

Nestlé to enter fast-growing global market for clinical nutrition products for people with inherited metabolic disorders

Vevey, 2 August 2010 – Nestlé today announced that it has completed the acquisition of Vitaflo, a Liverpool-based global provider of clinical nutritional products which has enjoyed double-digit growth in the order of 30% over the last 3 years. This strategic transaction allows Nestlé to enter the fast-growing global market for clinical nutrition products tailor-made for people with inherited metabolic disorders. This sector is growing rapidly as improved diagnosis and screening enable increasing numbers of cases to be detected, and new advances in science demonstrate the benefits of specialised nutrition as an integral part of clinical management. Vitaflo has approximate annual sales of CHF 40 million. The acquisition price is not disclosed.

Vitaflo's products are developed for infants, children and adults with genetic disorders that affect how food is processed by the body. These include phenylketonuria (PKU), maple syrup urine disease (MSUD) and homocystinuria (HCU). Inborn errors of metabolism are infrequent at an estimated 1 in 2,500-50,000 births depending on the disorder but persist from birth to adulthood. They constitute a significant proportion of genetic disorders detected in newborn babies.

Vitaflo's successful business model is underpinned by its leading science, research and product development. It is well aligned with Nestlé's global commitment to develop innovative nutritional solutions with proven health benefits, and to work with health care providers and caregivers in offering foods for people with specific nutritional needs.

"This acquisition is an excellent strategic fit, reinforcing our position in a rapidly growing segment of specialised nutrition. Vitaflo's science-based products complement and support our business in the area of high-technology personalised nutrition. Additionally, Vitaflo will benefit from Nestlé's commitment to innovation in nutrition, health and wellness. Our strong geographic presence will enable Vitaflo to enter into a global market," said Paul Bulcke, CEO of Nestlé.

Richard Laube, CEO of Nestlé Nutrition, said, "We are delighted to welcome Vitaflo into our company, whose people bring with them valuable expertise and know-how in clinical nutrition. This will help us to expand our innovation potential in the area of high quality products for infants, children and adults with very specific nutritional needs."

For more information about Vitaflo, please visit www.vitaflo.co.uk

Contacts

Media

Robin Tickle

Tel.: +41 (0)21 924 22 00

Investors

Roddy Child-Villiers

Tel.: +41 (0)21 924 36 22