Supplementary Prospectus dated 28 February 2019 to the Prospectus dated 18 May 2018

Nestlé Holdings, Inc.
(incorporated in the State of Delaware with limited liability)

and

Nestlé Finance International Ltd.
(incorporated in Luxembourg with limited liability)

Debt Issuance Programme

Notes issued by Nestlé Finance International Ltd. will be,
and Notes issued by Nestlé Holdings, Inc. may be, guaranteed by

Nestlé S.A.
(incorporated in Switzerland with limited liability)

This Supplementary Prospectus (the "**Supplementary Prospectus**"), to the Prospectus dated 18 May 2018 (the "**Prospectus**") which comprises a base prospectus for the purposes of Article 5.4 of the Prospectus 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 (the "**Prospectus Directive**") for each of Nestlé Holdings, Inc. ("**NHI**" and the "**NHI Base Prospectus**", respectively) and Nestlé Finance International Ltd. ("**NFI**" and the "**NFI Base Prospectus**", respectively, and NHI and NFI together, the "**Issuers**" and each an "**Issuer**"), constitutes a supplementary prospectus for the purposes of Article 16 of the Prospectus Directive in relation to NHI with respect to the NHI Base Prospectus and NFI with respect to the NFI Base Prospectus, and is prepared in connection with the Debt Issuance Programme (the "**Programme**") established by the Issuers. The Financial Conduct Authority, as the UK competent authority under the Prospectus Directive, has approved this Supplementary Prospectus.

The purpose of this Supplementary Prospectus is to: (i) incorporate by reference Nestlé S.A.'s, the ultimate parent company of the Issuers, audited annual consolidated financial statements, in respect of the financial year ended 31 December 2018 into the Prospectus; (ii) update Nestlé S.A.'s no significant change and no material adverse change statements; (iii) update and replace the disclosure with respect to certain financial performance measures; and (iv) update the Programme Summary with respect to such financial information incorporated by reference and the update of such no significant change and no material adverse change statements.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus and the Supplementary Prospectus dated 31 August 2018 issued by the Issuers or any Issuer and Nestlé S.A. Any statement contained in the Prospectus or in a document which is incorporated by reference in the Prospectus shall be deemed to be modified or superseded for the purpose of the Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference in the Prospectus by way of a supplement (including this Supplementary Prospectus) prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Supplementary Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus and (b) any other statement in or incorporated in the Prospectus (as previously supplemented from time to time), the statements in (a) will prevail.

Except as disclosed in this Supplementary Prospectus and the Supplementary Prospectus dated 31 August 2018 there has been no significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Prospectus.

This Supplementary Prospectus includes all information contained within this Supplementary Prospectus together with all documents which are deemed to be incorporated by reference herein.

The Issuers and Nestlé S.A. accept responsibility for the information contained in this Supplementary Prospectus, together with all documents incorporated by reference herein. Each of the Issuers and Nestlé S.A. confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus and in the documents which are deemed to be incorporated by reference herein is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

No Dealer has separately verified the information contained in this Supplementary Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated in this Supplementary Prospectus.

None of the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus or any Final Terms constitutes an offer of, or an invitation by or on behalf of any of the Issuers, Nestlé S.A. or any Dealer to any person to subscribe for, or purchase, any Notes.

The distribution of the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus or any Final Terms come are required by the Issuers, Nestlé S.A. and the Dealers to inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus, any Final Terms and other information in relation to the Issuers, Nestlé S.A. and the Notes, and the offer or sale of Notes in the United States, Australia, New Zealand, the People's Republic of China, Hong Kong, Japan, Singapore and the European Economic Area (including the United Kingdom, Belgium and the Netherlands). For a further description of these restrictions, see "*Subscription and Sale*" in the Prospectus. The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, (see "*Subscription and Sale*" in the Prospectus).

Investors should be aware of their rights under Section 87Q(4) of the Financial Services and Markets Act 2000 (the "**FSMA**"). In accordance with Section 87Q(4) of the FSMA, investors who have agreed to purchase or subscribe for transferrable securities before this Supplementary Prospectus is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplementary Prospectus was published, to withdraw their acceptances. This right to withdraw will expire by close of business on 4 March 2019. Investors who wish to withdraw their acceptances should contact their broker.

NESTLÉ S.A. –FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

On 14 February 2019, Nestlé S.A., the ultimate parent company of the Issuers, published its audited annual consolidated financial statements for the financial year ended 31 December 2018 (the "**Financial Information**"). By virtue of this Supplementary Prospectus, the Financial Information, excluding all information incorporated by reference therein either expressly or implicitly, is incorporated in, and forms part of, the Prospectus. A copy of the Financial Information, which is incorporated herein by reference, is available at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html on the London Stock Exchange plc's website and has also been filed with the National Storage Mechanism.

There has been no significant change in the financial or trading position of Nestlé S.A. and its consolidated subsidiaries (considered as a whole) since 31 December 2018, the date of the most recently published financial statements of Nestlé S.A. and there has been no material adverse change in the prospects of Nestlé S.A. since 31 December 2018, the date of the most recently published audited financial statements of Nestlé S.A.

The disclosure beginning at the final paragraph on page 61, and all of the disclosure on pages 62-67, of the Prospectus relating to financial performance measures, most recently replaced by virtue of the Supplementary Prospectus dated 31 August 2018, is now replaced, and superseding such prior modifications, by the following:

Nestlé S.A.'s Financial Information with respect to the Nestlé group of companies ("**Nestlé Group**") incorporated in, and forming part of, the Prospectus and its Annual Report contains certain financial performance measures, which are not defined by IFRS, that are used by Nestlé S.A. to assess the financial and operational performance of the Nestlé Group. Nestlé S.A. believes that these non-IFRS financial performance measures provide useful information regarding the Nestlé Group's business, and Nestlé Group's management considers these measures when analysing Nestlé Group's financial and operating performance. However, these measures should not be considered indications of, or alternatives to, corresponding measures determined in accordance with IFRS. In addition, such measures may not be comparable to similar measures presented by other companies. Such measures are disclosed, explained and/or reconciled with Nestlé S.A.'s IFRS measures as appropriate.

The measures set out below include the impacts of the restatement of the 2017 figures of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2017 following, among others, the implementation of IFRS 15 Revenue from Contract with Customers, IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments as well as other accounting policies and presentation changes of the consolidated income statement.

The 2017 restated figures of the consolidated financial statements of Nestlé Group for the financial year ended 31 December 2017 have been published in March 2018 and in the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2018. This restated set of figures represents the new baseline for the 2018 measures set out below. As the restatement concerns only the 2017 figures (no restatement of 2016 figures), a comparison of the evolution year-over-year of certain measures between the published 2016 figures and the 2017 restated figures is not possible due to different basis of measurement and presentation. Therefore, year-over-year evolution, as well as published 2016 figures, are presented for information only.

