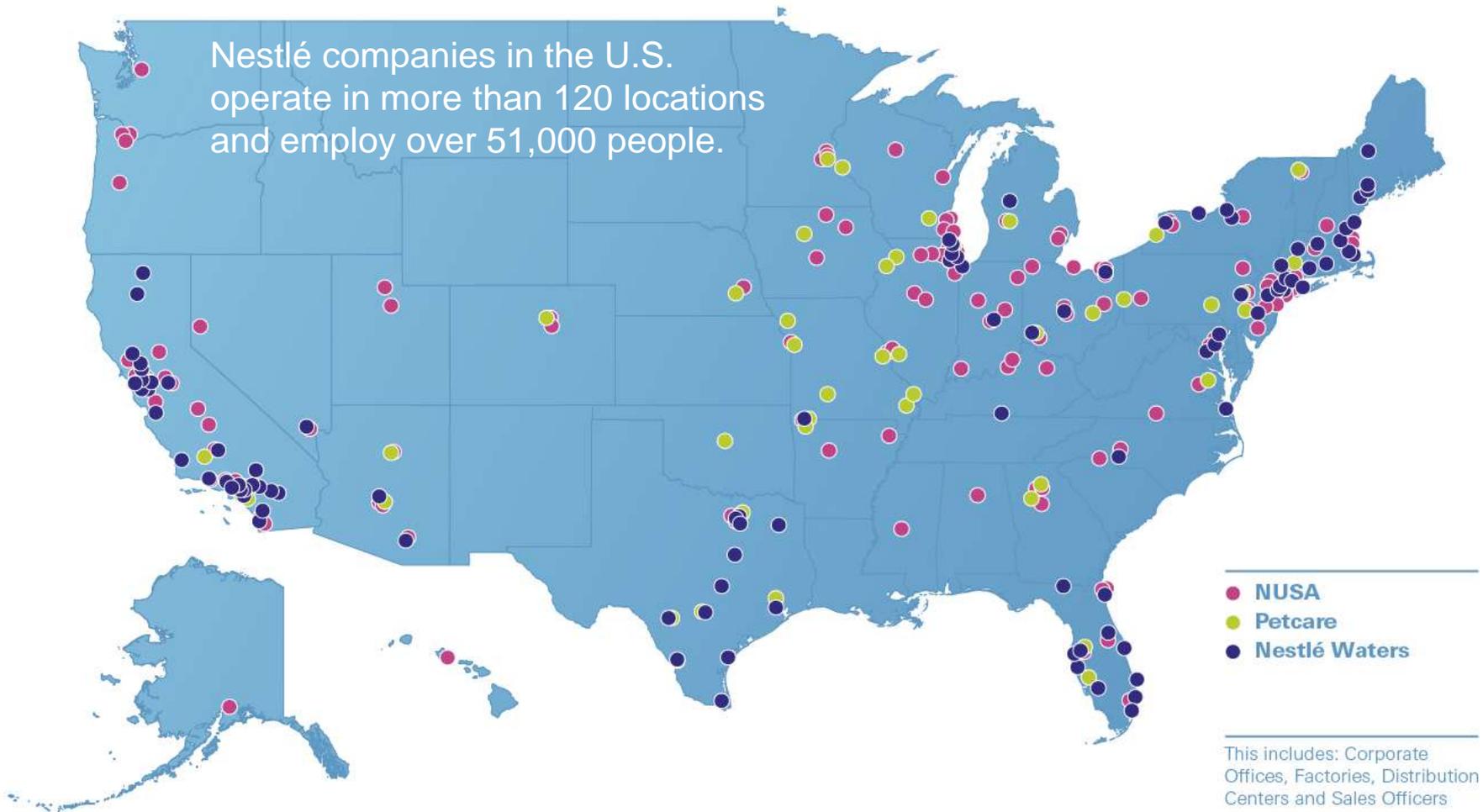
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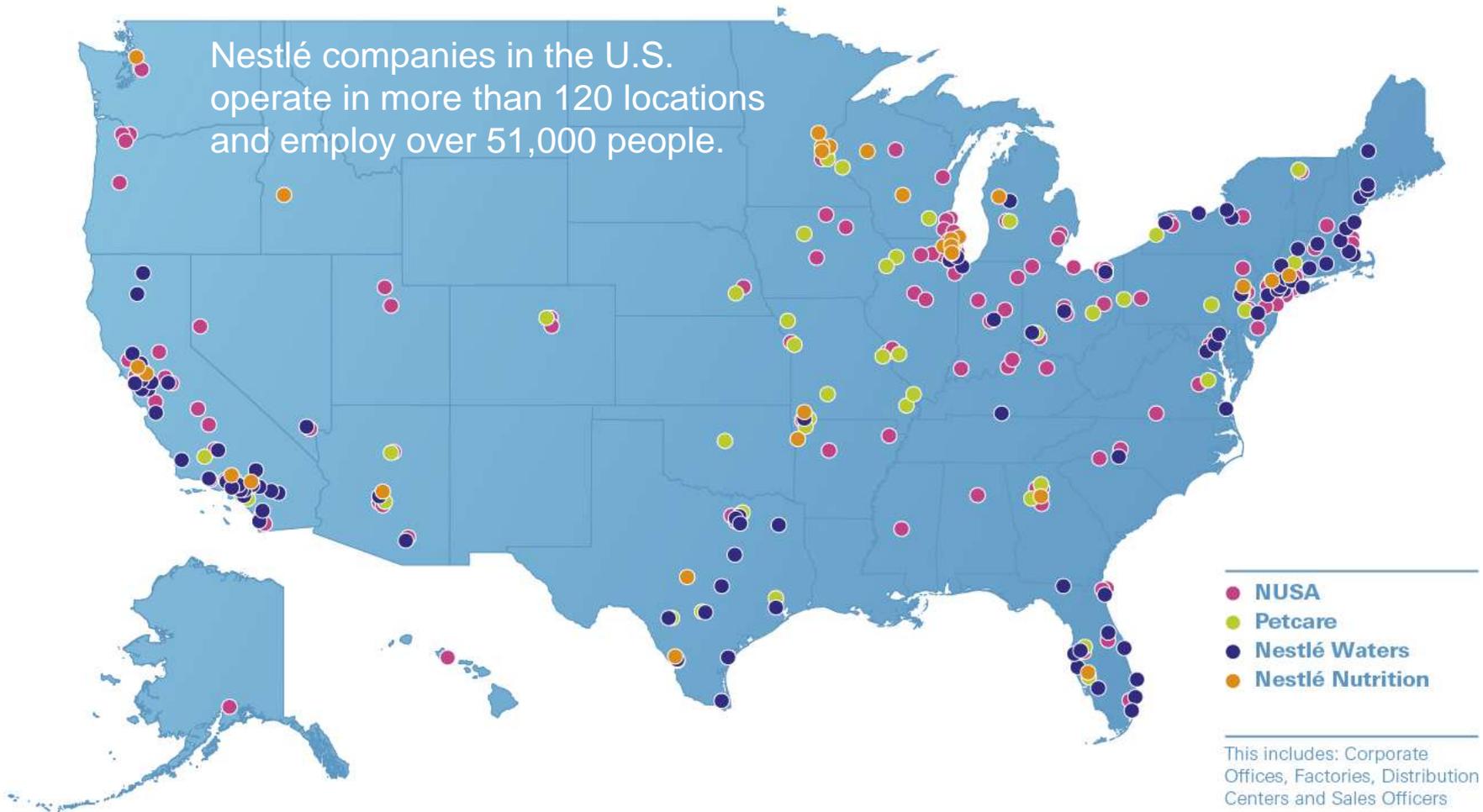
