

Nestlé expands health business with \$1bn purchase of diagnostics company



Nestlé, the maker of Smarties (above) and KitKats, is trying to expand its health-care business which will make foods to be used as medical treatments. Photo: PA

Nestlé has bought a Californian company that helps diagnose bowel problems, as the KitKat maker steps up its efforts to develop foods that can be used in the treatment of disease.

By Richard Blackden, US Business Editor
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The Swiss giant is thought to have paid about \$1bn (£617m) for San Diego-based Prometheus Laboratories, which makes equipment used to diagnose bowel complaints such as Crohn's disease, as well as treatments for them.

Financial terms of the deal were not disclosed.

The acquisition is the second so far this year for Nestlé's newly-established Health Sciences division, run by Luis Cantarell.

Earlier this year, Nestlé bought CM&D Pharma, a UK company that has developed a chewing gum that helps patients with kidney diseases.

Last August, the Swiss food maker bought Vitaflo, a Liverpool-based firm making nutritional supplements for people with digestive disorders.

Nestlé is betting the division can go beyond producing healthier foods – an established aim of all big food producers.

"The largest drug you have in your repertoire is the food you eat," said Mr Cantarell, who has been tasked with making Nestlé a market leader within a decade.

"It's a long-term objective," said James Amoroso, a food industry consultant based in Walchwil, Switzerland. "I'd say five years is the earliest you'll see some really significant product launches."