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## Press release

Vevey, 16 January 2018



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### Nestlé agrees to sell U.S. confectionery business to Ferrero

Nestlé today announced that it agreed to sell its U.S. confectionery business to Ferrero for USD 2.8 billion in cash. Nestlé's 2016 U.S. confectionery sales reached about USD 900 million. The transaction is expected to close around the end of the first quarter of 2018 following the completion of customary approvals and closing conditions.

Nestlé CEO Mark Schneider commented: "With Ferrero we have found an exceptional home for our U.S. confectionery business where it will thrive. At the same time, this move allows Nestlé to invest and innovate across a range of categories where we see strong future growth and hold leadership positions, such as pet care, bottled water, coffee, frozen meals and infant nutrition."

Nestlé's U.S. confectionery business represents about three percent of U.S. Nestlé Group sales. It includes popular local chocolate brands such as *Butterfinger*, *Crunch*, *BabyRuth*, *100Grand*, *Raisinets*, *Chunky*, *OhHenry!* and *SnoCaps*, as well as local sugar brands such as *SweeTarts*, *LaffyTaffy*, *Nerds*, *FunDip*, *PixyStix*, *Gobstopper*, *BottleCaps*, *Spree* and *Runts*.

The transaction covers the U.S.-focused confectionery brands only and does not include Nestlé's iconic *Toll House* baking products, a strategic growth brand which the company will continue to develop. Nestlé remains fully committed to growing its leading international confectionery activities around the world, particularly its global brand *KitKat*.

With sales of CHF 26.7 billion in 2016, the U.S. is Nestlé's largest market. Nestlé products can be found in 97 percent of U.S. households under brands such as *Purina*, *Nestlé Pure Life*, *Coffee-Mate*, *Gerber* and *Stouffer's*. The company employs 50,000 people in more than 120 locations across the U.S., including 77 factories and 10 R&D centers.

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