

Nestlé India Limited

Financial Analysts' Meet

May 17 , 2007



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Agenda

Opening Remarks

Martial Rolland

Key Financials

Shobinder Duggal

Questions & Answers

All



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Disclaimer

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include factors such as general economic conditions, availability and prices of commodities, competitive products and pricing pressures and regulatory developments etc.

Responses can only be given to questions, which are not price sensitive.



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Opening Remarks



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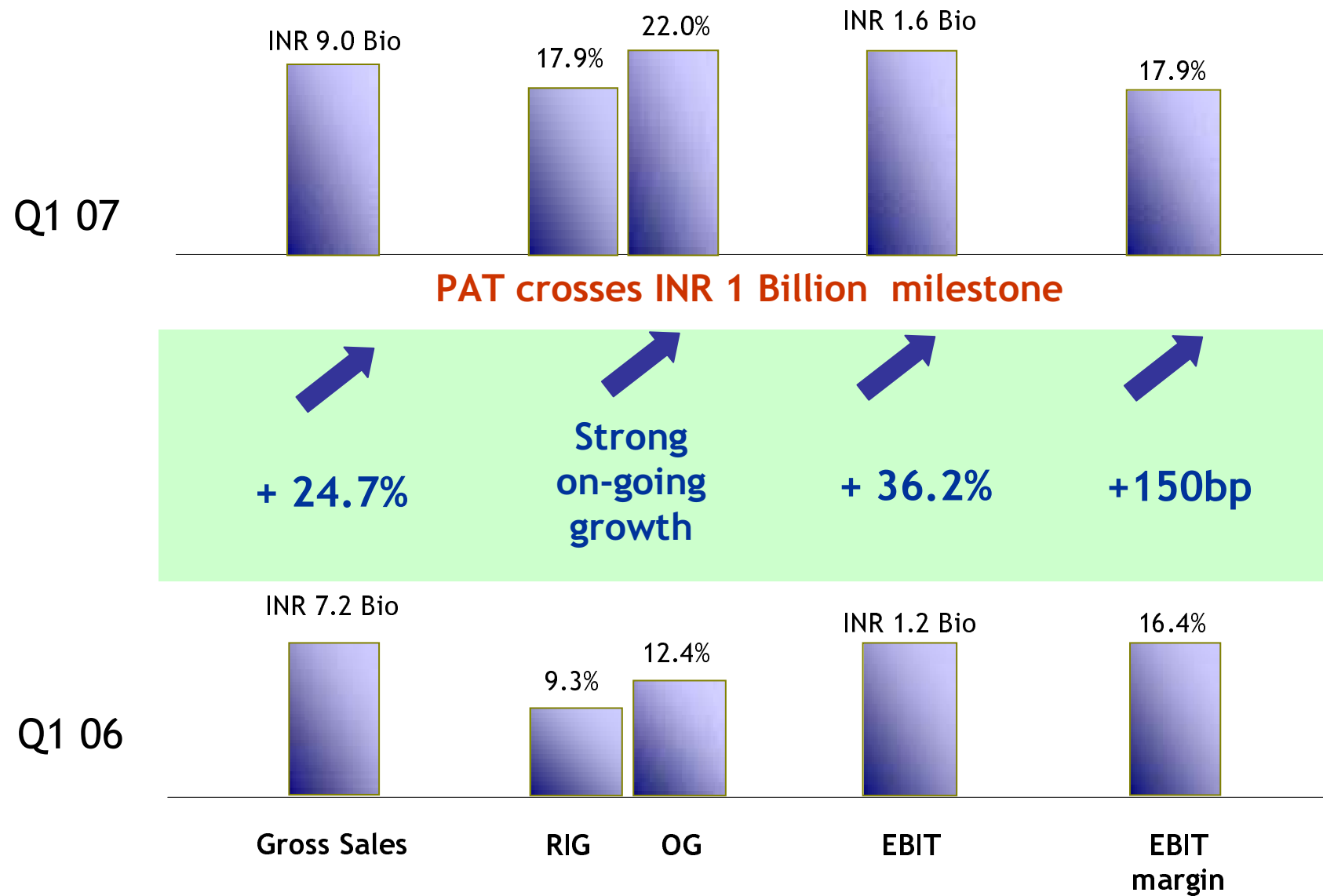
Over to SHD



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Key Financials

Snap shot of the quarter



All calculations are based on non-rounded figures

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Our Business

We manage a diversified food & beverages business addressing different need states having a complex value chain with focus on value drivers to enhance total shareholders return.

We maintain a high standard of Corporate Governance and are a responsible corporate citizen.



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Our Structure

A Multi-focal Organization with an agile fleet of businesses



... each one independently strong and flexible,
following its own rules to be successful, led by
business specific, management and staff.

The Good Food Good Life Portfolio

Purchasing Power



Convenience, Pleasure, Nutrition, Health, Wellness



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Complex Value Chain

Some Examples

Number of Stock Keeping Units	390
Number of Product Recipes	400
Number of Ingredients	330
Number of Packing Materials	800
Number of Quality Tests Performed	190



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Driving Total Shareholders Return

The Value Drivers

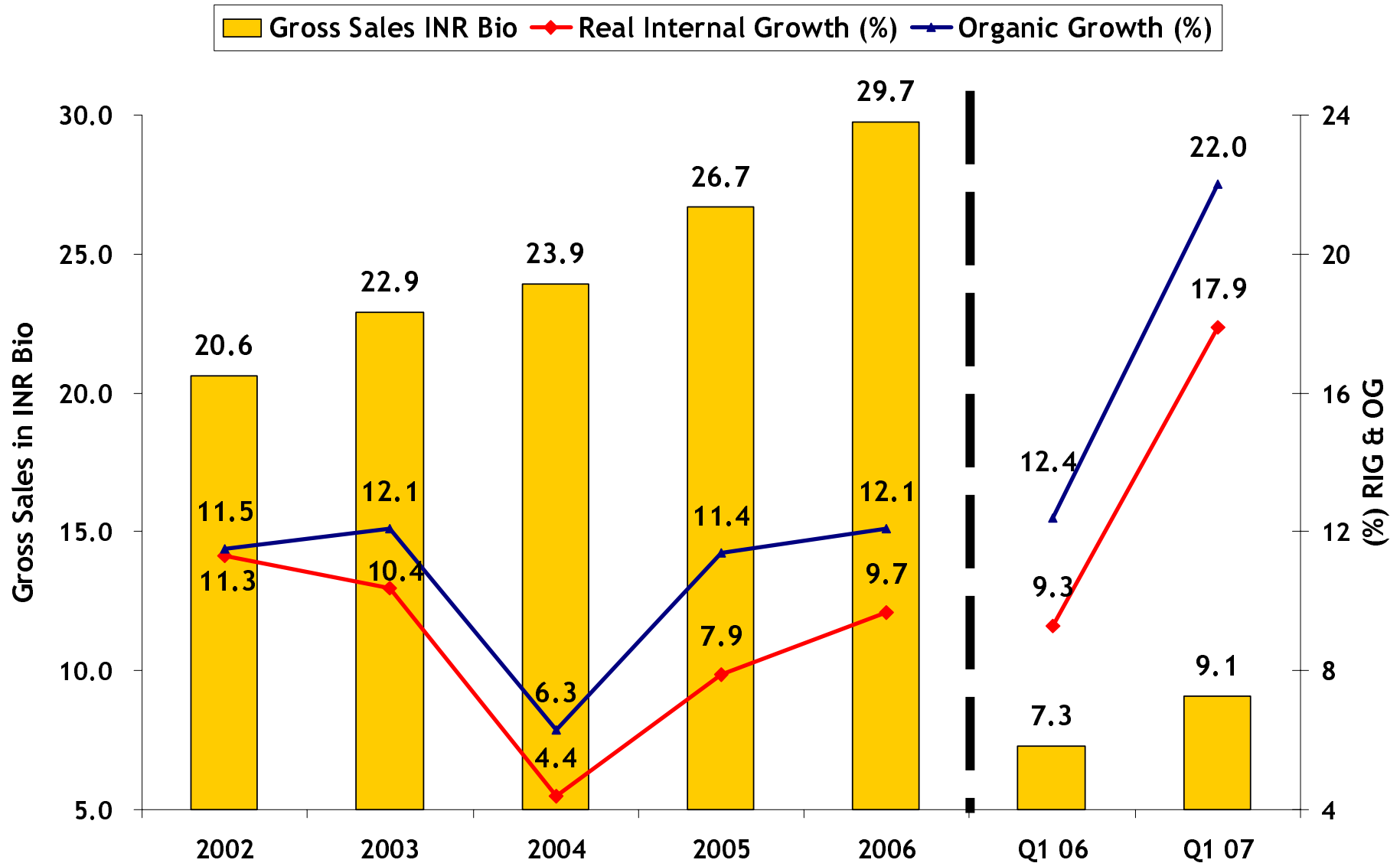
1. Sales Growth
2. Profit Margin
3. Working Capital Intensity
4. Fixed Capital Intensity
5. Income Tax Rate
6. Cost Of Capital
7. Value Growth Duration



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SALES GROWTH (1)

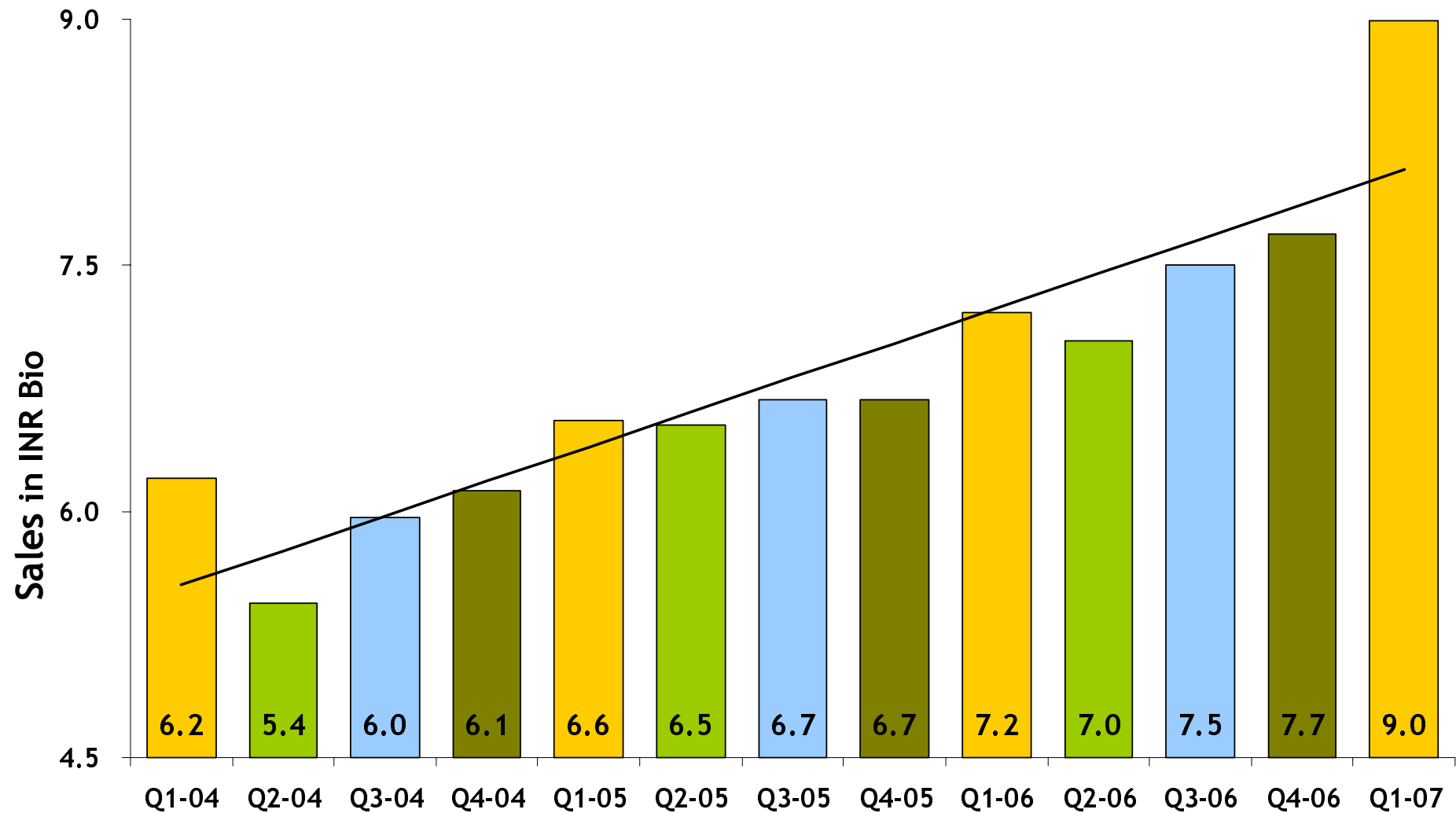
Sales Evolution



Basis Nestle Internal Reporting Standards

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Consistently grown over the quarters



