THE *NESPRESSO* HISTORY: FROM A SIMPLE IDEA TO A UNIQUE BRAND EXPERIENCE

© Nestlé Nespresso SA, Corporate Communications, May 2016

For more information on *Nespresso*, please visit:
www.nestle-nespresso.com

The *Nespresso* history is marked by a track record of continuous innovation

NESPRESSO HISTORY

The *Nespresso* story began with a simple but revolutionary idea: enable anyone to create the perfect cup of coffee – just like a skilled barista. From its beginning 30 years ago, the *Nespresso* brand concept has redefined and revolutionised the way millions of people enjoy their coffee today and has shaped the global coffee culture.

Nespresso has evolved from the pioneer and trendsetter into the reference in the portioned coffee segment through a singular focus on delivering the ultimate coffee experience to consumers cup after cup. Although coffee is at the heart of all we do, consumer pleasure is why we do it. This focus is the cornerstone upon which the company was created and the foundation that has fostered the incredible growth that our brand has enjoyed over the last 30 years.

The *Nespresso* history is marked by our passion for perfection and track record of continuous innovation to consistently deliver the highest quality coffee tasting experience to consumers worldwide. From the range of our Grand Cru coffees to the unique *Nespresso* system, and from the brand to our commitment to service and our sustainability approach, we have been constantly enhancing and reinventing how consumers experience their coffee through every facet of our business.

FIVE PHASES OF GROWTH AND INNOVATION

1986 - 1994
PIONEERING YEARS: TRIAL AND ERROR

Founded as a company wholly owned by Nestlé SA, *Nespresso* introduced its first machines and launched the first four Grand Cru varieties. The *Nespresso* system and business model were constantly refined, with a focus on continually enhancing the consumers' coffee experience. As the company started to gain scale in key European markets, the growth of a brand community surrounding *Nespresso* began to take shape.

1995-1999
START-UP PHASE: LAYING THE FOUNDATION

Innovation and investment power growth and bring *Nespresso* to financial break-even. Each year, *Nespresso* introduces new innovative machines both in the B2B and B2C sectors. The range of Grand Cru coffees continues to expand as does the growing community of *Nespresso* Club Members. *Nespresso* pushes its services to new heights, launching its first-ever e-commerce website, enabling 24/7 direct on-line ordering.

2000 - 2005
CREATING A GLOBAL BRAND

As *Nespresso* expands geographically, the company's growth accelerates. *Nespresso* coffee machines are continually reinvented with innovative design and features to offer consumers ever more convenience. A broader range of Grand Cru – including the first Limited Edition coffee in 2001 – is introduced to surprise consumers with new coffee tasting experiences. The launch of the *Nespresso* boutique concept in 2000 brings to life the *Nespresso* brand experience for consumers. It is set to spread globally in the years to come. The company launches its unique sustainable quality coffee sourcing program.

