



PRESS RELEASE

Nestlé Delights Consumers Sustains Strong and Healthy Growth

- **NET SALES – Full Year 2009** : Rs. 5129.4 Crores – **UP 18.6%**
[Adds Rs.805.2 Cr.]
- **NET PROFIT – Full Year 2009** : Rs. 655 Crores - **UP 22.6 %**
[Adds Rs. 120.9 Cr.]
- Domestic Sales Rs. 4800.8 Crores
- Export Sales Rs.328.6 Crores
- Increasing support on Brands, reinforcing market leadership
- Focused consumer understanding and science/technology driven R&D generating strong Innovation and Renovation
 - Pioneered affordable nutrition with **MAGGI RASILE CHOW** and **MAGGI MASALA-ae-MAGIC** concepts
 - Launched quick cooking **MAGGI Nutri-licious PAZZTA**
 - Acquired Health Care Nutrition business of Speciality Foods with brands **RESOURCE, OPTIFAST** and **SPERT**
 - Launched **MIL KYBAR CRISPY** and **MUNCH GURU** pack for 'lighter eating', reinforcing our leadership in coated wafer segment.
 - Premiumisation of portfolio with **NESCAFÉ CAPPUCINO**
- Accelerates automation of the rapidly widening sales distribution network while leveraging GLOBE information system which is being upgraded to prepare for the future.
- ICMR Survey ranks MAGGI as the 'Most Valuable Food Brand'
- Recognized again for Excellence in Coffee Exports by the Coffee Board of India
- Motilal Oswal 14th Annual Wealth Creation Study ranks Nestlé India amongst THE MOST CONSISTENT TOP 10 Wealth Creators
- Recommends Final **Dividend** of Rs.12.50 per share.
- Aggregate payout of all dividends for the year will be Rs.48.50 per share [face value of Rs.10 per share]

NESTLÉ HOUSE, Gurgaon 19th February, 2010: Nestlé India today announced its results for the fourth quarter 2009 and full Year 2009. The Company delivered strong top-line and volume growth once again.

Commenting on the full year results **Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestlé India** stated “**Growth creates value for society and I am pleased that we are delivering strong financial performance in a sustained manner for many years. This is the recognition of the trust and confidence that customers and consumers have in NESTLE, our products, our brands and specially in our people. We will leverage our local strengths and global capabilities and as the economy continues to revive, we will further delight customers and consumers and increase prosperity.**”

NET SALES

Net Sales for the full year 2009 were Rs.5129.4 crores and have increased by 18.6 % over 2008. While Domestic Sales increased by 20.4 % due to increase in volumes as well as realizations, export sales for the year are lower by 2.9 %. This decline in exports is largely on account of lower sales to Russia and Bangladesh, partly offset by improved realizations due to the weaker Indian Rupee in most part of the year.

During Quarter 4 Domestic Sales growth has been positively affected by favourable weather conditions and a lower base. Employees cost is significantly high due to 'one off' actuarial losses arising from revision of underlying actuarial assumptions for retirement benefits. The increase in Other Expenditure is due to a sharp increase in brand building and demand generating activities and new product launches to sustain growth.

Other operating income is higher largely due to the backlog of export incentives received during the year.

NET PROFIT

Net Profit at Rs. 655 crores for the year has increased by 22.6 % over 2008 and has been positively impacted by tax benefits.

Operating margin has been positively affected by a better sales mix, improved net realizations, energy cost and sales efficiencies. These were partially offset by higher expenditure on advertising and sales promotion and actuarial losses on retirement benefits.

Raw material costs continue to pose an ongoing challenge, in particular for Milk Solids and Sugar whose prices are at record high levels.



DIVIDEND

The Board of Directors has recommended a final dividend for 2009 of Rs.12.50 per equity share (nominal value Rs.10/- per equity share). This is in addition to the two interim dividends for 2009, of Rs.9.00 & Rs.27.00 per equity share paid in May 2009 and November 2009 respectively.



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