

Final Terms

Dated 4 December 2014

NESTLÉ HOLDINGS, INC.

**Issue of USD 100,000,000 2.00 per cent. Notes due 30 September 2019 (the “Notes”)
(to be consolidated and form a single series with the existing USD 300,000,000 2.00 per cent. Notes
due 30 September 2019 issued on 2 December 2014)**

**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 21 May 2014 as supplemented by the Supplementary Prospectus dated 22 August 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 Prospectus 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.

1. (a) Issuer: Nestlé Holdings, Inc.
- (b) Guarantor: Nestlé S.A.
2. (a) Series Number: 82
- (b) Tranche Number: 2
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes shall be consolidated to form a single Series and be interchangeable for trading purposes with the USD 300,000,000 2.00 per cent. Notes due 30 September 2019 issued on 2 December 2014 on the Issue Date
3. Specified Currency: United States dollars (“USD”)
4. Aggregate Nominal Amount:
 - (a) Series: USD 400,000,000
 - (b) Tranche: USD 100,000,000
5. Issue Price: 100.218 per cent. of the Aggregate Nominal Amount plus 8 days’ accrued interest in respect of the period from, and including, 2 December 2014 to, but excluding, 10 December 2014
6. (a) Specified Denominations: USD 2,000 and integral multiples of USD 1,000 in excess thereof
- (b) Calculation Amount: USD 1,000
7. (a) Issue Date: 10 December 2014
- (b) Interest Commencement Date: 2 December 2014

- | | | |
|-----|---|--|
| 8. | Maturity Date: | 30 September 2019 |
| 9. | Interest Basis: | 2.00 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 Board approval for issuance of Notes and Guarantee obtained: | 25 April 2014 and 26 September 2014, respectively |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-------------------------------|--|
| 15. | Fixed Rate Note Provisions | Applicable |
| | (a) Rate(s) of Interest: | 2.00 per cent. per annum payable in arrear on each Interest Payment Date. The first Fixed Interest Period shall be the period commencing on, and including, the Interest Commencement Date and ending on, but excluding, 30 September 2015 (short first coupon) |
| | (b) Interest Payment Date(s): | 30 September in each year from, and including, 30 September 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 London and Zurich, in addition to New York, with no adjustment for period end dates |
| | (c) Fixed Coupon Amount(s): | USD 20.00 per Calculation Amount (applicable to the Notes in definitive form) and USD 2,000,000 per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on each Interest Payment Date, except for the amount of interest payable on the first Interest Payment Date falling on 30 September 2015 |
| | (d) Broken Amount(s): | USD 16.56 per Calculation Amount (applicable to the Notes in definitive form) and USD 1,655,555.56 per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on the Interest Payment Date falling on 30 September 2015 |
| | (e) Day Count Fraction: | 30/360 |
| | (f) Determination Date(s): | Not Applicable |
| 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: | USD 1,000 per Calculation Amount |
| 21. | Early Redemption Amount | |

Early Redemption Amount(s) USD 1,000 per Calculation Amount
per Calculation Amount
payable on redemption for
taxation reasons or on event of
default/or other earlier
redemption:

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
28. RMB Settlement Centre(s): Not Applicable

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: LINDA J. BRODIE

By: MANDEEP CHHATWAL

Linda J. Brodie
Duly authorised

Mandeep Chhatwal
Duly authorised

By: JONATHAN JACKMAN

By: CLAUDIO MENGHI

Jonathan Jackman
Duly authorised

Claudio Menghi
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

The Notes are to be consolidated and form a single series with the USD 300,000,000 2.00 per cent. Notes due 30 September 2019 issued on 2 December 2014 which are admitted to trading on the London Stock Exchange's Regulated Market and listed on the Official List of the UK Listing Authority

- 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 Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform the services for, the Issuer and its affiliates in the ordinary course of business.

