

**Final Terms  
Dated 20 March 2018**

**NESTLÉ HOLDINGS, INC.**

**Issue of USD 550,000,000 3.125 per cent. Notes due 22 March 2023 (the “Notes”)  
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 19 May 2017 as supplemented by the Supplementary Prospectuses dated 25 August 2017 and 23 February 2018, 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](http://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](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and any relevant implementing measure 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: 97
- (b) Tranche Number: 1
- (c) Date on which the Notes will be consolidated and form a single Series: Not Applicable
3. Specified Currency: United States dollars (“USD”)
4. Aggregate Nominal Amount:
  - (a) Series: USD 550,000,000
  - (b) Tranche: USD 550,000,000
5. Issue Price: 99.533 per cent. of the Aggregate Nominal Amount

- |     |   |  |
|-----|---|--|
| 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:   | 22 March 2018  |
|     | (b) Interest Commencement Date:                                   | Issue Date   |
| 8.  | Maturity Date:  | 22 March 2023  |
| 9.  | Interest Basis:   | 3.125 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: | 9 May 2017 and 14 February 2018, respectively  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |                               |   |
|-----|-------------------------------|---|
| 15. | Fixed Rate Note Provisions    | Applicable  |
|     | (a) Rate(s) of Interest:      | 3.125 per cent. per annum payable in arrear on each Interest Payment Date   |
|     | (b) Interest Payment Date(s): | 22 March in each year from, and including, 22 March 2019, 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 31.25 per Calculation Amount (applicable to the Notes in definitive form) and USD 17,187,500 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: 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. Issuer Maturity Par Call Option Not Applicable
20. Issuer Make-Whole Call Option Not Applicable
21. Investor Put Option Not Applicable
22. Final Redemption Amount: USD 1,000 per Calculation Amount
23. 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: USD 1,000 per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. 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 S.A. 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.
25. New Safekeeping Structure: No

- |  |                |
|--|----------------|
| 26. Additional Financial Centre(s) or other special provisions relating to Payment Days:                               | Not Applicable |
| 27. Talons for future Coupons to be attached to definitive Notes:  | No             |
| 28. Spot Rate (if different from that set out in Condition 5(g)):  | Not Applicable |
| 29. Calculation Agent responsible for calculating the Spot Rate for the purposes of Condition 5(g) (if not the Agent): | Not Applicable |
| 30. RMB Settlement Centre(s):  | Not Applicable |

Signed on behalf of the Issuer:

By: MICHAEL PREWITT

Michael Prewitt  
*Duly authorised*

By: LINDA J. BRODIE

Linda J. Brodie  
*Duly authorised*

Signed on behalf of the Guarantor:

By: LEE EDWARDS

Lee Edwards  
*Duly authorised*

By: CLAUDIO MENGHI

Claudio Menghi  
*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING**

Listing and Admission to Trading: 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 Issue Date

### **2. RATINGS**

The Notes to be issued are not rated by Moody's Italia S.r.l. and S&P Global Ratings, acting through S&P Global Ratings Italy S.R.L.

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Joint Bookrunners, 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 Bookrunners and their affiliates may 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 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 19 May 2017
- (ii) Estimated net proceeds: USD 546,056,500 (following deduction of the Joint Bookrunners' 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: 3.228 per cent. per annum

### **6. HISTORIC INTEREST RATES (Floating Rate Notes Only)**

Not Applicable

### **7. OPERATIONAL INFORMATION**

- (i) ISIN: XS1796233150
- (ii) Common Code: 179623315

- |       |   |                          |
|-------|---|--------------------------|
| (iii) | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. 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           |
| (vi)  | Intended to be held in a manner which would allow Eurosystem eligibility  | Not Applicable           |