Gross sales including excise duty



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Channel-wise Sales

	Volume (000' Tons)			Value [@] (INR Bio)		
	Q1 07	Q1 06	Var%	Q1 07	Q1 06	Var%
Domestic	61.9	53.4	16.0	8.1	6.7	21.3 #
Exports	4.7	3.4	36.0	0.9	0.5	69.9
Total	66.6	56.8	17.2	9.0	7.2	24.7

Domestic Contr. %	93.0	93.9	(0.9)	90.4%	93.0%	(2.6)
Exports Contr. %	7.0	6.1	0.9	9.6%	7.0%	2.6

Net Domestic Sales up 24.3%

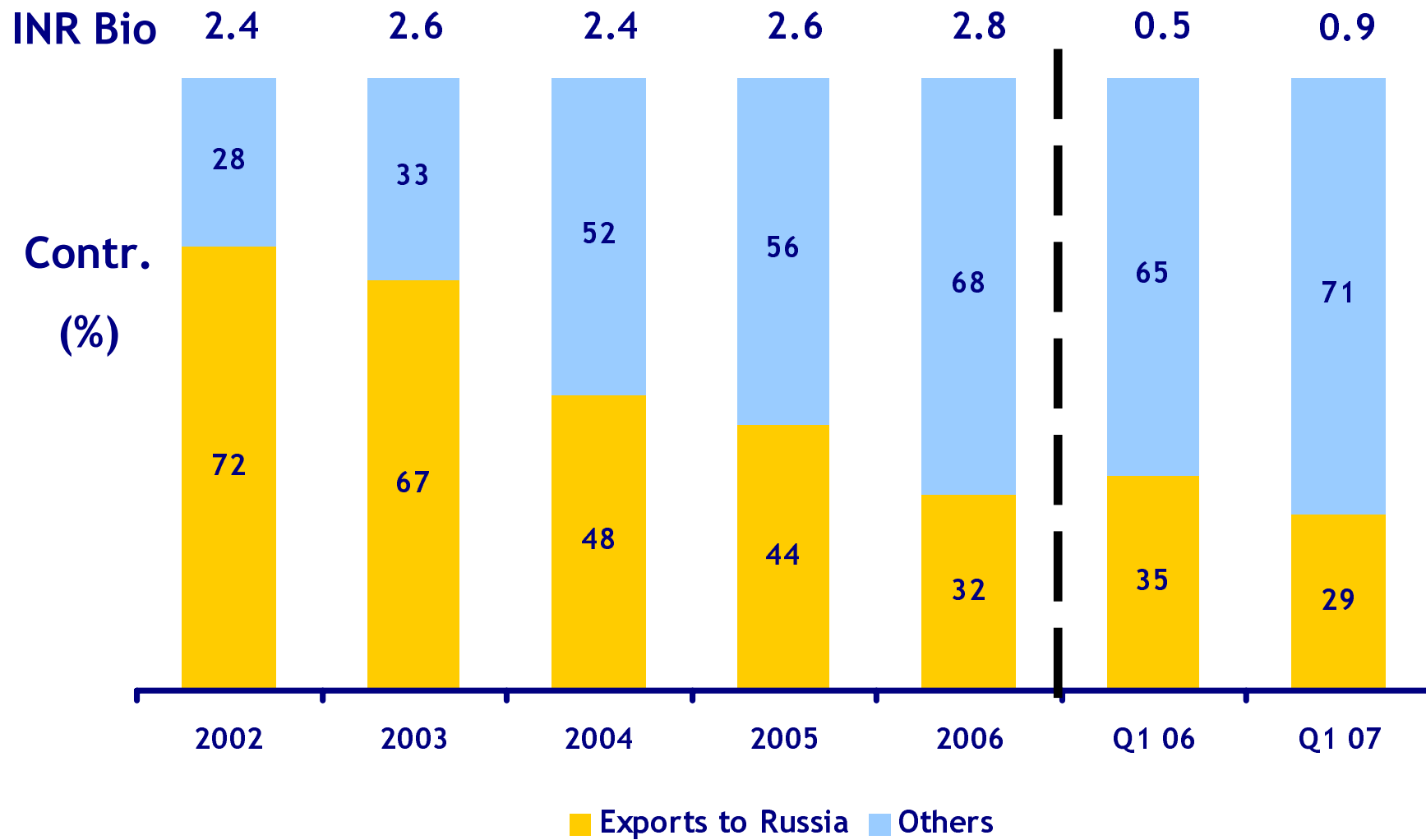
@ Gross Sales including excise duty



All calculations are based on non-rounded figures

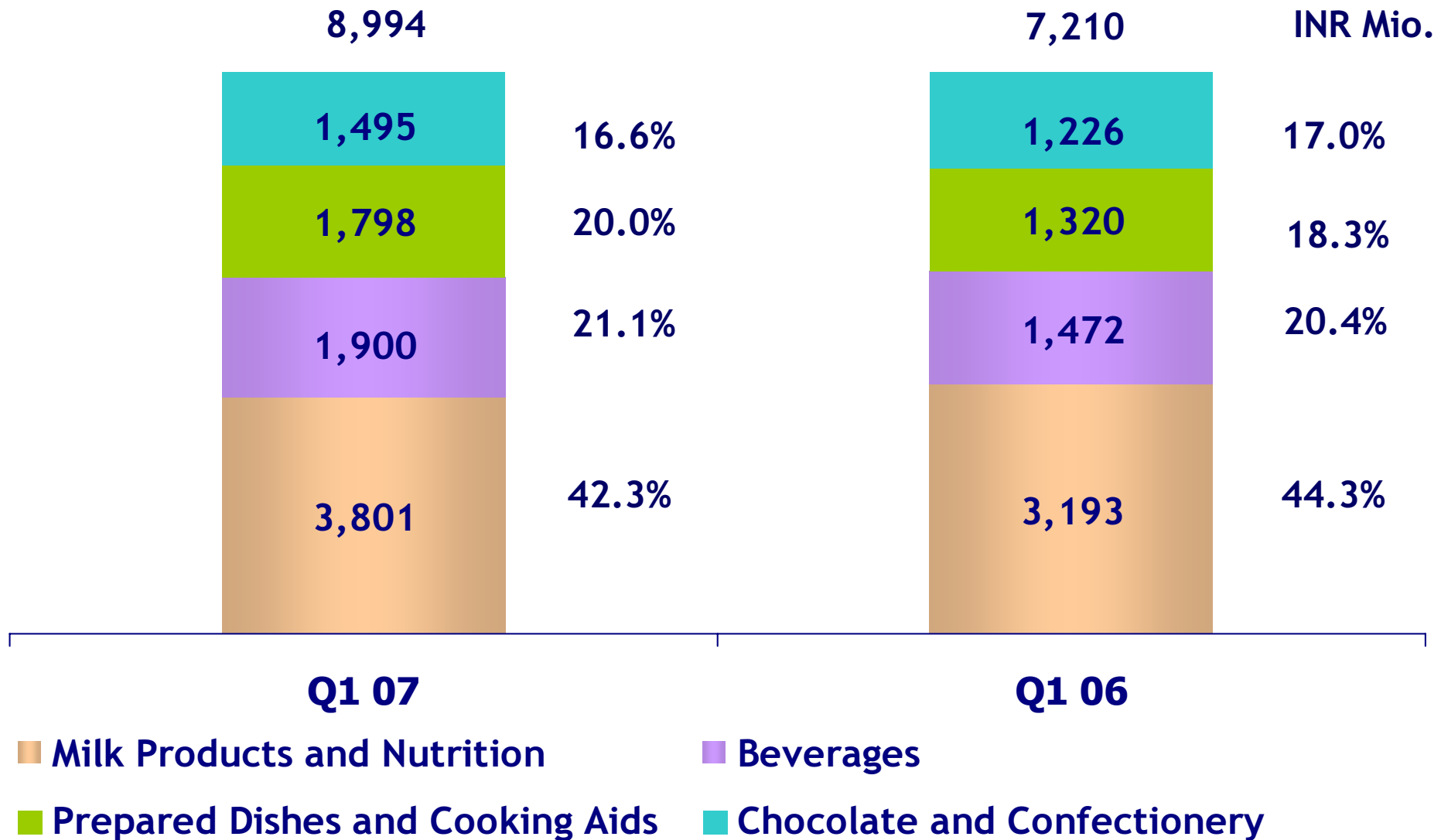
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Balancing Export Portfolio



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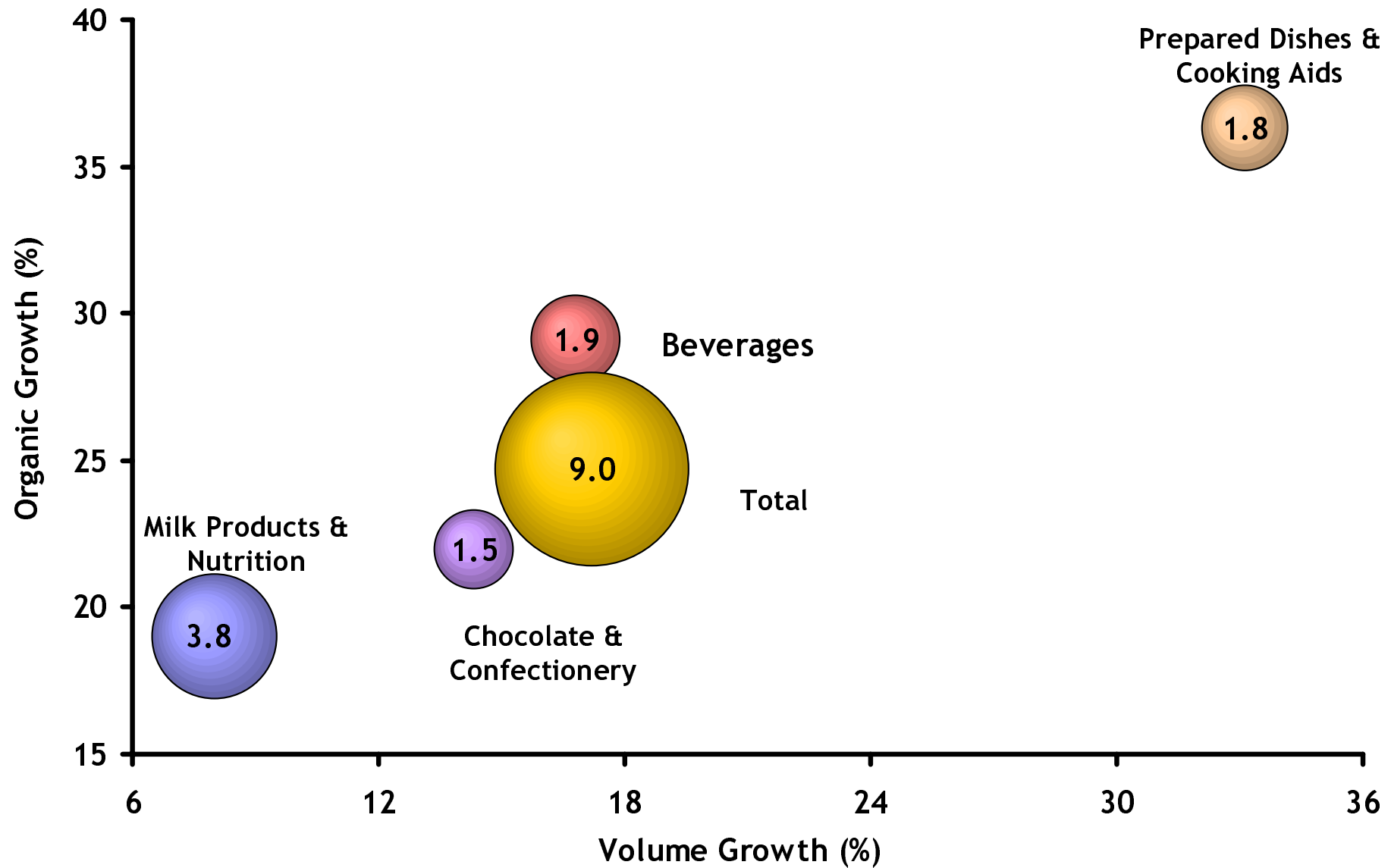
A Balanced Product Portfolio



Gross Sales including excise duty

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Product Categories: Jan - Mar 2007



Bubble size represents Gross Sales (INR Bio)



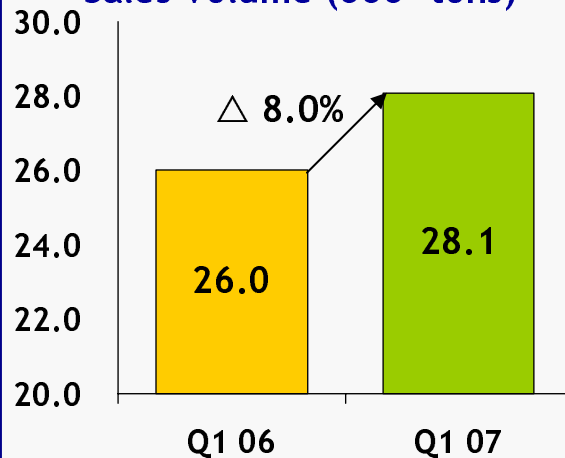
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Milk Products & Nutrition