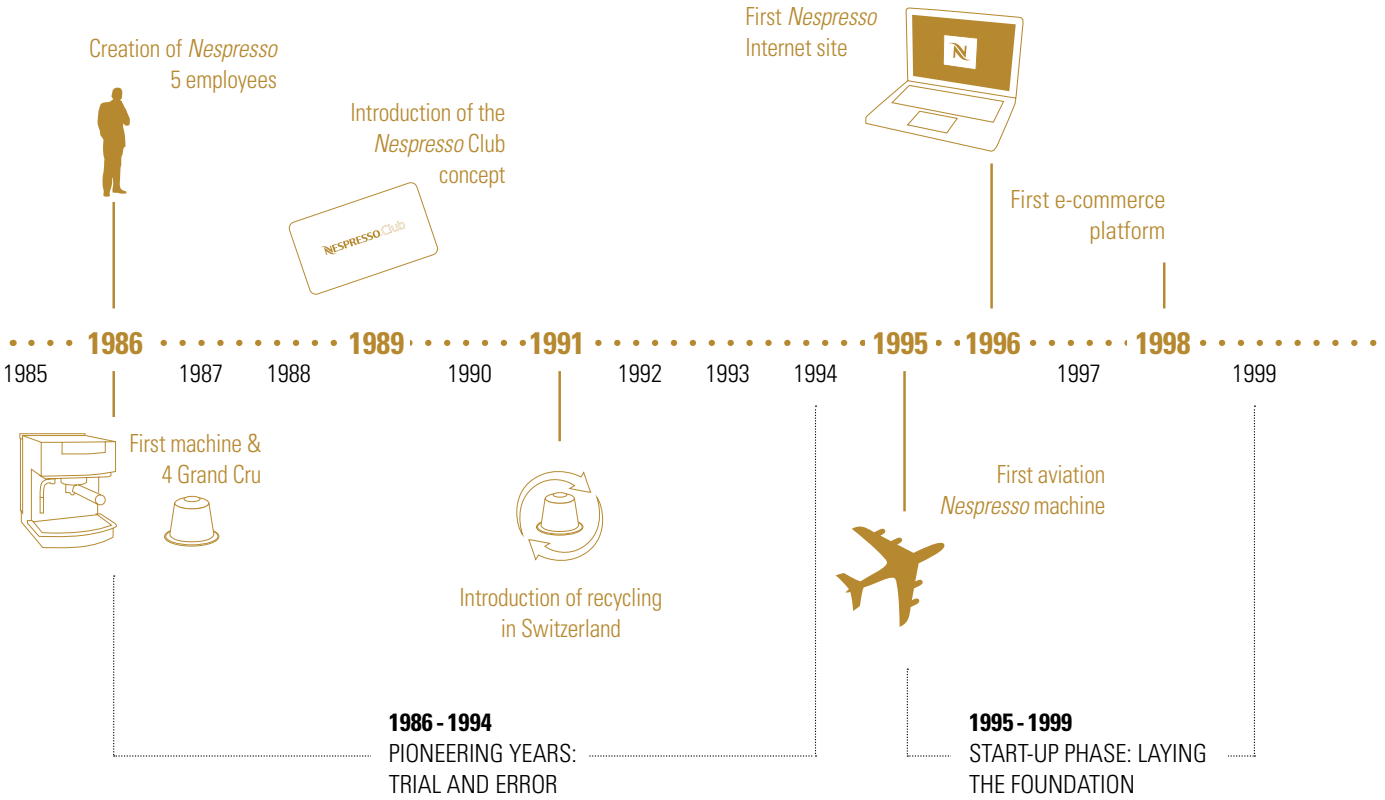
2006 - 2012
SHAPING THE GLOBAL COFFEE CULTURE

The *Nespresso* success is driven by a continued focus on creating highest quality coffee, long-lasting consumer relationships, and sustainable business success. New machines continue to push the boundaries of innovation, style and design. *Nespresso* expands its coffee expertise by creating unique new blends to continue to delight its consumers. Sponsorship of prestigious events, the first brand ambassador and an expanding network of boutiques all contribute to setting *Nespresso* as a well-recognised brand globally. With the launch of Ecolaboration™ and the commitments made to reduce the overall environmental impact of its operations, the company firmly anchors its sustainability leadership in the coffee industry.

2013 - TODAY
SOLIDIFYING GLOBAL COFFEE LEADERSHIP

Nespresso consolidates its position as reference in the dynamic portioned coffee segment. Coffee, machine and service innovations continuously reinvent consumers' experience and offer them extraordinary coffee moments. *Nespresso* reinforces its milk expertise. The brand accelerates its expansion in North America with the introduction of *Vertuoline*, a revolutionary machine catering to local preferences for large cup coffees. *Nespresso* reinforces its ties with leading chefs and sommeliers around the world and positions itself as a partner of choice for high gastronomy. The company sets its ambition to become the highest quality and most sustainable portioned coffee brand through its *Positive Cup* sustainability strategy.

K-FEE SYSTEM GMBH, EX2007, page 1
NESPRESSO USA, INC. v. K-FEE SYSTEM GMBH
IPR2024-00239, U.S. PATENT 11,542,094



GENESIS

During the 1970s, a Nestlé R&D team started development on a project to redefine the art of espresso making. The idea was simple yet revolutionary: to enable anyone, in their homes and work places, to make the perfect espresso coffee, just as those served in the best Italian coffee bars.