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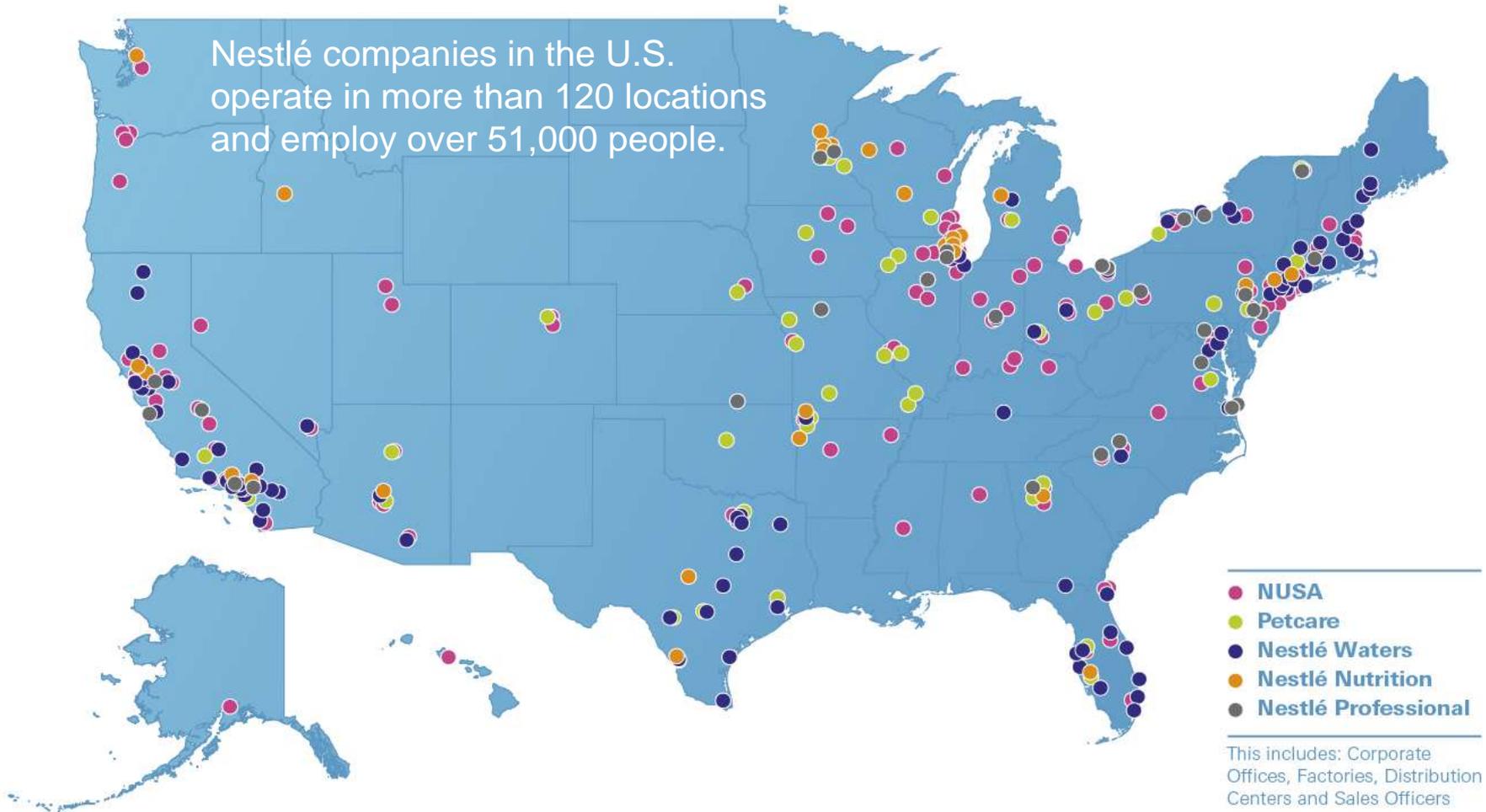
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Nestlé in the U.S. Operating Model

