



NESTLÉ INDIA LIMITED

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

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER 2007

(Rupees in Millions)

Sr.	Particulars	3 Months Ended (Unaudited)		Year to Date figures for 9 Months Ended (Unaudited)		Accounting Year ended 31.12.2006 (Audited)
		30.09.2007	30.09.2006	30.09.2007	30.09.2006	
1	GROSS DOMESTIC SALES	8,753.5	6,686.9	24,757.8	19,717.4	26,646.1
2	LESS: EXCISE DUTY	371.5	279.0	1,038.7	955.4	1,281.3
3	NET DOMESTIC SALES (1-2)	8,382.0	6,407.9	23,719.1	18,762.0	25,364.8
4	ADD: EXPORT SALES	685.4	818.7	2,367.9	2,035.7	2,795.8
5	TOTAL NET SALES (3+4)	9,067.4	7,226.6	26,087.0	20,797.7	28,160.6
6	OTHER INCOME	56.6	46.7	157.9	133.1	206.1
7	TOTAL INCOME (5+6)	9,124.0	7,273.3	26,244.9	20,930.8	28,366.7
8	EXPENDITURE					
	a) (INCREASE)/DECREASE IN STOCK IN TRADE AND WORK IN PROGRESS	508.1	540.9	(10.6)	352.6	(165.1)
	b) CONSUMPTION OF RAW & PACKING MATERIAL	3,727.9	2,861.3	12,359.6	9,241.8	13,098.7
	c) PURCHASE OF TRADED GOODS	93.3	74.6	244.9	187.7	267.9
	d) EMPLOYEES COST	692.6	566.1	2,035.5	1,673.9	2,161.6
	e) DEPRECIATION	184.3	167.9	541.8	485.7	662.8
	f) OTHER EXPENDITURE	2,129.8	1,786.3	6,119.8	5,241.1	7,412.6
	TOTAL EXPENDITURE (a+b+c+d+e+f)	7,336.0	5,997.1	21,291.0	17,182.8	23,438.5
9	EARNINGS BEFORE INTEREST & TAX (EBIT) EXCLUDING OTHER INCOME (5 - 8)	1,731.4	1,229.5	4,796.0	3,614.9	4,722.1
10	ADDITIONAL STAFF COST	-	-	753.7	-	-
11	INTEREST	0.7	0.4	6.3	3.0	4.4
12	IMPAIRMENT OF FIXED ASSETS (NET)	5.6	-	5.6	(2.0)	3.9
13	PROVISION FOR CONTINGENCIES (NET)	23.8	14.8	(680.7)	(130.5)	114.6
14	PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [7 – (8+10+11+12+13)]	1,757.9	1,261.0	4,869.0	3,877.5	4,805.3
15	TAX EXPENSE					
	a) CURRENT TAXES (Incl. Fringe Benefits Tax)	616.1	454.0	1,447.1	1,304.0	1,562.3
	b) DEFERRED TAXES	(18.8)	(22.8)	219.9	47.1	92.0
	NET TAXES (a+b)	597.3	431.2	1,667.0	1,351.1	1,654.3
16	NET PROFIT FOR THE PERIOD (14-15)	1,160.6	829.8	3,202.0	2,526.4	3,151.0
17	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – RS.10 PER SHARE)	964.2	964.2	964.2	964.2	964.2
18	RESERVES EXCLUDING REVALUATION RESERVES	-	-	-	-	2,924.7
19	BASIC AND DILUTED EARNINGS PER SHARE (RS)	12.04	8.61	33.21	26.20	32.68
20	PUBLIC SHAREHOLDING					
	- NUMBER OF SHARES	36,785,762	36,785,762	36,785,762	36,785,762	36,785,762
	- PERCENTAGE OF SHAREHOLDING	38.15%	38.15%	38.15%	38.15%	38.15%

Notes:

1. Total Net Sales for the quarter increased by 25.5% over the same quarter of 2006. While Net Domestic Sales increased by 30.8% both on account of volumes and prices; Export Sales declined by 16.3% largely on account of reduction in Beverages exports to the United States of America, appreciation of Indian Rupee and general restrictions on export of certain milk based products.

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2. Other Income increased largely due to higher surplus liquidities supplemented by an increased rate of return.
3. EBIT as a percentage of Total Net Sales improved to 19.1% from 17.0% in the same quarter of 2006 and grew by 40.8% in value. This was largely due to the scaling up of the business leading to better absorption of structural fixed costs.

Most commodity prices remain at record high levels and pose an ongoing challenge.

Reported Net Profit (PAT) in value, increased by 39.9%, over the same quarter of 2006 largely on account of the increase in EBIT margin as explained above.

4. Provision for Contingencies (Net) during the current quarter results mainly from matters relating to litigation/dispute in accordance with the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (AS-29).
5. 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 and Nutrition, Beverages, Prepared dishes and cooking aids, Chocolates and Confectionery, which mainly have similar risks and 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.
6. 9 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 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 30.10.2007.

By Order of the Board

Date: 30.10.2007
Place: Gurgaon

Martial G. Rolland
Chairman and Managing Director

The Limited Review as required under Clause 41 of Listing Agreement has been completed by Statutory Auditors. The Limited Review Report for the quarter ended September 30, 2007 does not have any impact on the above Results.

By Order of the Board

Date: 30.10.2007
Place: Gurgaon

Martial G. Rolland
Chairman and Managing Director