1986
- *Nespresso* SA is founded with a staff of five employees. The product is launched in the first test markets of Switzerland, Italy and Japan, with an initial focus on the business to business sector.
- *Nespresso* distinctive logo is introduced.
- The first four Grand Cru varieties, *Capriccio*, *Cosi*, *Decaffeinato* and *Bolero* (later known as *Veneto* and now *Volluto*) are launched.
- The first *Nespresso* machines are introduced with a handheld capsule holder that mimics the traditional barista movement.

1989
- The *Nespresso* Club concept is introduced to provide a range of customer services.

1991
- The first *Nespresso* capsule recycling program is introduced in Switzerland.
- The *Nespresso* system is launched in the household sectors in France and the United States.

1995
- *Nespresso* reaches the break-even point and begins to turn a profit.
- Manufactured by Aerolux, the first aviation *Nespresso* machine is installed on Swissair, setting the stage for 1st Class brand exposure.

1996
- The first *Nespresso* Internet site offers a platform to promote *Nespresso* coffee expertise and products.

1998
- The company changes its name to Nestlé Nespresso SA.
- An enhanced version of the *Nespresso* Internet site launched in 1996 provides Club Members 24/7 direct online ordering of *Nespresso* products.

1999
- A new *Nespresso* B2B commercial system is launched to provide convenient solutions to small and medium sized business as well as the premium hotel and restaurant sector.

2000
- The first *Nespresso* boutique is opened as a concept store on the Rue du Scribe in Paris.

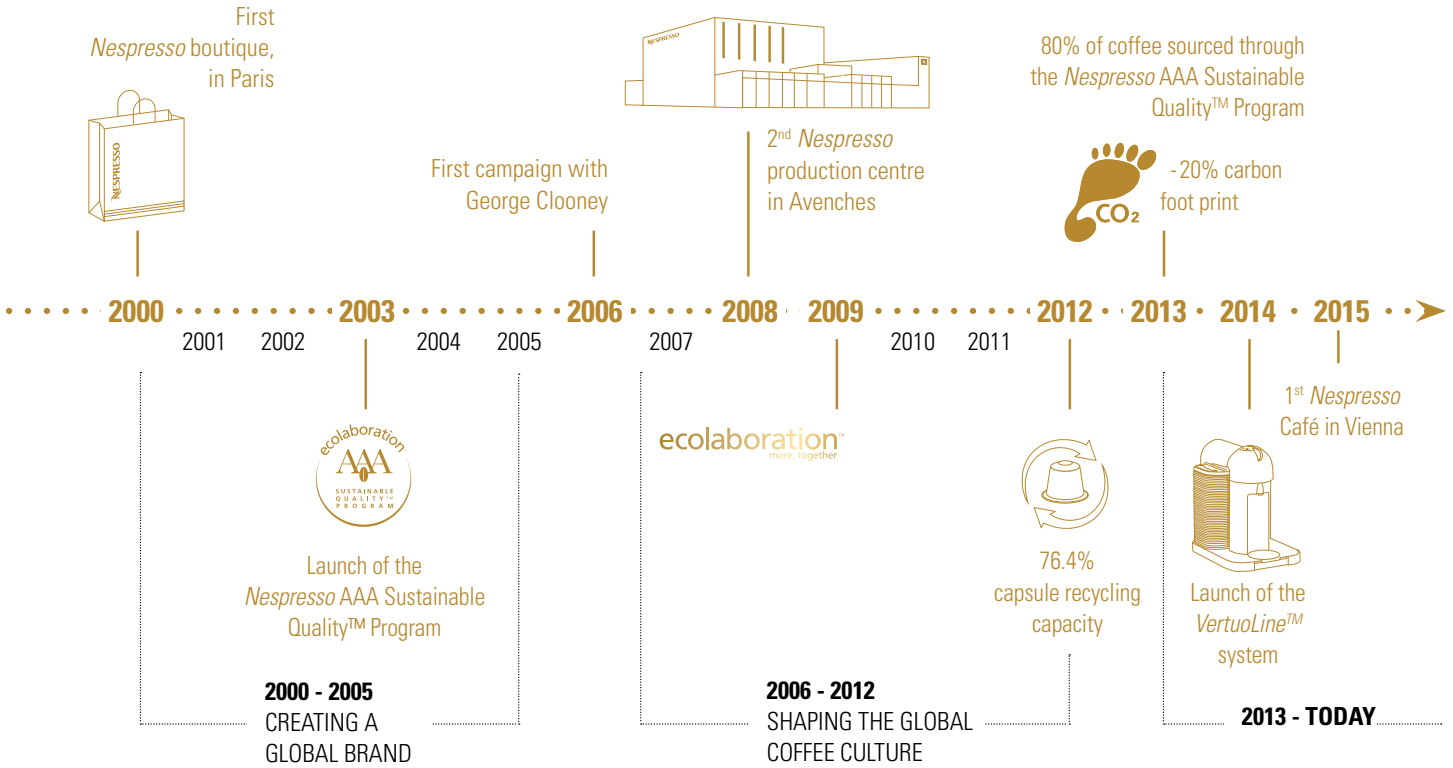
2001
- *Nespresso* launches the Concept machine that, for the first time, eliminates the need for the manual capsule holder. This open-jaw innovation introduces a simplified gesture and a cleaner use.
- Blue Batak from Sumatra becomes the first of a new Limited Edition selection of specialty coffees to be offered in the spring.

