

## **NESCAFÉ Dolce Gusto**

### **NESCAFÉ Dolce Gusto Overview**

- NESCAFÉ Dolce Gusto launched in 2006 in UK, Germany & Switzerland.
- By the end of 2011 NESCAFÉ Dolce Gusto will be sold in 50 countries
- NESCAFÉ Dolce Gusto is currently growing at over 50% with 2010 European sales of around CHF 450 million

### **NESCAFÉ Dolce Gusto in the UK**

- Dolce Gusto was the top selling machine in the UK in 2008, 2009 and 2010
- Over 400,000 machines sold in UK since 2006 with predicted sales of around 500,000 by end 2011
- Nescafé Dolce Gusto RRP: Box of 16 pods = £3.68
- Machines RRP from £89.99 to £129.99 depending on machine
- Tutbury exports approximately 91% of Dolce Gusto pods to 38 countries including Germany; Switzerland; France; Italy; Japan; Mexico and US.
- Tutbury is of key strategic importance to Nestlé globally, being one of only two centres around the world set up for volume production of capsules for its NESCAFÉ Dolce Gusto brand (the other centre is in Spain)
- The factory makes approximately 4 million pods per day

### **Our NESCAFÉ Factory in Tutbury, Derbyshire**

- The Tutbury factory was originally built in 1901 to produce condensed milk. In 1959 the plant underwent its first transformation and started to manufacture NESCAFÉ soluble coffee.
- Nestlé has invested £100 million in the factory over the past five years to strengthen Tutbury's position as a leading Nescafé production plant to produce a new generation of beverages, NESCAFÉ Dolce Gusto (coffee, milk and chocolate drinks in portions/capsules).
- This investment and the change in Tutbury's manufacturing focus has resulted in the fastest growth period in the factory's history, tripling in size in terms of the value of product sold, the volume of production and its workforce.
- Over the last two years, Tutbury's workforce grew from 160 to 500 employees. Remarkably, 70% of the workforce lives within a ten-mile radius of the factory
- Tutbury now produces £200 million of product (ex factory price) which is sold in over 52 countries around the world and in all five continents.

- Our main products produced at Tutbury are:
  - NESCAFÉ Soluble Coffee in Jars and Sticks and refill packs.
  - NESCAFÉ Dolce Gusto Capsules
    - Semi-finished goods: Pre-treated green coffee for our sister factory in Hayes (UK) and coffee aroma (essence) for a number of Nestlé factories worldwide.

### **Sustainability Initiatives at Tutbury**

- Tutbury already recycles over 99% of its waste and is working hard towards its aim of zero waste to landfill by 2012.
- It uses spent coffee grounds as fuel to generate steam, considerably reducing the factory's need for non-renewable fuels.
- It has reduced its specific water usage by 18% in 2010.
- In 2008, we invested over £2m to mitigate the environmental impact of our spray dryer by fitting a state-of-the art filter system while at the same time reducing overall noise emissions.
- In March 2009, the Tutbury factory began a waste segregation project, installing six balers to segregate cardboard, aluminium, plastic and bin waste. The waste is largely supplier packaging and rebates from the recycling project amount to more than £100,000.
- Nestlé has always sought to invest in the communities in which they operate and last year donated a £1.65m contribution to the River Dove Flood Defence Scheme. The scheme will protect the 2,000 homes in Hatton, Egginton and Scropton that are at serious risk of flooding from the Lower River Dove. As well as financial support Nestlé has also committed specialist consultancy advice and space on Nestlé owned land for contractors to use during the projects development.