

**Final Terms
Dated 14 March 2014**

NESTLÉ HOLDINGS, INC.

**Issue of AUD 250,000,000 4.25 per cent. Notes due 18 March 2020
Guaranteed by Nestlé S.A.
under the Debt Issuance Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 23 May 2013 as supplemented by the Supplementary Prospectuses dated 23 August 2013 and 17 February 2014, which together constitute a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus as so supplemented, including documents incorporated by reference. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. A summary of the Notes (which comprises the summary in the Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Prospectus and the Supplementary Prospectuses are available for viewing on the Nestlé Group’s investor relations website, which can be found at www.nestle.com/investors and are available on the website of the London Stock Exchange plc at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

The expression “Prospectus Directive” means Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area.

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|----|-----|---|--|
| 1. | (a) | Issuer: | Nestlé Holdings, Inc. |
| | (b) | Guarantor: | Nestlé S.A. |
| 2. | (a) | Series Number: | 77 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the
Notes will be
consolidated and form a
single Series: | Not Applicable |
| 3. | | Specified Currency: | Australian Dollars (“AUD”) |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | AUD 250,000,000 |
| | (b) | Tranche: | AUD 250,000,000 |
| 5. | | Issue Price: | 99.335 per cent. of the Aggregate Nominal Amount |
| 6. | (a) | Specified
Denominations: | AUD 2,000 |
| | (b) | Calculation Amount: | AUD 2,000 |
| 7. | (a) | Issue Date: | 18 March 2014 |
| | (b) | Interest
Commencement Date: | Issue Date |

- | | | |
|-----|--|--|
| 8. | Maturity Date: | 18 March 2020 |
| 9. | Interest Basis: | 4.25 per cent. Fixed Rate |
| 10. | Redemption/Payment Basis:: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11. | Change of Interest Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| 13. | (a) Status of the Notes: | Senior |
| | (b) Status of the Guarantee: | Senior |
| 14. | Date of Board approval for issuance of Notes and Guarantee obtained: | 20 May 2013 and 12 February 2014, respectively |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-------------------------------|---|
| 15. | Fixed Rate Note Provisions | Applicable |
| | (a) Rate(s) of Interest: | 4.25 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 18 March in each year from, and including, 18 March 2015 up to, and including, the Maturity Date, adjusted in accordance with the Following Business Day Convention, with the Additional Business Centres for the definition of "Business Day" being Luxembourg, Melbourne, New York, London and Zurich, in addition to Sydney, with no adjustment for period end dates |
| | (c) Fixed Coupon Amount(s): | AUD 85 per Calculation Amount (applicable to the Notes in definitive form) and AUD 10,625,000 per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on each Interest Payment Date |
| | (d) Broken Amount(s): | Not Applicable |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) Determination Date(s): | 18 March in each year |
| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|--|----------------------------------|
| 18. | Issuer Call Option | Not Applicable |
| 19. | Investor Put Option | Not Applicable |
| 20. | Final Redemption Amount: | AUD 2,000 per Calculation Amount |
| 21. | Early Redemption Amount | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default/or other earlier redemption: | AUD 2,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: Registered Notes
Registered Global Note registered in the name of a nominee for a common depository for Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* exchangeable (free of charge) for security printed definitive Notes only upon an Exchange Event (as defined in the Registered Global Note)

Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005
23. New Safekeeping Structure: No
24. Additional Financial Centre(s) or other special provisions relating to Payment Days: Not Applicable
25. Talons for future Coupons to be attached to definitive Notes: No
26. Spot Rate (if different from that set out in Condition 5(g)): Not Applicable
27. Calculation Agent responsible for calculating the Spot Rate for the purposes of Condition 5(g) (if not the Agent): Not Applicable

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: DON W. GOSLINE

By: MANDEEP CHHATWAL

Don W. Gosline
Duly authorised

Mandeep Chhatwal
Duly authorised

By: LINDA J. BRODIE

By: SAMUEL TORNAY

Linda J. Brodie
Duly authorised

Samuel Tornay
Duly authorised

PART B – OTHER INFORMATION

- 1. LISTING** Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and for admission to the Official List of the UK Listing Authority with effect from the London Stock Exchange business day following the Issue Date
- 2. RATINGS** The Notes to be issued are not rated by Standard & Poor's Credit Market Services France SAS and Moody's France SAS
- 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.
- 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**
- (i) Reasons for the Offer: As set out in "Use of Proceeds" in the Prospectus dated 23 May 2013
- (ii) Estimated net proceeds: AUD 247,712,500 (following deduction of the Managers' commission and concession)
- (iii) Estimated total expenses: AUD 50,000 for legal, filing and miscellaneous expenses
- 5. YIELD (Fixed Rate Notes Only)**
Indication of yield: 4.379 per cent. per annum
- 6. HISTORIC INTEREST RATES (Floating Rate Notes Only)**
Not Applicable
- 7. OPERATIONAL INFORMATION**
- (i) ISIN: XS1045934293
- (ii) Common Code: 104593429
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- 8. DISTRIBUTION**
- (i) Names and addresses of Managers / relevant Dealer and underwriting commitments:
- RBC Europe Limited
Riverbank House
2 Swan Lane
London EC4R 3BF
Underwriting Commitment: AUD 222,000,000
- Australia and New Zealand Banking Group Limited
40 Bank Street
Canary Wharf
London E14 5EJ
Underwriting Commitment: AUD 2,000,000

Bank Vontobel AG Zürich
Gotthardstrasse 43
CH-8001 Zurich
Switzerland
Underwriting Commitment: AUD 2,000,000

CIBC World Markets plc
150 Cheapside
London EC2V 6ET
Underwriting Commitment: AUD 2,000,000

