



PRESS RELEASE

Nestlé India Takes The Next Leap Very strong Q1 - First ever Quarter to cross Rs.1000 Crores

- NET SALES : Rs.1090.9 Crores - **Up 26.4%**
- NET PROFIT: Rs.160.2 Crores - **Up 47.7%**
- Net Domestic Sales: Rs.1003.9 Crores - **Up 29.2%** and cross the Rs.1000 Crores mark in a quarter for the first time.
- Export Sales at Rs.87.1 Crores
- Tax benefits from Pantnagar factory kick in
- Consumer Insight continues to be centre stage
- More Innovation and Renovation
 - MAGGI Cuppa Mania strengthens Taste Bhi, Health Bhi
 - MAGGI Pichkoo for an experience that's different !
 - Nestle KIT KAT Chunky in a portionable format

Martial Rolland, Chairman and Managing Director, Nestlé India said "The combination of strong mindset, clear strategic direction, focus on execution, and engagement of our people has enabled us to continue to deliver strong organic growth and improve our EBIT margin. The economic environment continues to provide support to our business. Whilst there have been recent concerns about slow down in the economy, we believe that the growth potential of India continues to be strong, though there might be some moderation in the pace of growth. Commodity prices remain at high levels and pose a strong challenge as do the white collar and related costs."

NESTLE HOUSE, Gurgaon 29th April, 2008: The Board of Directors' of Nestlé India today approved the results for the First Quarter of 2008.

NET SALES

Total Net Sales for the quarter have increased by 26.4% compared with the same period of 2007. Net Domestic Sales have increased by 29.2% supported by

growth across product groups. Export Sales were negatively impacted due to lower exports of Beverages and appreciation of Indian Rupee compared to the same period last year.

NET PROFIT

The **EBIT margin improved to 20.9%** largely due to economies of scale, improved sales channel mix, as well as the ongoing strategic transformation process that allowed the business to mitigate higher raw materials costs which continue to be at high levels and pose a big challenge.

Reported Net Profit for the quarter grew by 47.7%. This has been positively influenced by a lower Income Tax Provision due to the accrual of tax holiday claim arising out of Pantnagar factory operations for the full fiscal year ending 31.3.2008. However, factoring the tax benefit of this quarter, the Net Profit has grown by 38.0% resulting in a net margin of 13.6%.

DIVIDEND

The Board of Directors declared on April 17, 2008, an interim dividend for 2008 of Rs. 8.50/- per equity share (nominal value Rs.10/- per equity share), amounting to Rs. 81.95 crores, which will be paid on and from May 09, 2008.



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