Combining Effectiveness with Efficiency



5 Operating Companies driving focus and leveraging scale

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Brad Alford
Chairman & CEO
Nestlé USA



Importance to our consumer



Nestlé

Good Food, Good Life

Offering you tastier
and healthier choices to
embrace a healthier life.



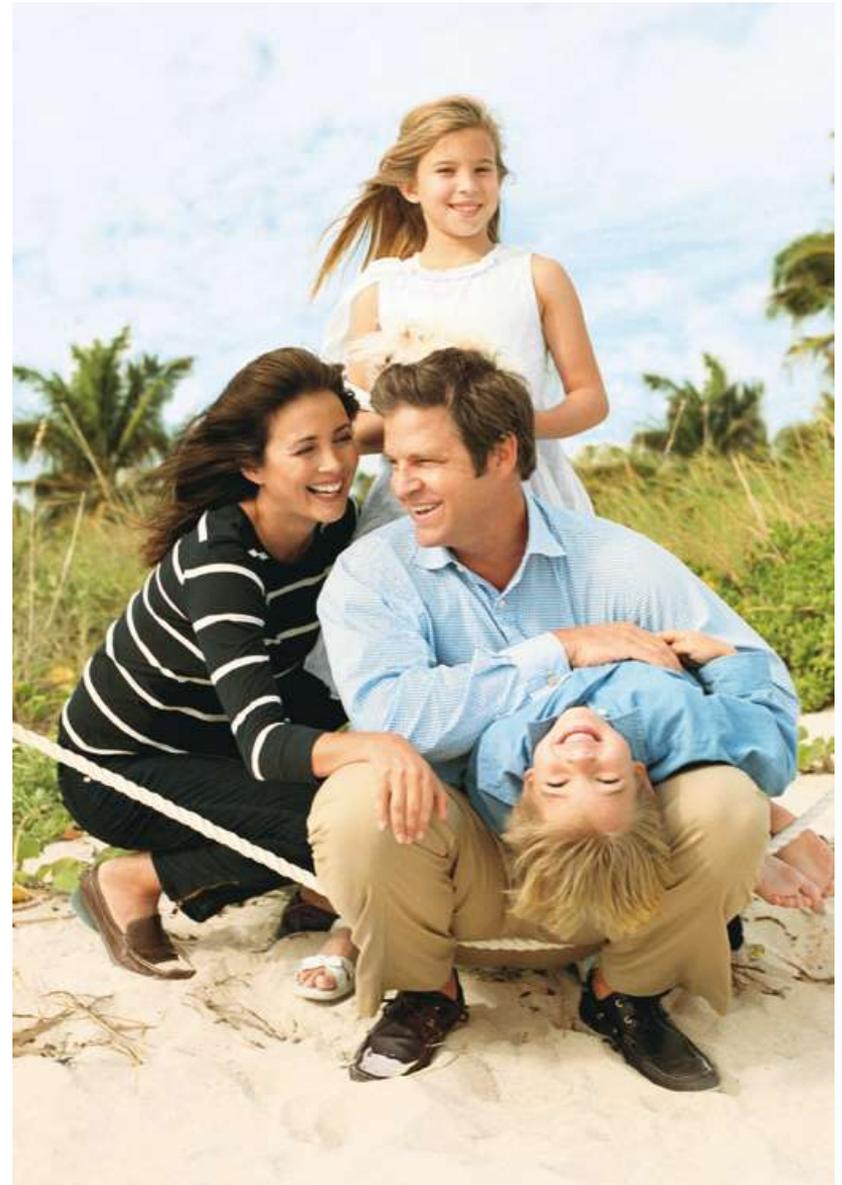
We are uniquely
positioned

We provide options for...

Every part of your day

Every day of your life

Everyone in your life



Our U.S. portfolio is positioned to deliver Good Food, Good Life

...as we compete across multiple consumer usage occasions

Food Prepared at Home

Food Away from Home

Beverages

Indulgence & Snacking

Infant Nutrition

Specialty Nutrition

PetCare



Nestlé USA product portfolio has three strategic focuses

Food Prepared at Home



Beverage



Indulgence & Snacking



12 of these Brands, representing 70% of sales, are #1 or #2 in Market Share

Nestlé USA product portfolio has three strategic focuses

Food Prepared at Home



Beverage



Indulgence & Snacking



4 of these Brands are Billionaire Brands just in the U.S.

What we're doing with this portfolio to continue to win in the future

Executing on our promise to deliver **good food, good life** on all our products

Creating **operational gaps** versus competition

Nutrition, Health and Wellness: three dimensions

Pleasure

Balance

Understanding



Executing on our promise to deliver Good Food, Good Life on all our products

Better Taste (60/40)

70% WINS

Better Nutrition (NF)



Better Communication



Consumer Leading Innovation



Creating operational gaps vs. competition

Building competitive advantages in route to market

Frozen DSD system
(Pizza acquisition)

Beverage RTD that
delivers aseptic technology

Accelerating frozen category leadership

Lead consumer needs by innovating better than competition through focused R&D

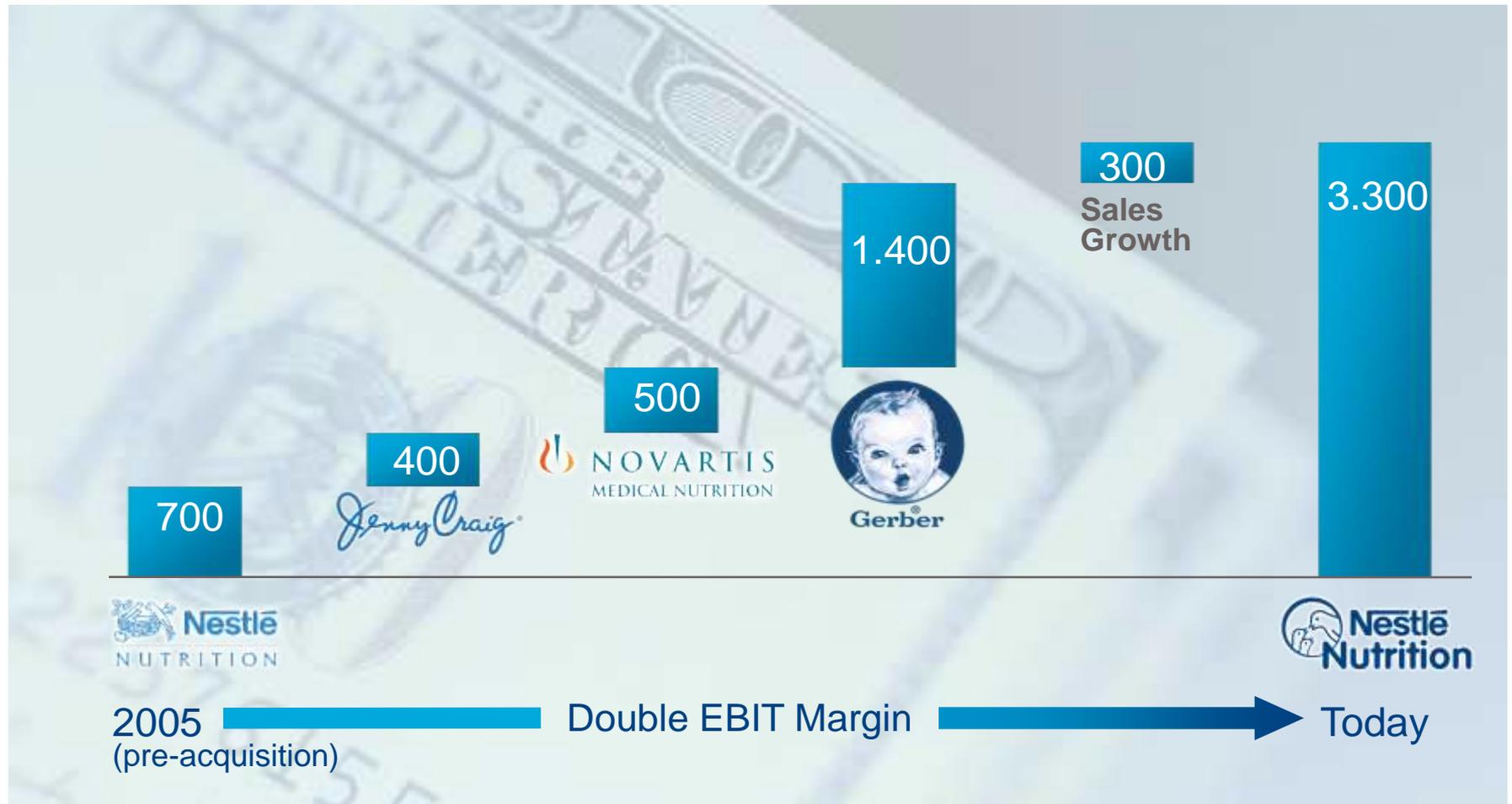
Creates opportunities with key customers by building ownable store territory



