
Speech Paul Bulcke

CEO Nestlé S.A.

27.09.2010



Disclaimer

This speech might not reflect absolutely all exact words spoken.

This speech contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Introduction

Thanks Peter,

Ladies and Gentlemen,

Nestlé today is strong and healthy, delivering consistent profitable growth.

Nestlé achieves competitive total performance based on a very strong alignment of the whole organisation behind the clear, sound and relevant strategic direction of Nestlé, the pre-eminent Food and Beverage Company, being the recognised leader in Nutrition, Health and Wellness.

Slide 1:



We at Nestlé, 280,000 men and women, are focused on executing swiftly, effectively and efficiently behind a strategic roadmap to bring great tasting, nutritionally superior food, beverages and services to consumers at all stages of life, everywhere in the world.

This is the foundation of our promise "Nestlé, Good Food, Good Life".

The disciplined execution behind our 60/40+ methodology brings taste preference and differentiated nutritional benefits across our entire product and brand portfolio.

Major initiatives, such as micronutrient fortification, sugar and salt reduction or our proprietary Branded Active Benefits, to name but a few, are driving growth as we speak. All these efforts are supported by increased investments in our Nutritional know-how; and R&D capabilities worldwide bringing the necessary innovation and renovation.

We are leveraging our global presence by investing heavily behind the growing opportunities of the emerging markets and consumers through appropriate business models like Popularly Positioned Products and adapted flexible industrial structures.

At the same time, and on a global basis, we are continuously extending our business and brands in creative, new ways through innovative products, systems and services such as Nespresso, Nescafé Dolce Gusto, Special T, Jenny Craig and others.

The wide range of activities across the organisation coherently linked to our vision and strategy are pursued and executed with speed and discipline. For success, it is crucial to maintain alignment and execute efficiently and effectively throughout the whole value chain – from 'farm to fork'.

Nestlé Continuous Excellence, GLOBE, Zero waste mindset, our R&D set-up, Shared Services and other initiatives all support this flawless execution.

This is what "Nestlé Good Food, Good Life" is focused on and stands for.

I see for Nestlé, under that binding promise, considerable growth opportunity, traction, strength and value creation potential for many, many years to come.

I am personally committed to making this happen.

I also recognise that all core businesses and activities of Nestlé, which include Infant and Performance Nutrition and Weight Management, are consumer-driven and remain clearly within the boundaries of the “fast moving consumer goods” industry with its specific competitive landscape, business models, distribution and communication channels, trade partners ... Nestlé is playing a pre-eminent leading role here.

At the same time, I’m also convinced of the huge business potential of the promising, emerging opportunity between Food and Pharma of personalised health science nutrition that Peter has talked about.

I deeply believe that Nestlé has a unique set of capabilities and competencies to play a pioneering and leading role in this entirely new industry.

However, this new emerging business has “dynamics” and will be driven by business models, specific channels, science and R&D capabilities that are very different from the traditional “fast moving consumer goods” industry.

Therefore, it is clear to me that to be successful and lead in this promising field, Nestlé has to build and organise its expertise, capabilities, science and R&D through a specific and separate new set-up.

Hence our proposal, approved by the Board of Directors, for the creation of the “Nestlé Health Science company” and the “Nestlé Institute of Health Sciences.”

Slide 2:



By doing so, Nestlé’s extremely important “fast moving consumer goods” / “Good Food, Good Life” business keeps focus, whilst at the same time the new Nestlé Health Science company gets the necessary attention.

The new Nestlé Health Science company will build on our existing Healthcare Nutrition Business, has its own specific governance and will be led by Luis Cantarell as President and CEO, reporting to me.

Luis is presently Executive Vice-President of Nestlé for the Zone Americas, our most important business responsibility, having previously run successfully our Zone Europe. Luis has many years of Nestlé experience at the Centre and in the markets. Since 2001 he has been involved in crafting our Nutrition, Health and Wellness strategic direction. He was instrumental to setting up the Nestlé Nutrition organisation and was its first CEO in 2005.

Luis' excellent track record in Nestlé, his experience and drive, coupled with an in-depth knowledge of the nutrition business, gives me the trust and confidence that he is the ideal leader for this new endeavour.

I am also pleased that Professor Emmanuel Baetge has agreed to lead the new "Nestlé Institute of Health Sciences".

An American citizen, he has an impressive track record with recognised authority and expertise in neuroscience, gene therapy and metabolic diseases such as diabetes and obesity which, combined with his natural curiosity and business acumen, will definitely give the Institute immediate stature and recognition in the field of Health and Nutrition.

As I said before, this dual complementary set-up allows Nestlé to maintain the momentum in its existing business of "Good Food, Good Life" and at the same time, generate the necessary attention and focus on this new opportunity of Health Science Nutrition.

Thank you.

And now I will pass you to Luis Cantarell.

[End]