

Nestlé House, Gurugram, 10th November, 2017

Nestlé India Maintains Volume Led Momentum

- Total Sales of ₹ 2,501 Crores
- Domestic Sales Growth at 3.7%. Comparable Growth estimated at 9.1%.
- Net Profit After Tax of ₹ 343 Crores
- Earnings Per Share of ₹ 35.59

The Board of Directors of Nestlé India met today at Nestlé House and approved the results for Q3, 2017. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, "I am pleased with the sustained volume led growth momentum across all product groups. The dedication and commitment of the team and our partners has ensured a smooth transition into the GST regime. Our thrust on innovation and renovation continued with the launch of MAGGI Nutri-licious Noodles, MILKYBAR and KIT KAT Dessert Delight.

I am grateful to Nestlé S.A for setting up Nestlé Food Safety Institute (NFSI) in India. NFSI India will work collaboratively with all relevant stakeholders. The institute is aimed at building and sharing knowledge through partnerships to strengthen and support the food safety environment in India.

We are building Nestlé India for the next 100 years and remain committed to harbouring prosperity, offering tastier and healthier choices, growing together with our partners, working closely with communities, caring for the environment and inspiring our people."

Highlights for Q3, 2017:

In accordance with Ind AS 18 on Revenue and Schedule III to the Companies Act, 2013, Sales for comparative period's upto 30th 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 1st July, 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST, which has been netted from Sales as per the requirements of Ind AS 18. This has resulted in lower reported sales for the quarter ended 30th September, 2017 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, Sales, absolute expenses and expenses in percentage of sales for the quarter ended 30th September, 2017 are not comparable with the previous periods. Profit from Operations in percentage of sales and Net Profit in percentage of Sales are positively impacted as the percentages have been calculated on lower reported sales.

- **Total Sales and Domestic Sales** for the quarter increased by 3.6% and 3.7% respectively. These growth rates are impacted by the change in structure of indirect taxes. On a comparable basis the domestic sales growth is 'estimated' at 9.1% due to increase in volumes including rebuild of MAGGI Noodles, supplemented by better realisations coming from previous periods and netted by the price drops taken to pass on the GST benefits to the consumers. Export Sales increased by 2.6%.
- **Profit from Operations in percentage of sales and Net Profit in percentage of Sales** are positively impacted by 100 bps and 70 bps respectively as the percentages have been calculated on lower reported sales.

For more information:

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