



NESTLÉ INDIA LIMITED

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

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 30TH SEPTEMBER, 2004

(Rupees in Million)

3 Months Ended				9 Months Ended		Accounting Year Ended 31.12.2003 (Audited)
30.09.2004	30.09.2003			30.09.2004	30.09.2003	
5,306.1	5,080.0	1	DOMESTIC SALES	15,775.8	15,111.7	20,226.8
656.0	610.2	2	EXPORT SALES	1,830.9	2,020.2	2,571.5
5,962.1	5,690.2	3	GROSS SALES (1+2)	17,606.7	17,131.9	22,798.3
361.9	364.1	4	LESS: EXCISE DUTY	1,050.7	1,032.8	1,389.8
5,600.2	5,326.1	5	NET SALES (3-4) ##	16,556.0	16,099.1	21,408.5
31.4	51.8	6	OTHER INCOME	95.7	227.0	278.3
5,631.6	5,377.9	7	GROSS REVENUE (5+6)	16,651.7	16,326.1	21,686.8
353.8	325.4	8	EXPENDITURE			
			a) (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS & WORK – IN – PROGRESS	123.2	494.4	81.7
2,246.0	1,997.1		b) CONSUMPTION OF RAW & PACKING MATERIAL	7,458.3	6,392.7	9,159.3
390.3	390.7		c) STAFF COST	1,215.4	1,162.3	1,586.7
1,479.3	1,489.8		d) OTHER EXPENDITURE	4,582.4	4,446.1	6,134.0
4,469.4	4,203.0		TOTAL EXPENDITURE (a+b+c+d)	13,379.3	12,495.5	16,961.7
1,130.8	1,123.1	9	EARNINGS BEFORE INTEREST, TAX & DEPRECIATION (EBITDA) EXCLUDING OTHER INCOME (5-8)	3,176.7	3,603.6	4,446.8
1.2	2.1	10	INTEREST	9.2	18.5	19.2
122.4	114.4	11	DEPRECIATION	365.1	344.3	462.7
1,038.6	1,058.4	12	PROFIT BEFORE TAXATION, IMPAIRMENT & CONTINGENCIES (7-8-10-11)	2,898.1	3,467.8	4,243.2
-	2.5	13	IMPAIRMENT OF FIXED ASSETS	6.4	2.5	22.2
(45.3)	(104.7)	14	PROVISION FOR CONTINGENCIES (NET)	142.3	98.0	229.6
366.3	366.0	15	PROVISION FOR TAXATION			
29.1	34.7		a) CURRENT TAXES	1,069.1	1,161.0	1,374.4
395.4	400.7		b) DEFERRED TAXES	(74.0)	29.7	(13.8)
			NET TAXES (a + b)	995.1	1,190.7	1,360.6
688.5	759.9	16	NET PROFIT (12-13-14-15)	1,754.3	2,176.6	2,630.8
964.2	964.2	17	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – RS 10 PER SHARE)	964.2	964.2	964.2
		18	RESERVES EXCLUDING REVALUATION RESERVES	-	-	2,385.8
7.14	7.88	19	BASIC AND DILUTED EARNING PER SHARE (RS.)	18.20	22.58	27.29
36,785,762	36,934,758	20	AGGREGATE OF NON-PROMOTER SHAREHOLDING			
38.15%	38.31%		– NUMBER OF SHARES	36,785,762	36,934,758	36,785,762
			– PERCENTAGE OF SHAREHOLDING	38.15%	38.31%	38.15%

- In line with the Accounting Standards Interpretation (ASI-14) issued by the Institute of Chartered Accountants of India, the Company has disclosed the gross sales including excise duty and net sales excluding excise duty.

Notes:

1. Net Sales on a quarter-to-quarter basis have increased by 5.1 %. This has been contributed by a growth of 4.8% and 7.5% in the domestic and exports sales respectively.
2. The reported Net Profit for the quarter has decreased by 9.4% as compared to the same period of 2003. After stripping out the non-comparable/exceptional items under "Impairments" and "Provision for Contingencies", the adjusted net profit decreased by 4.7%. This decrease is mainly due to continuing higher commodity prices, higher tax cost (impacted by gradual phasing out of tax holiday benefits on

exports & imposition of Education Cess) and lower Other Income. Tight control over other fixed costs has partly offset the adverse trend.

3. The Provision for Contingencies is for various contingencies resulting mainly from matters relating to litigation/dispute and management discretion. A provision of Rs. 74.7 million (Q3-2003 – Rs 129.2 million), created in earlier years, has been reversed consequent to satisfactory and favourable conclusion of a litigation.
4. **Segment Reporting:** The company is primarily engaged in the food business, which includes different product categories viz. Milk Products & Nutrition, Beverages, Prepared dishes & cooking aids, Chocolates & Confectionery, which mainly have similar risks & returns. Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS-17), as the business activity of the Company falls within a single primary business segment, the disclosure requirements of Clause 41 of the Listing Agreement in this regard are not applicable.
5. An interim dividend for 2004 of Rs. 10/- per equity share (nominal value Rs.10/- per share) amounting to Rs. 964.2 million was declared by the Board of Directors on July 16, 2004 and the same was paid on July 30, 2004.
6. 40 investor complaints were received during the quarter, all of which were disposed off during the quarter. No investor complaint was pending at the beginning or at the end of the quarter.
7. Previous periods' figures have been regrouped/reclassified wherever necessary, to make them comparable.

THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON OCTOBER 28, 2004.

By Order of the Board

Date : 28.10.2004
Place : Gurgaon

Carlo M. V. Donati
Chairman and Managing Director