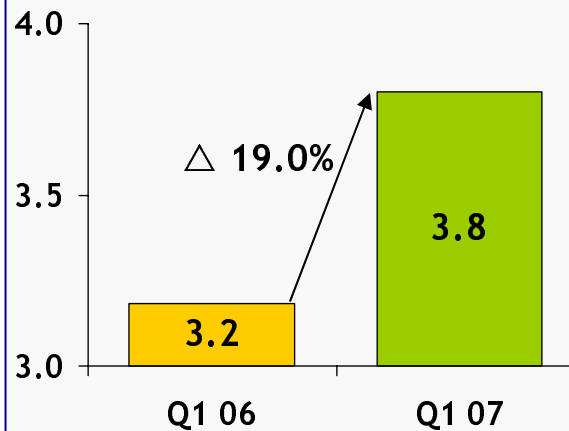


- Market Leader in Baby Foods and Sweetened Condensed Milk
- Very close to market leader in Infant Formula
- No. 2 in Dairy Whitener
- Growing presence in Fresh Dairy

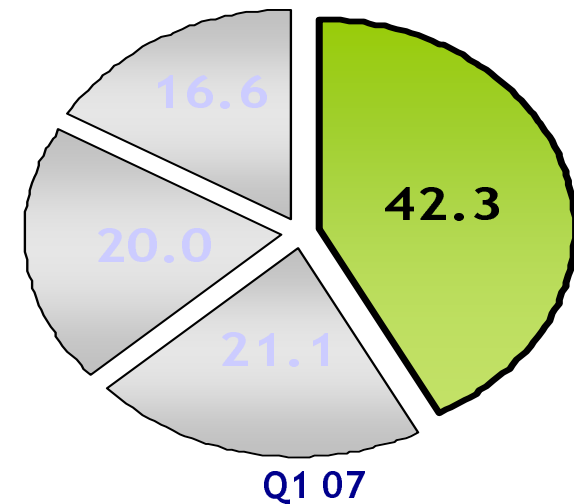
Sales Volume (000' tons)



Sales (INR Bio)



Contribution to Total Sales



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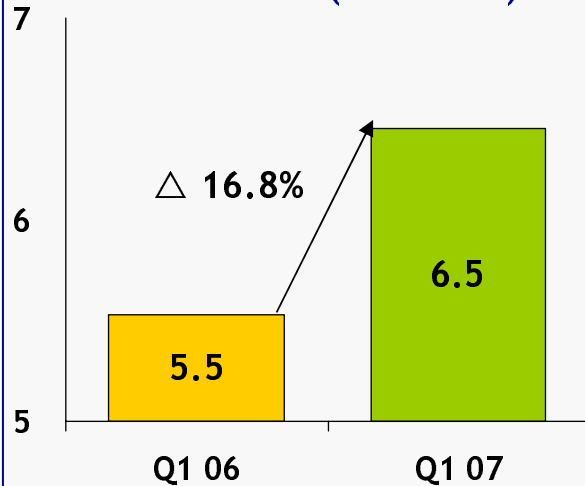
Beverages



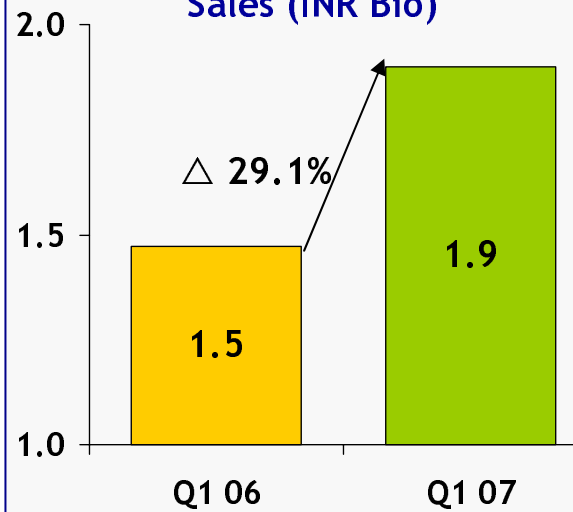
- Market Leader in Instant Coffee



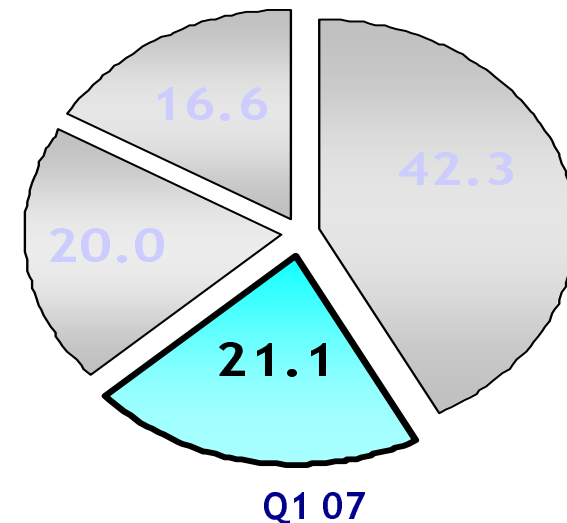
Sales Volume (000' tons)



Sales (INR Bio)



Contribution to Total Sales



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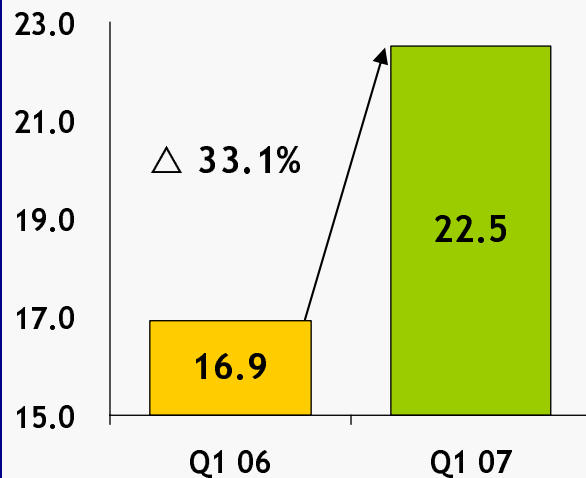
Prepared Dishes & Cooking Aids



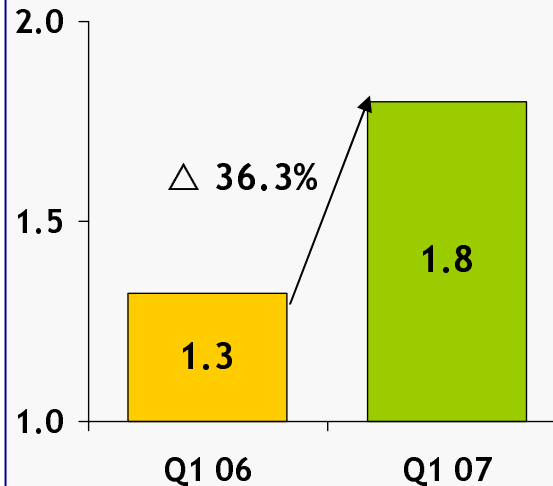
- Market Leader in instant Noodles and Ketchups
- No. 2 in Healthy Soups



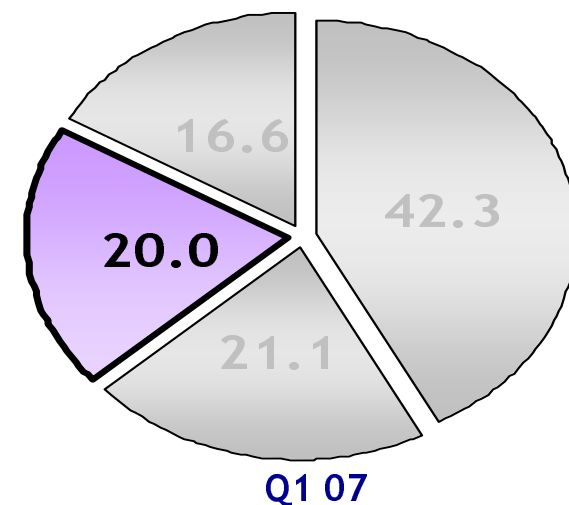
Sales Volume (000' tons)



Sales (INR Bio)



Contribution to Total Sales



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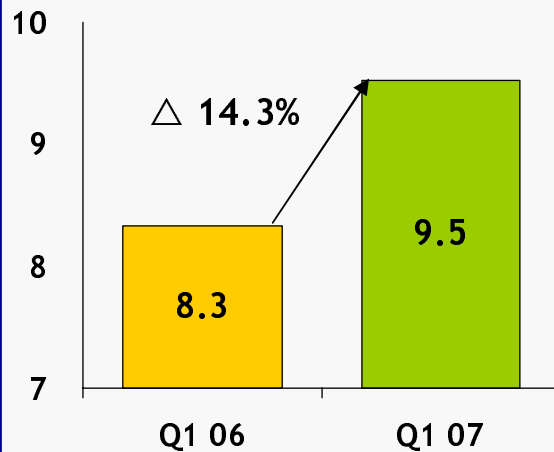
Chocolate & Confectionery



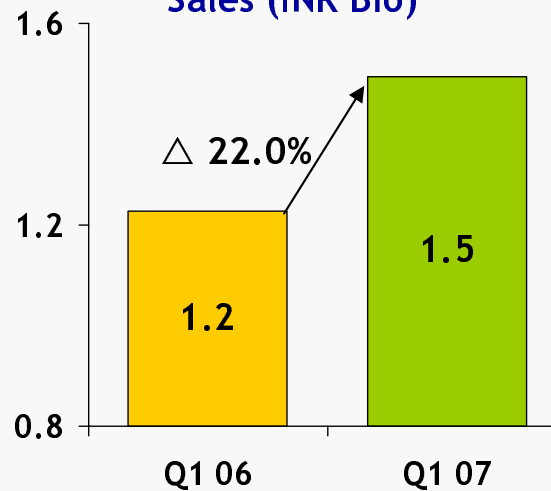
- Market Leader in Wafers and white chocolates
- No. 2 in Chocolates
- Market Leader in Eclairs with 32.4% volume share.



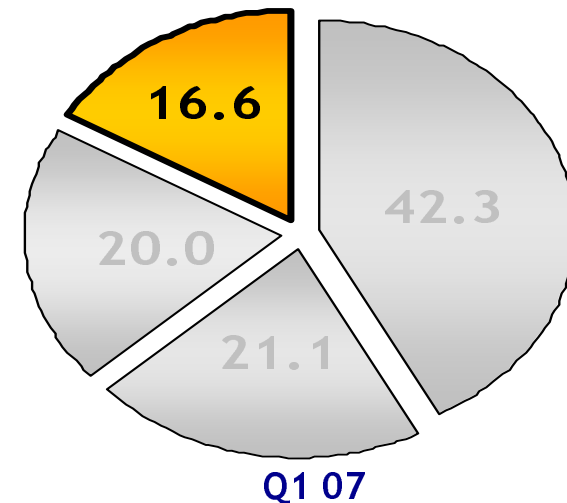
Sales Volumes (000' tons)



Sales (INR Bio)



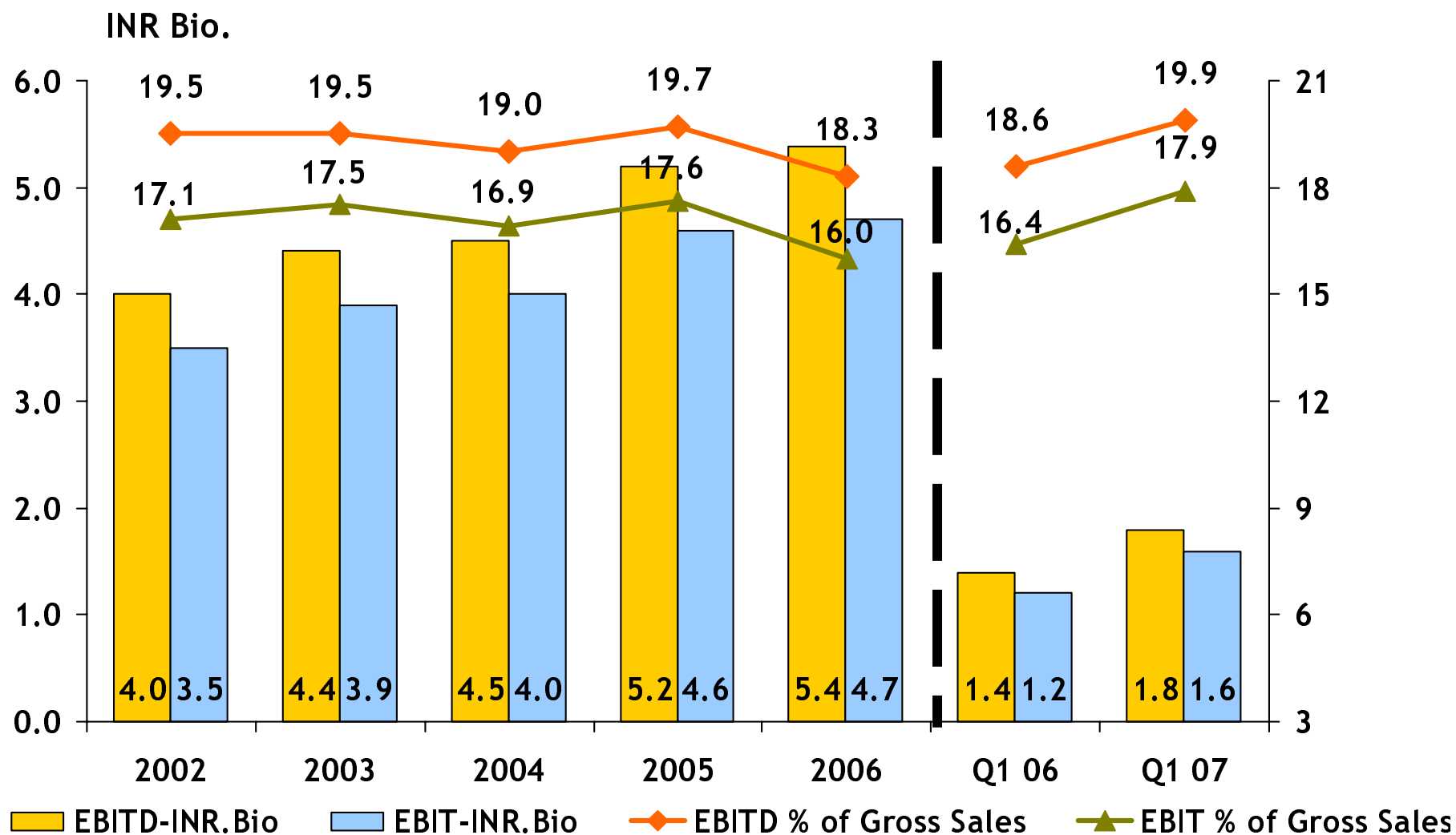
Contribution to Total Sales



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PROFIT MARGINS (2)

Evolution of Operating Margins



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Total Expenditure

INR Mio.

