

COMPANY SNIPPET

NESTLE S.A. 2006

Company *Snippets*[®]

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Snapdata's Nestle S.A. Company Snippet 2006 report gives an instant overview of Nestle's company background and history. The report provides a time-saving valuable overview of the company, history, M&A activity, management, products and brands. Nestle Company Snippet 2006 forms part of Snapdata's Company Snippets Series.

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EXECUTIVE SUMMARY

Nestlé with headquarters in Vevey, Switzerland was founded in 1866 by Henri Nestlé and is today the world's biggest food and beverage company. Sales at the end of 2005 were CHF 91 bn, with a net profit of CHF 8 bn. They employ around 250,000 people and have factories or operations in almost every country in the world.

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COMPANY HISTORY

In 1866 Henri Nestlé, a pharmacist, developed a food for babies who were unable to breastfeed. His first success was a premature infant who could not tolerate his mother's milk or any of the usual substitutes. People quickly recognized the value of the new product, after Nestlé's new formula saved the child's life, and soon, Farine Lactée Henri Nestlé was being sold in much of Europe.

In 1905 Nestlé merged with the Anglo-Swiss Condensed Milk Company. By the early 1900s, the company was operating factories in the United States, Britain, Germany and Spain. World War I created new demand for dairy products in the form of government contracts. By the end of the war, Nestlé's production had more than doubled.

After the war Government contracts dried up and consumers switched back to fresh milk. However, Nestlé's management responded by streamlining operations and reducing debt. The 1920s saw Nestlé's first expansion into new products, with chocolate the Company's second most important activity.

Nestlé felt the effects of World War II immediately. Profits dropped from \$20 million in 1938 to \$6 million in 1939. Factories were established in developing countries, particularly Latin America. Ironically, the war helped with the introduction of the Company's newest product, Nescafé, which was a staple drink of the US military. Nestlé's production and sales rose in the wartime economy.

The end of World War II was the beginning of a dynamic phase for Nestlé. Growth accelerated and companies were acquired. In 1947 came the merger with Maggi seasonings and soups. Crosse & Blackwell followed in 1960, as did Findus (1963), Libby's (1971) and Stouffer's (1973). Diversification came with a shareholding in L'Oréal in 1974.

Nestlé's growth in the developing world partially offset a slowdown in the Company's traditional markets. Nestlé made its second venture outside the food industry by acquiring Alcon Laboratories Inc.

Nestlé divested a number of businesses 1980 / 1984. In 1984, Nestlé's improved bottom line allowed the Company to launch a new round of acquisitions, the most important being American food giant Carnation.

The first half of the 1990s proved to be favorable for Nestlé: trade barriers crumbled and world markets developed into more or less integrated trading areas. Since 1996 there have been acquisitions including San Pellegrino (1997), Spillers Petfoods (1998) and Ralston Purina (2002). There were two major acquisitions in North America, both in 2002: in July, Nestlé merged its U.S. ice cream business into Dreyer's, and in August, a USD 2.6bn acquisition was announced of Chef America, Inc.

MERGERS & ACQUISITIONS

Key Dates

1866	Company foundation
1905	Merger between Nestlé and Anglo-Swiss Condensed Milk Company
1929	Merger with Peter, Cailler, Kohler Chocolats Suisses S.A.
1947	Merger with Alimentana S.A. (Maggi)
1969	Vittel (equity interest)
1971	Merger with Ursina-Franck
1974	L'Oréal (equity interest)
1977	Acquisition of Alcon (2002: partial IPO)
1985	Acquisition of Carnation
1988	Acquisition of Buitoni-Perugina
1988	Acquisition of Rowntree
1992	Acquisition of Perrier
1998	Acquisitions of San Pellegrino and Spillers Petfoods
2000	Acquisition of PowerBar
2001	Acquisition of Ralston Purina
2002	Acquisition of Schöller and Chef America
2003	Acquisition of Mövenpick, Powwow and Dreyer's
2004	Acquisition of Valio (ice cream activities)
2005	Acquisition of Wagner, Protéika, Musashi