Commonwealth Bank of Australia
Senator House
85 Queen Victoria Street
London EC4V 4HA
Underwriting Commitment: AUD 2,000,000

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank International)
Croeselaan 18
3521 CB Utrecht
The Netherlands
Underwriting Commitment: AUD 2,000,000

Daiwa Capital Markets Europe Limited
5 King William Street
London EC4N 7AX
Underwriting Commitment: AUD 2,000,000

Danske Bank A/S
2-12 Holmens Kanal
DK-1092 Copenhagen K
Denmark
Underwriting Commitment: AUD 2,000,000

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
Underwriting Commitment: AUD 2,000,000

HSBC Bank plc
8 Canada Square
London E14 5HQ
Underwriting Commitment: AUD 2,000,000

KBC Bank NV
Havenlaan 12
B-1080 Brussels
Belgium
Underwriting Commitment: AUD 2,000,000

National Australia Bank Limited
ABN 12 004 044 937
88 Wood Street
London EC2V 7QQ
Underwriting Commitment: AUD 2,000,000

The Toronto-Dominion Bank
60 Threadneedle Street
London EC2R 8AP
Underwriting Commitment: AUD 2,000,000

Westpac Banking Corporation ABN 33 007 457 141
23 Camomile Street
London EC3A 7LL
Underwriting Commitment: AUD 2,000,000

Zürcher Kantonalbank
Josefstrasse 222
8005 Zurich
Switzerland
Underwriting Commitment: AUD 2,000,000
(each a “Manager” and together, the “Managers”)

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|-------|---|--|
| (ii) | Date of the Letter for a Syndicated Note Issue: | 14 March 2014 |
| (iii) | Total commission and concession: | 0.25 per cent. of the Aggregate Nominal Amount |
| (iv) | U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA - Not Applicable |
| (v) | The Netherlands Selling Restrictions (Article 5:20(5) Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>)): | Applicable |
| (vi) | Public Offer where there is no exemption from the obligation under the Prospectus Directive to publish a Prospectus: | Applicable - see paragraph 9 below |

9. TERMS AND CONDITIONS OF THE PUBLIC OFFER

An offer of the Notes may be made by each of the Managers and any placers (authorised directly or indirectly by the Issuer or any of the Managers), other than pursuant to Article 3(2) of the Prospectus Directive, in each of Austria, Belgium, Germany, Italy, Luxembourg and the Netherlands (together with the United Kingdom, the “Public Offer Jurisdictions”) during the Offer Period (as defined below).

The above consent is subject to the following conditions:

- (a) the only Offerors authorised to use the Issuer’s Base Prospectus to make the Public Offer of the Notes are the Managers; and
 - (b) any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive 2004/39/EC and which has been duly appointed, directly or indirectly, by the Issuer to make such offers, provided that such financial intermediary states on its website (I) that it has been duly appointed as a financial intermediary to offer the Notes during the Offer Period, (II) it is relying on the Issuer’s Base Prospectus for such Public Offer with the consent of the Issuer, and (III) the conditions attached to that consent (the “Placers”).
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|------|---------------|--|
| (i) | Offer Period: | From the date of, and following, publication of these Final Terms being 14 March 2014 to 18 March 2014 |
| (ii) | Offer Price: | The Issuer has offered and will sell the Notes to the Managers (and no one else) at the Issue Price of 99.335 per cent., less a total commission and concession of 0.25 per cent. of the Aggregate Nominal Amount of the Notes. Managers and Placers will offer and sell the Notes to their customers in accordance with arrangements in place between each such Manager and its customers (including Placers) or each such Placer and its customers by reference to the Issue Prices and market conditions prevailing at the time |

(iii)	Conditions to which the offer is subject:	Offers of the Notes are conditional on their issue and are subject to such conditions as are set out in the Letter for a Syndicated Note Issue dated 14 March 2014. As between Managers and their customers (including Placers) or between Placers and their customers, offers of the Notes are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them
(iv)	Description of the application process:	A prospective Noteholder will purchase the Notes in accordance with the arrangements in place between the relevant Manager and its customers or the relevant Placer and its customers, relating to the purchase of securities generally. Noteholders (other than Managers) will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Notes
(v)	Description of possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	Not Applicable
(vi)	Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest):	There are no pre-identified allotment criteria. The Managers and the Placers will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations and/or as otherwise agreed between them
(vii)	Method and time limits for paying up the Notes and delivering the Notes:	The Notes will be sold by the Issuer to the Managers on a delivery against payment basis on the Issue Date. Prospective Noteholders will be notified by the relevant Manager or Placer of their allocations of the Notes and the settlement arrangements in respect thereof
(viii)	Manner in and date on which results of the offer are to be made public:	Not Applicable
(ix)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
(x)	Whether Tranche(s) have been reserved for certain countries:	Not Applicable
(xi)	Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Prospective Noteholders will be notified by the relevant Manager or Placer in accordance with the arrangements in place between such Managers or Placers and its customers. Any dealings in the Notes which take place will be at the risk of prospective Noteholders
(xii)	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
(xiii)	Name(s) and address(es), to the extent known to the Issuer, of the Placers in the various countries where the offer takes place:	None known to the Issuer

ANNEX

SUMMARY OF THE NOTES

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for the Notes, the Issuer and the Guarantor. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities, issuer and guarantor, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings