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 21 May 2014
- (ii) Estimated net proceeds: USD 100,012,444.44 (following deduction of the Joint Lead Managers' commission and concession)
- (iii) Estimated total expenses: USD 50,000 for legal, filing and miscellaneous expenses

5. YIELD (Fixed Rate Notes Only)

Indication of yield: 1.953 per cent. per annum

6. HISTORIC INTEREST RATES (Floating Rate Notes Only)

Not Applicable

7. OPERATIONAL INFORMATION

- (i) ISIN: XS1144352959
- (ii) Common Code: 114435295
- (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: USD 50,000,000

The Toronto-Dominion Bank
60 Threadneedle Street
London EC2R 8AP
Underwriting Commitment: USD 50,000,000

(each a “Joint Lead Manager” and together, the “Joint Lead Managers”)

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|-------|---|--|
| (ii) | Date of the Letter for a Syndicated Note Issue: | 4 December 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 Joint Lead Managers and any placers (authorised directly or indirectly by the Issuer or any of the Joint Lead 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 Joint Lead 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 4 December 2014 to 10 December 2014 |
| (ii) | Offer Price: | The Issuer has offered and will sell the Notes to the Joint Lead Managers (and no one else) at the Issue Price of 100.218 per cent. plus 8 days’ accrued interest in respect of the period from, and including, 2 December 2014 to, but excluding, 10 December 2014, less a total commission and concession of 0.25 per cent. of the Aggregate Nominal Amount of the Notes. The Joint Lead Managers and Placers will offer and sell the Notes to their customers in accordance with arrangements in place between each such Joint Lead Manager and its customers (including Placers) or each such Placer and its customers by reference to the Issue Price 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 4 December 2014. As between the Joint Lead 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 Joint Lead Manager and its customers or the relevant Placer and its customers, relating to the purchase of securities generally. Noteholders (other than the Joint Lead 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 Joint Lead 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 for delivery of the Notes:	The Notes will be sold by the Issuer to the Joint Lead Managers on a delivery against payment basis on the Issue Date. Prospective Noteholders will be notified by the relevant Joint Lead 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 the indication whether dealing may begin before notification is made:	Prospective Noteholders will be notified by the relevant Joint Lead Manager or Placer in accordance with the arrangements in place between such Joint Lead 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. No civil liability will attach to the 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 Issuer’s Base Prospectus and the applicable Final Terms or, following the implementation of the relevant provisions of Directive 2010/73/EU in each relevant Member State, it does not provide, when read together with the other parts of the Issuer’s Base Prospectus and the applicable Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive 2003/71/EC, as amended) in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Consent to use of the Issuer’s Base 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><i>Consent:</i> Subject to the conditions set out below, 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:</p> <p>(i) the consent is only valid during the period from 4 December 2014 until 10 December 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:</p> <p>(a) RBC Europe Limited and The Toronto-Dominion Bank (the “Joint Lead Managers”, and each an “Authorised Offeror”); and</p> <p>(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”, and each an “Authorised Offeror”);</p>