## 8. DISTRIBUTION

- |      |  |  |
|------|--|--|
| (i)  | Method of distribution:  | Syndicated   |
| (ii) | If syndicated:   |  |
|      | (A) Names and addresses of Joint Bookrunners and underwriting commitments: | <p>Credit Suisse Securities (Europe) Limited<br/>One Cabot Square<br/>London E14 4QJ<br/>Underwriting Commitment: USD 137,500,000</p> <p>RBC Europe Limited<br/>Riverbank House<br/>2 Swan Lane<br/>London EC4R 3BF<br/>Underwriting Commitment: USD 137,500,000</p> <p>The Toronto-Dominion Bank<br/>60 Threadneedle Street<br/>London EC2R 8AP<br/>Underwriting Commitment: USD 137,500,000</p> <p>UBS Limited<br/>5 Broadgate<br/>London EC2M 2QS<br/>Underwriting Commitment: USD 137,500,000</p> <p>(each a “<b>Joint Bookrunner</b>” and together, the “<b>Joint Bookrunners</b>”)</p> |
|      | (B) Date of the Letter for a Syndicated Note Issue:                        | 20 March 2018  |

- |       |  |  |
|-------|--|--|
|       | (C) Stabilising<br>Manager(s) (if any):  | Not Applicable                                     |
| (iii) | If non-syndicated, name<br>and address of Dealer:  | Not Applicable                                     |
| (iv)  | Total commission and<br>concession:  | 0.25 per cent. of the Aggregate Nominal Amount     |
| (v)   | U.S. Selling<br>Restrictions:  | Reg. S Compliance Category 2; TEFRA Not Applicable |
| (vi)  | The Netherlands Selling<br>Restrictions (Article<br>5:20(5) Dutch Financial<br>Supervision Act ( <i>Wet op<br/>het financieel toezicht</i> )): | Applicable   |
| (vii) | Public Offer where there<br>is no exemption from<br>the obligation under the<br>Prospectus Directive to<br>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 Bookrunners and any placers (authorised directly or indirectly by the Issuer or any of the Joint Bookrunners), other than pursuant to Article 3(2) of the Prospectus Directive, in each of Austria, Belgium, Germany, 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 Bookrunners; 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”).
- (i) Offer Period: From the date of and following publication of these Final Terms being 20 March 2018 to 22 March 2018



- (ii) Offer Price: The Issuer has offered and will sell the Notes to the Joint Bookrunners (and no one else) at the Issue Price of 99.533 per cent. less a total commission and concession of 0.25 per cent. of the Aggregate Nominal Amount of the Notes. Joint Bookrunners and Placers will offer and sell the Notes to their customers in accordance with arrangements in place between each such Joint Bookrunner 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 20 March 2018. As between Joint Bookrunners 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 Bookrunner and its customers or the relevant Placer and its customers, relating to the purchase of securities generally. Noteholders (other than Joint Bookrunners) 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 Bookrunners 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 Bookrunners on a delivery against payment basis on the Issue Date. Prospective Noteholders will be notified by the relevant Joint Bookrunner or Placer of their allocations of the Notes and the settlement arrangements in respect thereof

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|--------|--|---|
| (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 Bookrunner or Placer in accordance with the arrangements in place between such Joint Bookrunners 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 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, including by Directive 2010/73/EU) 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> <ul style="list-style-type: none"> <li>(i) the consent is only valid during the period from 20 March 2018 until 22 March 2018 (the “Offer Period”);</li> <li>(ii) the only offerors authorised to use the Issuer’s Base Prospectus to make the Public Offer of the Notes are: <ul style="list-style-type: none"> <li>(a) Credit Suisse Securities (Europe) Limited, RBC Europe Limited, The Toronto-Dominion Bank and UBS Limited (the “Joint Bookrunners”, and each an “Authorised Offeror”); and</li> <li>(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”);</li> </ul> </li> <li>(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, Luxembourg and the Netherlands, in addition to the United Kingdom, as specified in Paragraph 9 of Part B of the applicable Final Terms; and</li> </ul>

Element	Title	
		<p>(iv) the consent is subject to the conditions set out in Paragraph 9 of Part B of the applicable Final Terms.</p> <p><b>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.</b></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><b>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.</b></p>

#### Section B – Issuer and Guarantor

Element	Title	
B.1	<b>Legal and commercial name of the Issuer</b>	Nestlé Holdings, Inc. (“NHI” or the “Issuer”)
B.2	<b>Domicile/legal form/ legislation/ country of incorporation</b>	NHI is a corporation with unlimited duration, incorporated and domiciled in Delaware, United States under the laws of the State of Delaware.
B.4b	<b>Trend information</b>	The global business environment remained challenging in 2017 and continues to be challenging in 2018. 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	<b>Description of the Group</b>	NHI is (indirectly) 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”).

