

Nestlé House, Gurugram, 26<sup>th</sup> October 2018

## Nestlé India Continues Growth Momentum

### Nestlé India – QE September 2018

- Total Sales of ₹2,922 Crores
- Domestic Sales Growth at 17.5%
- Profit from Operations at 21.8% of Sales
- Net Profit of ₹446 Crores

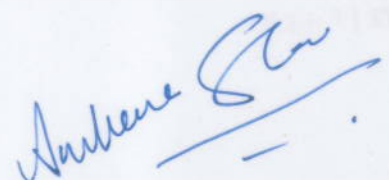
The Board of Directors of Nestlé India met today at Nestlé House and approved the results for the quarter ending September 2018. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “The quarter has witnessed another strong performance from the organization, as we continue to deliver broad based volume driven growth. Our focus on innovation and renovation continued with the introduction of MAGGI Special Masala Noodles, MAGGI Dip and Spread, KITKAT Dessert Delight Brownie Kubes, NESCAFÉ É coffee machine and NESPLUS Breakfast Cereals. We have stepped up marketing activities in order to strengthen our brands. We are witnessing headwinds in commodity and crude oil prices coupled with currency depreciation.

We believe that as Nestlé India we need to participate in enhancing our environment engagement capabilities, including managing plastic waste. As part of this, we have joined hands with other companies as well as NGOs and are presently working across 12 states in India. We have also taken the initiative to launch a consumer awareness campaign - ‘2 Minute Safai Ke Naam’, focusing on proper collection and disposal of plastic waste in few geographies, with every hope of extending our involvement in other areas in future.

### Highlights for the quarter ended (QE) 30<sup>th</sup> September 2018:

In accordance with Ind AS 18 on “Revenue” and Schedule III to the Companies Act, 2013, Sales for the period 1 January to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial results for the nine months ended 30 September 2018 and in particular Sales, absolute expenses and ratios in percentage of Sales are not comparable with the figures of corresponding periods. Profit from Operations in percentage of Sales and Net Profit in percentage of Sales for the nine months ended 30 September 2018 are positively impacted as the percentages have been calculated on lower reported sales.

- **Total Sales and Domestic Sales** for the quarter increased by 16.8% and 17.5% respectively supported by broad based volume growth on a base quarter in which GST was implemented.



- **Net Profit at ₹ 446 Crores for the quarter has increased from Net Profit at ₹ 343 Crores in the same period in 2017.**

**For more information:**

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