Element	Title	
A.1	Warning	<p>This summary must be read as an introduction to the Prospectus and the applicable Final Terms. Any decision to invest in any Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference, and the applicable Final Terms. Where a claim relating to information contained in the Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus and the applicable Final Terms before the legal proceedings are initiated. Following the implementation of the relevant provisions of Directive 2003/71/EC (the “Prospectus Directive”) in each relevant Member State of the European Economic Area, no civil liability will attach to any Issuer or the Guarantor in any such Member State solely on the basis of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus and the applicable Final Terms or it does not provide, when read together with the other parts of the Prospectus and the applicable Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Consent to use of the Prospectus	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a “Public Offer”.</p> <p>The Issuer consents to the use of its Base Prospectus (that is: all information in the Prospectus, except for information in the Prospectus relating to Nestlé Finance International Ltd.) in connection with a Public Offer of Notes subject to the following conditions:</p> <p>(i) the consent is only valid during the period from 14 March 2014 until 18 March 2014 (the “Offer Period”);</p> <p>(ii) the only Offerors authorised to use the Issuer’s Base Prospectus to make the Public Offer of the Notes are (a) RBC Europe Limited, Australia and New Zealand Banking Group Limited, Bank Vontobel AG Zürich, CIBC World Markets plc, Commonwealth Bank of Australia, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), Daiwa Capital Markets Europe Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, HSBC Bank plc, KBC Bank NV, National Australia Bank Limited ABN 12 004 044 937, The Toronto-Dominion Bank, Westpac Banking Corporation ABN 33 007 457 141 and Zürcher Kantonalbank (the “Managers”); and (b) any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive 2004/39/EC and which has been duly appointed, directly or indirectly, by the Issuer to make such offers, provided that such financial intermediary states on its website (I) that it has been duly appointed as a financial intermediary to offer the Notes during the Offer Period, (II) it is relying on</p>

Element	Title	
		<p>the Issuer’s Base Prospectus for such Public Offer with the consent of the Issuer, and (III) the conditions attached to that consent (the “Placers”);</p> <p>(iii) the consent only extends to the use of the Prospectus to make Public Offers of the Notes in each Relevant Member State as specified in Paragraph 9 of Part B of the applicable Final Terms; and</p> <p>(iv) the consent is subject to the conditions set out in Paragraph 9 of Part B of the applicable Final Terms.</p> <p>Any Offeror falling within sub-paragraph (ii)(b) above who meets all of the other conditions stated above and wishes to use the Issuer’s Base Prospectus in connection with a Public Offer is required, for the duration of the Offer Period, to publish on its website (i) that it has been duly appointed as a financial intermediary to offer the Notes during the Offer Period, (ii) it is relying on the Issuer’s Base Prospectus for such Public Offer with the consent of the Issuer and (iii) the conditions attached to that consent.</p> <p>The Issuer and the Guarantor accept responsibility, in the jurisdictions to which the consent to use the Issuer’s Base Prospectus extends, for the content of its Base Prospectus in relation to any investor who acquires any Notes in a Public Offer made by any person to whom consent has been given to use the Issuer’s Base Prospectus in that connection in accordance with the preceding paragraphs, provided that such Public Offer has been made in accordance with all the conditions attached to that consent.</p> <p>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH TERMS AND ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THE PROSPECTUS AND THE APPLICABLE FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER, THE GUARANTOR OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.</p>

Section B – Issuers and Guarantor

Element	Title	
B.1	Legal and commercial name of the Issuers	Nestlé Holdings, Inc. (“NHI” or the “Issuer”)
B.2	Domicile/legal form/ legislation/ country of incorporation	NHI is a corporation with unlimited duration, incorporated and domiciled in Delaware, United States under the laws of the State of Delaware.