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Kurt Schmidt
President & CEO
Nestlé Nutrition
North America

Nestlé Nutrition USA history of growth (approximate figures, all millions)



Nestlé HealthCare Nutrition (HCN) Overview

Transform vulnerable lives

By elevating the role of nutrition in improving patient outcomes

Aging Care

Help patients to recover, stay mobile and remain independent



Pediatric Care

Help our most vulnerable & young patients to grow, heal and thrive



Critical Care/GI & Surgery

Nutrition to accelerate recovery & minimize complications



Obesity

Medically monitored weight loss



Jenny Craig Model

Nutrition, Health and Wellness



before

after



Celebrity testimonials

Phone



Centre



Individualized consultation

Nestlé and Gerber

Combine to create a formidable partnership

Henri Nestlé



Over a century of scientific innovation in early childhood nutrition



Dan & Dorothy Gerber



82-yr old ICONIC US brand that stands for happy, healthy babies

The making of a leader in childhood nutrition

Nestlé Infant Nutrition

Provides solutions for a health crisis affecting U.S. children

The U.S. has a serious health crisis, even among young children:

Obesity rates have **nearly doubled** in past 3-4 decades



10% obese at age 2-5

20% obese at age 6-11

Type 2 diabetes is increasingly reported among children and adolescents who are obese

The solution starts with understanding the problem



Start Healthy, Stay Healthy™

Gerber's mission to improve children's nutrition



Innovative healthy products and science-based educational messages creating healthy feeding solutions for parents





Science • Innovation • Education

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Kim Jeffery

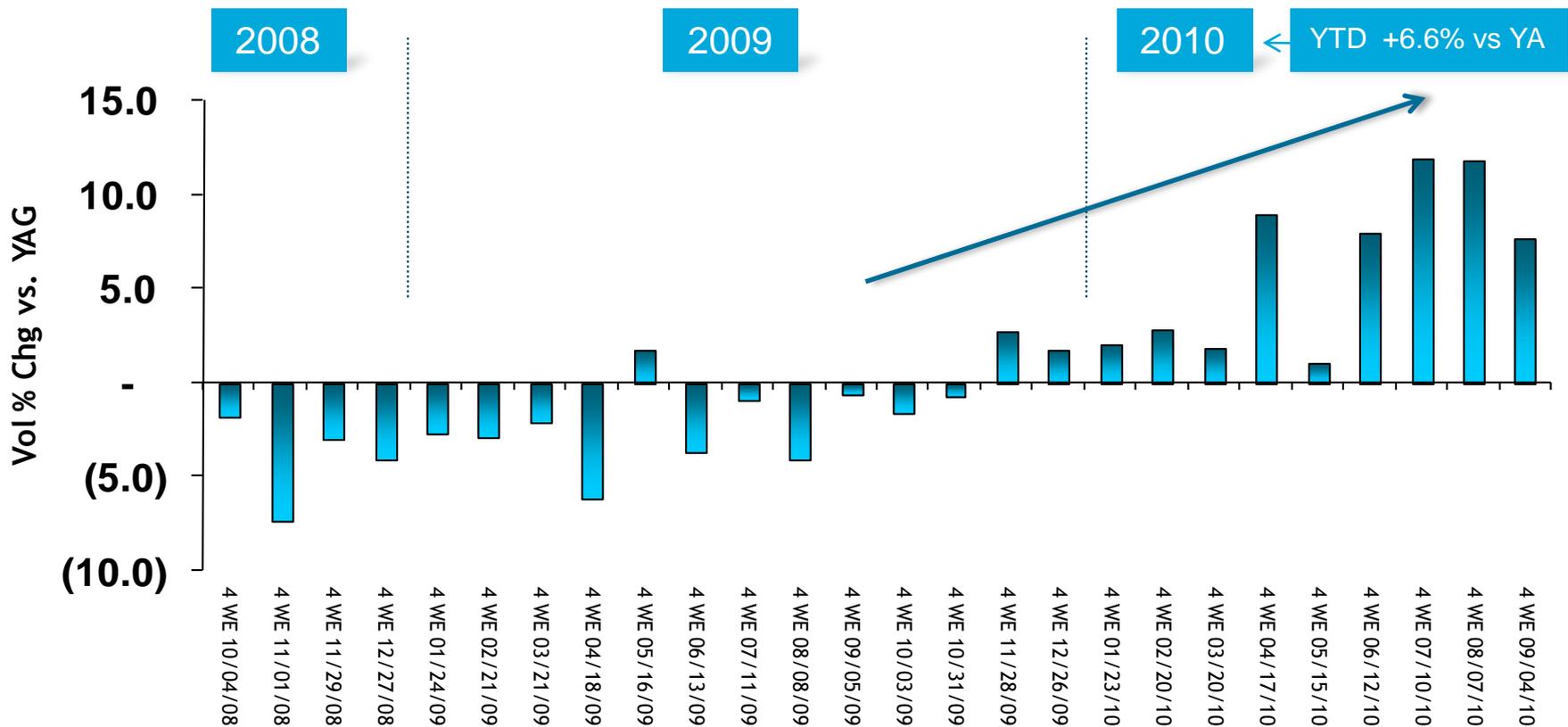
President and CEO
Nestlé Waters
North America



