

IMPORTANT NOTICE

The Depository Trust Company



B#: 6615-10
Date: April 21, 2010
To: All Participants
Category: Dividends
From: International Services
Attention: Operations, Reorg & Dividend Managers, Partners & Cashiers
Subject: Tax Relief - Country: Switzerland
NESTLE S.A. - CUSIP: 641069406
Record Date: 04/21/10 Payable Date: 05/26/2010
EDS C/O Date: 04/26/10 Documentation C/O: 04/26/10 5:00 PM

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) or TaxRelief option on the Participant Browser System (PBS) web site to certify all or a portion of their position entitled to the applicable withholding tax rate. Participants are urged to consult the PTS or PBS function TAXI or TaxInfoSM respectively before certifying their elections over PTS or PBS.

Important: Prior to certifying tax withholding elections, participants are urged to read, understand and comply with the information in the Legal Conditions category found on TAXI or TaxInfo in PTS or PBS respectively.

Questions regarding this Important Notice may be directed to Globe Tax Services

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.

Non-Confidential

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NESTLE S.A. has announced a cash dividend. CITIBANK, N.A. acts as the sole Depository bank for the company's American Depository Receipt ("ADR") program.

DIVIDEND EVENT DETAILS

Using DTC's Elective Dividend System ("EDS") function over the Participant Terminal System ("PTS"), Participants may certify all or a portion of their position entitled to the applicable withholding tax rates. Use of EDS will permit entitlement amounts to be paid through DTC.

On ADR Pay Date, all U.S. holders will have the opportunity to receive their full treaty benefits as outlined in the "Relief-At-Source ("EDS") Eligibility Matrix". All non-U.S. holders and uncertified holders will receive this dividend net of the full Swiss statutory withholding tax of 35% with the possibility to reclaim as outlined in the "Long-Form Eligibility Matrix".

RELIEF-AT-SOURCE ("EDS") ELIGIBILITY MATRIX			
RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
UNFAVORABLE - 35%	0%	NON-U.S. RESIDENTS	NONE
FAVORABLE - 15%	20%	<ul style="list-style-type: none"> • US INDIVIDUALS (IRAs & SEPs INCLUDED) • US CORPORATIONS • US OTHER ENTITIES (S-CORP, PARTNERSHIP, TRUST OR ESTATE, PENSION THAT LACKS FORM 6166) • US REGULATED INVESTMENT COMPANY (>95% OF RIC'S OWNERS MUST BE US RESIDENTS) 	NONE
EXEMPT - 0%	35%	US PENSIONS UNDER IRS SECTIONS 401(a), 457(b), 403(b), 457(g) under Ruling 81-100, 584 and 7701(j)	<ol style="list-style-type: none"> 1. PENSION LISTING 2. IRS FORM 6166

