

PRESS RELEASE

Nestle India – Q1, 2013
Focus Continues on Sustainable and Profitable growth

- **NET SALES** : Rs.2248.1 Crores
- **NET PROFIT** : Rs.279.1 Crores
- Domestic Sales : Rs.2095.3 Crores
- 9.8% organic growth
- Operating profit up 30 basis points to 19.8%
- Earnings per share Rs.28.95

NESTLE HOUSE, Gurgaon 13th May, 2013: The Board of Directors of Nestle India met today at Nestle House and announced results for the First Quarter of **2013**.

Commenting on the results, Mr. A Helio Waszyk, Chairman and Managing Director, Nestle India said **“The start of the year reflects the caution that we have been expressing. While facing several challenges, our concerted efforts are starting to show positive signals in certain categories while in others it may take some more time. We expect some volatility to continue throughout 2013 but remain confident on our strategy to deliver long term sustainable profitable growth, which has been progressing well.”**

NET SALES

Net Sales for the Quarter are Rs.2248.1 Crores and have increased by 9.7% over the same period of previous year. Net Domestic Sales have increased by 7.7 %, mainly on account of net realisations and product mix. Exports Sales grew by 50.9%.

NET PROFIT

Net Profit for the Quarter is Rs.279.1 Crores, up from Rs.275.7 Crores in the same period of 2012. However, the reported Net Profit for this quarter is not comparable with the same period of 2012 as it has been negatively impacted due to changes in regulatory procedures. These changes resulted in timing differences for certain Provisions for Contingencies that ‘reduced’ the Net Profit for the Quarter.

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The cost of materials for goods sold as a percentage of Net Sales has decreased largely due to higher sales realisations, partially offset by higher input costs. Finance Costs have, however, increased mainly due to higher average outstanding loan during the current quarter as well as completion of major capital projects for expansion of capacity, resulting in finance costs being charged to the income statement as against being treated as capital expenditure in the same period of 2012.

External Commercial Borrowing (ECB) for Capital Expenditure under approval from Reserve Bank of India

During the Quarter there was no additional drawdown of loan from Nestle SA under the ECB approval from Reserve Bank of India. As on 31.03.2013 the total amount outstanding on this account is US Dollar (USD) 192 million (Rs.10,433.3 million). The annualised cost of ECB over the loan period upto March 2013, including interest and exchange differences, is 13.9%.



HIMANSHU MANGLIK
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