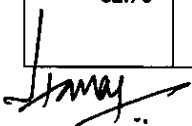


UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER 2011
(Rupees in Lakhs)

THREE MONTHS ENDED (Un-audited)				NINE MONTHS ENDED (Un-audited)		Accounting Year ended 31.12.2010 (Audited)
30.09.2011	30.09.2010			30.09.2011	30.09.2010	
187715	155510		(i) NET DOMESTIC SALES	523258	430491	590102
8595	8220		(ii) EXPORT SALES	30356	27888	35373
196310	163730	1(a)	NET SALES/INCOME FROM OPERATIONS	553614	458379	625475
617	410	1(b)	OTHER OPERATING INCOME	1562	1433	1889
		2	EXPENDITURE			
8921	4715	a)	(INCREASE)/DECREASE IN STOCK IN TRADE & WORK IN PROGRESS	3368	(6289)	(8294)
82238	72836	b)	CONSUMPTION OF RAW & PACKING MATERIALS	258590	224998	304281
3381	2788	c)	PURCHASE OF TRADED GOODS	8175	7293	9571
14238	10406	d)	EMPLOYEES COST	40039	31548	43344
3935	3058	e)	DEPRECIATION	10873	9196	12775
46503	40727	f)	OTHER EXPENDITURE	129433	108772	151608
-	-	g)	IMPAIRMENT OF FIXED ASSETS – NET	-	-	-
616	(390)	h)	PROVISION FOR CONTINGENCIES (NET) - FROM OPERATIONS	1885	(202)	208
159832	134140	i)	TOTAL (a+b+c+d+e+f+g+h)	452363	375316	513493
37095	30000	3	PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], INTEREST [6], OTHER CONTINGENCIES [6(a)], AND EXCEPTIONAL ITEMS [8] i.e. [1 -2]	102813	84496	113871
592	540	4	OTHER INCOME	1720	1442	2376
37687	30540	5	PROFIT BEFORE INTEREST [6], OTHER CONTINGENCIES [6(a)], AND EXCEPTIONAL ITEMS [8] i.e. [3+4]	104533	85938	116247
115	5	6	INTEREST & FINANCING EXPENSES (refer note # 5)	180	97	107
119	280	6(a)	PROVISION FOR CONTINGENCIES (NET) – OTHERS	119	280	1629
37453	30255	7	PROFIT AFTER INTEREST BUT BEFORE EXCEPTIONAL ITEMS [8] i.e. [5-6-6(a)]	104234	85561	114511
-	-	8	EXCEPTIONAL ITEMS	-	-	-
37453	30255	9	PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [7-8]	104234	85561	114511
11335	8399	10	TAX EXPENSE (refer note # 6)	31162	24035	32645
26118	21856	11	NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [9-10]	73072	61526	81866
-	-	12	EXTRAORDINARY ITEM (NET OF TAX)	-	-	-
26118	21856	13	NET PROFIT FOR THE PERIOD [11-12]	73072	61526	81866
9642	9642	14	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – RS 10 PER SHARE)	9642	9642	9642
-	-	15	RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET	-	-	75900
27.09	22.67	16	EARNINGS PER SHARE (EPS) BASIC AND DILUTED EPS (RS) BEFORE / AFTER EXTRAORDINARY ITEM	75.79	63.81	84.91
35900637	35900637	17	PUBLIC SHAREHOLDING	35900637	35900637	35900637
37.24	37.24	-	NUMBER OF SHARES	37.24	37.24	37.24
		-	PERCENTAGE OF SHAREHOLDING			
		18	PROMOTERS & PROMOTER GROUP SHAREHOLDING			
		(a)	PLEGDED/ENCUMBERED			
		-	NUMBER OF SHARES	-	-	-
		-	PERCENTAGE OF SHARES	-	-	-
			(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP AND OF TOTAL SHARE CAPITAL OF COMPANY)			
60515079	60515079	(b)	NON-ENCUMBERED	60515079	60515079	60515079
100.00	100.00	-	NUMBER OF SHARES	100.00	100.00	100.00
		-	PERCENTAGE OF SHARES			
			(AS A % OF TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP)			
62.76	62.76	-	PERCENTAGE OF SHARES	62.76	62.76	62.76
			(AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)			



Note on External Commercial Borrowing (ECB) for Capital Expenditure

During the quarter USD 25 Mio were drawn down from Nestle SA for 5 years under the ECB approval from Reserve Bank of India. The total amount outstanding as at 30.09.2011, is USD 85 Million (INR 4,176.5 Million). The YTD cost of this borrowing including interest and exchange differences (INR depreciated by 9.9% in the current quarter) is INR 421.5 Million which is 32.2% on an annualised basis. In addition there is a mark to market loss of INR 153.3 Million on forward sale contracts (as at 30.09.2011) pertaining to the impending draw downs of USD 46 Million vide the ECB approval. Also refer Note 5 below.

Other Notes: All figures in percentages are for current quarter with reference to the same period last year.

1. Net Sales have increased by 19.9%. Domestic Sales have increased by 20.7% on account of selling prices and volumes. Exports growth of 4.6% has been adversely impacted by the ban on exports of Milk powder.
2. The increase in Other Operating Income is due to export incentives.
3. The cost of materials for goods sold [2(a)+2(b)+2(c)] in percentage of Net Sales has decreased due to improved product/channel mix and Nestle Continuous Excellence initiatives, partially offset by the higher input cost inflation.
Employee cost comparison is impacted by timing differences and base effect.
4. Other Income increased due to higher yields partially offset by lower average liquidities.
5. The Interest and financing Expenses for the current quarter is after reducing (a) the interest earned [INR 8.8 mio] on liquidities arising from timing differences between draw down of ECB and utilisation thereof and (b) cost of ECB [INR 377.5 mio] and the mark to market loss of INR 153.3 Million on the forward sale contracts of USD 46 Million, which has been treated as capital expenditure in line with accounting standards AS 16 on Borrowing Costs, AS 10 on Accounting for Fixed Assets, AS 11 (Revised and as amended by NACAS notification dated 31.03.2009) on effects of changes in Foreign Exchange rates and the guidelines of Institute of Chartered Accountants of India dated 29.03.2008 on Accounting for Foreign Currency derivatives.
6. The increase in Tax Expense is higher than the increase in Profit before Tax due to the end of the first 5 years of Income Tax holiday @ 100% of the profits from Pantnagar factory. Effective April 2011 for the next 5 years, the Tax Holiday will continue @ 30% of the profits of Pantnagar factory.
7. Provision for Contingencies (Net) for matters related to Operations and Others result mainly from matters relating to litigation/dispute, in accordance with the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (AS-29).
8. As the Company's business activity falls within a single primary business segment, namely Food, the disclosure requirements of Clause 41 of the Listing Agreement in terms of Accounting Standard on Segment Reporting (AS-17) are not applicable.
9. 4 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.
10. Previous period's 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 NOVEMBER 04, 2011.

By Order of the Board

**Date: November 04, 2011
Place: Gurgaon**


**Antonio Helio Waszyk
Chairman and Managing Director**

Email ID : investor@in.nestle.com Website : www.nestle.in