Element	Title																																																																																																																																																		
B.4b	Trend information	The global business environment remained challenging in 2013 and continues to be uncertain in 2014. Nestlé Group is well positioned with strong, high quality brands, which are valued by the consumer but any adverse developments in the global economy could impact consumer demand.																																																																																																																																																	
B.5	Description of the Group	NHI is a wholly owned subsidiary of Nestlé S.A. (the “Guarantor”). The Guarantor is the ultimate holding company of the Nestlé group of companies (the “Nestlé Group” or the “Group”).																																																																																																																																																	
B.9	Profit forecast or estimate	Not Applicable; there are no profit forecasts or estimates made in the Prospectus.																																																																																																																																																	
B.10	Audit report qualifications	Not Applicable; there are no qualifications contained within the audit reports relating to the historical financial information of NHI as at and for the twelve months ended 31 December 2012 and 2011 respectively.																																																																																																																																																	
B.12	Selected historical key financial information	<p>NHI:</p> <p>The financial information set out below has been extracted without material adjustment from the unaudited interim consolidated financial statements of NHI for the six-month period ended 30 June 2013 and the audited consolidated financial statements of NHI for the financial year ended 31 December 2012 prepared in accordance with International Accounting Standard (IAS 34) – Interim Financial Reporting and International Financial Reporting Standards as issued by the International Accounting Standards Board, respectively.</p> <p style="text-align: center;">Consolidated Balance Sheets As at 30 June and 31 December (U.S. dollars in thousands, except capital stock par value and shares)</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><i>30 June</i> <i>2012</i></th> <th style="text-align: right;"><i>30 June</i> <i>2013</i></th> <th style="text-align: right;"><i>31 December</i> <i>2012</i></th> <th style="text-align: right;"><i>31 December</i> <i>2011</i></th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Current assets:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">\$273,720</td> <td style="text-align: right;">\$436,874</td> <td style="text-align: right;">\$821,205</td> <td style="text-align: right;">\$191,979</td> </tr> <tr> <td>Short-term investments.....</td> <td style="text-align: right;">5,258</td> <td style="text-align: right;">4,644</td> <td style="text-align: right;">4,897</td> <td style="text-align: right;">5,512</td> </tr> <tr> <td>Trade and other receivables, net.</td> <td style="text-align: right;">2,501,897</td> <td style="text-align: right;">3,574,622</td> <td style="text-align: right;">2,675,058</td> <td style="text-align: right;">3,154,080</td> </tr> <tr> <td>Inventories, net</td> <td style="text-align: right;">1,880,132</td> <td style="text-align: right;">1,924,471</td> <td style="text-align: right;">1,559,927</td> <td style="text-align: right;">1,624,254</td> </tr> <tr> <td>Derivative assets.....</td> <td style="text-align: right;">451,574</td> <td style="text-align: right;">255,698</td> <td style="text-align: right;">414,656</td> <td style="text-align: right;">451,525</td> </tr> <tr> <td>Assets held for sale.....</td> <td style="text-align: right;">18,012</td> <td style="text-align: right;">17,163</td> <td style="text-align: right;">16,214</td> <td style="text-align: right;">20,065</td> </tr> <tr> <td>Prepayments</td> <td style="text-align: right;">136,185</td> <td style="text-align: right;">110,077</td> <td style="text-align: right;">92,153</td> <td style="text-align: right;">100,487</td> </tr> <tr> <td>Total current assets.....</td> <td style="text-align: right;"><u>5,266,778</u></td> <td style="text-align: right;"><u>6,323,549</u></td> <td style="text-align: right;"><u>5,584,110</u></td> <td style="text-align: right;"><u>5,547,902</u></td> </tr> <tr> <td>Non-current assets:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Property, plant and equipment, net.....</td> <td style="text-align: right;">4,780,701</td> <td style="text-align: right;">4,911,222</td> <td style="text-align: right;">4,984,635</td> <td style="text-align: right;">4,786,987</td> </tr> <tr> <td>Employee benefits assets.....</td> <td style="text-align: right;">42,758</td> <td style="text-align: right;">323,046</td> <td style="text-align: right;">36,528</td> <td style="text-align: right;">32,168</td> </tr> <tr> <td>Investments in associated companies.....</td> <td style="text-align: right;">15,786</td> <td style="text-align: right;">10,540</td> <td style="text-align: right;">6,645</td> <td style="text-align: right;">13,067</td> </tr> <tr> <td>Deferred tax assets.....</td> <td style="text-align: right;">1,283,879</td> <td style="text-align: right;">996,712</td> <td style="text-align: right;">1,187,814</td> <td style="text-align: right;">1,173,178</td> </tr> <tr> <td>Financial assets.....</td> <td style="text-align: right;">3,262,314</td> <td style="text-align: right;">3,406,076</td> <td style="text-align: right;">3,436,526</td> <td style="text-align: right;">3,121,886</td> </tr> <tr> <td>Goodwill.....</td> <td style="text-align: right;">18,712,591</td> <td style="text-align: right;">18,721,071</td> <td style="text-align: right;">18,712,591</td> <td style="text-align: right;">18,712,591</td> </tr> <tr> <td>Intangible assets, net.....</td> <td style="text-align: right;">928,555</td> <td style="text-align: right;">977,316</td> <td style="text-align: right;">956,089</td> <td style="text-align: right;">908,875</td> </tr> <tr> <td>Total non-current assets.....</td> <td style="text-align: right;"><u>29,026,584</u></td> <td style="text-align: right;"><u>29,345,983</u></td> <td style="text-align: right;"><u>29,320,828</u></td> <td style="text-align: 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<td style="text-align: right;">90,550</td> <td style="text-align: right;">103,198</td> <td style="text-align: right;">90,343</td> </tr> <tr> <td>Derivative liabilities</td> <td style="text-align: right;">355,979</td> <td style="text-align: right;">247,301</td> <td style="text-align: right;">285,669</td> <td style="text-align: right;">344,846</td> </tr> <tr> <td>Accruals.....</td> <td style="text-align: right;">1,020,314</td> <td style="text-align: right;">1,300,355</td> <td style="text-align: right;">1,360,127</td> <td style="text-align: right;">1,458,281</td> </tr> <tr> <td>Total current liabilities</td> <td style="text-align: right;"><u>13,837,848</u></td> <td style="text-align: right;"><u>11,630,961</u></td> <td style="text-align: right;"><u>11,770,040</u></td> <td style="text-align: right;"><u>14,799,300</u></td> </tr> </tbody> </table>		<i>30 June</i> <i>2012</i>	<i>30 June</i> <i>2013</i>	<i>31 December</i> <i>2012</i>	<i>31 December</i> <i>2011</i>	Assets					Current assets:					Cash and cash equivalents	\$273,720	\$436,874	\$821,205	\$191,979	Short-term investments.....	5,258	4,644	4,897	5,512	Trade and other receivables, net.	2,501,897	3,574,622	2,675,058	3,154,080	Inventories, net	1,880,132	1,924,471	1,559,927	1,624,254	Derivative assets.....	451,574	255,698	414,656	451,525	Assets held for sale.....	18,012	17,163	16,214	20,065	Prepayments	136,185	110,077	92,153	100,487	Total current assets.....	<u>5,266,778</u>	<u>6,323,549</u>	<u>5,584,110</u>	<u>5,547,902</u>	Non-current assets:					Property, plant and equipment, net.....	4,780,701	4,911,222	4,984,635	4,786,987	Employee benefits assets.....	42,758	323,046	36,528	32,168	Investments in associated companies.....	15,786	10,540	6,645	13,067	Deferred tax assets.....	1,283,879	996,712	1,187,814	1,173,178	Financial assets.....	3,262,314	3,406,076	3,436,526	3,121,886	Goodwill.....	18,712,591	18,721,071	18,712,591	18,712,591	Intangible assets, net.....	928,555	977,316	956,089	908,875	Total non-current assets.....	<u>29,026,584</u>	<u>29,345,983</u>	<u>29,320,828</u>	<u>28,748,752</u>	Total assets.....	<u>\$34,293,362</u>	<u>\$35,669,532</u>	<u>\$34,904,938</u>	<u>\$34,296,654</u>	Liabilities and Equity					Current liabilities:					Trade and other payables.....	\$1,244,944	\$1,367,627	\$1,274,645	\$1,126,565	Financial liabilities	11,122,138	8,625,128	8,746,401	11,779,265	Provisions	94,473	90,550	103,198	90,343	Derivative liabilities	355,979	247,301	285,669	344,846	Accruals.....	1,020,314	1,300,355	1,360,127	1,458,281	Total current liabilities	<u>13,837,848</u>	<u>11,630,961</u>	<u>11,770,040</u>	<u>14,799,300</u>
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Element	Title				
		Consolidated Balance Sheets			
		As at 30 June and 31 December			
		(U.S. dollars in thousands, except capital stock par value and shares)			
		<i>30 June</i>	<i>30 June</i>	<i>31 December</i>	<i>31 December</i>
		<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Non-current liabilities:					
	Financial liabilities	8,651,016	6,663,050	6,368,140	8,334,120
	Employee benefits liabilities.....	2,265,427	1,886,741	2,257,480	2,123,403
	Deferred tax liabilities	1,792,582	1,959,993	1,964,724	1,730,273
	Provisions	81,432	77,732	66,733	104,813
	Other accrued liabilities.....	1,772,761	1,877,474	1,703,503	1,837,607
	Total non-current liabilities	<u>14,563,218</u>	<u>12,464,990</u>	<u>12,360,580</u>	<u>14,130,216</u>
	Total liabilities	<u>28,401,066</u>	<u>24,095,951</u>	<u>24,130,620</u>	<u>28,929,516</u>
Equity:					
	Capital stock \$100 par value.				
	Authorized, issued, and				
	outstanding, 1,000 shares.....	100	100	100	100
	Additional paid-in capital	1,650,353	5,359,297	5,350,353	1,650,353
	Other equity reserves	(1,318,090)	(991,793)	(1,197,126)	(1,221,868)
	Accumulated earnings	5,559,933	7,205,977	6,620,991	4,938,553
	Total equity	<u>5,892,296</u>	<u>11,573,581</u>	<u>10,774,318</u>	<u>5,367,138</u>
	Total liabilities and equity	<u>\$34,293,362</u>	<u>\$35,669,532</u>	<u>\$34,904,938</u>	<u>\$34,296,654</u>
		Consolidated Income Statements			
		For the six months ended 30 June and the years ended 31 December			
		(U.S. dollars in thousands)			
		<i>30 June</i>	<i>30 June</i>	<i>31 December</i>	<i>31 December</i>
		<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	Sales	\$9,963,316	\$10,144,340	\$21,414,352	\$20,914,802
	Cost of goods sold.....	(5,545,092)	(5,563,210)	(11,886,894)	(11,614,876)
	Distribution expenses	(969,348)	(938,239)	(1,971,858)	(2,118,758)
	Marketing, general and				
	administrative expenses.....	(1,847,203)	(1,775,136)	(3,530,672)	(3,235,618)
	Royalties to affiliated company.....	(557,813)	(562,883)	(1,205,132)	(1,193,775)
	Net other trading (expenses)				
	income	8,558	(150,575)	(16,346)	(37,039)
	Trading operating profit	1,052,418	1,154,297	2,803,450	2,714,736
	Net other operating income				
	(expenses).....	(10,765)	10,710	(12,709)	(18,111)
	Operating profit	1,041,653	1,165,007	2,790,741	2,696,625
	Net financing costs	(232,910)	(158,499)	(404,656)	(407,359)
	Share of results from associated				
	companies.....	2,935	4,096	4,293	2,667
	Income from continuing				
	operations before income taxes	811,678	1,010,604	2,390,378	2,291,933
	Income tax expense	(197,484)	(426,567)	(620,346)	(651,634)
	Income from continuing				
	operations	614,194	584,037	1,770,032	1,640,299
	Income from discontinued				
	operations, net of taxes	766	949	(426)	4,562
	Net income	<u>\$614,960</u>	<u>\$584,986</u>	<u>\$1,769,606</u>	<u>\$1,644,861</u>