Bottled water category rebounding from the recession

Bottled water category volume trends vs YA

Food, Pharmacy, Mass (x Walmart), C-Store channels



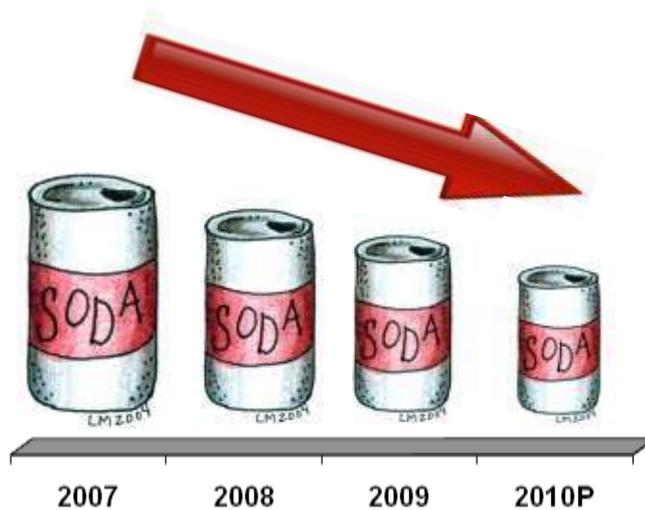
Optimistic about bottled water future

Health & Wellness Trends

On-The-Go Lifestyle

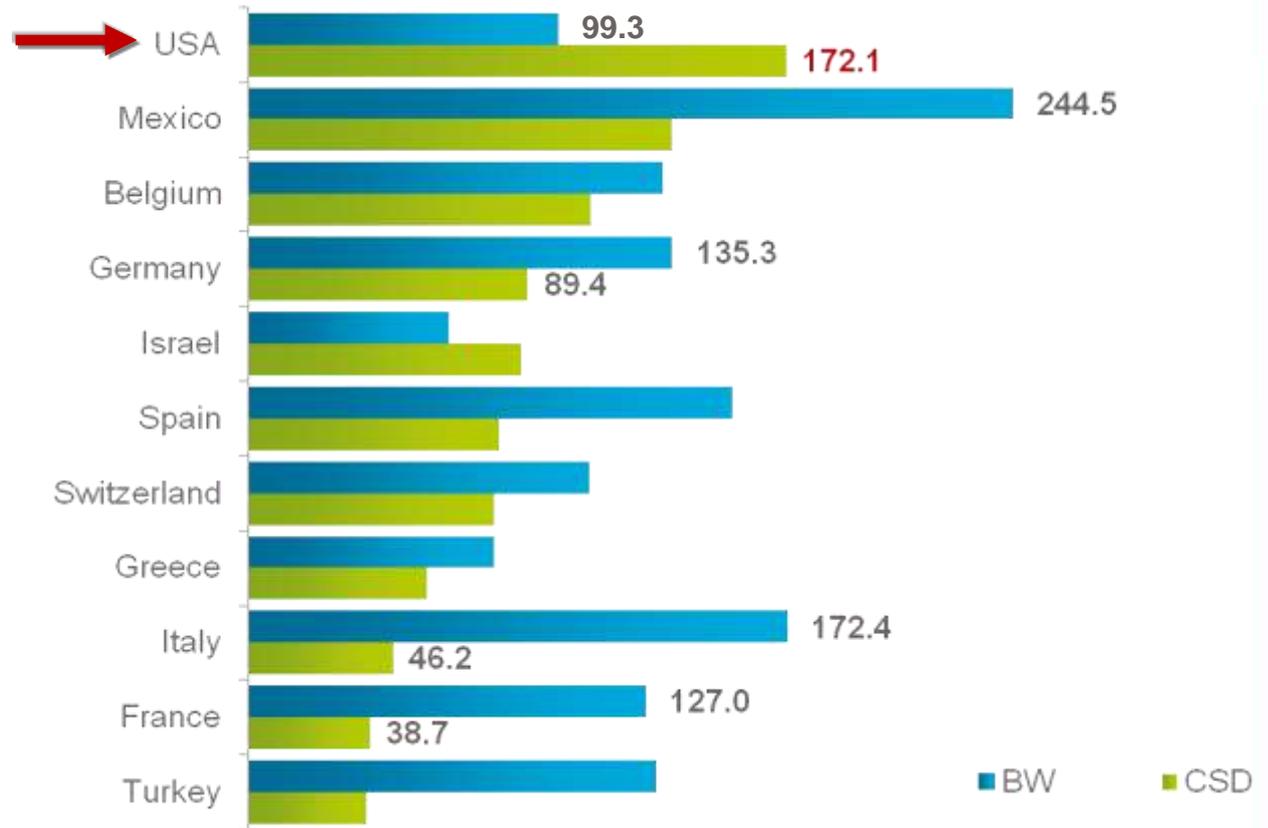
Municipal Water Infrastructure Issues

Per Capita Consumption Decline of Sugared Beverages



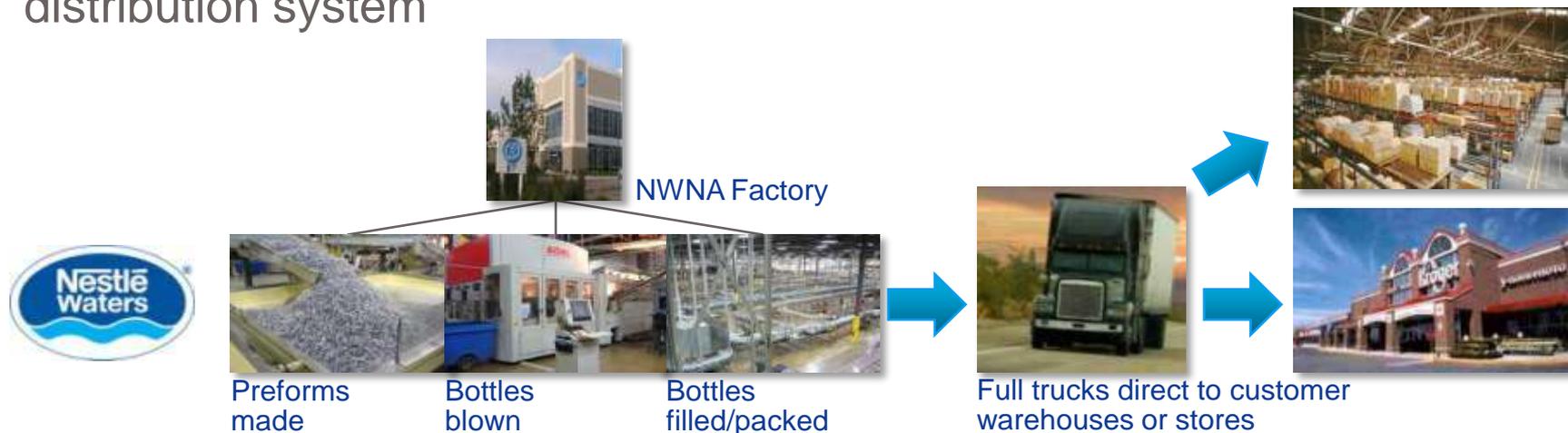
Tremendous potential for U.S. bottled water consumption

