



PRESS RELEASE

Nestlé completes its acquisition of Novartis Medical Nutrition

Vevey, 2 July 2007 – As a result of the successful conclusion of the regulatory process, Nestlé completed its acquisition of Novartis Medical Nutrition on 1 July 2007. Consequently, the integration process of Novartis Medical Nutrition into Nestlé Nutrition will begin today as approximately 2,000 employees of Novartis Medical Nutrition, with their specific know-how and expertise, join the Nestlé Group. Novartis Medical Nutrition is complementary to Nestlé's Healthcare Nutrition business, and the combination of the two in over 40 countries increases Nestlé's capabilities to satisfy the needs of consumers with special nutritional requirements.

The regulatory process included concerns expressed by the European Commission regarding activities in France and Spain. Nestlé's remedy commitments for these countries, which are minor in value in the overall context of this transaction, satisfied the Commission's concerns and will not impact Nestlé's ability to deliver on its acquisition objectives.

The acquisition propels Nestlé into a strong number two position globally in the fast-growing and lucrative healthcare nutrition market, helping to accelerate the profitable development of the overall nutrition business.

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