Element	Title																																																																																																																																																									
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 each of the audit reports relating to the historical financial information of NHI as at and for the twelve months ended 31 December 2016 and 2015, respectively.																																																																																																																																																								
B.12	<p><b>Selected historical key financial information</b></p> <p><b>NHI:</b></p> <p>The financial information set out below has been extracted without material adjustment from the unaudited interim consolidated financial statements of NHI in the Half-Yearly Financial Report for the six-month period ended 30 June 2017 and the audited consolidated financial statements in the Annual Financial Report of NHI for the financial year ended 31 December 2016, 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;"><b>Consolidated Balance Sheets</b> <b>As at 30 June and 31 December</b> <b>(U.S. dollars in thousands, except capital stock par value and shares)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 15%;"><b>30 June 2017</b></th> <th style="text-align: right; width: 15%;"><b>31 December 2016</b></th> <th style="text-align: right; width: 10%;"><b>31 December 2015</b></th> </tr> </thead> <tbody> <tr> <td><b>Assets</b></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;">185,719</td> <td style="text-align: right;">430,712</td> <td style="text-align: right;">140,204</td> </tr> <tr> <td>Short-term investments .....</td> <td style="text-align: right;">65,082</td> <td style="text-align: right;">42,475</td> <td style="text-align: right;">74,290</td> </tr> <tr> <td>Trade and other receivables, net .....</td> <td style="text-align: right;">9,351,849</td> <td style="text-align: right;">8,330,288</td> <td style="text-align: right;">6,025,152</td> </tr> <tr> <td>Inventories, net .....</td> <td style="text-align: right;">2,066,091</td> <td style="text-align: right;">1,591,315</td> <td style="text-align: right;">1,723,224</td> </tr> <tr> <td>Derivative assets .....</td> <td style="text-align: right;">95,809</td> <td style="text-align: right;">92,074</td> <td style="text-align: right;">82,554</td> </tr> <tr> <td>Assets held for sale .....</td> <td style="text-align: right;">346,256</td> <td style="text-align: right;">-</td> <td style="text-align: right;">20,403</td> </tr> <tr> <td>Prepayments .....</td> <td style="text-align: right;">131,233</td> <td style="text-align: right;">85,843</td> <td style="text-align: right;">96,512</td> </tr> <tr> <td><b>Total current assets</b> .....</td> <td style="text-align: right;"><b>12,242,039</b></td> <td style="text-align: right;"><b>10,572,707</b></td> <td style="text-align: right;"><b>8,162,339</b></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;">5,054,208</td> <td style="text-align: right;">5,329,648</td> <td style="text-align: right;">5,257,119</td> </tr> <tr> <td>Employee benefits assets .....</td> <td style="text-align: right;">248,907</td> <td style="text-align: right;">178,183</td> <td style="text-align: right;">29,179</td> </tr> <tr> <td>Investments in joint ventures and associated companies .....</td> <td style="text-align: right;">53,308</td> <td style="text-align: right;">8,621</td> <td style="text-align: right;">5,780</td> </tr> <tr> <td>Deferred tax assets .....</td> <td style="text-align: right;">922,561</td> <td style="text-align: right;">918,928</td> <td style="text-align: right;">995,885</td> </tr> <tr> <td>Financial assets .....</td> <td style="text-align: right;">4,467,709</td> <td style="text-align: right;">4,226,938</td> <td style="text-align: right;">3,927,548</td> </tr> <tr> <td>Goodwill .....</td> <td style="text-align: right;">17,015,844</td> <td style="text-align: right;">17,097,741</td> <td style="text-align: right;">17,085,873</td> </tr> <tr> <td>Intangible assets, net .....</td> <td style="text-align: right;">1,228,610</td> <td style="text-align: right;">1,188,159</td> <td style="text-align: right;">1,310,781</td> </tr> <tr> <td><b>Total non-current assets</b> .....</td> <td style="text-align: right;"><b>28,991,147</b></td> <td style="text-align: right;"><b>28,948,218</b></td> <td style="text-align: right;"><b>28,612,165</b></td> </tr> <tr> <td><b>Total assets</b> .....