



## PRESS RELEASE

### Nestlé India Continues To Deliver Healthy Growth

- **NET SALES – Full Year 2008** : Rs.4324.24 Crores - **UP 23.4 %**  
[AddsRs.819.9 Cr.]
- **NET PROFIT – Full Year 2008** : Rs. 534.08 Crores - **UP 29.1 %**  
[AddsRs.120.27 Cr.]
- Domestic Sales Rs.3985.85 Crores
- Export Sales Rs.338.39 Crores
- Continued focus on Consumer Insights, Innovation & Renovation, Science based Nutrition
- Continued drive for cost optimisation and productivity improvement
- GLOBE being leveraged to higher performance

#### **Focus on Nutrition, Health and Wellness across product portfolio**

- Launched **Nestlé NESVITA Pro-Heart Milk with Omega 3** -first of its kind in India- to help manage cholesterol
- Launched **KIT KAT CHUNKY** and **KITKAT MINI**- under Nestlé's No.1 global confectionery brand
- **MAGGI** set to become an even larger part of consumers lives :
  - Launched **MAGGI Cuppa Mania Instant Noodles** for convenient and wholesome light meal on-the-go.
  - Launched **MAGGI Pichkoo Tomato Ketchup** to widen the reach through a more affordable offering
  - Launched **MAGGI Bhuna Masala** to cook tasty and healthy everyday meals, more conveniently
- **NESCAFÉ – Coffee** at its best- strengthens portfolio with **NESCAFÉ CAPPUCINO**
- Recommends Final **Dividend** of Rs.12 per share.
- Aggregate distribution of all dividends for the year Rs.42.50 per share [face value of Rs.10 per share]

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**NESTLÉ HOUSE, Gurgaon 6th March, 2009:** Nestlé India today announced its results for the full Year 2008 after the Board of Directors approved the results at Nestlé House. The Company delivered strong topline and volume growth once again, clocking above 20% topline growth for the 8th successive quarter.

Commenting on Nestlé India performance in recent years **Martial Rolland, Chairman and Managing Director** stated: "Turnover and volume have remained on a good growth trajectory for the third successive year. While the positive economic environment played a role, this continuing growth largely reflects the increased people engagement within the company, the passion of our people and their focus on continuous business excellence in all areas of operations. In 2009 the economic environment is going to be more difficult and will require innovative thinking, agility and speed in anticipating changes."

#### **NET SALES**

Net Sales for the full year 2008 at Rs.4324.24 crores have increased by 23.4% over 2007. With increased volumes as well as better realisations, Domestic Sales for the year increased by 25.6%. Export sales increased by 2.6% to Rs.338.39 crores, mainly due to the depreciation of Indian Rupee.

#### **NET PROFIT**

Profit from Operations before Impairments, Contingencies etc. for the year grew by 24.1%. The margin improvement to 18.0% from 17.9% is due to scale. Staggered price increases and cost optimization initiatives have contributed to offset steep increase in commodity prices like milk solids, green coffee, fuels, vegetable fat etc.

Reported Net Profit for the year has increased by 29.1% over 2007 with margin improvement to 12.3% from 11.8%. This has been positively influenced by the tax holiday at Pantnagar for the full fiscal year ending 31.03.2008. However, factoring the tax benefit for only the calendar year 2008, the Net Profit has grown by 26.3%.

#### **DIVIDEND**

The Board of Directors has recommended a final dividend for 2008 of Rs.12.00 per equity share (nominal value Rs.10/- per equity share). This is in addition to the two interim dividends for 2008 of Rs.8.50 & Rs.14.50 per equity share paid in May 2008 and November 2008 respectively, and the special dividend of Rs.7.50 per equity share paid in November 2008 pursuant to the Scheme of Arrangement. Aggregate of all aforesaid dividends is Rs.42.50 per share.

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## **DRIVING EFFICIENCY**

Nestlé India has implemented the Mini Business Unit concept throughout the company to increase teamwork and deliver superior performance. This has taken recognised international best practices to the frontline, engaged every employee, ensured business focus and goal alignment. It also encouraged innovation and renovation for continuous improvement in quality, speed, safety, environmental sustainability and cost effectiveness.

The focus on efficiency and controlling costs extends to minimising consumption of natural resources and reducing waste and emissions. During the last 10 years even as sales have increased substantially, the company has reduced the generation of waste water by 72 %, usage of water by 65 %, usage of energy by 60% and has reduced the generation of greenhouse gases by 66 %, all per tonne of production.



**Himanshu Manglik**  
**Nestlé India Limited**