

**OPENING REMARKS BY MR. PAUL BULCKE
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This speech might not reflect absolutely all exact words spoken.

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Good afternoon Ladies and Gentlemen.

It is indeed a great pleasure for me to be here today, to wrap up my tour of Nestlé markets in the ASEAN region. This is the first time I am visiting these markets since I took over as CEO of Nestlé SA in April 2008 and it has been an insightful experience.

Nestlé has been operating in this part of the world for nearly 100 years. The ASEAN region is a very important part of the Nestlé business and our continued commitment and ongoing investments demonstrate our confidence in the region. With a population of nearly 600 million, the region presents tremendous growth opportunities for Nestlé.

As you may all be aware, Nestlé has three main objectives:

- to be recognized as the leader in nutrition, health and wellness;
- to achieve sustained financial results;

- and to be trusted by all our stakeholders.

We are confident that we will achieve these objectives because we have strong recognizable brands and a wide range of products that meet every stage of a consumer's life. Our brands and products are supported by Nestlé's R&D capabilities which are the biggest for food and nutrition research; and we also have in-depth knowledge of the markets where we operate because of our long establishment in these markets. Finally, we can count on our competent and motivated employees – all 280,000 around the world – to deliver the results.

Nestlé has a global network of 27 Research, Technology and Development Centers. In Asia, this includes the R&D Centre in Singapore, which you have visited today, the R&D Centers in Shanghai and Beijing, as well as the new research unit in Tokyo. In 2008, Nestlé invested almost CHF 2 billion in research and development, more than any other food company.

We see emerging and developing nations, such as in this part of the world, as important markets for Nestlé where the population is growing and more consumers will have greater purchasing power. Nestlé is ideally positioned to capitalize on these opportunities in particular for the emerging consumers to whom Nestlé offers affordable nutrition with our Popularly Positioned Products (PPP).

At the same time, consumers in this region are also becoming more discerning in their taste and are able to appreciate the pleasure of premium or luxury products. This is clearly demonstrated with the success of Nespresso and the launch of the Yang Sheng Le range of premium herbal soups in Singapore. Nestlé also plans to develop its leadership in the out-of-home market which is currently enjoying steady growth in this region.

The ASEAN region holds great promise for Nestlé and we have been seeing steady growth over the years. Last year, our business in the region posted an organic growth of 15%, and contributed approximately CHF 5 billion to the Group's turnover. Nestlé currently has 23 factories and around 15,000 employees in its ASEAN markets.

An expression of Nestlé's commitment to the region was the establishment of the Nestlé Business Services (GNBS) in the Philippines. This GNBS is a shared service center for finance and employee services, which helps to maximize our operational efficiency in the ASEAN region and Oceania.

We have enjoyed very good support and cooperation from the governments of the ASEAN countries. Their positive outlook and responsiveness to our business needs as well as the incentives for foreign direct investment have allowed Nestlé to continue its growth in this region.

We are committed to further invest in our ASEAN operations to ensure that they expand and are able to cope with the company's growth in the area. I am personally very pleased and gratified to see new factories and plant extensions being carried out in countries such as Indonesia, Malaysia, Thailand, Vietnam and the Philippines. Last Tuesday, I was able to attend the inauguration of our new Maggi factory in Vietnam, which will create over 800 new jobs by 2010 and will contribute to the sustainable development of the region.

As is true of all of our worldwide operations, we are committed to creating shared value in the ASEAN region, both for shareholders and local communities. This means that Nestlé, through its activities wherever it operates, has to bring meaningful value to society at large by creating both direct and indirect jobs, working with farming communities, training and developing people, as well as bringing products to the market adapted to the taste and nutritional needs of local consumers. This is part of Nestlé's DNA and the long-term approach we take to everything we do. For over a century, Nestlé has been contributing to the economic development around the world. Indeed, half of the company's 456 factories are today based in the developing world.

We recently defined three focus areas for Creating Shared Value, which are nutrition, water and rural development. While Creating Shared Value has been an integral part of our operations since the foundation of the Company, we have decided to step up activities in these three areas across the world.

In the area of nutrition, educational programs for children already exist in different ASEAN countries, such as Singapore and Thailand. In Thailand for example, we are reaching over 100,000 students with our Healthy Thai Kids Program, which we introduced five years ago. Nestlé aims to double the number of countries in which it has nutrition and physical activity education projects to over one hundred by the end of 2011 through the newly-launched Nestlé Healthy Kids Global Programme.

In the area of water, we do not limit ourselves to reducing water usage in our facilities, but we also have projects to improve access to clean water in different parts of the world, including Indonesia, where we work on this with the Indonesian Red Cross and UNDP.

Nestlé works together with almost 600,000 farmers around the world. Through technical assistance Nestlé improves the quality of raw materials, increases yields and incomes of farmers. In the ASEAN region, this particularly applies to milk and coffee farmers.

Nestlé's R&D centre in Tours, France, has also provided technical assistance to accelerate the propagation of high-yield, disease-resistant cocoa trees. In Indonesia for example, over one million plantlets have been distributed through local partners, a figure which, according the Indonesian Ministry of Agriculture, should reach 70 million by 2011.

Nestlé has been present in the ASEAN region for nearly 100 years and these important new investments and initiatives clearly demonstrate Nestlé's ongoing commitment in emerging markets despite the current economic slowdown. The ASEAN region represents approximately 10% of the world's population, and I would like to reiterate that it will remain an important growth driver for the Company. The diversity and dynamism of its people, the favorable demographic trends as well as the conducive business environment in these markets, will continue to attract interest and foreign investment.

Nestlé is ideally positioned to capitalize on these opportunities. It will not be plain sailing, as the current economic situation demonstrates, but we will remain focused and I know that I can count on the dedicated Nestlé employees throughout the world.

Ladies and gentlemen

Before I conclude, I would like to take this opportunity to thank all of you for spending your Saturday afternoon with us.

Ends.