Annual Report
2010

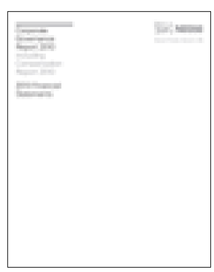
Good Food, Good Life

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

Table of contents

Accompanying reports

Creating Shared Value and Rural Development Summary Report 2010



Corporate Governance Report 2010; 2010 Financial Statements

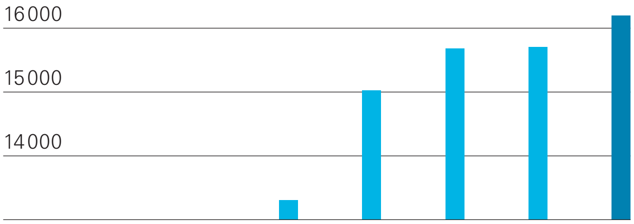
The brands in italics are registered trademarks of the Nestlé Group.

Key figures (consolidated)

In millions of CHF (except per share data)		2009	2010
Sales		107 618	109 722
EBIT (Group) Earnings Before Interest, Taxes, restructuring and impairments		15 699	16 194
as % of sales		14.6%	14.8%
EBIT (Continuing operations) Earnings Before Interest, Taxes, restructuring and impairments		13 222	14 038
as % of sales (Continuing operations)		13.1%	13.4%
Profit for the year attributable to shareholders of the parent Net profit [(a)]		10 428	34 233
as % of sales		9.7%	31.2%
as % of average equity attributable to shareholders of the parent		20.9%	61.8%
Capital expenditure		4 641	4 576
as % of sales		4.3%	4.2%
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.		48 915	61 867
Market capitalisation, end December		174 294	178 316
Operating cash flow		17 934	13 608
Free cash flow [(b)]		12 369	7 761
Net financial debt		18 085	3 854
Ratio of net financial debt to equity (gearing)		37.0%	6.2%
Per share			
Total basic earnings per share [(a)]	CHF	2.92	10.16
Underlying [(c)]	CHF	3.09	3.32
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.	CHF	13.69	18.35
Dividend as proposed by the Board of Directors of Nestlé S.A.	CHF	1.60	1.85

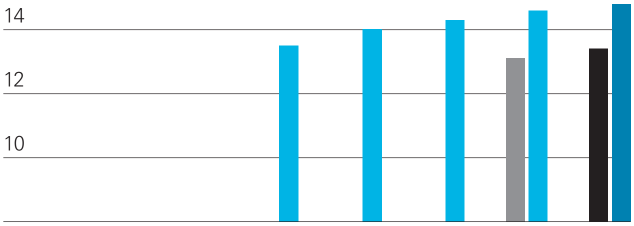
(a) 2010 figure is not comparable as it includes a one-off gain on the disposal of the remaining interest in Alcon.
(b) Operating cash flow less capital expenditure, disposal of tangible assets, purchase and disposal of intangible assets, movement with associates as well as with non-controlling interests.
(c) Profit per share for the year attributable to shareholders of the parent before impairments, restructuring costs, results on disposals and significant one-off items. The tax impact from the adjusted items is also adjusted for.
(d) ROIC calculation was amended in 2009 following changes in segment reporting. 2008 figures have been restated accordingly.

EBIT (Group)
In millions of CHF



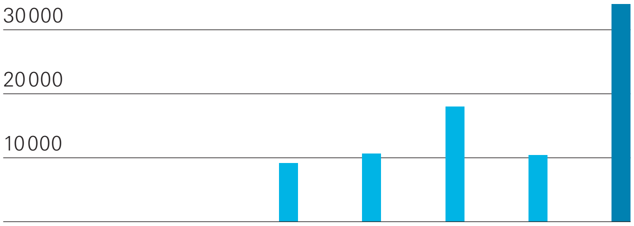
	2006	2007	2008	2009	2010
	13302	15024	15676	15699	16194

EBIT margin
In %



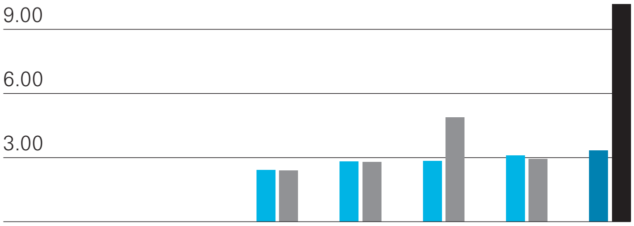
	2006	2007	2008	2009	2010
Continuing operations	–	–	–	13.1	13.4
Group	13.5	14.0	14.3	14.6	14.8

Net profit [a]
In millions of CHF



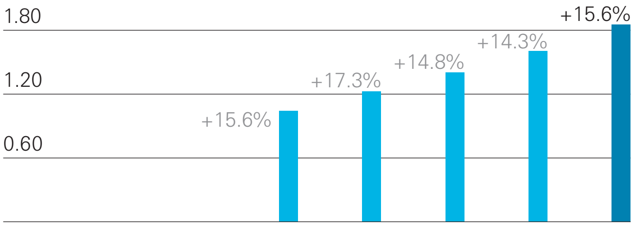
	2006	2007	2008	2009	2010
	9197	10649	18039	10428	34233

Earnings per share
In CHF



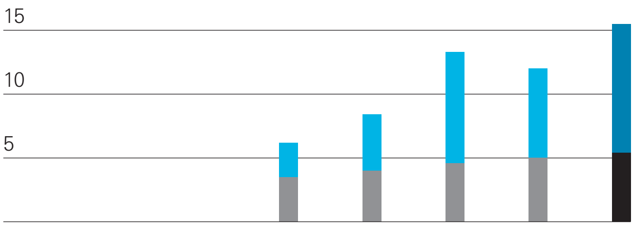
	2006	2007	2008	2009	2010
Underlying [c]	2.41	2.80	2.82	3.09	3.32
Total [a]	2.39	2.78	4.87	2.92	10.16

Dividend per share
In CHF



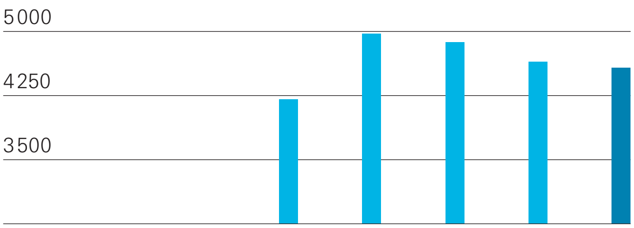
	2006	2007	2008	2009	2010
	1.04	1.22	1.40	1.60	1.85

Total cash returned to shareholders
In billions of CHF



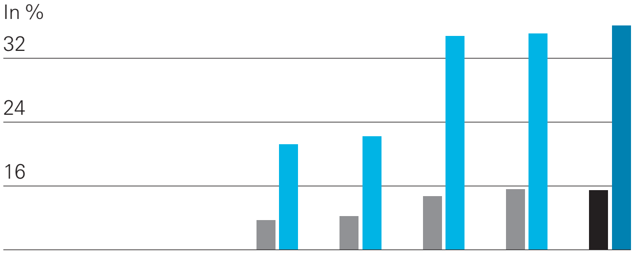
	2006	2007	2008	2009	2010
Share Buy-Back	2.7	4.4	8.7	7.0	10.1
Dividend	3.5	4.0	4.6	5.0	5.4

Capital expenditure
In millions of CHF



	2006	2007	2008	2009	2010
	4200	4971	4869	4641	4576

Return on invested capital [d]
In %



	2006	2007	2008	2009	2010
Including goodwill	11.7	12.2	14.7	15.6	15.5
Excluding goodwill	21.2	22.2	34.8	35.1	36.1

Highlights 2010

**Strong operating performance.
Broad-based: all operating segments contribute**

The Nestlé Model achieved in 2010

CHF 109.7 billion Group sales

CHF 16.2 billion Group EBIT

CHF 104.6 billion continuing operations sales

CHF 14.0 billion continuing operations EBIT,
+30 basis points EBIT margin improvement

Net profit of **CHF 34.2 billion,**
7.4% increase in underlying earnings per share,
10.3% in constant currencies

CHF 13.6 billion in operating cash flow

Return on invested capital, excluding goodwill, of **36.1%**

Return on invested capital, including goodwill, of **15.5%**

Nestlé's commitment to shareholder value creation

CHF 15.5 billion of cash returned to shareholders through
CHF 5.4 billion dividend and
CHF 10.1 billion share buy-back

CHF 6.1 billion or a **CHF 1.85** dividend per share (proposed) for 2010, an increase of **15.6%**

In excess of **CHF 10 billion** to be returned to shareholders in 2011 through dividend and share buy-back

2011: a year already characterised by high raw material costs and volatile currencies

We are starting 2011 with continued momentum, well placed to face uncertainties ahead, including volatile raw material prices. We are therefore confident of achieving the Nestlé Model in 2011: organic growth between 5% and 6% and an EBIT margin improvement in constant currencies

Letter to our shareholders

Fellow shareholders,

The aftershocks of the 2008 financial meltdown echoed through 2009, with recessions in many economies, and continued through 2010 and into 2011, with concerns over what may be still to come. This unpredictable and volatile macro-environment, particularly in the developed world, has weighed heavily on consumer confidence. On the other hand, the emerging world has rallied quickly, demonstrating that many economies in Asia, Africa and Latin America are more robust, and less dependent on the developed world than was perhaps thought. One might say that many emerging economies are indeed emerging, and doing so on their own terms, with their own priorities, rather than simply having a "me too" ambition to mimic the developed world. This must be a good thing, both for those economies and for global trade and development.

This environment has required specific, individual country-by-country approaches from your Company, so that we could identify opportunities for growth in areas characterised by low levels of consumer demand and also capitalise on buoyant demand in other markets. These approaches shared a common strategic purpose, described in the Nestlé Roadmap, which identifies our operational and strategic priorities. Our priorities were to ensure that we put consumers first; that we offered outstanding value propositions through our products and services, appropriate to our different consumer segments; that we achieved a high level of differentiation of our brands from those of our competition; and that we continued to increase investment in innovation, in consumer communication, in operations and in distribution. And that we did this whilst driving improved operational efficiency across the business, simultaneous to achieving ever higher standards of process and product quality.

This commitment lies at the heart of our performance in 2010, a year that saw Nestlé's stock market valuation make it preeminent amongst its consumer goods peers and one of the leading companies in Europe.

Nestlé's organic sales growth was 6.2%, including real internal growth (RIG) of 4.6% and pricing of 1.6%. The strength of the Swiss franc relative to many other currencies had a 3.6% negative impact on reported sales, whilst divestitures, net of acquisitions, resulted in a fall of 0.6%. Overall, sales rose by 2.0% to CHF 109.7 billion. The Group's EBIT rose to CHF 16.2 billion and the EBIT margin rose by 20 basis points to 14.8%. Our continuing operations had organic growth of 6.0% and RIG of 4.4%. Despite a higher level of investment in marketing and R&D, the EBIT rose to CHF 14.0 billion and the EBIT margin by 30 basis points to 13.4%.

The Group's underlying earnings per share rose 7.4% to CHF 3.32, and by 10.3% in constant currencies. The reported net profit was CHF 34.2 billion, reflecting the profit on disposal of our remaining holding in Alcon, as well as the underlying improvement in our performance.

The operating cash flow was CHF 13.6 billion. The Group's return on invested capital decreased by 10 basis points to 15.5% including goodwill, but increased 100 basis points to 36.1% excluding goodwill.

In view of this performance, and your Company's robust financial position, your Board is recommending a dividend per share of CHF 1.85, an increase of 15.6% from last year. This will be paid in 2011, and is in addition to the current CHF 10 billion share buy-back, split equally between 2010 and 2011.

The 2010 results, achieved in an exceedingly challenging environment, were not the reflection of a single-minded focus on achieving short-term performance, but were achieved whilst investing for the future and laying foundations to shape the future direction of the Company:

- in January we announced the acquisition of the leading USA player in frozen pizza. This deal complements

The 2010 results, achieved in an exceedingly challenging environment, were not the reflection of a single-minded focus on achieving short-term performance, but were achieved whilst investing for the future and laying foundations to shape the future direction of the Company.

our existing leadership in frozen meals, frozen snacks and ice cream in the US market, enhances our distribution capabilities there and complements the know-how that we have developed in our pizza operations in Europe. On an annualised basis, we now have sales of over CHF 8 billion in mainstream retail frozen food and ice cream in North America, and clear leadership;

- in August we closed the sale of Alcon. This transaction, together with the earlier divestments of our Alcon shares, brought the total realised by Nestlé to USD 41 billion from an investment in 1977 of USD 280 million. Your Board thanks the past and present Alcon management teams for their great work over three decades in building such a successful business, which has enabled the creation of significant value for our shareholders. Our desire to ensure that our shareholders benefited from that value creation is reflected in our commitment to buy back and cancel approximatively CHF 40 billion of our shares between 2005 and 2011;
- in September we announced the creation of both Nestlé Health Science S.A. and the Nestlé Institute of Health Sciences. Nestlé is the world's leading Nutrition, Health and Wellness company: one responsibility of leadership is to be a pioneer. The creation of these two organisations will enable us to pioneer a new market between food and pharmaceuticals.

They will develop the innovative area of personalised health science nutrition to prevent and treat health conditions such as diabetes, obesity, cardiovascular and Alzheimer's diseases. Nestlé Health Science will incorporate the Nestlé HealthCare Nutrition business, with CHF 1.7 billion of sales, including the 2010 acquisition of Vitaflo, focused on inherited metabolic disorders;

- we also strengthened our position through acquisitions in different categories in both developed and emerging markets. These included, amongst others, Water in China, Culinary in Ukraine, Confectionery in Turkey and PetCare in North America.

Acquisitions play a role in helping to accelerate the Group's strategic priorities and to enhance its growth profile, but our key driver of profitable growth is the organic development of our categories and geographic positions. We have made or announced major capital investments in the developed world and in emerging countries such as India, China, Indonesia, the Philippines, the Middle East, Russia, Brazil, Mexico, Chile, Angola, the Democratic Republic of Congo, Ghana, Kenya and Mozambique. In total, for 2010 and 2011 we have spent or committed CHF 4.3 billion to capital investment in emerging countries. We foresee investment in the emerging world continuing to run at significant levels as we build on our position as the largest food and beverage company in emerging markets. Equally, we will continue to invest in North America, Western Europe and the developed economies of Oceania and Japan: we see many opportunities for growth in the developed world and are investing to ensure that we are well placed to benefit from them. Capital investment, expanding our capacity, is only one part of the story: we are supporting this with investment in capabilities, both personal and technical, in R&D, in distribution and, of course, in our brands.

