



Good Food
Good Life

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PRESS RELEASE

Nestlé India – Q3, 2012 Strategy Ensures Focus on Long Term Profitable Growth

- Net Sales Rs. 2115.6 Crores
- Net Profit Rs. 267.3 Crores
- Earnings Per Share for the quarter Rs. 27.7
- Manufacturing expansions completed as planned
- New campaign for MAGGI creates strong response
- Successful Innovations – MILKMAID Creations, NESTLE MUNCH Rollz
- NESTEA continues to grow well
- NESCAFE Classic successfully re-launched
- Focus on reducing waste and ‘Nestlé Continuous Excellence’ embraced across functions

Commenting on the results Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestlé India said “We have completed our close to Rs. 2500 Crores manufacturing expansion and are distributing our products in 4 million outlets. We stand by our strategy of long term sustainable profitable growth. As anticipated, 2012 is proving to be a challenging year. While some actions such as portfolio rationalisation, channel prioritisation, focused innovations and NCE implementation have started to yield results, other corrective actions on demand generation in specific categories will take some time. The strength of our brands, business model and organisation gives us the resilience to cope with the new reality”

NESTLÉ HOUSE, Gurgaon 12th November, 2012: The Board of Directors of Nestlé India today announced results for the Third Quarter of 2012.

NET SALES

Net Sales for the Quarter are Rs. 2115.6 Crores and have increased by 7.8 % over the same period of 2011. Net Domestic Sales have increased by 7.6 % mainly on account of net realisations and product mix. Domestic sales growth during the quarter has been adversely impacted by portfolio/channel optimization and pricing for value in certain products.

While exports to Nestlé affiliates declined by 4.7% exports to other third parties have grown by 29.7%. Rupee depreciation has favourably impacted the total exports growth by 11.6%.

NET PROFIT

Net Profit for the Quarter is Rs. 267.3 Crores.

The cost of materials for goods sold as a percentage of Net Sales has decreased, largely due to higher realisations and product portfolio/channel mix which is partially offset by higher input cost. Employee cost increased due to an increase in headcount to support capacities for business expansion and Company’s remuneration strategy. Depreciation increased due to the significant expansions in production capacities made over the past year.

External Commercial Borrowing (ECB) for Capital Expenditure

The total amount outstanding as at 30.09.2012 was USD 192 Million (1011.2 Crores) with no drawdown during the current quarter.

During the loan period upto September 2012, the Rupee has depreciated by 9.4% and the cumulative cost of this borrowing upto September 2012, including interest and exchange differences is Rs. 141.2 Crores. This is 15.6% on an annualised basis.



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