

Nestlé India Limited

Financial Analysts' Meet

Nov 16, 2007



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POTENTIAL

Agenda

Opening Remarks

Martial Rolland

Key Financials

Shobinder Duggal

Questions & Answers

All

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.



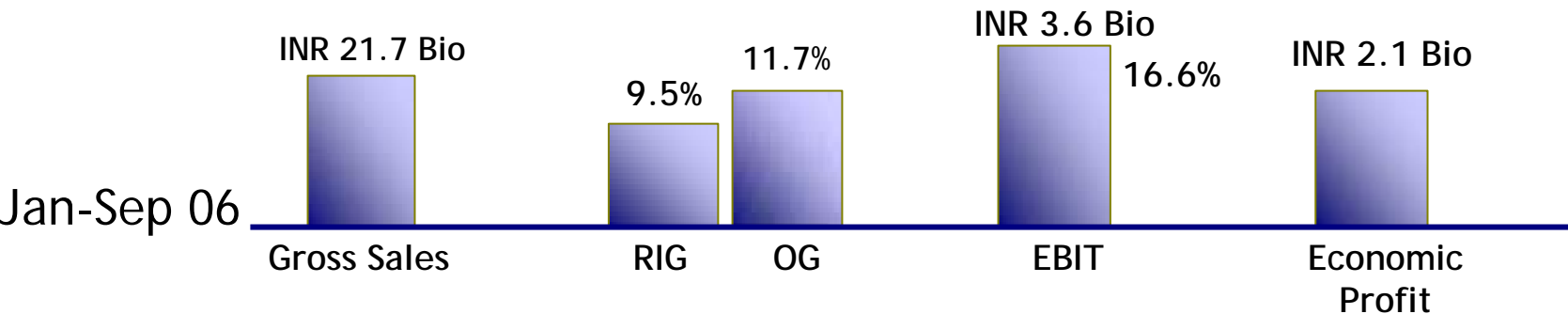
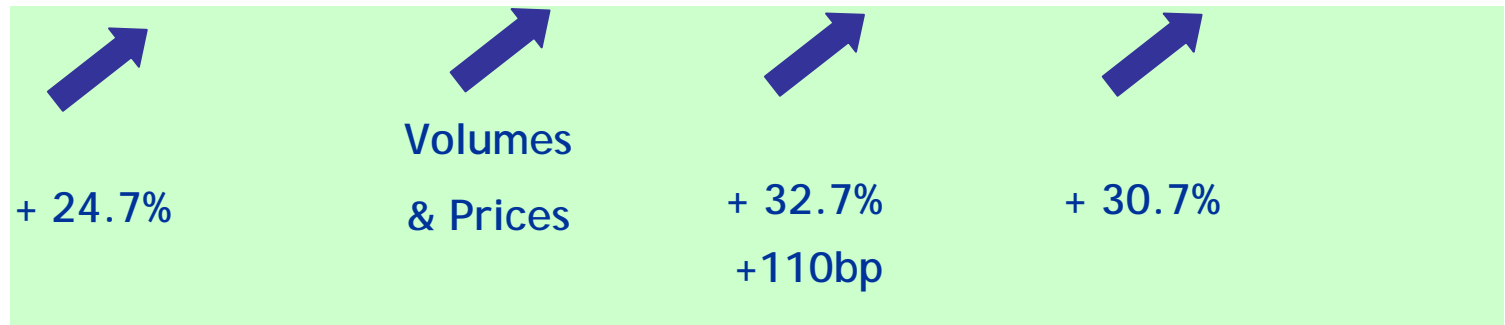
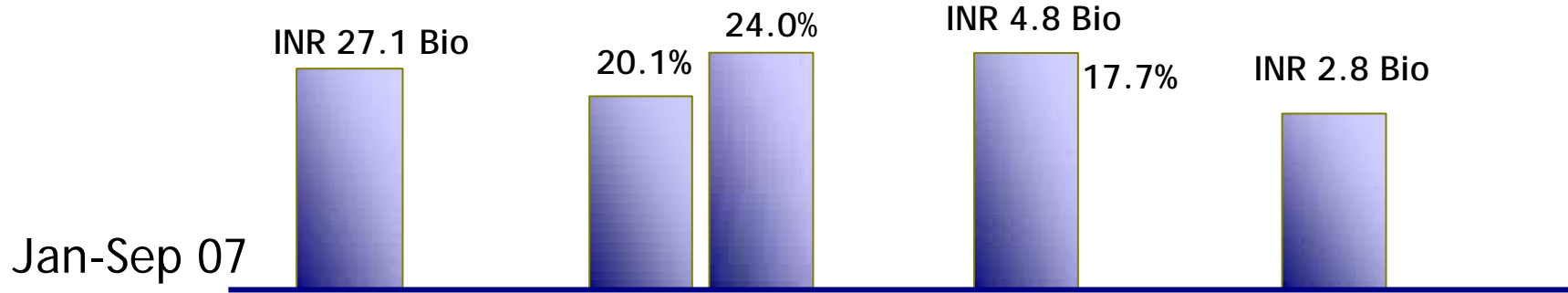
Opening Remarks

Over to SHD



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Snap shot



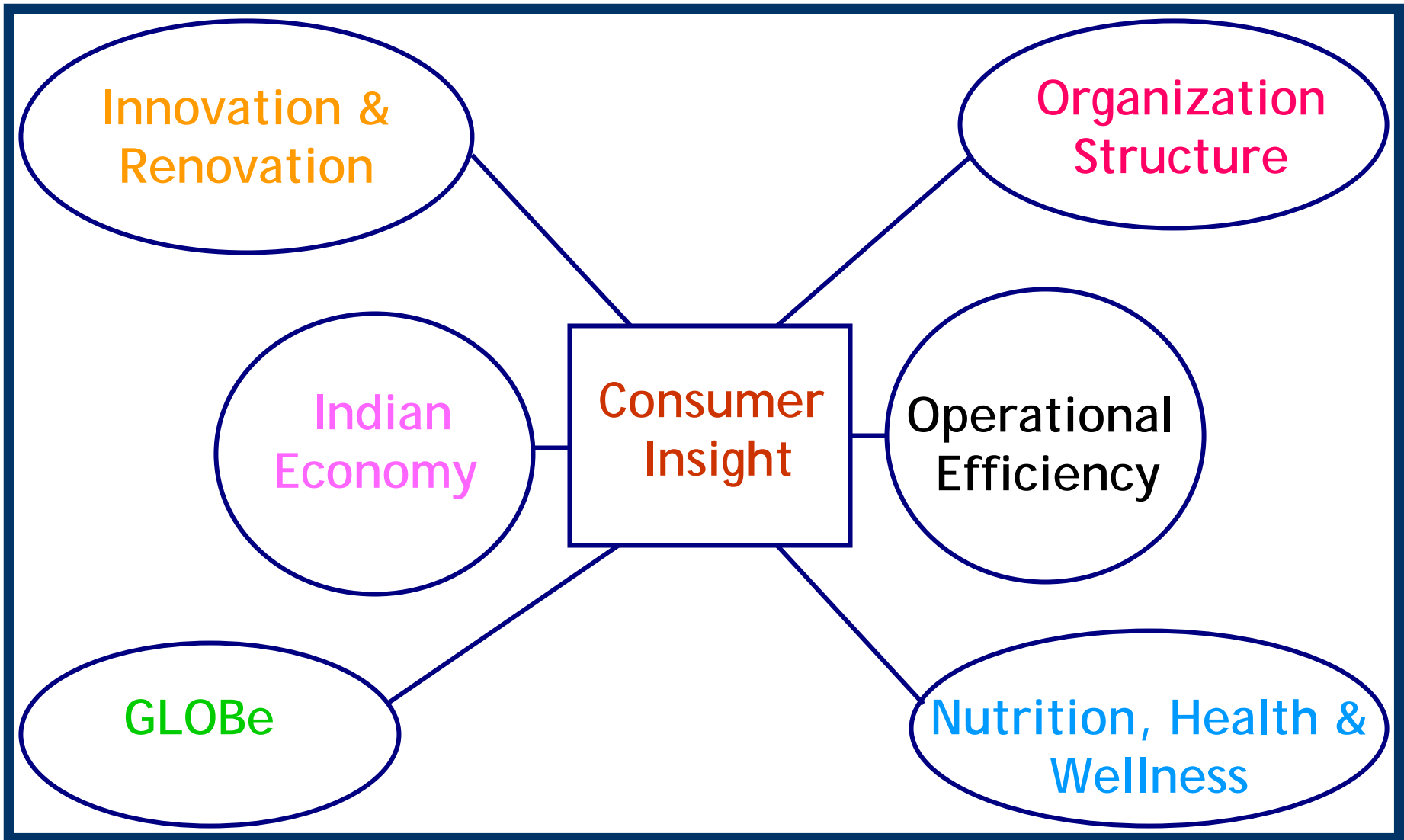
Includes Figures from Nestle Internal Reporting Standards



All calculations are based on non-rounded figures

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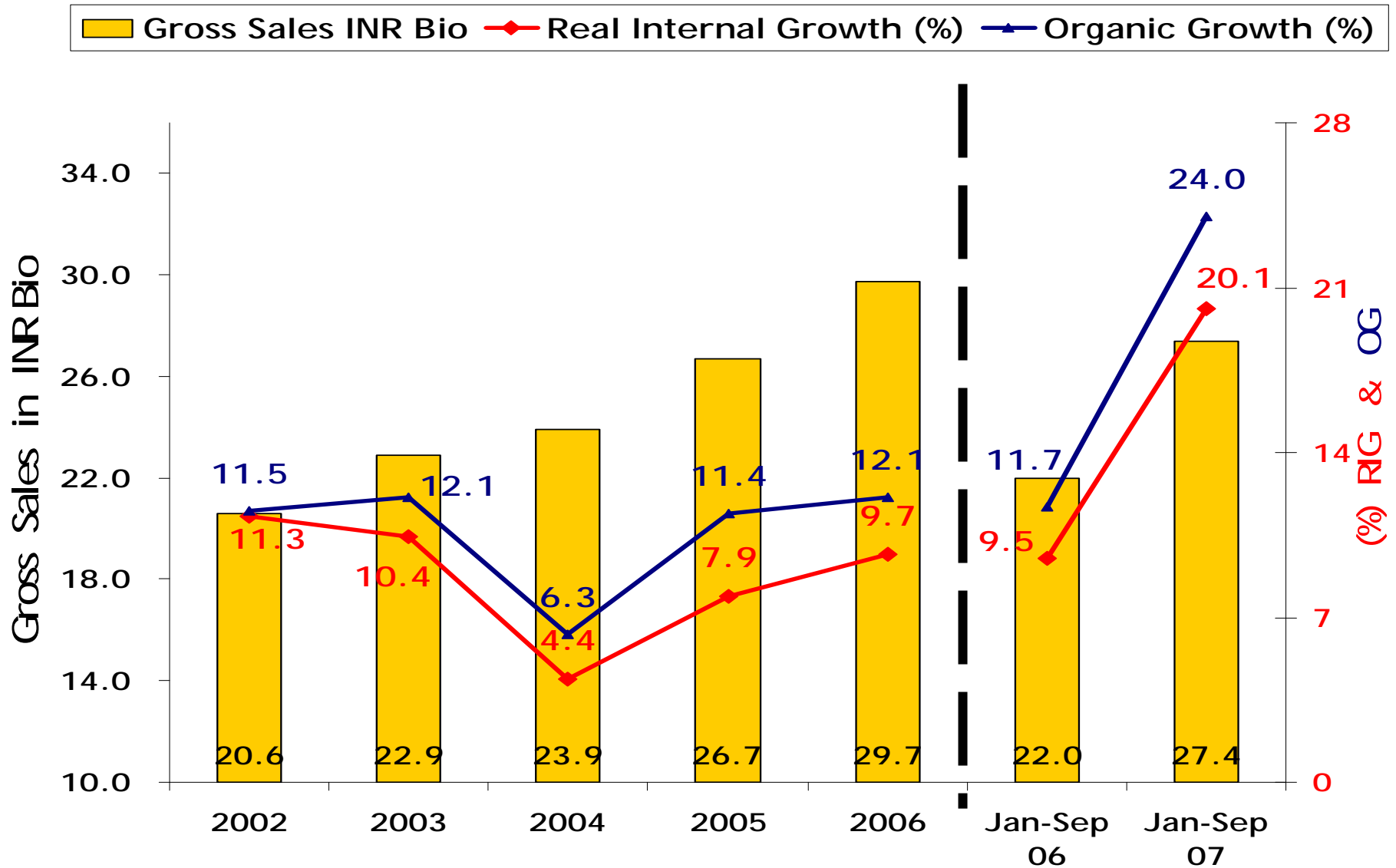
What is delivering the results?



