

Press Release – For Immediate Release

Maggi Set to Lose Over US\$ 200m in Brand Value Following Food Safety Ban

Maggi, a subsidiary of the Nestlé group, is set to lose over US\$ 200 million in brand value following a ban imposed by the Food Safety and Standards Authority of India (FSSAI). Maggi will destroy US\$ 50m worth of noodles which have been branded “unsafe and hazardous” after the FSSAI discovered “higher-than-allowed levels of lead” in some noodle packets.

Maggi’s brand was valued at US\$ 2.4bn prior to the food safety ban, which ranked the noodle manufacturer as the 23rd most valuable food brand in the world. However, [Brand Finance](#) analysts have calculated that the US\$ 50m loss of goods combined with a damaged brand, results in a reduced brand value of US\$ 2.2bn.

Brand Finance CEO, David Haigh, comments “Any health concerns raised by a credible source such as the FSSAI will most certainly damage customer loyalty and consideration of a food brand. As Maggi’s parent company, Nestlé will have to turn around swiftly to ensure that the Maggi brand can retain its dominance in the Indian market. If not, the Nestlé brand itself could be at risk as the Nestlé logo prominently features on the back of Maggi noodles packaging, making it synonymous with the Maggi brand.”

Nestlé has decided to challenge the high court whilst also raising “issues of interpretation” of India's food safety laws.

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Note to Editors

Brand Finance release a variety of reports across several sectors. Maggi and Nestlé both feature in the Brand Finance Food 25 report, click [here](#) to view the full report. To find out more information please get in touch.

About Brand Finance

[Brand Finance](#) specialises in the management of intellectual property. Its brand valuations help marketers to design their campaigns, boards to evaluate business strategy and investors to assess potential acquisitions thoroughly. It defines a brand as “a marketing-related intangible asset (including a combination of names, terms, logos and designs) intended to identify and create distinctive associations about a product, service or organisation.” Brand value is “the total future economic benefits attributable to a brand.” That is determined by estimating the likely future sales that are attributable to a brand and in turn what a company would have to pay to use the brand if it did not control it, a process known as the ‘Royalty Relief’ method.

For more information on Brand Finance, our corporate brand valuations and our methodology, please see our [Global 500 report](#).