



PRESS RELEASE

Nestlé India Maintains Growth Trajectory in Second Quarter

- **Net Sales** for quarter Rs.838.9 Crores. **Up 23.2%**
- **Domestic sales** for the quarter Rs.756.9 Crores. **Up 24%**
- **Exports** for the quarter Rs.82.0 Crores. **Up 15.6%**
- **Net Profit** for the quarter Rs.95.7 Crores. **Up 18.1%** as reported, and **UP 32 %** after excluding one-off items
- Continuous focus on increasing Nutrition, Health and Wellness across most business
- Visible thrust on leveraging Group R&D strengths to develop science based products

Commenting on the results, Mr. Martial Rolland, Chairman and Managing Director of Nestlé India stated “Blending our long Indian heritage with our understanding of Food/Nutrition and unique access to R&D capabilities worldwide, we have developed a strong science-based Innovation and Renovation pipeline which is showing in our results. Our recently launched Nestlé NESVITA Dahi will further strengthen Nestlé India's leadership in the area of Nutrition, Health and Wellness.”

NESTLE HOUSE, Gurgaon, 31st July, 2007: The Board of Directors of Nestlé India today approved the results for the second quarter 2007 [April - June].

NET SALES

Total Net Sales for the quarter were Rs.838.9Crores - Up by 23.2% compared with the same quarter of 2006. **Net Domestic Sales were Rs.756.9 Crores - Up by 24.0%** both on account of higher volumes and price increases. **Export Sales were Rs.82 Crores – Up by 15.6%** compared with the same period last year, largely due to higher realisations and a favourable product mix.

NET PROFITS

The reported EBITD in value is up by 20.4 % over the same quarter of 2006.

While the reported EBITD as percentage of Net Sales has declined by 40 bps mostly due to a one-off item; the same after stripping off the impact of one-off items from both quarters has improved by 140 bps as the second quarter of 2006 also had a one-off item with a positive influence. Excluding the impact of the one-off items from both quarters, EBITD in value is up by 32.2%.

The expansion of margins is largely due to better absorption of fixed structural costs. Most commodity prices remain at record high levels posing ongoing challenge.

The reported Net Profit of Rs.95.7 Crores [11.4% of Gross revenue] is up by 18.1% over the same quarter of 2006. After stripping off the post tax effects of 'Provision for Contingencies' and one-off items from both quarters, Net Profit, as a percentage of Gross Revenue, has increased to 11.7% from 10.9% in 2006 and is up by 32.0% in value which is largely on account of increase in EBITD.



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