The strength of our balance sheet means that we do not have to make either/or decisions when we are investing in our own business, acquiring another company or driving our performance, but that we can judge each opportunity on its own merits. This means that we will make appropriate investments and acquisitions in both developed and emerging markets, provided the financials stand up; and that we will drive short-term performance and, at the same time, invest in the longer-term development of our brands and market positions.

We are also using our financial resources and technical expertise to invest in countries and communities that are themselves contributing to our development. As an example, we are seeking to improve the security of supply of key ingredients, such as milk, green coffee and cocoa. In 2010, we announced our intention to invest CHF 500 million in a wide-ranging plan to address responsible farming, sourcing and consumption across the coffee supply chain. As part of this plan, we intend to deliver over two hundred million high-yielding plants to farmers over the next ten years. We are also investing over CHF 100 million in an initiative in cocoa with similar objectives around the sustainability of the cocoa industry.

These cocoa and coffee initiatives are just two examples of us using our financial resources to fund investment that will improve the quantity and quality of local ingredients that we are able to buy; this in turn will contribute to increased economic prosperity in those countries; equally, we are expecting to make further such investments as our business continues to grow, both locally and around the world. The benefits to our Company will be an improved security of supply of higher-quality raw materials and a reduced impact from the volatility of raw material prices.

These investments highlight the founding philosophy of how we go about our business: we believe that companies are only sustainable and successful over the long term if they

Our commitment to Creating Shared Value and our principle-based approach to running our business stand front-and-centre as we pursue our objective of being the reference for financial performance in our industry because we want to achieve this whilst also being trusted by all stakeholders.

create value not just for their shareholders but also for the societies in which they operate. We call this "Creating Shared Value". We talk about this in more detail in this report, as well as our progress in relation to the United Nations Global Compact.

Our commitment to Creating Shared Value and our principle-based approach to running our business stand front-and-centre as we pursue our objective of being the reference for financial performance in our industry because we want to achieve this whilst also being trusted by all stakeholders. The Nestlé Model has the objective of every year achieving a high level of organic growth and improving the EBIT margin. In the last ten years we have averaged an annual 6.3% organic growth and an annual 30 basis point improvement in the reported EBIT margin. The benefit of our EBIT growing faster than our organic sales is reflected in the improving trend in our cash-flow performance, which is in turn reflected in the increased dividend paid to our shareholders, up 236% per share over that same 10-year time frame. And, in the last six years, your Company has been paying a dividend and carrying out a significant share buy-back, which together total CHF 60 billion over that time.

Comparability, transparency and the ability to be benchmarked are entry points to being the reference for financial performance: your Board committed in 2010 to change our sales recognition policy with effect from 2011 to facilitate comparisons of performance with our peers by bringing into line those of our key reported financial performance indicators that were not already directly comparable. We believe this will not only facilitate external-benchmarking of our performance, but that it will also bring even closer alignment between internal targets and those value drivers that are of most importance to our shareholders.

There was one change to the Executive Board in 2010. Richard Laube decided to leave the Company and was replaced as Head of Nestlé Nutrition and on the Executive Board by Doreswamy (Nandu) Nandkishore. Nandu, of Indian nationality, has been with Nestlé since 1989 and was previously the Market Head of Nestlé Philippines and then the Head of Infant Nutrition globally. The Board thanks Richard for his contribution over his five years at Nestlé and particularly for his contribution to the successful acquisition and integration of the three businesses which enabled Nestlé Nutrition to double in size under his leadership.

One new director will be proposed to shareholders at the 2011 Annual General Meeting. Ms. Ann Veneman, is a US citizen and former Executive Director of the United Nations Children's Fund (UNICEF). She also served as Secretary of the United States Department of Agriculture (USDA) and is a member of the Nestlé Creating Shared Value Advisory Board, with extensive experience in areas such as children's health and education.

The events of the last few years have been unprecedented in many ways, and have created considerable uncertainty for many people in many countries around the world. Despite this, our people, over 280 000 of them, have continued to show a wonderful level of commitment to their jobs and of enthusiasm for their Company. We would like to thank them on behalf of the Board and of all our fellow shareholders for their efforts in 2010. We would also like to welcome all those who have joined Nestlé in 2010 and to wish them every success, in the knowledge that they have the full support of their colleagues.

We are starting 2011 with continued momentum, well placed to face uncertainties ahead, including volatile raw material prices. We are therefore confident of achieving the Nestlé Model in 2011: organic growth between 5% and 6% and an EBIT margin improvement in constant currencies.

Peter Brabeck-Letmathe
Chairman of the Board

Paul Bulcke
Chief Executive Officer

Board of Directors of Nestlé S.A.

at 31 December 2010

Peter Brabeck-Letmathe (3, 5)
Chairman
Term expires 2013 (1, 2)

Paul Bulcke (3)
Chief Executive Officer
Term expires 2011 (1, 2)

Andreas Koopmann (3, 4, 5)
1st Vice Chairman
Chairman of Alstom (Suisse) S.A.
Term expires 2011 (1, 2)

Rolf Hänggi (3, 6)
2nd Vice Chairman
Former Chairman, Rüd, Blass & Cie AG, Bankers.
Term expires 2011 (1, 2)

Jean-René Fourtou (3, 4)
Chairman of the Supervisory Board, Vivendi.
Term expires 2012 (1, 2)

Daniel Borel (4)
Co-founder and Board member, Logitech International S.A.
Term expires 2012 (1, 2)

Jean-Pierre Meyers (4)
Vice Chairman, L'Oréal S.A.
Term expires 2011 (1, 2)

André Kudelski (6)
Chairman and CEO, Kudelski Group.
Term expires 2013 (1, 2)

Carolina Müller-Möhl (5)
President, Müller-Möhl Group.
Term expires 2012 (1, 2)

Steven G. Hoch (5)
Founder and Senior Partner, Highmount Capital.
Term expires 2013 (1, 2)

Naïna Lal Kidwai (6)
Group General Manager and Country Head of HSBC Group Companies in India.
Term expires 2011 (1, 2)

Beat Hess (6)
Group Legal Director, Royal Dutch Shell plc.
Term expires 2011 (1, 2)

Titia de Lange
Associate Director, Anderson Cancer Center, The Rockefeller University.
Term expires 2013 (1, 2)

Jean-Pierre Roth
Chairman Geneva Cantonal Bank.
Term expires 2013 (1, 2)

Helmut O. Maucher
Honorary Chairman

David P. Frick
Secretary to the Board

KPMG SA Geneva branch
Independent auditors.
Term expires 2011 (1)

(1) On the date of the Annual General Meeting.
(2) As Nestlé's Articles of Association provide for three-year terms, all members of the Board are being re-elected over the course of the following three years.
(3) Chairman's and Corporate Governance Committee.
(4) Compensation Committee.
(5) Nomination Committee.
(6) Audit Committee.

For further information on the Board of Directors please refer to the Corporate Governance Report 2010, enclosed.

Executive Board of Nestlé S.A.

at 31 December 2010

Executive Board (from left to right): Werner Bauer, Luis Cantarell, David P. Frick, James Singh, Laurent Freixe, John J. Harris, Paul Bulcke, Frits van Dijk, Petraea Heynike, Marc Caira, José Lopez, Doreswamy (Nandu) Nandkishore, Jean-Marc Duvoisin

Paul Bulcke
Chief Executive Officer

Members Executive Board

Werner Bauer
EVP, Innovation, Technology, Research and Development

Frits van Dijk
EVP, Asia, Oceania, Africa, Middle East

Luis Cantarell
EVP, United States of America, Canada, Latin America, Caribbean

José Lopez
EVP, Operations, GLOBE

John J. Harris
EVP, Nestlé Waters

James Singh
EVP, Finance and Control, Global Nestlé Business Services, Legal, Intellectual Property, Tax

Laurent Freixe
EVP, Europe

Petraea Heynike
EVP, Strategic Business Units, Marketing and Sales

Marc Caira
Deputy EVP, Nestlé Professional

Jean-Marc Duvoisin
Deputy EVP, Human Resources

Doreswamy (Nandu) Nandkishore
Deputy EVP, Nestlé Nutrition

David P. Frick
SVP, Corporate Governance, Compliance and Corporate Services

Yves Philippe Bloch
Corporate Secretary

EVP: Executive Vice President
SVP: Senior Vice President

For further information on the Executive Board, please refer to the Corporate Governance Report 2010, enclosed.

Creating value for society

Compliance with applicable laws and international conventions such as the Universal Declaration of Human Rights and strong support for the UN Global Compact, as well as our internal standards and regulations, is the foundation of our business. Beyond compliance, our business is based on sustainability, ensuring our activities protect the environment for future generations. Yet we believe we need to go further, creating shared value for both the Company and society in areas where shareholders' and society's interests intersect. Three such areas – nutrition, water and rural development – are the focus for this strategy.

Creating Shared Value goals

Nutrition: Using science-based solutions, we contribute to the health and wellbeing of consumers, including those with specific nutritional needs, by offering products with higher nutritional value at affordable prices that appeal to consumers. We also aim to generate greater awareness, knowledge and understanding among consumers through clear, responsible communication.

Water: Our long-term success depends on the water resources that supply our business operations and support the livelihoods of suppliers and consumers, which is why water is a key focus area of Creating Shared Value. We work with stakeholders, ranging from agricultural suppliers to consumers, to manage water consumption in our operations and supply chain, and contribute to sustainable community water management schemes.

Rural development: We strive to increase farmers' incomes through increasing productivity, growing higher value crops, using land more efficiently and gaining outside farming employment and income. We further contribute to rural development by providing technical and financial assistance and access to markets, and by investing in factories and rural areas that create infrastructure and employment.

Performance

Nutrition: While nutritional status has improved worldwide over the past fifty years, malnutrition and obesity still require solutions. To ensure both taste preference and nutritional superiority in our products, we assessed CHF 36.4 billion of our product portfolio and renovated 6502 products for nutrition or health considerations. To provide lower-income consumers with greater access to affordable food products,

Through The *Nescafé* Plan, Juan Lopez Cruz (left), a coffee farmer from Puebla, Mexico, receives high-yield coffee plantlets from Nestlé agronomist Juan Sanchez.

The *Nescafé* Plan

In August 2010, we launched The *Nescafé* Plan, bringing all our Creating Shared Value coffee farming and production practices together. This global initiative will help us to optimise our coffee supply chain and reach our coffee farming, production and consumption targets. Under the Plan, we will, among other things, invest CHF 500 million in coffee projects by 2020, distribute 220 million high-yield coffee plantlets, train 30 000 farmers and support social projects in coffee-growing communities.

In Peru, schoolchildren learn about healthy eating in a fun way by participating in Nestlé's *Crecer Bien* programme.

Nestlé Prize in Creating Shared Value

In May 2010, the first Nestlé Prize in Creating Shared Value was presented to International Development Enterprises (IDE) Cambodia, which employs franchised Farm Business Advisors. Since 2005, IDE has increased the productivity among 4500 smallholder farmers in rural Cambodia, boosting their income and increasing their standard of living, and the CHF 500 000 prize will help IDE to reach an additional 20 000 farmers.

Healthy Kids Programme

We believe that education helps children to understand the value of nutrition and healthy lifestyles. Building on Nestlé-sponsored education programmes, we will have implemented our Healthy Kids Global Programme through partnerships in all countries where we have operations by the end of 2011.

we offer 4860 Popularly Positioned Products at an affordable cost and appropriate serving size through a range of locally adapted distribution methods. Annually, 90 billion servings of *Maggi* bouillon cubes are fortified with key micronutrients to address deficiencies in certain markets.

In 2008, Nestlé's CEO – and those from eight major food and beverage companies – made five global commitments to the World Health Organization's Director General, to tackle obesity and the non-communicable diseases associated with it through diet and physical activity. These commitments led to the International Food and Beverage Alliance (IFBA), which Nestlé has co-chaired since its formation, and in November 2009, IFBA's first annual report (see www.ifballiance.org) to the Director General outlined its members' progress to date.

Water: Water has been identified as the most important factor for Nestlé's long-term success, as it affects the supply of raw materials, our operations and the consumption of many of our products. To become the most efficient water user in our industry:

- Water Resource Reviews are conducted at factories and in commodity-growing areas;
- we help farmers to become better stewards of water;
- we support water resource awareness and education programmes;
- we take a leading role in the global dialogue on the issue.

We have also reduced our total water withdrawal by 32% to 144 million m^3 since 2000.

Rural development: We will also continue to support 144 926 farmers through capacity-building training programmes, access to financial assistance, farm assessment tools and investment in biogas generation, amongst others. Full details of our performance are given in a comprehensive separate report and also in more detail on line.

Our people: We continue to offer our workforce comprehensive training, development and career progression opportunities, and our global nutrition, health and wellness training programme has now reached 145 922 employees since 2007. Safety remained a key focus, our main indicator improved by 18% to 4.2 recordable injuries per million hours worked, and relations between employees, management and trade unions are generally strong.

UN Global Compact – Communication on Progress

Since joining the UN Global Compact (UNGC) in 2001, we have embraced its 10 principles, integrated them into the Nestlé Corporate Business Principles and continuously supported them. Our annual Communication on Progress illustrates our dedication and efforts in the issue areas of human rights, labour practices, the environment and anti-corruption. Our full Communication on Progress is available online.

Commitment and systems

The Nestlé Corporate Business Principles (NCBP) – endorsed by the Chairman and CEO, and available online – form the basis of our culture and reflect our values of fairness, honesty and respect for people and the environment. A revised version of the NCBP was developed during 2010, and translated into fifty languages. A comprehensive communication and training toolkit has been provided to all markets where local plans have been launched to ensure each employee lives up to the Principles. Follow-up training is planned in 2011 to ensure deeper understanding of each Principle. Compliance is monitored through external audits under our CARE programme, and the Nestlé Group Audit function. In 2010, 392 sites underwent CARE audits and no critical non-compliances were identified.

To help maintain our reputation, our Code of Business Conduct outlines minimum standards of behaviour in key areas, our new Employee Relations Policy outlines international standards and sets a tone of open dialogue on labour matters, and the Nestlé Supplier Code commits suppliers to comply with our core integrity standards.

Human rights and labour practices

Since November 2008, Nestlé has worked with the Danish Institute for Human Rights (DIHR), to review our human rights policy and assess our labour practices and human rights compliance. In July 2010, we signed a two-year partnership through which the DIHR will assist us in integrating human rights into our corporate systems, undertaking in-depth assessments with stakeholder consultations at a country level, and other monitoring and capacity-building activities.