2002
- The first dedicated *Nespresso* Production Centre commences operation in Orbe, Switzerland.

2003
- *Nespresso* launches its unique AAA Sustainable Quality™ Program, in collaboration with the Rainforest Alliance, to ensure the sustainable production of highest quality coffee and improve farmers' welfare.
- *Nespresso* becomes a co-sponsor of Team Alinghi, Defender of the 32nd America's Cup.

2004
- The Lungo range is introduced, along with milk and iced coffee recipes, bringing the total number of *Nespresso* Grand Cru to 12.
- The Essenza machine is launched, introducing the innovative top loading drop-in capsule concept that has influenced all subsequent *Nespresso* coffee machine designs.

K-FEE SYSTEM GMBH, EX2007, page 2
NESPRESSO USA, INC. v. K-FEE SYSTEM GMBH
IPR2024-00239, U.S. PATENT 11,542,094



2006
- The first campaign with George Clooney, chosen by Club Members as *Nespresso* Brand Ambassador, is released.

2007
- The first *Nespresso* flagship boutique opens on the Champs-Elysées in Paris.
- The Latissima machine is introduced, with technology that allows the preparation of fresh milk, specialty coffee recipes at the touch of a button.

2008
- A new Production and Distribution Centre starts operations in Avenches, Switzerland.

2009
- *Nespresso* launches its Ecolaboration™ program, consolidating all sustainability efforts across the value chain, and sets three commitments to achieve by the end of 2013 in regards to coffee sourcing, disposal of capsules for recycling, and the reduction of carbon footprint emissions.

2010
- The 200th *Nespresso* boutique is opened in Shanghai, while openings in Brussels, Miami, New York and Sydney among others bring the number of boutiques worldwide to 215 at year end. Opened in October, the Münich boutique showcases a new retail concept to personalise consumers' shopping experience.

2011
- *Nespresso* launches the PIXIE machine, its smartest smallest and most energy-efficient coffee machine ever.

2012
- The opening of a first boutique bar in San Francisco marks *Nespresso* expansion to the US West Coast.
- *Nespresso* achieves its 75% capsule recycling capacity objective one year ahead of plan, even surpassing it to reach 76.4%.

2013
- *Nespresso* achieves its commitments to source 80% of coffee through its AAA Sustainable Quality™ Program and to reduce the carbon footprint of a cup of *Nespresso* by 20%.
- *Nespresso* launches the *Nespresso* Cube, an innovative automated retail concept, introducing a new way of shopping and pushing the limits of personalised services.

2014
- *Nespresso* launches its 2020 sustainability vision, called *The Positive Cup*, with ambitious targets in the areas of coffee sourcing & social welfare, aluminium sourcing, use and disposal and resilience to climate change.
- *Nespresso* sets to revolutionize the North American coffee market with the launch of *VertuoLine*™, an innovative system based on centrifusion technology catering to large-cup coffee preferences.