JOINT VENTURES & ASSOCIATED WEBSITES

Major Joint Ventures

1974	L'Oréal - (26.90%, 27.95% voting rights)
1981	Galderma - (joint venture with L'Oréal)
1990	Cereal Partners Worldwide - (joint venture with General Mills)
1991	Beverage Partners Worldwide (formerly CCNR) – (joint venture with Coca Cola)
2002	Dairy Partners Americas - (joint venture with Fonterra) Laboratories innéov - (joint venture with L'Oréal)

Associated Websites

Alcon	http://www.alconlabs.com/
Cereal Partners	http://www.cerealpartners.co.uk/
Galderma	http://www.galderma.com/
Innéov	http://www.inneov.de/
L'Oréal	http://www.loreal.com/en/ww/index.aspx

EXECUTIVE BOARD

Name	Function
Peter Brabeck-Letmathe	Chairman of the Board & Chief Executive Officer
Francisco Castañer	Executive Vice President Pharmaceutical and Cosmetic Products, Liaison with L'Oréal, Human Resources, Corporate Affairs
Lars Olofsson	Executive Vice President, Strategic Business Units and Marketing
Werner J. Bauer	Executive Vice President Technical, Production, Environment, Research and Development
Frits Van Dijk	Executive Vice President Asia, Oceania, Africa and Middle East
Paul Bulcke	Executive Vice President United States of America, Canada, Latin America, Caribbean
Carlo Maria Donati	Executive Vice President Nestlé Waters
Luis Cantarell	Executive Vice President Zone Europe
Paul Polman	Executive Vice President Finance, Control, Legal, Tax, Purchasing, Export
Chris Johnson	Deputy Executive Vice President GLOBE Program, Information Systems, Strategic Supply Chain, eNestlé, Group Information Security
Richard T. Laube	Deputy Executive Vice President, CEO of Nestlé Nutrition
David P. Frick	Member of the Executive Board, Corporate Governance, Compliance

KEY BRANDS AND PRODUCTS & ASSOCIATED WEBSITES

Key Brands and Products

Coffee	Nescafé, Taster's Choice, Ricoré, Ricoffy, Nespresso, Bonka, Zoégas, Loumidis
Water	Nestlé Pure Life, Nestlé Aquarel, Perrier, Vittel, Contrex, S.Pellegrino, Acqua Panna, Levissima, Arrowhead, Poland Spring, Deer Park, Ozarka, Hépar, Ice Mountain, Zephyrhills
Other beverages	Nestea, Nesquik, Nescau, Milo, Carnation, Libby's, Caro, Nestomalt, Nestlé
Shelf stable	Nestlé, Nido, Nespray, Ninho, Carnation, Milkmaid, La Lechera, Moça, Klim, Gloria, Svelty, Molico, Nestlé Omega Plus, Bear Brand, Coffee-Mate
Chilled	Nestlé, Sveltesse, La Laitière, La Lechera, Ski, Yoco, Svelty, Molico, LC1, Chiquitin
Ice cream	Nestlé, Antica Gelateria del Corso, Dreyer's/Edy's, Drumstick/Extrême, Maxibon/Tandem, Mega, Mövenpick, Sin Parar/Sem Parar/Non Stop
Infant nutrition	Nestlé, Nan, Lactogen, Beba, Nestogen, Cerelac, Neslac, Nestum, Guigoz, Good Start
Performance nutrition	PowerBar, Pria, Musashi
HealthCare nutrition	Nutren, Clinutren, Peptamen, Modulen
Bouillons, soups, seasonings, pasta, sauces	Maggi, Buitoni, Thomy, Winiary, Torchin
Frozen foods (prepared dishes, pizzas)	Stouffer's, Lean Cuisine, Hot Pockets, Buitoni, Maggi
Refrigerated products (cold meat products, dough, pasta, pizzas, sauces, snacks)	Nestlé, Buitoni, Herta, Toll House
Chocolate, confectionery and biscuits	Nestlé, Crunch, Cailler, Galak/Milkybar, Kit Kat, Smarties, Butterfinger, Aero, Polo
FoodServices and professional products	Chef, Davigel, Minor's
Petcare	Purina, Friskies, Fancy Feast, Alpo, Gourmet, Mon Petit, Felix, Dog Chow, Cat Chow, Pro Plan, Purina ONE, Beneful, Tidy Cats
Pharmaceutical company	Alcon
Pharmaceutical and cosmetic joint ventures	Galderma, Laboratoires innéov
Associated company	L'Oréal (equity interest)