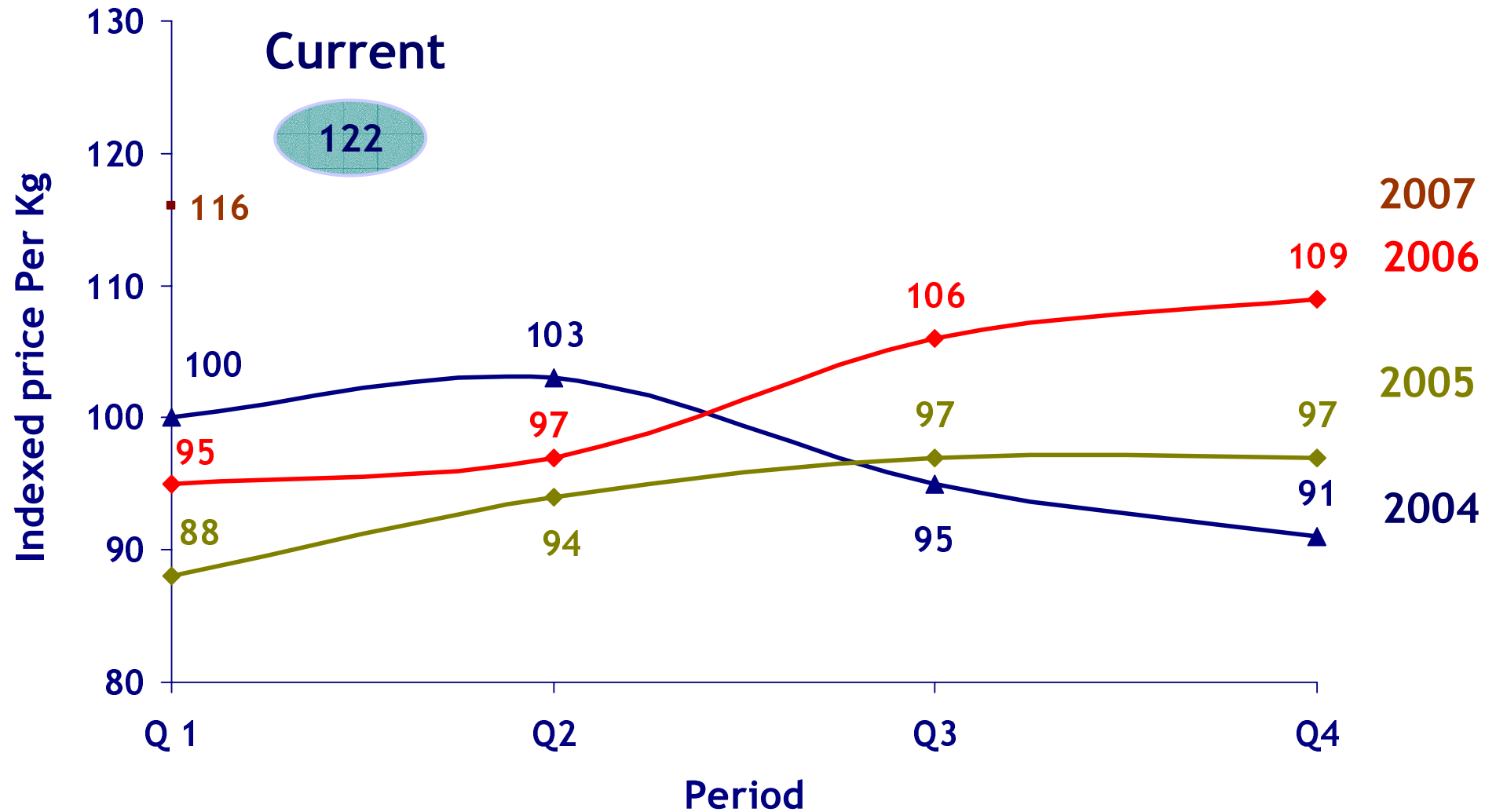
Description	Q1 07	% Net Sales	Q1 06	% Net Sales	Var. %
Tot. Expenses - of which	6,843	79.3	5,421	80.2	26.2
Materials	4,149	48.1	3,098	45.8	33.9
Staff Cost	646	7.5	543	8.0	19.0
Advt. + sales Promotion	399	4.6	391	5.8	1.9
Distribution	385	4.5	306	4.5	25.6
Power & Fuel	313	3.6	279	4.1	12.1

Previous period figures have been regrouped / reclassified to make them comparable.



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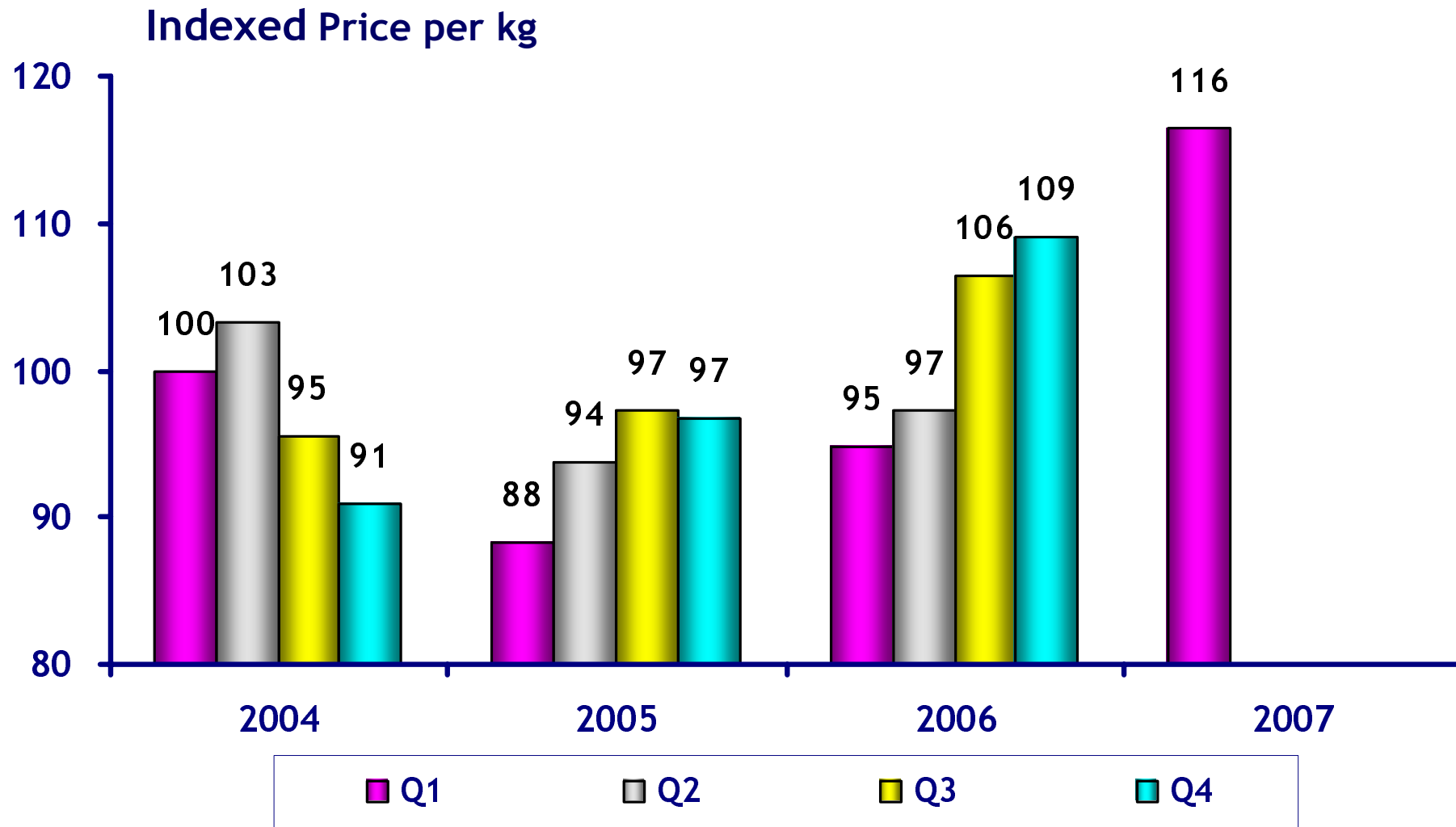
Evolution - Milk Fat Prices



Indexed with base Q1-04

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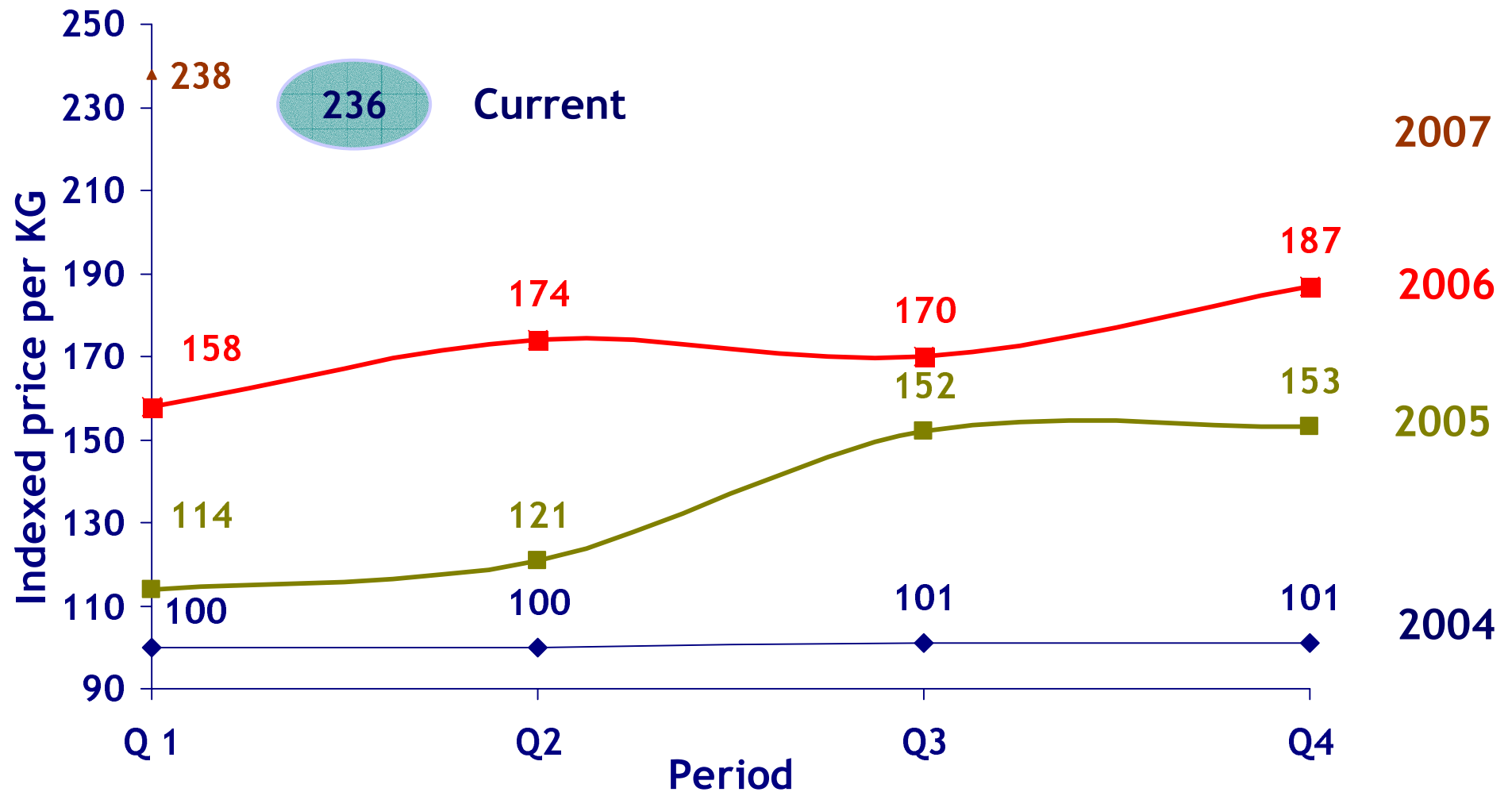
Evolution - Milk Fat Prices