People Engagement

SALES GROWTH (Value Driver -1)

Sales Evolution



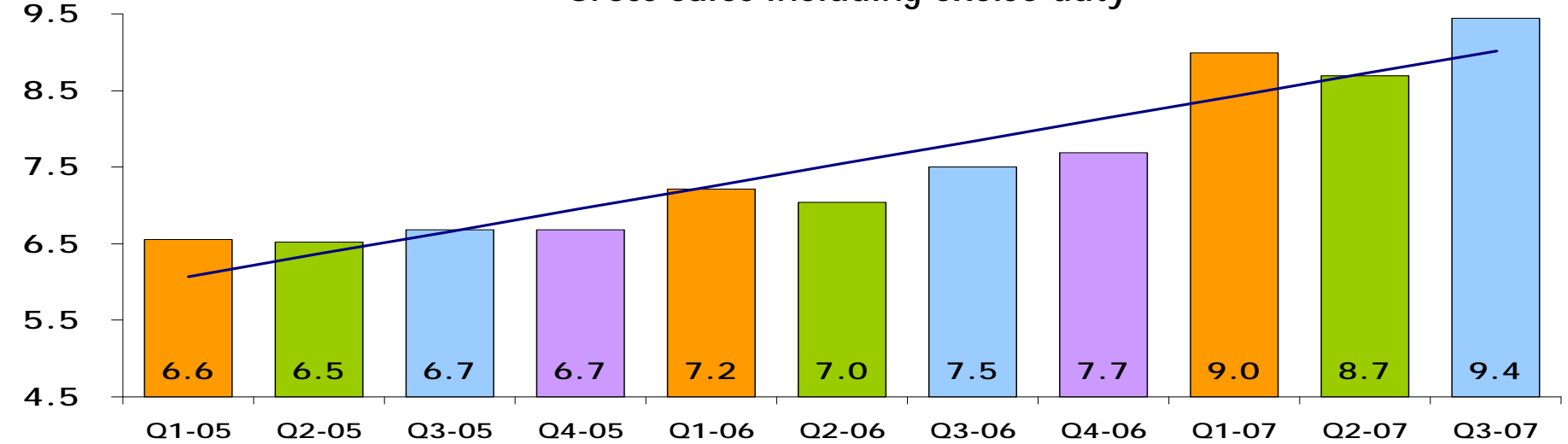
Basis Nestle Internal Reporting Standards

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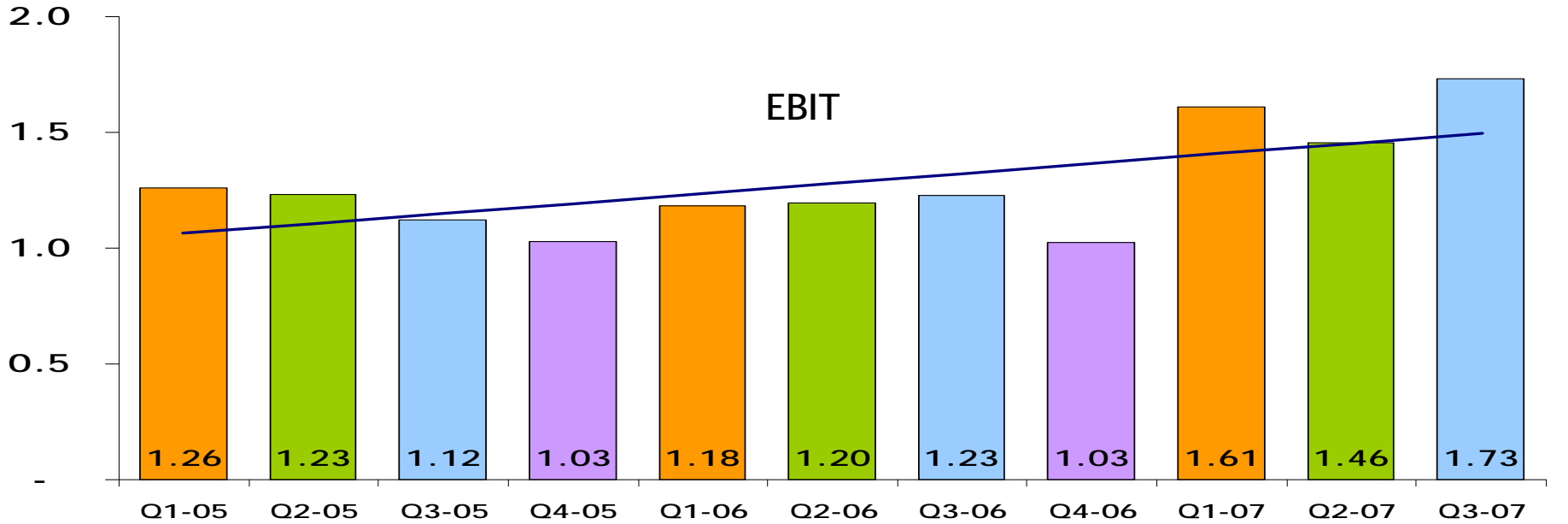
Growth over the quarters

INR Bio

Gross Sales including excise duty



EBIT



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Channel-wise Sales

	Volume (000' Tons)			Value [@] (INR Bio)		
	Jan-Sep 07	Jan-Sep 06	Var%	Jan-Sep 07	Jan-Sep 06	Var%
Domestic	187.4	162.3	15.5	24.8	19.7	25.6#
Exports	12.6	12.3	2.4	2.4	2.0	16.3
Total	200.0	174.6	14.6	27.1	21.8	24.7

Domestic Contr. %	93.7	92.9	0.8	91.3	90.6	0.7
Exports Contr. %	6.3	7.1	(0.8)	8.7	9.4	(0.7)

Net Domestic Sales up 26.4%

@ Gross Sales including excise duty

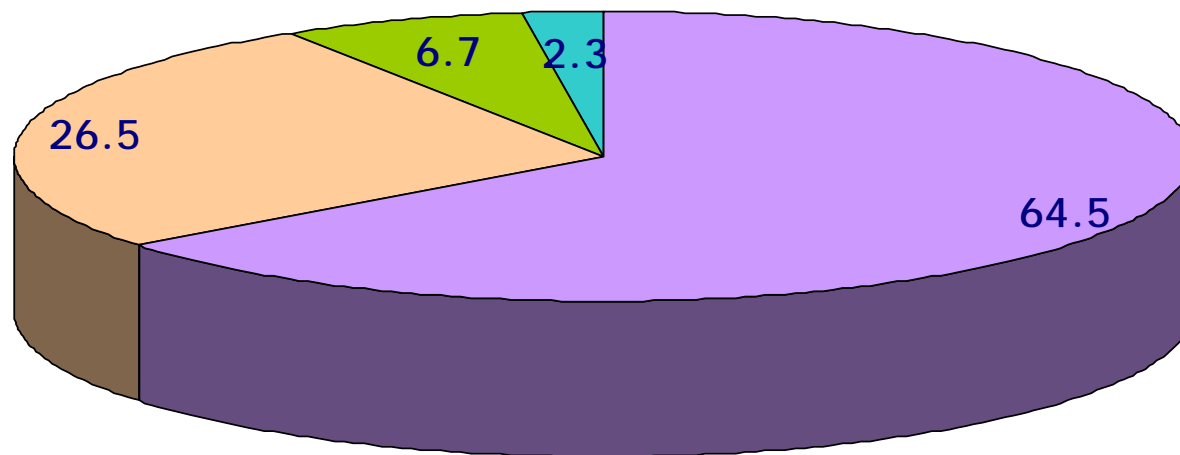
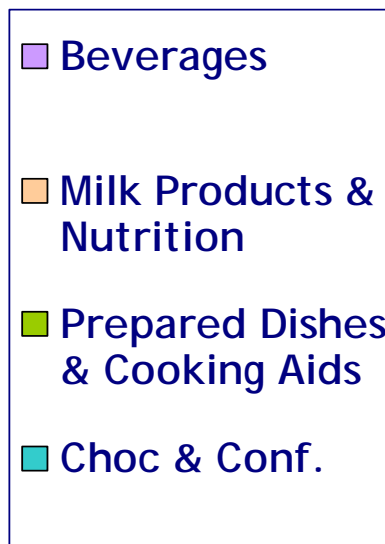
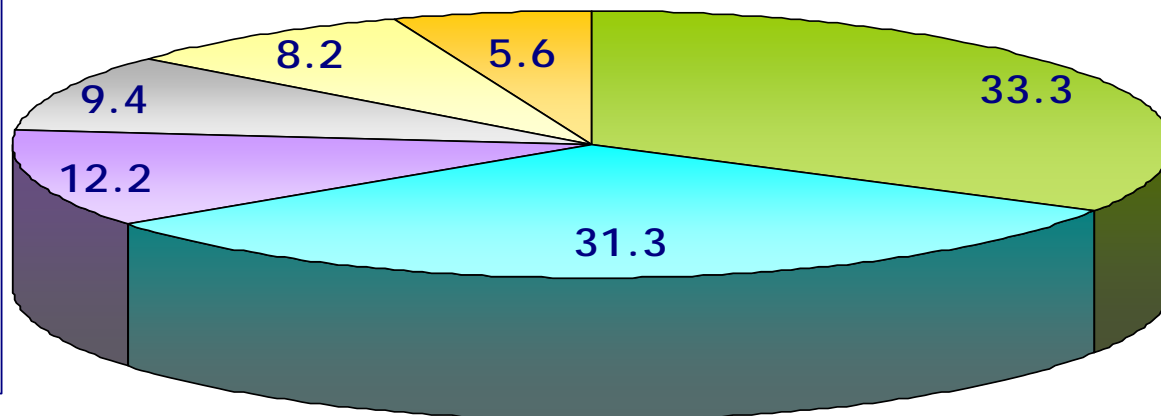


