



## PRESS RELEASE

Nestle India Q1  
Strong Start to the Year - Net Sales up 16.9%

- **NET SALES:** Rs. 1479.8 Crores
- **NET PROFIT :** Rs.201.9 Crores
- Domestic Sales Rs. 1390.9 Crores
- Export Sales Rs. 88.9 Crores
- Record inflation in input costs
- Focused consumer understanding and science/technology driven R&D generating strong Innovation and Renovation
  - Health Care Nutrition brands **RESOURCE, OPTIFAST** and **SPERT** join the portfolio
  - **MAGGI** rolls out **MASALA-ae-MAGIC** and **RASILE CHOW** for micronutrient fortification
- Increasing support on Brands, reinforcing market leadership
  - **MAGGI** ranked amongst the '**Top 10 Buzziest Brands**'
  - 'Hansi Khushi and MAGGI Sauces' advertising engages consumers
  - Starts roll out of distribution model dedicated to **NESTLE** chilled dairy
  - **NESCAFE** Instant Coffee and **NESTEA** Instant Tea continue to gain market share
- Emphasis on Creating Shared Value. Rolls out **SAANJHAPAN**
  - **Launches 'Nutrition Awareness Program'** in village schools in collaboration with five leading Universities
  - Collaborates for **pollution free waste disposal programme at all seven factories**
- Interim **Dividend** of Rs. 9/- per share declared
- Dr.. Rakesh Mohan Joins the Board of Nestle India

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Commenting on the First Quarter results **Mr. Antonio Helio Waszyk, Chairman and Managing Director** of Nestlé India stated "I am quite happy with this strong start of the year where we continued to deliver profitable growth, particularly in a very challenging environment. We all know that commodity prices have spiked to record high levels such as milk increased by 30 %, sugar by 70 % and wheat 25%. These have significantly impacted our costs. At the same time we have also increased investment to further build our brands and distribution capabilities. We will continue with our strategy to drive volumes with limited and staggered price increases as well as accelerate the implementation of our Nestle Continuous Excellence Programme to reduce waste and consequently cost, with the objective to achieve margin recovery. I do believe such strategy is also in the interest of our consumers since it reduces the burden on them in a period of high inflation. I am confident that such approach will continue to deliver a higher value for all our stakeholders in a sustainable manner."

**NESTLÉ HOUSE, Gurgaon** 22nd April, 2010: Nestlé India today announced its results for the First quarter 2010. The Company delivered healthy top-line and volume growth once again.

#### **NET SALES**

Net Sales for the First Quarter 2010 were Rs. 1479.8 crores and have increased by 16.9 % over 2009. This is largely driven by volumes and limited price increases.

**Domestic Sales** have increased by 16.7% and the increase of 20.4% in **Exports** has been adversely impacted by the appreciation of Indian Rupee against the US Dollar.

#### **NET PROFIT**

Net Profit at Rs. 201.9 Crores for the Quarter has increased by 2.3 % over the same period in 2009.

The significant increase in cost of materials is due to the spike in prices of milk, sugar and wheat which were the highest in at least the last 10 years. This situation was aggravated by the 2009 monsoon which was the weakest monsoon in 37 years. Selling price increases were limited and staggered to avoid burdening consumers with the full input cost inflation in a period when the general food inflation was at record high.

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There is an increase in demand generating and brand building activities.

Other Expenditure has also increased due to the recovery in fuel prices which had bottomed out in late 2008 - early 2009.

## **DIVIDEND**

The Board of Directors declared on 21 April, 2010 an interim dividend for 2010 of Rs.9.00 per equity share (nominal value Rs.10/- per equity share). The interim dividend is proposed to be paid on 7th May, 2010.

## **DR. RAKESH MOHAN JOINS THE BOARD OF NESTLE INDIA**

Mr.Rajendra S. Pawar, Non-Executive Director resigned from the Board due to his business pre-occupations, particularly the creation of the not for profit NIIT University. The Board placed on record their appreciation for the strong contributions of Mr.Pawar during his tenure. At the Board Meeting today the Directors also approved the appointment of Dr.Rakesh Mohan as a Non-Executive Director on the Board of Nestlé India, in the vacancy of Mr.Rajendra Pawar.

Dr.Rakesh Mohan is Non Resident Senior Research Fellow of Stanford Centre for International Development, Standford University. He has been Deputy Governor of the Reserve Bank of India for many years (2005-2009 and 2002-2004) and held senior positions in the Government of India including Secretary, Department of Economic Affairs (2004-2005) as well as Chief Economic Advisor to the Government of India (2001-2002), Director General of National Council for Applied Economic Research, and Chief Executive of Indian Council for Research and International Economic Relations. As the Economic Adviser to the Government of India in the Ministry of Industry (1988-1996) he played a major role in the formulation of the new Industrial, Trade and Foreign Investment Policy.

Dr.Rakesh Mohan is well known and respected internationally for his extensive work in the areas of economic reforms and liberalisation, industrial economics, urban economics, infrastructure studies, economic regulation, monetary policy and the financial sector. Dr.Rakesh Mohan has been advisor / Member on the Board of many key bodies working to enhance economic cooperation nationally and internationally , and promoting sound regulation and transparency in economic and industrial activity. Lately he also co-chaired the G20 Working Group "Enchancing Sound Regulations and Strengthening Transparency".



**Himanshu Manglik**  
**Nestlé India Limited**