REQUIREMENTS FOR US FAVORABLE ELECTIONS

CATEGORY	DESCRIPTION / CLARIFICATION
US INDIVIDUAL	U.S. citizens or “green card” holders are only considered as resident in the United States if they have a substantial presence, permanent home, or habitual abode in the United States. Additionally, Individual retirement accounts (IRAs) and Simplified employee pension plans (SEPs) should be included within this Option.
US CORPORATIONS	Is a corporation (other than a RIC or an S-Corporation) created or organized under the laws of the United States. To be considered eligible, the corporation must qualify under at least one of several “tests” recognized under Article 22 Limitation of Benefits of the 1998 U.S. – Switzerland Tax Convention. Among the most common tests are: <ul style="list-style-type: none"> a) activity test: the corporation must conduct an active trade or business in the United States. b) predominant interest test: more than 50% of the owners of the company must be United States residents. c) Stock exchange test: the corporation or the ultimate beneficial owner of a predominant interest in the corporation is primarily and regularly traded on a recognized stock exchange.
US OTHER ENTITY	Is another entity such as an S-Corporation, partnership, estate or trust, created or organized under the laws of the United States. Note: These entities are only eligible to the extent that the dividend income is subject to tax, either in the hands of the entities or in the hands of their partners or beneficiaries that are U.S. residents. Therefore, these entities are only entitled to receive the favorable tax treatment on the percentage of shares which are owned by U.S. residents.
FAVORABLE RIC	A RIC is considered favorable when it is created or organized under the laws of the United States and more than ninety-five percent (95%) of the beneficial owners of the RIC are residents of the U.S.. RICs which meet this requirement will receive favorable tax treatment on one hundred percent (100%) of their record date position. Note: RICs which are made up of ninety-five percent (95%) or less of United States residents are only entitled to receive the favorable tax treatment on the percentage of shares which are owned by U. S. residents. The percentage of non-U.S. residents must be included in RIC – UNFAVORABLE
US EXEMPT PENSION	Is a pension plan or retirement arrangement exempt in the United States of which more than half of the beneficial owners are residents of the United States. Eligible U.S. pension plans or other retirement arrangements generally include U.S. resident tax exempt trusts providing pension or retirement benefits under Internal Revenue Code (IRC) section 401(a) for qualified pension plans, profit sharing plans (including 401(k) arrangements), and stock bonus plans. Additionally, non-qualified plans defined under IRC sections 457 (b) – deferred compensation plans of state and local governments and tax exempt organizations and 403 (b) – tax-sheltered annuities purchased by certain tax exempt organizations or public schools may also generally qualify for exemption.

****BE ADVISED THAT THE SWISS FEDERAL TAX ADMINISTRATION MAY CHOOSE TO ASK FOR FURTHER INFORMATION WITHIN 3 YEARS OF A DIVIDEND EVENT. BY ELECTING SHARES AT A FAVORABLE TREATY RATE OVER DTC'S EDS, YOU AGREE TO COMPLY WITH ANY REQUESTS MADE BY THE TAX AUTHORITY. REQUESTS FOR FURTHER INFORMATION MAY INCLUDE, BUT ARE NOT LIMITED TO, FULL OWNERSHIP DISCLOSURE AND A TRANSACTION HISTORY. ****

DISCLAIMER: ALL TAX INFORMATION CONTAINED IN THE IMPORTANT NOTICE IS BASED ON A GOOD FAITH COMPILATION OF INFORMATION OBTAINED FROM MULTIPLE SOURCES. THE INFORMATION IS SUBJECT TO CHANGE. ACTUAL DEADLINES FREQUENTLY VARY FROM THE STATUTORY DEADLINES BECAUSE OF LOCAL MARKET CONDITIONS AND ADVANCED DEADLINES SET BY LOCAL AGENTS. TO MITIGATE RISK IT IS STRONGLY ADVISED THAT DTC PARTICIPANTS FILE THEIR CLAIMS AS SOON AS POSSIBLE AS THE DEPOSITARY AND/OR THEIR AGENTS WILL NOT BE LIABLE FOR CLAIMS FILED LESS THAN SIX MONTHS BEFORE THE SPECIFIED DEADLINE. IN THE EVENT THAT LOCAL MARKET RULES, WHETHER IMPLEMENTED BY A LOCAL AGENT OF A TAX AUTHORITY, CONFLICT WITH THE INFORMATION PROVIDED IN THE IMPORTANT NOTICE, EITHER PRIOR TO OR AFTER PUBLICATION, THE LOCAL MARKET RULES WILL PREVAIL.

