Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2010** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LIBBY SACRAMENTO CAN PENSION PLAN

1b Three-digit plan number (PN) ▶ 050

1c Effective date of plan 08/30/1966

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
NESTLE USA, INC.

30003 BAINBRIDGE RD
SOLON, OH 44139-2205

2b Employer Identification Number (EIN) 95-1572209

2c Sponsor's telephone number 440-349-5757

2d Business code (see instructions) 311900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2011	SHARON M. STRASSHOFER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2011	RUSSELL W. NISWANDER, F.S.A
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") NESTLE USA, INC. 30003 BAINBRIDGE RD SOLON, OH 44139-2205	**3b** Administrator's EIN 95-1572209 **3c** Administrator's telephone number 440-349-5757

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		**4b** EIN
a Sponsor's name		**4c** PN

5 Total number of participants at the beginning of the plan year	**5**	111
6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a Active participants	**6a**	0
b Retired or separated participants receiving benefits	**6b**	95
c Other retired or separated participants entitled to future benefits	**6c**	10
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	105
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	4
f Total. Add lines **6d** and **6e**	**6f**	109
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 1G 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)			**9b** Plan benefit arrangement (check all that apply)		
(1)	☐	Insurance	**(1)**	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts	**(2)**	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust	**(3)**	☒	Trust
(4)	☐	General assets of the sponsor	**(4)**	☐	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules			**b General Schedules**		
(1)	☒	**R** (Retirement Plan Information)	**(1)**	☒	**H** (Financial Information)
(2)	☐	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	**(2)**	☐	**I** (Financial Information – Small Plan)
			(3)	☐	___ **A** (Insurance Information)
			(4)	☐	**C** (Service Provider Information)
(3)	☒	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	**(5)**	☒	**D** (DFE/Participating Plan Information)
			(6)	☐	**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500 or 5500-SF.**	**2010** **This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
LIBBY SACRAMENTO CAN PENSION PLAN

B Three-digit plan number (PN) ▶ 050

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2010

2 Assets:			
a Market value	2a		4328457
b Actuarial value	2b		4328457
3 Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a For retired participants and beneficiaries receiving payment	3a	97	3298186
b For terminated vested participants	3b	14	360299
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		0
(3) Total active	3c(3)	0	0
d Total	3d	111	3658485
4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.34 %
6 Target normal cost	6		21642

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary	Date 10/06/2011
THAD SUMMERSETT Type or print name of actuary	11-07261 Most recent enrollment number
TOWERS WATSON PENNSYLVANIA INC. Firm name	310-551-5716 Telephone number (including area code)
1925 CENTURY PARK EAST, SUITE 1500 LOS ANGELES, CA 90067-2790 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	610931	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	610931	0
10	Interest on item 9 using prior year's actual return of 16.59 %	101353	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of 8.29 %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	712284	0

Part III Funding percentages

14	Funding target attainment percentage	14	98.84 %
15	Adjusted funding target attainment percentage	15	118.31 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.03 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.60 %	6.65 %	6.76 %	

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	65

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**	21642

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**	21642

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	21642	0	21642

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	0
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE D (Form 5500)	DFE/Participating Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
LIBBY SACRAMENTO CAN PENSION PLAN

B Three-digit plan number (PN) ▶ 050

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: NESTLE IN THE USA PENSION TRUST

b Name of sponsor of entity listed in (a): NESTLE USA, INC.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
36-7324184-101	M	4685229

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)	Financial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
LIBBY SACRAMENTO CAN PENSION PLAN

B Three-digit plan number (PN) ▶ 050

C Plan sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	4328458	4685229
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4328458	4685229
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4328458	4685229

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		783234
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		783234

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	369014	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		369014
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	57449	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		57449
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		426463

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		356771
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG LLP **(2)** EIN: 13-5565207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

			Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)	Retirement Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
LIBBY SACRAMENTO CAN PENSION PLAN

B Three-digit plan number (PN) ▶ 050

C Plan sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 36-3046063 _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☒ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

LIBBY SACRAMENTO CAN PENSION PLAN

Financial Statements

December 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

LIBBY SACRAMENTO CAN PENSION PLAN

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All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because all investments are held in a master trust or because there is no other information to report.

KPMG LLP
One Cleveland Center
Suite 2600
1375 East Ninth Street
Cleveland, OH 44114-1796

Independent Auditors' Report

The Plan Administrator
Libby Sacramento Can Pension Plan:

We were engaged to audit the accompanying statements of net assets available for benefits and of accumulated plan benefits of the Libby Sacramento Can Pension Plan (Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in notes 5, 7 and 8, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds certain Plan investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As explained in note 5, the financial statements include investments whose carrying values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. These investments are held in the Nestlé in the USA Pension Trust (Pension Trust), and represent and 32% and 34% of the total net assets in the Pension Trust as of December 31, 2010 and 2009, respectively.

