



THE MARKET

In an increasingly sophisticated youth market, MILO, Australia's number one Energy Food Drink, has become an instantly recognisable icon for generations of Australians.

With a strong sporting tradition and focus on youth activity, MILO continues to gain high exposure across a broad range of age groups, with a predominance in the 8-14 year old youth market.

ACHIEVEMENTS

Since its introduction 70 years ago, MILO has become a part of everyday life in Australia. With slogans that are as recognisable as the now famous 'green can', MILO is now a part of Australian culture. The brand slogans 'It's marvellous what a difference MILO makes', 'You've gotta be made of MILO' and now 'Go and Go and Go with MILO' are as familiar to most Australians as the expression 'G'Day Mate'.

MILO is now sold in over 30 countries world wide. In 2003 Australians drank over 400 million glasses of MILO.

HISTORY

Since its launch at the Sydney Royal Easter Show in 1934, MILO Energy Food Drink has established itself to become a staple at the table of generations of Australians.

MILO Energy Food Drink was created by a Nestlé technology team, headed by the late Thomas Mayne of Sydney, New South Wales. It took the team almost four years of development and fine-



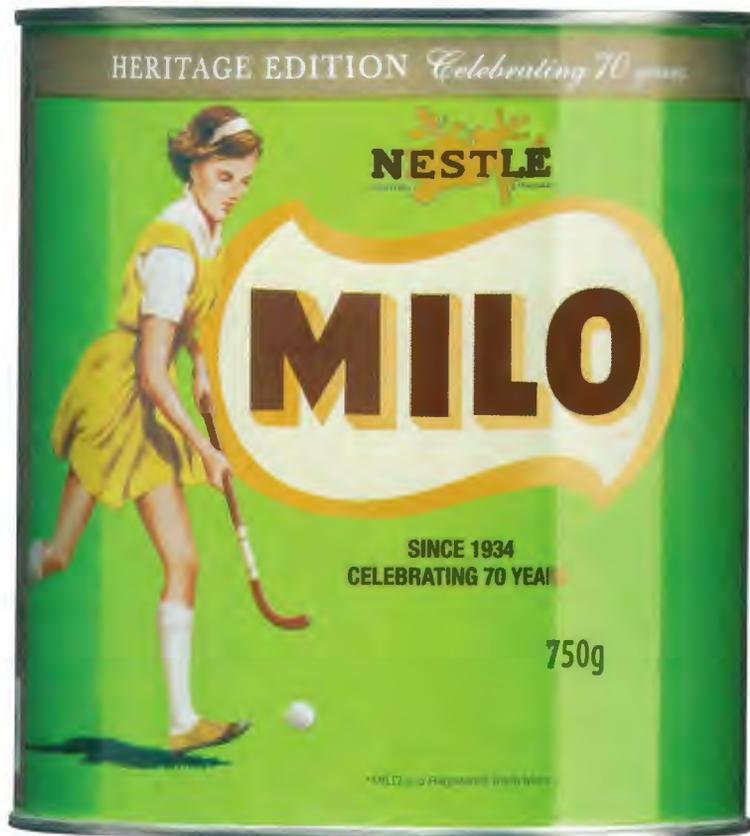
tuning before coming up with the unique taste of MILO.

Since its creation, MILO has been manufactured at the Nestlé plant at Smithtown near Kempsey in New South Wales.

The name MILO is derived from the name of one of the great athletes of ancient Roman mythology. Milon, a champion athlete from Croton, an Archaean Greek colony in southern Italy, was famous for his feats of strength at the Pythian Games and the Olympics. A legend in his time, Milon's name was adopted (and slightly modified) because the MILO brand was to be positioned as a beverage that provided energy and helped build a strong and healthy body.

The MILO brand now enjoys the enviable market position of being a true, unquestionable Australian icon. This is obviously a position that bodes well for future growth.

MILO Energy Food Drink is a product that many Australians have grown up with, a product everyone can feel good about. MILO conjures up happy memories of childhood and reminds even



grown-ups of the good times in the kitchen with the family. Familiarity with the product, combined with the sporting heritage associated with MILO and continuing quality marketing initiatives, have ensured continued success for the product and consistent growth in the marketplace.



THE PRODUCT

For most Australians, and now global consumers, MILO, the Nutritious Energy Food Drink needs little introduction. Essentially a malt extract beverage, it has always been aligned with nutrition, energy and well-being. Considered by many to be an important component of a balanced diet, MILO contains six essential vitamins and minerals.

The taste of MILO is the result of a combination of malt extract (made from malted barley and other cereals), full cream milk powder, cocoa, sugar, mineral salts and vitamins.

A glass of MILO and milk as part of a balanced diet contains essential nutritional components.

A glass of MILO and milk has the additional advantage of having a low Glycaemic Index.

RECENT DEVELOPMENTS

2004 will mark 70 years since MILO was first launched by Nestlé at the Royal Easter Show in Sydney in 1934. A program of activities has been developed to celebrate this special Australian birthday, including TV advertising and in-store events.

The MILO family has grown over the 70 years with MILO products expanding into other categories including MILO breakfast cereal, a MILO confectionery chocolate bar, chilled dairy snack, ice cream and a ready-to-drink product.

MILO is associated with a wide range of sporting endeavours, with particular emphasis on the promotion of grassroots youth sports activities. This has made it an instantly recognisable name in sports promotion and produced high exposure for the MILO brand.

MILO is involved in many programs aimed at encouraging young people to adopt a more active lifestyle. These include MILO Cricket, with sponsorship of Cricket Australia's national junior development programs; MILO Tennis, working with Tennis Australia to promote the game to the youth of Australia; and MILO Junior Snow programs. This includes sponsorship of junior snow programs in both the New South Wales and Victorian ski resorts.



These include calcium, an essential element for growing healthy teeth and bones; Vitamin A, which makes for healthy skin and eyes; Vitamin B1, for energy and the functioning of the nervous system; Vitamin B2, also for healthy skin and energy; and Vitamin C, to improve iron absorption. As well as these vital, health-promoting constituents, MILO also contains iron, which is important in oxygen transport to help prevent fatigue; essential minerals, which are vital to ensure that children grow up strong and healthy; and malt extract with its energy producing carbohydrates.

The association with sport provides admirable role models for Australia's youth. Nestlé believes that, for a healthy lifestyle, every child should be encouraged to 'have a go' through active participation in their chosen sport. This message can often be conveyed best through sporting heroes such as those with whom the MILO brand is aligned.

PROMOTION

The MILO brand enjoys high visibility via its strong allegiance to sport. This support has been a natural adjunct to the core health and energy message.

BRAND VALUES

Since its introduction, MILO with milk has been established as a nutritious energy food drink that encourages a healthy lifestyle as it provides energy. As a result, the advertising campaigns that have been created to promote the MILO brand have always focused on health, energy and related themes.

The MILO brand has always been associated with the family. This combination of health, sport and family unity has been one of the factors that has made the brand so popular with both adults and children.

Photos courtesy of Cricket Australia, Tennis Australia, Kosciusko Thredbo and Mt. Selwyn Snowfields.



THINGS YOU DIDN'T KNOW ABOUT MILO

- MILO energy food drink was created by a Nestlé technology team, headed by the late Thomas Mayne of Sydney, New South Wales.
- The MILO name was based on that of a famous Ancient Greek athlete.
- MILO is not only associated with top-level sports people but also with youngsters. The brand is associated with MILO Cricket, MILO Tennis and the MILO Junior Snow programs.
- In Australia alone, children and adults drank over 400 million glasses of MILO last year.