CHARGES & DEADLINES

FILING METHOD	BATCH	PAYMENT METHOD	DEPOSITARY SERVICE CHARGE	MINIMUM SERVICE CHARGE PER BENEFICIAL OWNER	FINAL SUBMISSION DEADLINE (ALL TIMES EST)
RELIEF AT SOURCE	PAYMENT ON ADR PAY DATE	VIA DTC	\$0.0035 per ADR	\$0	APRIL 26, 2010 (MONDAY) @ 5 PM
LONG-FORM: <u>US</u> BENEFICIARIES	POST-EDS PROCESS; ANNUAL BATCHES	CHECK	\$0.005 per ADR	N/A	DECEMBER 1, 2013 @ 5 PM
LONG-FORM: <u>NON-US</u> BENEFICIARIES	POST-EDS PROCESS; ONGOING	CHECK	\$0.005 per ADR	\$25.00	DECEMBER 1, 2013 @ 5 PM

DESCRIPTION OF VARIOUS DOCUMENTATION

DOCUMENT NAME	DESCRIPTION	ORIGINAL / COPY	SIGNATURE REQUIREMENT
IRS FORM 6166	ISSUED BY THE INTERNAL REVENUE SERVICE, STATING THE NAME AND TAX PAYER IDENTIFICATION NUMBER OF THE BENEFICIAL OWNER. IT MUST BE DATED WITHIN 3 YEARS OF DIVIDEND EVENT. MUST MENTION EITHER 401A, 501A OR RULE 81-100	COPY	IRS REPRESENTATIVE
PENSION LISTING (EXHIBIT 1)	LISTING OF ALL PENSION ACCOUNTS SIGNED BY DTC PARTICIPANT & SUBMITTED ON LETTERHEAD	ORIGINAL	DTC PARTICIPANT
DEPOSITARY COVER LETTER (EXHIBIT 2)	COVER LETTER REQUIRED OF ALL NON-US CLAIMS WHICH ADVISES THE DEPOSITARY OF THE SALIENT DETAILS OF THE CLAIM	ORIGINAL	DTC PARTICIPANT
CERTIFICATION OF PAYMENT (EXHIBIT 3)	MUST BE SUBMITTED WITH EACH NON-U.S. CLAIM, ON PARTICIPANT LETTERHEAD CONFIRMING THE WITHHOLDING TAX PAID BY THE BENEFICIAL OWNER	ORIGINAL	DTC PARTICIPANT
TAX FORMS	COUNTRY SPECIFIC TAX FORMS ARE REQUIRED FOR NON-US ENTITIES (SEE ATTACHED GRID) MUST ALSO BE CERTIFIED BY THE BENEFICIAL OWNER'S LOCAL TAX OFFICE. THESE FORMS ARE AVAILABLE THROUGH THE SWISS TAX AUTHORITY WEB SITE: http://www.estv.admin.ch/verrechnungssteuer/dienstleistungen/00253/00626/index.html?lang=en	ORIGINAL	BENEFICIAL OWNER OR DTC PARTICIPANT (WITH POA)
MISSED EDS / EDS REVISION FORM	MUST BE SUBMITTED FOR ALL LONG-FORM U.S. RECLAIMS AND RETURN OF FUNDS (CAN BE OBTAINED FROM CITIBANK)	ORIGINAL	DTC PARTICIPANT

FREQUENTLY ASKED QUESTIONS (FAQs)

