

Nestlé waters strengthens its European bottled water leadership with the acquisition of saint springs in Russia

- Following the acquisition of the company Saint Springs, Nestlé Waters increases its European position and gains a strong growing base in Eastern Europe
- Present in all distribution channels, in small formats as well as in large containers for Home & Office delivery, Saint Springs leads the fast growing bottled water market in Russia

Paris, 16 July 2002 - Nestlé Waters announce today the acquisition of the company Saint Springs in Russia. The spring and main production site are based in Kostroma, 350 kilometres northeast of Moscow.

Saint Springs was founded in 1993 by John King and today leads the fast growing bottled water market in Russia. At an estimated 8 litres per capita annually, bottled water consumption in Russia remains among the lowest in Europe. Growth prospects could exceed 20% a year.

Present in all distribution channels, Saint Springs sold 108 million liters of bottled water in 2001. 75% of its sales are in retail water and 25% in large containers for home and office delivery. Saint Springs employs about 1,100 people at 18 sites, ensuring highly competitive distribution costs throughout the country.

John King, Saint Springs' chairman and founder, said the advantages of selling the company to Nestlé Waters, the Nestlé Group's water division and the world's leading bottled water producer, are twofold:

"First, from the perspective of market development potential, the sale gives Saint Springs everything it needs to boost development and sustain its leadership position. It also gives our employees all the advantages of joining a large international Group where consumers and employees are top priorities."

For Nestlé Waters, the acquisition is an ideal opportunity to strengthen its leadership in Europe, gaining a strong base in Europe's most populous country (140 million people) and supporting further development in Eastern Europe.

This acquisition is in line with Nestlé Waters' strategic development plans for Europe as presented by its CEO Frits van Dijk during the latest Nestlé Waters annual press conference, on April 12th.

Already active in Russia through a local distribution office that oversees sales of its top international brands Perrier, Vittel and San Pellegrino, Nestlé Waters is acquiring a well-established local company, with solid expertise in the bottled water market and a skilled management team.

With a 16.3% market share and sales over 5 billion euros (7.5 billion CHF) in 2001, Nestlé Waters leads the bottled water market worldwide. Nestlé Waters is a global player in this market, marketing a total of 72 brands in all formats and distribution channels in 130 countries.

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