All calculations are based on non-rounded figures

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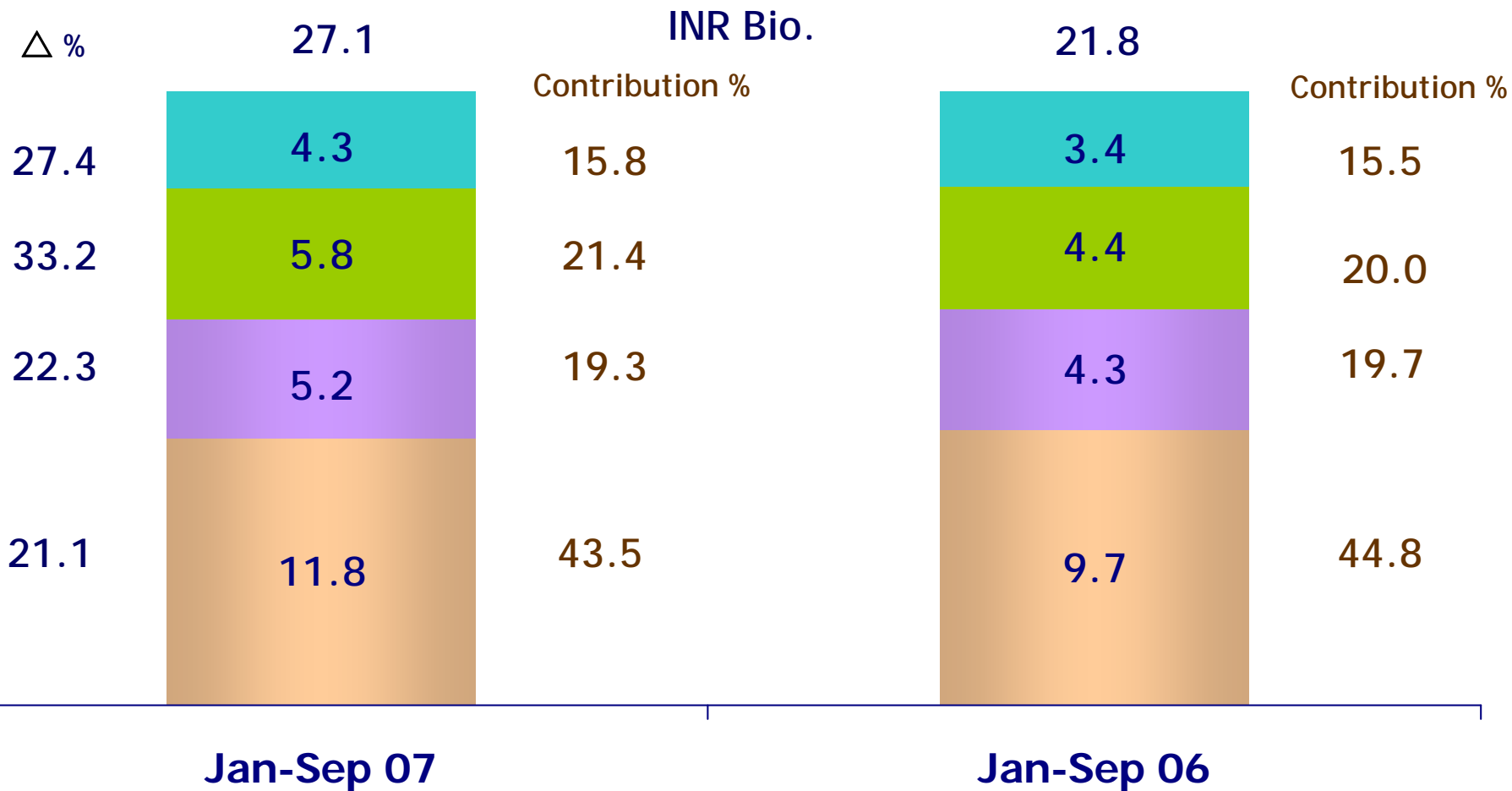
Export sales Jan-Sep 2007 % Contribution

Total Export sales 2,368 Mio



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Product Portfolio



Milk Products and Nutrition

Beverages

Prepared Dishes and Cooking Aids

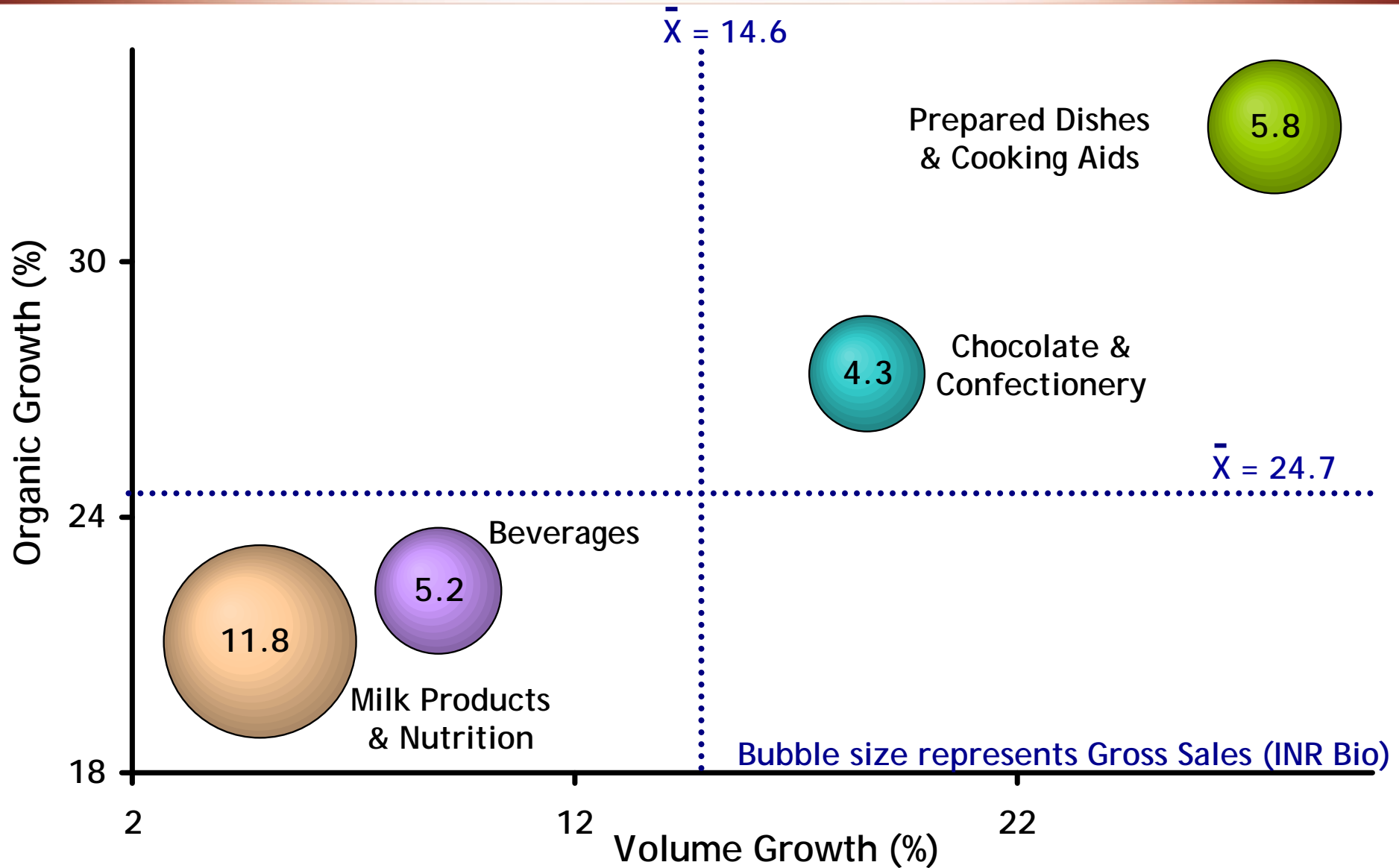
Chocolate and Confectionery



Gross Sales including excise duty

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Product Categories: Jan - Sep 2007

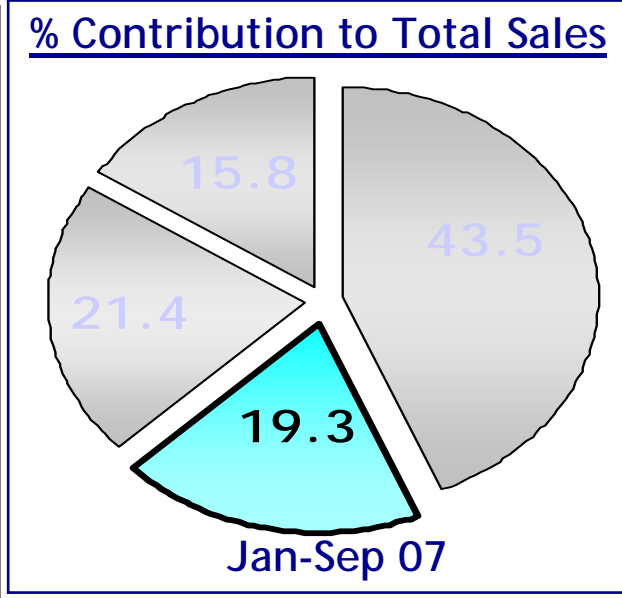
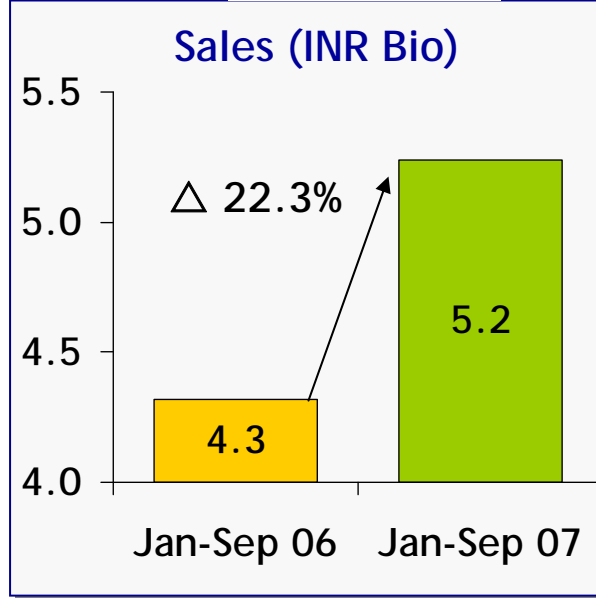
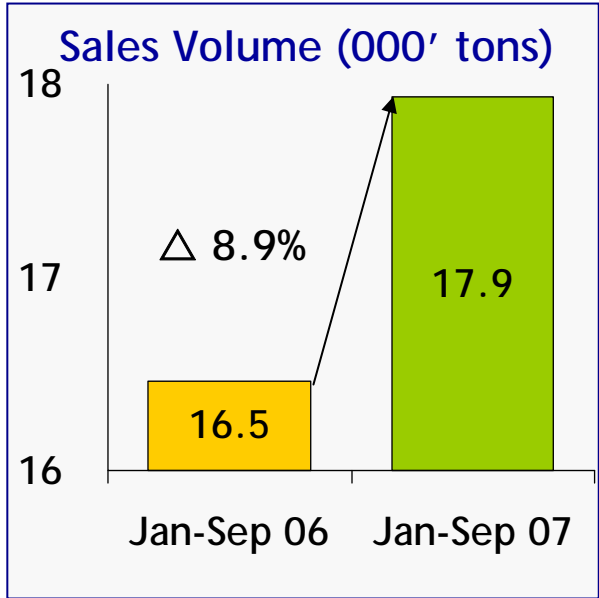


Beverages

Innovation & Renovation



• Market Leader in Instant Coffee



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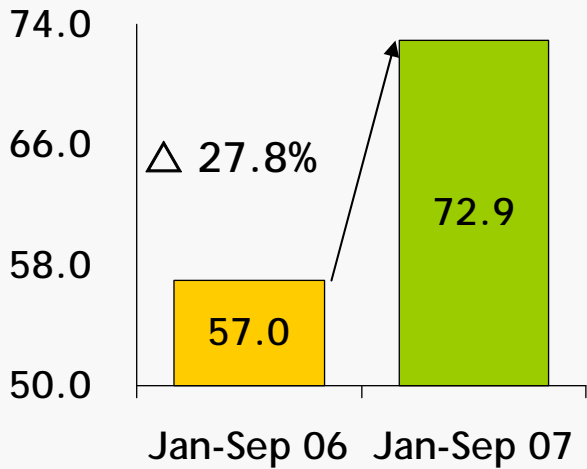
Prepared Dishes & Cooking Aids

