

Invitation to the Annual
General Meeting 2013
of Nestlé S.A.



11 April 2013 at 2:30 p.m.
Lausanne (Switzerland)

For information only



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146th Annual General Meeting

to be held on Thursday, 11 April 2013, at 2:30 p.m., at Beaulieu Lausanne,
Avenue des Bergières 10, 1004 Lausanne, Switzerland

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Letter from the Chairman

Dear Shareholder,

Let me first acknowledge the good results of the Group at the high end of the Nestlé model. Thanks to the strong leadership of our CEO, Mr Paul Bulcke, and his management team, the Company has once again delivered solid growth across all businesses and further improved margins in a continuously challenging environment.

At our upcoming shareholder meeting, we will have the opportunity to thank Mr André Kudelski, who will retire from our Board after twelve years of highly appreciated services provided to our Company. He also served on the Board's Audit Committee. At the same time we will propose to you the re-elections of Mr Steven G. Hoch, member of our Nomination Committee; Ms Titia de Lange, member of Nestlé's Nutrition Council; and Mr Jean-Pierre Roth, member of our Compensation Committee. If elected, they will continue to provide valuable contributions to our Company as members of our Board. Finally, I will be a candidate for re-election.

We are also pleased to present a new candidate for election to our Board of Directors. Ms Eva Cheng, of Chinese nationality, is the former Corporate Executive Vice President responsible for Greater China and Southeast Asia Region of Amway Corporation, a U.S. based global consumer product company. She held Amway China's Chairwoman and CEO position since inception until her retirement in January 2011. We believe that with her extensive business experience and strong entrepreneurial background, she will enrich our Board's business competencies particularly in light of our expanding footprint in Asia. As per our practice, this candidate is presented on our website and will be introduced at the meeting.

In line with the "Say-on-Pay" practice that we established already four years ago, we will submit our Compensation Report to a separate, consultative vote of shareholders. Although there are no major changes to the report, we have again reflected some adjustments of our compensation system based on input received from investors and governance experts.

Switzerland's economic success owes much to its sound legal framework and to the recognition that Swiss companies have for their high standard of corporate

governance. In light of the recent developments affecting the Swiss corporate law, we will deepen our dialogue with investors and continue to refine our corporate governance.

We are also pursuing initiatives to enhance our communication with our other stakeholders on the basis of our commitment, set out in our Articles of Association, to aim for long-term, sustainable value creation. Ultimately, to build a profitable business, we must create long-term value for society as well as for our shareholders. We must create Shared Value.

Thank you again for the trust that you have placed in our Company. I look forward to seeing you in Lausanne on 11 April 2013.

Yours sincerely,



Peter Brabeck-Letmathe
Chairman of the Board

Agenda and Proposals of the Board of Directors

1 Annual Report 2012

1.1 Annual Report, financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group for 2012; reports of the statutory auditors

Proposal

Approval of the Annual Report, the financial statements of Nestlé S.A. and the consolidated financial statements of the Nestlé Group for 2012

1.2 Advisory vote on the Compensation Report 2012

Proposal

Acceptance of the Compensation Report 2012 (advisory vote)

Explanation

As per our practice established four years ago, the Board of Directors submits the Compensation Report 2012 to a separate advisory vote of the shareholders in accordance with the Swiss Code of Best Practice for Corporate Governance. The Compensation Report is an appendix to the Corporate Governance Report included in the Annual Report. It is available on the internet (www.nestle.com) or from the Share Transfer Office in Cham.

2 Release of the Board of Directors and of the Management

Proposal

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

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

Proposal

Retained earnings

Balance brought forward from 2011	CHF	685 377 470
Profit for the year 2012	CHF	5 695 711 140
	CHF	<u>6 381 088 610</u>

Proposed appropriation

Transfer from the special reserve	CHF	(225 000 000)
Dividend for 2012, CHF 2.05 per share on 3 220 161 495 shares ¹	CHF	6 601 331 065
	CHF	<u>6 376 331 065</u>
Balance to be carried forward	CHF	<u>4 757 545</u>

Provided that the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 2.05 per share, representing a net amount of CHF 1.3325 per share after payment of the Swiss withholding tax of 35%. The last trading day with entitlement to receive the dividend is 12 April 2013. The shares will be traded ex-dividend as of 15 April 2013. The net dividend will be payable as from 18 April 2013.

4 Elections

4.1 Re-elections to the Board of Directors

Proposal

Individual re-elections of Mr Peter Brabeck-Letmathe, Mr Steven G. Hoch, Ms Titia de Lange and Mr Jean-Pierre Roth (each for a term of three years)

¹ Depending on the number of shares issued as of the last trading day with entitlement to receive the dividend (12 April 2013). No dividend is paid on own shares held by the Nestlé Group. The respective amount will be attributed to the special reserve.

Explanation

At the Annual General Meeting of 11 April 2013, the mandates as Directors of Mr Peter Brabeck-Letmathe, Mr André Kudelski, Mr Steven G. Hoch, Ms Titia de Lange and Mr Jean-Pierre Roth will expire.

