

Nestlé House, Gurugram, 12th May 2020

Nestlé India Shows Resilience: Renews focus on Purpose, People & Partnerships

Nestlé India – Q1 2020

- Total Sales of INR 3,306 Crore
- Total Sales Growth at 10.8%. Domestic Sales Growth at 10.7%.
- Profit from Operations at 21.7% of Sales
- Net Profit of INR 525 Crore
- Earnings Per Share of INR 54.50

The Board of Directors of Nestlé India met today, through video conferencing, and approved the results for the first quarter of 2020. Commenting on the results and the prevailing environment, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, “The COVID-19 crisis is having an extraordinary and far-reaching impact on our lives. For us at Nestlé India, every crisis takes us back to our roots as an 108 year old organization serving India - our purpose and values; protecting our people, their lives and livelihood, the thousands of partners and stakeholders who contribute to our success, who need support and a helping hand; as well as reinforce our bonds with the community and society in this hour of need.

We have stood by our nearly 100,000 Dairy farmers in these difficult times and have ensured that every drop of milk they gave us has been taken into our factory for processing. Recognising the difficulties the MSMEs are going through, we are ensuring continuity in timely payments which is inherent to our values. Similarly, we continue to work closely with our Coffee farmers, Spice growers and have extended our support to numerous farmers in Karnataka by sourcing substantial quantity of Tomatoes from them through our suppliers to ensure there is no distress.

Every commitment to Summer Internships has been honoured, all young Management Trainees will join on time, every new employee contract respected and every employee has received their full salaries, bonuses and other benefits. Commitment, Respect and Trustworthiness are key words in the Nestlé lexicon and we want to stand by them especially in this hour of crisis.

Our company remained resilient in the first quarter, as the numbers indicate, and delivered volume and mix led growth. MAGGI, KITKAT and Nestlé MUNCH delivered strong performances. Contribution from E-commerce went up significantly, while out of home sector performance was subdued. Commodity prices for milk and its derivatives continued to be on the rise during the quarter.

As a responsible corporate citizen, we continue to offer our help, in particular to the most vulnerable in society. We heed to a call of duty to ensure that much-needed food and beverage products are available to our consumers and communities throughout the country. We are very thankful to the authorities at all levels of Government for timely interventions, guidance and support. Our people, in particular, our frontline workforce, have shown extraordinary commitment in keeping our operations running and meeting consumer needs under tough challenges. We will continue to adapt quickly to changing consumer needs and to challenges across the supply chain. As Nestlé India, we have successfully overcome many challenges and are confident that, together with all those who are fighting against this pandemic and its consequences - we shall overcome this time again. “

Highlights for the quarter ended 31 March 2020:

1. Total Sales increased by 10.8%. Domestic Sales increased by 10.7% driven by volume & mix. Export Sales increased by 12.9%.
2. Tax Expense for the current quarter has been computed at the rates introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Net Profit after Tax and Earnings per share have been positively impacted by the lower tax rates.

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