



Nestlé
Good Food, Good Life



PRESS RELEASE

Nestlé India – Q2, 2012

Focus on Profitable and Sustainable Growth

- **Net Sales ₹ 1986.6 Crores**
- **Net Profit ₹ 245.9 Crores**
- **Sustained focus on building brands and driving distribution**
- **Manufacturing capacity expansion on track**
- **First Interim Dividend for 2012 of ₹ 18.00 Per equity share (180% of face value of share)**

Commenting on the results Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestlé India said **“We continue to deliver sustainable double digit profitable growth now for the 26th consecutive quarter! As expected, 2012 is proving to be a very challenging year– inflation persists; uncertain monsoon; economic volatility. We remain cautious and are focusing even more on execution of our strategy: deeper and wider distribution, manufacturing capacity expansion, waste reduction via our Nestle Continuous Excellence, brand building and continuous product innovation. In this context it is the people, our biggest asset, who are making the difference.”**

NESTLÉ HOUSE, Gurgaon 27th July, 2012: The Board of Directors of Nestlé India today announced results for the Second Quarter of 2012.

NET SALES

Net Sales for the Quarter are ₹ 1986.6 Crores and have increased by 12.7% over the same period of 2011. Net Domestic Sales have increased by 13.7% on account of higher net realisation and volume growth. Though exports to affiliates have declined by 24.5% exports to third parties have grown by 56.0%. Rupee depreciation has favourably impacted the total exports growth by 13.1%.

NET PROFIT

Net Profit for the Quarter is ₹ 245.9 Crores, up from ₹ 213.8 Crores in same period of 2011.

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, partially offset by higher input cost. Employee cost increased significantly 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.

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External Commercial Borrowing (ECB) for Capital Expenditure

During the quarter USD 35 Million were further drawn down from Nestle SA for 5 years under the ECB approval from Reserve Bank of India. The total amount outstanding as on 30th June 2012 was USD 192 Million (₹ 1079 Crores).

With the Rupee depreciating by 16.7% during the loan period upto June 2012, the cumulative borrowing cost has gone up to 29.9% on an annualized basis.

Interim Dividend

The Board of Directors have declared today a first interim dividend for 2012 of ₹ 18.00 per equity share (nominal value ₹ 10/- per equity share), amounting to ₹ 173.6 Crores, which will be paid on and from 13th August, 2012.



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