

Nestlé invests CHF 500 million in coffee projects, doubling direct purchases

Vevey, 27 August 2010 - Nestlé today launched the *Nescafé Plan* in Mexico City, bringing under one umbrella Nestlé's commitments on coffee farming, production and consumption. The *Nescafé Plan* contains a set of objectives which will help Nestlé further optimize its coffee supply chain. In addition to the CHF 200 million invested over the past ten years, Nestlé will invest CHF 500 million in coffee projects by 2020. This includes an investment of CHF 350 million for the *Nescafé Plan* and CHF 150 million for *Nespresso*. The Rainforest Alliance, an international non-governmental organization, will support Nestlé together with other partners of the Sustainable Agriculture Network (SAN) and the coffee association, 4C, in meeting the *Nescafé Plan* objectives related to farming.

Over the next five years, Nestlé will double the amount of *Nescafé* coffee bought directly from farmers and their associations, eventually purchasing 180,000 tonnes of coffee from around 170,000 farmers every year. With the support of the Rainforest Alliance and the 4C Association, all directly purchased green coffee will meet the internationally-recognized 4C sustainability standards by 2015. In addition, 90,000 tonnes of *Nescafé* coffee will be sourced according to the Rainforest Alliance and Sustainable Agriculture Network (SAN) principles by 2020.

Under the *Nescafé Plan*, Nestlé will distribute 220 million high-yield, disease-resistant coffee plantlets to farmers by 2020. This helps farmers to rejuvenate their plantations, thus multiplying the yield on existing land and increasing farmers' income. Through partnerships with public and private institutions in a number of countries, including Mexico, Thailand, the Philippines and Indonesia, Nestlé has already distributed over 16 million coffee plantlets over the past ten years. Nestlé is also expanding its technical assistance programmes, in which Nestlé agronomists provide advice on farming and post-harvest practices, to over 10,000 coffee farmers a year. The *Nescafé Plan* comes on top of the *Cocoa Plan*, launched in October 2009, a CHF 110 million investment to improve the quality of cocoa which includes the distribution of 12 million high-yield, disease-resistant cocoa plantlets by 2020.

Nestlé CEO Paul Bulcke said: "We are proud that *Nescafé*, the world's leading coffee brand, gives its name to this global initiative which creates value across the coffee supply chain, from farmers to consumers to us. Creating Shared Value is an integral part of our business strategy. For a company to be successful in the long term, it needs to create value at the same time for its shareholders and the communities in which it operates." Tensie Whelan, President of the Rainforest Alliance, added: "The *Nescafé Plan* is about looking ahead, to the future of coffee farming. We see this collaboration as an exciting opportunity to bring sustainability tools to thousands of farmers, including many who have not had the benefit of training and technical assistance."

The webcast of the press conference is available live and on-demand on www.nestle.com/events. Please visit www.nestle.com for more details.

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