KEY BRANDS AND PRODUCTS & ASSOCIATED WEBSITES

Associated Websites

Infant Nutrition

Baby Milk <http://www.babymilk.nestle.com/>

Beverages

Juicy Juice <http://www.juicyjuice.com/>
Nescafé <http://www.nescafe.com/>
Nespresso <http://www.nespresso.com/>
Nesquik <http://www.nesquik.info/>
Taster's Choice <http://www.tasterschoice.com/>

Bottled Water

Nestlé Waters <http://www.nestle-waters.com/>
Perrier <http://www.perrier.com/>

Breakfast Cereals

Carnation Instant Breakfast <http://www.carnationinstantbreakfast.com/>

Chocolate & Confectionery

Europe <http://www.nestleuropean-chocolate.com/>

Dairy Products

Coffee Mate <http://www.coffee-mate.com/default.aspx>

Pet Care

Alpo <http://www.alpo.com/home.aspx>
Purina <http://www.purina.com/home.aspx>

Prepared Foods

Buitoni <http://www.buitoni.com/>
Herta <http://www.herta.de/online/index.asp>
Stouffers <http://www.stouffers.com/Index/AboutUs.aspx>

RELATED REPORTS FROM THE SNAPSHOTS SERIES

For in-depth market shares and competitive position, choose from the selection of Snapshots reports which mention this company below, or visit our website at www.snapdata.com. These reports also include 5 years historical market size data and 5 year forecast market size data:

Argentina Cheese 2005	http://dx.doi.org/10.1337/ar141315
Argentina Milk 2005	http://dx.doi.org/10.1337/ar141435
Brazil Milk 2005	http://dx.doi.org/10.1337/br141865
Canada Bottled Water 2005	http://dx.doi.org/10.1337/ca240665
China Ice Cream 2005	http://dx.doi.org/10.1337/cn140645
Czech Republic Sugar Confectionery 2005	http://dx.doi.org/10.1337/cz140435
France Ice Cream 2005	http://dx.doi.org/10.1337/fr140375
France Yoghurt 2005	http://dx.doi.org/10.1337/fr140465
Germany Baby Food 2005	http://dx.doi.org/10.1337/de141225
Germany Bottled Water 2005	http://dx.doi.org/10.1337/de240145
India Coffee 2005	http://dx.doi.org/10.1337/in240285
Italy Chocolate Confectionery 2005	http://dx.doi.org/10.1337/it141675
Italy Frozen Food 2005	http://dx.doi.org/10.1337/it141555
Italy Frozen Ready Meals 2005	http://dx.doi.org/10.1337/it141565
Mexico Bottled Water 2005	http://dx.doi.org/10.1337/mx240155
Mexico Cheese 2005	http://dx.doi.org/10.1337/mx140625
Poland Chocolate Confectionery 2005	http://dx.doi.org/10.1337/pl141335
Russia Ice Cream 2005	http://dx.doi.org/10.1337/ru140555
Spain Bottled Water 2005	http://dx.doi.org/10.1337/es240515
Spain Pasta 2005	http://dx.doi.org/10.1337/es141035
Spain Pet Food 2005	http://dx.doi.org/10.1337/es140565
Spain Sauces & Condiments 2005	http://dx.doi.org/10.1337/es141205
UK Bottled Water 2005	http://dx.doi.org/10.1337/uk240435
UK Breakfast Cereals 2005	http://dx.doi.org/10.1337/uk141755
UK Chocolate Confectionery 2005	http://dx.doi.org/10.1337/uk141345
UK Coffee 2005	http://dx.doi.org/10.1337/uk240595
US Chocolate Confectionery 2005	http://dx.doi.org/10.1337/us140515
US Confectionery 2005	http://dx.doi.org/10.1337/us140525
US Flavoured Milk 2005	http://dx.doi.org/10.1337/us140165
US Frozen Ready Meals 2005	http://dx.doi.org/10.1337/us140795
US Pet Food 2005	http://dx.doi.org/10.1337/us140065