



## PRESS RELEASE

### Quarter 1 Results show Nestlé India on accelerated Growth Path

- **Net Sales** for quarter Rs.863.1 Crores. **Up 27.7 %**
- **Domestic sales** for the quarter Rs.776.8 Crores. **Up 24.3%**
- **Exports** for the quarter Rs.86.2 Crores. **up 69.9%**
- **Net Profit** for the quarter Rs. 108.5 Crores. **Up 22.4 %**
- Visible thrust on increasing Nutrition, Health and Wellness across most business  
e.g. KIT KAT Lite offers 50% less sugar and 100% great taste  
NESTLÉ FRESH 'N' NATURAL leads the market with first low fat 'Slim Dahi'
- More Innovative products rolled out during the quarter
- MAGGI Rice Noodle Mania reinforces TASTE BHI HEALTH BHI
- Operation Excellence initiatives to mitigate increasing commodity prices

**Commenting on the results, Mr. Martial Rolland, Chairman and Managing Director of Nestlé India stated "The extensive work done in Innovation and Renovation in particular in the area of Nutrition, Health and Wellness and the setting of appropriate structures is now reflecting in our performance. While we are in a better position to accelerate our growth, the environment continues to be challenging especially on the price of commodities and white collar costs. Various initiatives are undertaken to mitigate them."**

**NESTLÉ HOUSE, Gurgaon, 30<sup>th</sup> April, 2007:** The Board of Directors of Nestlé India today approved the results for the first quarter 2007 [January – March].

#### **NET SALES**

**Net Sales for the quarter were Rs.863.1 Crores and have increased by 27.7%** compared with the same period of 2006. **Net Domestic Sales were Rs.776.8 Crores and have increased by 24.3%** on account of higher volume and price increases across categories. Export Sales were Rs.86.2 Crores and have increased by 69.9% compared with the same period last year on account of higher volumes coupled with higher realisations largely on account of increase in Green Coffee prices.

#### **NET PROFITS**

The **reported Net Profit, in absolute terms, is Rs.108.5 Crores and has increased by 22.4%** over the same period last year. After stripping out the post tax effect of 'Provision for Contingencies', the adjusted Net Profit as a percentage of gross revenue, has increased to 12.6% from 11.9% in 2006, largely on account of the higher EBITD.

**EBITD, in absolute terms, is Rs.178.8 Crores and has increased by 33.6%** over the same period last year. As a percentage of Net Sales for the quarter, EBITD has increased to 20.7% from 19.8% in 2006. This increase is largely due to the growth in sales resulting in better absorption of the structural fixed costs. However, very sharp increases in prices of commodities like Milk Solids, Green Coffee, Wheat Flour etc. continue and Operational Excellence initiatives are being pursued to mitigate the adverse impact.



## **DIVIDENDS**

On 15.03.2007 the Board of Directors declared an **interim dividend of Rs. 6.50/- per equity share** for 2007, amounting to Rs. 62.7 Crores (nominal value Rs.10/- per equity share). This was paid on 29.03.2007 along with the third interim Dividend for 2006 of Rs.1.50/- per equity share.

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