Element	Title	
		<p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial or trading position of NHI or NHI and its consolidated subsidiaries (considered as a whole) since 30 June 2013, the date of the most recently published financial statements of NHI and there has been no material adverse change in the financial position or prospects of NHI or NHI and its consolidated subsidiaries (considered as a whole) since 31 December 2012, the date of the most recently published audited financial statements of NHI.</p>
B.13	Events impacting the Issuer's solvency	Not Applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Dependence upon other group entities	NHI is dependent on the performance of its direct and indirect subsidiaries which engage primarily in the manufacture and sale of food, beverage and pet care products, weight management services and juvenile life insurance.
B.15	Principal activities	NHI primarily acts as a holding company for its direct and indirect subsidiaries which engage mainly in the manufacture and sale of food products, pet care products, beverage products, weight management services and juvenile life insurance. These businesses derive revenue across the United States.
B.16	Controlling shareholders	The Issuer is wholly owned and controlled, indirectly, by the Guarantor.
B.17	Credit ratings	<p>The Guarantor's (and the Issuer's) senior long term debt obligations have been rated AA (stable) by Standard & Poor's Credit Market Services France SAS ("Standard & Poor's") and Aa2 (stable) by Moody's France SAS ("Moody's"). Each of Standard & Poor's and Moody's is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended. See also "<i>Credit Ratings</i>" below with respect to the Guarantor.</p> <p>The Notes to be issued are not rated by Standard & Poor's and by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
B.18	Description of Guarantee	<p>The payment of the principal and two years' interest in respect of each Note is unconditionally and irrevocably guaranteed by the Guarantor.</p> <p>Each Guarantee constitutes a direct, unconditional, unsecured (subject to the negative pledge provisions of Condition 3) and unsubordinated obligation of the Guarantor and will rank <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations outstanding of the Guarantor (other than obligations mandatorily preferred by law applying to companies generally).</p>
B.19	<p>Legal and commercial name of Guarantor</p> <p>Domicile/legal form/ legislation/ country of incorporation</p> <p>Trend information</p> <p>Description of the Group</p>	<p>Nestlé S.A.</p> <p>The Guarantor is a company with unlimited duration, organised under the Swiss Code of Obligations and registered with the Swiss Commercial Registries of the Canton of Zug and the Canton of Vaud. The Guarantor is domiciled in Switzerland.</p> <p>The global business environment remained challenging in 2013 and continues to be uncertain in 2014. Nestlé Group is well positioned with strong, high quality brands, which are valued by the consumer but any adverse developments in the global economy could impact consumer demand.</p> <p>The Guarantor is the ultimate holding company of the Nestlé Group.</p>