Total BW vs. Carbonated Soft Drinks
Liters per Capita - 2009

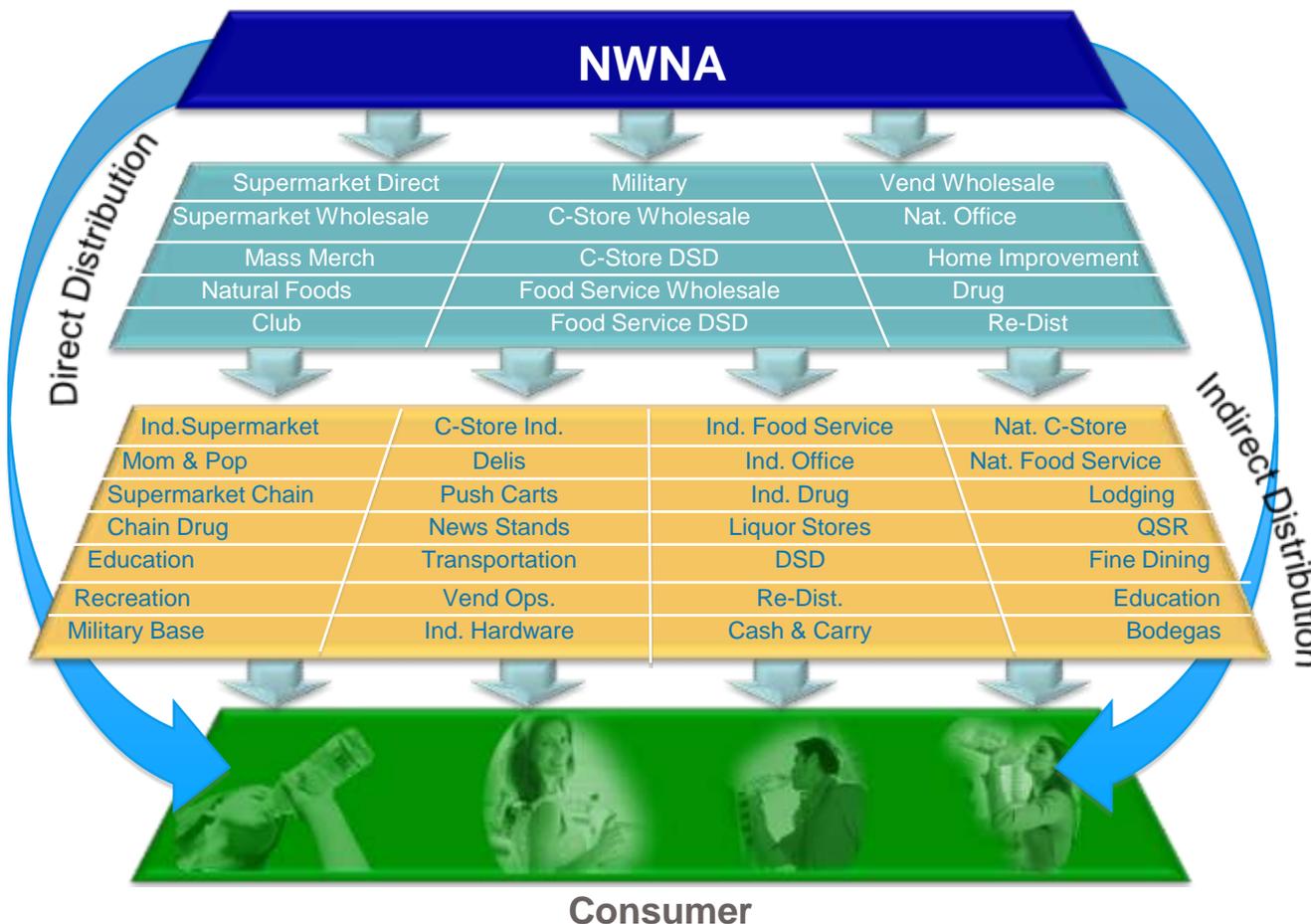


Powerful and low cost route to market

Over \$1 less per 12L case less than traditional direct store delivery (DSD) distribution system



NWNA reaches consumers whenever, wherever, however they are drinking beverages



- #1 volume warehouse delivery CPG company
- 695,000 truckloads
- 646,000 customer orders
- 40% direct shipments
- +20 B bottles sold
- 46,900 lb payload
- 25 pallets per manhour
- Under 10 days inventory

NWNA's direct delivery business reaches 1.2 million customers with 1,778 trucks and 16.6 million deliveries/year.

Broad brand portfolio positioned to lead the bottled water category

Selling Nestlé Good Food, Good Life

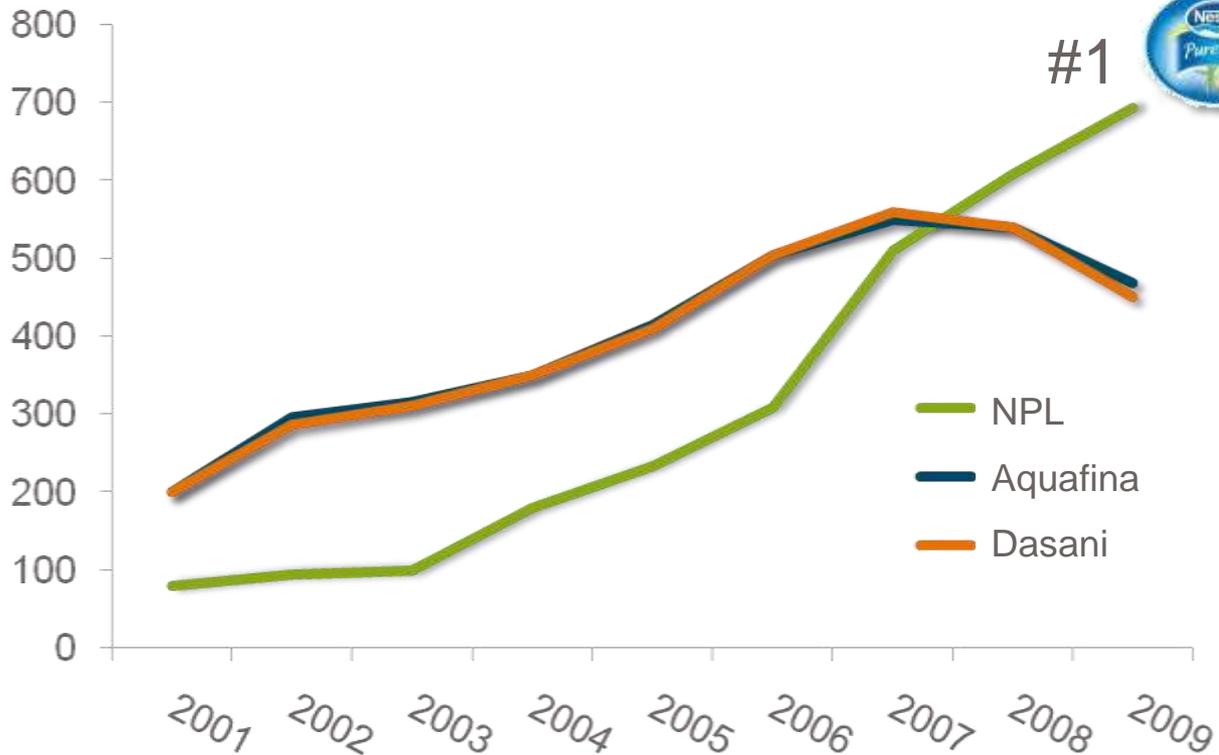
Nestlé Pure Life:
Healthy Family Hydration
"Health and Wellness"



Nestlé Pure Life is the #1 bottled water in USA

U.S. Convenience serve gallon trends All outlets

Gallons M



Nestlé brand impressions of 8 billion



Source: Beverage Marketing Corp. of New York

Summary

Bottled water category growing again in 2010;
second fastest growth among beverages.