KPMG LLP

October 7, 2011

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

LIBBY SACRAMENTO CAN PENSION PLAN

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

		2010	2009
Investments, at fair value (notes 5 and 7):			
Plan interest in Nestlé in the USA Pension Trust	$	4,685,229	4,328,458
Net assets available for benefits	$	4,685,229	4,328,458

See accompanying notes to the financial statements.

LIBBY SACRAMENTO CAN PENSION PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2010 and 2009

		2010	2009
Investment income:			
Plan interest in Nestlé in the USA Pension Trust investment income	$	783,234	705,679
Total investment income		783,234	705,679
Deductions:			
Benefits paid to participants		369,014	362,063
Investment and administrative expenses		57,449	59,429
Total deductions		426,463	421,492
Net increase		356,771	284,187
Net assets available for benefits:			
Beginning of year		4,328,458	4,044,271
End of year	$	4,685,229	4,328,458

See accompanying notes to financial statements.

LIBBY SACRAMENTO CAN PENSION PLAN

Statements of Accumulated Plan Benefits

December 31, 2010 and 2009

		2010	2009
Actuarial present value of accumulated plan benefits (note 2(c)):			
Vested benefits:			
Participants currently receiving payments	$	2,850,118	2,869,699
Other participants		224,509	302,557
Total actuarial present value of accumulated plan benefits	$	3,074,627	3,172,256

See accompanying notes to the financial statements.

LIBBY SACRAMENTO CAN PENSION PLAN

Statements of Changes in Accumulated Plan Benefits

Years ended December 31, 2010 and 2009

		2010	2009
Actuarial present value of accumulated plan benefits, beginning of year	$	3,172,256	3,288,447
Increase (decrease) during the year attributable to:			
Benefits experience		10,472	(25,361)
Interest due to decrease in the discount period		254,278	264,444
Benefits paid		(369,014)	(362,063)
Changes in actuarial assumptions (note 2(c))		6,635	6,789
Actuarial present value of accumulated plan benefits, end of year	$	3,074,627	3,172,256

See accompanying notes to financial statements.

(1) Description of the Plan

The following description of the Libby Sacramento Can Pension Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan was established in 1965 as a defined benefit plan and has been amended from time to time subsequent to that date. Generally, the Plan covers all vested former employees who were covered by the bargaining agreement between Libby, McNeill & Libby (Libby). Libby is a wholly owned subsidiary of Nestle USA, Inc. (Company), the Plan sponsor and the United Steelworkers of America for the Sacramento Can Manufacturing Plant. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Pension Benefits

In November 1983, the Sacramento Can Manufacturing Plant was closed and all employees were terminated. All employees covered under the Plan stopped accruing benefits at that time, and became fully vested in their benefits. The Plan will remain in existence as long as necessary to pay accrued benefits (see note 4).

(c) Death Benefits

If a participant dies with a right to a vested pension, a pre-retirement benefit may be paid to the participant's qualified surviving spouse on a reduced basis in accordance with the provisions of the Plan document.

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Valuation of Investments

Plan assets are held in the Nestlé in the USA Pension Trust (Pension Trust), which was established by the Company for the pooled investment of assets for various qualified pension plans sponsored by the Company. The Pension Trust is maintained by The Northern Trust Company, as trustee.

The Pension Trust investments are stated at fair value, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. Refer to note 8, Fair Value Measurements, for further information related to the valuation of Pension Trust investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest and other income are recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Pension Trust's gains and losses on investments bought and sold as well as held during the year.

(c) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) beneficiaries of employees who have died. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee credited service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuary, Towers Watson, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements due to death, disability, termination, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2010 and 2009 were as follows:

	2010	**2009**
Life expectancy of participants	RP-2000	RP-2000
Retirement age	Probabilities varying by age	Probabilities varying by age
Discount rate	8.50%	8.50%

The discount rate for obligations was 8.50% in 2010 and 2009. These rates are consistent with the long-term expected return on assets. The mortality table of RP-2000 remains the same for 2010 and 2009; however, mortality projections have been changed in 2010 from 2025 to 2026 for preretirement participants, and from 2017 to 2018 for postretirement participants.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(d) Administrative Expenses

The Plan allows for administrative expenses such as trustee fees, investment management fees, actuarial valuation fees, accounting fees, and recordkeeping fees to be paid from Plan assets.

(e) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

(f) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

(g) Risks and Uncertainties

The Pension Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(h) Derivative Financial Instruments

The Plan accounts for derivatives and hedging activities in accordance with ASC 815, *Derivatives and Hedging*, which requires that all derivative instruments not qualifying for hedge accounting be recorded on the statements of net assets available for benefits at their respective fair values.

The Company uses derivatives for the benefit of the plans in the Pension Trust as a tool to reduce risk and as an investment strategy. The Pension Trust holds the following types of derivative instruments: interest rate swaps, credit default swaps (CDS), equity swaps, commodity swaps, financial futures, commodities futures, foreign exchange forward contracts and options, and swaptions and options. The derivative instruments outstanding as of period-end and the amounts of realized and unrealized gains and losses, as well as other income on derivative instruments during the period (as disclosed in the derivatives tables in note 7), serve as indicators of the volume of derivative activity for the Pension Trust. Derivative strategies involve risk and like other investments, can lose money. The impact on Pension Trust performance can be positive or negative, and will vary depending on market movements.