Nestlé recognises the "corporate responsibility to respect human rights", as outlined in the UN Framework on Human Rights and Business proposed by John Ruggie, Special Representative of the UN Secretary General on Business and Human Rights. During 2010, labour rights and human rights issues have been discussed by our CEO Paul Bulcke with Professor Ruggie, and other international stakeholders.

In cocoa-growing areas, child labour is a challenge, so Nestlé and others in the International Cocoa Initiative (ICI) continue to tackle child labour and improve access to education. In Côte d'Ivoire, the Cocoa Plan has a strong child labour component, and a new project with the ICI will support twenty communities

Staff from all departments at Nestlé's Bugalagrande factory in Colombia attend an editorial meeting for the bimonthly employee magazine.

UNGC Principles

Human rights
1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labour
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Environment
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption
10. Businesses should work against corruption in all its forms, including extortion and bribery.

that supply cocoa for our confectionery business.

In Colombia, Nestlé is a founding participant of "Guías Colombia" (Guidelines for Colombia), which brings together companies, government, NGOs and trade unions. We also have a formal dialogue with Alliance Sud, a group of Swiss NGOs examining the impact of our activities and our relationships with trade unions and local communities on national development and human rights.

In 2010, all operating companies implemented action plans and are tracking progress on our Gender Balance initiative, while a network of Gender Balance Champions regularly shares best practice. Nestlé also published Corporate Guidelines for a Flexible Work Environment, and paired 130 senior executives with mentors in the second stage of our Corporate Mentoring Programme.

In addition, several high-impact training and capability workshops are being rolled out as part of Nestlé Continuous Excellence (NCE) which empowers people with the right knowledge, skills and competencies to drive business results and personal development.

Environmental sustainability

Our aim is to continuously improve our performance and produce tastier, nutritious food and beverages that are better for the environment. We assess the environmental impact of our value chains including procurement, logistics, manufacturing, marketing and consumer engagement – using a life cycle approach.

Through an ongoing commitment to operational environmental efficiency and a move towards cleaner energy we have kept our direct greenhouse gas emissions stable at 4 million tonnes CO_2eq and increased energy consumption by only 4% to 88.6 PJ, despite an increase in production volume of 6.2%. We continue to focus on packaging optimisation and two additional factories in the UK achieved "zero waste to landfill" in 2010. Nestlé

At a Nestlé field school in Nobertkro, Côte d'Ivoire, farmers learn about responsible labour practices and the importance of education for children.

is also a founding signatory of the UN Global Compact's CEO Water Mandate, and has provided a Communication on Progress on water since 2009.

We are committed to use only palm oil from sustainable sources by 2015 and became the first company to commit to eliminating tropical rainforest deforestation in our supply chain. Through our membership of The Forest Trust, we are working with our suppliers to meet a series of principles to achieve this.

In recognition of our improved environmental performance, Nestlé was ranked second in the consumer goods sector in the Carbon Disclosure Project's (CDP) Carbon Disclosure Leadership Index 2010, and contributed to the CDP's Water Disclosure Project.

Anti-corruption

The Code of Business Conduct and the NCBP condemn any form of corruption and bribery, and our Supplier Code of Conduct requires our partners to embrace our "zero-tolerance" approach.

Having performed a thorough anti-corruption risk assessment, we have developed an anti-corruption training tool to provide employees with specific guidance on avoiding inappropriate behaviour, supplementing existing training efforts in this area. Our Code of Business Conduct introduced whistle-blower procedures in 2008, and we are complementing our local hotlines with a Group-wide integrity reporting system.

The Nestlé Roadmap to Good Food, Good Life

Our objective is to be recognised as the world leader in Nutrition, Health and Wellness, trusted by all our stakeholders, and to be the reference for financial performance in our industry. This objective demands from our people a blend of long-term inspiration, to build for the future, and short-term entrepreneurial actions, to deliver the necessary performance today. The 4x4x4 Roadmap combines four competitive advantages, four growth drivers and four operational pillars with the aim of aligning the priorities of the more than 280 000 people who are working at Nestlé, and thereby accelerate the achievement of our objective.

Our competitive advantages are:
Our unmatched product and brand portfolio, with strong market positions. Over 20 Nestlé brands have annual sales of over CHF 1 billion. Whether global or regional, our brands are always relevant to consumers locally.

Our unmatched R&D is the unseen impetus behind the growth of our brands. It is science-based, consumer-centric and focused on differentiation from our competitors. It goes beyond food to cover new products, packaging, technology and manufacturing, quality and safety.

Our unmatched geographic presence has been established over many years and is a reflection of both the breadth of our presence, with our brands available more or less everywhere, and the duration for which we have been present in countries the world over.

Our people, culture, values, and attitude enable us to be decentralised and entrepreneurial. It combines devolved responsibilities with a cohesive strategic direction. We are patient and not averse to taking reasonable risks. Our speed and focus enable us to remain competitive in spite of any challenges in the marketplace.

Our growth drivers are:
Nutrition, Health and Wellness. Each of our product categories, from Chocolate to Baby Food, has a specific strategy to ensure that it can be the nutrition leader in its space.

Emerging markets and Popularly Positioned Products. We have tailored not just our products, but also our business models and marketing mix to ensure that we are best able to realise the growing opportunity to provide nutritious, affordable, branded food to lower income consumers around the world.

Out-of-home consumption is growing faster than in-home. We are the largest branded manufacturer, with a business built on branded ingredients but increasingly achieving new standards in customer solutions, systems and service.

Premiumisation. Incomes are increasing; so is leisure time. These are just two trends that point to accelerated growth in premium food and drinks, each a moment of affordable luxury, a moment of pleasure. Each of our product categories has its own specific premium strategy, encompassing brands such as *Nespresso, S.Pellegrino, Perrier, Häagen-Dazs* and *Cailler.*

Our operational pillars are:
Innovation & renovation. Innovation is about big steps and changing the rules of the game, or even changing the game. It is hard to copy. Its rewards can be measured by profitable growth for years to come and sustainable competitive advantages. Renovation is more incremental, and lies behind the still-growing success of brands such as *Nescafé* and *KitKat,* both over 70 years old.

Operational efficiency seeks to ensure that we have the highest quality, the lowest cost and best customer service. The aim is to improve our sustainability by being better, faster, more efficient, less wasteful and, as a result, higher performing.

Whenever, wherever, however is the expression of our aim to have our products always at an arm's reach of our consumers. We have created specific business models, distribution strategies and product solutions to meet this objective.

Consumer communication is about building trust, exciting consumers, and learning from them to help drive our R&D. It is about citizenship and responsibility and being aligned with the expectations of our consumers.

On the following pages we are touching in detail on one of each of the competitive advantages, the growth drivers, and the operational pillars. All, however, are of equal importance.


Competitive advantages
Unmatched product and brand portfolio
Unmatched research and development capability
Unmatched geographic presence
People, culture, values and attitude
Compliance - Sustainability
Creating Shared Value
Nestlé
Good Food, Good Life
Our objective is to be the recognised leader in Nutrition, Health and Wellness, and the industry reference for financial performance
Nestlé culture and values
Innovation & renovation
Operational efficiency
Whenever, wherever, however
Consumer communication
Operational pillars
Nutrition, Health and Wellness
Emerging markets and Popularly Positioned Products
Out-of-home consumption
Premiumisation
Growth drivers

Competitive advantages

Unmatched product and brand portfolio

Unmatched research and development capability

Unmatched geographic presence

People, culture, values and attitude

Nestlé's unmatched global presence is the result of the desire, soon after the Company was founded, to expand beyond domestic borders. The result today, is that Nestlé brands have been present in many markets, including emerging markets, for many generations, even over 100 years. With this presence come expertise, talent, experience, local knowledge and traditions that make Nestlé an integrated part of those communities where it is present.

Nestlé's sales are broadly spread across the world. Our presence in emerging markets, with about CHF 39 billion of sales, about 36% of the total, is an unrivalled platform to leverage our scale for a continued high level of profitable growth. In 2020, by when there will likely be an additional one billion consumers in emerging markets, we expect to be achieving about 45% of Group sales in those countries.

In total, our emerging markets achieved organic growth of 11.5% in 2010. There are 13 emerging markets in which Nestlé's annual sales exceed CHF 1 billion, and we have 5 with over CHF 2 billion in sales.

Our products are ideal for emerging markets, especially those that are shelf-stable and easily portioned, with the potential to be locally manufactured: Ambient dairy, Infant nutrition, Culinary, Powdered beverages, Soluble coffee, Chocolate, Ready-to-drink beverages and Water. Ice cream and PetCare are growing rapidly in the emerging world from smaller bases, whilst Frozen and Chilled meals do not yet have any meaningful presence.

This emerging market business is supported by local manufacturing, with 47% of our factories in emerging markets, local R&D and product technology centres, long-term relationships with suppliers and farmers, and, of course, home-grown, local talent working at Nestlé.

About 80% of the world's population is living in emerging markets, and is working for a better future. Nestlé is ideally placed both to contribute to that better future and to benefit from it.

Nestlé's presence in the developed world is also broad-based. We are one of the biggest food companies in North America and we have leading positions in our key categories in most European countries and in Australasia and Japan. We believe that there are opportunities for profitable growth and improved market shares everywhere in the developed world.

These opportunities include particular channels, market segments and consumer groups. They exist at the premium end, but also amongst lower income consumers, just as they do in emerging markets. The opportunities are realised through a strong pipeline of innovation, through increasing distribution, through product superiority for both taste and nutrition. Also, developed markets are often the launch pad for innovations that will end up with global reach.

Nestlé has a decentralised structure. It is our people on the ground in each country, who are closest to our consumers, who are best able to drive our progress locally. They all have their own challenges, but they are bound together by their alignment to our 4x4x4 Roadmap, and they share the same objective: to grow our business for the benefit of our consumers all over the world, of our business partners, our people and our shareholders.

KitKat celebrated its 75th anniversary in 2010 but remains young and in touch with trends, having over 2.5 million Facebook fans. It is sold in over 70 countries and enjoys good growth in the developed world and emerging markets, such as the Middle East, India and Russia. Japan is its second biggest market.


EXPOCAFE
NESPRESSO
JARDIN
A A A


NESPRAY
CERGAS
12061783
24x300g

Maggi is the leader in the Central West African Region. To reinforce its position as the best partner for tasty and balanced cooking, *Maggi* has launched an affordable range of powder seasonings *Tro'bon* and *Mix'Py,* fortified in iodine, that enhance the taste of everyday cooking.

Comilfo, the premium brand launched in Russia, has added three new products to its range. The unique boat-shaped chocolate cups with a cream filling, a layer of caramelised wafer and a nut on top, combine to delight consumers with a multi-sensorial experience.

Nescafé Café Viêt captures the intense and unique taste of authentic Vietnamese coffee: strong, black with an intense and bitter taste consumed over ice. The *Nescafé Café Viêt* product is the result of a R&D breakthrough which led to a patented process for co-extracting roast and ground coffee and soya.

Nestlé Fruit Selection
Yogurt + Jelly is a breakthrough innovation in the category in the Philippines. Priced at PHP 20, it has a layer of jelly over fruit yogurt, a first in the market. It has helped to increase yogurt consumption, addressing the main barriers of taste and price.

Buitoni, the US leader in chilled filled pasta and sauces, entered the biggest segment of the frozen food market with a super premium range of meal solutions which are composed of filled pasta plus sauce in a pouch. This is providing consumers with an authentic and extraordinary Italian meal experience.

Purina ONE SmartBlend
combines nature's ingredients (such as meat, fish, poultry, wheat, corn, rice, omega-6 fatty acids) into concentrated, nutrient-rich morsels with enticing taste and texture: to combine essential amino acids, energy throughout the day, high levels of antioxidants and a natural source of fats that works harmoniously with the pet's body.

Nestlé's unmatched depth and breadth in emerging markets brings benefits in all aspects of the value chain: we have close customer relationships, whilst our brands are an integral part of millions of people's lives on a daily basis. Equally, we can attract the best local talent and have well-established R&D, manufacturing and distribution capabilities. We are enhancing these capabilities in 2011 with investments running into billions of Swiss Francs.


KitKat

Growth drivers

Nutrition, Health and Wellness

Emerging markets and Popularly Positioned Products

Out-of-home consumption

Premiumisation

Acquired in 2010, *DiGiorno* is the leader in frozen pizzas in the USA. Made with high quality cereals, meats, vegetables and cheeses, *DiGiorno* pizzas deliver on key elements of a balanced Mediterranean diet, such as carbohydrates, fats and proteins while adding variety and pleasure to people's diet with their fresh baked taste. Encouraging consumers to create balanced meals – right portions, addition of salads – strongly delivers on the "Good Food, Good Life" promise.

Nestlé's Food and Beverages business has the scale to touch consumers all over the world; the intimacy to provide the food and beverages they want; the diversity to do so at a great many eating occasions and to provide balance; the ubiquity to provide it whenever and wherever consumers want it; the presence to be there throughout consumers' lives; and the know-how to advance nutritional science and to bring nutrition, health and wellness arguments to all food and beverage categories. These are the pillars on which we make our claim of leadership in Nutrition, Health and Wellness: unmatched scale, intimacy, diversity, ubiquity, presence and know-how.

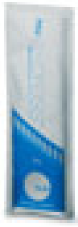
We use these pillars to build our nutrition, health and wellness agenda across our categories for the benefit of the millions of consumers everywhere who consume our products every day. That agenda is encapsulated in the expression "Good Food, Good Life". This means that we aim to provide the best tasting products in our categories – after all, eating and drinking is first and foremost about enjoyment and pleasure – but that we also want to bring improved nutrition to our categories: we do this by ensuring that our product launches taste better and are nutritionally superior to those of our competitors in each category. We call this 60/40+, with the 60/40 being our targeted consumer preference and the + representing nutritional advantage. Nutritional advantage might be achieved by the reduction or exclusion of certain ingredients or by the addition of some, either for fortification or for particular consumer benefits through our Branded Active Benefits. Further, we are committed to providing clear nutritional information and advice on-pack and through channels such as dedicated websites and helplines. And by doing so, we aim to contribute to the pleasure, balance and understanding that are critical to a healthy diet.

There are consumers who have specific nutritional needs. We are addressing their needs through Nestlé Nutrition, with its specific products and services tailored to the needs of those consumer groups. Our biggest area of focus is infants. We believe that "breast is best", and it is our commitment to use our nutritional expertise to build healthier generations, one infant at a time. We are doing this by pursuing a mission to build awareness among parents of the extreme importance of appropriate nutrition from the very beginning of a child's life through our *"Start Healthy, Stay Healthy"* approach to infant nutrition, and by providing the products to help parents achieve that aim.