"**Organic Growth**" combines Real Internal Growth and Pricing and represents the growth of the business of Nestlé Group after removing the impact of acquisitions and divestitures and other changes in the Nestlé Group's scope of activity, and exchange rate movements. This provides a "like-for-like" comparison with the previous year, in constant scope and constant currency, enabling a deeper understanding of the business dynamics which contributed to the evolution of sales from one year to another.

In order to limit the distorting effect of hyperinflation, pricing in excess of around 2 per cent. per month (the level at which hyperinflation generally occurs) are excluded from Organic Growth calculations in hyperinflationary economies, with a corresponding adjustment in changes in exchange rates. The exception to this is Venezuela, which the Nestlé Group excludes completely from Real Internal Growth, Pricing and Organic Growth to eliminate the volatility due to this extreme business environment.

For the purposes of calculating Organic Growth (a) the sales of an acquired business are excluded for the 12 months following the business combination, but incremental sales generated by post-acquisition expansion of a business are generally included; and (b) sales from a divested business are removed from comparatives for the 12 months prior to the divestiture. Supply agreements related to a divested business are included in acquisitions and divestitures during a transitory period. The pricing impact of changes in the way that a business is transacted in an entire country (for example, establishing a local operating company instead of exporting to a distributor, or vice versa) are included in acquisitions and divestitures, respectively.

The effects of changes in foreign exchange rates are calculated as the current year's sales values converted at the current year's exchange rates, less the current year's sales converted at the prior year's exchange rates.

"**Real Internal Growth**" represents the impact on sales of volume increases or decreases, weighted by the relative value per unit sold. It is calculated at the level of the individual product reference (stock-keeping unit) per distribution channel, by comparing the weighted sales (this year's volumes valued at the prior year's prices in local currency) to the prior year's sales. At the product level, it is therefore primarily driven by changes in volume, while when aggregated at Operating segments or Nestlé Group level, it embeds the impact of the evolution of the product mix.

Sales of newly launched products are included from the moment of launch which tends to increase the Real Internal Growth, while products which are discontinued have a negative impact on Real Internal Growth since the historical sales continue to be included in the prior year comparatives. This reflects in a balanced way the impacts of renovation and innovation and the impact on sales coming from ongoing product rationalisation efforts. In hyperinflationary economies, the sales of newly launched products are deflated to the price level of the prior year.

As Real Internal Growth is a component of Organic Growth, it excludes the impact of acquisitions and divestitures, and exchange rates.

"**Pricing**" is part of Organic Growth and represents the portion of sales growth caused by changes in prices over the period. It excludes the impact of Real Internal Growth, as well as the impact of acquisitions and divestitures, and exchange rates.

Analysing Pricing allows Nestlé Group's management to assess the degree to which inflationary (but not hyperinflation, see Organic Growth above) or deflationary factors have contributed to sales evolution, and the degree to which cost changes have been passed to customers.

"**Evolution of sales**" Nestlé Group uses Organic Growth (including Real Internal Growth and Pricing), exchange rate impacts, and the effects of acquisitions and divestitures in order to understand the Evolution of sales from one year to the prior year (either the increase or the decrease in the current year's sales, compared with the prior year's sales, expressed as a percentage).

Total Nestlé Group	**2018**	**2017 Restated**
Sales (CHF in millions)	91,439	89,590
Evolution of sales (as a percentage comparison to the prior year's sales)	+2.1%	+0.4%*

* Not comparable with 2018 figures and for information only, since computed before application of IFRS 15.

The reconciliation between Organic Growth (including Real Internal Growth and Pricing) to Evolution of sales is as follows:

Total Nestlé Group	**2018 vs 2017 (%)**	**2017 vs 2016 (%)***
Real Internal Growth	+2.5	+1.6
Pricing	+0.5	+0.8
Organic Growth	**+3.0**	**+2.4**
Effect of exchange rates	-1.6	-0.1
Effect of acquisitions, divestitures and other changes in Nestlé Group scope of activity	+0.7	-1.9
Evolution of sales	**+2.1**	**+0.4**

* Not comparable with 2018 figures and for information only, since computed before application of IFRS 15.

"**Underlying Trading operating profit margin**" is when Underlying Trading operating profit is calculated as a percentage of sales. Underlying Trading operating profit is Trading operating profit before the impact of Other trading expenses and Other trading income (mainly restructuring costs, impairment of property, plant and equipment, and litigation and onerous contracts). See note 4, page 93 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2018 incorporated in, and forming part of, the Prospectus for more details of Other trading expenses and Other trading income.

The exclusion of these items allows tracking and better understanding and prediction of the results due to the day-to-day trading activities under the control of the operational management in the business units. It excludes the impacts of decisions (such as factory closures, disposal of a piece of real estate, or restructuring plans) made in conjunction with management, or litigation and disputes or events which distort the underlying performance due to their frequency or the unpredictability of the outcome.

The reconciliation of Underlying Trading operating profit to Trading operating profit is as follows:

Total Nestlé Group (CHF in millions, except for Underlying Trading operating profit margin)	**2018**	**2017 Restated**
Trading operating profit	**13,789**	**13,277**
Add:		
Other trading income	(37)	(112)
Other trading expenses	1,769	1,606
Underlying Trading operating profit	**15,521**	**14,771**
Sales	**91,439**	**89,590**
Underlying Trading operating profit margin	**17.0%**	**16.5%**

"**Trading operating profit margin**" is when Trading operating profit is calculated as a percentage of Sales. Trading operating profit is a sub-total in the Nestlé Group's consolidated income statement, appearing above Operating profit. It excludes Other operating income and Other operating expenses. The items excluded from Trading operating profit represent the results of transactions and decisions taken at Nestlé Group level and are largely out of control of management of the operating segments (such as acquisitions, disposals or strategic alliances), or the impacts of events which are irregular in nature and difficult to predict (such as wars or natural disasters).

"**Profit margins in constant currency**" such as "Underlying trading operating profit margin in constant currency" and "Trading Operating profit margin in constant currency" are calculated as the ratio between profits and Sales, adjusted to eliminate the impact of changes in exchange rates.

When comparing the year-on-year change in profit margins, it is useful to eliminate the impact of changes in exchange rates in order to isolate the results generated by business operations from the effect of translation of these results into Swiss francs. This is done by converting both Sales and profits of the current year at the exchange rate of the prior year. The resulting profit margins can therefore be compared with the reported profit margins of the prior year to understand fundamental business trends.

