

Nestlé in the Greater China Region

Geographic area	<ul style="list-style-type: none">• China, Hong Kong, Macau, Taiwan
Employees	<ul style="list-style-type: none">• About 50,000 (includes all partnerships, globally managed businesses and acquisitions, such as Yinlu Foods, Nestlé Professional, <i>Nespresso</i>, Nestlé Waters, and Wyeth Nutrition)
Sales (2012)	<ul style="list-style-type: none">• CHF 5.2 billion• 35 million products sold every day• More than 90% of products sold in China are locally manufactured
Nestlé sites in China	<ul style="list-style-type: none">• 1 corporate headquarters (Beijing)• 27 factories• 4 research and development centres (Beijing, Shanghai, Xiamen and Dongguan)• 4 <i>Nespresso</i> boutiques (Beijing, Hong Kong and Shanghai)
Partnerships / products / % held by Nestlé	<ul style="list-style-type: none">• Hsu Fu Chi / confectionery, cereal-based snacks, packaged cakes and traditional Chinese snack 'sachima' / 60%• Yinlu / ready-to-eat rice congee and ready-to-drink peanut milk / 60%• Totole / bouillons, recipe mixes, sauces / 80%• Haoji / bouillons, spicy pastes / 80%• Dashan / bottled water / 70%
Research and development	<ul style="list-style-type: none">• R&D Beijing: provides specialised support in packaging and analytical science and in development of dairy, nutrition, cereal, beverage mix, and pet care products with strong focus on food safety and quality and consumer insights. Strong basic research in health science.• R&D Shanghai: specialises in development of culinary products for retail, 'out-of-home' products for Nestlé Professional, and ice cream. Drives systems innovation in China, including beverage brands such as <i>Nescafé Dolce Gusto</i>.• R&D Xiamen: due to open in 2013. Specialised work in ready-to-drink beverages will relocate from R&D Beijing to Xiamen to support partnership with Yinlu.• R&D Dongguan: due to open in 2013. Will have expertise in baked products and will work closely with Hsu Fu Chi
Rural development	<ul style="list-style-type: none">• 17,000 dairy farmers trained by Nestlé agronomists (2012)• Almost 700,000 tonnes of milk bought from dairy farmers (2012)• 1,000 milking machines distributed free of charge to dairy farmers in Shuangcheng (2012)• 11,500 tonnes of coffee bought from coffee farmers (2012/2013 season)• Construction begins on world-class dairy farming institute in Shuangcheng to help farmers source high quality milk more sustainably (2012)• Announcement of new Nescafé Coffee Centre in Yunnan Province to train

5,000 farmers, agronomists, and coffee business professionals a year (2013)

Leading global and local brands

- Global: *Nescafé* coffee, *Nan* infant formula, *Maggi* culinary products, *KitKat* confectionery
- Local: *Haoji* chicken boullion and Sichuan-style spicy pastes, *Totole* chicken boullion, *Yinlu* ready-to eat congee and ready-to-drink peanut milk, *Hsu Fu Chi* confectionery

Timeline

- 1874 Started trading activities in Hong Kong
- 1908 Nestlé sales office opens in Shanghai
- 1920 Nestlé Products Ltd. established in Hong Kong
- 1990 Opened first factory (dairy) in Shuangcheng, Heilongjiang Province
- 1993-2006 16 factories built to meet growing consumer demand
- 1996 Nestlé headquarters established in Beijing
- 1999 Partnership with *Totole Foods*
- 2001 Opened first R&D centre in China, in Shanghai
- 2002 Partnership with *Haoji*
- 2008 Opened R&D centre in Beijing
- 2010 Partnership with *Dashan*
- 2011 Partnership with Yinlu Foods, partnership with Hsu Fu Chi
- 2012 Nestlé Group acquires Wyeth Nutrition including its business in China

Example products

<p>Hsu Fu Chi</p>	<p>Orange jam-filled cookies</p> 	<p>Egg crisp sachima</p> 	<p>Coffee candy</p> 
<p>Yinlu</p>	<p>Ready-to-drink peanut milk</p> 	<p>Ready-to-eat red bean congee</p> 	<p>Ready-to-eat oat congee</p> 
<p>Totole</p>	<p>Granulated chicken bouillon</p> 	<p>Premium chicken powder</p> 	<p>Granulated stock seasoning</p> 