



For immediate release

## New investments confirm Nestlé's commitment to Equatorial Africa

*Over the next three years, Nestlé will invest CHF 150 million to build three new factories in Equatorial Africa and to expand existing factories*

**Nairobi- 2 July 2010** – Nestlé today announced it is investing CHF 150 million in the Equatorial African Region over the next three years. The Company will build new factories in Angola, the Democratic Republic of Congo and Mozambique and significantly expand its existing factories in Kenya and Zimbabwe. Nestlé will also increase its distribution capacity in the region by opening 13 new distribution facilities. Over the next three years, Nestlé will more than double its work force and create 750 new jobs in Equatorial Africa.

Nestlé Chief Executive Officer Paul Bulcke said, *"Nestlé is committed to unlock the business opportunities and to promote growth in Equatorial Africa. With 400 million people and an emerging middle-class with rising purchasing power, this region has major potential for Nestlé. By opening new factories in the region, we are closer to our consumers and can better adapt our products to their taste and nutritional needs. At the same time, we share our success by sourcing locally, creating new local employment and helping in the further development of the region."*

The announcement came as Mr Bulcke concluded his visit to Nestlé's Equatorial African Region (EAR), headquartered in Nairobi. The EAR region spans 20 markets including Kenya, Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Madagascar, Mauritius, Mozambique, Malawi, Republic of Congo, Rwanda, Seychelles, Somalia, Tanzania, Uganda, Zambia, and Zimbabwe.

During his week-long tour, Mr Bulcke visited the Democratic Republic of Congo, Mozambique and Kenya demonstrating Nestlé's commitment and continued investment in the area.

In the **Democratic Republic of Congo** Nestlé is investing CHF 40 million in a new factory located in Kinshasa. The factory will, among others, produce culinary and dairy products, coffee and other beverages. Nestlé currently operates a distribution centre in Kinshasa which was established in September 2009. By 2012 the total number of employees in the Democratic Republic of Congo will grow to 300.

In **Mozambique**, Nestlé has committed an investment of CHF 30 million to build a new factory and distribution centre in Beira. The factory will support the increasing demand in Mozambique and neighbouring countries for Nestlé products such as coffee, other beverages and culinary products. The factory will create over 260 new jobs by the end of 2012.

In **Angola**, Nestlé will invest CHF 25 million in a new factory which is expected to bring the total number of employees to 145 by the end 2012. Currently, Nestlé sources products for the Angolan market from other countries such as Portugal and Brazil. Angola is particularly important for Nestlé as it is an emerging market with a strong economy and a growing purchasing power.

In **Kenya** Nestlé is investing CHF 30 million in the expansion of its Nairobi factory including a new production line to support its newly launched food service division, Nestlé Professional. The factory will supply Kenya, Uganda, Tanzania, Rwanda, Burundi, eastern Democratic Republic of Congo, Malawi and Zambia.

In **Zimbabwe** Nestlé is investing in the expansion and upgrade of its Harare factory at a cost of CHF 25 million. This is expected to boost its production capacity and to help supply other regional markets such as Zambia and Mozambique.

Elaborating on the planned investment, Nestlé Executive Vice President responsible for Zone Asia, Oceania, Africa and Middle East, Frits van Dijk said, *“The 20 countries forming Nestlé Equatorial African Region are grouped based on their somewhat similar social and economic development pattern. Our strategy in the region is based on a specific business model that supports local sourcing of raw material, production and distribution of our products. Following this strategy, we recently launched products like Maggi cubes, Nestea and we re-invigorated and relaunched our Milo brand in the EAR market.”*

During the press conference, Mr Bulcke also mentioned the wider impact of Nestlé’s activities. In **Kenya, Uganda and Rwanda** for instance, Nestlé has signed a partnership with the East African Dairy Development Board to help stakeholders across the entire value chain, from farm to factory, to bring the milk to desired standards. Some 179,000 farmers are involved in this programme.

In **Mauritius, Kenya and Mozambique** Nestlé is preparing the launch of its Global Healthy Kids Programme. This programme aims to improve the nutrition, health and wellness of school children through better nutrition, greater physical activity, and other key health measures such as hygiene and sanitation.

In **Uganda and Tanzania**, Nestlé partnered with the Uganda Coffee Development Authority (UCDA) and the Tanzania Coffee Research Institute (TACRI) to improve the coffee sectors in these two countries. The project aims to help develop coffee trees with improved productivity characteristics, higher disease resistance and higher quality which in turn help increase farmers’ competitiveness and income.

In the **Democratic Republic of Congo**, Nestlé sponsored a women's entrepreneurship program. The New Hope Project is aimed at developing entrepreneurial skills of women in rural DRC and providing them with the opportunity to establish small businesses selling Nestlé's products.

These initiatives are an illustration of Creating Shared Value which is a fundamental part of Nestlé's way of doing business. It means that for a company to be successful, it should not only create value for shareholders but also for society at large.

Mr Bulcke explained, *"At Nestlé we recognize that our success depends on creating value for society – from the farmers who supply our products, to our employees, to our consumers and the communities where we operate. Our aspiration in the region is to source much of our raw materials locally to assist in developing the local economies. It has been a great honour for me to see first-hand this week how this is working on the ground."*

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**About Nestlé EAR**

*Nestlé Equatorial African Region (EAR) is a wholly owned subsidiary of Nestlé S.A. in Vevey, Switzerland – the world's largest nutrition, health and wellness company – with sales of USD 99 billion in 2009. Nestlé EAR was set up in 2008 and oversees the Nestlé operations in 20 countries: Kenya, Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Madagascar, Mauritius, Mozambique, Malawi, Republic of Congo, Rwanda, Seychelles, Somalia, Tanzania, Uganda, Zambia, and Zimbabwe.*