The reconciliation of profit margins in constant currency is as follows:

Total Nestlé Group (CHF in millions except for Underlying trading operating profit margin and Trading operating profit margin and related evolution)	**2018**	**2017 Restated**
Sales	**91,439**	**89,590**
Retranslation at prior year rates	1,104	74
Sales in constant currency	**92,543**	**89,664**

Total Nestlé Group (CHF in millions except for Underlying trading operating profit margin and Trading operating profit margin and related evolution)	**2018**	**2017 Restated**
Underlying Trading operating profit	**15,521**	**14,771**
Retranslation at prior year rates	212	58
Underlying Trading operating profit in constant currency	**15,733**	**14,829**
Underlying Trading operating profit margin (as reported)	**17.0%**	**16.5%**
Reported evolution (in basis points)	+50 bps	+40 bps*
Underlying Trading operating profit margin in constant currency	**17.0%**	**16.5%**
Evolution in basis points compared to prior year as reported Underling Trading operating profit margin	+50 bps	+50 bps*
Trading operating profit	**13,789**	**13,277**
Retranslation at prior year rates	199	63
Trading operating profit in constant currency	**13,988**	**13,340**
Trading operating profit margin (as reported)	**15.1%**	**14.8%**
Reported evolution (in basis points)	+30 bps	-60 bps*
Trading operating profit margin in constant currency	**15.1%**	**14.9%**
Evolution in basis points compared to prior year as reported Trading operating profit margin	+30 bps	-50 bps*

* Not comparable with 2018 figures and for information only, since computed before application of IFRS 15, IFRS 16 and other changes.

"**Underlying earnings per share**" is calculated by adjusting Net profit attributable to shareholders of the parent to remove the effects of Other trading income and Other trading expenses, Other operating income and Other operating expenses, and related tax effects. An adjustment is also made to eliminate Other trading income and Other trading expenses and Other operating income and Other operating expenses included in the Income from associates and joint ventures. Underlying earnings per share reflects the underlying earnings from trading operations for each share of Nestlé S.A.

"**Underlying earnings per share in constant currency**" is used when comparing the year-on-year change in Underlying earnings per share to eliminate the impact of changes in exchange rates in order to isolate the results generated by business operations from the effect of translation of these results into Swiss francs. This is done by converting the Underlying earnings per share of the current year at the exchange rate of the prior year. The resulting figure can therefore be compared with the Underlying earnings per share of the prior year to understand fundamental business trends.

The reconciliation of Net profit and Underlying earnings per share to Underlying earnings per share in constant currency is as follows:

Total Nestlé Group (CHF in millions, except for data per share or number of shares and Evolution)	**2018**	**2017 Restated**
Net profit attributable to shareholders of the parent	**10,135**	**7,156**
Add:		
Restructuring costs	651	673
Impairment of property, plant and equipment, goodwill and intangible assets	1,248	3,582
Net result of disposal of businesses	(686)	132
Other adjustments in Net other income/(expenses)	556	228
Adjustment for income from associates and joint ventures	301	265
Tax effect on above items and adjustment of one-off tax items	(76)	(1,034)
Adjustment in non-controlling interests	(26)	(21)
Underlying net profit	**12,103**	**10,981**

Total Nestlé Group (CHF in millions, except for data per share or number of shares and Evolution)	**2018**	**2017 Restated**
Retranslation at prior year rates	85	11
Underlying net profit in constant currency	**12,188**	**10,992**
Weighted average number of shares outstanding (in millions of shares)	3,014	3,092
Underlying earnings per share (as reported)	**4.02**	**3.55**
Underlying earnings per share in constant currency	**4.04**	**3.55**
Evolution in % compared to prior year as reported Underlying earnings per share (unrounded)	+13.9%	+4.7%*

* Not comparable with 2018 figures and for information only, since computed before application of IFRS 15, IFRS 16 and other changes.

"**Net financial debt**" represents the net level of financial debt contracted by the Nestlé Group with external parties (for example, bonds, commercial paper) after considering cash and investments readily convertible into cash. As per the table below, it is composed of the current and non-current financial debt less cash and cash equivalent and short-term investments. Since 2018 this measure also includes the derivatives hedging financial debt and liquid assets.

The reconciliation of the year-on-year Net financial debt evolution is as follows:

Total Group (CHF in millions)	**2018**	**2017 Restated**
Current financial debt	14,694	11,211
Non-current financial debt	25,700	18,566
Cash and cash equivalents	(4,500)	(7,938)
Short-term investments	(5,801)	(655)
Derivatives*	237	185
Net financial debt	**30,330**	**21,369**

* Related to Net debt and included in Derivative assets and Derivative liabilities balances of the consolidated balance sheet.

See note 12.2e, page 133 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2018 incorporated in, and forming part of, the Prospectus for more details on the monitoring of the Net financial debt.

"**Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation**" ("**Adjusted EBITDA**") is used as a measure of the ability of the Nestlé Group to generate enough cash from earnings to repay its net financial debt. It is computed as follows:

Total Nestlé Group (CHF in millions)	**2018**	**2017 Restated**
Trading operating profit	**13,789**	**13,277**
Add:		
Net other trading income/(expenses)	1,732	1,494
Depreciation and amortisation	3,924	3,934
Adjusted EBITDA	**19,445**	**18,705**

When Net financial debt is divided by Adjusted EBITDA, this yields a ratio which is used to monitor the Nestlé Group's financing capacity.

"**Free cash flow**" represents the cash generating capability of the Nestlé Group to pay dividends, repay providers of capital, or carry out acquisitions, if any. As per the table below, it equals Operating cash flow less capital expenditure, expenditure on intangible assets and other investing activities. Since 2018 the investments (net of divestments) in associates and joint ventures are excluded from the definition of Free cash flow.

Reconciliation of Operating cash flow to Free cash flow for the year is as follows:

Total Nestlé Group (CHF in millions)	**2018**	**2017 Restated**
Operating cash flow	15,398	14,199
Capital expenditure	(3,869)	(3,938)
Expenditure on intangible assets	(601)	(769)
Other investing activities	(163)	(134)
Free cash flow	**10,765**	**9,358**

"**Working capital**" is the sum of Trade Net Working capital, composed of inventories, trade receivables and trade payables, and other components such as some other receivables and other payables, some prepayments and accrued income, and some accruals and deferred income. The Nestlé Group monitors average Working capital to evaluate how efficient it is at managing its operating cash conversion cycle. The average of Working capital for the last five quarters (that is, from the end of the prior year through each calendar quarter to the end of the current year) is divided by sales to determine the average Working capital as a percentage of sales. Due to the fact that working capital as a percentage of sales in not meaningful when measured over less than 12 months, the Nestlé Group generally calculates the Working capital as a percentage of sales on a yearly basis.

