



**Richard Girardot**  
Chief Executive Officer

Vevey, December 2<sup>nd</sup>, 2009

# Disclaimer

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This presentation contains forward looking statements which reflect Management's current views and estimates.

The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments



# What is *Nespresso* today?



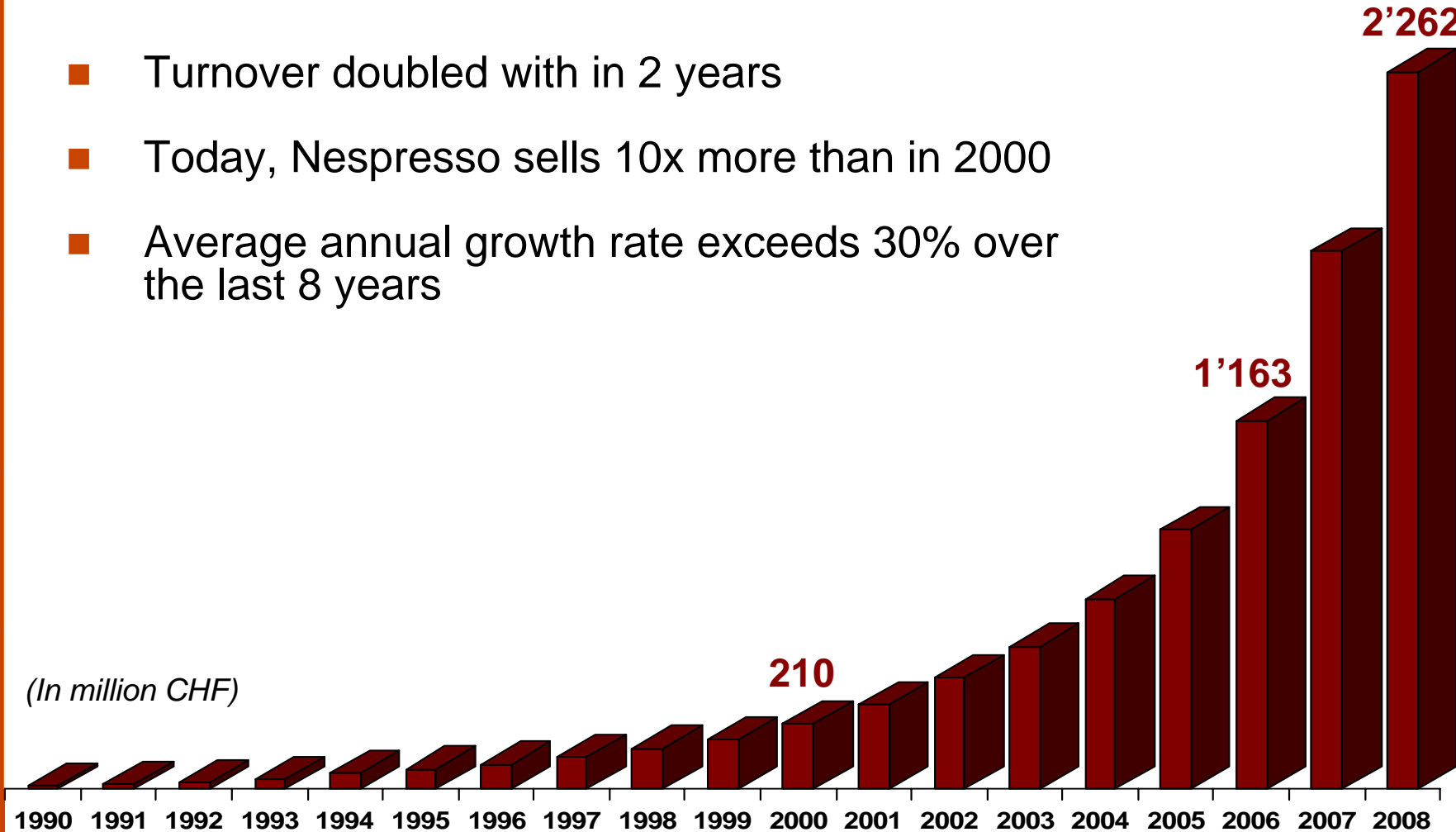
- Company founded in **1986**
- Break even in **1995**
- Sales 2008: **CHF 2'262 mio** (CHF 500 mio growth in each of last 3 years)
- Present in over **50 countries**
- **4'000** employees worldwide by end 2009 (47% men / 53% women / 32 years old average) - 70% in direct contact with consumers
- **192 Boutiques by end 2009**, 19 Customer Relationship Centres
- **20 bio** capsules sold since Nespresso was launched
- 12 mio machines sold since 1986
- Now more than **7.8 mio active members** (estimate end 2009)