Innovation & Renovation

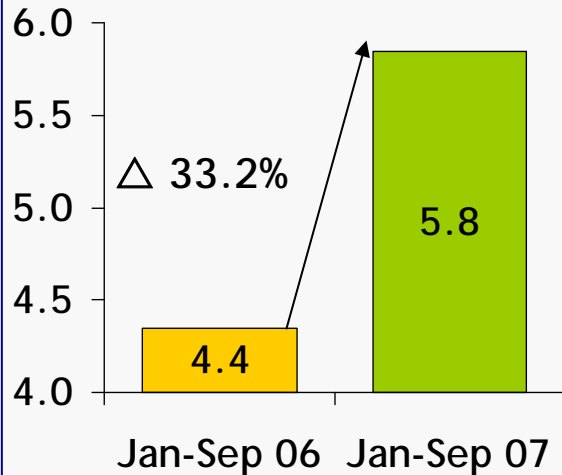


- Market Leader in instant Noodles and Ketchups
- No. 2 in Healthy Soups

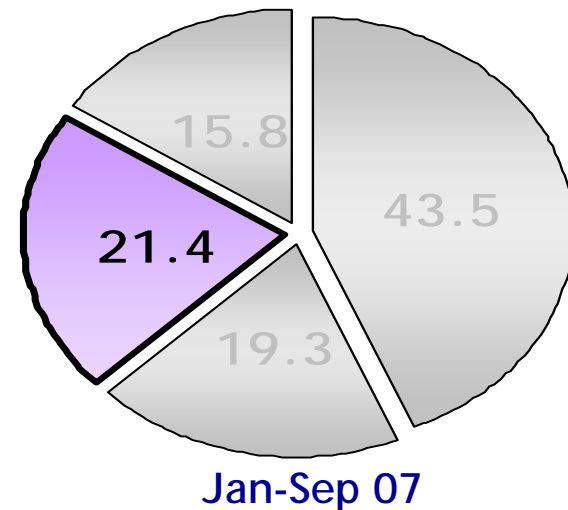
Sales Volume (000' tons)



Sales (INR Bio)



% Contribution to Total Sales



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Chocolate & Confectionery

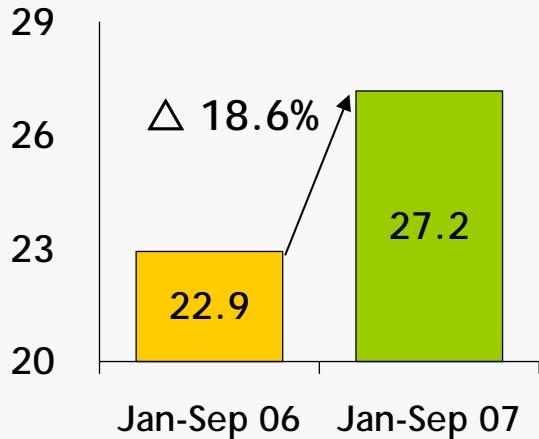
Innovation & Renovation



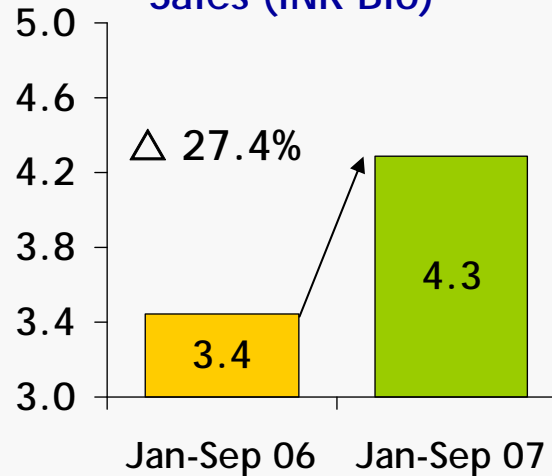
- Market Leader in Wafers and white chocolates
- No. 2 in Chocolates
- Market Leader in Eclairs volumes with 32.4% share.



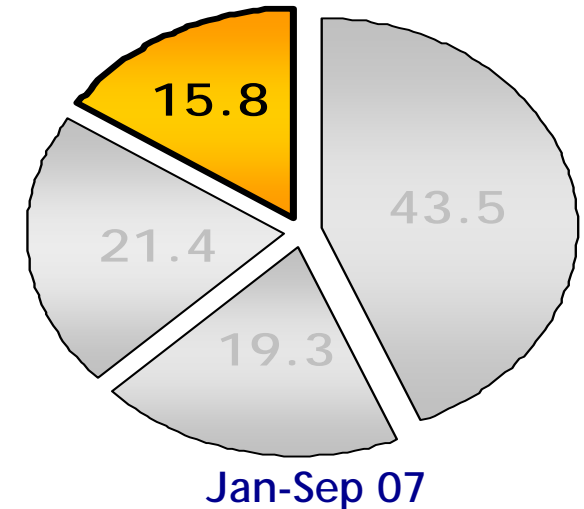
Sales Volumes (000' tons)



Sales (INR Bio)



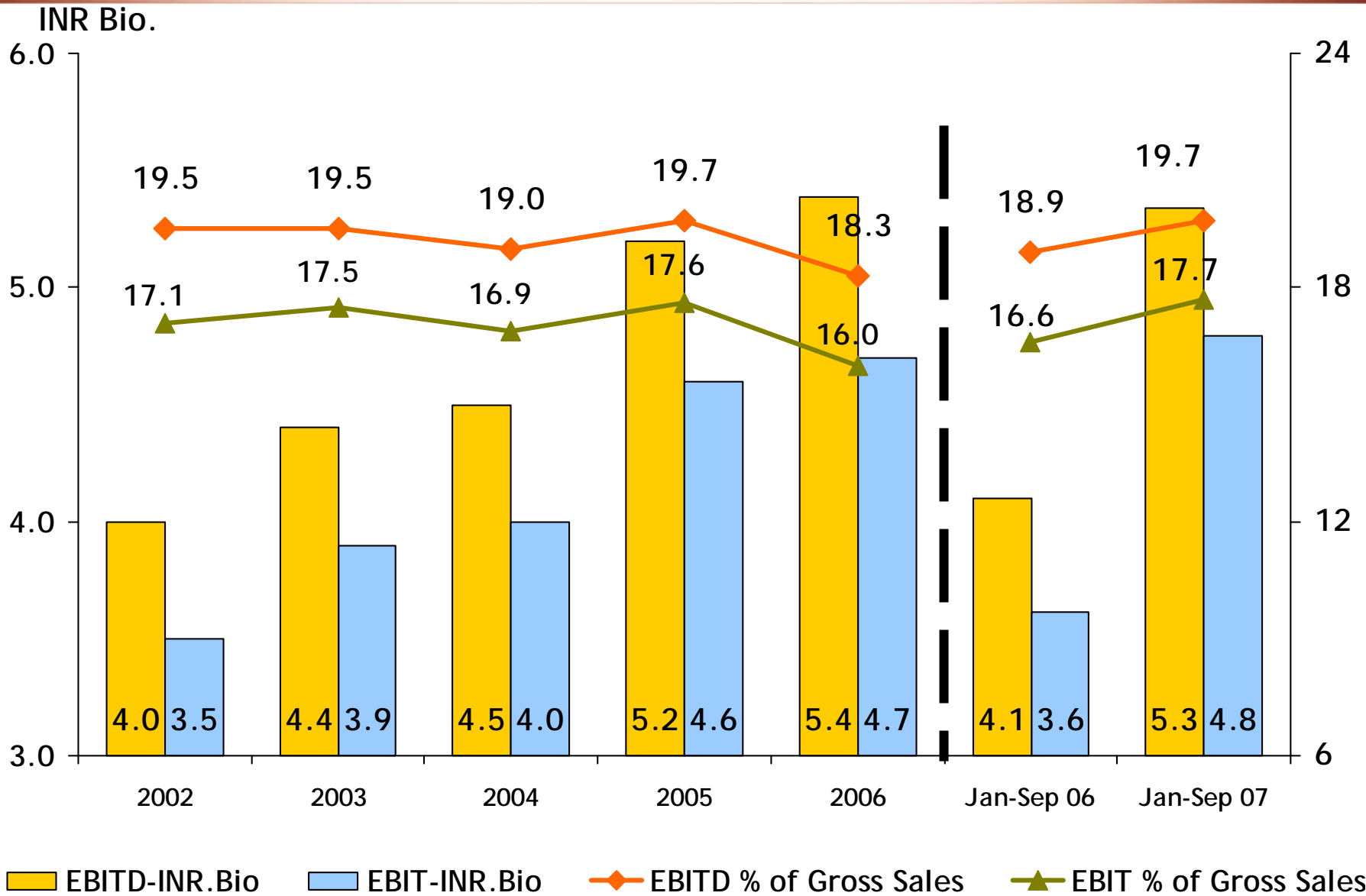
% Contribution to Total Sales



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PROFIT MARGINS (Value Driver -2)

Evolution of Operating Margins



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Total Expenditure

INR Mio.

Description	Jan-Sep 07	% Net Sales	Jan-Sep 06	% Net Sales	Var. %
Total Expenditure - of which	21,291	81.6	17,183	82.6	23.9
Materials	12,594	48.3	9,782	47.0	28.7
Staff Cost	2,036	7.8	1,674	8.0	21.6
Advt + Sales Promotion	1,197	4.6	1,002	4.8	19.4
Distribution	1165	4.5	961	4.6	21.2
Power & Fuel	895	3.4	853	4.1	4.8
Depreciation	542	2.1	486	2.3	11.6

Figures have been regrouped / reclassified to make them comparable.