The average Working capital as a percentage of sales is determined as follows:

Total Nestlé Group (CHF in millions)	**5-quarters average 2018**	**5-quarters average 2017***
Trade receivables	9,732	9,370
Inventories	9,707	9,397
Trade payables	(12,635)	(11,914)
Average Trade Working capital	**6,804**	**6,853**
Other receivables	2,322	2,435
Other payables	(4,460)	(4,593)
Other elements of Working capital**	(3,363)	(3,226)
Average of other elements of Working capital	**(5,501)**	**(5,384)**
Average of Working capital	**1,303**	**1,469**
Sales	**91,439**	**89,590**
Average Working capital as a % of Sales	**1.4%**	**1.6%**

* Restated figures.
** Mainly composed of prepayments and accrued income (assets) and accruals and deferred income (liabilities).

"**Return on invested capital**" is a measure of performance which integrates both measures of profitability and measures of capital efficiency. The numerator is Trading operating profit before Litigation and miscellaneous trading income/(expenses), net of tax. This figure is divided by average Invested capital during the year. Invested capital is a measure of the operational assets used to generate the results of the business, excluding financing, tax and cash-management activities. Further details of the definition of Invested capital can be found in Note 3, page 84 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2018 incorporated in, and forming part of, the Prospectus.

"**Return on invested capital before Goodwill ("GW") and Intangible Assets ("IA")**" is used to eliminate the distortions caused by the different treatments of goodwill in the past and internally and externally generated intangible assets. This removes from the analysis the impact of varying acquisition activities over time. This measure is calculated by removing the average goodwill and intangible assets value from the average invested capital (see above).

The calculation of Return on invested capital is shown below:

Total Group (CHF in millions)	**2018**		**2017 Restated**	
	Before GW & IA	After GW & IA	Before GW & IA	After GW & IA
Trading operating profit	**13,789**	**13,789**	**13,277**	**13,277**
Add:				
Net other trading income/(expenses)	1,732	1,732	1,494	1,494
Underlying Trading operating profit	**15,521**	**15,521**	**14,771**	**14,771**
Less:				
Impairment of property, plant and equipment	(500)	(500)	(391)	(391)
Restructuring costs	(651)	(651)	(673)	(673)
Impairment of intangible assets (excluding goodwill and non-commercialised intangible assets)		(122)		(152)
Impairment of goodwill and non-commercialised intangible assets		(626)		(3,039)
Trading operating profit before litigation and miscellaneous trading income/(expenses)	**14,370**	**13,622**	**13,707**	**10,516**
Tax rate*	(3,420)	(3,242)	(3,701)	(2,839)
Trading operating profit before litigation and miscellaneous trading income/(expenses), net of tax	**10,950**	**10,380**	**10,006**	**7,677**
Average Invested capital (Note 3.2)	32,274	32,274	32,654	32,654
Average goodwill and intangible assets (Note 3.2)		53,656		51,931
Average Invested capital, goodwill and intangible assets		85,930		84,585
Return on invested capital	**33.9%**	**12.1%**	**30.6%**	**9.1%**

* Based on the Nestlé Group Underlying Tax Rate of 23.8% (2017: 27%).

UPDATE OF THE SUMMARY OF THE PROGRAMME

The Summary of the Programme included in the Prospectus is updated in the Appendix to this Supplementary Prospectus with respect to the Financial Information and the update of Nestlé S.A.'s no significant change and no material adverse change statements.

APPENDIX

SUMMARY OF THE PROGRAMME

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 Issuers 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, issuers 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**	**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 an 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 relevant Issuer's Base Prospectus and the applicable Final Terms or it does not provide, when read together with the other parts of the relevant 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.**
A.2	**Consent to use of the relevant Issuer's Base Prospectus**	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". ***Issue specific summary:*** [Not applicable; the Notes are not being offered to the public as part of a Public Offer.] [*Consent*: Subject to the conditions set out below, the Issuer consents to the use of its Base Prospectus (that is for [Nestlé Holdings, Inc.: all information in the Prospectus, except for information in the Prospectus relating to Nestlé Finance International Ltd.]/[Nestlé Finance International Ltd.: all information in the Prospectus, except for information in the Prospectus relating to Nestlé Holdings, Inc.]) in connection with a Public Offer of Notes: (i) the consent is only valid during the period from [[ ] until [ ]] (the "Offer Period"); (ii) the only offerors authorised to use the Issuer's Base Prospectus to make the Public Offer of the Notes are: [(a)] [the relevant Dealers [ ] (the "Managers", and each an "Authorised Offeror")] and [(b)] the financial intermediaries named in paragraph 9 of Part B of the applicable Final Terms [(the "Placers", and each an "Authorised Offeror")]; and/or [(b)/(c)] any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive 2014/65/EU 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")];] (iii) the consent only extends to the use of the Issuer's Base Prospectus to make Public Offers of the Notes in [ ] as specified in Paragraph 9 of Part B of the applicable Final Terms; and

Element	Title	
		(iv) the consent is subject to the conditions set out in Paragraph 9 of Part B of the applicable Final Terms.] **[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. The consent referred to above relates to Offer Periods occurring within twelve months from the date of the Prospectus.** The Issuer [and the Guarantor] accept[s] responsibility, in each relevant Member State for which the consent to use its 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. **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.]**

Section B – Issuers and Guarantor

Element	Title	
B.1	**Legal and commercial name of the Issuer**	Nestlé Holdings, Inc. ("NHI")/ Nestlé Finance International Ltd. ("NFI")
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. NFI is a public limited company (*société anonyme*) with unlimited duration, organised under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies. NFI is domiciled in Luxembourg.
B.4b	**Trend information**	The global business environment remained challenging in 2018 and continues to be challenging in 2019.[1] 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 and NFI are both (indirectly in the case of NHI) wholly owned subsidiaries 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").

[1] The trend information with respect to the Nestlé Group has been updated by virtue of the publication of Nestlé S.A.'s audited consolidated financial statements for the financial year ended 31 December 2018.