GENERAL QUESTIONS

QUESTION	ANSWER
ARE THERE ANY ADDITIONAL ELIGIBILITY REQUIREMENTS I SHOULD KNOW ABOUT?	YES. IF THE BENEFICIAL OWNER IS ENGAGED IN A TRADE OR BUSINESS IN SWITZERLAND THROUGH A PERMANENT ESTABLISHMENT IN SWITZERLAND THEY ARE INELIGIBLE TO CLAIM THROUGH THIS PROCESS.
DOES THE PARTICIPANT HAVE TO SUBMIT ANY DOCUMENTATION TO RECEIVE THE 85% FAVORABLE RATE ON ADR PAY DATE?	NO, YOU ONLY NEED TO MAKE YOUR ELECTIONS THROUGH DTC'S EDS PROCESS AND WILL BE PAID ON ADR PAY DATE.
WHAT HAPPENS IF THE PARTICIPANT MAKES EXEMPT ELECTIONS THROUGH DTC BUT FAILS TO SUBMIT ALL REQUIRED DOCUMENTATION TO CITIBANK, N.A. / GLOBETAX.	ALL UNSUPPORTED SHARES WILL BE MOVED TO THE 65% UNFAVORABLE RATE. YOU WILL STILL BE ELIGIBLE TO CLAIM EXEMPTION THROUGH THE LONG-FORM PROCESS BUT THE PAYMENT WILL BE DELAYED BY THE SWISS TAX AUTHORITIES BY A MINIMUM OF 18 MONTHS.
CAN THE PARTICIPANT SUBMIT ONLY A COMPLETED COVER LETTER (EXHIBIT X) FOR U.S. LONG-FORM CLAIMS.	NO. THE PARTICIPANT MUST CONTACT THE DEPOSITARY / GLOBE TAX AND REQUEST A "MISSED EDS" OR "EDS REVISION" FORM.
HOW LONG DOES IT TAKE FOR LONG-FORM CLAIMS TO BE PAID?	GENERALLY, LONG FORM CLAIMS FOR NON-U.S. BENEFICIARIES ARE PAID WITHIN 12 MONTHS OF SUBMISSION TO THE DEPOSITARY. LONG FORM CLAIMS ON THE U.S. SIDE MAY TAKE MUCH LONGER, DEPENDING ON DATE OF SUBMISSION AND DATE OF FILING. PLEASE CONTACT THE DEPOSITARY FOR MORE DETAILS.
WHERE CAN A PARTICIPANT FIND TAX FORMS FOR NON-US CLAIMS?	THE SWISS FEDERAL TAX ADMINISTRATION'S WEBSITE HAS FORMS AVAILABLE FOR DOWNLOAD, THOUGH ONE MUST INSTALL THE "SNAPFORM VEIWER" PROGRAM. PLEASE CONTACT THE DEPOSITARY FOR FURTHER DETAILS.
FOR NON-U.S. CLAIM CAN I SUBMIT A STAND-ALONE CERTIFICATION OF RESIDENCE RATHER THAN HAVE THE TAX FORM SIGNED BY THE BENEFICIAL OWNER'S LOCAL TAX OFFICE?	NO. THE SWISS DO NOT ACCEPT ANY FORMS FOR NON-U.S. ENTITIES THAT ARE NOT SIGNED BY THE BENEFICIAL OWNER'S LOCAL TAX OFFICE.

CONTACT DETAILS

PRIMARY CONTACT	BRENDAN HAYES
DOMESTIC PHONE (U.S.)	1-800-628-4646
DOMESTIC FAX (U.S.)	1-800-633-4646
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	BRENDAN_HAYES@GLOBETAX.COM
COMPANY	CITIBANK, N.A. / GLOBETAX
STREET ADDRESS	90 BROAD STREET, 16 TH FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	KENNY LIPSCHUTZ BECKY ZHANG

LONG-FORM ELIGIBILITY MATRIX

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
FAVORABLE - 15 % LONG-FORM	20.00%	<ul style="list-style-type: none"> US INDIVIDUALS (IRAs & SEPs Included) US CORPORATIONS US OTHER ENTITIES (S-CORP, PARTNERSHIP, TRUST OR ESTATE) US REGULATED INVESTMENT COMPANY (>95% OF RIC'S OWNERS MUST BE US RESIDENTS)	1. COVER LETTER (EXHIBIT 2) 2. CERTIFICATION OF PAYMENT (EXHIBIT 3) 3. MISSED EDS / EDS REVISION FORM
FAVORABLE – 15.00 % LONG-FORM	20.0%	NON-U.S. ENTITIES (SEE TREATY GRID)	1. COVER LETTER (EXHIBIT 2) 2. CERTIFICATION OF PAYMENT (EXHIBIT 3) 3. TAX FORM
FAVORABLE - 10 % LONG-FORM	25.00%	CHINA, FINLAND, HUNGARY, INDIA, ROMANIA, VENEZUELA	1. COVER LETTER (EXHIBIT 2) 2. CERTIFICATION OF PAYMENT (EXHIBIT 3) 3. TAX FORM
FAVORABLE - 7.50 % LONG-FORM	27.50%	SOUTH AFRICA	1. COVER LETTER (EXHIBIT 2) 2. CERTIFICATION OF PAYMENT (EXHIBIT 3) 3. FORM 92
EXEMPT - 0% LONG-FORM	35%	US PENSIONS UNDER IRS SECTIONS 401(a), 457(b), 403(b), 457(g) under Ruling 81-100, 584 and 7701(j)	1. PENSION LISTING (EXHIBIT 1) 2. IRS FORM 6166 3. MISSED EDS / EDS REVISION FORM

