

**REMARKS BY PAUL BULCKE,  
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MEDIA CONFERENCE, NAIROBI,  
FRIDAY, JULY 2, 2010**

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**This speech might not reflect absolutely all exact words spoken.**

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Thank you, Pierre.

Good Afternoon Ladies and Gentlemen,

It is a great pleasure for me to be here today to wrap up my tour of Nestlé markets in the Equatorial African Region. This is my first visit to this region and while I only visited three countries out of the 20 – Democratic Republic of Congo, Mozambique and Kenya - it has been a very insightful and valuable experience for me.

Nestlé, as some of you might be aware, is the largest food and beverage company in the world. Nestlé was established more than 140 years ago and today, sells over a billion products to millions of consumers across the globe day after day. We feel proud that these consumers put their trust in our brand and also feel privileged to be part of their everyday lives. Globally, our ambition is to be

recognized as the world leader in nutrition, health and wellness, and to be a reference for financial performance in our industry.

We know we can achieve this objective 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 capability which is the biggest for food and nutrition research anywhere in the world; 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 278,000 around the world – to deliver the results.

I believe these are all reasons why Nestlé is able to withstand the economic uncertainty and can still show an organic growth of 6.5% during the first three months of this year.

A big portion of our growth has and will come from emerging markets. We estimate that over the coming years one billion additional consumers will be entering the cash economy and buy branded food products for the first time. We are already strongly represented in these emerging markets. Indeed, last year alone, our sales in the emerging markets amounted to 35 billion Swiss francs or 35% of our turnover and we expect this to grow to 45%.

The African continent counts one billion people and has a rapidly growing segment of young and increasingly brand-conscious consumers. On top of this growing consumer base, there are solid economic growth projections. The current estimate is for an average growth of 5% for 2010 across the African continent as a whole.

Here in the Equatorial African region alone, there are 400 million people - incredibly, half of this market is made up of people under the age of 25 – and an emerging middle-class with rising purchasing power.

We see major potential for Nestlé and I'm therefore very pleased to announce our investment of 150 million Swiss francs in the next three years in order to propel the growth of Nestlé in this region. We will build three new factories and will upgrade our existing facilities.

In Mozambique for instance, we will invest 30 million Swiss francs in a new factory and distribution centre. This in order to support the increasing demand in Mozambique and neighbouring countries for Nestlé products such as coffee, other beverages and culinary products.

In the Democratic Republic of Congo we will invest 40 million Swiss francs in a production factory which will make Nestlé products such as dairy, culinary, coffee and other beverages.

In Angola we will invest 25 million Swiss francs in a new factory. Currently, we source products for the Angolan market from other markets such as Portugal and Brazil.

In Kenya we will expand and upgrade our Nairobi factory and start a new production line to support our recently launched food service division, Nestlé Professional. And in Zimbabwe, we will invest in the expansion of our Harare factory.

In addition to these new factories and factory expansions, we will create 13 new distribution centers to add to the 8 we have today. By scaling up our distribution

capability significantly we can increase our product presence in the Equatorial African Region.

As a result of this investment, we will be more than doubling our workforce. Indeed, I am happy to be able to say that this investment will contribute to the sustainable development of the region by creating 750 new jobs.

You see that by opening new factories in the region, we are closer to our consumers and can better adapt our products to their needs. At the same time, we share our success by sourcing locally and creating new local employment.

We take our corporate responsibility very seriously and have a strong sense of responsibility towards shareholders and local communities, wherever we operate. We have defined this ambition in a principle that we call Creating Shared Value which focuses on nutrition, water and rural development. Creating Shared Value, or CSV, is the expression of our conviction that only by creating value for society as a whole can we create long term value for our shareholders.

Given the importance of the dairy and coffee sectors, both of which are key engines of the economies here, we're paying special attention to supporting initiatives in these sectors.

For example, we recently partnered with the East African Dairy Development Board in Kenya, Rwanda and Uganda, to help improve milk production in the region, thereby improving the lives of all the stakeholders in the dairy industry. We are setting up a model dairy village in Kabiyet, here in Kenya, which we want to be emulated in other regions too.

In the field of coffee, we have partnered with the coffee development authorities in Uganda and Tanzania and sponsored a scientist from each country to do research on somatic embryogenesis at our research and development center in France.

But it is not just agricultural initiatives that we are supporting. In Democratic Republic of Congo, Nestlé is sponsoring a women's entrepreneurship program. This New Hope Project is helping to develop the entrepreneurial skills of 100 women in Kinshasa, giving those have no form of income the education to help create sustainable incomes.

Creating Shared Value is the Nestlé way of doing business, and we believe that our long term commitment to this region and our local initiatives provide many great proof-points to underline our global values.

As I already said, this region is an important growth driver for our company, and we believe that making long-term investments will help to unlock the region's great potential.

The diversity and dynamism of its people, the favorable demographic and economic growth trends and the conducive business environment mean that the region will continue to attract foreign investment such as Nestlé committed today. I believe that such investment will contribute significantly to the growth and development of the region as a whole.

Ladies and Gentlemen, thank you all for being here today, on what is an important milestone for the further development of Nestlé in Africa.

**ENDS**