The Company manages the Pension Trust's interest rate risk using interest rate swaps (interest rate hedge). The objective of the interest rate hedge is to lengthen the effective duration of the Pension Trust's assets to better match its defined benefit obligations, thereby protecting the funded ratio of the Pension Trust as interest rates fluctuate. Interest rate swaps used in this manner adjust interest rate and yield curve exposures and substitute for physical securities.

The Company also uses derivatives as a substitute for physical securities in order to gain exposure to certain asset classes. Using derivatives instead of physical securities may be a more efficient means to gain exposure to an index or a market sector due to its characteristics of increased liquidity and reduced transaction costs. Using derivatives may also reduce the need to sell assets when there is a difficult trading environment. Swaps and futures are used to create credit, equity and commodities exposure. Commodities exposure may only be obtained through the use of either futures or swaps derivative instruments, which is industry standard.

The Company uses a mix of equity, fixed income and commodity futures to securitize a large cash position. Use of these derivatives enables the cash of the Pension Trust to earn a return as if it were invested in the various asset classes as defined by the strategic asset allocation. It allows the Pension Trust to retain liquidity and flexibility, while still earning equity, fixed income, or commodity returns.

The Company uses derivatives to execute portable alpha strategies. Portable alpha strategies involve the use of futures or swaps to provide market exposure in equities, fixed income and commodities, combined with investment in market neutral total return strategies. Use of derivatives in this manner enables the Pension Trust to use market neutral strategies to earn an active return, while still complying with the strategic asset allocation.

The Company manages credit risk through use of CDS. These derivatives are used to manage credit exposure without buying or selling securities outright. Written CDS increase credit exposure (selling protection), obligating the portfolio to buy bonds from counterparties in the event of a default. Purchased CDS decrease exposure (buying protection) providing the right to “put” (sell) bonds to the counterparty in the event of a default.

The Company manages the foreign currency risk inherent in international equity portfolios through the use of foreign exchange forwards, which are foreign exchange transactions that have settlement periods longer than three days. The Company also uses foreign exchange forwards and currency options as an investment strategy.

Counterparty risk for swaps and forwards is mitigated through the use of International Swaps and Derivatives Association (ISDA) standardized agreements that require gains and losses owed to and from the counterparty to be agreed daily, and gains or losses to be collateralized with cash. For futures, the gain (loss) is calculated and funds are transferred to and from the Pension Trust on a daily basis, based on the prior day’s market valuation. The types of counterparties are large banks and brokers, and the investment managers each have netting arrangements within their accounts to reduce the exposure to any single counterparty.

Holding derivatives has a significant impact on cash flow. Daily mark to markets and accumulated gains and losses can be large, depending on the volatility of the markets. The Company has maintained liquidity necessary to settle any losses, regardless of the severity of the market change. In addition, the Pension Trust has the ability to borrow from the Company through an interest-free loan, if needed, to cover cash flow needs.

(i) Foreign Currency

The Pension Trust's investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Pension Trust does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net appreciation and depreciation from investments.

(3) Funding Policy

The Company's general funding policy is to make contributions to the Plan for each plan year in an amount not less than the minimum required contribution under ERISA, and to target 100% funded status on a Pension Protection Act (PPA) basis. This will not exceed the maximum tax-deductible contribution. The minimum and maximum contributions are calculated on an annual basis by the Plan's actuary. No contributions were made for the years ended December 31, 2010 and 2009.

(4) Plan Status

In November 1983, the Sacramento Can Manufacturing Plant was closed and all employees were terminated. All employees stopped accruing benefits at that time. The Plan will remain in existence as long as necessary to pay accrued benefits. Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations. The assets allocated to each participant would be distributed through (a) continuance of the trust fund that is attributable to the Plan or establishment of a new trust fund and/or (b) purchase of annuity contracts. In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees, which is adjusted periodically.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

(5) Trustee Certifications

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained a certification from The Northern Trust Company, the trustee of the Plan, as of and for the years ended December 31, 2010 and 2009, that all of the information provided by them is complete and accurate. Information included in the accompanying financial statements and notes thereto, as to investments and investment income (loss), is presented in reliance upon those certifications, with the exception of the Pension Trust's investments in real estate funds, hedge funds, and venture capital and partnership funds. These investments are held by the investment fund managers, who report the net asset values of the Pension Trust's interests to the Company and trustee on a periodic basis. Information included in the accompanying financial statements related to these funds is based upon these net asset values as of December 31, 2010 and 2009.

(6) Parties in Interest

Nestle USA, Inc. is the Plan Sponsor and The Northern Trust Company is the trustee of the Plan. The Plan's share of fees paid by the Pension Trust to the Plan Sponsor and trustee, in total, was $3,160 and $4,362 in 2010 and 2009, respectively. The Pension Trust also invests in the common stock of The Northern Trust Company. The fair value of this investment was $664,920 and $0 in 2010 and 2009, respectively.

