



Nestlé Health Science S.A. and Nestlé Institute of Health Sciences established to target new opportunity between food and pharma

Vevey, 27 September 2010 – Nestlé today announced the creation of Nestlé Health Science S.A. and the Nestlé Institute of Health Sciences to pioneer a new industry between food and pharma. These two separate organisations will allow Nestlé to develop the innovative area of personalised health science nutrition to prevent and treat health conditions such as diabetes, obesity, cardiovascular disease and Alzheimer's disease, which are placing an unsustainable burden on the world's healthcare systems.

Nestlé Health Science S.A., a wholly-owned subsidiary of Nestlé S.A., will become operational on 1 January 2011. The new company will be run at arm's length from Nestlé's main food, beverages and nutrition activities, and incorporate the existing global Nestlé HealthCare Nutrition business, which had a turnover of CHF 1.6 billion in 2009. Nestlé Health Science S.A. will also have access to external scientific and technological know-how through Nestlé's innovation network as well as a number of venture capital funds in which the group has interests. Luis Cantarell, the company's designated President and CEO, will report to Paul Bulcke in his capacity as *Administrateur délégué* of the Board of Directors of Nestlé Health Science S.A., which is chaired by Peter Brabeck-Letmathe.

The **Nestlé Institute of Health Sciences** will be part of Nestlé's global R&D network. The Institute will be run by Emmanuel E. Baetge, former Chief Scientific Officer of ViaCyte, a biotech company based in San Diego, who will report to Nestlé Chief Technology Officer Werner Bauer and a Steering Committee composed of both Nestlé and external members. Nestlé will invest hundreds of millions of Swiss francs over the next decade to build a world-class Institute of Health Sciences, which will conduct research in relevant areas of biomedical science to translate this knowledge into nutritional strategies to improve health and longevity. The Institute will be based in the multi-disciplinary scientific environment of the Swiss Federal Institute of Technology (EPFL) in Lausanne, where Nestlé is already involved in two life science initiatives.

Nestlé Chairman Peter Brabeck-Letmathe said that Nestlé will be a pioneer in helping to shape the space between the food and pharma industry. "The combination of health economics, changing demographics and advances in health science show that our existing healthcare systems, which focus on treating sick people, are not sustainable and need redesigning. Nestlé has the expertise, the science, the resources and the organisation to play a major role in seeking alternative solutions. Personalised health science nutrition is about finding efficient and cost effective ways to prevent and treat acute and chronic diseases in the 21st century," he said.

Nestlé CEO Paul Bulcke said: "The creation of Nestlé Health Science S.A. and the Nestlé Institute of Health Sciences is the best way to focus our attention and organize our unique capabilities and competencies to seize this promising business opportunity. The new set-up will give us a pioneering and leading role in this entirely new industry, while at the same time allowing us to keep the necessary focus on Nestlé's extremely important food, beverages and nutrition business, as embodied by our binding promise of Good Food, Good Life."

Luis Cantarell, Nestlé Health Science President and CEO designate, said: “This is an exciting new business opportunity, the execution of which will have a positive long-term impact on peoples’ lives. Personalised health science nutrition will create shared value, both for Nestlé and for society, by successfully preventing, improving and treating acute and chronic medical conditions. I am looking forward to getting this ground-breaking work underway.”

Emmanuel E. Baetge, designated head of the Nestlé Institute of Health Sciences, said: “The Institute will create and deliver world class excellence in biomedical research to better understand human diseases and ageing as influenced by genetics, metabolism and environment. Translating this knowledge will allow us to advance the concept of daily personalised health science nutrition as the most important first step in disease prevention and treatment.”

Nestlé, the world’s leading nutrition, health and wellness company, first entered healthcare nutrition in 1986. Over the last three years, it has made a number of strategic acquisitions in this area such as Novartis Medical Nutrition and Vitaflo. Nestlé HealthCare Nutrition, currently an integral part of Nestlé Nutrition, has a long established reputation as a science-based organisation and has also been setting the trend for personalised nutrition and related services in recent years.

The press conference on this announcement will be webcast live today at 11 am CET on www.nestle.com and will thereafter also be available on-demand. Questions from attending journalists will be given precedence, although we will also take questions from media and investment community representatives via our website. Please see www.nestle.com for log-in details.

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