</td> <td style="text-align: right;"><b>41,233,186</b></td> <td style="text-align: right;"><b>39,520,925</b></td> <td style="text-align: right;"><b>36,774,504</b></td> </tr> <tr> <td><b>Liabilities and Equity</b></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;">1,719,790</td> <td style="text-align: right;">1,837,626</td> <td style="text-align: right;">1,568,668</td> </tr> <tr> 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.....	346,256	-	20,403	Prepayments .....	131,233	85,843	96,512	<b>Total current assets</b> .....	<b>12,242,039</b>	<b>10,572,707</b>	<b>8,162,339</b>	Non-current assets:				Property, plant and equipment, net .....	5,054,208	5,329,648	5,257,119	Employee benefits assets .....	248,907	178,183	29,179	Investments in joint ventures and associated companies .....	53,308	8,621	5,780	Deferred tax assets .....	922,561	918,928	995,885	Financial assets .....	4,467,709	4,226,938	3,927,548	Goodwill .....	17,015,844	17,097,741	17,085,873	Intangible assets, net .....	1,228,610	1,188,159	1,310,781	<b>Total non-current assets</b> .....	<b>28,991,147</b>	<b>28,948,218</b>	<b>28,612,165</b>	<b>Total assets</b> .....	<b>41,233,186</b>	<b>39,520,925</b>	<b>36,774,504</b>	<b>Liabilities and Equity</b>				Current liabilities:				Trade and other payables .....	1,719,790	1,837,626	1,568,668	Financial liabilities .....	6,874,309	6,009,843	4,610,326	Provisions .....	121,287	115,012	76,041	Derivative liabilities 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	<b>Consolidated Balance Sheets</b> <b>As at 30 June and 31 December</b> <b>(U.S. dollars in thousands, except capital stock par value and shares)</b>				
		<b>30 June</b>	<b>31 December</b>	<b>31 December</b>	
		<b>2017</b>	<b>2016</b>	<b>2015</b>	
	<b>Equity:</b>				
	Capital stock, \$100 par value. Authorised, issued, and outstanding, 1,000 shares .....	100	100	100	
	Additional paid-in capital .....	5,624,297	5,624,297	5,624,297	
	Other equity reserves .....	(949,151)	(1,010,767)	(1,173,966)	
	Accumulated earnings .....	12,491,017	11,765,425	9,981,421	
	<b>Total equity</b> .....	<b>17,166,263</b>	<b>16,379,055</b>	<b>14,431,852</b>	
	<b>Total liabilities and equity</b> .....	<b>41,233,186</b>	<b>39,520,925</b>	<b>36,774,504</b>	
	<b>Consolidated Income Statements</b> <b>For the six months ended 30 June and the years ended 31 December</b> <b>(U.S. dollars in thousands)</b>				
		<b>30 June</b>	<b>30 June</b>	<b>31 December</b>	
		<b>2016</b>	<b>2017</b>	<b>2016</b>	
		<b>2015</b>		<b>2015</b>	
	Sales .....	10,241,640	10,223,521	22,069,217	
	Cost of goods sold .....	(5,599,017)	(5,601,309)	(11,963,856)	
	Distribution expenses .....	(956,343)	(979,726)	(1,984,555)	
	Marketing, general and administrative expenses .....	(1,908,617)	(1,832,089)	(3,753,965)	
	Royalties to affiliated company .....	(560,963)	(558,075)	(1,214,361)	
	Net other trading income (expenses) .....	6,359	(87,508)	(117,683)	
	<b>Trading operating profit</b> .....	<b>1,223,059</b>	<b>1,164,814</b>	<b>3,034,797</b>	
	Net other operating expenses .....	(8,136)	(483)	(9,634)	
	<b>Operating profit</b> .....	<b>1,214,923</b>	<b>1,164,331</b>	<b>3,025,163</b>	
	Net financial expenses .....	(109,343)	(86,545)	(211,922)	
	Share of results from joint ventures and associated companies .....	1,723	4,822	3,157	
	<b>Income from continuing operations before income taxes</b> .....	<b>1,107,303</b>	<b>1,082,608</b>	<b>2,816,398</b>	
	Income tax expense .....	(441,210)	(357,016)	(1,045,947)	
	<b>Income from continuing operations</b> .....	<b>666,093</b>	<b>725,592</b>	<b>1,770,451</b>	
	Income from discontinued operations, net of taxes .....	12,958	-	13,553	
	<b>Net income</b> .....	<b>679,051</b>	<b>725,592</b>	<b>1,784,004</b>	
	<i>Statements of no significant or material adverse change</i>				
	There has been no significant change in the financial or trading position of NHI and its consolidated subsidiaries (considered as a whole) since 30 June 2017, the date of the most recently published financial statements of NHI and there has been no material adverse change in the prospects of NHI since 31 December 2016, the date of the most recently published audited financial statements of NHI.				
<b>B.13</b>	<b>Events impacting the Issuer's solvency</b>	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>B.14</b>	<b>Dependence upon other group entities</b>	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>B.15</b>	<b>Principal activities</b>	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>B.16</b>	<b>Controlling shareholders</b>	The Issuer is wholly owned and controlled (indirectly) by the Guarantor.			

