



PRESS RELEASE

Steady Growth in 2010

- **NET SALES** : Rs.6254.7 Crores
- **NET PROFIT** : Rs. 818.7 Crores
- Domestic Sales : Rs.5901.0 Crores
- Enables contribution to exchequer of Rs.1398.0 Crores
- Manufacturing expansion plans at Nanjangud, Samalkha and Ponda on track. Land acquired for new plant at Tahliwal
- RBI approves External Commercial Borrowing up to US\$ 450 Million
- **Nestlé 'Start Healthy Stay Healthy'** campaign to reinforce importance of Nutrition
- Recommends **Final Dividend** of Rs. 12.50 Per share

NESTLE HOUSE, Gurgaon 18th February, 2010: The Board of Directors of Nestle India met today at Nestle House and announced its results for the **Fourth Quarter 2010** and **Full Year 2010**.

Commenting on the full year results Mr. Antonio Helio Waszyk, Chairman and Managing Director of Nestle India stated "We have now delivered 16 consecutive quarters of double digit growth. This consistent performance reflects the strength of our brands, the trust on our products, the continued drive for efficiency and the strong support from Nestle S.A. It is a clear demonstration of the continuous engagement of our people and our business partners. However, we are starting 2011 with a number of uncertainties, including the intensity of cost increases specially the volatile raw material prices. Together, we will continue to work hard to overcome the challenges. We are also hopeful that the Government will continue to support the Food Processing sector so we can continue to expand manufacturing and employment to provide consumers with affordable products."

NET SALES

Net Sales for the Full Year 2010 were Rs. 6254.7 Crores and have increased by 21.9 % over 2009. Domestic Sales increased by 22.9 % due to volumes and realizations. The increase in Exports sales is 7.6% while at constant exchange rates the same is 10.3%.

NET PROFIT

Net Profit at Rs. 818.7 Crores for the year has increased from Rs.655.0 Crores in 2009.

The improvement in operating margins is due to better absorption of fixed cost and improved product / channel mix as the impact of increase in cost of materials has been largely offset by the "one-off" cost in 2009.

The improvement in Net Profit margin is due to the increase in operating margin as the effect of lowering of income tax rates has been offset by lower contribution of the income tax holiday at Pantnagar factory.

QUARTER 4

Net Sales during Quarter 4 were Rs.1671 Crores and have increased by 23.6 % over the same Quarter in 2009. Profit from operations and Net Profit are not entirely comparable as last year results were adversely impacted by higher Employees Cost due to "one-off" actuarial losses; and brand building / demand generating activities.

DIVIDENDS

The Board of Directors has recommended a final dividend for 2010 of Rs. 12.50 per equity share (nominal value Rs.10/- per equity share). This is in addition to the two interim dividends for 2010, of Rs. 9.00 & Rs. 27.00 per equity share paid in May 2010 and November 2010 respectively. The total dividend per share in 2010 aggregates to Rs.48.50, the same as in 2009, and is in keeping with the financing needs for capital expenditure.



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