Indexed with base Q1-04

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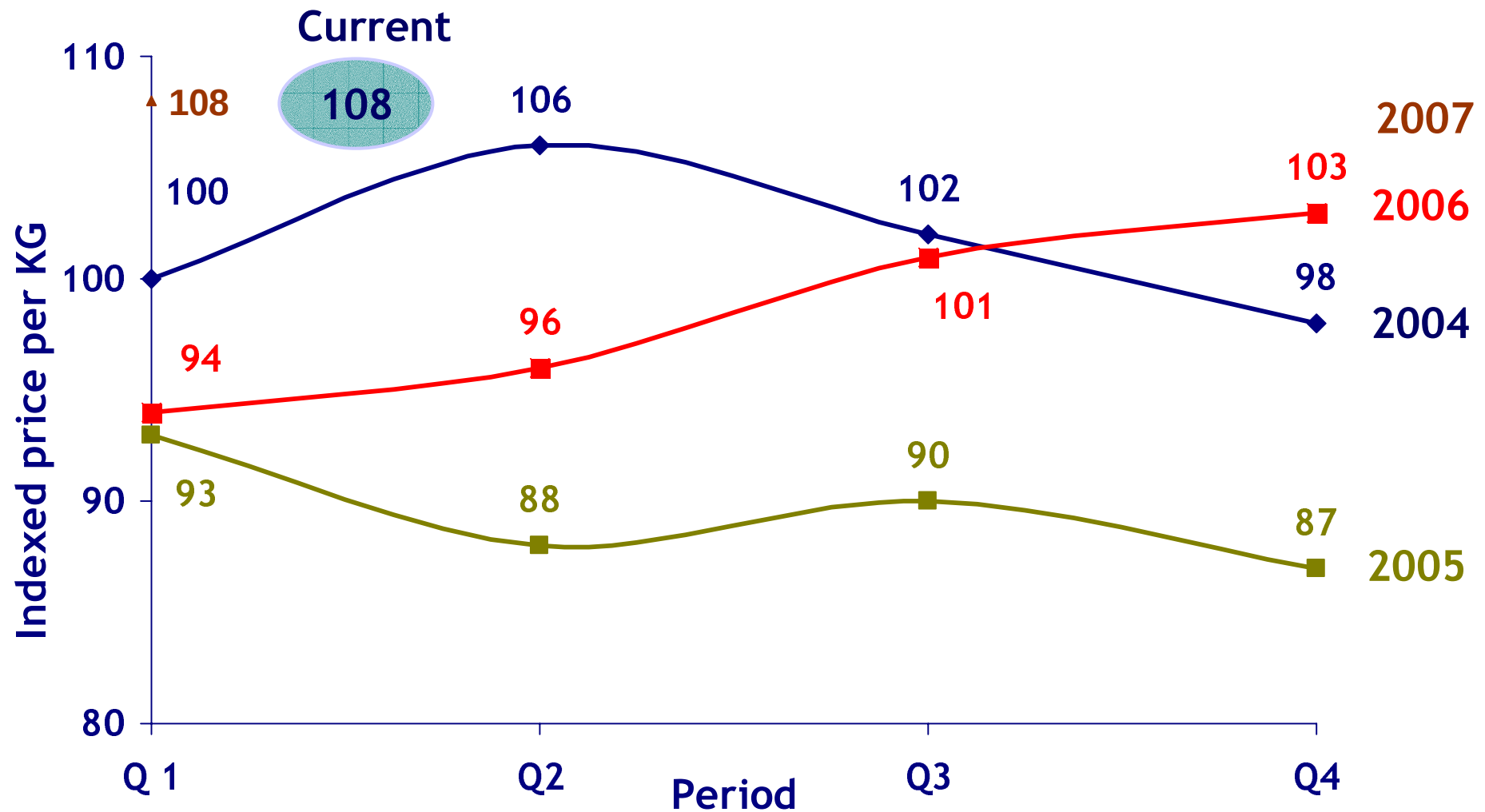
Evolution - Green Coffee Prices



Indexed with base Q1-04

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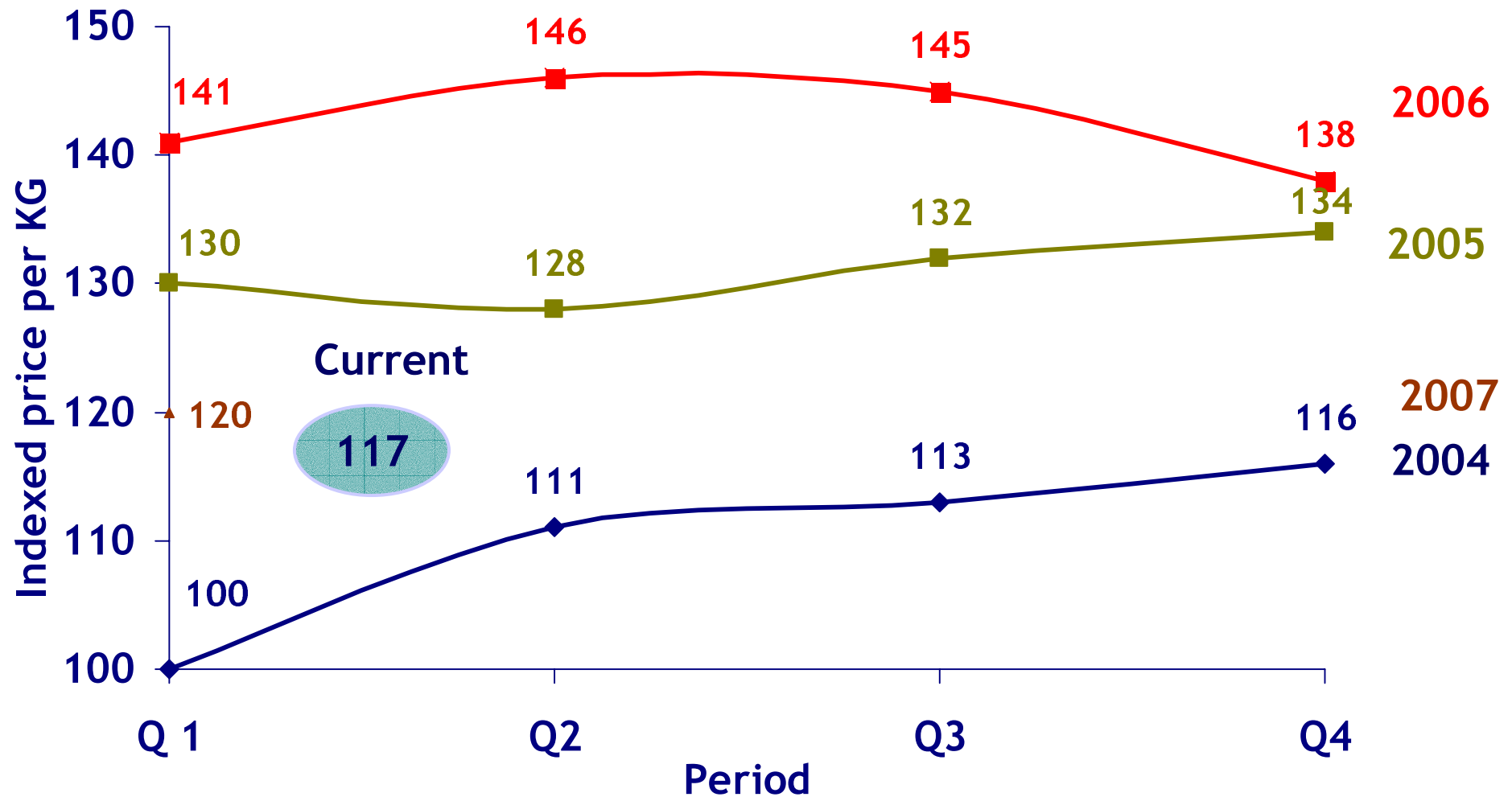
Evolution - HVF Prices



Indexed with base Q1-04

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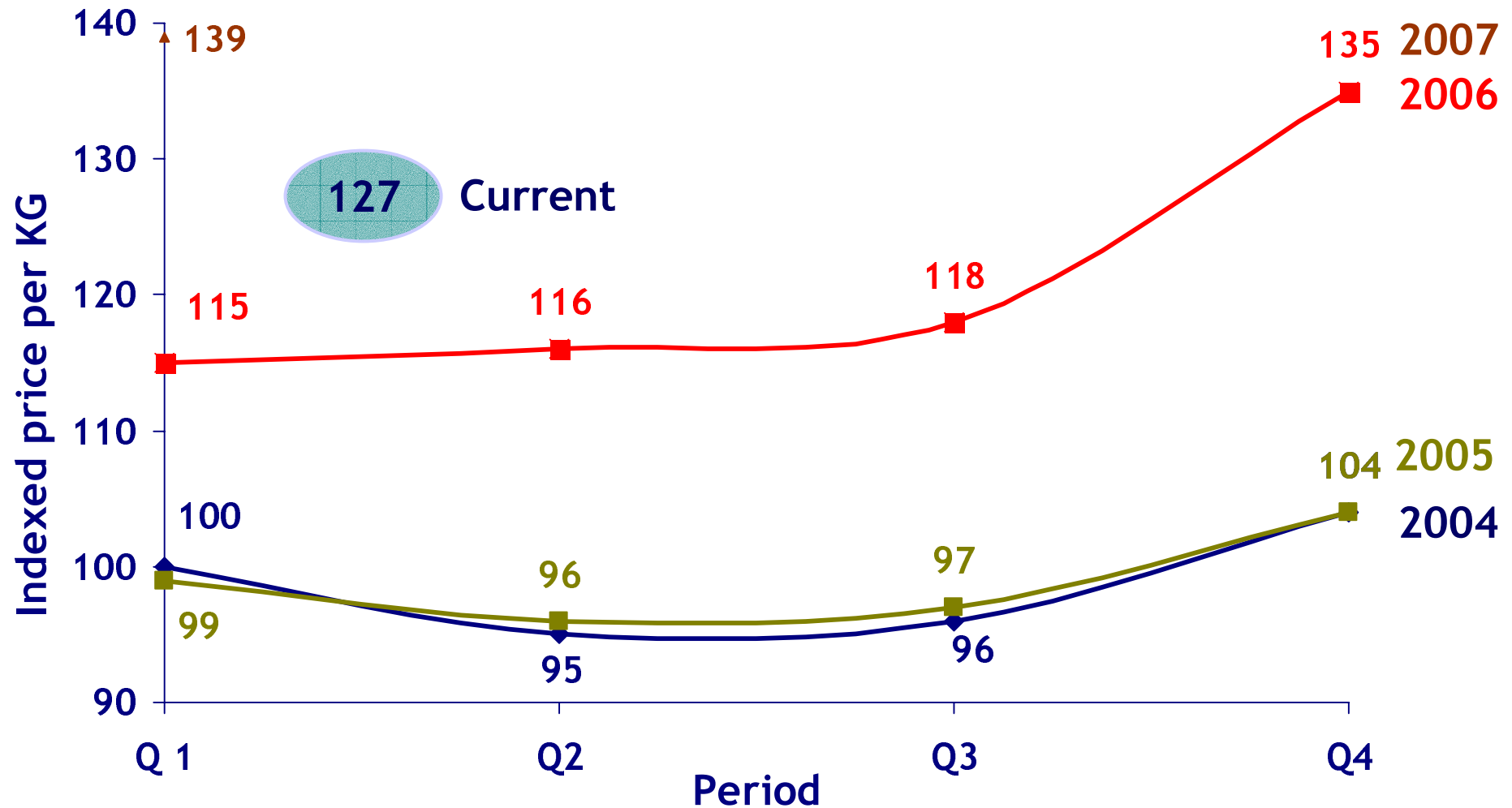
Evolution - Sugar Prices



Indexed with base Q1-04

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Evolution - Wheat Flour Prices