Element	Title																																					
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 S&amp;P Global Ratings, acting through S&amp;P Global Ratings Italy S.R.L. (“Standard &amp; Poor’s”) and Aa2 (stable) by Moody’s Italia S.r.l. (“Moody’s”). Each of Standard &amp; 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 “Credit Ratings” below with respect to the Guarantor.</p> <p>The Notes to be issued are not rated by Standard &amp; 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	<p><b>Legal and commercial name of Guarantor</b></p> <p><b>Domicile/ legal form/ legislation/ country of incorporation</b></p> <p><b>Trend information</b></p> <p><b>Description of the Group</b></p> <p><b>Profit forecast or estimate</b></p> <p><b>Audit report qualifications</b></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 2017 and continues to be challenging in 2018. 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 each of the audit reports relating to the historical financial information of the Guarantor as at and for the twelve months ended 31 December 2017 and 2016, respectively.</p> <p><b>Selected historical key financial information for the Guarantor:</b></p> <p>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 2017, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.</p> <p style="text-align: center;"><b>Consolidated Balance Sheets</b> <b>As at 31 December 2017 and 2016</b> <b>(CHF in millions)</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black; width: 15%;">31 December 2017</th> <th style="text-align: right; border-bottom: 1px solid black; width: 15%;">31 December 2016</th> </tr> </thead> <tbody> <tr> <td><b>Assets</b></td> <td></td> <td></td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> </tr> <tr> <td>Cash and cash equivalents .....</td> <td style="text-align: right;">7,938</td> <td style="text-align: right;">7,990</td> </tr> <tr> <td>Short-term investments .....</td> <td style="text-align: right;">655</td> <td style="text-align: right;">1,306</td> </tr> <tr> <td>Inventories .....</td> <td style="text-align: right;">9,061</td> <td style="text-align: right;">8,401</td> </tr> <tr> <td>Trade and other receivables .....</td> <td style="text-align: right;">12,422</td> <td style="text-align: right;">12,411</td> </tr> <tr> <td>Prepayments and accrued income .....</td> <td style="text-align: right;">607</td> <td style="text-align: right;">573</td> </tr> <tr> <td>Derivative assets .....</td> <td style="text-align: right;">231</td> <td style="text-align: right;">550</td> </tr> <tr> <td>Current income tax assets .....</td> <td style="text-align: right;">919</td> <td style="text-align: right;">786</td> </tr> <tr> <td>Assets held for sale .....</td> <td style="text-align: right;">357</td> <td style="text-align: right;">25</td> </tr> <tr> <td><b>Total current assets</b> .....</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><b>32,190</b></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;"><b>32,042</b></td> </tr> </tbody> </table>		31 December 2017	31 December 2016	<b>Assets</b>			Current assets			Cash and cash equivalents .....	7,938	7,990	Short-term investments .....	655	1,306	Inventories .....	9,061	8,401	Trade and other receivables .....	12,422	12,411	Prepayments and accrued income .....	607	573	Derivative assets .....	231	550	Current income tax assets .....	919	786	Assets held for sale .....	357	25	<b>Total current assets</b> .....	<b>32,190</b>	<b>32,042</b>
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		<b>31 December</b>	<b>31 December</b>
		<b>2017</b>	<b>2016</b>
	Non-current assets		
	Property, plant and equipment .....	27,775	27,554
	Goodwill .....	29,748	33,007
	Intangible assets .....	20,615	20,397
	Investments in associates and joint ventures .....	11,628	10,709
	Financial assets .....	6,003	5,719
	Employee benefits assets .....	392	310
	Current income tax assets .....	62	114
	Deferred tax assets .....	1,967	2,049
	<b>Total non-current assets</b> .....	<b>98,190</b>	<b>99,859</b>
	<b>Total assets</b> .....	<b>130,380</b>	<b>131,901</b>
	<b>Liabilities and equity</b>		
	Current liabilities		
	Financial debt .....	10,536	12,118
	Trade and other payables .....	18,872	18,629
	Accruals and deferred income .....	4,094	3,855
	Provisions .....	863	620
	Derivative liabilities .....	507	1,068
	Current income tax liabilities .....	1,170	1,221
	Liabilities directly associated with assets held for sale .....	12	6
	<b>Total current liabilities</b> .....	<b>36,054</b>	<b>37,517</b>
	Non-current liabilities		
	Financial debt .....	15,932	11,091
	Employee benefits liabilities .....	7,111	8,420
	Provisions .....	2,445	2,640
	Deferred tax liabilities .....	3,559	3,865
	Other payables .....	2,502	2,387
	<b>Total non-current liabilities</b> .....	<b>31,549</b>	<b>28,403</b>
	<b>Total liabilities</b> .....	<b>67,603</b>	<b>65,920</b>
	Equity		
	Share capital .....	311	311
	Treasury shares .....	(4,537)	(990)
	Translation reserve .....	(19,433)	(18,799)
	Other reserves .....	989	1,198
	Retained earnings .....	84,174	82,870
	<b>Total equity attributable to shareholders of the parent</b> .....	<b>61,504</b>	<b>64,590</b>
	Non-controlling interests .....	1,273	1,391
	<b>Total equity</b> .....	<b>62,777</b>	<b>65,981</b>
	<b>Total liabilities and equity</b> .....	<b>130,380</b>	<b>131,901</b>
	<b>Consolidated Income Statements</b>		
	<b>For the years ended 31 December 2017 and 2016</b>		
	<b>(CHF in millions)</b>		
		<b>31 December</b>	<b>31 December</b>
		<b>2017</b>	<b>2016</b>
	<b>Sales</b> .....	<b>89,791</b>	<b>89,469</b>
	Other revenue .....	330	317
	Cost of goods sold .....	(44,923)	(44,199)
	Distribution expenses .....	(8,205)	(8,059)
	Marketing and administration expenses .....	(20,540)	(21,485)
	Research and development costs .....	(1,724)	(1,736)
	Other trading income .....	111	99
	Other trading expenses .....	(1,607)	(713)
	<b>Trading operating profit</b> .....	<b>13,233</b>	<b>13,693</b>