(7) Interest in Nestlé in the USA Pension Trust

The assets of the Plan are invested in the Pension Trust, in which the assets of the Plan are combined with the assets of other affiliated Company plans for investment purposes.

Pursuant to the trustee's method of allocating the investment holdings between the plans, contributions into the Pension Trust are treated as additions in the Pension Trust, withdrawals are treated as deductions in the Pension Trust, and investment income (loss) is allocated proportionately. Accordingly, the value of the Plan's investment in the Pension Trust is equal to the Plan's interest in each applicable investment increased or decreased by the Plan's allocated share in income, gains, and losses attributable to each applicable investment, which share is generally based upon the Plan's respective share of the Pension Trust's combined net assets available for benefits each month before investment income (loss) and net appreciation (depreciation) in the fair value of investments. Those administrative expenses of the Pension Trust, which can be specifically identified as being applicable to the Plan are charged to the Plan. The remaining expenses are allocated to the Plan based on the Plan's respective share of the Pension Trust's combined net assets available for benefits on a monthly basis.

The Plan's equitable share of the Pension Trust's net assets was less than 1% at December 31, 2010 and 2009. The following is financial information (see note 5) with respect to the Pension Trust:

		2010	2009
Investments, at fair value:**			
Unencumbered investments:			
The Northern Trust Company Core Qualified Collateral Section***	$	105,781,896	151,648,734
Equities		631,123,547	543,298,966
Fixed income		1,064,389,642	883,118,057
Real estate		198,842,476	181,392,652
Venture capital and partnerships		220,362,738	161,026,231
Other investments		67,963,033	19,810,549
Hedge funds		565,825,521	544,394,663
Cash and cash equivalents*		424,295,309	373,604,575
Total unencumbered investments		3,278,584,162	2,858,294,427
Securities pledged to creditors***			
Equities		54,968,380	68,789,153
Fixed income		48,363,096	78,454,730
Total securities pledged to creditors		103,331,476	147,243,883
Receivables		1,770,000	5,217,078
Total assets		3,383,685,638	3,010,755,388
Payable under securities loan agreements***		(105,781,896)	(151,648,734)
Liabilities		(10,518,865)	(31,949,903)
Other payables		(150,929)	—
Net Pension Trust assets	$	3,267,233,948	2,827,156,751
Net Pension Trust assets attributable to the Plan	$	4,685,229	4,328,458

* Includes pending trade sales and purchases as of year-end.

** There were no investments with a fair value in excess of 5% of net Pension Trust assets as of December 31, 2010. In 2009, the following investment had a fair value exceeding 5% of net Pension Trust assets: Grosvenor Institutional Partners, LP with a fair value of $145,632,875.

*** The Pension Trust participated in a securities lending arrangement through the trustee in 2010 and 2009. The Pension Trust obtained cash and noncash collateral from the borrowers of the Plan's securities as a result of this arrangement. The collateral received from borrowers was invested in The Northern Trust Company Core Qualified Collateral Section, and totaled $105,781,896 and $151,648,734 as of December 31, 2010 and 2009, respectively. This consisted of cash collateral received of $105,724,891 and $151,497,144, and noncash collateral of $57,005 and $151,590, in 2010 and 2009, respectively. The noncash collateral received consisted primarily of fixed income securities and domestic equity securities.

During the years ended December 31, 2010 and 2009, investment income for the Pension Trust (see note 5) consisted of the following:

		2010	2009
Net appreciation (depreciation) in fair value of investments:			
Equities	$	118,739,943	224,236,349
Fixed income		45,204,347	109,254,944
Real estate		8,122,479	(59,867,767)
Venture capital and partnerships		26,359,729	14,310,794
Other assets and liabilities		154,772,938	16,264,052
Hedge funds		50,706,624	47,762,010
Cash and cash equivalents		14,051,667	(4,380,515)
		417,957,727	347,579,867
Interest		66,438,005	51,626,553
Dividends		3,902,257	5,267,396
Other income		52,384,696	72,381,922
	$	540,682,685	476,855,738
Pension Trust investment income attributable to the Plan	$	783,234	705,679

As discussed in note 2(h), the Company uses derivative financial instruments as part of its investments strategy. Gains and losses on derivative financial instruments are realized in investment income (loss) on a daily basis. As of December 31, 2010 and 2009, the Pension Trust held the following derivatives:

		2010		2009		
		Asset derivatives Fair value	Liability derivatives Fair value	Asset derivatives Fair value	Liability derivatives Fair value	Location*
Derivatives not accounted for as hedging instruments under ASC 815:						
Interest rate	$	24,480,571	(5,230,417)	8,972,336	(27,580,599)	Other assets and liabilities
Foreign exchange		18,538,816	(15,561,181)	13,560,548	(6,542,766)	Cash and cash equivalents
Credit		1,124,552	(1,363,608)	573,463	(2,442,784)	Fixed income
Equity		4,074,529	(1,309,972)	3,066,500	(24,072,447)	Equities
Commodity		2,076,426	(25,438)	98,189	(440,771)	Other investments
	$	50,294,894	(23,490,616)	26,271,036	(61,079,367)	

* The fair values of the derivatives are located within Unencumbered Investments held by the Pension Trust above. Swap valuations are also represented in the Pension Trust Receivables and Liabilities.