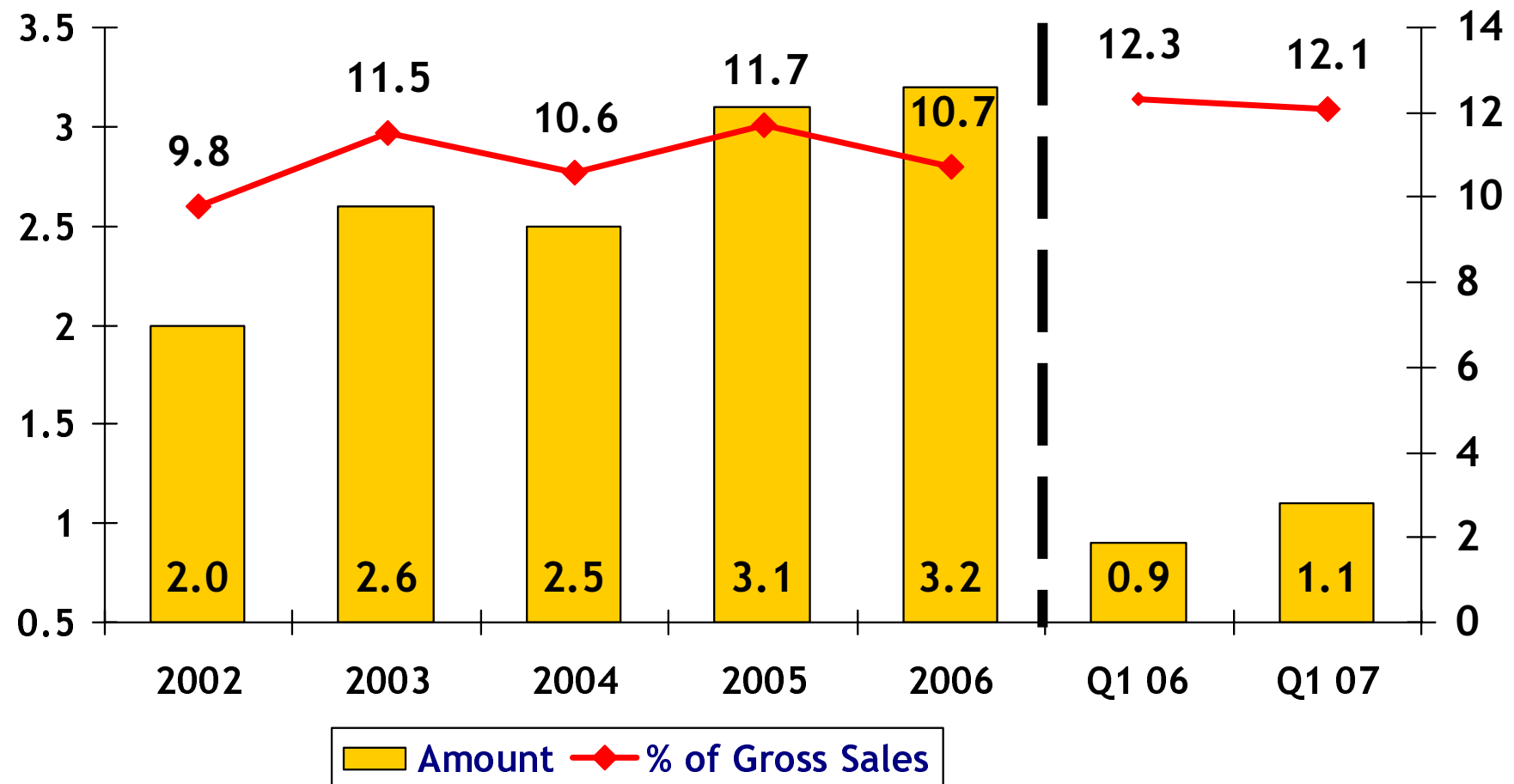


Indexed with base Q1-04

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Evolution of Net Profit Margins

INR Bio.



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WORKING CAPITAL INTENSITY (3)

Operating Working Capital

INR Mio

	31 st Mar 2007	31 st Mar 2006
Receivables from Customers	686	462
Inventories	4,094	3,163
Less: Payables	2,424	1,934
Operating Capital tied up	2,356	1,691
As % of Gross Sales	6.5%	5.8%

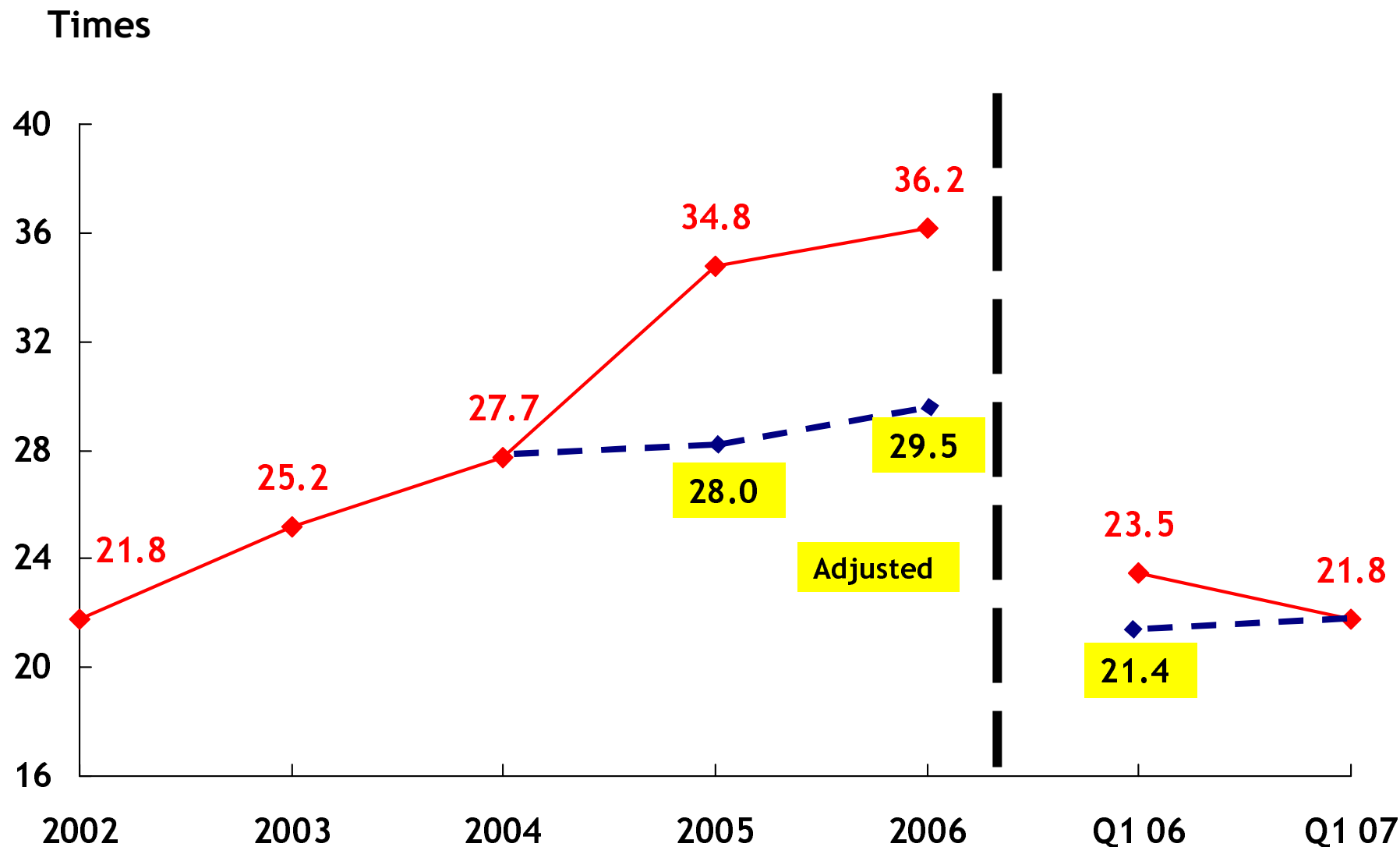
Payables exclude amounts payable on account of taxes, Staff Costs, Capital Expenditure, related provisions etc.



Basis Nestle Internal Reporting Standards

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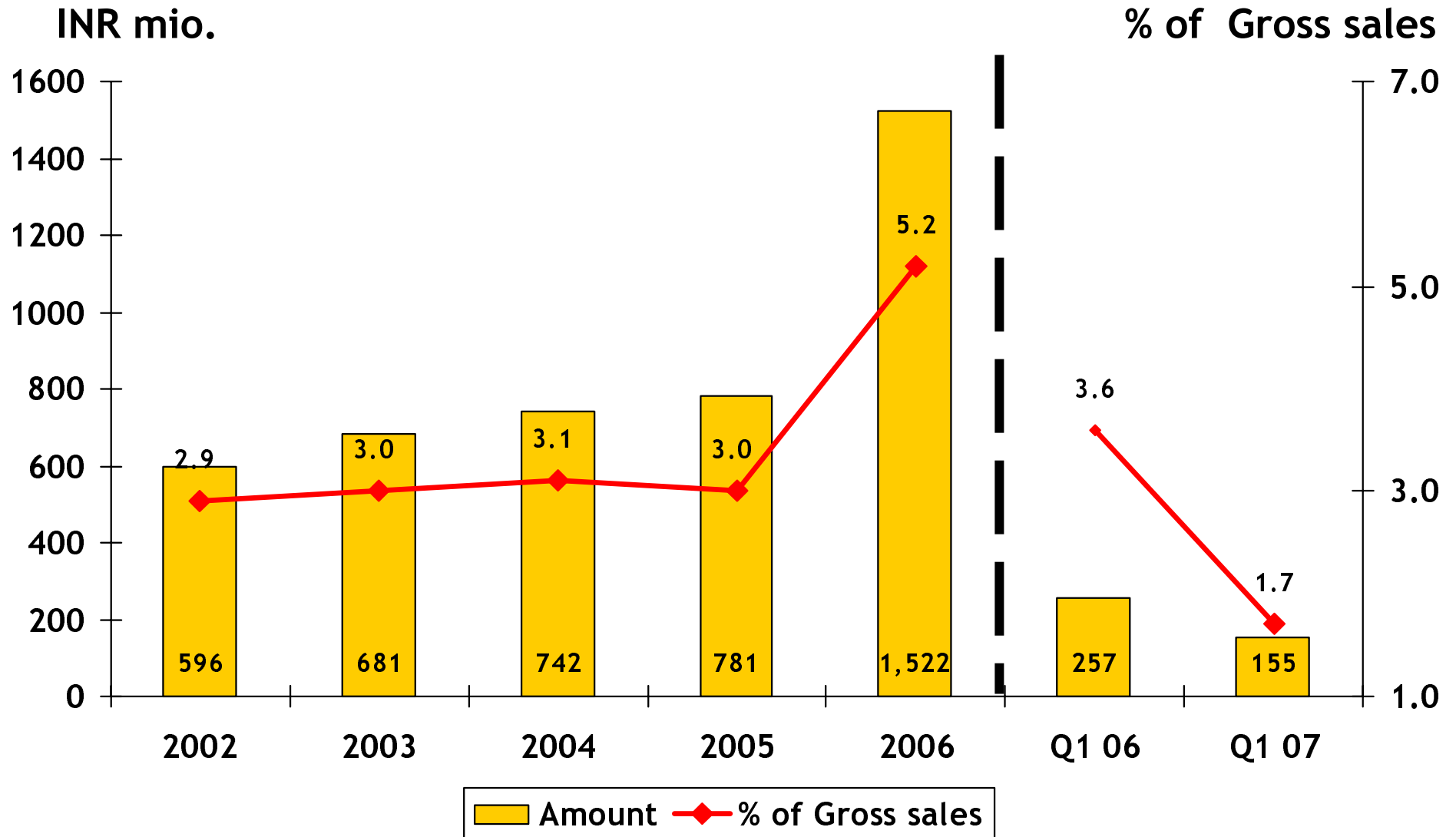
Rotation of Average Operating Working Capital