2015
- *Nespresso* introduces 3 new decaffeinated Grands Crus matching aromatic profile with three of the most popular Grands Crus – Vivalto Lungo Decaffeinato, Volluto Decaffeinato and Arpeggio Decaffeinato, bringing its range to 23 Grands Crus. The professional range is extended with 2 new Pure Origins Grands Crus, reaching 11 Grands Crus. The VertuoLine range is enriched with Caramelizio and Intenso, 2 new large-cup coffees, reaching a total of 14 Grands Crus.
- The boutique network exceeds 450 with openings in Milan, Auckland, Bucharest and Dakar among others.
- *Nespresso* introduces an innovative premium coffee shop experience in Vienna with the first-ever *Nespresso* Café.
- *Nespresso* inaugurates its third production centre in Romont, Switzerland.
- George Clooney becomes *Nespresso* global brand ambassador by extending his relationship with the brand in North America.
- *Nespresso* launches SULUJA ti SOUTH SUDAN Première Edition, a Limited Edition based on the first coffee exported from South Sudan since the civil war.

HISTORY OF *NESPRESSO* GRAND CRU COFFEES - CLASSIC LINE

1986	Capriccio
	Cosi
	Decaffeinato
	Bolero (now *Volluto*)
1991	Roma
1993	Toscana (now *Arpeggio*)
1995	Livanto
1997	Ristretto
2000	Decaffeinato Intenso
2004	Vivalto Lungo
	Finezzo Lungo
	Decaffeinato Lungo
2009	Dulsão do Brasil
	Rosabaya de Colombia
	Indriya from India
	Fortissio Lungo
2013	Linizio Lungo
	Ciocattino Variations
	Vanilio Variations
	Caramelito Variations
	Kazaar
	Dharkan
2014	Bukeela ka Ethiopia
2015	Arpeggio Decaffeinato
	Vivalto Lungo Decaffeinato
	Volluto Decaffeinato

