

## Nestlé to Create a Greenfield Factory in Vladimir Region

**15 June, 2010, Vladimir** – Nestlé Rossiya announced the intention to invest CHF 60 million (1.6 billion roubles) into the construction of a greenfield site in the Vyazniki district of Vladimir region (some 300 kilometers East of Moscow) to produce wide range of culinary products under the *Maggi* brand. The agreement of cooperation was signed today by Mr. Stefan De Loecker, CEO of Nestlé Rossiya, Mr. Nikolai Vinogradov, the Governor of Vladimir region and Ms. Lidia Ilyina, acting Head of Vyazniki district of the Vladimir Region.

After the first phase of construction is completed in the third quarter of 2011, the new plant will produce more than 30,000 tons of *Maggi* products to meet the growing demand for these products in Russia and CIS countries. The state-of-the-art factory will create 500 new jobs in the city and district of Vyazniki.

The choice of the Vladimir region for the factory construction reflects its favourable investment climate as well as constructive working relations of the regional authorities with the investors. The Governor of Vladimir region Mr. Nikolai Vinogradov said at the official signing ceremony: “Many Russian and foreign companies are successfully operating and developing in the Vladimir region, which is a good indicator of the investment attractiveness of our region. We are glad to welcome the world’s leading food and beverage manufacturer – the Nestlé company. Opening of modern factories utilizing the most advanced technologies contributes to the development of economy of the region and helps increase the quality of life of its citizens.”

After this investment project is completed, following its strategic objective of consolidation manufacturing footprint in Russia Nestlé will transfer its culinary production out of the current site located in the town of Zhukovsky, Moscow region to concentrate it at the newly constructed plant in Vladimir region. After that the factory will be fully focused on ice-cream production. Moreover to expand the ice cream production the company plans to transfer to Zhukovsky ice-cream production lines from Nestlé Kuban factory located in Timashevsk, Krasnodar region. All permanent staff of Nestlé Kuban ice cream division will be able to continue working at the factory due to expansion of the coffee production after launching the freeze-dry technology in 2011. Part of the culinary staff of Zhukovsky factory will be transferred to the ice cream production. Others will be offered with either job opportunities at the new plant in Vladimir region and the other branches of Nestlé Rossiya, or free-of-charge assistance in searching new employment.

CEO of Nestlé Rossiya Mr. Stefan De Loecker said at the signing ceremony in Vladimir: “We believe in Russia’s huge long-term potential, that’s why we continue with Nestlé investments into the development of local production facilities. With the new factory in Vladimir region Nestlé opens a new chapter of *Maggi* business and sets a new standard for technology in culinary production in Russia. Our new investment projects and optimization of production facilities will allow the company to use existing resources held by the Nestlé Group of Companies in Russia with maximum efficiency, as well as to develop successful brands and strengthen positions in the Russian culinary and ice cream markets.”

Over the past 15 years, Nestlé has build up a strong presence in Russia with over 10,000 employees. The new plant will be the 14<sup>th</sup> production site of the company in Russia. With double-digit growth rates and sales of around CHF 2 billion in 2009 in Russia, Nestlé is market leader in coffee, chocolate, infant cereals and culinary products in this country. The *Maggi* brand, with its more than a century’s history, is one of the most popular Nestlé trade marks worldwide. In Russia, *Maggi* also enjoys the love and trust of consumers, which has allowed it to become several times a winner of a prestigious Russian award ‘People’s Choice’.