Basis Nestle Internal Reporting Standards and
average of two period ends

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Investment in Fixed Assets

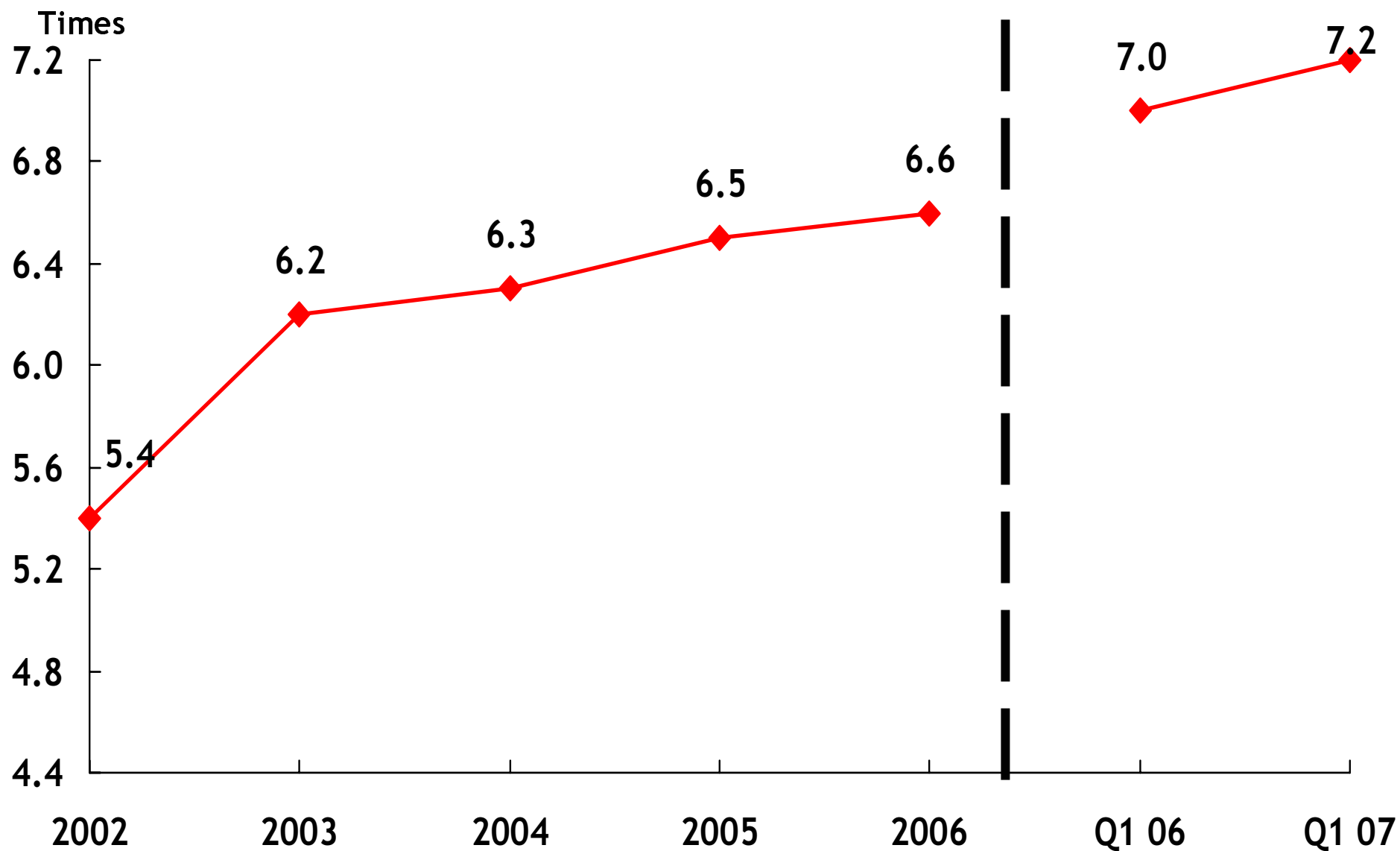


Dep.	494	463	491	498	555	131	153
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Rotation of Average Tangible Fixed Assets

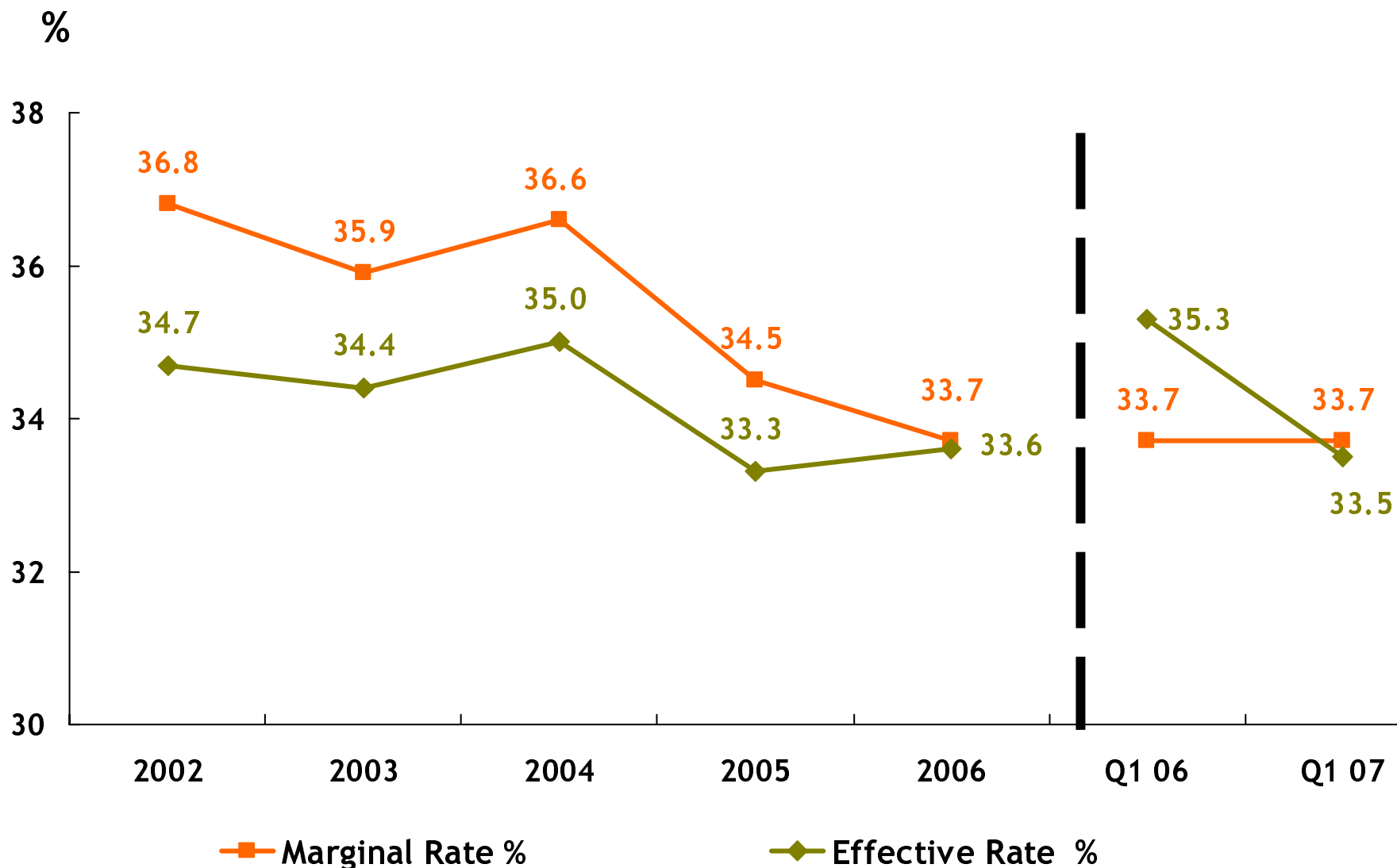


Basis Nestle Internal Reporting Standards

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INCOME TAX RATE (5)

Evolution of Tax Rate



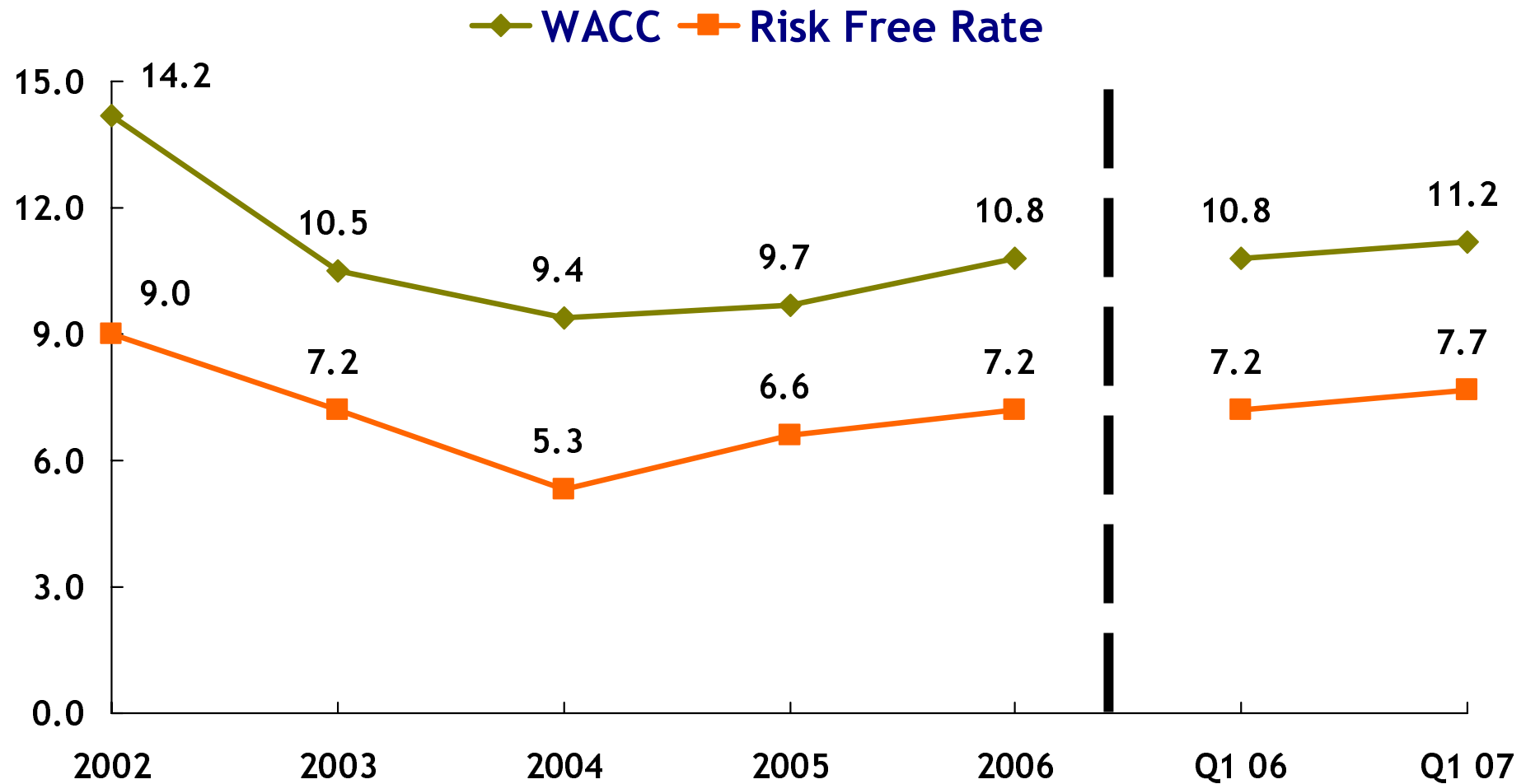
(rates are a % of pre-tax profit excluding FBT)



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COST OF CAPITAL (6)

Evolution - Cost of Capital



Basis Nestle Internal Reporting Standards

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VALUE GROWTH DURATION (7)

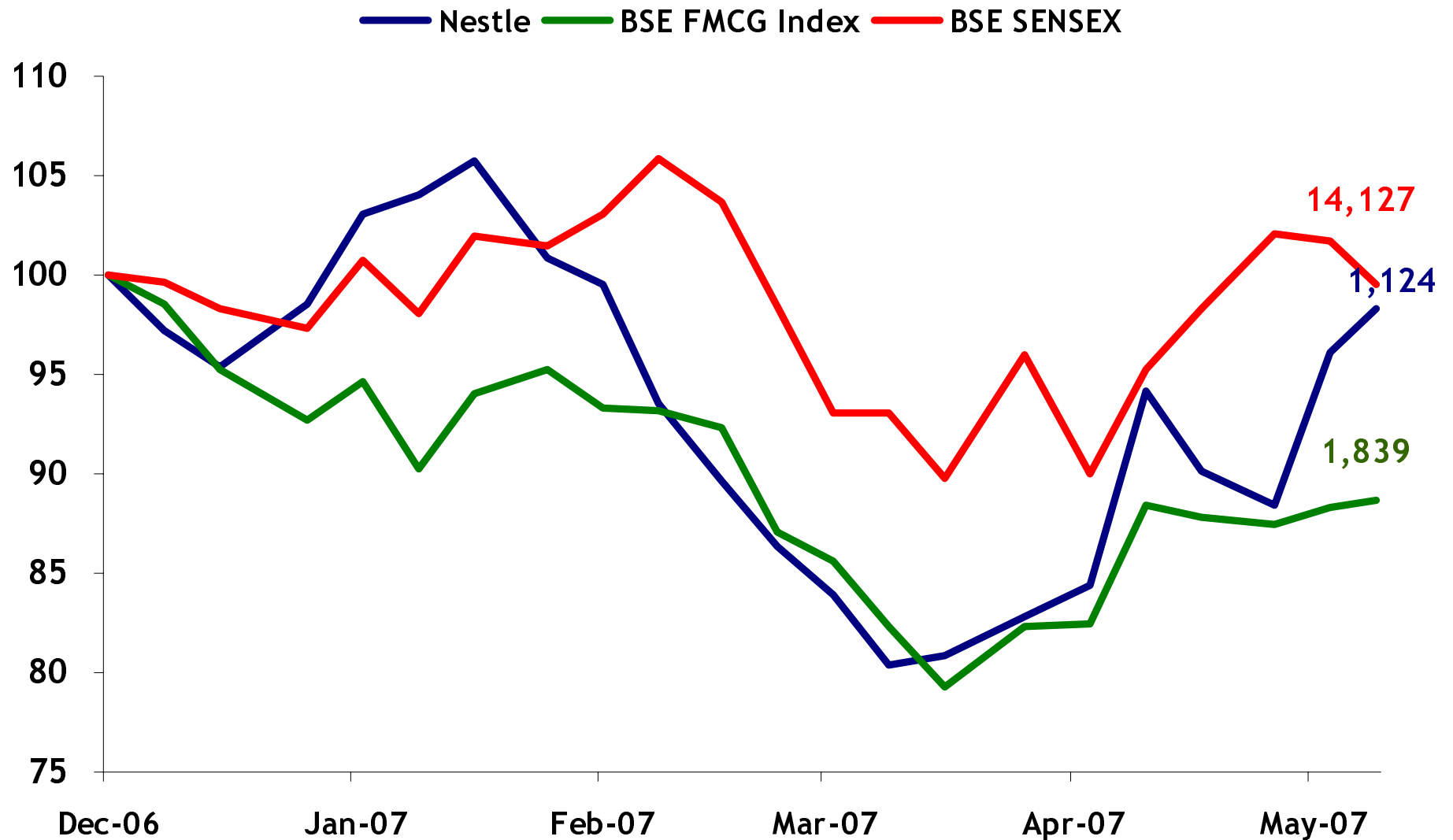
Value Growth Duration

- TSR of 94% over the last 13 quarters.
- Market Capitalization increased by 75% over last 13 quarters - INR 63 Bio. to INR 110 Bio.
- Top performer on Return on Capital employed
- Amongst top performers on Return on Equity