Element	Title		
	<b>Consolidated Income Statements</b> <b>For the years ended 31 December 2017 and 2016</b> <b>(CHF in millions)</b>		
		<b>31 December</b>	<b>31 December</b>
		<b>2017</b>	<b>2016</b>
	Other operating income .....	379	354
	Other operating expenses .....	(3,500)	(884)
	<b>Operating profit</b> .....	<b>10,112</b>	<b>13,163</b>
	Financial income .....	152	121
	Financial expense .....	(771)	(758)
	<b>Profit before taxes, associates and joint ventures</b> .....	<b>9,493</b>	<b>12,526</b>
	Taxes .....	(2,779)	(4,413)
	Income from associates and joint ventures .....	824	770
	<b>Profit for the year</b> .....	<b>7,538</b>	<b>8,883</b>
	of which attributable to non-controlling interests .....	355	352
	of which attributable to shareholders of the parent (Net profit) .....	7,183	8,531
	<b>As percentages of sales</b>		
	Trading operating profit .....	14.7%	15.3%
	Profit for the year attributable to shareholders of the parent (Net profit) .....	8.0%	9.5%
	<b>Earnings per share (in CHF)</b>		
	Basic earnings per share .....	2.32	2.76
	Diluted earnings per share .....	2.32	2.75
	<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 and its consolidated subsidiaries (considered as a whole) since 31 December 2017, the date of the most recently published financial statements of the Guarantor and there has been no material adverse change in the prospects of the Guarantor since 31 December 2017, the date of the most recently published audited financial statements of the Guarantor.		
	<b>Events impacting the Guarantor's solvency</b>	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.	
	<b>Dependence upon other group entities</b>	The Guarantor is the ultimate holding company of the Nestlé Group (including NHI). Accordingly, substantially all of the assets of the Guarantor are comprised of its shareholdings in its subsidiaries. The Guarantor is therefore dependent on the performance of its direct and indirect subsidiaries which manufacture and sell 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. Payment obligations under the Guarantor's Guarantee of the Notes will be structurally subordinated to any payment obligations owed by the Guarantor's subsidiaries to their creditors.	
	<b>Principal activities</b>	The Guarantor primarily acts as the holding company of the Nestlé Group which manufactures and sells food and beverages, as well as products related to the nutrition, health and wellness industries.	
	<b>Controlling shareholders</b>	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 of 3 per cent. or more of the Guarantor's share capital is required to disclose its/his/her shareholding pursuant to the Swiss Financial Market Infrastructure Act.	