Element	Title	
		<p>(iii) the consent only extends to the use of the Issuer’s Base Prospectus to make Public Offers of the Notes in Austria, Belgium, Germany, Italy, Luxembourg and the Netherlands, in addition to the United Kingdom, 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 each relevant Member State for which the consent to use the Issuer’s Base Prospectus extends, for the content of its Base Prospectus in relation to any investor who purchases any Notes in a Public Offer made by any person (an “offeror”) to whom the Issuer has given consent to use its Base Prospectus in that connection in accordance with the preceding paragraphs, provided that the conditions attached to that consent are complied with by the relevant offeror.</p> <p>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES 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 ISSUER’S BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE RELEVANT AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER, THE GUARANTOR OR ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) 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 Issuer	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 Issuer’s Base 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 2013 and 2012, respectively.																																																																																																																				
B.12	<p>Selected historical key financial information</p> <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 2014 and the audited consolidated financial statements of NHI for the financial year ended 31 December 2013, 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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">30 June 2014</th> <th style="text-align: center; border-bottom: 1px solid black;">31 December 2013</th> <th style="text-align: center; border-bottom: 1px solid black;">31 December 2012*</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Current assets:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash and cash equivalents.....</td> <td style="text-align: right;">371,000</td> <td style="text-align: right;">354,294</td> <td style="text-align: right;">821,205</td> </tr> <tr> <td>Short-term investments</td> <td style="text-align: right;">26,017</td> <td style="text-align: right;">12,510</td> <td style="text-align: right;">4,897</td> </tr> <tr> <td>Trade and other receivables, net.....</td> <td style="text-align: right;">3,688,300</td> <td style="text-align: right;">3,466,465</td> <td style="text-align: right;">2,675,058</td> </tr> <tr> <td>Inventories, net.....</td> <td style="text-align: right;">2,006,786</td> <td style="text-align: right;">1,534,223</td> <td style="text-align: right;">1,559,927</td> </tr> <tr> <td>Derivative assets.....</td> <td style="text-align: right;">202,802</td> <td style="text-align: right;">134,888</td> <td style="text-align: right;">414,656</td> </tr> <tr> <td>Assets held for sale.....</td> <td style="text-align: right;">20,490</td> <td style="text-align: right;">34,461</td> <td style="text-align: right;">16,214</td> </tr> <tr> <td>Prepayments</td> <td style="text-align: right;">140,658</td> <td style="text-align: right;">58,002</td> <td style="text-align: right;">92,153</td> </tr> <tr> <td>Total current assets</td> <td style="text-align: right; border-top: 1px solid black;">6,456,053</td> <td style="text-align: right; border-top: 1px solid black;">5,594,843</td> <td style="text-align: right; border-top: 1px solid black;">5,584,110</td> </tr> <tr> <td>Non-current assets:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Property, plant and equipment, net.....</td> <td style="text-align: right;">4,989,908</td> <td style="text-align: right;">5,086,050</td> <td style="text-align: right;">4,984,635</td> </tr> <tr> <td>Employee benefits assets.....</td> <td style="text-align: right;">588,481</td> <td style="text-align: right;">478,455</td> <td style="text-align: right;">36,528</td> </tr> <tr> <td>Investments in joint ventures and associated companies.....</td> <td style="text-align: right;">15,077</td> <td style="text-align: right;">11,704</td> <td style="text-align: right;">6,645</td> </tr> <tr> <td>Deferred tax assets</td> <td style="text-align: right;">906,795</td> <td style="text-align: right;">950,235</td> <td style="text-align: right;">1,187,814</td> </tr> <tr> <td>Financial assets</td> <td style="text-align: right;">3,854,277</td> <td style="text-align: right;">3,604,497</td> <td style="text-align: right;">3,436,526</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;">18,188,594</td> <td style="text-align: right;">18,204,037</td> <td style="text-align: right;">18,712,591</td> </tr> <tr> <td>Intangible assets, net</td> <td style="text-align: right;">962,297</td> <td style="text-align: right;">943,335</td> <td style="text-align: right;">956,089</td> </tr> <tr> <td>Total non-current assets</td> <td style="text-align: right; border-top: 1px solid black;">29,505,429</td> <td style="text-align: right; border-top: 1px solid black;">29,278,313</td> <td style="text-align: right; border-top: 1px solid black;">29,320,828</td> </tr> <tr> <td>Total assets.....</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">35,961,482</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">34,873,156</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">34,904,938</td> </tr> <tr> <td>Liabilities and Equity</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Current liabilities:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Trade and other payables.....