One responsibility of leadership is to be a pioneer: we aim to develop the innovative area of personalised health science nutrition to prevent and treat health conditions such as diabetes, obesity, cardiovascular disease and Alzheimer's disease. In September 2010 we announced two initiatives: the creation of Nestlé Health Science, incorporating the existing global CHF 1.7 billion Nestlé HealthCare Nutrition business; and the creation of the Nestlé Institute of Health Sciences, which will conduct research in relevant areas of biomedical science to translate this knowledge into nutritional strategies to improve health and longevity. We believe that personalised health science nutrition will create value for Nestlé, and for society, by preventing, improving and treating acute and chronic medical conditions.

Nestlé Pure Life, the biggest selling water in the USA and growing dynamically in emerging markets, is the world's biggest water brand. It benefits from a multi-year, on-going light-weighting programme for its bottle. With its great taste, *Nestlé Pure Life* makes healthy hydration pleasurable and affordable for the whole family.

Nestlé Coffee-Mate, a billionaire brand, has a strong position in the USA and is growing in emerging markets, particularly where *Nescafé* has a strong presence. The US market has benefited from recent launches of the Café Collection flavours, such as White Chocolate Caramel Latte, as well as seasonal editions.



Vitaflo was acquired in 2010. Its products are developed for specific medical purposes, such as inborn errors of metabolism (IEM) and disease related malnutrition (DRM). The business, which has an international presence, will be incorporated in Nestlé Health Science S.A. from 2011.

Nestlé Golden Morn is the leading cereal brand in Nigeria. It is an affordable and nutritious instant porridge suitable for the entire family. Made from locally sourced maize and soya, *Golden Morn* is a good source of protein, calcium and dietary fibre.

Eskimo ice cream is sold in Thailand, and was developed as a wide range of products with the right nutrition profile for children, combining pleasure and fun. Its marketing communication incorporates education about the right eating habits and the benefits of physical activity.

Jenny Craig is a clinically proven weight management programme with a holistic approach to weight loss and weight maintenance focusing on "food, body and mind". It offers the choice of either in-person support at a Centre or at home support by telephone through a dedicated personal consultant. In 2010, *Jenny Craig* was launched in the UK and France.

Nestlé brands touch consumers in all walks of life, throughout their lives. From starting healthy to staying healthy, to pleasurable indulgence. But also for specific needs as we get older. This ability to touch consumers throughout their lives and at all eating occasions is unmatched in our industry and lies at the heart of our commitment to delivering "Good Food, Good Life" and to building our leadership in Nutrition, Health and Wellness.


DIGIORNO
RISING CRUST
S.PELLEGRINO

Operational pillars

Innovation & renovation

Operational efficiency

Whenever, wherever, however

Consumer communication

India is one of the growing fastest and largest markets for Nestlé Infant Cereals. As category leader, *Cerelac* drives innovation. The entire portfolio in India now includes Nutriprotect and Growth Nutrients for Healthy Growth and development of the baby. With *Cerelac* Nutriprotect (immunonutrients) the baby will be nourished every day.

Innovation & renovation is the process through which we keep our brands consumer-relevant and competitor-differentiated. It is driven by insights from our consumers and by our own initiatives, nutritional and scientific developments and R&D break-throughs.

Nestlé's R&D touches all aspects of the food and beverage industry. For example, our R&D capabilities in beverage systems have been translated into leadership in coffee systems, with about 30% of the market, and are being extended across other opportunities.

Nespresso, with sales of CHF 3.2 billion in 2010, is the leader in super-premium portioned coffee. It has built its position on unsurpassed coffee quality, continuous innovation, a unique route to market and a holistic approach to sustainability. Its leadership has been achieved with the support of passionate consumers with, for example, about 10 million members in the *Nespresso* club.

Nescafé Dolce Gusto, with sales of about CHF 450 million in its fourth year, is becoming the system of choice for consumers who want coffee shop quality drinks at home, made in seconds. Launched across Europe and in the Americas, it offers a wide range of drinks, with a particular focus on cappuccino coffees, but also chocolate, as well as *Nesquik.*

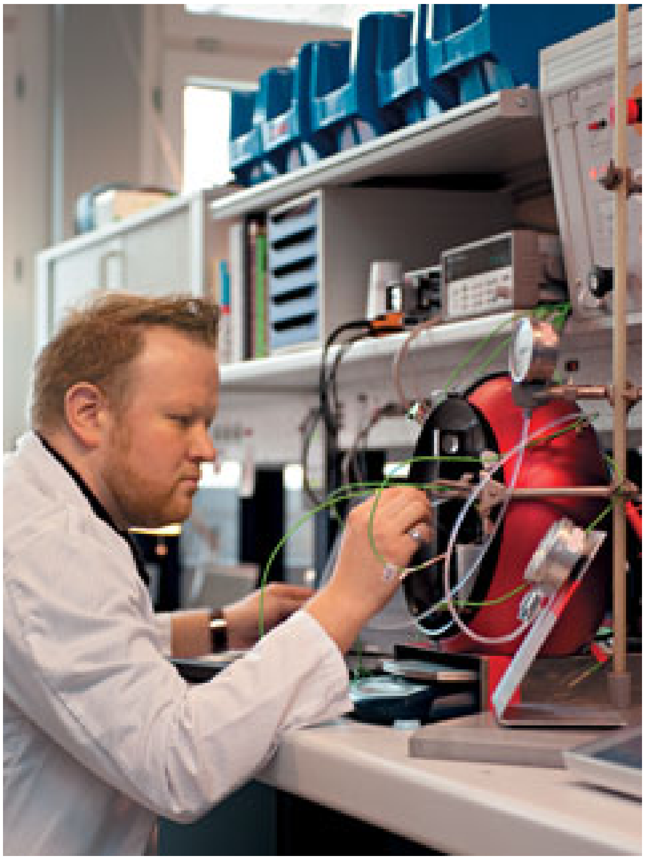
SPECIAL.T by Nestlé, launched in France and Switzerland in September 2010 is Nestlé's first entry into the super-premium tea market. It offers tea lovers the best tea in a system that combines sophistication and simplicity, with 25 varieties sourced from Asia and South Africa.

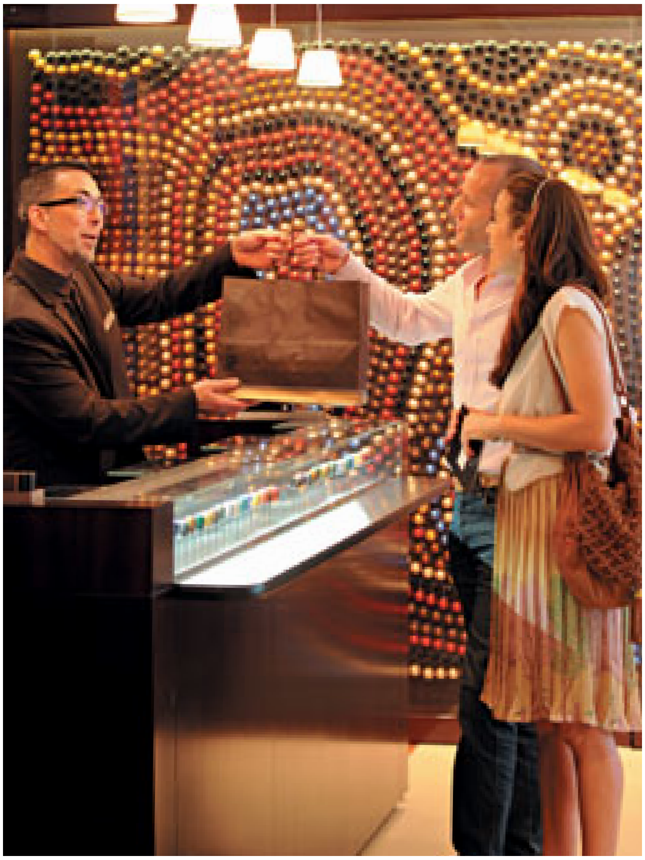
Nestlé Professional, our out-of-home business, with sales of CHF 6.1 billion in 2010, is the global leader in branded hot beverage solutions. It has a series of beverage systems, ranging from machines backed by personalised service, aimed at high-end restaurants and bars, to those which have been designed for low-cost operators in emerging markets. Recent launches include the premium *Nescafé Milano* system and the super-premium *Viaggi* barista system.

Research & development and innovation & renovation also play a vital role at Nestlé Nutrition, as we seek to drive competitive differentiation and address consumer needs. Just one example is Infant cereals, the first product made by Henri Nestlé and, as such, the very heart of Nestlé. We are the worldwide leader with brands such as *Cerelac, Nestum, Mucilon, Gerber* and *Nestlé,* and have about 65% market share in our top 20 markets.

A significant driver of growth has been science-led innovation. An example is upgrading the entire Infant cereal portfolio in the area of Immune Protection through the addition of Bifidus BL, a proprietary Branded Active Benefit developed in the Nestlé Research Center. This, together with Immunonutrients, such as Iron, Zinc and Vitamins A&C, helps strengthen babies' natural defences. The product has been launched in more than 100 markets in 2009 and 2010, and has been a great success, demonstrated by double-digit organic growth in 2010 for the Infant cereals division.

In common with Nestlé Nutrition's other categories, Infant cereal benefits from a multi-stage pipeline of innovation which ensures that the category and its consumers will benefit from innovations for years to come, enhancing the goodness of cereals and providing "big nutrition for small tummies".






Dolce Gusto

__Nespresso__ allows consumers to enjoy the perfect coffee every time. *Nespresso* starts with the highest quality of coffee and combines that with its cutting-edge machine design. Designed to fit into urban living spaces, the *CitiZ* range satisfies consumers' demands for style, convenience and quality. The *CitiZ&Milk* has a built-in fresh milk-frother for cappuccino and latte lovers.

__SPECIAL.T by Nestlé__ is a pioneering single-serve capsule solution that invites consumers to discover the world's best teas: from black, green, blue and white teas to flavoured teas, organic herbal infusions and red rooibos. The tea leaves are protected by hermetically sealed capsules, and the machine selects the perfect brewing time and temperature for each variety.

__Cerelac__ is a category icon in the Middle East, it includes Bifidus BL, a proprietary Branded Active Benefit developed in the Nestlé Research Center, and the inherent goodness of Cereals.

__Nescafé Dolce Gusto:__ the new *Piccolo* machine is very small and well-priced, but is built to the same standard as the bigger machines. This makes *Piccolo* a very convenient way of enjoying *Nescafé Dolce Gusto,* and incredible value for money, whilst its unique and quirky design reflects all the personality of our brand.

The *__Viaggi__* barista system offers, at the touch of a button, a menu of hot or over-ice espresso, cappuccino, and chocolate-based beverages to Nestlé Professional customers. Breakthrough proprietary technologies, specifically developed with *Nescafé, Cailler,* and *Nestlé,* will enable the *Viaggi* beverage programme to offer, "cup after cup", perfect consistency, delivered through a dedicated commercial and service platform.

__Nestlé 8 Cereals:__ Spain was a pioneer market to launch the range of Nestlé Infant Cereals with Bifidus BL. *Nestlé 8 Cereals* contains Immunonutrients such as Iron, Zinc, Vitamin A and Vitamin C to help support the babies' natural defenses.

Nestlé's beverage R&D capabilities cover all aspects from farm to cup, including raw materials, flavour extraction, systems and packaging. The personalised consumer experience is at the heart of the *Nespresso* offer, with more than 200 boutiques such as the one in Sydney (top right), whilst *Nescafé Dolce Gusto* provides a fun and exciting experience for consumers who want café-quality coffee at home. These systems enjoyed double-digit growth in 2010 and will continue to do so in 2011.


NEW
Nestlé
CERELAC
Infant Cereal with Milk
STAGE
4
multi grain
5 fruits

Financial review

Sales Group
CHF 109.7 billion

Organic growth Group
6.2%

Real internal growth Group
4.6%

EBIT Group
CHF 16.2 billion

EBIT margin Group
+20 bps
to 14.8%

Sales continuing operations
CHF 104.6 billion

Organic growth continuing operations
6.0%

Real internal growth continuing operations
4.4%

EBIT continuing operations
CHF 14.0 billion

EBIT margin continuing operations
+30 bps
to 13.4%

Operating cash flow Group
CHF 13.6 billion

Free cash flow Group
CHF 7.8 billion

Underlying earnings per share in constant currencies
+10.3%

Proposed dividend per share
+15.6%
to CHF 1.85

Principal key figures (illustrative)

Income statement figures translated at weighted average annual rate; Balance sheet figures at year-end rate.

In millions of CHF (except per share data)		2009	2010
Sales		107 618	109 722
EBIT (Group) Earnings Before Interest, Taxes, restructuring and impairments		15 699	16 194
EBIT (Continuing operations) Earnings Before Interest, Taxes, restructuring and impairments		13 222	14 038
Profit for the year attributable to shareholders of the parent Net profit [(a)]		10 428	34 233
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.		48 915	61 867
Market capitalisation, end December		174 294	178 316
Per share			
Total basic earnings per share [(a)]	CHF	2.92	10.16
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.	CHF	13.69	18.35

In millions of USD (except per share data)		2009	2010
Sales		99 361	104 972
EBIT (Group) Earnings Before Interest, Taxes, restructuring and impairments		14 495	15 493
EBIT (Continuing operations) Earnings Before Interest, Taxes, restructuring and impairments		12 207	13 431
Profit for the year attributable to shareholders of the parent Net profit [(a)]		9 628	32 751
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.		47 449	65 977
Market capitalisation, end December		169 070	190 163
Per share			
Total basic earnings per share [(a)]	USD	2.70	9.72
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.	USD	13.28	19.57

In millions of EUR (except per share data)		2009	2010
Sales		71 259	79 518
EBIT (Group) Earnings Before Interest, Taxes, restructuring and impairments		10 395	11 736
EBIT (Continuing operations) Earnings Before Interest, Taxes, restructuring and impairments		8 755	10 174
Profit for the year attributable to shareholders of the parent Net profit [(a)]		6 905	24 810
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.		32 922	49 377
Market capitalisation, end December		117 308	142 317
Per share			
Total basic earnings per share [(a)]	EUR	1.93	7.36
Equity attributable to shareholders of the parent before proposed appropriation of profit of Nestlé S.A.	EUR	9.22	14.65

(a) 2010 figure is not comparable as it includes a one-off gain on the disposal of the remaining interest in Alcon.

Overview

This section should be read in connection with the 2010 Consolidated Financial Statements.

After the decline in economic growth in 2009 and the related increases in unemployment, the economic environment in 2010 remained uncertain, with continued concerns over consumer confidence, as well as increasing raw material inflation and currency volatility as the year evolved.

