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**NESTLÉ LAUNCHES MAJOR INITIATIVES IN NUTRITION,
WATER AND RURAL DEVELOPMENT**

Creating Shared Value: a business response to global economic and social challenges

Sydney, 27 April 2009 – Nestlé today announced three new company initiatives aimed at creating new partnerships with governments, NGOs and small enterprises. The announcement coincides with a two-day forum on Creating Shared Value in New York in collaboration with the United Nations Office for Partnerships and the Mission of Switzerland to the United Nations.

The initiatives include an expanded education programme focused on nutrition, health and wellness for school age children around the world, a rural research and development centre in Africa, and a new Nestlé Prize in Creating Shared Value of up to AUD\$610,000 (CHF 500,000) awarded every other year to foster innovative approaches to solve problems of nutrition, water and rural development.

Said Nestlé Chairman Peter Brabeck-Letmathe: “The financial crisis which has resulted in the current deep recession revealed once more a basic business axiom: if you fail to work on behalf of the public interest and take shortcuts that place the public at risk, you will also fail your shareholders.

“We believe that to have long-term business success you must simultaneously create value for shareholders and for the public. At Nestlé, we call this Creating Shared Value, and it is the fundamental principle behind the way we conduct business at Nestlé.”

To coincide with the Nestlé UN seminar, Nestlé Oceania will release tomorrow its inaugural Creating Shared Value report for the greater Oceania region. This report complements Nestlé’s global reporting and seeks to provide regional stakeholders with a more localised overview of Nestlé’s performance, its achievements and some of the social and environmental challenges facing the business.

Some Nestlé initiatives highlighted in the report include:

- Partnering with the South Australian Research and Development Institute (SARDI) to breed oats which are drought and disease tolerant with better yields
- Contributing over AUD\$4 million to community and environmental programs as well as broader sponsorship initiatives
- Donating 377 tonnes of food in 2008 (six and half million meals) to Foodbank Australia
- Eco reduction in manufacturing facilities of water, energy and waste
- Renovating over 100 products to improve the nutrition value or to reduce fat, sugar, salt or artificial colourants

Said Graham Campbell, Nestlé Oceania’s CEO: “Globally, our Creating Shared Value priorities centre on water, nutrition and rural development. Not only are these key challenges facing our business, they are issues to which we, as a nutrition health and

wellness company, believe we can positively contribute – and clearly they resonate with the needs of our region.

“We know we need to continue to improve our product portfolio such as reducing the amount of sugar, fat and salt in our products. We know we need to improve nutrition literacy and awareness and help create consumer demand for nutrition-based products. And because we know that no single organisation – public or private – can meet all these challenges alone, we want to continue our work with our industry, government and non government partners.”

1. The Nestlé UN Forum discussions are available at: <http://www.nestle.com/CSV/CSVNews/CSVNews.htm> or you can visit www.nestle.com or www.creatingsharedvalue.org which is a new open community Web resource, to share your thoughts and discover what CSV means to the communities where Nestlé operates across the world.
2. Facebook: <http://www.facebook.com/home.php?#/pages/Nestle-Creating-Shared-Value/166552360346> and by ticking the box “will attend” (right hand column on the webcast page) on <http://www.facebook.com/home.php?#/event.php?eid=176826325297>
3. Twitter: become a follower on <http://twitter.com/nestlecsv>
4. Youtube: subscribe to the Nestlé CSV YouTube channel <http://www.youtube.com/user/NestleCSV> (left column)
5. Nestlé Oceania’s first Creating Shared Value report is available at www.nestle.com.au from Wednesday 29 April

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Details of the global Nestlé Creating Shared Value initiatives:

Nestlé Healthy Kids Global Programme. Nestlé intends to double the number of countries in which it has nutrition and physical activity education projects by the end of 2011, bringing such schemes to over 100 countries where it operates. This new global programme addresses some of the world’s most complex challenges today – both malnutrition and increasing obesity rates, particularly among school-age children. Nestlé currently supports education programmes that reach over 10 million children.

The opening of the Abidjan Research & Development Centre, Côte d’Ivoire, demonstrates Nestlé’s commitment to rural development in Africa. The R&D Centre’s new research programmes will help to increase agricultural productivity and the safety of foods by developing and improving local crops - such as manioc, corn, millet, coffee and cocoa - and cereal-based products in the West African region. The R&D Centre will also build on Nestlé’s experience in tree propagation.

The Nestlé Prize in Creating Shared Value, provides financial support of up to CHF 500,000 (AUD\$610,000) to individuals, NGOs, or small enterprises offering innovative solutions to nutritional deficiencies, access to clean water, or progress in rural development. Nestlé will award the prize every two years.

Over decades, Nestlé has worked with millions of milk and coffee farmers to make them better suppliers, and in doing so, has helped them out of poverty and to prosper. Today, Nestlé works directly with almost 600,000 farmers throughout the world, providing around CHF 30 million (over USD\$27 million) worth of microfinance in 2008. About 2.4 million people in developing countries earn their livelihoods from the Nestlé supply chain. These examples show that the health of the communities from which Nestlé draws its labour and raw materials are vital to its success as a business and to its shareholder value.

The Nestlé Creating Shared Value Advisory Board

An Advisory Board of 13 global experts across sustainability, rural development, water, nutrition, economic development will analyse the Nestlé value chain and suggest potential actions in Creating Shared Value which can increase positive impact on society in the context of creating a successful business. The Board will help to address necessary action and policy changes at the global and national level, opportunities for progress, and the role of business in society in the 21st century.