</td> <td style="text-align: right;">1,350,649</td> <td style="text-align: right;">1,414,883</td> <td style="text-align: right;">1,274,645</td> </tr> <tr> <td>Financial liabilities</td> <td style="text-align: right;">4,813,148</td> <td style="text-align: right;">5,310,646</td> <td style="text-align: right;">8,746,401</td> </tr> <tr> <td>Provisions.....</td> <td style="text-align: right;">101,496</td> <td style="text-align: right;">113,160</td> <td style="text-align: right;">103,198</td> </tr> <tr> <td>Derivative liabilities</td> <td style="text-align: right;">186,294</td> <td style="text-align: right;">211,110</td> <td style="text-align: right;">285,669</td> </tr> <tr> <td>Accruals</td> <td style="text-align: right;">1,349,145</td> <td style="text-align: right;">1,430,810</td> <td style="text-align: right;">1,360,127</td> </tr> <tr> <td>Total current liabilities</td> <td style="text-align: right; border-top: 1px solid black;">7,800,732</td> <td style="text-align: right; border-top: 1px solid black;">8,480,609</td> <td style="text-align: right; border-top: 1px solid black;">11,770,040</td> </tr> </tbody> </table>			30 June 2014	31 December 2013	31 December 2012*	Assets				Current assets:				Cash and cash equivalents.....	371,000	354,294	821,205	Short-term investments	26,017	12,510	4,897	Trade and other receivables, net.....	3,688,300	3,466,465	2,675,058	Inventories, net.....	2,006,786	1,534,223	1,559,927	Derivative assets.....	202,802	134,888	414,656	Assets held for sale.....	20,490	34,461	16,214	Prepayments	140,658	58,002	92,153	Total current assets	6,456,053	5,594,843	5,584,110	Non-current assets:				Property, plant and equipment, net.....	4,989,908	5,086,050	4,984,635	Employee benefits assets.....	588,481	478,455	36,528	Investments in joint ventures and associated companies.....	15,077	11,704	6,645	Deferred tax assets	906,795	950,235	1,187,814	Financial assets	3,854,277	3,604,497	3,436,526	Goodwill	18,188,594	18,204,037	18,712,591	Intangible assets, net	962,297	943,335	956,089	Total non-current assets	29,505,429	29,278,313	29,320,828	Total assets.....	35,961,482	34,873,156	34,904,938	Liabilities and Equity				Current liabilities:				Trade and other payables.....	1,350,649	1,414,883	1,274,645	Financial liabilities	4,813,148	5,310,646	8,746,401	Provisions.....	101,496	113,160	103,198	Derivative liabilities	186,294	211,110	285,669	Accruals	1,349,145	1,430,810	1,360,127	Total current liabilities	7,800,732	8,480,609	11,770,040
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Element	Consolidated Balance Sheets As at 30 June and 31 December (U.S. dollars in thousands, except capital stock par value and shares)			
	30 June 2014	31 December 2013	31 December 2012*	
Non-current liabilities:				
Financial liabilities	9,020,549	7,903,318	6,368,140	
Employee benefits liabilities	1,832,061	1,876,119	2,257,480	
Deferred tax liabilities	2,197,789	2,167,748	1,964,724	
Provisions	63,331	57,837	66,733	
Other accrued liabilities	1,806,984	1,822,056	1,703,503	
Total non-current liabilities	14,920,714	13,827,078	12,360,580	
Total liabilities	22,721,446	22,307,687	24,130,620	
Equity:				
Capital stock \$100 par value. Authorized, issued, and outstanding, 1,000 shares	100	100	100	
Additional paid-in capital	5,624,297	5,624,297	5,350,353	
Other equity reserves	(746,737)	(793,862)	(1,197,192)	
Accumulated earnings	8,362,376	7,734,934	6,621,057	
Total equity	13,240,036	12,565,469	10,774,318	
Total liabilities and equity	35,961,482	34,873,156	34,904,938	
* 2012 comparatives have been restated following the implementation of IAS 19 revised.				
	Consolidated Income Statements For the six months ended 30 June and the years ended 31 December (U.S. dollars in thousands)			
	30 June 2013	30 June 2014	31 December 2013	31 December 2012*
Sales	10,144,340	9,919,190	21,623,568	21,414,352
Cost of goods sold	(5,563,210)	(5,545,559)	(11,955,163)	(11,933,432)
Distribution expenses	(938,239)	(922,343)	(1,929,828)	(1,980,559)
Marketing, general and administrative expenses	(1,775,136)	(1,709,979)	(3,634,112)	(3,581,364)
Royalties to affiliated company	(562,883)	(548,485)	(1,203,170)	(1,205,132)
Net other trading expenses	(150,575)	(6,644)	(214,314)	(16,685)
Trading operating profit	1,154,297	1,186,180	2,686,981	2,697,180
Net other operating (expenses) income	10,710	(23,634)	(692,784)	(12,709)
Operating profit	1,165,007	1,162,546	1,994,197	2,684,471
Net financial expenses	(158,499)	(117,804)	(307,054)	(454,364)
Share of results from associated companies	4,096	3,523	5,292	4,293
Income from continuing operations before income taxes	1,010,604	1,048,265	1,692,435	2,234,400
Income tax expense	(426,567)	(421,852)	(580,305)	(557,956)
Income from continuing operations	584,037	626,413	1,112,130	1,676,444
Income (loss) from discontinued operations, net of taxes	949	1,029	1,747	(426)
Net income	584,986	627,442	1,113,877	1,676,018
* 2012 comparatives have been restated following the implementation of 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 NHI or NHI and its consolidated subsidiaries (considered as a whole) since 30 June 2014, 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 2013, the date of the most recently published audited financial statements of NHI.				
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.		