Element	Title	
	<b>Credit ratings</b>	<p>The Guarantor’s senior long term debt obligations have been rated AA- (stable) by Standard &amp; 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	
<b>C.1</b>	<b>Description of Notes/ISIN</b>	<p>The Notes are USD 550,000,000 3.125 per cent. Notes due 22 March 2023.</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): XS1796233150.</p>
<b>C.2</b>	<b>Currency</b>	The currency of this Series of Notes is United States dollars (“USD”).
<b>C.5</b>	<b>Transferability</b>	There are no restrictions on the free transferability of the Notes.
<b>C.8</b>	<b>Rights attached to the Notes and ranking</b>	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p><b>Status of the Notes (Ranking)</b></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> <p><b>Taxation</b></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><b>Negative pledge</b></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><b>Events of Default</b></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>

Element	Title	
		<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><b>Meetings</b></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><b>Governing law of the Notes</b></p> <p>English law.</p> <p><b>Governing law of the Guarantee</b></p> <p>Swiss law.</p>
C.9	Interest/ Redemption	<p><b>Interest</b></p> <p>The Notes bear interest from their date of issue at the fixed rate of 3.125 per cent. per annum. The yield of the Notes is 3.228 per cent. per annum. Interest will be paid annually in arrear on 22 March in each year up to and including the Maturity Date. The first interest payment will be on 22 March 2019.</p> <p><b>Redemption</b></p> <p>The Maturity Date of the Notes will be 22 March 2023.</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><b>Representatives of holders</b></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	<b>Derivative component</b>	Not Applicable: the Notes are not derivative securities.
C.11	<b>Listing/ Distribution</b>	<p><b>Listing</b></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 UK Listing Authority and admitted to trading on the London Stock Exchange's regulated market.</p> <p><b>Distribution</b></p> <p>The Notes may be offered to the public in Austria, Belgium, Germany, Luxembourg, the Netherlands and the United Kingdom during the Offer Period.</p>

