

# Introducing Nestlé Health Science

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# Disclaimer

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

# The Healthcare world in 2020 ...



## ... 1 out of 5 will be over 65

- 70% of developed countries with more 50+ than 50-
- Over 200M people aged 65+ in China
- Requires healthcare systems better adapted to needs of the elderly



## ... 3 out of 5 will die from a chronic disease

- 50M Alzheimer's patients
- 7% of the world's adult population will live with diabetes
- More emphasis on prevention and treatment of chronic diseases



## ... 1 out of 5 will be overweight or obese

- 120M people in the US
- 20% of people under 18 in China
- Need to treat increasing co-morbidities such as cardiovascular diseases and diabetes



## ... US\$ 5 to 10 Trillion will be spent on healthcare

- More than 16% of GDP spent on healthcare
- National health expenditures in USA per capita will reach US\$ ~14'000
- Requires radical ways to contain costs and/or increase available funding

# A Healthcare opportunity

**Health economics, aging populations, advances in health science, evolution of regulatory frameworks and a greater understanding of nutrition health impacts**

**are leading to**

**a significant opportunity for global profitable growth “in the middle” between Food and Pharmaceuticals.**



Nestlé**Health**Science



Nestlé Institute of  
**Health** Sciences

# Nestlé's mission as world leader in Nutrition, Health & Wellness

Enhancing the quality of life...

... with good food and beverages everywhere...



Good Food, Good Life

... with personalised nutrition for medical conditions



# Nestlé Health Science vision and ambition

**Pioneering science-based nutritional solutions  
to deliver improved personalised health care  
for medical conditions.**



# Nestlé HealthCare Nutrition business

- CHF 1.6bn sales
- Global No. 2 market position
- US, Europe, Asia, South America
- Healthcare professional relationships
- Leading products and brands





# Expanding our scientific platforms

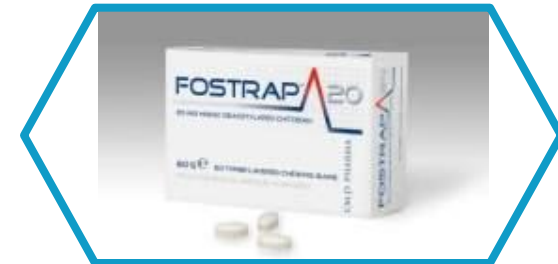
## Vitaflo

- Acquired August 2010
- Focus on genetic metabolic disorders
- Targeted nutrition for patients with rare conditions
- Healthcare professional relationships
- Leverage HealthCare Nutrition network to grow



## CM&D

- Acquired February 2011 for development pipeline
- Products in development include FOSTRAP™
- Products are nutrition based, prescribed by doctors
- Example of “disease modifying nutritional” product

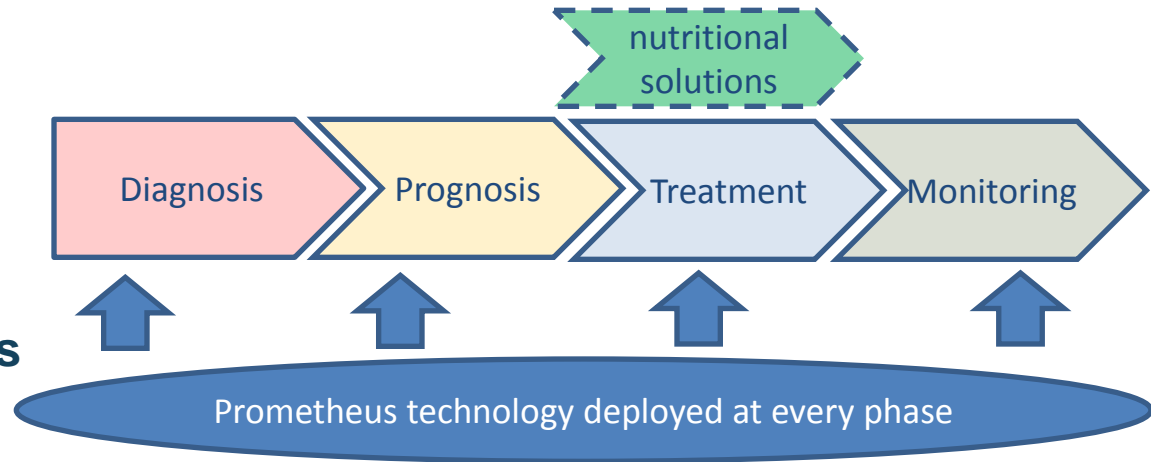


# Expanding our scientific platforms



*~11 minute average GI sales call  
Industry average of <5 minute*

- **Headquarters: San Diego, CA**
- **CLIA-certified laboratory in San Diego**
- **483 employees, incl. 178 in Gastroenterology and Oncology commercial teams**
- **2012 annualized sales are expected to be around USD 250 million**



# Gastroenterology diagnostics

- Proprietary and high-margin diagnostic tests
- Developed and marketed 20 tests since 2000
- Comprehensive infrastructure and network
- 2010 diagnostics revenues of USD 81.3 million (~273,000 tests)



## Crohn's Disease & Ulcerative Colitis

PROMETHEUS® IBD Serology 

## Crohn's Prognostic

PROMETHEUS® Crohn's Prognostic 

## Thiopurine Management

PROMETHEUS® Thiopurine Metabolites  
PROMETHEUS® TPMT Genetics  
PROMETHEUS® TPMT Enzyme

## Celiac Disease

PROMETHEUS® Celiac Genetics  
PROMETHEUS® Celiac Serology  
PROMETHEUS® Celiac PLUS

MyCeliacID 

# Building a transformational business

**Today**

Healthcare  
Nutrition

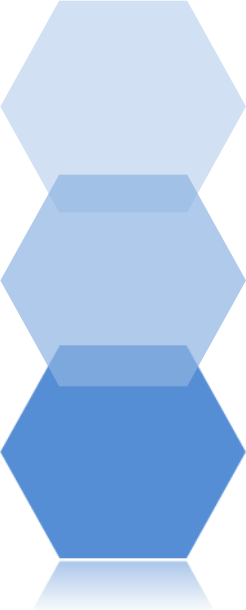


**2 years  
to build leading  
organisation**

Innovation  
network

Portfolio  
investments

Healthcare  
Nutrition



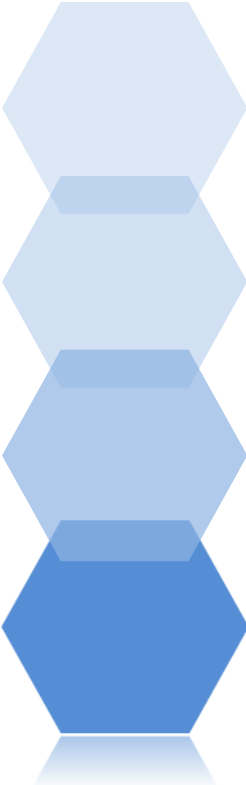
**5 years  
to build product  
portfolio & pipeline**

In-house  
new products

Acquired  
products

Portfolio  
investments

Healthcare  
Nutrition



# Nestlé Health Science vision and ambition

**Pioneering science-based nutritional solutions  
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