Element	Title	
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 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 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>Senior long term debt obligations of the Issuer, which have the benefit of a guarantee from the Guarantor, 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 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	Legal and commercial name of Guarantor Domicile/ legal form/ legislation/ country of incorporation Trend information Description of the Group Profit forecast or estimate Audit report qualifications Selected historical key financial information for the Guarantor:	<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> <p>Not Applicable; there are no profit forecasts or estimates made in the Issuer's Base Prospectus.</p> <p>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.</p> <p>The financial information set out below has been extracted without material adjustment from the unaudited interim consolidated financial statements of the Guarantor for the six-month period ended 30 June 2014 and the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2013, 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>

Element	Consolidated Balance Sheets As at 30 June and 31 December (CHF in millions)			
	30 June 2013**	30 June 2014	31 December 2013	31 December 2012*
Assets				
Current assets				
Cash and cash equivalents.....	3,871	3,173	6,415	5,713
Short-term investments	2,505	592	638	3,583
Inventories.....	9,580	9,535	8,382	8,939
Trade and other receivables.....	13,575	12,656	12,206	13,048
Prepayments and accrued income	1,030	808	762	821
Derivative assets.....	476	319	230	576
Current income tax assets.....	1,071	940	1,151	972
Assets held for sale.....	177	2,948	282	368
Total current assets	32,285	30,971	30,066	34,020
Non-current assets				
Property, plant and equipment.....	26,595	26,286	26,895	26,576
Goodwill	33,708	30,878	31,039	32,688
Intangible assets	13,313	12,754	12,673	13,018
Investments in associates and joint ventures	12,409	9,922	12,315	11,586
Financial assets	5,267	4,813	4,550	4,979
Employee benefits assets.....	101	573	537	84
Current income tax assets.....	62	123	124	27
Deferred tax assets	2,434	2,342	2,243	2,899
Total non-current assets	93,889	87,691	90,376	91,857
Total assets	126,174	118,662	120,442	125,877
Liabilities and equity				
Current liabilities				
Financial debt.....	18,988	12,445	11,380	18,408
Trade and other payables.....	14,052	15,072	16,072	14,627
Accruals and deferred income.....	3,195	3,116	3,185	3,078
Provisions.....	396	508	523	452
Derivative liabilities	503	375	381	423
Current income tax liabilities	1,322	1,198	1,276	1,608
Liabilities directly associated with assets held for sale.....	31	64	100	1
Total current liabilities	38,487	32,778	32,917	38,597
Non-current liabilities				
Financial debt.....	9,609	10,933	10,363	9,008
Employee benefits liabilities	6,828	7,504	6,279	8,360
Provisions.....	2,906	2,764	2,714	2,827
Deferred tax liabilities	2,374	2,688	2,643	2,240
Other payables.....	2,360	1,598	1,387	2,181
Total non-current liabilities	24,077	25,487	23,386	24,616
Total liabilities	62,564	58,265	56,303	63,213
Equity				
Share capital.....	322	322	322	322
Treasury shares.....	(1,906)	(2,167)	(2,196)	(2,078)
Translation reserve	(17,285)	(20,966)	(20,811)	(17,924)
Retained earnings and other reserves ..	80,827	81,634	85,260	80,687
Total equity attributable to shareholders of the parent	61,958	58,823	62,575	61,007