Element	Title		
	Profit forecast or estimate	Not Applicable; there are no profit forecasts or estimates made in the Prospectus.	
	Audit report qualifications	Not Applicable; there are no qualifications contained within the audit reports relating to the historical financial information of the Guarantor as at and for the twelve months ended 31 December 2013 and 2012 respectively.	
	Selected historical key financial information for the Guarantor:		
	The financial information set out below has been extracted without material adjustment from the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.		
	Consolidated Balance Sheets As at 31 December 2013 and 2012 (CHF in millions)		
		31 December 2013	
		31 December 2012*	
	Assets		
	Current assets		
	Cash and cash equivalents	6,415	5,713
	Short-term investments.....	638	3,583
	Inventories	8,382	8,939
	Trade and other receivables	12,206	13,048
	Prepayments and accrued income.....	762	821
	Derivative assets.....	230	576
	Current income tax assets.....	1,151	972
	Assets held for sale.....	282	368
	Total current assets	30,066	34,020
	Non-current assets		
	Property, plant and equipment.....	26,895	26,576
	Goodwill.....	31,039	32,688
	Intangible assets	12,673	13,018
	Investments in associates and joint ventures	12,315	11,586
	Financial assets.....	4,550	4,979
	Employee benefits assets.....	537	84
	Current income tax assets.....	124	27
	Deferred tax assets.....	2,243	2,899
	Total non-current assets	90,376	91,857
	Total assets	120,442	125,877
	Liabilities and equity		
	Current liabilities		
	Financial debt	11,380	18,408
	Trade and other payables.....	16,072	14,627
	Accruals and deferred income	3,185	3,078
	Provisions	523	452
	Derivative liabilities	381	423
	Current income tax liabilities	1,276	1,608
	Liabilities directly associated with assets held for sale	100	1
	Total current liabilities	32,917	38,597
	* 2012 comparatives have been (i) restated following the implementation of IFRS 11 and IAS 19 revised and (ii) adjusted following the final valuation of the Wyeth Nutrition acquisition.		

Element	Title		
Consolidated Balance Sheets			
As at 31 December 2013 and 2012			
(CHF in millions)			
		31 December	31 December
		2013	2012*
	Non-current liabilities		
	Financial debt	10,363	9,008
	Employee benefits liabilities	6,279	8,360
	Provisions	2,714	2,827
	Deferred tax liabilities	2,643	2,240
	Other payables	1,387	2,181
	Total non-current liabilities	23,386	24,616
	Total liabilities	56,303	63,213
	Equity		
	Share capital	322	322
	Treasury shares	(2,196)	(2,078)
	Translation reserve	(20,811)	(17,924)
	Retained earnings and other reserves	85,260	80,687
	Total equity attributable to shareholders of the parent	62,575	61,007
	Non-controlling interests	1,564	1,657
	Total equity	64,139	62,664
	Total liabilities and equity	120,442	125,877
	* 2012 comparatives have been (i) restated following the implementation of IFRS 11 and IAS 19 revised and (ii) adjusted following the final valuation of the Wyeth Nutrition acquisition.		
Consolidated Income Statements			
For the years ended 31 December 2013 and 2012			
(CHF in millions)			
		31 December	31 December
		2013	2012*
	Sales	92,158	89,721
	Other revenue	215	210
	Cost of goods sold	(48,111)	(47,500)
	Distribution expenses	(8,156)	(8,017)
	Marketing and administration expenses	(19,711)	(19,041)
	Research and development costs	(1,503)	(1,413)
	Other trading income	120	141
	Other trading expenses	(965)	(637)
	Trading operating profit	14,047	13,464
	Other operating income	616	146
	Other operating expenses	(1,595)	(222)
	Operating profit	13,068	13,388
	Financial income	219	120
	Financial expense	(850)	(825)
	Profit before taxes, associates and joint ventures	12,437	12,683
	Taxes	(3,256)	(3,259)
	Share of results of associates and joint ventures	1,264	1,253
	Profit for the year	10,445	10,677
	of which attributable to non-controlling interests	430	449
	of which attributable to shareholders of the parent (Net profit)	10,015	10,228
	* 2012 comparatives have been restated following the implementation of IFRS 11 and IAS 19 revised.		