For the years ended December 31, 2010 and 2009, the Pension Trust recognized in investment income the following:

	2010		2009		
	Amount of gain (loss)	**Amount of other income (expense)**	**Amount of gain (loss)**	**Amount of other income (expense)**	**Location***
Derivatives not accounted for as hedging instruments under ASC 815:					
Interest rate	$ 114,308,091	36,357,671	(56,887,284)	15,294,625	Fixed income
Foreign exchange	11,252,325	—	(17,971,153)	—	Cash and cash equivalents
Credit	1,097,667	304,808	(1,477,501)	(159,700)	Fixed income
Equity	34,055,467	12,483,888	28,966,604	45,258,804	Equities
Commodity	18,257,415	—	17,522,657	—	Other assets and liabilities
	$ 178,970,965	49,146,367	(29,846,677)	60,393,729	

* The gain (loss) related to the derivatives is located in the Net appreciation (depreciation) in fair value of investments and the Other income (loss) for the Pension Trust above.

(8) Fair Value Measurements

The Plan has adopted the guidance in ASC 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant judgment. The three levels are defined as follows:

- **Level 1**: Assets or liabilities that are valued based on unadjusted quoted prices in active markets that are accessible at measurement date.
- **Level 2**: Assets or liabilities that are valued based on inputs other than quoted prices that are observable, including quoted prices for similar assets or liabilities and other pricing models (which use observable inputs).
- **Level 3**: Assets or liabilities that are valued based on unobservable inputs, including the reporting entity's own analysis of the underlying economic data that market participants would factor into the pricing of the asset or liability.

Assets and liabilities of the Pension Trust measured at fair value on a recurring basis are categorized as follows:

	December 31, 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Nestlé in the USA Pension Trust assets:				
Northern Trust Core Qualified Collateral Section	$ —	105,781,896 (e)	—	105,781,896
Equities				
Preferred	3,333,685	—	—	
Common stock	396,286,448	—	—	
Commingled funds	—	286,471,794	—	
Total Equities	**399,620,133 (a)**	**286,471,794 (b)**	**—**	**686,091,927**
Fixed income				
Options	(22,922)	(34,608)	—	
Mutual funds	28,073,912	—	—	
Collateralized obligations	—	81,259,329	70,237,362	
Corporate bonds	—	786,479,993	1,184,771	
Government and municipal	—	128,144,497	2,286,989	
Income receivable	—	15,143,415	—	
Total Fixed Income	**28,050,990 (a)**	**1,010,992,626 (b)**	**73,709,122 (c)**	**1,112,752,738**
Hedge funds	—	—	565,825,521 (d)	565,825,521
Real estate	—	—	198,842,476 (d)	198,842,476
Private equity	—	—	220,362,738 (d)	220,362,738
Other assets				
Diversified mutual funds	29,063,667	—	—	
Options and swaps	—	18,714,366	—	
Margin (held at broker)	—	20,185,000	—	
Total Other Assets	**29,063,667 (a)**	**38,899,366 (b)**	**—**	**67,963,033**
Cash and cash equivalents				
Margin (held at broker)	—	25,966,922	—	
Cash	273,170,890	—	—	
Currency options	—	337,820	—	
Short term	—	124,819,677	—	
Total Cash and Cash Equivalents	**273,170,890 (a)**	**151,124,419 (b)**	**—**	**424,295,309**
Liabilities				
Currency forwards	—	(298,399)	—	
Collateral held	—	(5,250,000)	—	
Swaps	—	(4,970,466)	—	
Total Liabilities	**—**	**(10,518,865) (b)**	**—**	**(10,518,865)**
Receivables				
Collateral (held at broker)	—	1,770,000	—	
Total Receivables	**—**	**1,770,000 (b)**	**—**	**1,770,000**
Payables under securities lending agreement	—	(105,781,896) (e)	—	(105,781,896)
Other payables	—	(150,929) (b)	—	(150,929)
	$ 729,905,680	1,478,588,411	1,058,739,857	3,267,233,948