Element	Title			
	Consolidated Balance Sheets			
	As at 30 June and 31 December			
	(CHF in millions)			
	30 June	30 June	31 December	31 December
	2013**	2014	2013	2012*
Non-controlling interests.....	1,652	1,574	1,564	1,657
Total equity	63,610	60,397	64,139	62,664
Total liabilities and equity	126,174	118,662	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.			
	** 2013 comparatives have been adjusted following the final valuation of the Wyeth Nutrition acquisition.			
	Consolidated Income Statements			
	For the six months ended 30 June and the years ended 31 December			
	(CHF in millions)			
	30 June	30 June	31 December	31 December
	2013	2014	2013	2012*
Sales	45,168	42,981	92,158	89,721
Other revenue.....	120	100	215	210
Cost of goods sold.....	(23,456)	(22,376)	(48,111)	(47,500)
Distribution expenses.....	(4,082)	(3,956)	(8,156)	(8,017)
Marketing and administration expenses.....	(10,020)	(9,419)	(19,711)	(19,041)
Research and development costs.....	(691)	(715)	(1,503)	(1,413)
Other trading income.....	48	(36)	120	141
Other trading expenses.....	(282)	(211)	(965)	(637)
Trading operating profit	6,805	6,440	14,047	13,464
Other operating income.....	60	103	616	146
Other operating expenses.....	(129)	(347)	(1,595)	(222)
Operating profit	6,736	6,196	13,068	13,388
Financial income.....	81	76	219	120
Financial expense.....	(415)	(404)	(850)	(825)
Profit before taxes, associates and joint ventures	6,402	5,868	12,437	12,683
Taxes.....	(1,752)	(1,626)	(3,256)	(3,259)
Share of results of associates and joint ventures.....	681	611	1,264	1,253
Profit for the period	5,331	4,853	10,445	10,677
of which attributable to non-controlling interests.....	211	219	430	449
of which attributable to shareholders of the parent (Net profit).....	5,120	4,634	10,015	10,228
As percentages of sales				
Trading operating profit.....	15.1%	15.0%	15.2%	15.0%
Profit for the period attributable to shareholders of the parent (Net profit).....	11.3%	10.8%	10.9%	11.4%
Earnings per share (in CHF)				
Basic earnings per share.....	1.60	1.45	3.14	3.21
Diluted earnings per share.....	1.60	1.45	3.13	3.20
	* 2012 comparatives have been restated following the implementation of IFRS 11 and IAS 19 revised.			