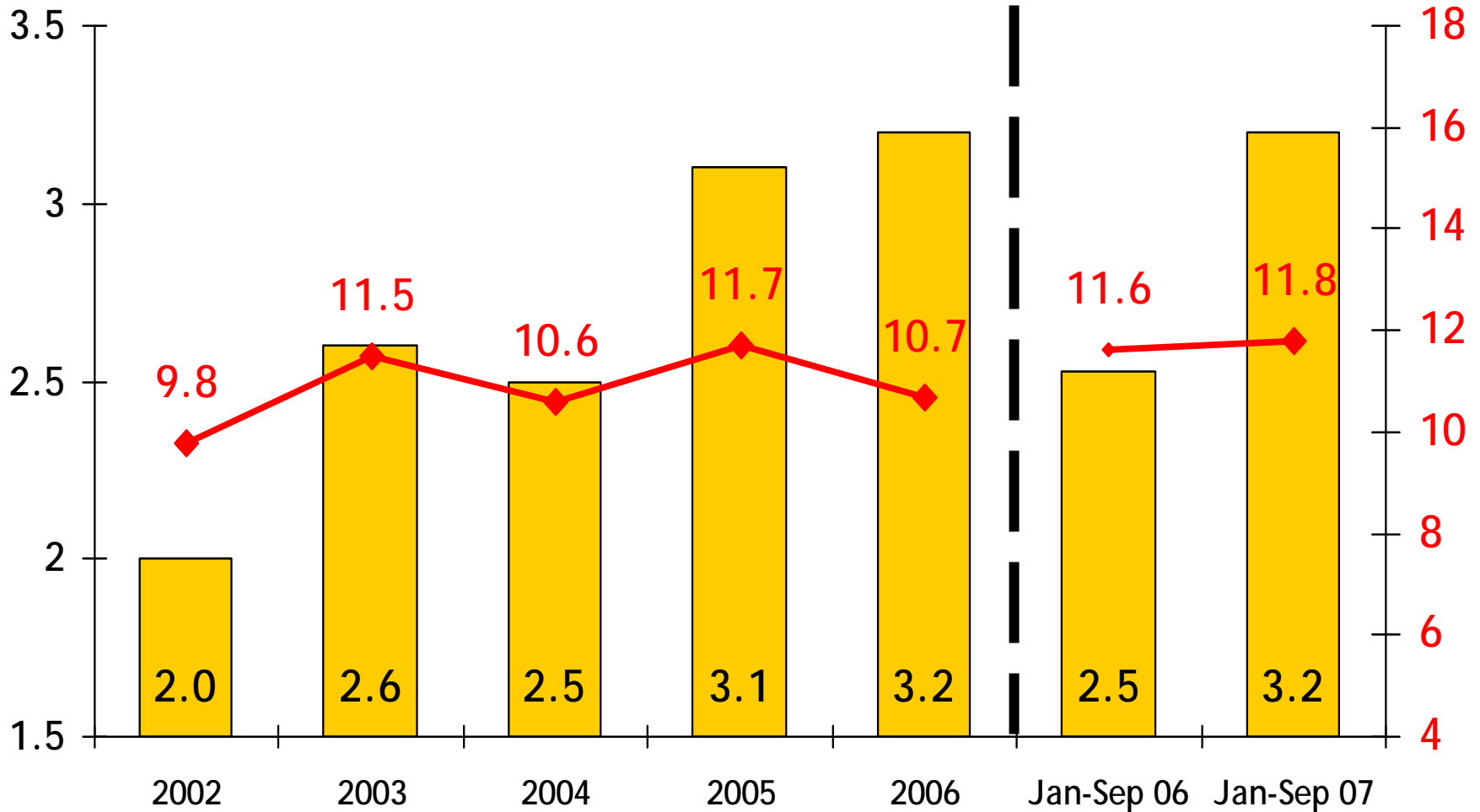


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Evolution of Net Profit Margins

INR Bio.

Amount ◆ % of Gross Sales



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WORKING CAPITAL INTENSITY (Value Driver -3)

Trade Net Working Capital (TNWC)

INR Mio

	30 th Sep 2007	30 th Sep 2006
Receivables from Customers	588	750
Inventories	3,354	2,288
Less: Trade Payables *	2,171	1,946
TNWC	1,771	1,092
As % of Gross Sales <i>(12 rolling months)</i>	4.8	3.7

* Excludes payables for taxes, Staff Costs, Capex, provisions for contingencies etc.



Basis Nestlé Internal Reporting Standards and including affiliated customers and vendors

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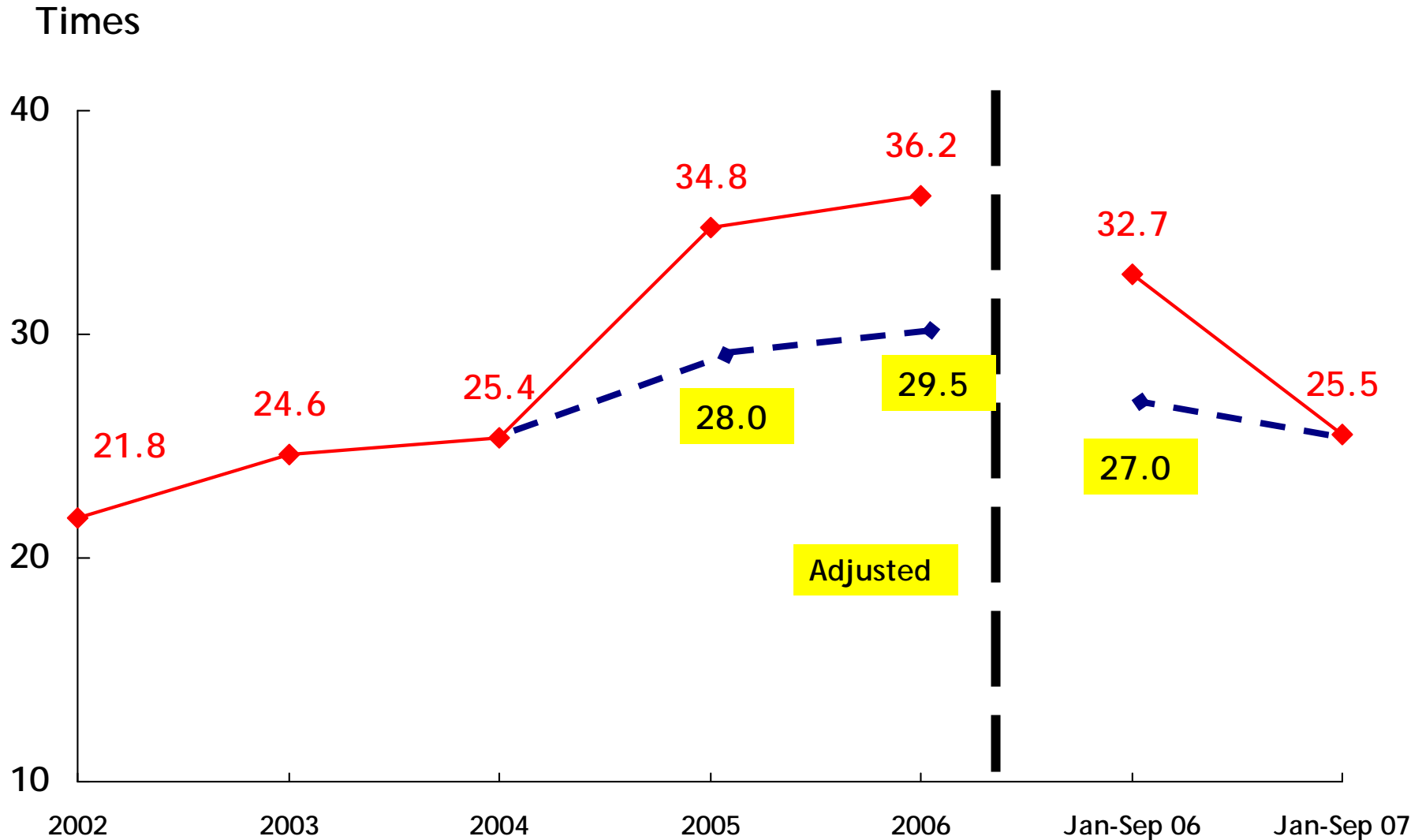
Operating Cash Flows

INR Mio

	Jan-Sep 2007	Jan-Sep 2006
Operating Cash Flows	3,641	3,095
As % of Gross Sales	13.3	14.1



Rotation of Average TNWC



Nestle Internal Reporting Standards. Including affiliated customers and vendors



Average of TNWC at period ends

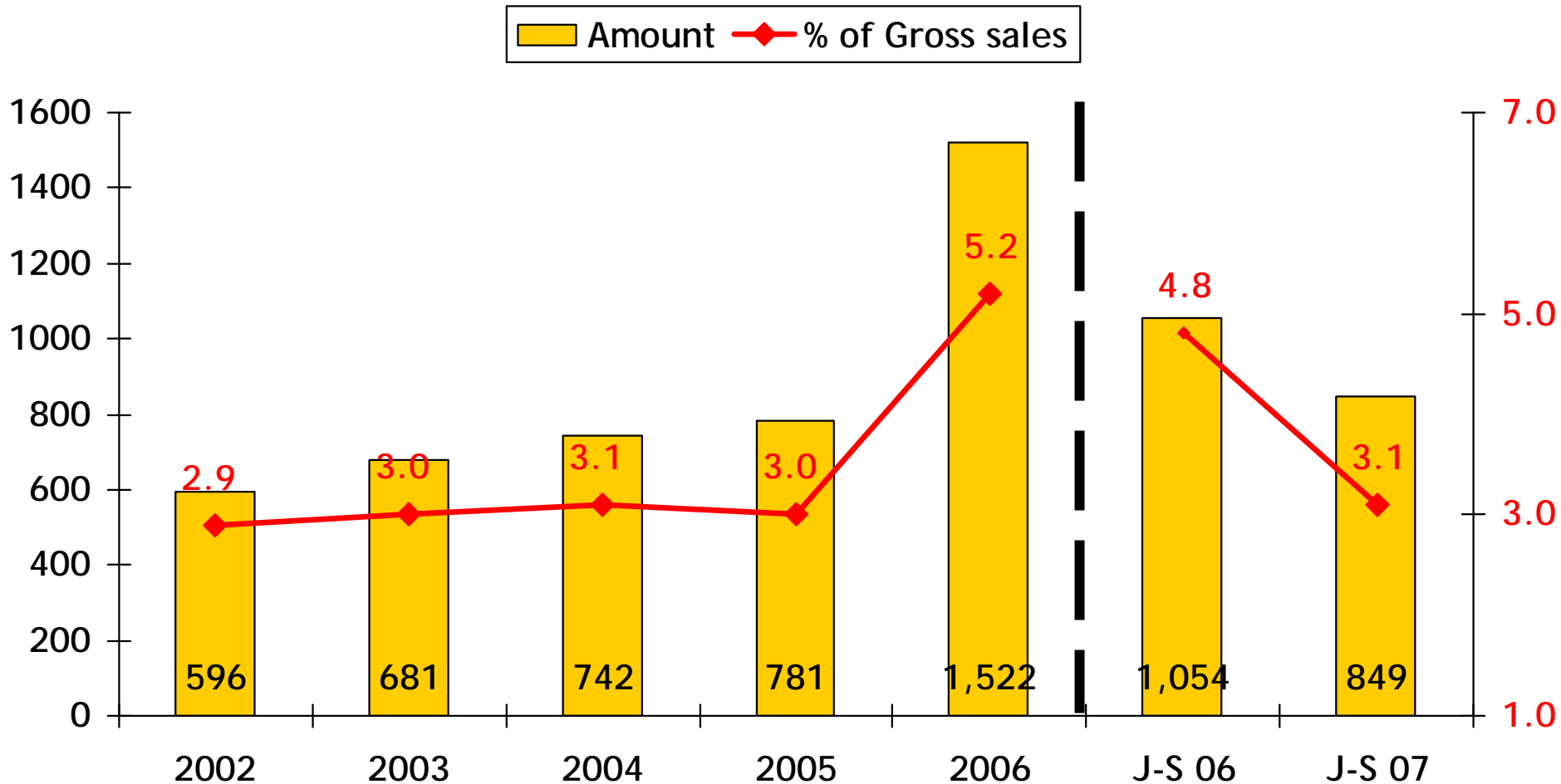
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FIXED CAPITAL INTENSITY (Value Driver -4)

Investment in Fixed Assets

INR mio.

