

NESTLÉ INDIA LIMITED

Registered Office: M-5A, Connaught Circus, New Delhi – 110 001

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2003
(Rupees in Million)

Nine Months Ended (Un-audited)	Fourth Quarter Ended (Un-audited)				Accounting Year Ended (Audited)	
	30.09.2003	31.12.2003			31.12.2002	31.12.2003
15,111.7	5,115.1	4,350.9	1	DOMESTIC SALES	20,226.8	18,109.8
2,020.2	551.3	476.2	2	EXPORT SALES	2,571.5	2,362.2
17,131.9	5,666.4	4,827.1	3	NET SALES (1+2)	22,798.3	20,472.0
227.0	51.3	80.7	4	OTHER INCOME	278.3	284.0
17,358.9	5,717.7	4,907.8	5	GROSS REVENUE (3+4)	23,076.6	20,756.0
533.3	(454.5)	(494.2)	6	EXPENDITURE	78.8	(94.9)
6,392.7	2,766.6	2,270.8		a) (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS & WORK – IN –PROGRESS	9,159.3	8,088.6
1,162.3	424.4	303.0		b) CONSUMPTION OF RAW & PACKING MATERIALS	1,586.7	1,462.1
5,440.0	2,086.7	1,984.1		c) STAFF COST	7,526.7	7,030.8
13,528.3	4,823.2	4,063.7		d) OTHER EXPENDITURE	18,351.5	16,486.6
3,603.6	843.2	763.4	7	EARNINGS BEFORE INTEREST, TAX DEPRECIATION & OTHER INCOME (EBITDA) (3-6)	4,446.8	3,985.4
18.5	0.7	5.3	8	INTEREST	19.2	60.8
344.3	118.4	121.6	9	DEPRECIATION	462.7	494.0
3,467.8	775.4	717.2	10	PROFIT BEFORE TAX (5-6-8-9)	4,243.2	3,714.6
2.5	19.7	40.6	11	IMPAIRMENT OF FIXED ASSETS	22.2	212.5
98.0	131.6	112.0	12	PROVISION FOR CONTINGENCIES (NET)	229.6	313.6
1,161.0	213.4	203.0	13	PROVISION FOR TAXATION	1,374.4	1,233.0
29.7	(43.5)	(15.1)		a) CURRENT TAXES	(13.8)	(113.6)
1,190.7	169.9	187.9		b) DEFERRED TAXES	1,360.6	1,119.4
2,176.6	454.2	376.7	14	PROFIT BEFORE EXCEPTIONAL ITEM OF EARLIER YEARS (10-11-12-13)	2,630.8	2,069.1
-	-	-	15	EXCEPTIONAL ITEM IN RELATION TO EARLIER YEARS (NET OF TAX)	-	53.9
2,176.6	454.2	376.7	16	NET PROFIT AFTER EXCEPTIONAL ITEM OF EARLIER YEARS (14-15)	2,630.8	2,015.2
964.2	964.2	964.2	17	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – RS 10 PER SHARE)	964.2	964.2
			18	RESERVES EXCLUDING REVALUATION RESERVES	2,385.8	1,928.8
22.58	4.71	3.91	19	BASIC AND DILUTED EARNINGS PER SHARE (RS)	27.29	20.90
36,934,758	36,785,762	39,819,869	20	AGGREGATE OF NON-PROMOTER SHAREHOLDING	36,785,762	39,819,869
38.31%	38.15 %	41.30 %		– NUMBER OF SHARES	38.15 %	41.30 %
				– PERCENTAGE OF SHAREHOLDING		

Notes:

- Net Sales for the year 2003 have increased by 11.4 % compared to 2002. Domestic sales have increased by 11.7%. The increase in Exports sales by 8.9% has been positively influenced by the increase in per unit realizations due to higher green coffee prices during 2003 which has been partly offset by the shift towards bulk packs.
- The reported Net Profit for the full year is higher by 30.5% over 2002. After adjusting the amounts for the respective years for non-comparable/exceptional items under other income, consumption of raw and packing materials, staff cost, other expenditure, impairment of fixed assets, provision for contingencies, current taxes, and exceptional item in relation to earlier years, the adjusted Net Profit has increased by 16.5 % which is largely due to the increase in EBITDA.

The reported EBITDA for the full year has increased by 11.6% However, after adjusting the amounts for the respective years for the non-comparable/exceptional items under staff cost, and other expenditure the adjusted EBITDA has increased by 14.5%.

3. Impairment of assets relates to various items of plant & machinery that have been brought down to their recoverable value upon evaluation of future economic benefits from their use.
4. The Provision for Contingencies results mainly from matters relating to litigation/dispute and management discretion.
5. Provision for taxation has been favourably impacted due to tax holiday benefits from two units of the company set-up in backward areas.
6. The Board of Directors, on 5th December 2003, declared a second interim dividend of Rs 10.0 per equity share amounting to Rs 964.2 million, which was paid on 23rd December 2003. This is in addition to the interim dividend of Rs 10 per equity share paid on 18th August 2003.
7. Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS-17), the Company's primary business segment is Food. The food business incorporates product groups viz. Milk Products & Nutrition, Beverages, Prepared dishes & cooking aids, Chocolates & Confectionery, which mainly have similar risks & returns. As the Company's business activity falls within a single primary business segment, the disclosure requirements of Clause 41 of the Listing Agreement in this regard are not applicable.
8. 27 investor complaints were pending at the beginning of the fourth quarter and 53 received during the fourth quarter 2003. All complaints were disposed off during the fourth quarter 2003.
9. Previous year's figures have been regrouped/reclassified wherever necessary, to make them comparable.

THE ABOVE RESULTS & THIS RELEASE HAVE BEEN REVIEWED BY AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 15.03.2004.

By Order of the Board

Date : 15.03.2004
Place : Gurgaon

Carlo M.V.Donati
Chairman & Managing Director