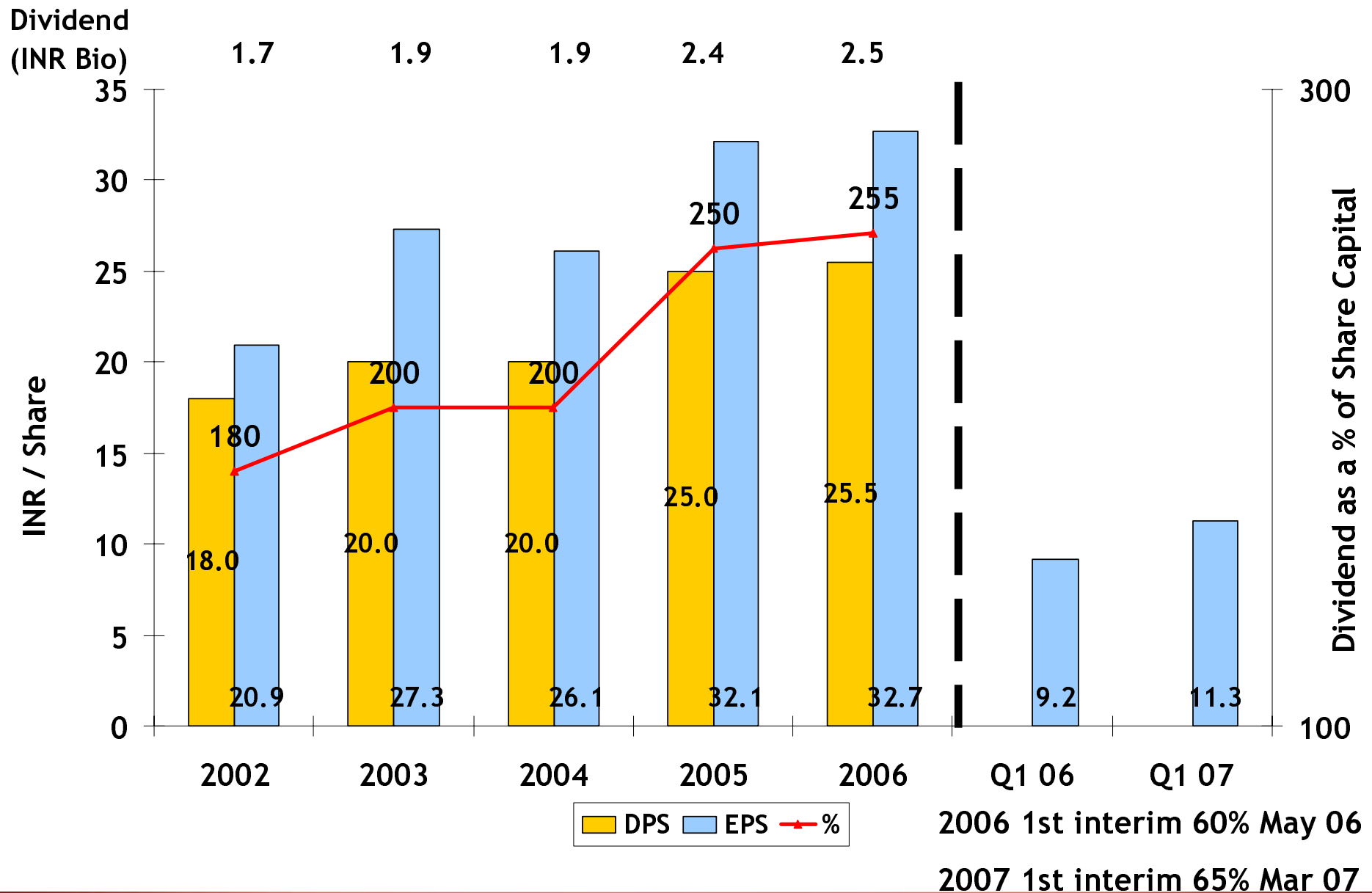
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Performance since last Analyst Meet



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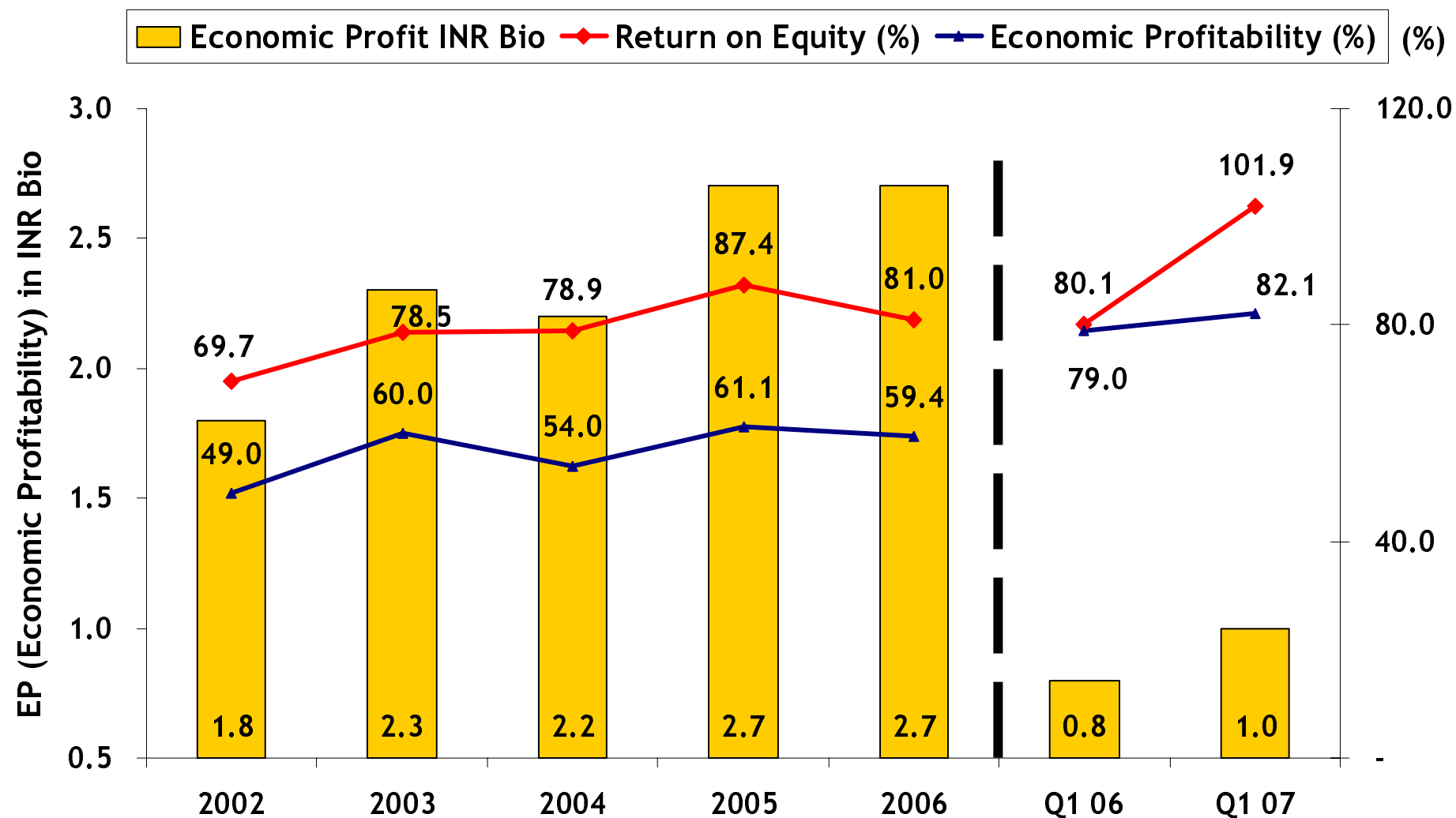
Returning cash to Shareholders



2004 - Excludes special dividend of INR 4.5 / Share

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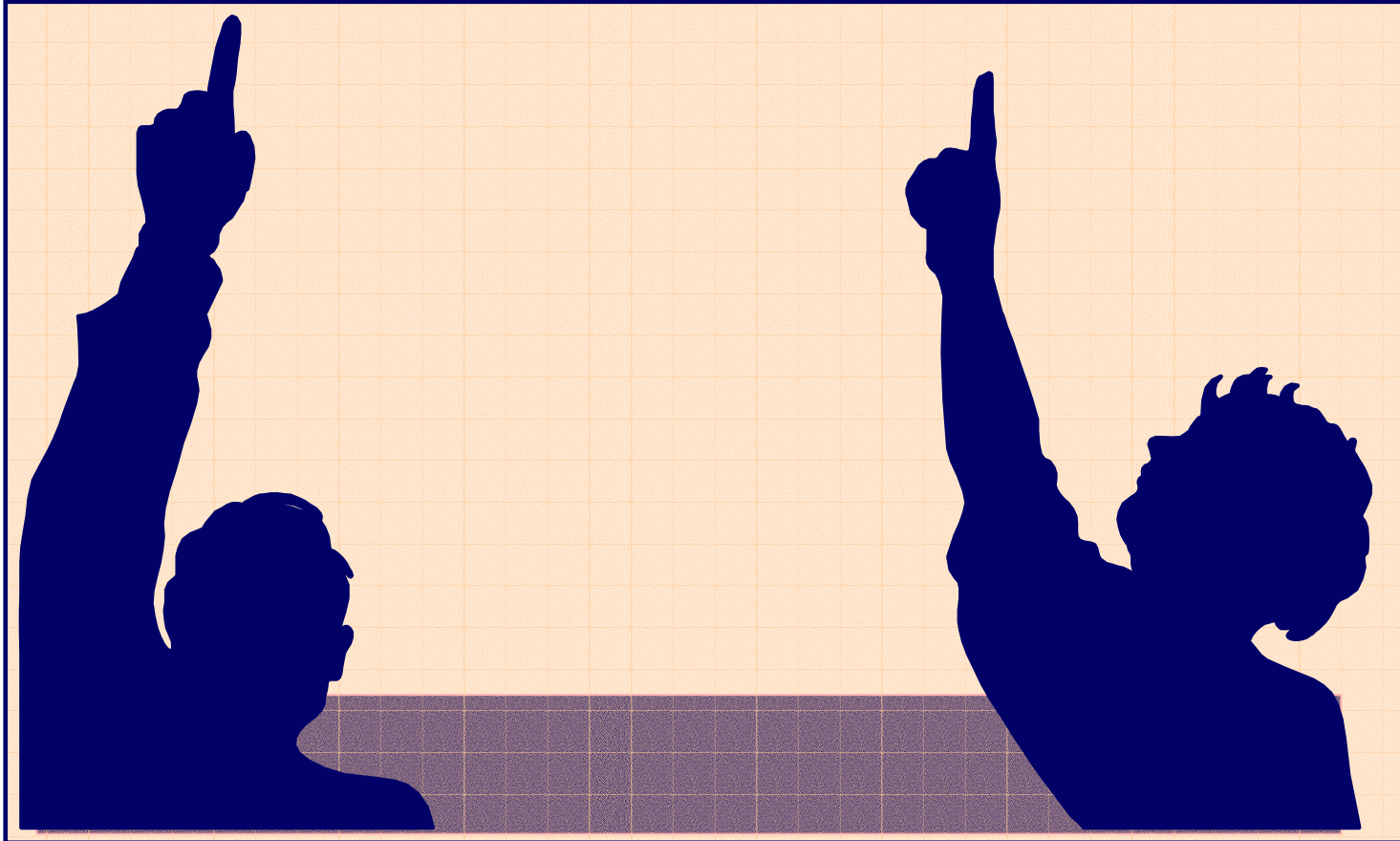
Creating Shareholder Wealth



EP - Basis Nestle Internal Reporting Standards

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QUESTIONS



Thank You