Element	Title	
B.9	**Profit forecast or estimate**	Not Applicable; there are no profit forecasts or estimates made in the relevant 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 or NFI as at and for the twelve months ended 31 December 2017 and 2016, respectively.
B.12	**Selected historical key financial information**	

NHI:

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 2018 and the audited consolidated financial statements in the Annual Financial Report of NHI for the financial year ended 31 December 2017, 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.[2]

Consolidated Balance Sheets
As at 30 June and 31 December
(U.S. dollars in thousands, except capital stock par value and shares)

	30 June 2018[3]	**31 December 2017*[3]**	**31 December 2016**
Assets			
Current assets:			
Cash and cash equivalents	521,235	45,903	430,712
Short-term investments	235,641	54,601	42,475
Trade and other receivables, net	15,432,503	12,001,592	8,330,288
Inventories, net	2,112,184	1,742,700	1,591,315
Derivative assets	92,959	123,258	92,074
Assets held for sale	4,142,933	390,016	-
Prepayments	120,749	77,462	85,843
Total current assets	**22,658,204**	**14,435,532**	**10,572,707**
Non-current assets:			
Property, plant and equipment, net	5,947,138	5,937,153	5,329,648
Employee benefits assets	353,005	238,574	178,183
Investments in associates and joint ventures	48,235	50,066	8,621
Deferred tax assets	647,158	570,802	918,928
Financial assets	1,256,547	4,698,666	4,226,938
Goodwill	14,929,132	16,167,268	17,097,741
Intangible assets, net	232,582	1,348,836	1,188,159
Total non-current assets	**23,413,797**	**29,011,365**	**28,948,218**
Total assets	**46,072,001**	**43,446,897**	**39,520,925**
Liabilities and Equity			
Current liabilities:			
Trade and other payables	2,013,934	2,059,730	1,837,626
Financial liabilities	8,810,258	6,102,845	6,009,843
Provisions	213,861	202,029	115,012
Derivative liabilities	359,640	349,162	873,081
Current income tax liabilities	769,699	354,863	83,628
Liabilities directly associated with assets held for sale	2,642,933	-	-
Accruals	1,295,990	1,764,205	1,538,798
Total current liabilities	**16,106,315**	**10,832,834**	**10,457,988**

* 2017 comparatives have been restated to include modifications as described in Note 1, and related impacts in Note 13, of NHI's Half-Yearly Financial Report June 30, 2018 (Unaudited).

2 The selected historical key financial information has been updated by virtue of the publication of NHI's Half-Yearly Financial Report for the six-month period ended 30 June 2018.

3 The financial information has been updated by virtue of the publication of NHI's Half-Yearly Financial Report for the six-month period ended 30 June 2018.

Element	Title

Consolidated Balance Sheets
As at 30 June and 31 December
(U.S. dollars in thousands, except capital stock par value and shares)

	30 June 2018[3]	31 December 2017*[3]	31 December 2016
Non-current liabilities:			
Financial liabilities	9,440,429	9,320,911	6,254,350
Employee benefits liabilities	1,706,458	1,805,925	1,785,210
Deferred tax liabilities	1,323,286	1,530,979	2,322,198
Provisions	86,337	88,912	98,640
Other accrued liabilities	4,338	1,974,022	2,223,484
Total non-current liabilities	**12,560,848**	**14,720,749**	**12,683,882**
Total liabilities	**28,667,163**	**25,553,583**	**23,141,870**
Equity:			
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	(1,116,202)	(1,074,887)	(1,010,767)
Accumulated earnings	12,896,643	13,343,804	11,765,425
Total equity	**17,404,838**	**17,893,314**	**16,379,055**
Total liabilities and equity	**46,072,001**	**43,446,897**	**39,520,925**

Consolidated Income Statements
For the six months ended 30 June and the years ended 31 December
(U.S. dollars in thousands)

	30 June 2017*[3]	30 June 2018[3]	31 December 2017	31 December 2016
Sales	10,181,552	10,204,139	21,975,415	22,069,217
Cost of goods sold	(5,627,938)	(5,678,100)	(11,988,149)	(11,963,856)
Distribution expenses	(934,256)	(985,910)	(2,035,228)	(1,984,555)
Marketing, general and administrative expenses	(1,804,369)	(1,713,231)	(3,531,336)	(3,753,965)
Royalties to affiliated company	(558,075)	(549,426)	(1,196,124)	(1,214,361)
Net other trading expenses	(87,508)	(124,887)	(219,398)	(117,683)
Trading operating profit	**1,169,406**	**1,152,585**	**3,005,180**	**3,034,797**
Net other operating expenses	(483)	(993,504)	(921,122)	(9,634)
Operating profit	**1,168,923**	**159,081**	**2,084,058**	**3,025,163**
Net financial expenses	(92,546)	(70,389)	(174,437)	(211,922)
Share of results from joint ventures and associated companies	-	-	1,618	3,157
Profit before taxes, associates, and joint ventures	**1,076,377**	**88,692**	-	-
Income from continuing operations before income taxes	-	-	**1,911,239**	**2,816,398**
Income tax expense	(354,638)	(513,736)	(148,494)	(1,045,947)
Income from continuing operations	-	-	**1,762,745**	**1,770,451**
Income from discontinued operations, net of taxes	-	-	-	13,553
Profit (loss) from associates and joint ventures	4,822	(1,796)	-	-
Profit (loss) for the period / Net income	**726,561**	**(426,840)**	**1,762,745**	**1,784,004**

* 2017 comparatives have been restated to include modifications as described in Note 1, and related impacts in Note 13, of NHI's Half-Yearly Financial Report June 30, 2018 (Unaudited).

Statements of no significant or material adverse change

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 2018,[4] 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 2017, the date of the most recently published audited financial statements of NHI.

[4] The statement of no significant change has been updated by virtue of the publication of NHI's Half-Yearly Financial Report for the six-month period ended 30 June 2018.

Element	Title	
	NFI: The financial information set out below has been extracted without material adjustment from the unaudited interim financial statements of NFI in the Half-Yearly Financial Report for the six-month period ended 30 June 2018 and the audited financial statements in the Annual Financial Report of NFI for the financial year ended 31 December 2017, prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting and International Financial Reporting Standards as adopted by the European Union, respectively.[5]	

Balance Sheets
As at 30 June and 31 December
(Euros in thousands)

