

Nestlé India Limited

(CIN : L15202DL1959PLC003786)

Nestlé House

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BM: PKR: 54:18

03.08.2018

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort, Mumbai – 400 001

**Subject : 1. Regulation 33 : Unaudited financial results for the quarter and six months ended 30th June, 2018; and
2. Regulation 30 : Declaration of Second Interim Dividend of Rs. 20/- per equity share for the year 2018.**

Dear Sir,

Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"): Unaudited Financial Results for the quarter and six months ended 30th June, 2018

Enclosed please find the unaudited financial results of the Company for the quarter and six months ended 30th June, 2018 approved by the Board of Directors at their meeting held today alongwith the Limited Review Report of M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company.

The unaudited financial results shall be published in newspapers as required. The same is also being uploaded on the Company's website.

Press Release relating to the unaudited financial results for the quarter and six months ended 30th June, 2018 is enclosed.

Regulation 30 of the Listing Regulations: Intimation of second interim dividend for the year 2018 declaration of Rs. 20/- per equity share of Rs. 10/- each

The Board of Directors at their meeting held today declared second interim dividend of Rs. 20/- (Rupees Twenty only) per equity share of Rs. 10/- each for the year 2018 on the entire issued, subscribed and paid up share capital of the Company of 96,415,716 equity shares of the nominal value of Rs. 10/- each.

The second interim dividend for 2018 will be paid on and from 24th August, 2018 to those members whose names appear on the Register of Members of the Company and as beneficial owners in the Depositories, determined with reference to the Record Date of 13th August, 2018, already announced for the purpose.

The meeting of the Board of Directors commenced at 11:00 hours and concluded at 14:15 hours.

Thanking you,

Yours very truly,

NESTLÉ INDIA LIMITED

B. MURLI

SENIOR VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Encl.: as above

Nestlé House, Gurugram, 3rd August 2018

Nestlé India Maintains Broad Based Growth Momentum

Nestlé India – QE June 2018

- Total Sales of ₹ 2,679 Crores
- Domestic Sales Growth at 8.0%. Comparable Growth estimated at 14.5%.
- Profit from Operations at 21.4% of Sales
- Net Profit of ₹ 395 Crores
- Earnings Per Share of ₹ 40.97
- Interim Dividend declared ₹ 20.0 per equity share

The Board of Directors of Nestlé India met today at Nestlé House and approved the results for QE June 2018. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “The market momentum continued to be favorable and I am pleased that we have sustained our broad based volume growth across categories. There is an improvement in margins due to favorable cost of commodities and cost efficiency programs. However, we are now witnessing headwinds in commodity prices.

KITKAT, NESCAFÉ and MAGGI continue to grow strongly in the market. We have also recently introduced Breakfast Cereals with NESPLUS and Canned Beverages with NESCAFÉ RTD. This is in line with our focus on consumer led innovations, centered around nutrition, health and wellness.

We are committed to a healthier future and are continuing to enhance the nutrition profile of our products by adding ingredients like whole grains, vegetables and micronutrients and have been reducing public health sensitive nutrients. We have also taken a pledge and announced our roadmap for reduction of sodium, sugar and fat in relevant categories. We seek to make our portfolio tasty and yet more nutritious for our consumers.”

Highlights for the quarter ended (QE) 30 June 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 quarter 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 quarter and six months ended 30 June 2018 and in particular Sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) 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 are positively impacted as the percentages have been calculated on lower reported sales.

- **Total Sales and Domestic Sales** for the quarter increased by 8.5% and 8.0% respectively. The growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits. On a comparable basis, domestic sales growth is 'estimated' at 14.5% supported by increase in volumes on a base impacted by softer trading ahead of the rollout of Goods and Services Tax.
- **Profit from Operations as percentage of sales and Net Profit as percentage of sales** are positively impacted by 110 bps and 70 bps respectively as the percentages have been calculated on lower reported sales.

Dividend:

The Board of Directors have declared second interim dividend for 2018 of ₹ 20.00 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 1,928.3 million, which will be paid on and from 24 August 2018. This is in addition to the first interim dividend of ₹ 20.00 per equity share paid on 1 June 2018.

For more information:

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