

Nestlé Australia Ltd.

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21 May 2009

Ms Hodge
The Parents Jury Manager
The Parents Jury
570 Elizabeth Street
Melbourne VIC 3000

Dear Ms Hodge

Thank you for the opportunity to respond to your comments regarding our marketing of Milo Cereal as well as your views on front of pack labelling. Our CEO, who is overseas, forwarded your letter to me to respond on his behalf.

Firstly, please be assured that Nestlé takes a great deal of care to ensure all marketing claims are both truthful and legal. After all, it would hardly be in our interests to attempt to deceive or mislead our millions of loyal consumers who trust Nestlé to provide them with high quality products and balanced nutrition. Furthermore, we are extremely conscious of the provisions of the Trade Practices Act which are in place to ensure companies do not mislead consumers with their marketing claims. As you are well aware the penalties for not complying with the law are significant.

In our experience, gradual reductions in nutrients such as sugar and sodium that don't impact on taste and help to take the consumer with us on the nutritional journey, are the most successful. A sugar reduction of 5% and a stepwise wholegrain and fibre increase may not appear momentous if you compare one pack change to the other, however over time, these incremental changes can amount to substantial product renovation.

With regard to improving the nutritional information on packaging, Nestlé Australia introduced front of pack labelling at the beginning of 2008 and we plan to have all packs carrying front of pack nutritional information by the end of this year. We support nutritional information being presented in the %DI format as we believe it provides consumers with a better understanding of the food they consume and the role the food plays in a balanced diet. This is supported by a 2008 NEWSPOLL national survey of consumers which showed 66% of those surveyed believe the %DI system is easy to understand, and close to that number of consumers believed %DI provided the type of nutritional information needed to help decide whether to buy a product.

Yours sincerely

Peter J Kelly
Director
Corporate & External Relations