	30 June 2017[6]	**30 June 2018**[6]	**31 December 2017**	**31 December 2016**
Assets				
Current assets				
Cash and cash equivalents	171,839	1,570	165,596	178,648
Derivative assets	35,247	58,182	29,156	167,511
Loans and advances to Nestlé Group companies	7,180,232	7,342,748	5,572,008	7,149,165
Loans and advances to third parties	100,000	-	-	100,000
Other assets	1,071	605	537	1,050
Total current assets	**7,488,389**	**7,403,105**	**5,767,297**	**7,596,374**
Non-current assets				
Loans and advances to Nestlé Group companies	1,947,152	3,412,239	1,942,519	2,192,409
Property, plant and equipment	9	1	5	13
Total non-current assets	**1,947,161**	**3,412,240**	**1,942,524**	**2,192,422**
Total assets	**9,435,550**	**10,815,345**	**7,709,821**	**9,788,796**
Liabilities				
Current liabilities				
Bank overdrafts	-	2,209	93,160	-
Derivative liabilities	104,767	551	5,559	13,538
Loans and advances from Nestlé Group companies	1,215,187	2,745,220	758,773	2,446,668
Debt securities issued	4,216,786	2,127,247	946,189	3,427,683
Current tax liabilities	4,113	5,697	3,844	6,902
Other liabilities	46,741	61,319	30,983	31,037
Total current liabilities	**5,587,594**	**4,942,243**	**1,838,508**	**5,925,828**
Non-current liabilities				
Debt securities issued	3,816,512	5,788,207	5,791,607	3,836,228
Total non-current liabilities	**3,816,512**	**5,788,207**	**5,791,607**	**3,836,228**
Total liabilities	**9,404,106**	**10,730,450**	**7,630,115**	**9,762,056**
Equity				
Share capital	440	440	440	440
Share premium	2,000	52,000	52,000	2,000
Hedging reserve	1,068	162	12	1,604
Available-for-sale reserve	-	-	-	1
Legal reserve	44	44	44	44
Other reserve	2,962	3,630	2,962	3,081
Retained earnings	24,930	28,619	24,248	19,570
Total equity attributable to shareholders of the company	**31,444**	**84,895**	**79,706**	**26,740**
Total liabilities and equity	**9,435,550**	**10,815,345**	**7,709,821**	**9,788,796**

[5] The selected historical key financial information has been updated by virtue of the publication of NFI's Half-Yearly Financial Report for the six-month period ended 30 June 2018.

[6] The financial information has been updated by virtue of the publication of NFI's Half-Yearly Financial Report for the six-month period ended 30 June 2018.

Element	Title	
	Income Statements **For the six months ended 30 June and the years ended 31 December** **(Euros in thousands)**	

	30 June 2017[6]	**30 June 2018**[6]	**31 December 2017**	**31 December 2016**
Interest income	86,748	67,857	164,662	201,323
Interest expense	(20,696)	(43,307)	(45,729)	(53,206)
Net interest income	66,052	24,550	118,933	148,117
Fee and commission income	40,848	21,485	50,834	60,035
Fee and commission expense	(14,626)	(13,122)	(27,682)	(27,985)
Net fee and commission income from Nestlé Group companies	26,222	8,363	23,152	32,050
Other operating expense	(82,160)	(22,606)	(129,762)	(166,297)
Operating profit	**10,114**	**10,307**	**12,323**	**13,870**
Administration expense	(714)	(722)	(1,337)	(1,219)
Profit before tax	**9,400**	**9,585**	**10,986**	**12,651**
Taxes	(4,159)	(4,546)	(6,427)	(8,640)
Profit for the period attributable to shareholders of the company	**5,241**	**5,039**	**4,559**	**4,011**

Statements of no significant or material adverse change

There has been no significant change in the financial or trading position of NFI since 30 June 2018,[7] the date of the most recently published financial statements of NFI and there has been no material adverse change in the prospects of NFI since 31 December 2017, the date of the most recently published audited financial statements of NFI.

Element	Title	
B.13	**Events impacting the Issuer's solvency**	Not Applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	**Dependence upon other group entities**	NHI is dependent on the performance of its direct and indirect subsidiaries which engage primarily in the manufacture and sale of food, beverage and pet care products. NFI is dependent on the performance of the members of the Nestlé Group to which NFI provides financing in the form of loans, facilities or guarantees.
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 and beverage products. These businesses derive revenue across the United States. The principal business activity of NFI is the financing of members of the Nestlé Group. NFI raises funds and on-lends to other members of the Nestlé Group.
B.16	**Controlling shareholders**	The Issuer is wholly owned and controlled (directly in the case of NFI and indirectly in the case of NHI) by the Guarantor.
B.17	**Credit ratings**	Senior long term debt obligations of the Issuers, which have the benefit of a guarantee from the Guarantor, have been rated AA- by S&P Global Ratings, acting through S&P Global Ratings Europe Limited ("Standard & Poor's") and Aa2 by Moody's Italia S.r.l. ("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 "*Credit Ratings*" below with respect to the Guarantor. ***Issue specific summary:*** [The Notes to be issued [are not]/[have been]/[are expected to be] rated [ ] by [ ] and [ ] by [ ].] 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.
B.18	**Description of Guarantee**	Notes issued by NFI will be guaranteed by the Guarantor and Notes issued by NHI may or may not benefit from a guarantee given by the Guarantor.

7 The statement of no significant change has been updated by virtue of the publication of NFI's Half-Yearly Financial Report for the six-month period ended 30 June 2018.

Element	Title	
		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 *pari passu* 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). ***Issue specific summary:*** [The Notes are not guaranteed.] / [The payment of the principal and two years' interest in respect of each Note is unconditionally and irrevocably guaranteed by the Guarantor.]
B.19	**Legal and commercial name of Guarantor**	Nestlé S.A.
	Domicile/ legal form/ legislation/ country of incorporation	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.
	Trend information	The global business environment remained challenging in 2018 and continues to be challenging in 2019.[1] 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.
	Description of the Group	The Guarantor is the ultimate holding company of the Nestlé Group.
	Profit forecast or estimate	Not Applicable; there are no profit forecasts or estimates made in the relevant Issuer's Base Prospectus.
	Audit report qualifications	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 2018 and 2017, respectively.[8]

Selected historical key financial information for the Guarantor:

The financial information set out below has been extracted without material adjustment from the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2018, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.[9]

Consolidated Balance Sheets
As at 31 December 2018 and 2017
(CHF in millions)

	31 December 2018[10]	31 December 2017*
Assets		
Current assets		
Cash and cash equivalents	4,500	7,938
Short-term investments	5,801	655
Inventories	9,125	9,177
Trade and other receivables	11,167	12,036
Prepayments and accrued income	530	573
Derivative assets	183	231
Current income tax assets	869	917
Assets held for sale	8,828	357
Total current assets	**41,003**	**31,884**

* 2017 comparatives have been restated to include modifications as described in Note 1, Accounting policies and related impacts in Note 22, of the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2018.

8 The audit report qualifications have been updated by virtue of the publication of Nestlé S.A.'s audited consolidated financial statements for the financial year ended 31 December 2018.

9 The selected historical key financial information has been updated by virtue of the publication of Nestlé S.A.'s audited consolidated financial statements for the financial year ended 31 December 2018.

10 The financial information has been updated by virtue of the publication of Nestlé S.A.'s audited consolidated financial statements for the financial year ended 31 December 2018.