% of Gross sales

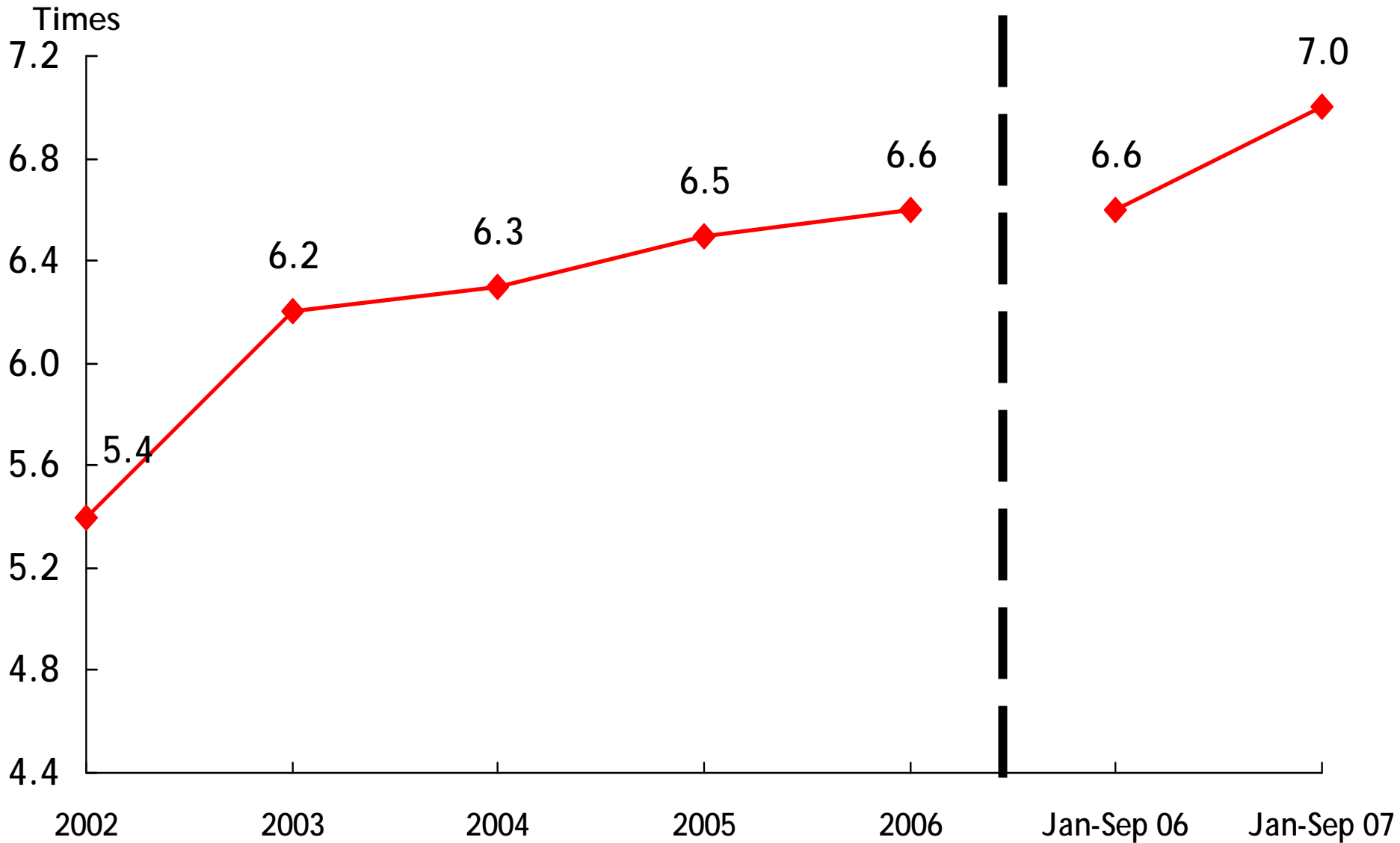


Dep.	494	463	491	498	555	404	463
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Rotation of Average Tangible Fixed Assets

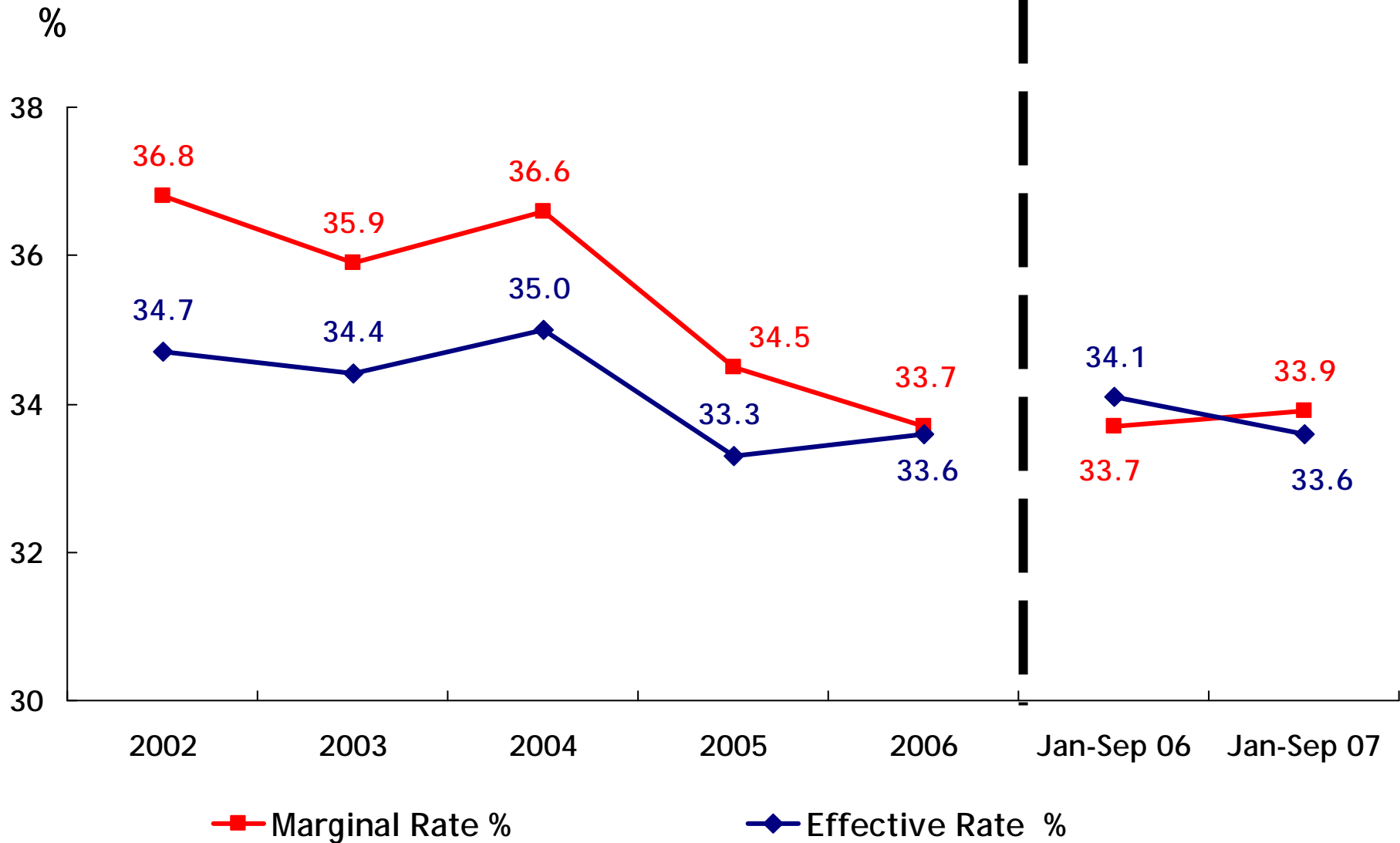


Basis Nestle Internal Reporting Standards

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INCOME TAX RATE
(Value Driver -5)

Evolution of Tax Rate



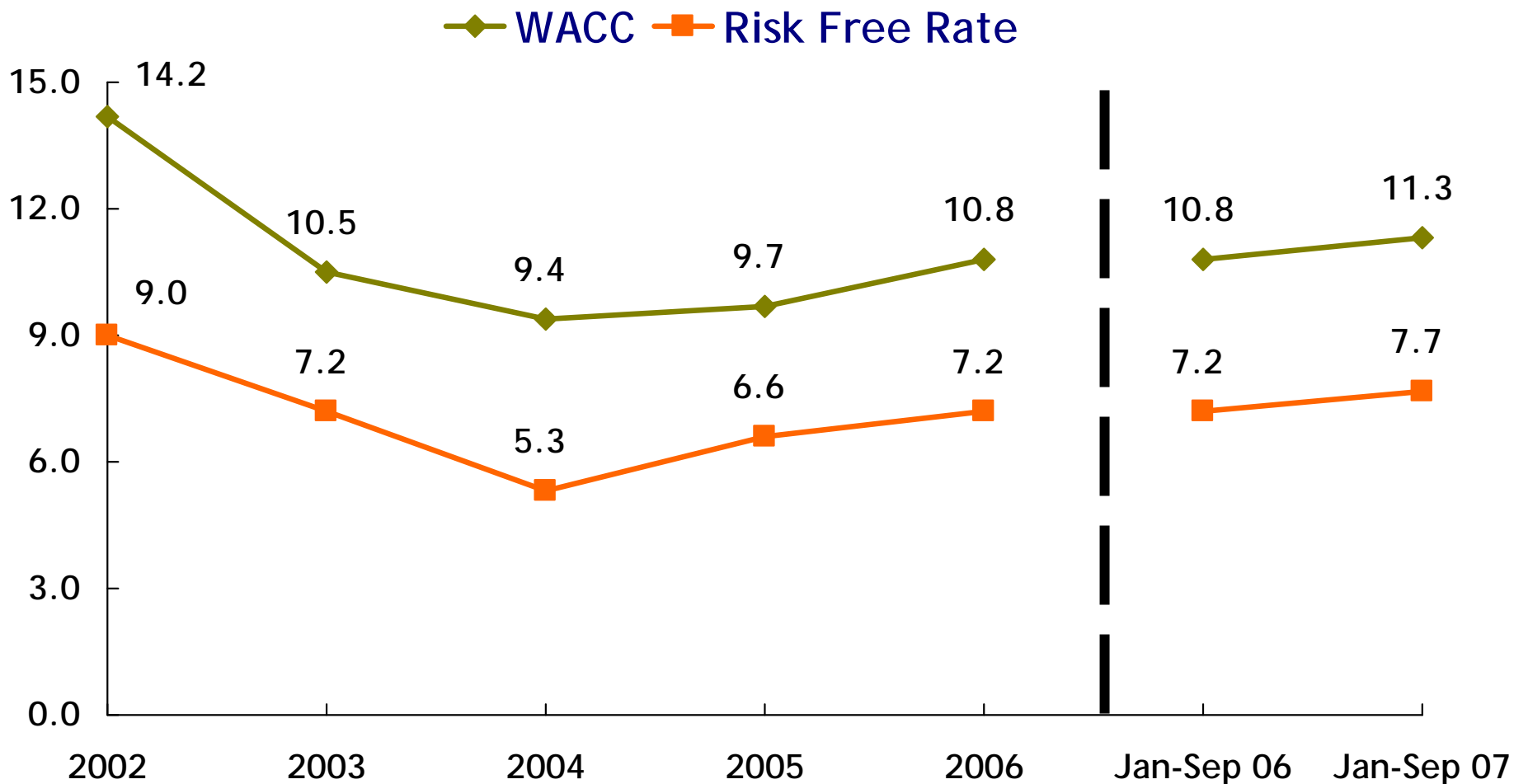
(rates are a % of pre-tax profit excluding FBT)