PLEASE BE ADVISED THAT LONG-FORM CLAIMS FOR U.S. RESIDENTS ARE FILED ON A LIMITED BASIS AS DICTATED BY THE SWISS TAX AUTHORITIES. THE APPROXIMATE POST-PAY DATE BATCHES ARE SCHEDULED AS FOLLOWS:

POST-PAY DATE BATCH#1: SEPTEMBER 2011

POST-PAY DATE BATCH#2: SEPTEMBER 2012

POST-PAY DATE BATCH#3: DECEMBER 2013

FOREIGN CLAIM FOR REFUND FORMS - FOUND ON TAX AUTHORITY'S WEBSITE			
FORM #	RESIDENCY	FORM #	RESIDENCY
FORM 60	COUNTRY WITHOUT OWN FORM	FORM 91	IRELAND
FORM 79	LUXEMBOURG	FORM 92	SOUTH AFRICA
FORM 80	SWEDEN	FORM 93	JAPAN
FORM 81	NETHERLANDS	FORM 94	PORTUGAL
FORM 83	FRANCE	FORM 95	ITALY
*FORM 83a	ATTACHMENT FOR FRENCH INV. TRUSTS	FORM 96	CANADA
FORM 84	AUSTRIA	*FORM 96a	ATTACHMENT FOR CANADIAN
FORM 85	GERMANY		INVESTMENT FUNDS
FORM 86	UNITED KINGDOM	FORM 97	BELGIUM
FORM 87	NORWAY	FORM 98	AUSTRALIA
*FORM 87a	ATTACHMENT FOR NORWEGIAN BOND FUNDS	FORM 98a	ATTACHMENT FOR AUSTRALIAN
FORM 88	FINLAND		RESIDENT TRUST ESTATE
FORM 89	DENMARK		
*FORM 89a	ATTACHMENT FOR DANISH INV. FUNDS		
FORM 90	SPAIN		

<i>< Your company letterhead ></i>		EXHIBIT 1 - PLEASE CONTACT CITIBANK, N.A. FOR FILE	
To: CITIBANK, N.A. / Globe Tax Services			
90 Broad Street (16th Floor)			
New York, New York 10004-2205			
Phone: 1-800-628-4646 Fax: 1-800-633-4646			
Re: Withholding Certification for NESTLE S.A., CUSIP# 641069406			
I / We the undersigned		(contact name)	
authorized representative of		(DTC Participant name)	
holding shares at		(DTC Participant name)	(DTC PTS number)
of NESTLE, S.A. Cusip # 641069406 , request that the upcoming cash			
dividend payable to holders as of APRIL 21, 2010 , receive the additional 35% tax reclaim			
Name of Beneficial Owner	Tax ID Number	Complete U.S. Address	# Shares
*** IF THERE ARE MORE THAN 9 BENEFICIAL HOLDERS, PLEASE CALL BRENDAN HAYES AT THE _____ NUMBER ABOVE AND WE WILL SEND YOU A PRE-FORMATTED FILE. PLEASE RETURN THE FILE _____ AND THE HARD COPY WITH THE REQUIRED AUTHORIZED SIGNATURES TO THE ADDRESS ABOVE. _____			
I / We certify that to the best of my knowledge the above beneficial owners are eligible for the preferential rates as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these beneficial owners.			
CITIBANK, N.A. shall not be liable for failure to secure the refund and any funds erroneously received shall be immediately returned to CITIBANK, N.A., including any interest, additions to tax or penalties thereon. This is not tax advice.			
Please consult your tax advisor.			
All claims are subject to audit or any control deemed appropriate by the Swiss Tax Administration. Incorrect claims could result in fines and/or penalties.			
We hereby certify that we have the appropriate authorization (based on Powers of Attorney or the custodial/trust agreement),			
		Authorized Signature of Holder or Owner	
TEL :			
		Print Name of Signatory	
FAX:			
		Position of Signatory	
PLEASE INCLUDE YOUR PHONE AND FAX NUMBER SO THAT WE CAN CONTACT YOU WITH ANY QUESTIONS THAT WE MIGHT HAVE.			