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 the Guarantor or the Guarantor and its consolidated subsidiaries (considered as a whole) since 30 June 2014, 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.</p>
	<p>Events impacting the Guarantor’s solvency</p> <p>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.</p>
	<p>Dependence upon other group entities</p> <p>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.</p>
	<p>Principal activities</p> <p>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.</p>
	<p>Controlling shareholders</p> <p>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.</p>
	<p>Credit ratings</p> <p>The Guarantor’s senior long term debt obligations have been rated AA (stable) by Standard & Poor’s and Aa2 (stable) by Moody’s.</p> <p>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>

Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	<p>The Notes are USD 100,000,000 2.00 per cent. Notes due 30 September 2019 (to be consolidated and form a single series with the existing USD 300,000,000 2.00 per cent. Notes due 30 September 2019 issued on 2 December 2014).</p> <p>The Notes have a Specified Denomination of USD 2,000 and integral multiples of USD 1,000 in excess thereof.</p> <p>International Securities Identification Number (ISIN): XS1144352959.</p>
C.2	Currency	The currency of this Series of Notes is United States dollars (“USD”).
C.5	Transferability	There are no restrictions on the free transferability of the Notes.
C.8	Right attached to the Notes and ranking	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p><i>Status of the Notes (Ranking)</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 Issuer from time to time outstanding (other than obligations mandatorily preferred by law).</p>

Element	Title	
		<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 any intergovernmental agreements (and related implementing rules) relating to 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> <p><i>Meetings</i></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><i>Governing law of the Notes</i></p> <p>English law.</p> <p><i>Governing law of the Guarantee</i></p> <p>Swiss law.</p>

Element	Title	
C.9	Interest/ Redemption	<p>Interest</p> <p>The Notes bear interest from their date of issue at the fixed rate of 2.00 per cent. per annum. The yield of the Notes is 1.953 per cent. per annum. Interest will be paid annually in arrear on 30 September in each year up to and including the Maturity Date. The first interest payment will be on 30 September 2015.</p> <p>Redemption</p> <p>The Maturity Date of the Notes will be 30 September 2019.</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>
C.10	Derivative component	Not Applicable: the Notes are not derivative securities.
C.11	Listing/ Distribution	<p>Listing</p> <p>Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the UKLA and admitted to trading on the London Stock Exchange's regulated market.</p> <p>Distribution</p> <p>The Notes may be offered to the public in 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 Issuer 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> <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>

Element	Title	
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	<p>Notes may be offered to the public in a Public Offer in Austria, Belgium, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom.</p> <p>An investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of Notes to an investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations, expenses and settlement arrangements.</p> <p><i>Offer Period:</i> From the date of, and following, publication of the Final Terms being 4 December 2014 to 10 December 2014.</p> <p><i>Issue Price/ Offer Price:</i> The issue price of the Notes is 100.218 per cent. of their nominal amount plus 8 days' accrued interest in respect of the period from, and including, 2 December 2014 to, but excluding, 10 December 2014.</p> <p><i>Conditions to which the offer is subject:</i> 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 4 December 2014. As between the Joint Lead 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><i>Description of the application process:</i> A prospective Noteholder will purchase the Notes in accordance with the arrangements in place between the relevant Joint Lead Manager and its customers or the relevant Placer and its customers, relating to the purchase of securities generally. Noteholders (other than the Joint Lead Managers) will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Notes.</p>

Element	Title	
	<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 (whether in number of Notes or aggregate amount to invest):</i></p> <p><i>Method and time limits for paying up the Notes and for delivery of 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><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>Not Applicable</p> <p>There are no pre-identified allotment criteria. The Joint Lead 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 Joint Lead Managers on a delivery against payment basis on the Issue Date. Prospective Noteholders will be notified by the relevant Joint Lead 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> <p>Prospective Noteholders will be notified by the relevant Joint Lead Manager or Placer in accordance with the arrangements in place between such Joint Lead 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>

Element	Title	
	<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>None known to the Issuer.</p> <p>Notes may be offered by the Joint Lead 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 Joint Lead Managers will be paid aggregate commissions equal to 0.25 per cent. of the nominal amount of the Notes. Any Joint Lead Manager 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>Not Applicable. No expenses are being charged by the Issuer to investors purchasing from Authorised Offerors in connection with the issue of the Notes.</p>