Nestlé experienced its strongest growth of 2009 in the final quarter of the year, and therefore entered 2010 with strong momentum. This impetus remained consistent throughout the year, even in the final quarter of 2010 when we were lapping that strong final quarter of 2009. We, therefore, also entered 2011 with strong momentum in our business: this will help us to manage the challenges that we face and to take full advantage of our opportunities to drive better performance and enhance shareholder value.

It was not only our business momentum that remained consistent throughout 2010; so did our focus on our strategic priorities, outlined in the previous chapter. This alignment around the world has created a framework within which we are driving our business, and within which we are able to adjust the different levers in response to changing dynamics and competitive environments around the world.

Nutrition has a critical role to play for consumers in emerging markets, many of whom would lose their incomes if they were unable to work; and it is a priority for developed market consumers too, who have an increasingly sophisticated understanding of the relationship between diet and health. Our drive to address the needs of those low income consumers with appropriate nutritional enhancements to Popularly Positioned Products (PPPs) is different from our approach in developed markets with, for example, the launch of the *Jenny Craig* Weight Management system in Europe. Out-of-home consumption is a big part of people's lives in both developed and emerging markets, but our approach might differ in New York from New Delhi. PPPs are growing in the developed markets, whilst premium products are growing in the emerging, and each opportunity needs its own approach: for example, we cannot use a PPP business model for premium in emerging markets, or vice versa. Equally, our route-to-market strategies will be very different in different markets.

It is this flexibility in terms of how we manage our business, as well as our agility in being able to respond quickly to changing market dynamics that have held us in good stead in 2010 and will continue to do so in 2011.

Another constant in 2010 was our mix of shorter-term performance and longer-term thinking. This resulted in Nestlé delivering improved top and bottom-line performances in 2010, whilst investing in brands and R&D, capabilities, distribution, structures and capacities to ensure long-term profitable growth and value creation. Our delivery of shorter-term performance with longer-term thinking will remain our motivation in 2011.

Nestlé billionaire brands achieved 7.1% organic growth in 2010

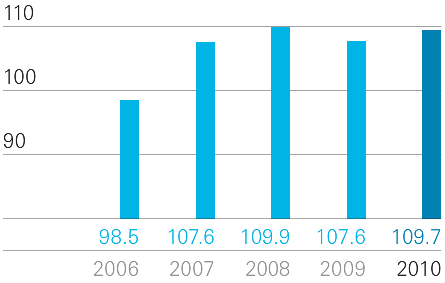
2010 sales

The Group achieved organic growth of 6.2%, including real internal growth (RIG) of 4.6%. Foreign exchange impacted sales by –3.6%, whilst divestitures, net of acquisitions, reduced sales by 0.6%. Overall, Group sales increased by 2.0% to CHF 109.7 billion.

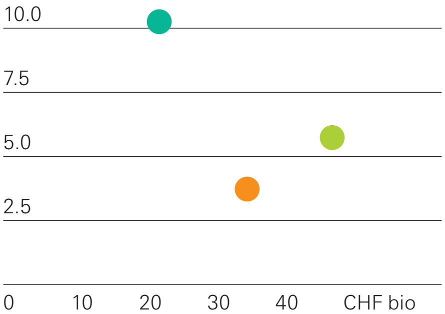
Continuing operations organic growth was 6.0%, with real internal growth of 4.4%. The foreign exchange impact was –3.8%, and acquisitions, net of divestitures, added 1.8%. Overall, continuing operations sales increased by 4.0%.

Organic growth for the Food and Beverages operations was 5.7% in the Americas, 3.7% in Europe and 10.2% in Asia, Oceania and Africa. We achieved 11.5% organic growth in emerging markets, as well as growth in the developed world. This performance reflects market share gains in each of the regions and across our categories. It has been driven by continued investment in our growth pillars, aligned with our strategic roadmap. These include increasing distribution of Popularly Positioned Products (PPPs) and the continuing roll-out of premium products in both emerging and developed countries; our focus across all our categories on Nutrition, Health and Wellness; expanding our reach in the out-of-home market; building our innovation pipeline; and increasing our consumer marketing and brand investment.

Sales (Group)
In billions of CHF



Food and Beverages sales and organic growth (OG) by continent
OG (%)



In billions of CHF	Sales	OG
Europe (a)	34.7	3.7%
Americas (a)	46.8	5.7%
Asia, Oceania and Africa (a)	22.2	10.2%

(a) Each region includes sales of the Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso and Food and Beverages joint ventures.

Profitability

The Group's EBIT margin increased by 20 basis points to 14.8% of sales. The EBIT margin is not comparable to that of 2009 following the disposal of the remaining interest in Alcon in August 2010.

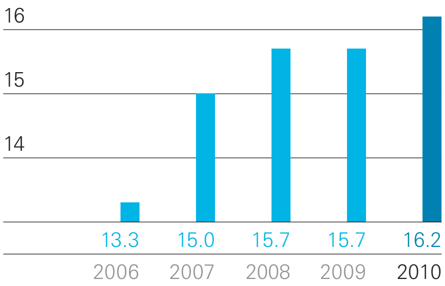
The continuing operations' EBIT margin increased by 30 basis points to 13.4%, both reported and in constant currencies. This improvement was delivered at the same time as we increased our investment in our brands: our marketing expenses increased by 100 basis points, with consumer facing marketing spend up 13.2% in constant currencies. The improvement in EBIT margin was driven by our sales growth and business mix, as well as by the achievement of operating efficiencies of over CHF 1.5 billion through Nestlé Continuous Excellence, which benefited the cost of goods sold, distribution and administrative costs. This reflects our continued drive for operational excellence from farm to fork. We achieved significant cost savings at the same time as increased levels of safety, quality, service and environmental performance. These actions contributed significantly to our 2010 performance; and at the same time laid foundations for further performance improvement in 2011.

The continuing operations' cost of goods sold reduced by 40 basis points. Savings and the leverage from our growth more than compensated the cost pressures during the year, which increased in the second half.

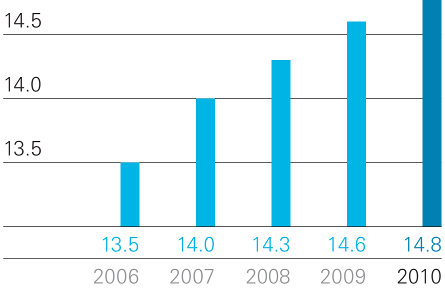
The continuing operations' distribution costs reduced by 20 basis points. This is another area of focus of efficiencies, particularly in our more distribution-intensive businesses such as Nestlé Waters and Ice cream. These savings are pursued both in our drive to further improve our environmental performance and as part of our ongoing drive for continuous improvement in operating performance.

The continuing operations' administrative costs fell by 70 basis points. There was a rigorous control of fixed costs, enabling leverage from growth.

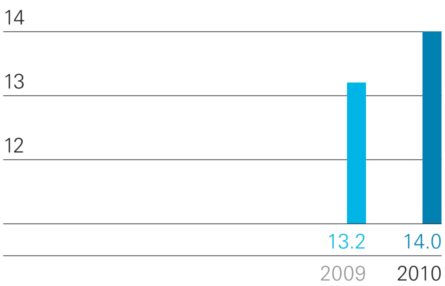
EBIT (Group)
In billions of CHF



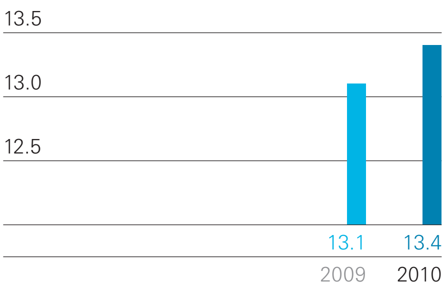
EBIT margin (Group)
In %



EBIT (continuing operations)
In billions of CHF



EBIT margin (continuing operations)
In %



Business review

Zone Americas had sales of CHF 34.3 billion, 5.9% organic growth, 3.0% RIG and an EBIT margin of 16.5%, down 30 basis points. In North America, we saw a continued strong performance from the Purina PetCare business, with share gains over the year and all segments showing growth, double digit in Snacks. Innovations included *Purina ONE Shreds* and *Fancy Feast Gravy Lovers.* Chocolate also had a good year, helped by a strong performance from our seasonal business, the launch of *Wonka* into the Chocolate category, as well as innovations such as *Butterfinger Snackerz.* Frozen prepared meals, particularly *Lean Cuisine,* continued to suffer from weak consumer demand for the category. There was growth, however, for *Stouffer's* in the family and value segments. There was a positive performance from the frozen pizza business in its first year in our ownership, including market share gains. Ice cream performed well in a tough market, also achieving share gains; a particular highlight was the snacks business which grew double digit, with strong performances from brands such as *Skinny Cow* and *Nestlé Drumstick* cones. Other successes included *Häagen-Dazs* and our new Cups business. The Cups offer a single-serve snacking occasion and also provide the opportunity for new consumers to try our brands. Soluble coffee also had a good year, with *Nescafé Clásico* continuing to be the key growth driver. In Latin America, growth was double digit for the year. Brazil, where Nestlé will be celebrating its 90th anniversary in 2011, had a very strong year, with good performances across its categories, and particularly in milk. In Mexico, soluble coffee, chocolate and powdered beverages were among highlights. Across the region, all our categories grew, many of them double digit, including the big three, dairy, chocolate and soluble coffee. There was also a very good performance from ready-to-drink beverages, in part due to the launch in Brazil into PET of brands such as *Nescau* and *Alpina.* The Zone's EBIT margin fell by 30 basis points, reflecting increased brand investment, not fully compensated by efficiency gains.

Zone Europe had sales of CHF 21.6 billion, 2.5% organic growth, 1.7% RIG and an EBIT margin of 12.6%, up 20 basis points. In Western Europe, we grew in all major markets, in the face of difficult economic conditions and despite the tough competitive environment. France and Great Britain had a particularly positive year, but there were resilient performances in Germany, Iberian region and Italy, as well as Switzerland. This reflects market share gains in many countries. In Greece, the only market where we didn't see growth, we did make market share gains. In Eastern Europe, Russia continued to deliver a lower level of growth than we would normally expect, reflecting the impact on our more impulsive-driven categories, particularly Chocolate, of the tough economic environment there. That said, there were more dynamic performances from soluble coffee and ambient culinary.

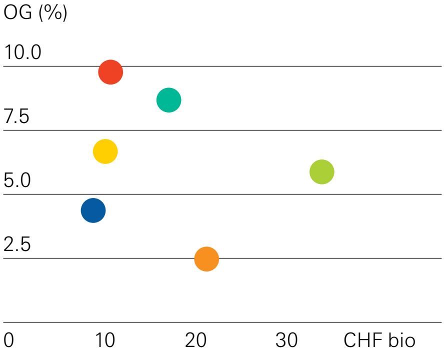
Amongst the Zone's categories, soluble coffee, PetCare, frozen food, especially *Wagner* and *Buitoni* pizza, and chocolate, especially *KitKat,* stand out. The Zone's big three regional innovation platforms, *Maggi Juicy Chicken, Nescafé Dolce Gusto* and *Nescafé Green Blend,* all performed well in 2010 and were key contributors to growth. The Zone's EBIT margin increased by 20 basis points as efficiency gains and the leverage from the good level of growth more than compensated the increased brand support and investment in innovation and product launches that drove the market share gains.

Zone Asia, Oceania and Africa had sales of CHF 17.4 billion, 8.7% organic growth, 7.0% RIG and an EBIT margin of 16.9%, up 20 basis points. The emerging markets achieved double-digit growth, with strong performances across the Zone: from Africa, from Asia, including India and China, Indonesia and Thailand, and from the Middle East. The developed markets also achieved growth, meaning that we grew our business in the developed markets of each of our three Zones.

There were strong performances by most categories in Zone AOA. Ambient culinary, primarily *Maggi,* ambient dairy and ready-to-drink beverages, brands such as *Milo* and *Nescafé,* all grew double digit. Other categories, such as powdered beverages and chocolate, enjoyed high single-digit growth. Particularly notable was the performance of *Nescafé* in Japan, where we sold about 500 000 coffee systems in the year, either *Nescafé* barista or *Nescafé Dolce Gusto,* and we also enjoyed success there with the relaunch of our super-premium variant of pure soluble *Nescafé.*

Innovation highlights included the roll-out in Africa and South Asia of a new flavour enhancer by *Maggi,* and PPPs across the Zone, including for confectionery in China, India and Indonesia. The Zone's EBIT margin increased by 20 basis points, again reflecting the benefits of growth and increased efficiencies.

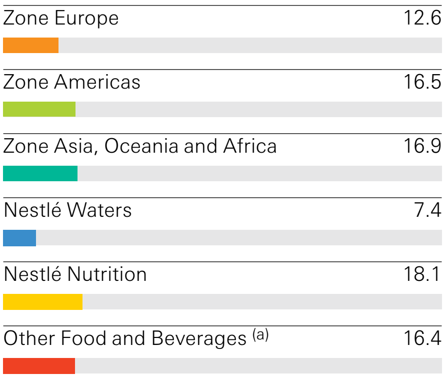
Operating segments: Food and Beverages sales and organic growth (OG)



In billions of CHF	Sales	OG
Zone Europe	21.6	2.5%
Zone Americas	34.3	5.9%
Zone Asia, Oceania and Africa	17.4	8.7%
Nestlé Waters	9.1	4.4%
Nestlé Nutrition	10.3	6.7%
Other Food and Beverages [(a)]	11.0	9.8%

Operating segments: Food and Beverages EBIT margin

In %



(a) Mainly Nestlé Professional, Nespresso and Food and Beverages joint ventures managed on a worldwide basis.

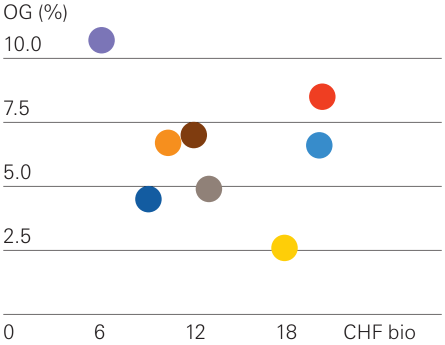
Nestlé Waters had sales of CHF 9.1 billion, 4.4% organic growth, 4.8% RIG and an EBIT margin of 7.4%, up 40 basis points. Nestlé Waters achieved growth in all three zones, with momentum building throughout the year, as growth returned to the industry in the developed world and continued to be very strong in emerging markets. We gained market share in Europe and North America, as well as in most emerging countries where we are present. *Nestlé Pure Life,* the biggest water brand in the world, had another year of double-digit growth. There were good performances also from *Perrier* and *S.Pellegrino,* as well as many regional brands.