# Impressive Sales Development



- Turnover doubled within 2 years
- Today, Nespresso sells 10x more than in 2000
- Average annual growth rate exceeds 30% over the last 8 years



# Success built on a unique Trilogy and strong competitive advantages...



## Proposition



Perfectly portioned  
highest quality  
Grand Cru coffees

Best in cup Quality



Smart and easy- to-use  
machines

High brand identity



Personalised &  
exclusive service

Best in Class Services

## Competitive advantage "Nespresso Recipes"

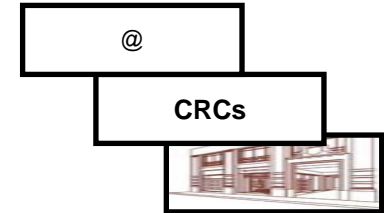


Perceivable superior quality (60/40)

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NESPRESSO.Club



# ...delivering key consumer benefits

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- ✓ **Quality**
- ✓ **Convenience**
- ✓ **Individual choice**
- ✓ **Customized services**
- ✓ **One to One consumer relationship**



# Enhancing current competitive advantages



Best in cup Quality

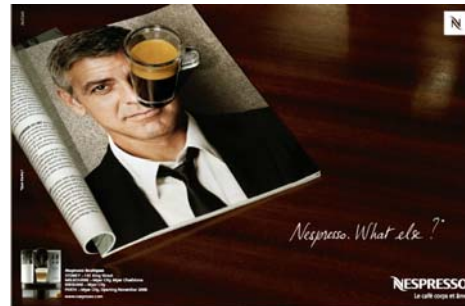
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Best in Class Services

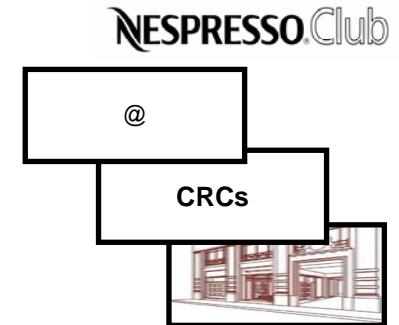
Competitive advantage  
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Above, Ahead, Apart

- CSV approach – Ecolaboration to secure top 1 % best green coffee beans
- Develop coffee expertise and know how
- R&D for new technologies (capsules & machines)

- Differentiate customer value proposition thanks to permanent innovation (machines, coffee, services)
- Substantiate brand messages based on core brand values (premiumness, perfection, pleasure, innovation, responsibility)

- Flawless execution
- New personalised and exclusive services
- Recognition & intimacy, exclusive link to the brand





