

Nestlé to Enter Exploratory Talks with Snow Brand

Vevey, September 26, 2000 – Nestlé confirms that it has signed a letter of intent with Snow Brand Milk Products Co. Ltd in Tokyo, providing for exploratory talks about an extensive business alliance, up to and including participations in some of Snow Brand's dairy-based businesses.

The discussions will center on the best ways and means to combine Snow Brand's strong market position and broad product portfolio in Japan with Nestlé's worldwide know-how and technology in milk, chilled products and ice-cream. For Nestlé, the project represents an opportunity to broaden the product base of its very successful Japanese operation which in 1999 had sales of CHF 3.4 billion, mainly in the areas of coffee, confectionery and petcare. A successful conclusion of the discussions would lead to a substantial broadening of the product portfolio in that country.

The initiative illustrates Nestlé's global strategy of using selective acquisitions, joint-ventures and alliances to strengthen its product portfolio in key markets.

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