	December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Nestlé in the USA Pension Trust assets:				
Northern Trust Core Qualified Collateral Section	$ —	151,648,734 (e)	—	151,648,734
Equities	263,346,336 (a)	348,722,195 (b)	19,588 (c)	612,088,119
Fixed income	60,286,009 (a)	789,262,373 (b)	112,024,405 (c)	961,572,787
Hedge funds	—	—	544,394,663 (d)	544,394,663
Real estate	—	—	181,392,652 (d)	181,392,652
Private Equity	—	—	161,026,231 (d)	161,026,231
Other assets	—	19,810,549 (b)	—	19,810,549
Cash and cash equivalents	252,493,562 (a)	121,111,013 (b)	—	373,604,575
Liabilities	(1,241) (a)	(30,538,289) (b)	(1,410,373) (f)	(31,949,903)
Receivables	—	5,030,000 (b)	187,078 (f)	5,217,078
Payables under securities lending agreement	—	(151,648,734) (e)	—	(151,648,734)
	$ 576,124,666	1,253,397,841	997,634,244	2,827,156,751

Due to the Company's policy to diversify the holdings of the Pension Trust portfolio, there is no significant concentration of investments within any particular class of investments included above. The valuation methodologies utilized by the Plan and Pension Trust for the above investments as of December 31, 2010 and 2009, are as follows:

(a) Based on quoted market prices in active markets.

(b) Based on investment manager or industry pricing services. Certain fixed income pricing is on a bid-evaluation basis. Institutional bid evaluations are estimated prices. Pricing vendors use models, which are generally proprietary, to arrive at the estimated prices. These prices represent the price a dealer would pay for a security. Model inputs vary depending on the type of security, but typically include trade data, institutional bids, comparable trades, dealer quotes and news media. Market data is provided by multiple independent sources, including primary and secondary dealers, portfolio managers and research analysts.

Collateralized mortgage models are based on trade and quote activity of bonds with similar features including issuer, vintage, prepayment speeds and purpose of the underlying loan (first or second lien).

Cash equivalents include short term fixed income instruments whose valuations are determined based upon maturity date, issue date and credit ratings.

Commingled Funds are valued based on the net asset value of the fund as determined by the investment manager based on quoted market prices for equity funds. The net asset value is the market value of all of the securities owned by a fund, minus its total liabilities divided by the number of shares issued. There are no redemption restrictions that would impact the liquidity of the fund. These funds are valued and traded at the net asset value on a daily basis.

U.S. Treasuries are priced by obtaining feeds from various live data sources including market makers and inter-dealer brokers.

Currency forwards use quoted foreign exchange rates in an active market or exchange. Over-the-counter options are valued using bid, ask/offer quotes that are binding and corroborated. Swaps are valued using the discounted cash flow method. The two legs (fixed and floating) are priced independently as the present value of their expected cash flows.

Collateral (held at broker) is cash collateral held at the broker to cover unrealized losses on derivatives. Collateral held represents broker funds held by trust to cover unrealized gains due to the trust. The collateral is marked to market daily.

(c) Certain equities and fixed income securities (primarily certain collateralized obligations) are valued based on upon evaluated prices using unobservable inputs (i.e. extrapolated data, proprietary models, indicative quotes).

(d) Investments in real estate funds, hedge funds, and private equity funds are based on the net asset values reported to the Company and trustee by the fund managers or the general partners of the fund. These net asset values are based on the fair value of the underlying portfolio investments held by the investment fund.

These fair values are determined by a variety of methods: real estate investments are valued at appraised values plus undistributed rental and interest income; hedge funds are valued by the investment manager using quoted market prices and evaluations supplied by industry pricing vendors; and private equity investments are valued using income and market based analysis.

Management has used the net asset value as a practical expedient to estimate the fair value of the investment fund. Limited partnerships are held until they unwind, which is typically ten years from the date of entering the investment. As of December 31, 2010, unfunded commitments were $223 million. For investments in hedge funds and real estate that allow redemptions, upon notice, the funds are typically paid out on a quarterly basis, sometimes over multiple quarters. There are no gates or lock ups that would substantially impact the liquidity of the investments. Redemptions occur at fair value, which is based on the most recent net asset value prior to the redemption. The Company currently has no intention of selling any of these investments at an amount other than the net asset value.

(e) Fair value is based on the net asset value of the Core Collateral Fund as determined daily, by the trustee, using market prices and evaluations supplied by industry pricing vendors.

(f) Certain other miscellaneous receivables and liabilities are based on unobservable inputs, as there is no active market for these net assets. These receivables and liabilities are short term in nature and were settled at their carrying value within 30 days of the plan year end. Therefore, Company management has estimated that their fair value is equal to their carrying value.

A summary of changes in the fair value of Level 3 assets and liabilities for the years ended December 31, 2010 and 2009 is as follows:

	January 1, 2010	Net purchases, sales and settlements	Unrealized gains (losses)	Realized gains (losses)	December 31, 2010
Equities	$ 19,588	(19,588)	—	—	—
Fixed income	112,024,405	(56,194,454)	12,493,265	5,385,906	73,709,122
Hedge funds	544,394,663	(31,901,048)	41,944,939	11,386,967	565,825,521
Real estate	181,392,652	9,344,357	(5,997,612)	14,103,079	198,842,476
Private Equity	161,026,231	32,978,439	10,388,720	15,969,348	220,362,738
Liabilities	(1,410,373)	818,153	—	592,220	—
Cash and cash equivalents	187,078	—	604,263	(791,341)	—
	$ 997,634,244	(44,974,141)	59,433,575	46,646,179	1,058,739,857

