



Nestlé
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100
YEARS
BUILDING
HAPPINESS

PRESS RELEASE

Nestle India Steady Performance Focus on Profitable Growth

- **NET SALES** : Rs.8302 Crores
- **NET PROFIT** : Rs.1068 Crores
- Enables contribution to exchequer of Rs.2004 Crores
- Domestic Sales : Rs. 7877 Crores
- 10.8% organic growth after portfolio rationalization
- Operating profit up 10 basis points to 18.5 %
- Earnings per share up 11.1 % to Rs.110.76
- Declares Third Interim Dividend of Rs.12.50 Per share
- Cash flow from operations increased from Rs.1158 crores to Rs.1693 crores

NESTLE HOUSE, Gurgaon 20th February, 2013: The Board of Directors of Nestle India met today at Nestle House and announced results for the **Full Year 2012**.

Commenting on the results for full year 2012, Mr. A Helio Waszyk, Chairman and Managing Director, Nestle India said **"We anticipated the challenges and we started 2012 with caution to deliver again a steady performance by taking the challenges head on. We invested close to Rs 1000 Crores responsibly and sustainably, expanding our manufacturing and distribution footprint. We have further improved our margins by 10 basis points despite depreciation going up by 130 basis points. We increased support behind our brands. We continue to rationalize our portfolio. We have repaid all our short term loans. Given the uncertainty in the environment, we remain cautious in the short term but confident for sustainable and profitable growth in the future.**

Nestle SA increased commitment to India by opening a global R&D Centre in Haryana"

NET SALES

Net Sales for the Full Year 2012 were Rs. 8302 Crores and have increased by 10.8% over 2011. Domestic Sales after portfolio and channel optimization have increased by 11 % mainly on account of net realisations and product mix. Exports Sales grew by 7.6% where export to third parties grew by 36.7%, partly offset by a decline in exports to affiliates by 11.7%.

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NET PROFIT

Net Profit at Rs.1068 Crores for the year has increased from Rs. 962 Crores in 2011. Earnings per Share increased to Rs. 110.76

The cost of materials for goods sold as a percentage of Net Sales has decreased largely due to higher sales realisations, product and channel mix partially offset by higher input costs. The increase in employees benefit cost is due to an increase in headcount to support business expansions and Company's remuneration strategy.

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

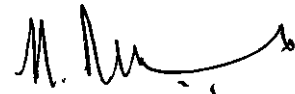
During the year US Dollar (USD) 56 millions were drawn down from Nestle SA for 5 years under the ECB approval from Reserve Bank of India. The total amount outstanding as at 31.12.2012 was USD 192 Million (Rs 1050 crores). The annualised cost of this ECB over the loan period upto December 2012, including interest and exchange differences, is 16.6% (Rupee has depreciated by 13.6% during the loan period).

QUARTER 4 ENDED DECEMBER 2012

Net Sales during Quarter 4 were Rs. 2153 Crores and have increased by 10.1% over the same Quarter in 2011. Domestic Sales have increased by 9.6% mainly on account of net realisations and product mix. Export Sales grew by 20.6% contributed largely by exports to third parties, up 47.2%.

DIVIDENDS

The Board of Directors declared third interim dividend for 2012 of Rs. 12.5 per equity share (Nominal value Rs.10/- per equity share). This is in addition to two interim dividends of Rs.18 each per equity share paid in August and December 2012 respectively. The total dividend per share in 2012 aggregates to Rs.48.5 the same as in last three years in line with the financing strategy for capital expenditure.



HIMANSHU MANGLIK
Nestlé India Limited