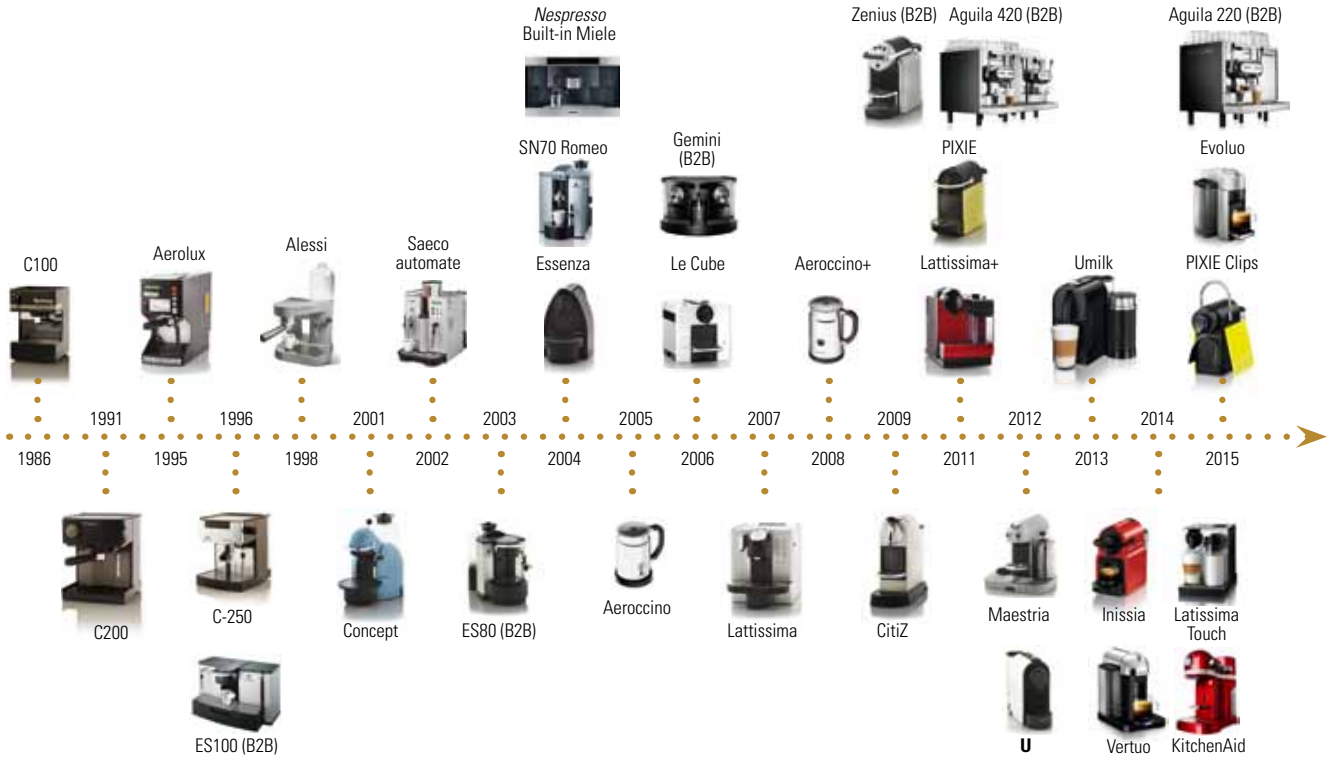
HISTORY OF *NESPRESSO* PROFESSIONAL GRAND CRU COFFEES

1996	Caffepresso n°1 (now Ristretto)
	Caffepresso n°2 (now Lungo Forte)
	Caffepresso n°4 (now Espresso Forte)
	Caffepresso n°6 (now Espresso Leggero)
	Decaffeinato (now Espresso Decaffeinato)
2003	Caffè Leggero (now Lungo Leggero)
2008	Lungo Decaffeinato
2009	Ristretto Origin India
2014	Ristretto Intenso
2015	Espresso Origin Brazil
	Lungo Origin Guatemala

HISTORY OF *NESPRESSO* GRAND CRU COFFEES - VERTUOLINE

2014	Stormio
	Odacio
	Melozio
	Elvazio
	Hazelino
	Vanizio
	Decaffeinato
	Half caffeinato
	Diavolitto
	Altissio
	Voltesso
	Decaffeinato intenso
2015	Caramelizio
	Intenso

HISTORY OF *NESPRESSO* MACHINES



HISTORY OF *NESPRESSO*
LIMITED EDITIONS GRAND CRU COFFEES

1994	First Special Club
1995	Special Club with Kenya and Costa Rica coffees
1996	Special Club with Costa Rica coffee
1997	Special Club with Sidamo coffee
1998	Special Club with Kenya, Yemen and Guatemala coffees
1999	Special Club with Yirgacheffe and Montana Verde coffees
2000	Special Club with Kilimandjaro and Sulawessi Kalossie coffees
2001	Blue Batak from Sumatra Limited Edition,
	Special Club with Genuine-Antiqua coffee
2002	Sidamo and Mysore Limited Editions
2003	Korgua and Tarrazu Limited Editions
2004	Yunnan and Ixhuatlán Limited Editions*
2005	Sandona and Senang Limited Editions*
2006	Bourbon Amarelo and Ensibuko Limited Editions*
	First Variations (Vanilla, Apple Cinnamon, Aniseed)
2007	Oà Limited Edition and Kilimandjaro & Tanzania Special Club *
	Almond, Chocolate Orange and Cardamom Variations
	Oà Limited Edition and Kilimandjaro & Tanzania Special Club
2008	Goroka and Jinogalpa Limited Editions*
	Caramel, Crystallized Ginger, Mandarin Variations
2009	Singatoba Limited Edition*
	Gingerbread, Chestnut Cream, Apricot Variations
2010	Tanzaru and Kazaar Limited Editions
	Vanilla, Almond, Caramel Variations
2011	Onirio and Dhjana Limited Editions
	Dark Chocolate, Vanilla Blossom, Cherry Variations
2012	Kazaar and Naora
	Crealto Limited Editions *
	Hawaii Kona Special Reserve *
	Hazelnut, Macadamia Nut, Coconut Variations
2013	Trieste and Napoli Limited Editions
	Cioccorosso, Masala Chai and Liminto Variations
2014	Cubanía and Colombian Terroirs Limited Editions
	Maragogype Special Reserve
	Hazelnut Dessert, Chocolate Mint, Apple Crumble Variations
2015	Monsoon Malabar and Perú Secreto Limited Editions
	Tribute to Milano and Tribute to Palermo Limited Editions
	SULUJA ti SOUTH SUDAN Première Edition
	Vanilla Amaretti, Ciocco Ginger and Vanilla Cardamom Variations
	Swiss Chocolate Limited Edition (VertuoLine)

** (for professional range too)*