Mr André Kudelski has reached the end of his final term in accordance with our internal governance. He joined the Board in 2001 and served as a member of the Audit Committee. The Board wishes to extend its gratitude to Mr Kudelski for his highly appreciated services.

The Board proposes the individual re-election of each of the following Directors, who have provided most valuable services to the Company as members of the Board of Directors:

- 4.1.1 Mr Peter Brabeck-Letmathe, Austrian, born 1944, former CEO (Administrateur délégué) of Nestlé S.A., Chairman of the Board of Directors, member of the Chairman's and Corporate Governance Committee and of the Nomination Committee;
- 4.1.2 Mr Steven G. Hoch, American/Swiss, born 1954, Senior Partner of Highmount Capital, LLC, member of the Nomination Committee;
- 4.1.3 Ms Titia de Lange, Dutch, born 1955, Leon Hess Professor at Rockefeller University, New York; and
- 4.1.4 Mr Jean-Pierre Roth, Swiss, born 1946, former Chairman of the Governing Board of the Swiss National Bank, member of the Compensation Committee.

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

4.2 Election to the Board of Directors

Proposal

Election of Ms Eva Cheng (for a term of three years)

Explanation

The Board proposes the election of Ms Eva Cheng as a member of the Board of Directors of Nestlé S.A.

Ms Eva Cheng, Chinese, born 1952, joined Amway Corporation – a US based global consumer product company – in 1977 as an Executive Assistant in Hong Kong and then in 2005 became Corporate Executive Vice President responsible for Greater China and Southeast Asia Region, a position she held until her retirement in 2011.

Eva Cheng is most well known for leading Amway's entry into China in 1991. She held Amway China's Chairwoman and CEO position since inception until her retirement in January 2011. Under her leadership Amway China successfully overcame significant regulatory challenges, provided new opportunities for its workforce and grew to become the largest single market for Amway in sales and profitability.

In addition to her professional duties, Eva Cheng has dedicated herself to the advancement of women's causes and is also active in a wide range of public and community services.

The Board believes that with her extensive business experience and strong entrepreneurial background, she will enrich the Board's business competencies particularly in light of the Company's expanding footprint in Asia.

For further details on the nominee as well as her qualifications, see her biography on the internet (www.nestle.com).

4.3 Re-election of the statutory auditors

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

Proposal

Re-election of KPMG SA, Geneva branch (for a term of one year)

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Admission cards, proxies, documentation

Admission cards

Only shareholders who are on record in the share register with voting rights on 4 April 2013 at 12:00 noon (CEST) are entitled to exercise their voting rights. The registration of shares for voting purposes does not affect the tradeability of such shares.

All shareholders registered with voting rights on 21 March 2013 will automatically receive by mail the invitation to the Annual General Meeting. They then may order their admission card at any time by 4 April 2013, at the latest, from the Share Transfer Office in Cham by means of the enclosed reply form.

Shareholders whose registration in the share register with voting rights is made on or after 22 March 2013 until 4 April 2013 at 12:00 noon (CEST) and who wish to attend the Annual General Meeting are asked to contact the Share Transfer Office to order an admission card. Only shareholders or their duly appointed representative will be entitled to participate in the Annual General Meeting.

Proxies

If you are unable to attend the Annual General Meeting in person, you can be represented either by another person duly appointed by you, or by Nestlé S.A. or by the independent representative pursuant to Article 689c of the Swiss Code of Obligations, Mr Jean-Ludovic Hartmann, attorney, Boulevard de Pérolles 7, CH-1701 Fribourg. The enclosed reply form can be used to grant a proxy as well as to give voting instructions to the independent representative. If the independent representative does not receive written voting instructions for some or all of the agenda items, he will vote in favour of the Board of Directors' proposals.

Nestlé S.A. will only represent shareholders if they want to approve the proposals of the Board of Directors. All proxies with different instructions will be passed on to the independent representative. Signed proxies left blank will be deemed to be a mandate to Nestlé S.A. to vote in favour of the Board of Directors' proposals. The reply form is to be sent to the Share Transfer Office in Cham or directly to the independent representative by using the appropriate envelope.

Documentation

You will find enclosed the summary of the Annual Report 2012 which will give you a brief overview of the financial results of the business year 2012 of Nestlé S.A. and of the Nestlé Group. If you wish to have more detailed information on the financial results and an insight into our different areas of activity, we invite you to order the full Annual Report 2012 (which includes the Corporate Governance and Compensation Reports 2012) by ticking the corresponding box on the enclosed reply form. Should you also wish to receive the Half-Yearly Report January-June 2013, which will be published in August 2013, we invite you to tick the corresponding box on the same reply form. These documents will also be available on our homepage (www.nestle.com).

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

Nestlé S.A.
Board of Directors

Cham and Vevey (Switzerland), 12 March 2013

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