Per capita consumption of sweetened caloric beverages
will continue to decline.

Bright future for bottled water based on social trends
and for Nwana by leveraging our business model.

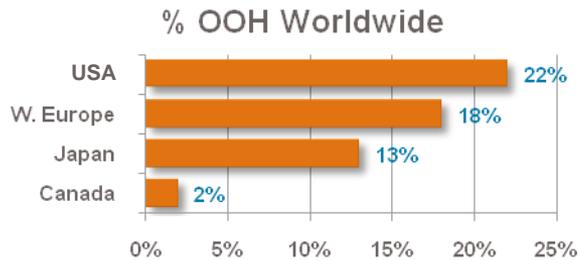
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Jorge Sadurni
President & CEO
Nestlé Professional
North America



U.S. Out-of-Home is a highly attractive market

Largest & most developed out-of-home market in the world



Half of all food dollars (48%) are spent out-of-home



U.S. is the most important market for



Global trends in out-of-home generally start in the U.S.



Home of global restaurant chains



Key growth driver in Culinary Business

Nestlé Professional Customer Innovation Campus



Establish strategic partnerships through innovation with key national accounts.

NPCIC has generated sales of \$100+ million since its 2008 opening.

Focus on Nutrition, Health & Wellness.



Key growth driver in Beverage Business

The 2010 launch of a unique competitive force in the industry



Full cold beverage portfolio



Full hot beverage portfolio

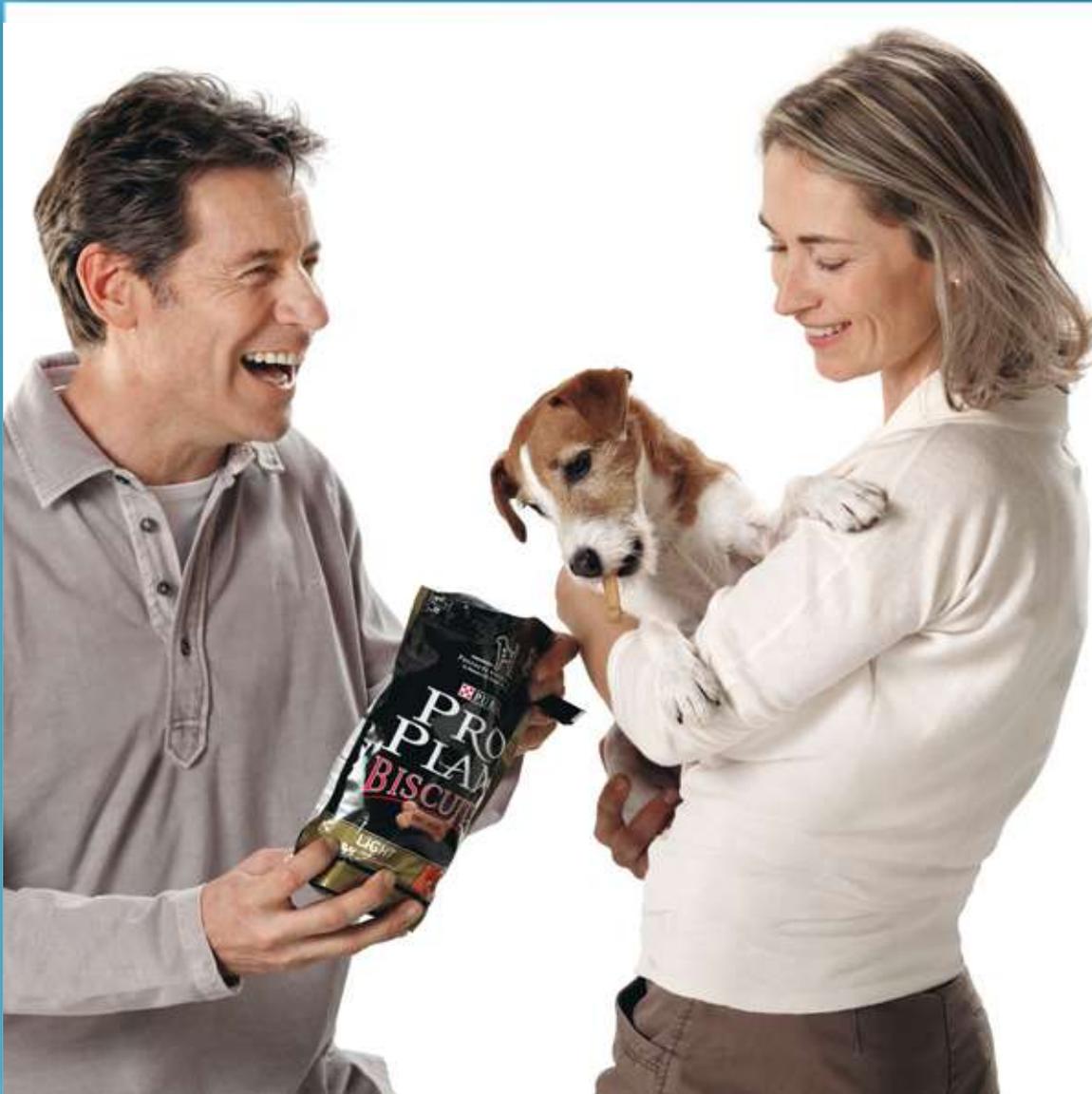


**Powerful and efficient
Sales & Service network**

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W. P. McGinnis

President & CEO Nestlé
Purina PetCare Company



NPPC vision:
a checkerboard
in every
involved
pet owner's
home

 Nestlé PURINA



NPPC – a growth company

NPPC #1 PetCare Company in North America

#1 or #2 in every category – dry dog, wet dog, dry cat, wet cat, total snacks and litter

Growth business in a mature market 33.0 Market Share (+2.0 points over past 3 years)