# Coffee: the best of the best as a must...

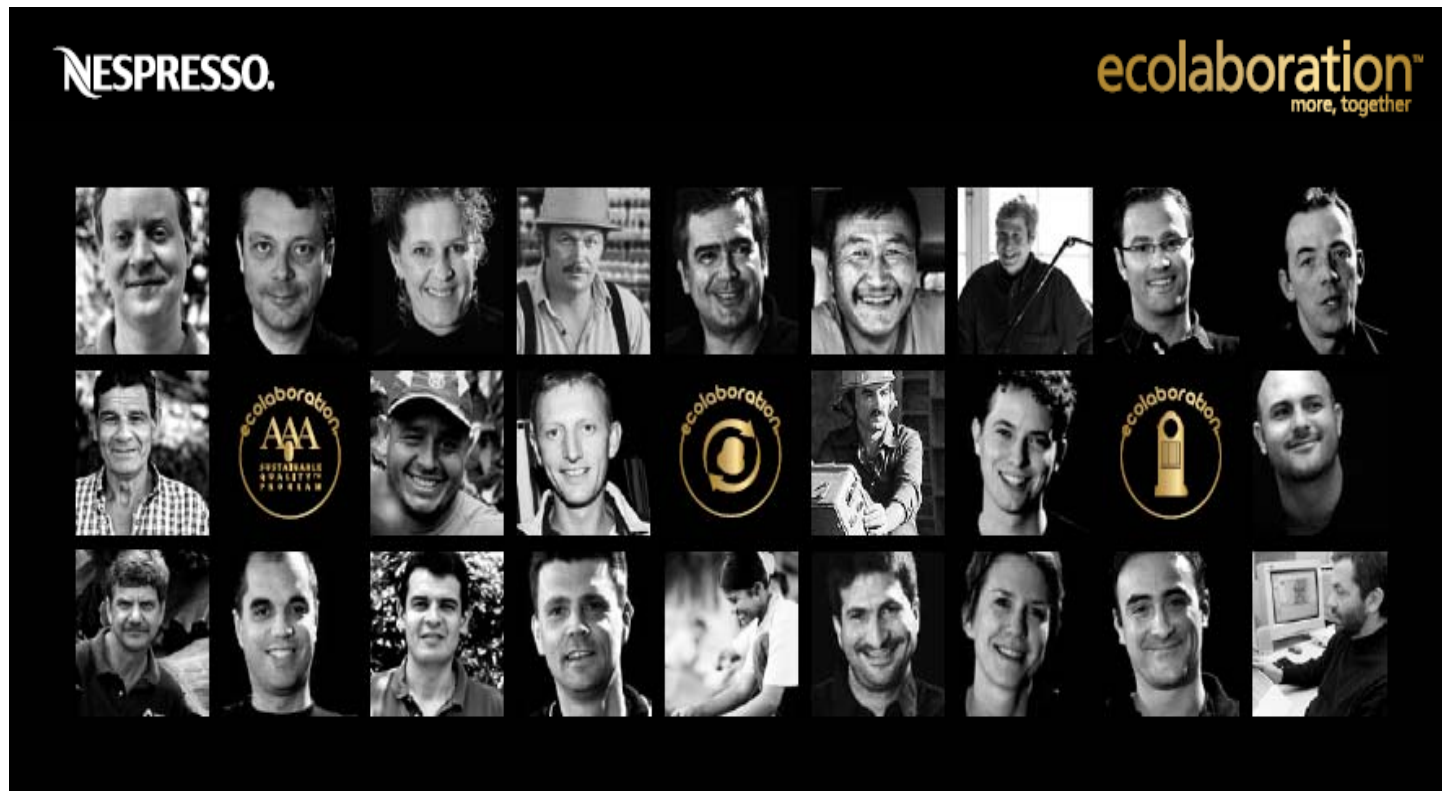




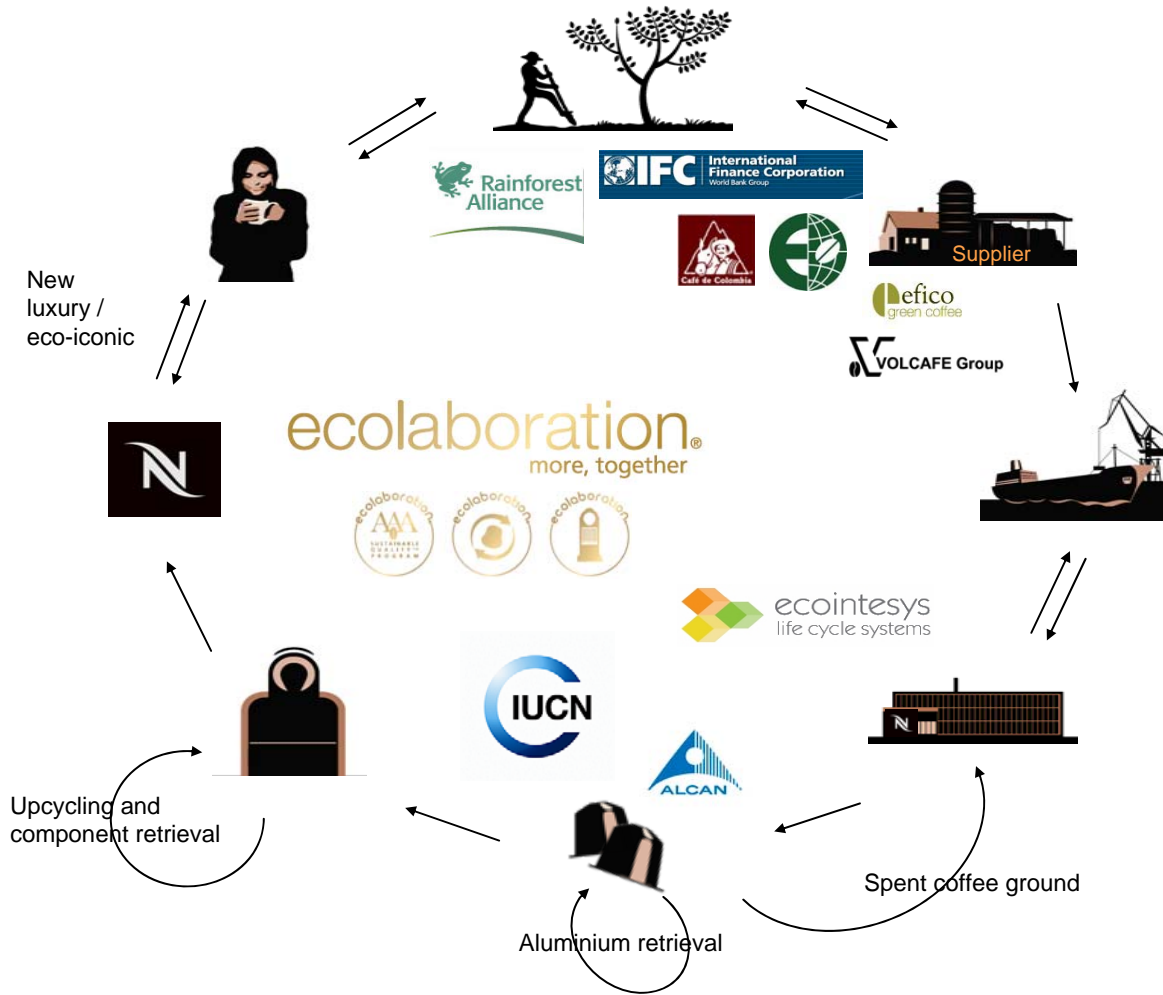
# ECOLABORATION platform was launched in June 09



