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Kraft, Nestlé, Procter & Gamble and METRO Group Make Business History in Russia With Global Data Synchronization

Reaching a milestone in adoption of GS1 Standards for the data synchronization industry while reducing supply-chain costs and increasing efficiency

CHICAGO -- Dec. 18, 2008 – Leading global manufacturers Kraft Foods (KFT), Nestlé (NESN) and The Procter & Gamble Company (PG), along with German-based retailer METRO Group (MEOG.DE), announced today they have extended the use of the Global Data Synchronization Network[®] (GDSN[®]) to synchronize item data in Russia.

The supply-chain partners are leveraging the GDSN connections of two world-leading GDSN data-pool providers. Kraft, Nestlé and P&G are members of 1SYNC, the world's largest data pool; METRO Group uses SA2 Worldsync as its global home data pool, which is also the GS1-approved country data pool for the entire Russian user community.

Kraft, Nestlé and P&G intend to synchronize their product catalogues in multiple countries with METRO Group representation, and expect to realize supply-chain benefits such as reduced paperwork and strengthened service levels thanks to faster setup of new items and more-accurate product data.

Enabling active GDSN connections in Russia is a milestone for the data-synchronization industry given Russia's dynamic market conditions. As one of the fastest-growing European markets, Russia offers a significant potential for suppliers and retailers to grow across all sectors. This GDSN connection provides a faster and more cost-effective flow of information and goods in a country where electronic master data exchange is still in the initial stage.

“By synchronizing product data with METRO Group in Russia, we are able to get real-time inventory updates from Metro's stores in the region,” said Janna Kouchina, Director Sales, Kraft Foods Russia. “This gives us the ability to get our products to the store shelf faster. We hope that more retailers will adopt this process, giving us the ability to experience similar benefits across our supply chain globally.”

“Leveraging our GDSN experience in European and non European countries, we are very pleased to demonstrate once again our capability to synchronize data with a major player such as Metro Group in Russia,” says Jonathan Pearce Head of Supply Chain for Nestlé Russian Region. “The operational benefits are obvious: an efficient and sustainable supply chain that contributes to maximizing product availability to our consumers and shoppers. Moreover, GDSN is a very good way to build up and strengthen a long term relationship with our customers.

“Availability of accurate product master data in our own and our customers’ systems is key to flawless operation of today’s supply chain,” says Wolfgang Menzel, IDS Manager Global Customer Development, Procter & Gamble. “Building on the 1SYNC / SA2 interoperability established in Germany, we are now scaling GDSN capability and benefits. Russia, a key growth market, is an excellent choice. Based on global standards, we are transforming our collaborative processes and eliminating waste from the end-to-end value chain.”

Urs Ulrich Katzenstein, Head of Master Data Exchange, METRO Group, said, “We are very satisfied with the outcome from accurate global data synchronization and are working toward synchronizing item data with all our suppliers globally. With the GDSN connection in Russia, other trading partners will benefit as well. Together with our partners from retail and industry we see ourselves as pioneers, establishing more efficient trade relations worldwide.”

In addition to Russia, METRO Group is currently synchronizing GDSN data via SA2 Worldsync in Germany, Poland and the U.K. The retailing company is working toward rolling out its efforts to other countries, such as Denmark and Hungary. The GDSN not only leverages the achievement of global standards as recommended by GS1, but also ensures ongoing business and improved efficiencies for a growing geographical span of trading partners. The adoption rate of the GDSN is steadily increasing and currently contains more than 3.1 million registered items with Global Trade Item Numbers (GTINs).

1SYNC chief executive officer Bob Noe said, “There is now a clear acceleration in the implementation of data synchronization throughout the world, and we will continue to collaborate with organizations such as GS1 and ECR Europe (Efficient Consumer Response) to ensure that the GDSN continues to be a solution that addresses the needs of all trading partners globally, irrespective of their size.”

Commenting on this announcement, Nihat Arkan, chief executive officer, SA2 Worldsync said, “We are delighted to further support METRO Group’s data synchronization efforts in every single country with Metro representation. This rollout is a clear demonstration of the value that can be gained by global data synchronization.”

About Kraft

Kraft Foods is the world's largest food company with annual revenues of approximately \$40 billion and sales in more than 150 countries. Kraft products include snacks, chocolate confectionery, beverages, enhancers, desserts, convenient meals, natural, process and cream cheeses. Many Kraft brands are recognized worldwide such as Kraft, Oscar Mayer, Philadelphia, Maxwell House, Nabisco, Oreo, Milka and, Tolberone. The company was founded in 2000 and is based in Northfield, Illinois. Kraft Foods Inc. (NYSE:KFT) operates independently of Altria Group Inc. as of March 30, 2007. For more information visit www.kraft.com

About Nestlé

Nestlé with headquarters in Vevey, Switzerland was founded in 1866 by Henri Nestlé and is today the world's leading nutrition, health and wellness company. Sales for 2007 were CHF 107.6 bn, with a net profit of CHF 10.6 bn. We employ around 276 050 people and have factories or operations in almost every country in the world. Most people know us through our brands. Our portfolio covers practically all food and beverage categories. www.nestle.com

About the METRO Group

METRO Group is one of the largest and most international retailing companies. In 2007, the Group reached sales of around € 64 billion. The company has a headcount of some 290,000 employees and operates over 2,100 stores in 32 countries. The METRO Group's performance is based on the strength of its sales divisions which operate independently in their respective market segment: Metro/Makro Cash & Carry – the international leader in self-service wholesale, Real hypermarkets, Media Markt and Saturn – European market leader in consumer electronics retailing, and Galeria Kaufhof department stores. For more information visit www.metrogroup.de

About 1SYNC

1SYNC™, the largest certified data pool in the Global Data Synchronization Network® (GDSN®), is dedicated to the implementation of standards-based, global supply-chain solutions. The 1SYNC community currently consists of 50 leading retailers and more than 5,000 suppliers worldwide. These implementations comprise data for more than 5 million items synchronized in the GDSN. 1SYNC offers a robust, easy-to-use solution that can reduce costly data errors and increase supply-chain efficiencies for companies of all sizes. For more information, visit www.1SYNC.org

About SA2 Worldsynchron

SA2 Worldsynchron, headquartered in Cologne, Germany, represents the interests of more than 50 of the world's leading retailers to ensure systems operate with accurate, up-to-date item information from suppliers. The company helps more than 2,600 suppliers in 20 countries align and synchronize master data (such as product, case and pallet information) with retailers through the Global Data Synchronization Network (GDSN). SA2 Worldsynchron, a joint venture of shareholders Pironet NDH AG, Agentrics LLC and GS1 Germany, was formed by the combination of SINFOS GmbH and the Agentrics data synchronization business unit in 2008. For more information visit www.sa2.com