Element	Title	
	Consolidated Income Statements For the years ended 31 December 2013 and 2012 (CHF in millions)	
		31 December 2013 31 December 2012*
	As percentages of sales	
	Trading operating profit	15.2% 15.0%
	Profit for the year attributable to shareholders of the parent (Net profit).....	10.9% 11.4%
	Earnings per share (in CHF)	
	Basic earnings per share	3.14 3.21
	Diluted earnings per share.....	3.13 3.20
	* 2012 comparatives have been restated following the implementation of IFRS 11 and IAS 19 revised.	
	<i>Statements of no significant or material adverse change</i>	
	There has been no significant change in the financial or trading position of the Guarantor or the Guarantor and its consolidated subsidiaries (considered as a whole) since 31 December 2013, the date of the most recently published financial statements of the Guarantor and there has been no material adverse change in the financial position or prospects of the Guarantor or the Guarantor and its consolidated subsidiaries (considered as a whole) since 31 December 2013, the date of the most recently published audited financial statements of the Guarantor.	
	Events impacting the Guarantor's solvency	Not Applicable; there have been no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.
	Dependence upon other group entities	The Guarantor is the holding company of the Nestlé Group and substantially dependent on the performance of its direct and indirect subsidiaries which manufacture food and beverages, as well as products related to the nutrition, health and wellness industries. The Guarantor is also dependent on the performance of its subsidiaries to the extent it issues guarantees with respect to them.
	Principal activities	The Guarantor primarily acts as the holding company of the Nestlé Group which manufactures food and beverages, as well as products related to the nutrition, health and wellness industries.
	Controlling shareholders	The Guarantor is a publicly traded company and its shares are listed on the SIX Swiss Exchange. Pursuant to the Guarantor's Articles of Association, no person or entity may be (i) registered (directly or indirectly through nominees) with voting rights for more than 5 per cent. of the Guarantor's share capital as recorded in the commercial register or (ii) at general meetings of the Guarantor exercise directly or indirectly voting rights, with respect to own shares or shares represented by proxy, in excess of 5 per cent. of the Guarantor's share capital. Any shareholder holding shares in the Guarantor in excess of 3 per cent. of the Guarantor's share capital is required to disclose its/his/her shareholding pursuant to the Swiss Stock Exchange Act.
	Credit ratings	The Guarantor's senior long term debt obligations have been rated AA (stable) by Standard & Poor's and Aa2 (stable) by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	The Notes are AUD 250,000,000 4.25 per cent. Notes due 18 March 2020. International Securities Identification Number (ISIN): XS1045934293.
C.2	Currency	The currency of this Series of Notes is Australian Dollars ("AUD").

Element	Title	
C.5	Transferability	There are no restrictions on the free transferability of the Notes.
C.8	Right attached to the Notes and ranking	<p><i>Status of the Notes</i></p> <p>The Notes will constitute direct, unconditional, unsecured (subject to the negative pledge provisions of Condition 3) and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and rateably without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the relevant Issuer from time to time outstanding (other than obligations mandatorily preferred by law).</p> <p><i>Taxation</i></p> <p>All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any taxes or other charges imposed by any governmental authority or agency within (i) the United States, and (ii) Switzerland, unless such withholding or deduction is required by law.</p> <p>In the event that any such withholding or deduction is required, the Issuer will be required to pay additional amounts to cover the amounts so withheld or deducted, subject to certain limited exceptions.</p> <p>All payments in respect of the Notes will be made subject to any deduction or withholding required by provisions of U.S. federal income tax law commonly referred to as the U.S. Foreign Account Tax Compliance Act (“FATCA”), and no additional amounts will be paid to cover the amounts so withheld or deducted.</p> <p><i>Negative pledge</i></p> <p>The terms of the Notes contain a negative pledge provision which prohibits the Issuer, and the Guarantor, from creating any security interests over its present or future revenues or assets to secure certain indebtedness represented or evidenced by any bonds, notes or other securities which are or are capable of being listed on any recognised stock exchange, subject to certain specified exceptions.</p> <p><i>Events of Default</i></p> <p>The terms of the Notes contain, amongst others, the following events of default:</p> <p>(a) default by the Issuer in payment of any principal, interest or any other amount on the Notes, continuing for a specified period of time;</p> <p>(b) non-performance or non-observance by the Issuer of any condition or other provision of the Notes (other than the covenant to pay principal and interest) continuing for a specified period of time;</p> <p>(c) default in payment by the Issuer, certain principal subsidiaries of the Issuer, or the Guarantor, of certain types of indebtedness (subject to an aggregate threshold of U.S.\$100,000,000) if such default continues beyond any applicable grace period or any such certain indebtedness for borrowed money shall become repayable before its due date as a result of acceleration of maturity caused by the occurrence of any default, unless the existence of such default is being disputed in good faith and proceedings have been commenced in competent courts having jurisdiction and such proceedings have not been finally adjudicated;</p> <p>(d) events relating to the winding up, cessation of business, administration, insolvency and creditor arrangements of the Issuer, certain principal subsidiaries of the Issuer, or the Guarantor, subject to certain exceptions; and</p> <p>(e) the Guarantee of the Guarantor ceases to be the legal, valid and binding and enforceable in accordance with its terms or the Guarantor contests or denies the validity of its Guarantee.</p>

Element	Title	
		<p>Meetings</p> <p>The terms of the Notes contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law of the Notes</p> <p>English law.</p> <p>Governing law of the Guarantee</p> <p>Swiss law.</p>
C.9	Interest/ Redemption	<p>Interest</p> <p>The Notes bear interest from their date of issue at the fixed rate of 4.25 per cent. per annum. The yield of the Notes is 4.379 per cent. per annum. Interest will be paid annually in arrear on 18 March in each year up to and including the Maturity Date.</p> <p>Redemption</p> <p>The Maturity Date of the Notes will be 18 March 2020.</p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at par. The Notes may be redeemed early for tax reasons or a change of control of the Issuer.</p> <p>Representatives of holders</p> <p>A trustee has not been appointed to act as trustee for the holders of Notes.</p> <p>Registered Notes issued by NHI are issued subject to, and with the benefit of, an amended and restated note agency agreement made between NHI, Citigroup Global Markets Deutschland AG as registrar and transfer agent and Citibank, N.A., London Branch as transfer agent and paying agent.</p> <p>Please also refer to item C.8.</p>
C.10	Derivative component	Not Applicable: the Notes are not derivative securities.
C.11	Listing/ Distribution	<p>The Notes will be admitted to the Official List of the UKLA and admitted to trading on the London Stock Exchange's regulated market.</p> <p>The Notes may be offered to the public in each of Austria, Belgium, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom during the Offer Period.</p>