*Building on the principles of the Nestlé “Creating Shared Value”, the Nespresso Ecolaboration™ framework aims to bring stakeholders and Nespresso partners together with the ultimate objective of continuously improving the sustainability performance of the Nespresso value chain, from cherry to the cup.*



# Ecolaboration: a global partnership within the Nespresso value chain from cherry to the cup



# Ecolaboration: our commitments



By 2013 we will:



Source 80% of our coffee from the *Nespresso*AAA Sustainable Quality™ Coffee Program, Rainforest Alliance Certified



Put systems in place to triple our capacity to recycle used capsules to 75%



Reduce our carbon footprint per cup of *Nespresso* by 20%



# Enhancing current competitive advantages



Best in cup Quality

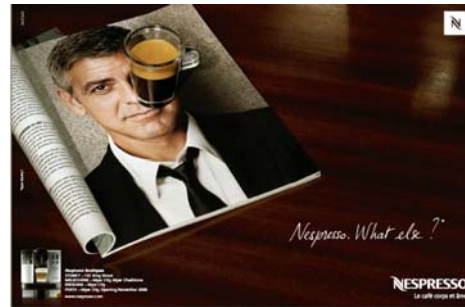
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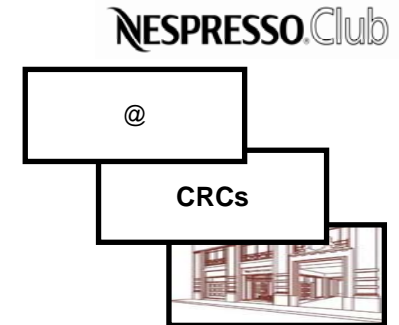
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# We manage directly our Club Members



## Strength of the Bond to the Nespresso brand



### Key Expectations

The bare product, not the emotional value

Sustainability

Coffee expertise + Convenience

Leading edge design & style

360° Nespresso Experience





# Consistency on expertise and sustainability are vital to customers...



George Clooney ne sait pas définir les profils aromatiques de nos Grands Crus de café, Angélique, si.

Notes boisées, créoles, florales, agrumes... C'est parce qu'Angélique, Chef de Produits Café chez Nespresso, connaît si bien les différences sensorielles entre toutes les variétés de café que nous avons pu créer de nouveaux Grands Crus aussi originaux. Pour les découvrir, rendez-vous sur [www.nespresso.com/asparte](http://www.nespresso.com/asparte)

**NESPRESSO.**  
Le café corps et âme

Même si George Clooney le lui demande, Anton gardera pour lui le secret d'un grain de café parfait.

