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M.7946 - PAI / NESTLE / FRONERI

SECTION 1.2

Description of the concentration

After the signature of a non-binding term sheet for the formation of a joint venture on October 5, 2015 (the "**Term Sheet**"), PAI Partners S.A.S., its portfolio company R&R Ice Cream Plc. and Nestlé S.A. entered into a binding Implementation Agreement signed on May 6, 2016. The proposed JV, Froneri, will comprise the entirety of R&R Ice Cream's business, which is principally active in Europe, South Africa and Australia and Nestlé's ice cream businesses in Europe, the Middle East¹ and North Africa ("**EMENA**"), as well as in certain other geographic areas including the Philippines, Brazil and Argentina. It is proposed that Nestlé will also transfer to the JV elements of its frozen food businesses (but not frozen pizza) in a number of European countries² and its chilled dairy business in the Philippines.

After the Proposed Transaction is completed, Nestlé S.A. and PAI Partners S.A.S. will exercise joint control over the JV.

Nestlé is a Swiss Company mainly active across the EEA in the production, marketing and sale of food and beverage products, including ice cream products. Nestlé is also active in healthcare nutrition and skin health products.

PAI is one of the oldest and most experienced private equity investors in Europe. It manages and advises private equity funds.

R&R is an ice cream manufacturer headquartered in the United Kingdom. It produces ice cream products and has sales in a number of EEA countries.

¹ Excluding Israël.

² In Germany, Malta, Finland, Spain, and Austria for Out-of-Home only and Italy (frozen brioche business) and Switzerland for both Out-of-Home and Retail.