In North America, the market was helped by the hot summer but there was underlying growth driven by bottled water's improved value proposition, by promotional activity and by consumers switching from other beverages. Amongst brands, *Poland Spring, Ozarka, Deer Park* and *Ice Mountain* were highlights. In Europe, all markets improved their growth levels over 2009, and it was double digit in the UK. France, where *Vittel* and *Contrex* performed well, saw mid-single digit growth and a gain in market share. Emerging markets achieved double-digit growth and now represent 15% of Nestlé Waters sales. Nestlé Waters' EBIT margin improvement was driven in part by the return to growth in the developed world. Significant improvements in efficiencies both in manufacturing and distribution also contributed, enabling increased brand support despite increased input costs and reduced pricing.

Nestlé Nutrition had sales of CHF 10.3 billion, 6.7% organic growth, 5.5% RIG and EBIT margin of 18.1%, up 70 basis points. Infant Nutrition, the biggest division, had a very positive year, particularly in infant formula and infant cereals. There was growth in all three zones, double digit in Asia, Oceania and Africa and market share was up on a global basis. The business performed well in the USA and Canada, with high single-digit growth, as well as in Latin America, particularly Brazil. The trading environment was tough in Western Europe, but in the East, Russia again achieved double-digit growth. The division's three biggest brands, *Gerber, Cerelac* and *Nestlé Nan* all grew double digit.

HealthCare nutrition had a positive year both for growth and EBIT margin. All the key strategic platforms, such as critical care and pediatrics, performed well. Growth was particularly strong in emerging markets but also in France and Spain. Performance Nutrition also made good progress in the year, particularly in Europe and Oceania. *Jenny Craig* continued to battle the effects of weak consumer spending, and did so with some success, its at-home business compensating for weaker demand at its centres. Nestlé Nutrition's EBIT margin increased by 70 basis points, reflecting the benefit of a high level of growth, of mix, and a good contribution from efficiencies and structural reorganisations.

Products: sales and organic growth (OG)



In billions of CHF	Sales	OG
Powdered and liquid beverages	20.6	8.5%
Water [a]	9.1	4.5%
Milk products and Ice cream	20.3	6.6%
Nutrition [a]	10.4	6.7%
Prepared dishes and cooking aids	18.1	2.6%
Confectionery	12.1	7.0%
PetCare	13.1	4.9%
Pharmaceutical products [b]	6.0	10.8%

Products: EBIT margin
In %

(a) The figures between Operating segments and Products are slightly different due to the fact that some water and nutrition products are also sold by Operating segments other than Nestlé Waters and Nestlé Nutrition.
(b) Including Alcon discontinued operations.

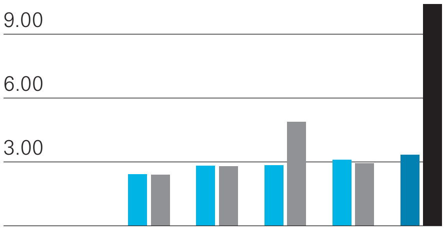
Other Food and Beverages had sales of CHF 11.0 billion, 9.8% organic growth, 8.5% RIG and an EBIT margin of 16.4%, up 70 basis points. Nestlé Professional had a good year relative to its market, with mid-single digit growth. This reflects double-digit growth in the emerging markets of Asia and Latin America, as well as a good performance in the USA. The beverage business saw strong growth in its proprietary *Nescafé* system solutions, bolstered by successful machine launches in the premium and super-premium segments. The Vitality acquisition in the US performed to expectation, proving to be a highly complementary addition to our beverage business. Growth in the food business was led by *Maggi* and the *Nestlé* milk brands.

Nespresso had another year of above 20% organic growth, and passed CHF 3 billion in annual sales for the first time. It opened its 215th boutique during a year which saw 36 openings, including in New York, Munich, and Sydney. It also started its expansion of the Avenches facility to be able to meet future demand for its *Nespresso* capsules in a segment which now represents 8% of the total coffee market and continues to grow rapidly. Its commitment to sustainability continues: in a backdrop of a significant increase in the amount of green coffee it purchased, it increased the share of its coffee that it sourced from the *Nespresso* AAA Sustainable Quality Program from 50% in 2009 to 60% in 2010.

Cereal Partners Worldwide's global brands such as *Nestlé Fitness, Nesquik* and *Cheerios,* grew three times as fast as the market as the business achieved double-digit growth in many emerging markets, including Russia, Brazil and Turkey, and strong performances in more developed cereal markets such as Mexico, France, Greece and Australia. Beverage Partners Worldwide achieved mid-single digit growth in 2010 and share gains in many of its markets. The EBIT margin for Other Food and Beverages increased by 70 basis points, with all constituents contributing.

Pharmaceutical products had sales of CHF 6.0 billion, 10.8% organic growth, 9.0% RIG and an EBIT margin of 38.7%, up 520 basis points, up 220 basis points like-for-like. These numbers are not comparable to 2009 due to no longer being allowed to depreciate the Alcon assets held for sale in 2010 by IFRS 5, and due to the disposal of Alcon in August 2010. All constituents (Alcon, Galderma and Laboratoires innéov) performed well.

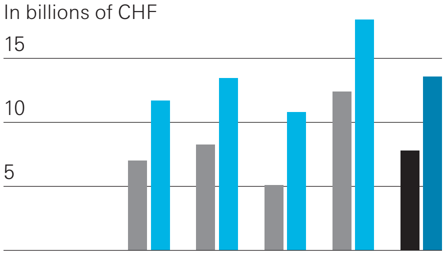
Earnings per share
In CHF



	2006	2007	2008	2009	2010
Underlying [a]	2.41	2.80	2.82	3.09	3.32
Total [b]	2.39	2.78	4.87	2.92	10.16

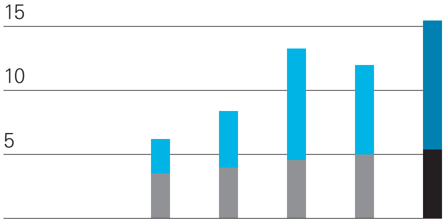
(a) Profit per share for the year attributable to shareholders of the parent before impairments, restructuring costs, results on disposals and significant one-off items. The tax impact from the adjusted items is also adjusted for.
(b) 2010 figure is not comparable as it includes a one-off gain on the disposal of the remaining interest in Alcon.

Cash flow
In billions of CHF



	2006	2007	2008	2009	2010
Free cash flow	7.0	8.2	5.0	12.4	7.8
Operating cash flow	11.7	13.4	10.8	17.9	13.6

Total cash returned to shareholders
In billions of CHF



	2006	2007	2008	2009	2010
Share Buy-Back	2.7	4.4	8.7	7.0	10.1
Dividend	3.5	4.0	4.6	5.0	5.4

Net profit and earnings per share

Other income increased dramatically mainly as a result of the profit on disposal of the Group's stake in Alcon. Other expenses increased primarily due to an increase in restructuring costs to CHF 469 million and increased impairments of goodwill. Net financing costs increased slightly during 2010 to CHF 753 million. This reflects the Group's higher level of debt in the first eight months of the year. The Group's effective tax rate fell from 23.4% to 9.7%, reflecting the tax-free gain on the Alcon disposal. The underlying tax rate was 25.6%, compared to 23.0% in 2009. The share of results of associates was CHF 1.0 billion, up from CHF 0.8 billion in 2009.

Net profit was CHF 34.2 billion and our earnings per share were CHF 10.16. The extraordinary increases in 2010 over 2009 reflect the gain of CHF 24.5 billion resulting from the divestiture of our remaining holding in Alcon. The underlying earnings per share rose by 7.4% to CHF 3.32 and by 10.3% in constant currencies. These increases reflect the like-for-like improvement in the Group's performance.

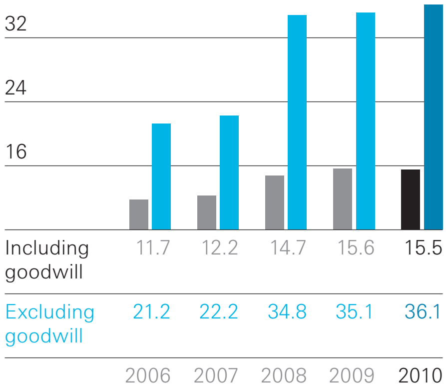
Cash flow

The operating cash flow was CHF 13.6 billion. The working capital increased by about CHF 600 million, reflecting our sales in 2010.

Financial position

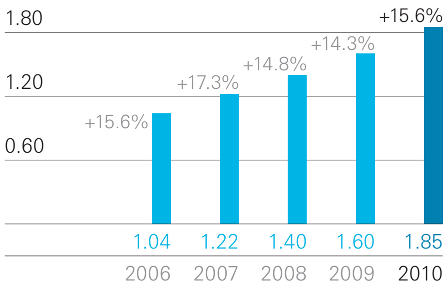
The Group's net financial debt fell from CHF 18.1 billion at the end of 2009 to CHF 3.9 billion. The Group received USD 28.3 billion from the divestiture of Alcon and spent CHF 5.6 billion on acquisitions during the year. The biggest acquisition was the Pizza business in the USA, for CHF 3.9 billion. The Group's strong financial position has enabled it to buy back CHF 10.1 billion of its own shares during the year. It will continue to buy back its shares in 2011, and expects its net debt to increase during the year.

Return on invested capital [(a)]
In %

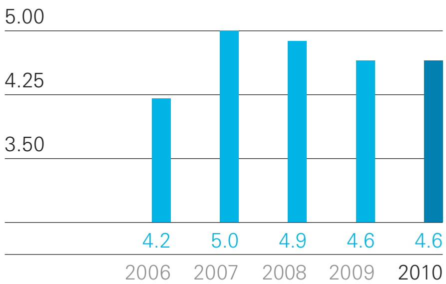


(a) ROIC calculation was amended in 2009 following changes in segment reporting. 2008 figures have been restated accordingly.

Dividend per share
In CHF



Capital expenditure
In billions of CHF



Return on invested capital

The Group's return on invested capital fell by 10 basis points to 15.5%, including goodwill, following the Pizza acquisition announced in January 2010, but increased by 100 basis points to 36.1%, excluding goodwill.

Dividend

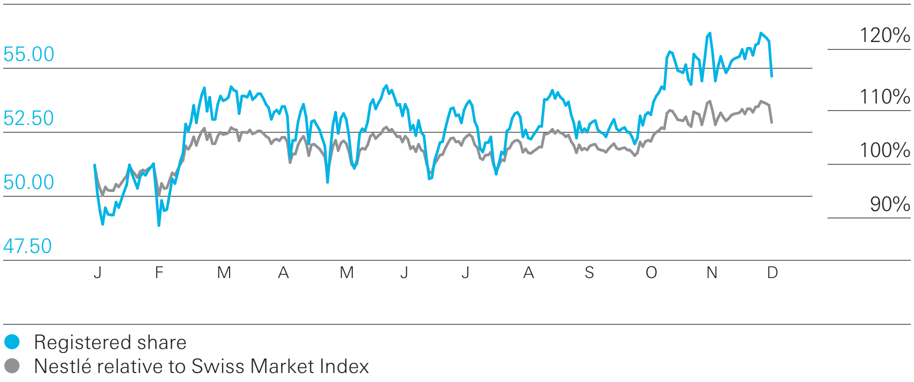
The Board will be proposing an increase in the dividend from CHF 1.60 to CHF 1.85 per share to shareholders, representing an increase of 15.6%.

2011 outlook

We are starting 2011 with continued momentum, well placed to face uncertainties ahead, including volatile raw material prices. We are therefore confident of achieving the Nestlé Model in 2011: organic growth between 5% and 6% and an EBIT margin improvement in constant currencies.

Evolution of the Nestlé registered share in 2010

In CHF



Despite the market volatility seen in 2010, the Nestlé share price ended 2010 at CHF 54.75, up 9.1% for the year having ended 2009 at CHF 50.20. This represents a +7.5% out-performance against the Swiss Market Index and a +9.6% out-performance against the STOXX 600 Food & Beverage Index (ticker: SX3P) in CHF for the same period.

Principal risks and uncertainties

Group Risk Management

The Nestlé Group Enterprise Risk Management Framework (ERM) is designed to identify, communicate, and mitigate risks in order to minimise their potential impact on the Group. A "Top-Down" assessment occurs annually and focuses on the Group's global risk portfolio. It involves the aggregation of individual "Top-Down" assessments of Zones, Globally Managed Businesses, and all markets. It is intended to provide a high-level mapping of Group risk and allows Group Management to make sound decisions on the future operations of the Company. Risk assessments are the responsibility of line management; this applies equally to a business, a market or a function, and any mitigating actions identified in the assessments are the responsibility of the individual line management. If a Group-level intervention is required, responsibility for mitigating actions will generally be determined by the Executive Board. The results of the Group ERM are presented annually to the Executive Board and to the Audit Committee, and conclusions reported to the Board of Directors. In the case of an individual risk assessment identifying a risk which requires action at Group level, an ad hoc presentation is made to the Executive Board.

Factors affecting results

Nestlé's reputation is based on consumers' trust. Any major event triggered by a serious food safety or other compliance issue could potentially impact upon Nestlé's reputation or brand image. The Group has policies, processes and controls in place to prevent against such an event.

The success of the Nestlé Group depends on its ability to anticipate consumer habits and to offer high-quality products that appeal to the consumer preferences. The Group's business is subject to some seasonality, and adverse weather conditions may impact on the Group's sales.

The food industry as a whole is faced with the global challenge of rapidly rising obesity levels. The Group makes all its product available in a range of sizes and varieties designed to meet all needs and all occasions.

Nestlé is dependent on sustainable supply of a number of raw materials, packaging materials and services/utilities. Any major event triggered by natural hazards (drought, flood, etc.), change in macro-economic environment (shift in production patterns, "biofuels", excessive trading) resulting in input price volatilities and/or capacity constraints could potentially impact upon Nestlé's financial results. The Group has policies, processes and controls in place to mitigate against such an event.

The Group's liquidities/liabilities (currency fluctuation, interest rate, derivatives, and/or hedging, pension funding obligations/retirement benefits, banking/commercial credit, increase in cost of capital) could potentially be impacted by any major event in the financial markets. Again, Nestlé has the appropriate risk mitigation measures in place.

Nestlé is dependent on sustainable manufacturing/supply of finished goods for all product categories. A major event in one of Nestlé's key plants, at a key supplier, contract manufacturers, co-packers, and/or key warehouse facility could potentially lead to a supply disruption and impact upon Nestlé's financial results. Business continuity plans are established and regularly maintained in order to mitigate against such an event.