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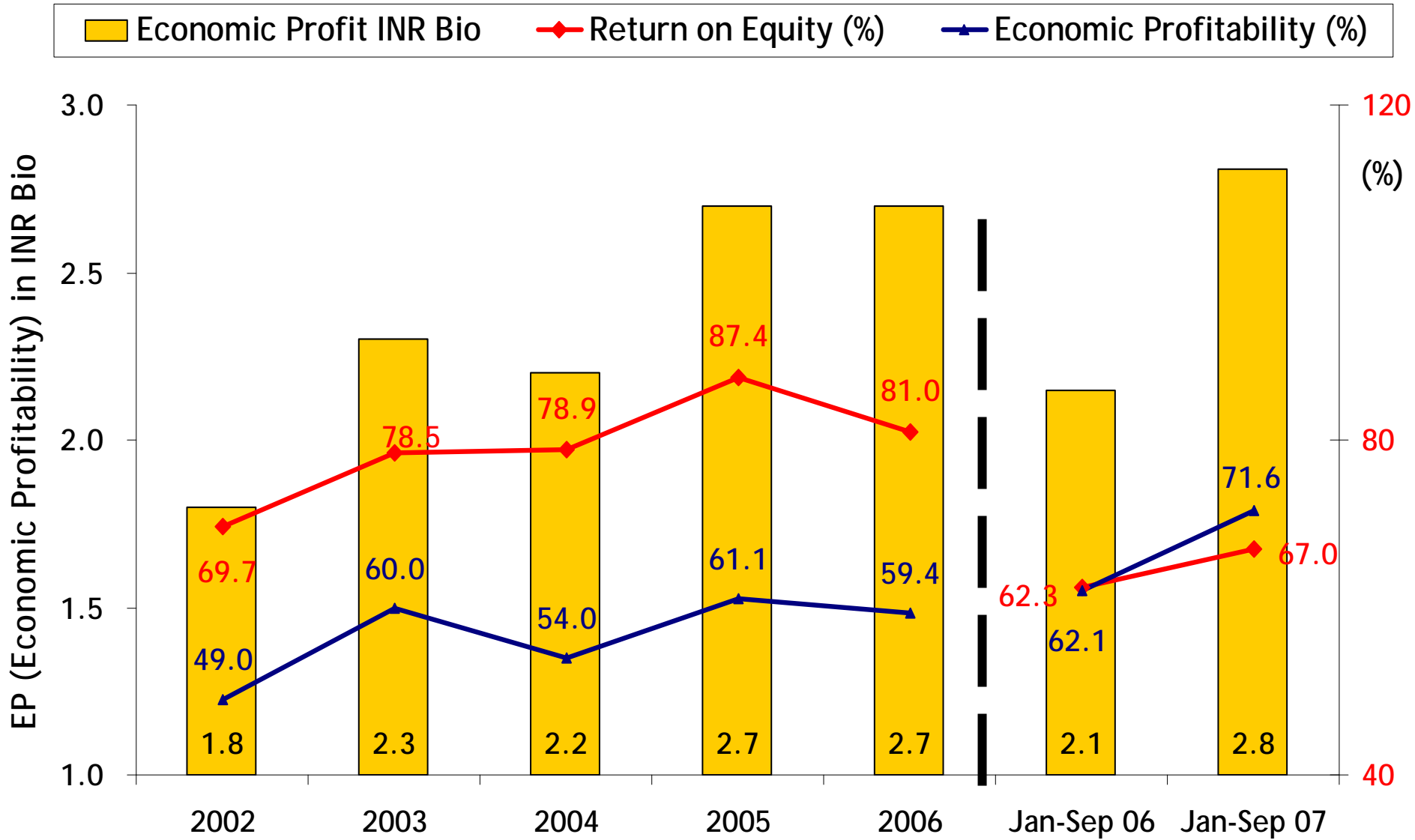
COST OF CAPITAL
(Value Driver -6)

Evolution - Cost of Capital



VALUE GROWTH DURATION (Value Driver 7)

Creating Shareholder Wealth



EP Basis Nestlé Internal Reporting Standards
 Invested Capital basis average at quarterly rests

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Returning cash to Shareholders

Dividend
(INR Bio)