Only N.A. PetCare manufacturer to grow dollar share in 2010

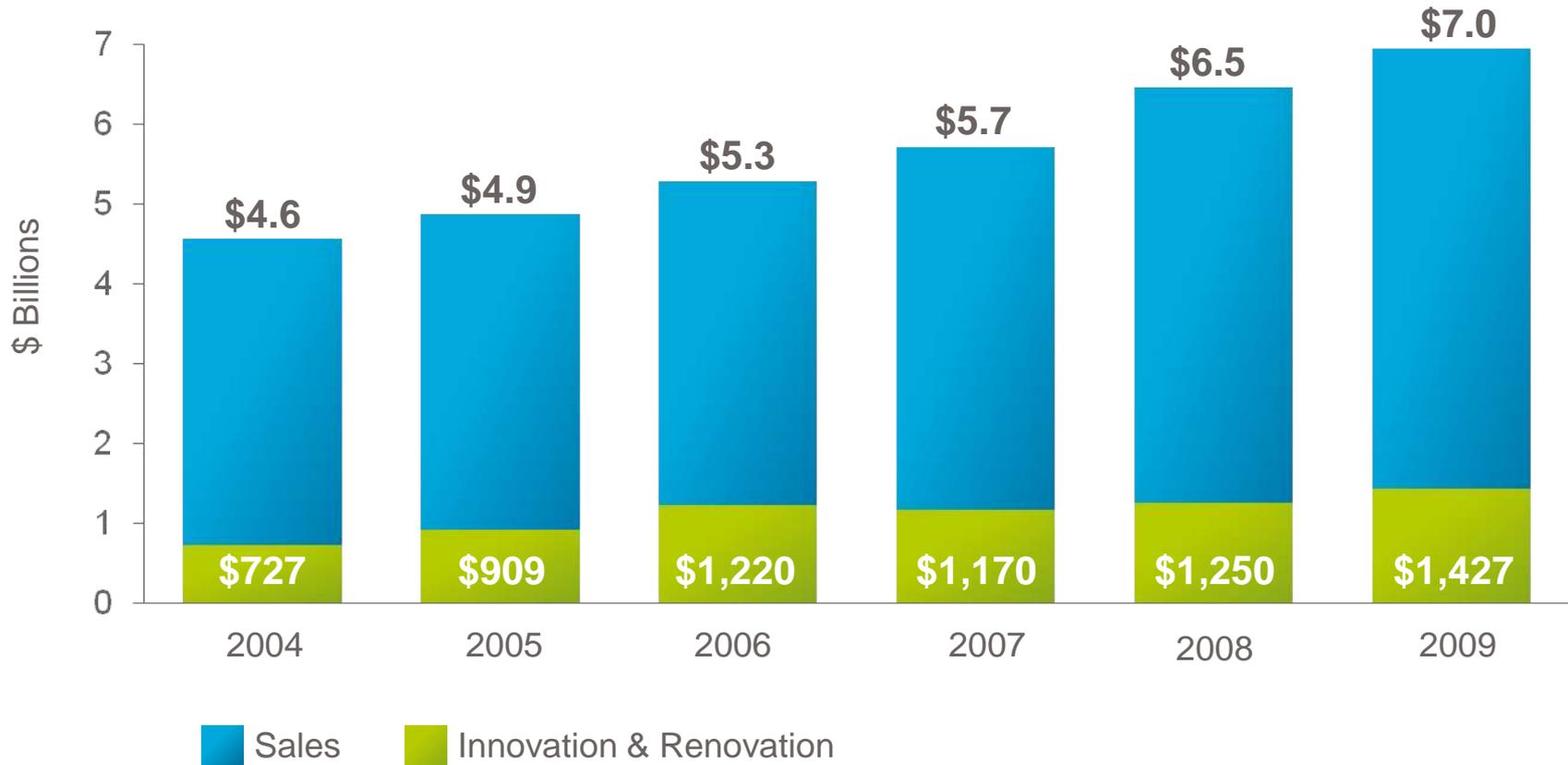
NPPC responsible for 42% of category growth over past 5 years

Dedication to Consumer Insights is a catalyst for Innovation... and a competitive advantage

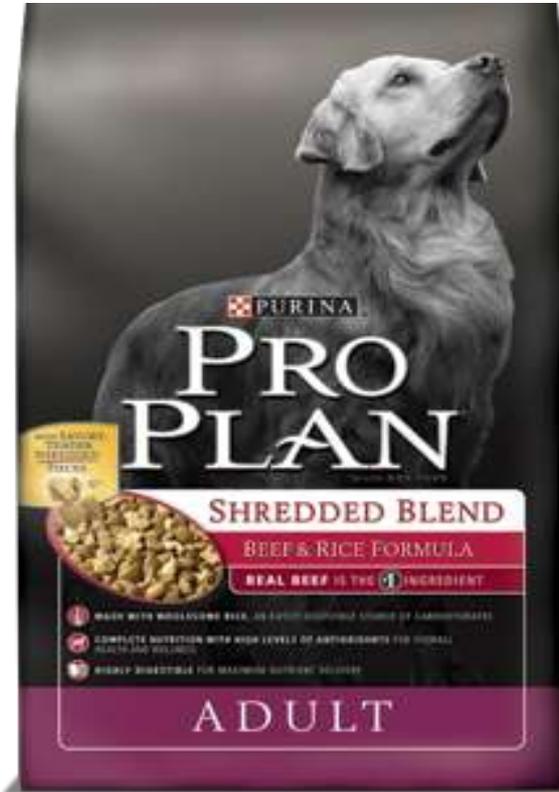


Innovation & Renovation platform is a critical component of our growth over the past 5 years

Annual Goal: Generate more than \$1 billion in Innovation & Renovation



Broad-based innovation drives premiumization



New in 2011: Purina ONE BeyOnd



Beyond will drive Purina ONE by bringing a new perspective to the brand and introducing a new group of consumers to the Purina ONE portfolio.

Waggin' Train acquisition

Acquired Waggin' Train LLC
September 17, 2010

Leading marketer of premium,
meat-based dog treats in U.S.

Fastest-growing, leading brand in
dog snacks segment with
~30% growth past 3 years

Has 3 of the top 5 SKUs in the real meat dog treat sub-segment

Waggin' Train fills a gap in our current dog treat portfolio and provides a new growth platform with new consumers to the Nestlé Purina business



Summary

NPPC North America is a growth business in a mature market.

Our brands and our category have been very resilient during the economic downturn.

Innovation & Renovation continue to drive the category and Purina's market share growth.

Focus on Consumer Insights, strategic acquisition and new product launches will fuel growth in 2011 and beyond.

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Paul Bulcke

Chief Executive Officer
Nestlé S.A.



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Discussion