À l'origine d'un café d'exception, il y a un café vert exceptionnel dont nous devons vérifier le qualité tout au long du cycle de production. Pour que nos exigences soient respectées, nous faisons confiance au savoir-faire d'Anton, Spécialiste Qualité Café Vert chez Nespresso. Pour plus d'informations, rendez-vous sur [www.nespresso.com/asparte](http://www.nespresso.com/asparte)

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Le jour où George Clooney saura créer un café d'exception, il pourra prendre la place d'Alexis.

Comme la ferait un maître de chai pour le vin, Alexis, Responsable Café Vert chez Nespresso, hume chaque année des milliers d'influeurs de café moulu légèrement torréfiés afin d'identifier les subtilités de chaque origine. Ensuite, il les assemble et compose ainsi nos Grands Crus. Pour en savoir plus, rendez-vous sur [www.nespresso.com/asparte](http://www.nespresso.com/asparte)

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# Enhancing current competitive advantages



Best in cup Quality

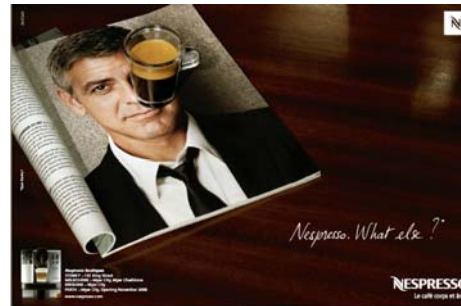
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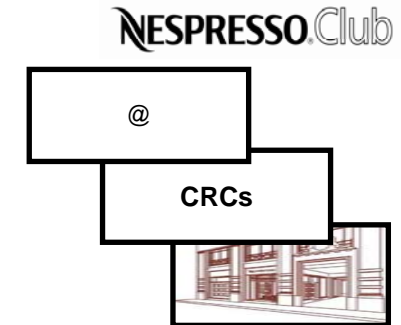
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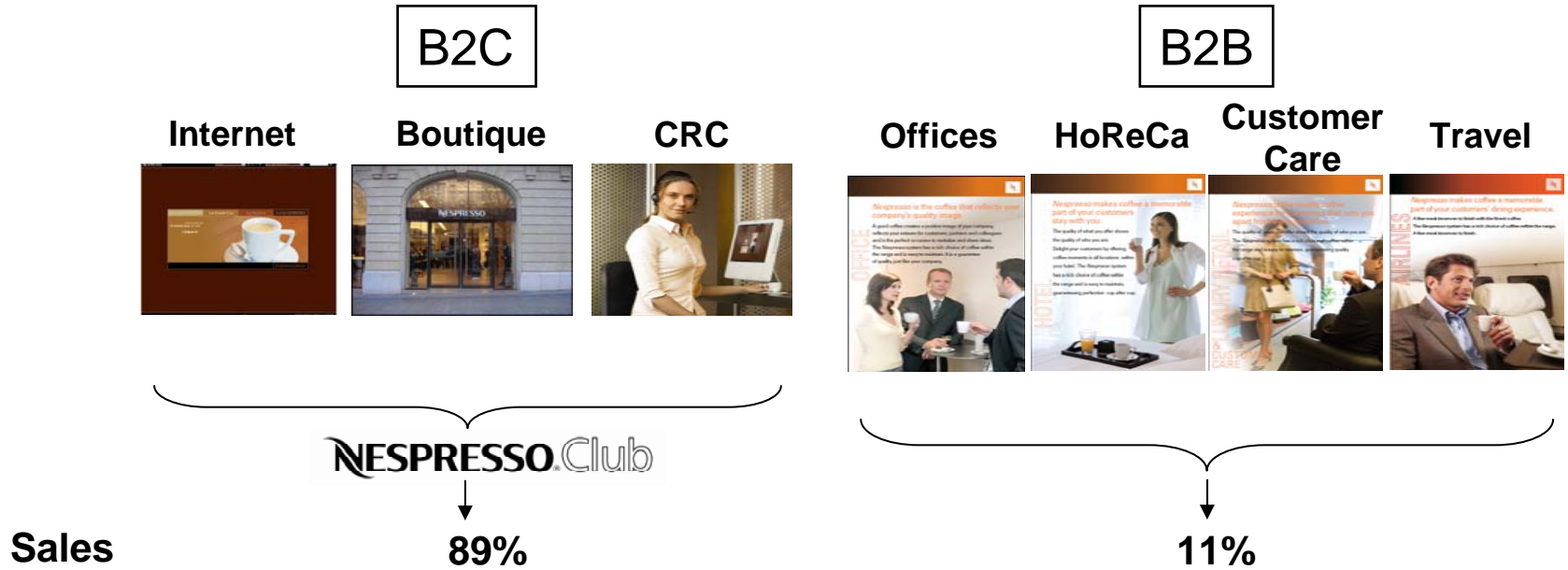
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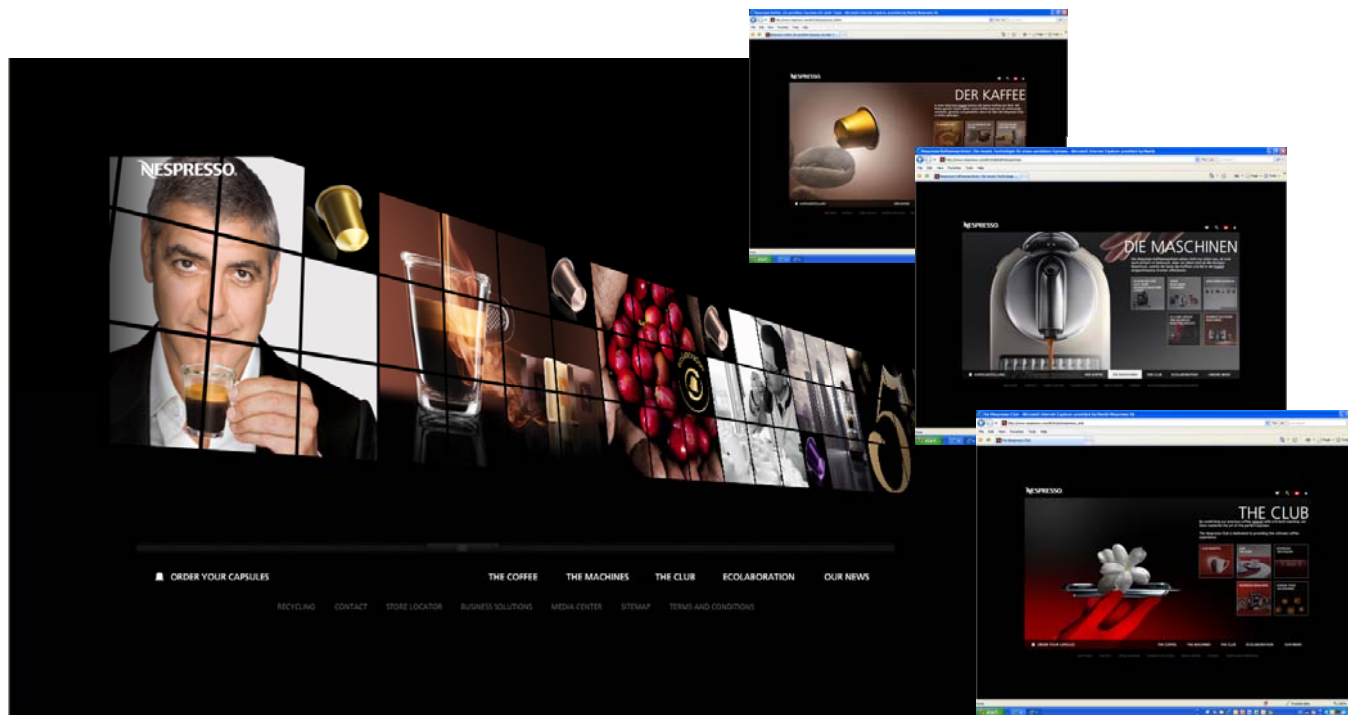
# Nespresso Channels



# Nespresso online & in boutique 2009



- Over 300 web sites, 25 languages
- About 50 online boutiques; about 190 boutiques
- 360° marketing approach



# Boutiques & Boutique-in-Shop - Split by Zone



Europe: 125

AMS: 24

AOA: 41

190 boutiques at the end of 2009

BB 11

Boutiques 109

BIS 70



# How will *Nespresso* keep the momentum?



- Enhancing our competitive advantages and building on our difference:
- Leveraging growth potential of “big fishes”
- Enhance leadership markets
- Develop "growth potential" markets
- Build "growth driver" markets



Thanks

 NESPRESSO®