



## PRESS RELEASE

### Nestlé India Maintains Momentum in Q2 Receives Highest Credit Rating

- **NET SALES : Rs. 1763.1 Crores**
- **NET PROFIT : Rs. 213.8 Crores**
- **Domestic Sales: Rs.1643.5 Crores**
- **Export Sales : Rs. 119.6 Crores**
- **Growth across businesses.**
- **Capacity expansions on track**
- **CRISIL Assigns Highest Credit Rating to Company [ AAA and A1+]**

Commenting on the Second Quarter results for 2011, Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestlé India stated **"We have now, for the 18<sup>th</sup> consecutive quarter delivered profitable double-digit growth. This is clearly the result of consistent execution of our focused strategy by our people, who I believe to be one of our main competitive advantages."**

**NESTLÉ HOUSE, Gurgaon 30<sup>th</sup> July, 2011:** The Board of Directors of Nestlé India today announced results for the Second Quarter of 2011.

#### NET SALES

Net Sales for the Quarter are Rs.1763.1 Crores and have increased by 20.2 % over the same period of 2010. Domestic Sales have increased by 20.9 % on account of volumes and selling prices. Exports growth was 11.0%.

#### NET PROFIT

Net Profit for the Quarter is Rs. 213.8 Crores, up from Rs. 194.8 Crores in same period of 2010.

The cost of materials for goods sold in percentage of Net Sales has increased. This is largely due to higher commodity prices, mainly Milk Solids, Green Coffee and Oils/Fats, and partially offset by an improved product/channel mix and operational efficiencies.

On completion of 5 years of the Pantanagar factory, the 100% income tax holiday is now reduced to 30% of the profits of Pantnagar factory.

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### **External Commercial Borrowing**

During the quarter USD 50 Mio were drawn down from Nestle SA for 5 years under the approval from Reserve Bank of India for External Commercial Borrowing for capacity expansions. The total amount outstanding as at 30.06.2011, is USD 60 Million (INR 2682.3 Million). The YTD cost of this borrowing including interest and exchange differences is 4.9% on an annualised basis. However, in keeping with the potential growth story of India and consequently the 'INR: USD' outlook as well as the "cost" associated with hedging of around 5% per annum; it has been decided not to hedge this borrowing. This practise may result in the quarterly results being impacted by the movement of INR and USD.

### **Credit Rating**

CRISIL has assigned its 'CRISIL AAA/Stable' and 'CRISIL A1+' ratings to the Company's potential INR 18 billion long term loans and INR 7 billion short term debt programme, respectively.



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