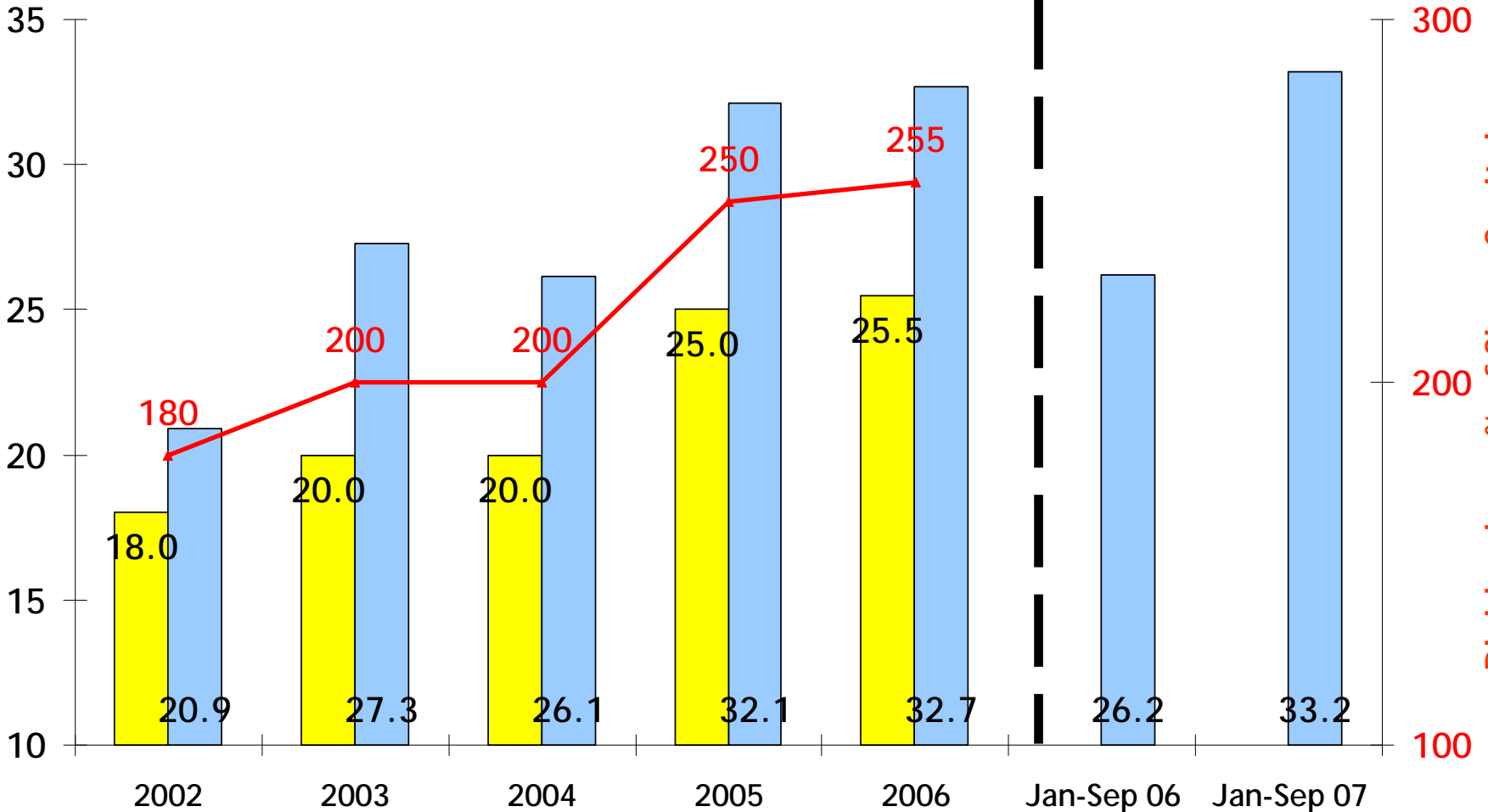
1.7

1.9

1.9

2.4

2.5



DPS
 EPS
 %

2006 1st interim 60% May 06

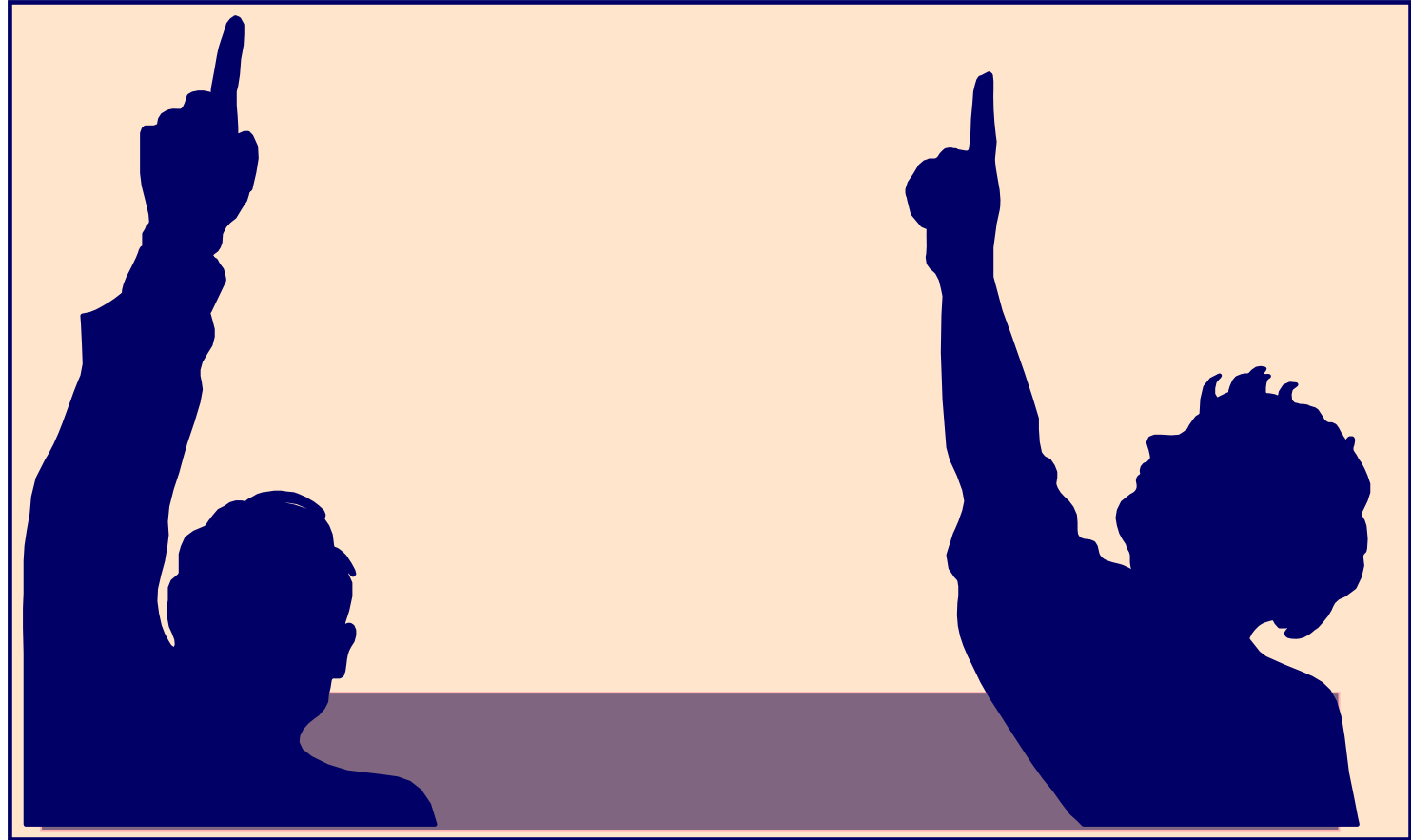
2007 1st interim 65% Mar 07



2004 - Excludes special dividend of INR 4.5 / Share

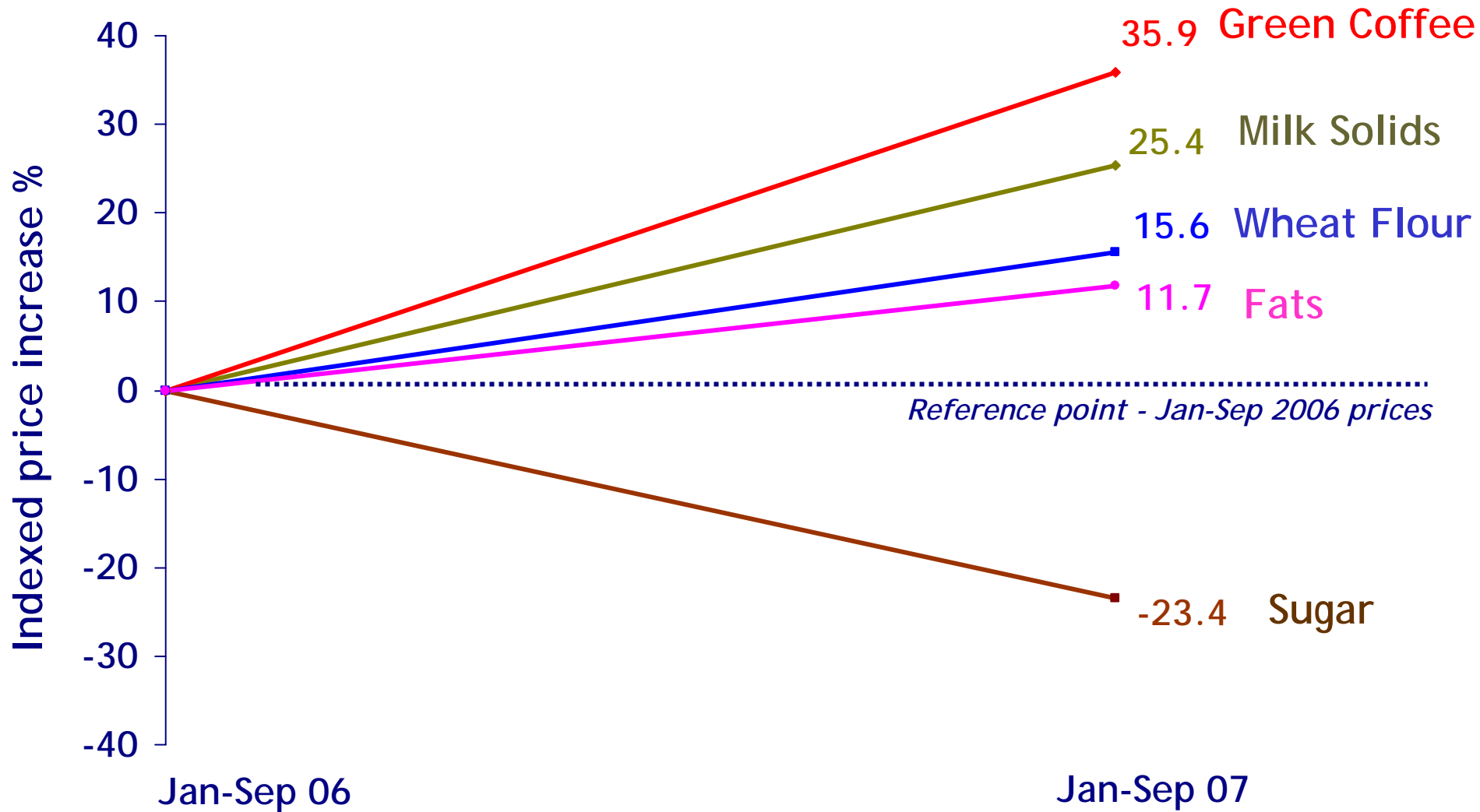
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QUESTIONS



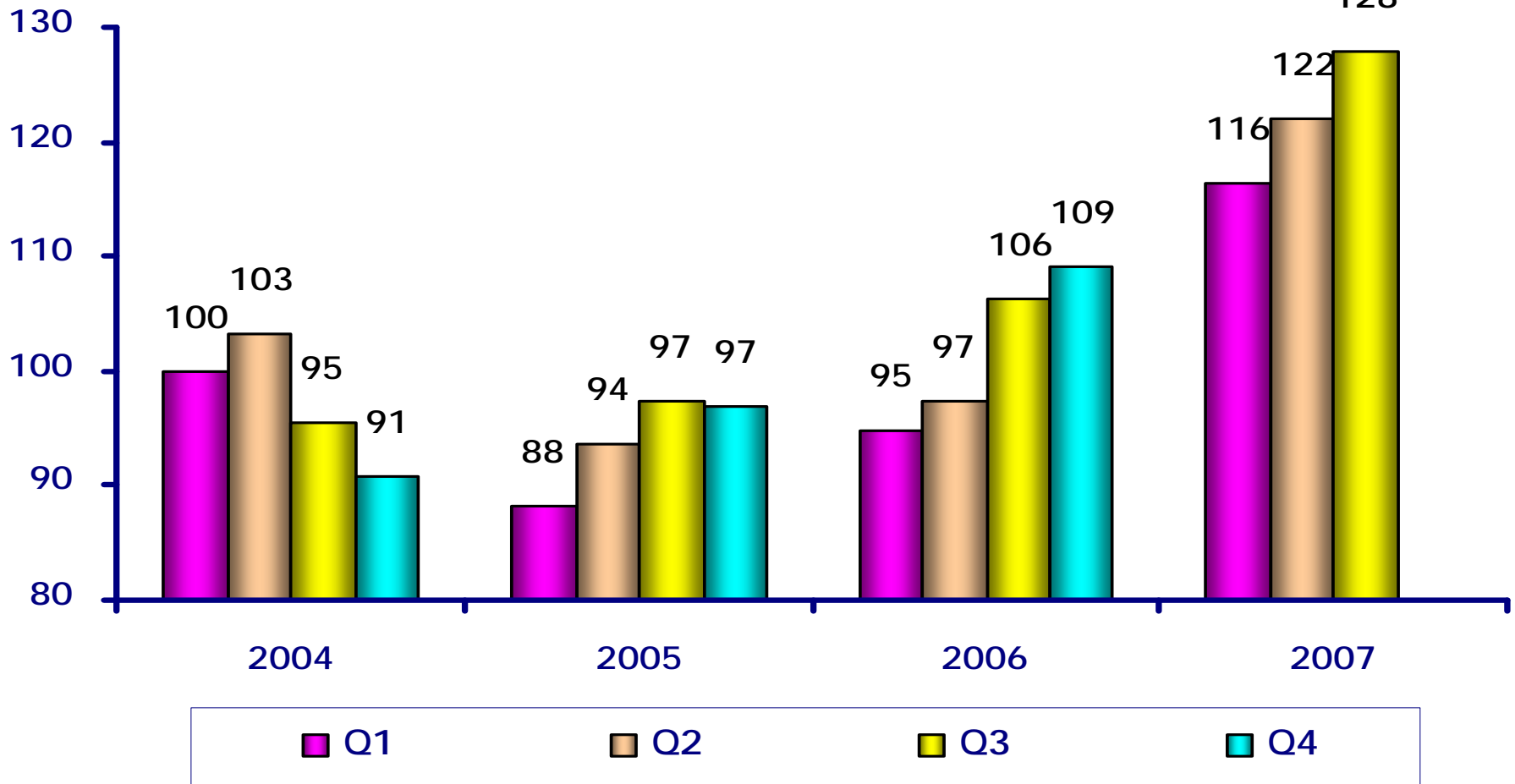
Thank You

Commodity Prices - Ongoing Challenge



Evolution - Milk Fat Prices

Indexed Price per kg



Indexed with base Q1-04

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COFFEE - ROBUSTA [LIFFE]



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COFFEE - PLANTATION [LIFFE]



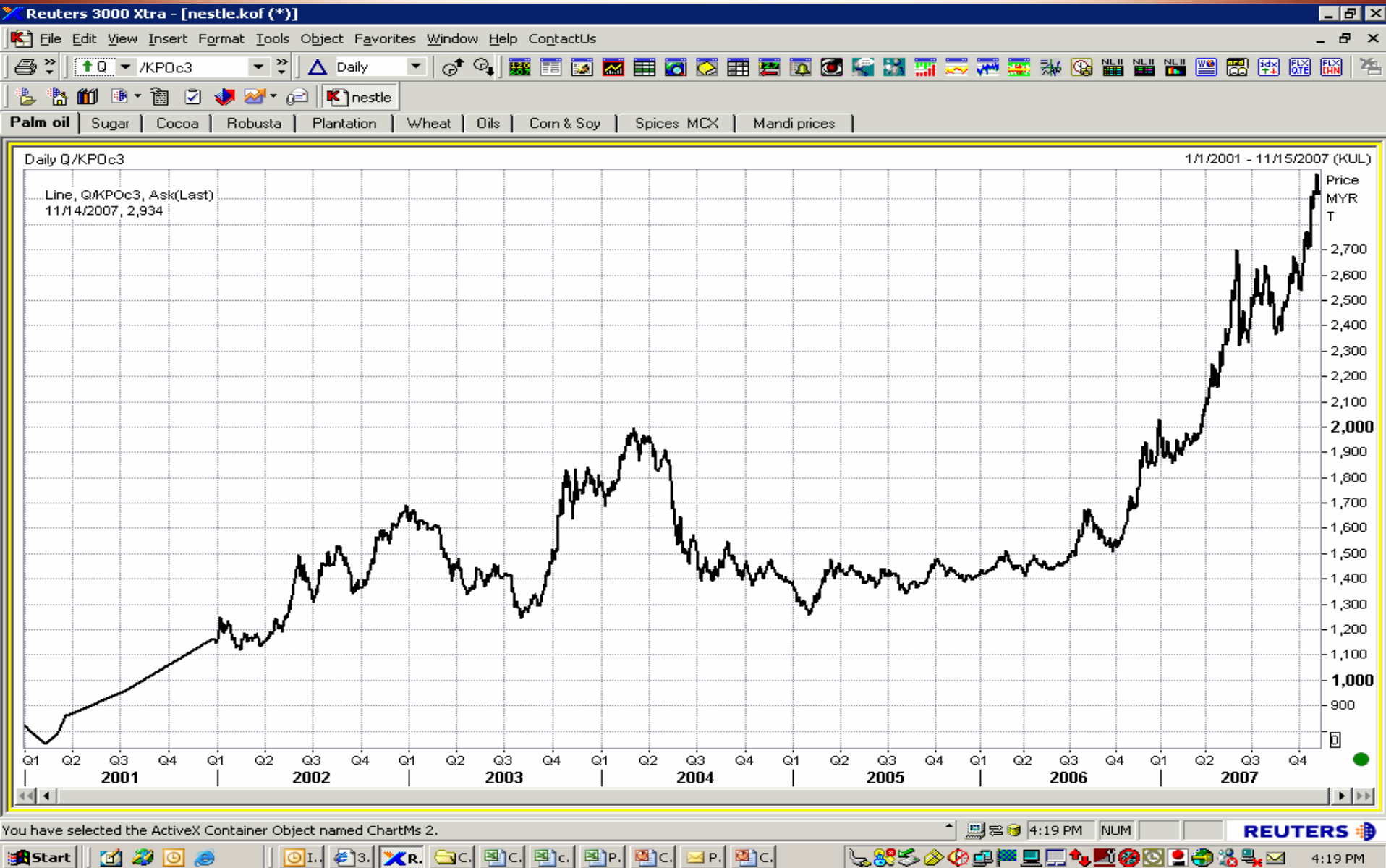
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PALM OIL - KLE



UNLEASHING
100%
POTENTIAL

WHEAT - CBOT



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SUGAR - LIFFE



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