

## PRESS RELEASE

Nestlé India – Q1, 2012  
Sustains Healthy Growth. Strengthens Innovation Pipeline.

- Net Sales Rs. 2047.5 Crores
- Net Profit Rs.275.7 Crores
- Continued focus on Product portfolio and Channel Optimisation
- Accelerating Innovations in product portfolio and expanding reach
- New factory at Tahliwal goes on stream

Commenting on the results Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestlé India said “As anticipated, 2012 is already confirming to be a challenging year. Low consumer confidence and the economic environment is creating pressure across sectors. We are maintaining a cautious tone, and in recent months and especially in this quarter have focused even more on optimising our product portfolio and in further strengthening the innovation pipeline. This focus has enabled us to maintain a healthy top and bottom line in the Quarter.”

**NESTLÉ HOUSE, Gurgaon 25<sup>th</sup> April, 2012:** The Board of Directors of Nestlé India today announced results for the First Quarter of 2012.

### NET SALES

Net Sales for the Quarter are Rs.2047.5 Crores and have increased by 13.1% over the same period of 2011.

Domestic Sales have increased by 13.7% led by higher realizations but has been adversely impacted by the focus on product portfolio and channel optimization to improve long term value. Overall Exports grew by 3.3 %. Even as exports to affiliates declined by 10.1% exports to third parties have grown by 19.3%. Rupee depreciation has favourably impacted the total exports growth by 6.3%.

### NET PROFIT

Net Profit for the Quarter is Rs.275.7 Crores, up from Rs.255.7 Crores in same period of 2011.

Higher realisations and favourable impact of product portfolio/channel mix have been partially offset by higher input cost. Increase in employee costs is a result of significant increase in headcount to support business expansion, higher actuarial valuation of employee benefits and the remuneration strategy.

Increase in Tax Expense is higher than the increase in Profit before Tax as Pantnagar factory has moved into the next phase of tax holiday from 100% of profits to only 30 % of profits with effect from April 2011.

### External Commercial Borrowing (ECB) for Capital Expenditure

During the current quarter US Dollar 21 Million were drawn down from Nestlé SA for 5 years under the ECB approval from Reserve Bank of India. The total amount outstanding as at 31.03.2012 is USD 157 Million. The cost of this borrowing in the current quarter after accounting for the appreciating Rupee shows a net gain of Rs. 20.0 Crores. Over the loan period, the cumulative cost of this borrowing, including interest and exchange differences is Rs. 96.8 Crores which is 22.0% on an annualised basis.



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