	January 1, 2009	Net purchases, sales and settlements	Unrealized gains (losses)	Realized gains (losses)	December 31, 2009
Equities	$ 9,869	645	(880)	9,954	19,588
Fixed income	97,886,275	(13,761,814)	29,577,953	(1,678,009)	112,024,405
Hedge funds	576,654,554	(80,021,900)	34,213,357	13,548,652	544,394,663
Real estate	224,364,499	16,988,296	(59,910,121)	(50,022)	181,392,652
Private Equity	119,930,642	26,759,884	12,948,225	1,387,480	161,026,231
Other assets	—	(480)	—	480	—
Liabilities	(126,345,699)	124,381,473	(136,697)	690,550	(1,410,373)
Cash and cash equivalents	—	786,695	(604,263)	4,646	187,078
	$ 892,500,140	75,132,799	16,087,574	13,913,731	997,634,244

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The significance of transfers between levels is evaluated based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2010, there were no significant transfers in or out of Levels 1, 2 or 3.

(9) Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company, by a letter dated July 22, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). In accordance with IRS procedures, in December 2009, the Company adopted an amended and restated Plan document effective January 1, 2009. The Company submitted a determination letter ruling request with the IRS in January 2010 for the amended and restated Plan document with regard to EGTRRA and other items identified on the 2008 Cumulative List of Changes in Plan Qualification Requirements in IRS Notice 2008-108. The IRS issued a favorable ruling on the request on January 5, 2011. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. The financial statement effects are recognized when the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010, there are no uncertain tax positions taken or expected to be taken.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2007.

(10) Subsequent Events

The Company has evaluated subsequent events through October 7, 2011, the date these financial statements were available for issuance. Except as otherwise noted throughout the notes to the financial statements, there are no material subsequent events to report.

Schedule SB - Statement by Enrolled Actuary

Plan Sponsor	Nestlé USA, Inc.
EIN/PN	95-1572209/050
Plan Name	Sacramento Can Pension Plan
Valuation Date	January 1, 2010
Enrolled Actuary	Thad Summersett
Enrollment Number	11-07261

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

2010 SCHEDULE SB, LINE 25 -- Change in Method

Nestlé USA, Inc. Sacramento Can Pension Plan
EIN: 95-1572209

Plan Number: 050

Below is a summary of significant changes that were made.

Aspect of the Valuation	Old	New
Valuation Interest Rate	IRS prescribed yield curve, based on bond yields through October	IRS prescribed segment rates without 3-year transition, based on bond yields through the December preceding the valuation date (i.e., using January "applicable month")

To the degree that the items above are funding methods, the changes are not inconsistent with the requirements of Code Section 430.

In addition to the above, in accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

Actuarial Assumptions and Methods

Economic Assumptions	Contributions
Discount rate	N/A
Funding interest rate basis:	
▸ Applicable month	January
▸ Yield curve basis	Segment rates
▸ Transition from current liability rates	No
Funding interest rates:	
▸ First segment rate	4.60%
▸ Second segment rate	6.65%
▸ Third segment rate	6.76%
Lump sum rate	4.60% / 6.65% / 6.76%
Return on assets	N/A
Annual rates of increase	
▸ Salaries:	
– Nestlé Pension Plan	Varies by age, average 3.50%. Sample rates: Age: Rate: 25 5.50% 40 3.50% 55 3.00%
▸ Future Social Security wage bases	3.00%
▸ Statutory limits on compensation and benefits	N/A

Demographic and Other Assumptions

Mortality

- Pre-retirement — RP-2000 projected to 2025
- Post-retirement — RP-2000 projected to 2017
- Disability — RP-2000 projected to 2017

Termination: Rates varying by age, service and plan

- Contributions

Sample rates:

Plan	*Years of Service*	*Age 25*	*Age 40*	*Age 55*
Nestlé Pension	<2	76.5%	22.5%	0.0%
	>4	25.5%	7.5%	0.0%
Nestlé Hourly	<3	40.0%	9.5%	1.5%
	>3	11.7%	4.9%	1.0%
NUSA Hourly and NUSA Pension	All Years	26.4%	12.6%	5.0%

Disability: Rates varying by age, sex and plan

Plan	*Sex*	*Age 30*	*Age 40*	*Age 50*
Nestlé Pension	Male	.06%	.07%	.18%
	Female	.09%	.11%	.27%
Nestlé Hourly	Male	.09%	.22%	.64%
	Female	.12%	.43%	.67%

None assumed for other plans

Retirement: Rates varying by age and plan

Sample rates:

Age	*Nestlé Pension*	*Nestlé Hourly*	*NUSA Hourly & NUSA Pension*	*Franklin Park*
55	5%	1%	0%	3%
62	30%	16%	25%	45%
65	100%	100%	100%	100%
Average age	61	64	64	61

Benefit commencement date:

- Preretirement death benefit: The later of the death of the active participant or the date the participant would have attained age 65.
- Deferred vested benefit: Age 65
- Disability benefit: Age 65
- Retirement benefit: Upon termination of employment

Form of payment: 90% of participants in the Nestlé Pension Plan elect a lump sum (if available) and 10% elect an annuity (life annuity for Nestlé USA and 5 years certain and continuous for NPPC). Life annuity for all other plans.