The Group depends on accurate, timely information and numerical data from key software applications to enable day-to-day decision making. Any disruption could delay day-to-day decision making.

The Group is subject to environmental regimes applying in all countries where it operates, and has to comply with legislation concerning the protection of the environment, including the use of natural resources, release of air emissions and waste water, and the generation, storage, handling, transportation, treatment and disposal of waste materials.

The Group is subject to health and safety regimes in all countries where it operates, and has to comply with legislation concerning the protection of the health and welfare of employees and contractors.

Nestlé Group companies are parties to a variety of legal proceedings arising out of the normal course of business. The relevant companies believe that there are valid defences for the claims, and such companies intend to defend any such litigation pending.

Nestlé has factories in 81 different countries and its products are sold in more than 140 countries in the world. Security, political stability, legal & regulatory, macroeconomic, foreign trade, labour and/or infrastructure risk(s) could potentially impact upon Nestlé's ability to do business in a country or region. Events such as an infectious disease could potentially also impact upon the Group's ability to operate. Any of these events could potentially lead to a supply disruption and impact upon Nestlé's financial results. Regular monitoring and ad hoc business continuity plans are established in order to mitigate against such an event. The Group's wide geographical and product category spreads represent a natural hedge.

Management responsibilities: Food and Beverages

In millions of CHF	2008	2009	2010		RIG (%)	OG (%)
Zone Europe						
Western	20 854	18 941	17 845	82.7%		
Eastern and Central	4 244	3 587	3 735	17.3%		
Powdered and liquid beverages	5 362	5 072	4 956	23.0%		
Milk products and Ice cream	3 147	2 708	2 448	11.3%		
Prepared dishes and cooking aids	7 243	6 288	6 013	27.9%		
Confectionery	5 416	4 686	4 467	20.7%		
PetCare	3 930	3 774	3 696	17.1%		
Total sales	25 098	22 528	21 580	100.0%	1.7	2.5
EBIT	3 101	2 802	2 723	12.6%		
Capital expenditure	885	759	906	4.2%		
Zone Americas						
USA and Canada	19 106	19 946	21 216	61.9%		
Latin America and Caribbean	12 251	12 222	13 085	38.1%		
Powdered and liquid beverages	3 746	3 830	3 983	11.6%		
Milk products and Ice cream	9 884	9 698	10 123	29.5%		
Prepared dishes and cooking aids	5 291	5 414	6 547	19.1%		
Confectionery	4 632	4 831	5 117	14.9%		
PetCare	7 804	8 395	8 531	24.9%		
Total sales	31 357	32 168	34 301	100.0%	3.0	5.9
EBIT	5 206	5 402	5 651	16.5%		
Capital expenditure	1 341	1 092	1 127	3.3%		

In millions of CHF	2008	2009	2010		RIG (%)	OG (%)
Zone Asia, Oceania and Africa						
Oceania and Japan	4083	4085	4358	25.0%		
Other Asian markets	6643	6886	7795	44.8%		
Africa and Middle East	4981	4920	5256	30.2%		
Powdered and liquid beverages	5331	5576	6135	35.2%		
Milk products and Ice cream	5228	5013	5570	32.0%		
Prepared dishes and cooking aids	2565	2680	2781	16.0%		
Confectionery	1850	1852	2059	11.8%		
PetCare	733	770	864	5.0%		
Total sales	15707	15891	17409	100.0%	7.0	8.7
EBIT	2590	2658	2941	16.9%		
Capital expenditure	656	761	840	4.8%		

Nestlé Waters	2008	2009	2010		RIG (%)	OG (%)
Europe	4261	3765	3638	40.0%		
USA and Canada	4562	4442	4393	48.3%		
Other regions	766	854	1064	11.7%		
Total sales	9589	9061	9095	100.0%	4.8	4.4
EBIT	573	632	669	7.4%		
Capital expenditure	768	493	413	4.5%		

Nestlé Nutrition	2008	2009	2010		RIG (%)	OG (%)
Europe	2986	2746	2673	25.8%		
Americas	5475	5218	5289	51.0%		
Asia, Oceania and Africa	1914	1999	2404	23.2%		
Total sales	10375	9963	10366	100.0%	5.5	6.7
EBIT	1797	1733	1873	18.1%		
Capital expenditure	355	579	505	4.9%		

Other Food and Beverages (a)	2008	2009	2010		RIG (%)	OG (%)
Total sales	10238	10187	10971	100.0%	8.5	9.8
EBIT	1522	1603	1799	16.4%		
Capital expenditure	348	362	361	3.3%		

(a) Mainly Nestlé Professional, Nespresso and Food and Beverages joint ventures managed on a worldwide basis.

Leading positions in dynamic categories

In millions of CHF	2008	2009	2010		RIG (%)	OG (%)
Powdered and liquid beverages						
Soluble coffee	10688	10564	10938	53.1%		
Other	8191	8707	9674	46.9%		
Total sales	18879	19271	20612	100.0%	6.8	8.5
EBIT	4176	4185	4329	21.0%		
Water (a)						
Total sales	9595	9066	9101	100.0%	4.9	4.5
EBIT	575	633	670	7.4%		
Milk products and Ice cream						
Milk products	12189	11662	12501	61.4%		
Ice cream	6969	6573	6520	32.0%		
Other	1398	1322	1339	6.6%		
Total sales	20556	19557	20360	100.0%	3.9	6.6
EBIT	2357	2345	2623	12.9%		
Nutrition (a)						
Total sales	10380	9965	10368	100.0%	5.5	6.7
EBIT	1798	1734	1874	18.1%		
Prepared dishes and cooking aids						
Frozen and chilled	10247	9739	10549	58.3%		
Culinary and other	7870	7466	7544	41.7%		
Total sales	18117	17205	18093	100.0%	2.1	2.6
EBIT	2302	2226	2229	12.3%		

In millions of CHF	2008	2009	2010		RIG (%)	OG (%)
Confectionery						
Chocolate	9802	9369	9605	79.4%		
Sugar confectionery	1145	1109	1127	9.3%		
Biscuits	1423	1318	1365	11.3%		
Total sales	12370	11796	12097	100.0%	3.5	7.0
EBIT	1619	1599	1667	13.8%		
PetCare						
Total sales	12467	12938	13091	100.0%	3.6	4.9
EBIT	1962	2108	2264	17.3%		
Alcon (b)						
Total sales	6822	7039	5109	100.0%	8.5	9.5
EBIT	2436	2477	2156	42.2%		
Health and beauty joint ventures						
Nestlé's share of sales	722	781	891			
Nestlé's share of EBIT	137	139	166			
Associated companies						
Nestlé's share of results	1005	800	1010			

(a) The figures between management responsibilities and Products categories are slightly different due to the fact that some water and nutrition products are also sold by Operating segments other than Nestlé Waters and Nestlé Nutrition.
(b) These numbers are not comparable due to the disposal of Alcon in August 2010.

Geographic data: people, factories and sales

Employees by geographic area

	2009	2010
Europe [a]	33.9%	32.4%
Americas	38.0%	40.3%
Asia, Oceania and Africa	28.1%	27.3%
Total		

Employees by activity

In thousands

	2009	2010
Factories	149	148
Administration and sales	129	133
Total	278	281

Factories by geographic area

Nestlé has 443 factories in 81 countries around the world. This is a reduction from 449 in 2009. During the year, 18 factories were acquired or opened and 24 were closed or divested (of which 16 factories belong to Alcon).

	2009	2010
Europe	159	150
Americas	167	168
Asia, Oceania and Africa	123	125
Total	449	443

Sales by geographic area: total Food and Beverages

In millions of CHF

	2009	2010
Europe	35 690	34 699
Americas	44 226	46 821
Asia, Oceania and Africa	19 882	22 202
Total	99 798	103 722

Sales

In millions of CHF

	Differences 2010/2009		
By principal markets	in CHF	in local currency	2010
USA	+0.9%	+4.5%	30 963
France	–5.2%	+3.8%	7 639
Brazil	+19.6%	+11.2%	6 920
Germany	–9.0%	–0.4%	5 282
United Kingdom	–1.3%	+4.0%	3 682
Italy	–8.5%	+0.2%	3 558
Mexico	+9.1%	+6.3%	3 406
Canada	+16.8%	+10.3%	2 860
Greater China Region	+11.0%	+14.6%	2 790
Australia	+11.8%	+0.1%	2 686
Spain	–9.9%	–1.4%	2 513
Japan	–4.4%	–6.8%	2 357
Russia	+6.2%	+6.7%	2 224
Switzerland	+4.7%	+4.7%	2 143
Philippines	+8.8%	+7.3%	2 060
Rest of the World	+2.7%	(b)	28 639

By continent			
Europe	–4.3%	(b)	36 189
USA + Canada	+2.0%	(b)	33 824
Asia	+10.2%	(b)	16 815
Latin America + Caribbean	+6.4%	(b)	16 445
Africa	+6.4%	(b)	3 310
Oceania	+10.7%	(b)	3 139
Total Group	+2.0%	(b)	109 722

(a) 9395 employees in Switzerland in 2010.
(b) Not applicable.

Europe

Austria	1	●■	■	●■	■	■	■
Belgium	1	●■	■	■	■	■	■
Bulgaria	2	■	●■	■	●■	■	
Czech Republic	3	■	■	●■	●■	■	■
Finland	2	■	●■	■	■	■	■
France	29	●■	●■	●■	■	●■	●■
Germany	21	●■	●■	●■	●■	●■	■
Greece	4	●■	●■	■	■	■	■
Hungary	3	●■	■	■	●■	●■	■
Italy	15	●■	●■	●■	●■	●■	■
Netherlands	1	■	●■	■	■	■	■
Poland	9	●■	●■	●■	●■	■	■
Portugal	4	●■	●■	■	■	■	■
Republic of Serbia	1	■	●■	■	■	■	
Romania	1	●■	■	■	●■	■	
Russia	9	●■	●■	●■	●■	●■	■
Slovak Republic	1	■	■	●■	■	■	■
Spain	12	●■	●■	●■	●■	●■	■
Sweden	2	●■	■	■	■	■	■
Switzerland	10	●■	●■	●■	●■	■	■
Turkey	3	●■	■	●	●	■	■
Ukraine	4	●■	■	●■	●■	■	
United Kingdom	12	●■	●■	■	●■	●■	■

Americas

Argentina	8	●■	●■	●■	■	●	■
Brazil	22	●■	●■	●	●■	●■	●■
Canada	12	●■	●■	●■	●■	●■	●■
Chile	6	●■	●■	●■	●■	■	■
Colombia	4	●■	●■	●■	●■	●■	■
Costa Rica	1	■	●■	■		■	■
Cuba	3	●■	●■	■	■		
Dominican Republic	2	■	●■	●■	■	■	■
Ecuador	2	●■	●■	●■	●■	■	■
Guatemala	3	●■	■	●■	■	■	■
Jamaica	1	●■	●■	■	■	■	■
Mexico	13	●■	●■	●■	●■	●■	■
Nicaragua	1	■	●■	■	■	■	■
Panama	1	■	●■	●■	■	■	■
Peru	1	●■	●■	●■	●■	■	■
Trinidad and Tobago	1	●■	●■	■	■	■	■
United States	79	●■	●■	●■	●■	●	■
Uruguay	1	●■	■	■	■	■	■
Venezuela	7	●■	●■	●■	●■	●■	■

Asia, Oceania and Africa

Algeria	1	●■	■	■	■		■
Australia	11	●■	●■	■	●■	●■	■
Bahrain	1	●■	■	■	■		■
Bangladesh	1	●■	●■	●■			■
Cameroon	1	■	●■	●■			
Côte d'Ivoire	2	●■	●■	●			
Egypt	3	●■	●■	●	■		
Ghana	1	●■	●■	■	■		
Greater China Region	19	●■	●■	●■	●■	●■	■
Guinea	1	■	■	●■	■		
India	6	●■	●■	●	●		■
Indonesia	3	●■	●■	●■	●■	■	■
Iran	2	●■	●■	■	■		
Israel	9	●■	●■	●	●■	■	■
Japan	3	●■	●■	■	●■	■	■
Jordan	1	●■	■	■	■		■
Kenya	1	●■	●■	●■	■		
Lebanon	2	●■	■	■	■		■
Malaysia	6	●■	●■	●■	●■	■	■
Morocco	1	●■	●■	●■	■		■
New Zealand	2	■	●■	●■	●■	●■	■
Nigeria	1	●■	●■	●■	●		
Pakistan	4	●■	●■	●	■		■
Papua New Guinea	1	●■	●■	●■	■		
Philippines	4	●■	●■	■	■	■	■
Qatar	1	●■	■	■	■		
Republic of Korea	2	●■	●■	■	■	■	■
Saudi Arabia	7	●■	●■	●■	■		■
Senegal	1	■	■	●■			
Singapore	1	●■	■	●■	■	■	■
South Africa	9	●■	●■	●■	●■	●■	■
Sri Lanka	1	●■	●■	●			■
Syria	1	●■	●■	●■			
Thailand	7	●■	●■	●■	■	●■	■
Tunisia	1	■	●■	■	■		■
United Arab Emirates	2	●■	●■	■	●■	■	■
Uzbekistan	1	●■	●■	■	■		
Vietnam	3	●■	●■	●■			■
Zimbabwe	1	●■	●■	●■	■		

The figure in black after the country denotes the number of factories.

● Local production (may represent production in several factories).

■ Imports (may, in a few particular cases, represent purchases from third parties in the market concerned).

- ● Beverages
- ● Milk products, Nutrition and Ice cream
- ● Prepared dishes and cooking aids
- ● Confectionery
- ● PetCare
- ● Pharmaceutical products

Corporate Governance and Compliance

Corporate Governance
Over the last few years, Nestlé has helped establish a number of best practices of corporate governance. In 2008, the Annual General Meeting approved a complete revision of the Company's Articles of Association modernising our governance in the best interests of our Company and its stakeholders to aim for long-term, sustainable value creation, a statement which was expressly added to the new Articles.

Also that year, we produced for the first time a special annual Compensation Report which was approved by the shareholders as part of the annual financial statements, and since 2009 we submit our Compensation Report to a separate advisory vote of our shareholders, a best practice increasingly followed by companies around the world.

