



PRESS RELEASE

Nestlé India Sustains Strong Results in Q3

- **NET SALES** : Rs. 1637.3 Crores
- **NET PROFIT** : Rs. 218.6 Crores
- Domestic Sales: Rs. 1551.1 Crores
- Export Sales : Rs. 82.2 Crores
- Strong consumer centric Innovation and Renovation supported by the Nestlé R&D network
 - **Nestlé KITKAT** launched at Rs.10/- also
 - **Nestlé BARONE** relaunched with 60:40 taste superiority
 - **Nestlé Milk ' Half Fat ' added to the range**
 - **MAGGI Vegetable Multigrainz Noodles** rolled out nationally
 - 'Romantic Capsica' added to the '**Me&Meri MAGGI**' Noodles range
 - Introduces **Nestlé EXTRAFINO** Milk and Dark chocolates in the premium range
- Growth across businesses. MAGGI particularly continues to deliver strong growth.
- Strengthening brands. Wave of New Advertising for stronger consumer connect
 - **NESCAFE** rolls out Innovative Campaign. '**Know Your Neighbours**'
 - **Nestlé KITKAT** takes the creative leapcan you hear the squirrels sing? '**Breaks are good for you**'
- New MAGGI plant at Nanjangud in Karnataka, and progress of unit 2 of Infant Nutrition plant at Samalkha in Haryana on track.
- Creating Shared Value with Nestlé **SAANJHAPAN**. '**Nutrition Awareness Program**' rolled out in **village schools** around all factories
- Announces 2nd Dividend of Rs 27.00 per equity share (nominal value Rs. 10/-)

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Commenting on the Third Quarter results Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestlé India stated "Our strong performance in this quarter despite continuous cost pressures, is the result of focused execution of our aligned strategy throughout the entire organisation. Our unparalleled Nestlé Continuous Excellence programme is on track, and we continue to innovate our products while investing in our brands by effective communication which is clearly visible in our recent advertisements. I am delighted that Nestlé S.A. has agreed to our request and is investing to establish an R&D Centre at Manesar in Haryana. This centre will further contribute to our performance by developing and applying science and technology to relevant local concepts, especially the Popularly Positioned Products, which is one of our strategic pillar."

NESTLÉ HOUSE, Gurgaon 29th October, 2010: Nestlé India today announced its results for the Third Quarter 2010. The Company again delivered healthy top-line and volume growth.

NET SALES

Net Sales for the Third Quarter 2010 were Rs.1637.3 Crores and increased by 25.7% over 2009. Net Domestic Sales increased by 27.8% on account of both volumes and realisations. Export Sales have been negatively impacted by diversion of capacity to domestic demand, timing difference and appreciation of the Indian Rupee.

NET PROFIT

Materials costs continue to remain high due to commodities prices. Higher advertising and sales promotion has contributed to the increase in Other Expenditure.

Employee cost comparisons are influenced by timing differences and base effect.

The growth in depreciation is subdued, as the increase in depreciation of tangible fixed assets is largely offset by the reduction in amortisation of management information systems as these have been fully amortised.

Other Income increased due to higher yields and liquidities.

DIVIDEND

The Board of Directors have maintained the interim dividends and declared today a second interim dividend for 2010 of Rs. 27.00 per equity share (nominal value Rs.10/- per equity share), amounting to Rs. 2,603.2 million, which will be paid on and from 16 November, 2010. The first interim dividend for 2010 of Rs. 9.00 per equity share was paid on 7th May, 2010.


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