



Press release

**Nestlé India Continues To Surge Ahead
Records highest ever Net Sales and Net Profit in a quarter
Maintains trajectory**

- **Net Sales for the quarter Rs. 906.7 cr. Up 25.5 %**
- **Domestic Sales for the Quarter Rs.838.2 cr. Up 30.8 %**
- **Exports for the Quarter Rs.68.5 cr.**
- **Net Profit for the Quarter Rs.116.1 cr. Up 39.9 %**
- **Multi-focal business structure enabling leveraging of core strengths**
- **Thrust on Innovation & Renovation**
- **Focus on Science based products to strengthen leadership in Nutrition, Health and Wellness.**
- **Pioneers Probiotic technology for yoghurts in India. Establishes NESVITA as the largest selling Probiotic Dahi**
- **MAGGI recognised amongst 5 'Most trusted Food Brands in India'**
- **NESCAFE voted 'Most Preferred Coffee' for second consecutive year at CNBC Awaz Consumer awards**

Commenting on the results, Mr. Martial Rolland, Chairman and Managing Director of Nestlé India stated "Our accelerated performance is a result of our mindset and efforts to unlock potential. We made very significant changes over several quarters and continue to do so. We transformed our organisational structure, drove Innovation and Renovation whilst strengthening our focus on Consumers and Customers as well as Nutrition, Health and Wellness. All these are being reflected in these past few quarters."

Nestlé House, Gurgaon 30th October, 2007 : The Board of Directors of Nestlé India today approved the results for the Third quarter [July-September] 2007.

NET SALES

Total Net Sales for the Quarter at Rs.906.7 crore; UP by 25.5 % versus the same Quarter of 2006.

Net Domestic Sales for the Quarter at Rs.838.2 crore; UP by 30.8 % on account of both, volume and prices. **Export Sales at Rs.68.5 crore** were lower compared to the same period last year, largely on account of reduction in beverages exports to the USA, appreciation of Indian Rupee and a general restriction on export of certain milk based products.

NET PROFIT

EBIT as a percentage of total Net Sales has improved to 19.1% [compared to 17.0% in the same period last year] and is **UP by 40.8 % in value.**

The improvement in EBIT is largely due to the scaling up of the business, leading to better absorption of structural fixed costs. Most commodity prices however remain at record high levels and pose an ongoing challenge

Reported Net Profit [PAT] is Rs.116.1 crores and has increased by 39.9 % over the same Quarter of last year, largely on account of the increase in EBIT margin.

NEW PRODUCTS

The Company has continued its thrust on Innovation and Renovation, and the focus on developing science based products.

During the Quarter it launched another breakthrough and pioneering product – **Nestlé NESVITA, a healthy low fat dahi with probiotics.** Probiotics are special bacteria that are good for the gut and act as defence barriers, maintaining the balance against bad bacteria that weaken the digestion. Nestle NESVITA Dahi can be consumed daily and in all preparations where regular dahi is used, with far superior health benefits.

The Dairy business further strengthened Nestle's leadership in Nutrition, Health and Wellness by launching **NESVITA Fruit Yoghurts with probiotics** and **NESTLE MILKMAID Funshakes** in three delicious variants – **Chocolate, Mango and Banana.**

During the Quarter while the Chocolate and Confectionery business launched **POLO** Sugar free, **MAGGI** added 'Sweet Corn' to the portfolio of **MAGGI** Healthy Soups that have the goodness of real vegetables, are low fat, low cholesterol, do not have added MSG or added preservatives and don't contain synthetic colours. These continuing efforts have ensured that **MAGGI** continues to be amongst the "Most Trusted Brands in India" and in the survey recently published by Brand Equity was **amongst the 5 'Most trusted Food Brands in India'.**

Himanshu Manglik
Senior Manager [Corporate Communications]
Nestlé India Limited

Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurgaon 122 002 (Haryana)
Registered Office: M-5A, Connaught Circus, New Delhi – 110 001
Email ID: investor@in.nestle.com, Website: www.nestle.in