



Nestlé

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100
YEARS
OF BUILDING
HAPPY NESTS

PRESS RELEASE

Nestlé India – Q3, 2013 Maintains Steady Growth Despite Economic Slowdown

- **NET SALES** : Rs.2348.3 Crores
- **NET PROFIT** : Rs.285.0 Crores
- Domestic Sales : Rs.2183.2 Crores
- 11.0 % Organic growth
- Operating profit : 17.5% of Net Sales
- Earnings per share Rs.29.56
- Second Interim Dividend for 2013 : Rs.18 per share

NESTLÉ HOUSE, Gurgaon 30th October, 2013: The Board of Directors of Nestlé India met today at Nestlé House and announced results for the Third Quarter of 2013.

Commenting on the results, Mr. Etienne Benet who has been recently appointed as the Managing Director of Nestlé India said **“I am satisfied that we have maintained double digit growth in the current business environment. We will continue to focus on reinforcing the fundamentals of our growth drivers, further improve operational efficiencies, and keep rationalizing our SKUs. I am confident of our strategy to deliver long term sustainable profitable growth, despite the short term challenges.”**

NET SALES

Net Sales for the Quarter are Rs.2348.3 Crores and have increased by 11.0 % over the same period of previous year. Net Domestic Sales grew by 8.0% contributed by net realisations and volume growth in certain products. Export Sales rose by 73.9% mainly due to export to affiliates coupled with a positive impact of the Rupee depreciation.

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NET PROFIT

Net Profit for the Quarter is Rs.285.0 Crores, up from Rs.267.3 Crores in the same period of 2012.

The 'Depreciation & Amortisation' costs during the Quarter have increased over the same period last year due to expansion in production capacities over the last year, amortization of capitalised borrowing costs, and exchange differences, partially offset by lower depreciation of certain lines that had lower run-time. Finance costs for the current quarter are higher compared to the same period in 2012 as the costs in 2012 were favourably impacted by a one-off reversal of exchange differences amounting to Rs.178.6 million. This reversal was due to the first time application of a Government notification effective September 2012 that treats all exchange differences on long term foreign currency borrowings for fixed assets as capital expenditure. Tax Expense has increased mainly due to the increase in income-tax surcharge from 5% to 10% effective 01.04.2013.

External Commercial Borrowing (ECB) for Capital Expenditure under approval from Reserve Bank of India

During the Quarter there was no additional drawdown of loan from Nestle SA under the ECB approval from Reserve Bank of India. The total amount outstanding on this account continues to be US Dollar (USD) 192 million since June 2012. Its annualised cost over the loan period since inception, including interest and unrealised exchange differences, is 20.3%.

Foreign currency earnings during the nine months of the current year are US\$ 67.4 million and have increased by 64 % over the same period of the previous year.

Interim Dividend

The Board of Directors has declared today an interim dividend for 2013 of Rs.18.00 per equity share (Face value Rs.10/- per equity share) amounting to Rs.1735.5 million, which will be paid on and from 15th November 2013. This is in addition to the interim dividend of Rs.18.00 each per equity share paid in August 2013.



Himanshu Manglik
Nestlé India Limited