Section D – Risks

Element	Title	
D.2	Key risks that are specific to the Issuers and the Guarantor	<p>The key risks relating to the Issuer and the Guarantor are set out below:</p> <p>(a) the Group's sales or margins may be materially adversely affected by competition or an inability to respond to rapid changes in consumer preferences;</p> <p>(b) the Group is vulnerable to brand damage which could result in the loss of revenue associated with the affected brands and higher costs to address these circumstances, including those associated with product recall events;</p> <p>(c) accidental or malicious contamination of raw materials or products in the supply chain may result in loss of products, delay in supply, loss of market shares, financial costs and adverse health effects on consumers or loss of reputation;</p>

Element	Title	
		<p>(d) sourcing raw materials globally exposes the Group to price fluctuations and supply uncertainties which are subject to factors such as commodity market price volatility, currency fluctuations, changes in governmental agricultural programs, harvest and weather conditions, crop disease, crop yields, alternative crops and by-product values. Underlying base material price changes may result in unexpected increases in costs of raw material and packaging, and the Group may be unable to fully reflect these increases by raising prices without suffering reduced volume, revenue and operating income;</p> <p>(e) the Group's success depends in part on anticipating the tastes and dietary habits of consumers and to offer products that appeal to their preferences;</p> <p>(f) the food industry including the Group is faced with the global challenge of rapidly rising obesity levels; and</p> <p>(g) the Group issues term debt to raise finance and depends on broad access to capital markets and investors. Changes in demand for term debt instruments on capital markets could limit the ability of the Nestlé Group to fund operations. The Guarantor also depends on the willingness of banks to provide the type of credit lines or loans which are used by the Group.</p>
D.3	Key risks that are specific to the Notes	<p>There are also risks associated with the Notes including a range of risks relating to the structure of the Notes, market risks and risks relating to Notes generally including that:</p> <p>(i) changes in prevailing market interest rates could affect the value of the Notes which bear interest at a fixed rate;</p> <p>(ii) Notes may be subject to early redemption, which may limit the market value of the Notes and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return;</p> <p>(iii) the Terms and Conditions of the Notes may be modified without the consent of all investors in certain circumstances;</p> <p>(iv) the holder of the Notes may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law;</p> <p>(v) investors are exposed to the risk of changes in law or regulation affecting the value of their Notes;</p> <p>(vi) the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency;</p> <p>(vii) there may be no or only a limited secondary market in the Notes; and</p> <p>(viii) any credit rating assigned to Notes may not adequately reflect all the risks associated with an investment in the Notes.</p>

Section E – Offer

Element	Title	
E.2b	Use of proceeds	The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes.
E.3	Terms and Conditions of the offer <i>Offer Period:</i>	From the date of, and following, publication of the Final Terms being 14 March 2014 to 18 March 2014.

Element	Title	
	<p><i>Issue Price/ Offer Price:</i></p> <p><i>Conditions to which the offer is subject:</i></p> <p><i>Description of the application process:</i></p> <p><i>Description of possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:</i></p> <p><i>Details of the minimum and/or maximum amount of application:</i></p> <p><i>Method and time limits for paying up and delivering the Notes:</i></p> <p><i>Manner in and date on which results of the offer are to be made public:</i></p> <p><i>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</i></p> <p><i>Whether tranche(s) have been reserved for certain countries:</i></p>	<p>The issue price of the Notes is 99.335 per cent. of their nominal amount.</p> <p>Offers of the Notes are conditional on their issue and are subject to such conditions as are set out in the Letter for a Syndicated Note Issue dated 14 March 2014. As between Managers and their customers (including Placers) or between Placers and their customers, offers of the Notes are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.</p> <p>A prospective Noteholder will purchase the Notes in accordance with the arrangements in place between the relevant Manager and its customers or the relevant Placer and its customers, relating to the purchase of securities generally. Noteholders (other than Managers) will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Notes.</p> <p>Not Applicable</p> <p>There are no pre-identified allotment criteria. The Managers and the Placers will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations and/or as otherwise agreed between them.</p> <p>The Notes will be sold by the Issuer to the Managers on a delivery against payment basis on the Issue Date. Prospective Noteholders will be notified by the relevant Manager or Placer of their allocations of the Notes and the settlement arrangements in respect thereof.</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>

Element	Title	
	<p><i>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</i></p> <p><i>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</i></p> <p><i>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</i></p> <p><i>Categories of potential investors to which the Notes are offered:</i></p>	<p>Prospective Noteholders will be notified by the relevant Manager or Placer in accordance with the arrangements in place between such Managers or Placers and its customers. Any dealings in the Notes which take place will be at the risk of prospective Noteholders.</p> <p>Not Applicable</p> <p>None known to the Issuer</p> <p>Notes may be offered by the Managers and the Placers to the public in a Public Offer in Austria, Belgium, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom during the Offer Period.</p>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Dealers or Managers may be paid fees in relation to any issue of the Notes under the Programme.</p> <p>The Dealers will be paid aggregate commissions equal to 0.25 per cent. of the nominal amount of the Notes. Any Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.</p>
E.7	Expenses charged to the investor by the Issuers or an offeror	<p>It is not anticipated that the relevant Issuer will charge any expenses to investors in connection with any issue of Notes. Other Offerors may, however, charge expenses to investors.</p>