Element	Title	

Consolidated Balance Sheets
As at 31 December 2018 and 2017
(CHF in millions)

	31 December 2018[10]	31 December 2017*
Non-current assets		
Property, plant and equipment	29,956	30,777
Goodwill	31,702	29,746
Intangible assets	18,634	20,615
Investments in associates and joint ventures	10,792	11,628
Financial assets	2,567	6,003
Employee benefits assets	487	392
Current income tax assets	58	62
Deferred tax assets	1,816	2,103
Total non-current assets	**96,012**	**101,326**
Total assets	**137,015**	**133,210**
Liabilities and equity		
Current liabilities		
Financial debt	14,694	11,211
Trade and other payables	17,800	18,864
Accruals and deferred income	4,075	4,299
Provisions	780	819
Derivative liabilities	448	507
Current income tax liabilities	2,731	2,477
Liabilities directly associated with assets held for sale	2,502	12
Total current liabilities	**43,030**	**38,189**
Non-current liabilities		
Financial debt	25,700	18,566
Employee benefits liabilities	5,919	7,111
Provisions	1,033	1,147
Deferred tax liabilities	2,540	3,492
Other payables	390	2,476
Total non-current liabilities	**35,582**	**32,792**
Total liabilities	**78,612**	**70,981**
Equity		
Share capital	306	311
Treasury shares	(6,948)	(4,537)
Translation reserve	(20,432)	(19,436)
Other reserves	(183)	989
Retained earnings	84,620	83,629
Total equity attributable to shareholders of the parent	**57,363**	**60,956**
Non-controlling interests	1,040	1,273
Total equity	**58,403**	**62,229**
Total liabilities and equity	**137,015**	**133,210**

Consolidated Income Statements
For the years ended 31 December 2018 and 2017
(CHF in millions)

	31 December 2018[10]	31 December 2017*
Sales	**91,439**	**89,590**
Other revenue	311	332
Cost of goods sold	(46,070)	(45,571)
Distribution expenses	(8,469)	(8,023)
Marketing and administration expenses	(20,003)	(19,818)
Research and development costs	(1,687)	(1,739)
Other trading income	37	112
Other trading expenses	(1,769)	(1,606)
Trading operating profit	**13,789**	**13,277**

* 2017 comparatives have been restated to include modifications as described in Note 1, Accounting policies and related impacts in Note 22, of the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2018.

Element	Title	
	Consolidated Income Statements **For the years ended 31 December 2018 and 2017** **(CHF in millions)**	

	31 December 2018[10]	31 December 2017*
Other operating income	2,535	379
Other operating expenses	(2,572)	(3,500)
Operating profit	**13,752**	**10,156**
Financial income	247	152
Financial expense	(1,008)	(848)
Profit before taxes, associates and joint ventures	**12,991**	**9,460**
Taxes	(3,439)	(2,773)
Income from associates and joint ventures	916	824
Profit for the year	**10,468**	**7,511**
of which attributable to non-controlling interests	333	355
of which attributable to shareholders of the parent (Net profit)	10,135	7,156
As percentages of sales		
Trading operating profit	15.1%	14.8%
Profit for the year attributable to shareholders of the parent (Net profit)	11.1%	8.0%
Earnings per share (in CHF)		
Basic earnings per share	3.36	2.31
Diluted earnings per share	3.36	2.31

* 2017 comparatives have been restated to include modifications as described in Note 1, Accounting policies and related impacts in Note 22, of the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2018.

Statements of no significant or material adverse change

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 2018, 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 2018, the date of the most recently published audited financial statements of the Guarantor.[11]

Events impacting the Guarantor's solvency	Not Applicable; there have been no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.
Dependence upon other group entities	The Guarantor is the ultimate holding company of the Nestlé Group (including NHI and NFI). 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.
Principal activities	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.
Controlling shareholders	The Guarantor is a publicly traded company and its shares are listed on the SIX Swiss Exchange. Pursuant to the Guarantor's Articles of Association, no person or entity may be (i) registered (directly or indirectly through nominees) with voting rights for more than 5 per cent. of the Guarantor's share capital as recorded in the commercial register or (ii) at general meetings of the Guarantor exercise directly or indirectly voting rights, with respect to own shares or shares represented by proxy, in excess of 5 per cent. of the Guarantor's share capital. Any shareholder holding shares in the Guarantor 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.

11 The statements of no significant change and no material adverse change have been updated by virtue of the publication of Nestlé S.A.'s audited consolidated financial statements for the financial year ended 31 December 2018.

Element	Title	
	Credit ratings	The Guarantor's senior long term debt obligations have been rated AA- by Standard & Poor's and Aa2 by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Section C – Securities

Element	Title	
C.1	**Description of Notes/ISIN**	The Notes described in this section are debt securities with a denomination of less than €100,000 (or its equivalent in any other currency). The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, or a combination of the foregoing. ***Issue specific summary:*** The Notes are [ ] [[ ] per cent./ Floating Rate/ Zero Coupon] Notes due [ ] The Notes have a Specified Denomination of [ ] International Securities Identification Number (ISIN): [ ]
C.2	**Currency**	The currency of each Series of Notes issued will be agreed between the Issuer and the relevant Dealer at the time of issue. ***Issue specific summary:*** The currency of this Series of Notes is [ ]
C.5	**Transferability**	There are no restrictions on the free transferability of the Notes.
C.8	**Rights attached to the Notes and ranking**	Notes issued under the Programme will have terms and conditions relating to, among other matters: ***Status of the Notes (Ranking)*** 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 *pari passu* and rateably without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the relevant Issuer from time to time outstanding (other than obligations mandatorily preferred by law). ***Taxation*** 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) if the Issuer is NHI, the United States, (ii) if the Issuer is NFI, Luxembourg, and (iii) if the Notes are guaranteed by the Guarantor, Switzerland, unless such withholding or deduction is required by law. 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. 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. ***Negative pledge*** The terms of the Notes contain a negative pledge provision which prohibits the Issuer, and where the issue of the Notes is guaranteed by the Guarantor, 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. ***Events of Default*** The terms of the Notes contain, amongst others, the following events of default: (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; (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;