Percent married: 80%

Spouse age: Wife three years younger than husband

Covered pay: Average of prior three years' pensionable earnings, increased with one year's salary increase assumption.

Administrative expense:

- Contributions: 0.25% of beginning-of-year fair value of assets for the Nestlé Pension Plan and Nestlé Hourly Retirement Plan, and 0.50% for all other plans.

Loadings: None

Special at-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants are assumed to elect the most valuable form of benefit.
Participant data	The company supplied a census of all participants as of January 1, 2010.

Methods

Contributions:

► Valuation date	First day of plan year
► Funding target and target normal cost	Present value of accrued benefits
► Actuarial value of assets	Market value of assets, including contributions receivable.
► Funding policy	Nestlé's funding policy is to make contributions for each plan year in an amount not less than the minimum required contribution under the law and not more than the maximum tax-deductible contribution. Nestlé may vary its contribution level, if appropriate to its tax and cash position and the funded status.

Benefits not Valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Nestlé and is not aware of any significant benefits required to be valued that were not.

Change in Assumptions and Methods Since Prior Valuation

Contributions	The funding interest rate was changed from October 2008 yield curve to the segment rates as of January 2010. The mortality table was updated for one year of mortality improvements.

Data Sources

Towers Watson used asset data supplied by the trustee. Nestlé furnished participant data. Nestlé furnished the dates and amounts of the 2009 contributions that will be paid in 2010, and accrued pension cost as of December 31, 2009. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by the Towers Watson actuaries when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Plan Provisions

Plan name:	Sacramento Can Pension Plan
Effective date:	Most recent amendment January 1, 1994
Type of plan:	Dollar per month
Normal form:	Life annuity
Credited service:	From date of hire
Class:	Union employees at Sacramento Can manufacturing plant; there are currently no active employees covered
Accumulated benefit:	Benefit level, varying by job class, times credited service

Benefit	Age	Vest Svc	Description
Normal retirement (NRD):	65	3	Accrued benefit payable immediately
Early retirement (ERD):	60	10	Accrued benefit reduced 6.0% for each prior to age 62
Postponed:	>65		Accrued benefit payable immediately
Vesting:		3	Accrued benefit payable unreduced at age 65, or reduced for each year prior to age 62, if attained age 60 and 10 years of service
Preretirement death:	At death	3	If married, reduced 100% joint & survivor early retirement benefit if attained age 60 or 100% accrued benefit for all others reduced to be payable at 60

Optional Forms of Payment

Participant Group	Actuarial Equivalence		Optional Form
Sacramento Can	Conversion factors varying by age of the retiree and the spouse		a) Single Life Annuity
	Sample 1: Retiree and Spouse both at age 60		b) 50% & 100% Joint and Survivor Annuity
	50% J&S Annuity	0.8500	
	100% J&S Annuity	0.7391	
	Sample 2: Retiree and spouse both at age 65		
	50% J&S Annuity	0.8340	
	100% J&S Annuity	0.7153	

Plan Provisions Effective After January 1, 2010

No future plan provisions were recognized in determining pension cost , minimum and maximum contributions, or FAS 35 liabilities.

Changes in Plan Provisions Since Prior Year

None.

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500 or 5500-SF.**	**2010** **This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Sacramento Can Pension Plan	**B** Three-digit plan number (PN) ▶ 050
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Nestle USA, Inc.	**D** Employer Identification Number (EIN) 95-1572209

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 1 Day 1 Year 2010			
2	Assets:			
	a Market value		**2a**	4,328,457
	b Actuarial value		**2b**	4,328,457
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	97	3,298,186
	b For terminated vested participants	**3b**	14	360,299
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		0
	(3) Total active	**3c(3)**	0	0
	d Total	**3d**	111	3,658,485
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.34 %
6	Target normal cost		**6**	21,642

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Thad Summersett TWS Signature of actuary	10/06/2011 Date
	Thad Summersett Type or print name of actuary	11-07261 Most recent enrollment number
	Towers Watson Pennsylvania Inc. Firm name	(310)551-5716 Telephone number (including area code)
	1925 Century Park East, Suite 1500 Los Angeles CA 90067-2790 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	610,931	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	610,931	0
10	Interest on item 9 using prior year's actual return of 16.59 %	101,353	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of 8.29 %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	712,284	0

Part III Funding percentages

14	Funding target attainment percentage	14	98.84 %
15	Adjusted funding target attainment percentage	15	118.31 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.03 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.60 %	6.65 %	6.76 %	

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	65

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**	21,642

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	**34**	21,642

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	21,642	0	21,642

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	0
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0