**EXHIBIT 2 - COVER LETTER REQUIRED FOR SWISS TAX RECLAIM FILINGS
THIS DOCUMENT MUST BE PREPARED ON THE DTC PARTICIPANT'S LETTERHEAD**

[DATE]

CITIBANK, N.A.
c/o Globe Tax Services, Inc.
90 Broad Street-16th Floor
New York, NY 10004-2205
Attn: Brendan Hayes

Enclosed please find tax reclamation documents, which we are submitting on behalf of our clients who wish to avoid excess withholding tax on Swiss ADRs. We, [NAME OF DTC PARTICIPANT], also identified as DTC participant number [DTC PARTICIPANT NUMBER], hereby state that each beneficial owner cited below held the respective amount of shares on the record date of APRIL 21, 2010 for the security NESTLE S.A.

Below is the list of beneficial owners and their holdings, which total [TOTAL # OF ADRs CITED BELOW] ADRs. As required, the forms and a certification of residency document (Form 6166) if applicable, are enclosed for each beneficial owner. **The ratio is 1 ADRs to 1 Ordinary shares.** The information is as follows:

<u>Name of beneficial owner</u>	<u>Address</u>	<u>Type of Account</u>	<u>Taxpayer i.d. #</u>	<u># of ADRs held</u>
1)				
2)				
3)				
4) etc.				

We ask that CITIBANK, N.A., as Depositary, apply to the Swiss depository bank for the reduced withholding tax rate on the above beneficial owners' behalf. Please contact the undersigned at [SIGNATORY'S TELEPHONE NUMBER] should you have any questions.

Indemnification

I / We certify that to the best of my knowledge the individual beneficial owners are eligible for the preferential rates as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these beneficial owners.

CITIBANK, N.A. shall not liable for failure to secure the refund and any funds erroneously received shall be immediately returned to CITIBANK, N.A., including any interest, additions to tax or penalties thereon. This is not tax advice. Please consult your tax advisor.

Sincerely,

[Signature of authorized signatory for DTC Participant]
[NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT]

PAYMENT ADDRESS: _____

**EXHIBIT 3 – CERTIFICATION OF DIVIDEND PAYMENT REQUIRED FOR SWISS TAX RECLAIM FILINGS
THIS DOCUMENT MUST BE PREPARED ON THE DTC PARTICIPANT’S LETTERHEAD**

CERTIFICATION OF DIVIDEND PAYMENT

We hereby confirm that:

<Beneficial Owner Name>

<B/O Address#1>

<B/O Address#2>

Was a recipient of a coupon, payable on **APRIL 22, 2010** on a position of:

<Share Amount> shares of **NESTLE S.A.**

with the gross dividend rate of CHF **1.60**

the payment was distributed as follows:

gross dividend	CHF<Gross Dividend>
less: 35% withholding tax	CHF<35% of Gross>
Net dividend	CHF<65% of Gross>

Certified By

Authorized Signature _____ Date _____
Name