Element	Title	
		(c) default in payment by the Issuer, certain principal subsidiaries of the Issuer, or if the Notes are guaranteed by the Guarantor, 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; (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 if the Notes are guaranteed by the Guarantor, the Guarantor, subject to certain exceptions; and (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. ***Meetings*** 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. ***Governing law of the Notes*** English law. ***Governing law of the Guarantee*** Swiss law.
C.9	**Interest/ Redemption**	***Interest*** Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate. ***Issue specific summary:*** [The Notes bear interest [from their date of issue] at the fixed rate of [ ] per cent. per annum. The yield of the Notes is [ ] per cent. per annum. Interest will be paid [semi-annually]/[annually] in arrear on [ ] in each year up to and including the Maturity Date. The first interest payment will be on [ ].] [The Notes bear interest [from their date of issue] at floating rates calculated by reference to [*specify reference rate*] [plus/minus] a margin of [ ] per cent. Interest will be paid [quarterly] in arrear on [ ],[ ],[ ], and [ ] in each year [, subject to adjustment for non-business days]. The first interest payment will be on [ ].] [The Notes are Zero Coupon Notes and do not bear interest [and will be offered and sold at a discount to their nominal amount].] ***Redemption*** The terms under which Notes may be redeemed (including the Maturity Date and the price at which they will be redeemed on the Maturity Date, as well as any provisions relating to early redemption at the option of the Issuer (either in whole or part) and/or the holders of the Notes) will be agreed between the relevant Issuer and the relevant Dealer(s) at the time of issue of the relevant Notes. ***Issue specific summary:*** [The Maturity Date of the Notes will be [ ].] [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [ ] at [par]/[[ ] per cent. of their nominal amount].] [The Notes may be redeemed early for tax reasons, a change of control of the Issuer [or [specify other]] at [specify the early redemption price [[par]/[par or, if higher, the price at which the gross redemption yield on the Notes is equal to the gross redemption yield on the reference bond rate and a margin of [ ]] and any maximum or minimum redemption amounts, if applicable.] ***Representatives of holders*** A trustee has not been appointed to act as trustee for the holders of Notes. ***Issue specific summary:*** [Citibank, N.A., acting through its London branch has been appointed as the issuing and principal paying agent and calculation agent in respect of the Notes.] [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 Citibank, N.A., London Branch as transfer agent and paying agent.]

Element	Title	
C.10	**Derivative component**	Not Applicable: the Notes are not derivative securities.
C.11	**Listing/ Distribution**	***Listing*** Notes may be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's regulated market. ***Issue specific summary:*** [Application [has been][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.] ***Distribution*** [The Notes may be offered to the public in [ ] during the Offer Period.] [The Notes are being sold only to [ ] [and [ ]].]

Section D – Risks

Element	Title	
D.2	**Key risks that are specific to the Issuer and the Guarantor**	The key risks relating to the relevant Issuer and the Guarantor are set out below: (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; (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; (c) the Group's business is subject to some seasonality, and adverse weather conditions may impact sales; (d) the food industry including the Group is faced with the global challenge of rapidly rising obesity levels; (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; (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; (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; (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 (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.

Element	Title	
D.3	**Key risks that are specific to the Notes**	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: (i) changes in prevailing market interest rates could affect the value of the Notes which bear interest at a fixed rate; (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; (iii) uncertainty about the future of "benchmarks" may adversely affect the value of, and return on, any Notes linked to a "benchmark" and the trading market for such Notes; (iv) Bearer Notes in new global note form and Registered Notes in global form held under the new safekeeping structure may not satisfy Eurosystem eligibility criteria; (v) Notes denominated in Renminbi are subject to additional risks; Renminbi is not completely freely convertible or transferable and there are still significant restrictions on the remittance of Renminbi into and outside the People's Republic of China ("PRC" (which excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's Republic of China and Taiwan)) which may adversely affect the liquidity of Notes denominated in Renminbi; there is only limited availability of Renminbi outside the PRC, which may affect the liquidity of such Notes and the Issuer's ability to source Renminbi outside the PRC to service such Notes; if the Issuer is unable to source Renminbi, it may pay holders of such Notes in U.S. dollars; (vi) the Terms and Conditions of the Notes may be modified without the consent of all investors in certain circumstances; (vii) 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; (viii) investors are exposed to the risk of changes in law or regulation affecting the value of their Notes; (ix) 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; (x) there may be no or only a limited secondary market in the Notes; and (xi) any credit rating assigned to Notes may not adequately reflect all the risks associated with an investment in the Notes.

Section E – Offer

Element	Title	
E.2b	**Reasons for the offer and use of proceeds**	Unless otherwise specified in the applicable Final Terms, the net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes. In addition, in the case of Notes issued by the Issuer (if the Issuer is NFI) or guaranteed Notes issued by the Issuer (if the Issuer is NHI) the net proceeds for each issuance of Notes will be applied by the Issuer outside of Switzerland unless and to the extent 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. ***Issue specific summary:*** Use of Proceeds: [ ]
E.3	**Terms and Conditions of the offer**	The Terms and Conditions of offer will be determined by agreement between the Issuer and the Dealer(s) at the time of issue. ***Issue specific summary:*** [Notes may be offered to the public in a Public Offer in [Austria,] [Germany,] [Luxembourg,] [the Netherlands] [and] the United Kingdom.] [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.]

Element	Title	
	Offer Period:	[From the date of, and following, publication of the Final Terms being [ ] to [ ].]
	Issue Price/ Offer Price:	[The issue price of the Notes is [ ] per cent. of their nominal amount.] [Offer price: [Not Applicable]/ [ ]]
	Conditions to which the offer is subject:	[Not Applicable]/ [ ]
	Description of the application process:	[Not Applicable]/ [ ]
	Description of possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	[Not Applicable]/ [ ]
	Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest):	[Not Applicable]/ [ ]
	Method and time limits for paying up the Notes and for delivery of the Notes:	[Not Applicable]/ [ ]
	Manner in and date on which results of the offer are to be made public:	[Not Applicable]/ [ ]
	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable]/ [ ]
	Whether tranche(s) have been reserved for certain countries:	[Not Applicable]/ [ ]

Element	Title	
	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable]/ [ ]
	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable]/ [ ]
	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[Not Applicable]/ [ ]
	Categories of potential investors to which the Notes are offered:	[Not Applicable]/ [ ]
E.4	**Interest of natural and legal persons involved in the issue/offer**	The relevant Dealers or Managers may be paid fees in relation to any issue of the Notes under the Programme. ***Issue specific summary:*** [The Dealers will be paid aggregate commissions equal to [ ] per cent. of the nominal amount of the Notes. Any [Dealer/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 [its/their] affiliates in the ordinary course of business.]
E.7	**Expenses charged to the investor by the Issuers or an offeror**	The relevant Issuer will not charge any expenses to investors purchasing from Authorised Offerors in connection with any issue of Notes under the Programme. Authorised Offerors may, however, charge expenses to such investors. Such expenses (if any) and their terms will be determined by agreement between the relevant Authorised Offeror and the investors at the time of each issue of Notes. ***Issue specific summary:*** [Not Applicable. No expenses are being charged by the Issuer to investors purchasing from Authorised Offerors in connection with the issue of the Notes.]