## Section D – Risks

Element	Title	
<b>D.2</b>	<b>Key risks that are specific to the Issuer and the Guarantor</b>	<p>The key risks relating to the Issuer and the Guarantor are set out below:</p> <ul style="list-style-type: none"> <li>(a) the Group is vulnerable to brand damage. Any major event triggered by a serious food safety or other compliance issue could have a negative effect on the Group's reputation or brand image 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;</li> <li>(b) 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. The Group's sales or margins may be materially adversely affected by competition or an inability to respond to rapid changes in consumer preferences or offer high-quality appealing products;</li> <li>(c) the Group's business is subject to some seasonality, and adverse weather conditions may impact sales;</li> <li>(d) the food industry including the Group is faced with the global challenge of rapidly rising obesity levels;</li> <li>(e) the Group is dependent on the sustainable supply of a number of raw materials, packaging material and services/utilities. 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;</li> <li>(f) 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;</li> <li>(g) the Group is dependent on sustainable manufacturing/supply of finished goods for all product categories. The Group's manufacturing facilities could be disrupted for reasons beyond the Group's control that may include extremes of natural hazards, fire, supplies of materials or services, system failures, work force actions, political instability, environmental issues or infectious diseases. A major event in one of the Group's key plants, at a key supplier, contract manufacturer, co-packer and/or warehouse facility could potentially lead to a supply disruption and impact the Group's financial results;</li> <li>(h) security, political instability, legal and regulatory, fiscal, macroeconomic, foreign trade, labour, infrastructure risk and/or events such as infectious disease could also impact the Group's ability to operate and could lead to a supply disruption and impact the Group's financial results; and</li> <li>(i) 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 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.</li> </ul>
<b>D.3</b>	<b>Key risks that are specific to the Notes</b>	<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> <ul style="list-style-type: none"> <li>(i) changes in prevailing market interest rates could affect the value of the Notes which bear interest at a fixed rate;</li> <li>(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;</li> </ul>

Element	Title	
		<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	
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes. In addition, the net proceeds for the issuance of Notes will be applied by the Issuer outside of Switzerland unless use of proceeds in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of such Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.
<b>E.3</b>	<p><b>Terms and Conditions of the offer</b></p> <p><i>Offer Period:</i></p> <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>Notes may be offered to the public in a Public Offer in Austria, Belgium, Germany, 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>From the date of, and following, publication of the Final Terms being 20 March 2018 to 22 March 2018.</p> <p>The issue price of the Notes is 99.533 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 20 March 2018. As between the Joint Bookrunners 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 Joint Bookrunner and its customers or the relevant Placer and its customers, relating to the purchase of securities generally. Noteholders (other than Joint Bookrunners) 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>

Element	Title	
	<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><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>There are no pre-identified allotment criteria. The Joint Bookrunners 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 Bookrunners on a delivery against payment basis on the Issue Date. Prospective Noteholders will be notified by the relevant Joint Bookrunner 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 Bookrunner or Placer in accordance with the arrangements in place between such Joint Bookrunners 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 Joint Bookrunners and the Placers to the public in a Public Offer in Austria, Belgium, Germany, Luxembourg, the Netherlands and the United Kingdom during the Offer Period.</p>

<b>Element</b>	<b>Title</b>	
<b>E.4</b>	<i>Interest of natural and legal persons involved in the issue/offer</i>	The Joint Bookrunners will be paid aggregate commissions equal to 0.25 per cent. of the nominal amount of the Notes. Any Joint Bookrunner 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.
<b>E.7</b>	<i>Expenses charged to the investor by the Issuer or an offeror</i>	Not Applicable. No expenses are being charged by the Issuer to investors purchasing from Authorised Offerors in connection with the issue of the Notes..