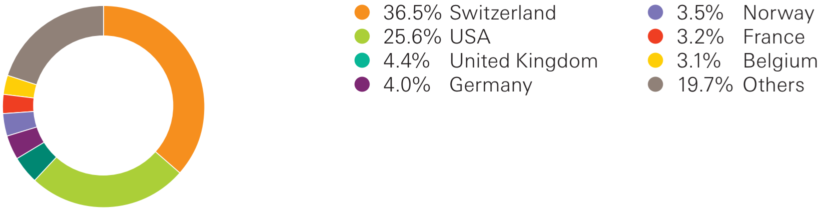
We recognise that following the financial crisis the corporate governance framework is of particular importance and take an active role in its development. Through shareholder surveys, investor roundtables and bilateral meetings we have established a dialogue with shareholders and governance experts that helps our Board of Directors listen to their concerns and establish best practices in the long-term interests of our Company and our shareholders. Our annual review of our governance and compensation systems takes this input into account and aims to ensure their close alignment with the strategy and risk appetite as set by our Board of Directors. Aside from compensation, we expect the future focus to be on the inner workings of the Board of Directors, such as the director nomination and introduction processes, Board evaluation, succession planning and risk oversight. We believe we have good practices in this area which are illustrated through this year's Corporate Governance Report.

Shareholder participation and the proper functioning of the voting chain are other focus topics. For the first time this year we give shareholders who cannot attend the Annual General Meeting the opportunity to give voting instructions on any new or modified proposal that might come up at the meeting. Our better understanding of the voting chain is reflected in the disclosure of our shareholder base (see page 45).

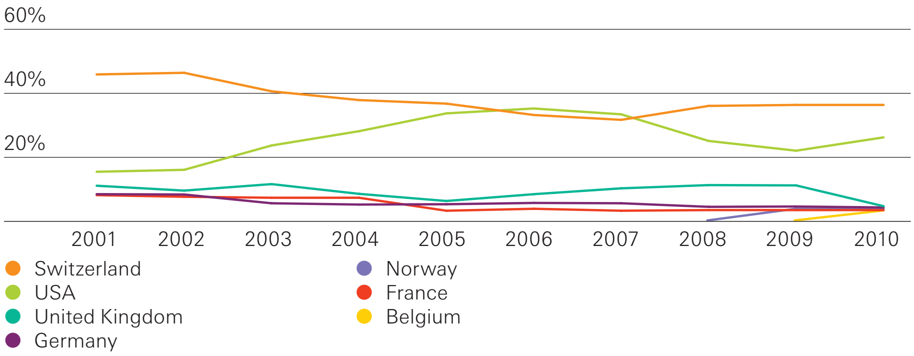
Compliance
Compliance builds trust. It forms the base of how we do business and is the foundation on which we create shared value. While throughout our decentralised structure responsibility is assigned to the markets as per the Custodian Concept, a dedicated corporate Compliance function and a cross-functional Compliance Committee define the framework, facilitate the coordination between the relevant support functions and provide guidance and best practices. Through the Compliance Committee and the Corporate Compliance Programme we build awareness and ensure a coordinated, holistic and principles-based approach to compliance and risk management.

The continued implementation of the framework enshrined in the newly revised Corporate Business Principles, our Code of Business Conduct and the Supplier Code is the cornerstone of the Corporate Compliance Programme. This is supported with e-learning tools related to these documents and for anti-trust and anti-corruption trainings. Regular Compliance Risk Assessments, and a comprehensive annual Board Risk Assessment, help identify areas of concern, and we continue to develop compliance tools and best practices related thereto. Compliance regarding our Corporate Business Principles and the Code of Business Conduct is regularly reviewed by our internal auditors, and Compliance regarding human resources, safety, health, environment and business integrity is assessed through our CARE programme relying on an independent external audit network. In the new performance evaluation system,

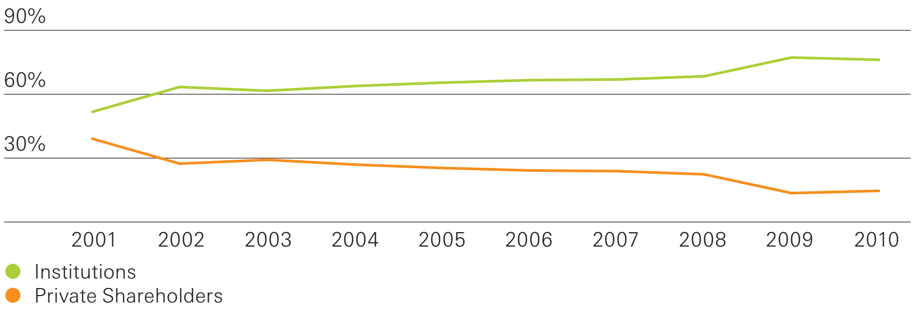
Shareholders by geography (a)



Distribution of Share Capital by geography (a)



Share Capital by Investor Type (a)



(a) Percentage derived from total number of registered shares. Registered shares represent 61.2% of the total share capital. Statistics are rounded, as at 31.12.2010.

Compliance is linked to "how" goals were accomplished.

We recognise that the WHO Code of Marketing of Breast Milk Substitutes is an important instrument for the protection of infant health, particularly in countries where poor sanitary, economic and social conditions prevail. This is why we adhere to the decisions of all governments regarding the application of the WHO Code in their countries. In addition, Nestlé voluntarily applies the entire WHO Code in all developing countries, which have higher risk of problems of preparation and storage of formula due to inadequate sanitary and other conditions.

Beyond compliance, how we do business is based on sustainability – ensuring we can meet the needs of the present without compromising the ability of future generations to meet their own needs. However, to build a profitable business, we must go beyond compliance and sustainability to a third level: creating long-term value for both society and for our shareholders.

Creating Shared Value Key Performance Indicators

Nestlé has developed performance indicators to provide a focus for measuring and reporting Creating Shared Value, sustainability and compliance. The summary below forms part of our Communication on Progress on the United Nations Global Compact Principles. Unless stated otherwise, performance indicators are for the year ending 31 December 2010.

Please see www.nestle.com/csv/kpis

	GRI	2009	2010
Economic			
Total Group sales (CHF million)	EC1	107618	109722
Net profit (CHF million)	EC1	10428	34233
Nutrition			
Nestlé Nutrition sales (CHF million)		9963	10366
Products meeting or exceeding Nutritional Foundation profiling criteria (% of total sales) [a]		71	73.2
Renovated products for nutrition or health considerations [b]		7252	6502
Products with increase in nutritious ingredients or essential nutrients [b]		3878	3847
Products with reduction of sodium, sugars, trans-fatty acids, total fat or artificial colourings [b]		3374	2655
Products analysed and improved or confirmed via 60/40+ programme (sales, CHF billion) [c]		16.8	36.4
Products containing Branded Active Benefits (sales, CHF million)		5045	5922
Products featuring *Nestlé Nutritional Compass* labelling (% of sales worldwide) [d]	PR3	98	97.1
Products in EU with Guideline Daily Amounts (GDA) labelling on front of pack (% of sales) [e]	PR3	91	98.7
Products with specific portion guidance (sales, CHF billion) [f]		21	21.3
Nestlé television advertising to children under 12 in compliance with policies on responsible marketing (%) [g]	(PR7)	99.9	99.5
Nestlé contraventions of infant formula marketing requiring remediation [h]	PR7	6	7
Infant formula marketing staff in higher-risk countries trained in the WHO Code (% of staff) [i]		100	100
Popularly Positioned Product (PPP) SKUs		3950	4860
Popularly Positioned Products (sales, CHF million)		8770	11070
Employees trained on nutrition (cumulative since 2007)		121360	145922
Water and Environmental Sustainability			
Production volume			
Total production volume (million tonnes)		41.17	43.74
Materials			
Total raw materials used (million tonnes)	EN1	21.18	23.27
By-products for reuse or recovery (kg per tonne of product)	EN22	32.79	32.16
Waste for disposal (kg per tonne of product)	EN22	8.72	8.45
Energy			
Total on-site energy consumption (petajoules)		85.2	88.6
Total on-site energy consumption (gigajoules per tonne of product)		2.07	2.03
Direct energy consumption by primary energy source (petajoules)	EN3	61.0	63.0
Indirect energy consumption by primary energy source (petajoules)	EN4	65.1	67.6
On-site energy generated from renewable sources (% of total)	(EN3)	12.2	12.3

	GRI	2009	2010
Greenhouse gases (GHGs)			
Direct GHG emissions (million tonnes CO_2eq)	EN16	3.98	3.98
Direct GHG emissions (kg CO_2eq per tonne of product)	EN16	96.6	91.0
Indirect GHG emissions (million tonnes CO_2)	EN16	3.00	3.14
Indirect GHG emissions (kg CO_2 per tonne of product)	EN16	72.8	71.9
Water			
Total water withdrawal (million m^3)	EN8	143	144
Water withdrawal (m^3 per tonne of product)	EN8	3.47	3.29
Total water discharge (million m^3)	EN21	91.3	94
Quality of water discharged (average mg COD/l)	EN21	91	78
Safety, health and environment governance			
ISO 14001 / OHSAS 18001 certified sites (% of total manufacturing sites)		83	91
Packaging			
Total packaging materials (million tonnes)	EN1	4.17	4.59
Packaging weight reduction (tonnes)		58995	70828
Reduction of packaging weight (per l of product) Nestlé Waters over five years (%)		24	19

Rural Development

Farmers trained through capacity-building programmes		165553	144926
Markets covered by Sustainable Agriculture Initiative Nestlé (SAIN) programmes		35	45
Direct procurement markets covered by SAIN programmes (%)		77	100
SAIN projects associated with water		10	12
Suppliers audited for food safety, quality and processing		3864	3345
Suppliers who received and acknowledged the Nestlé Supplier Code		165497	164969
Key vendors within scope of the responsible sourcing audit programme [j]		N/A	1481
Key vendors covered by a responsible sourcing audit (%) [j]		N/A	66
Key vendors audited and compliant with Nestlé Supplier Code (%) [j]		N/A	56
Quality key suppliers approved through vendor approval process (%) [j]		N/A	61

Our People

Total workforce (number of employees)	(LA1)	278165	281005
Key Business Positions		1319	1379
Employees with potential to fill Key Business Positions		3922	8741
CARE gaps identified related to Business Integrity and HR		500	425
Of which: Minor		425	393
Major		75	32
Critical		0	0
Lost time injuries among employees and contractors (per million hours worked)	LA7	2.0	1.8
Total injury rate among employees and contractors (per million hours worked)	LA7	5.1	4.2
Fatalities of employees and contractors	LA7	4	11
Employees receiving formal classroom training in developing countries	(LA10)	93146	102292
Leadership positions held by women (%)	(LA13)	27	27.3
Local Management Committee members native to country in developing countries (%)		42	48

Note: GRI indicators shown in brackets correspond in part to a GRI G3 indicator. Those not in brackets correspond in full.

(a) 2010 assessment scope: 69.9% total food and beverages sales.
(b) Based on reports of approximately 75% of worldwide product development teams.
(c) Starting in 2010, this KPI better reflects the dynamic nature of our 60/40+ programme. Assessment results are valid for a maximum of three years, only if all parameters remain equal. Within the reported sales, some products were frequently re-assessed. The comparable KPI for 2009 would be CHF 32.9 billion.
(d) Excludes total petcare and, for USA only, Dreyer's and newly acquired Pizza business.
(e) Across EU 27 plus Norway and Switzerland. Excludes plain coffee, tea and water, products for Nestlé Professional, gifting chocolate, petcare, and Nestlé Nutrition.
(f) Products sold as single servings and meeting/exceeding Nutritional Foundation, OR sold with/via a device or equipment delivering a serving meeting/exceeding Nutritional Foundation, OR sold to caregivers with detailed instructions on adjusting servings to evolving nutritional needs.
(g) The compliance rate reported in 2009 corresponds solely to Nestlé's commitment not to advertise to children under 6 years of age. The compliance rate in 2010 also reflects the fuller commitment to only advertise "better for you" products to children aged 6–12 years.
(h) Based on internal and external audits.
(i) "Higher-risk" countries are those with mortality rates for under-fives of more than 10 per 1000, or more than 2% acute malnutrition (moderate and severe wasting) among under-fives. All other countries are "lower-risk".
(j) New in 2010.

Shareholder information

Stock exchange listing
At 31 December 2010, Nestlé S.A. shares were listed on the SIX Swiss Exchange (ISIN code: CH0038863350). American Depositary Receipts (ADRs) (ISIN code: US6410694060) representing Nestlé S.A. shares are offered in the USA by Citibank.

Registered Offices
Nestlé S.A.
Avenue Nestlé 55, CH-1800 Vevey (Switzerland)
tel.: +41 (0)21 924 21 11

Nestlé S.A. (Share Transfer Office)
Zugerstrasse 8, CH-6330 Cham (Switzerland)
tel.: +41 (0)41 785 20 20

Further information
For additional information, contact:
Nestlé S.A., Investor Relations
Avenue Nestlé 55, CH-1800 Vevey (Switzerland)
tel.: +41 (0)21 924 35 09
fax: +41 (0)21 924 28 13
e-mail: ir@nestle.com

As to information concerning the share register (registrations, transfers, address changes, dividends, etc.), please contact:
Nestlé S.A. (Share Transfer Office)
Zugerstrasse 8, CH-6330 Cham (Switzerland)
tel.: +41 (0)41 785 20 20
fax: +41 (0)41 785 20 24
e-mail: shareregister@nestle.com

The Nestlé Annual Report, the Corporate Governance Report and the Financial Statements are available online as a PDF file in English, French and German. The consolidated income statement, balance sheet and cash flow statement are also available as Excel files.

The Company offers the possibility of depositing, free of charge, Nestlé S.A. shares traded on the SIX Swiss Exchange.

Nestlé URL: www.nestle.com

Important dates
14 April 2011
144th Annual General Meeting, "Palais de Beaulieu", Lausanne

15 April 2011
2011 First quarter sales figures

15 April 2011
Last trading day with entitlement to dividend

18 April 2011
Ex dividend date

21 April 2011
Payment of the dividend

10 August 2011
2011 Half-yearly Results

20 October 2011
2011 Nine months sales figures

16 February 2012
2011 Full Year Results

19 April 2012
145th Annual General Meeting, "Palais de Beaulieu", Lausanne

Visual concept and design
Nestec Ltd., Corporate Identity & Design, with Esterson Associates

Photography
Markus Bühler-Rasom, Lionel Deriaz, Sam Faulkner, Nicolas Goldberg, Mischa Haller, Harmen Hoogland, Marc Latzel, Fernanda Preto, Philippe Prêtre, Darren Leigh Roberts, Sheila Rock, Thomas Schuppisser, Hans Schürmann, Alex Subrizi

Production
Altavia Swiss

Paper
This report is printed on Arctic Volume, a paper produced from well-managed forests and other controlled sources certified by the Forest Stewardship Council (FSC).

myclimate neutral Printed Matter
No. 01-11-756095 – www.myclimate.org
© myclimate – The Climate Protection Partnership

FSC www.fsc.org MIX Paper from responsible sources FSC® C016087