



NESTLE INDIA LIMITED

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

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH 2008

(Rupees in Millions)

		THREE MONTHS ENDED		Accounting Year ended 31.12.2007 (Audited)
		31.03.2008	31.03.2007	
1	DOMESTIC SALES	10,477.1	8,131.7	33,174.1
2	LESS: EXCISE DUTY	438.6	363.3	1,428.3
3	NET DOMESTIC SALES (1-2)	10,038.5	7,768.4	31,745.8
4	ADD: EXPORT SALES	870.6	862.4	3,297.7
5	TOTAL NET SALES (3+4)	10,909.1	8,630.8	35,043.5
6	OTHER INCOME	62.6	69.5	254.4
7	TOTAL INCOME (5+6)	10,971.7	8,700.3	35,297.9
8	EXPENDITURE			
	a) (INCREASE)/DECREASE IN STOCK IN TRADE & WORK – IN –PROGRESS	(349.5)	(519.4)	(673.1)
	b) CONSUMPTION OF RAW & PACKING MATERIALS	5,441.2	4,579.9	17,176.0
	c) PURCHASE OF TRADED GOODS	109.1	68.1	346.7
	d) EMPLOYEES COST	751.7	646.1	2,694.4
	e) DEPRECIATION	210.6	179.3	747.4
	f) OTHER EXPENDITURE	2,466.4	2,053.8	8,536.8
	TOTAL EXPENDITURE (a+b+c+d+e+f)	8,629.5	7,007.8	28,828.2
9	EARNINGS BEFORE INTEREST & TAX (EBIT) EXCLUDING OTHER INCOME (5-8)	2,279.6	1,623.0	6,215.3
10	ADDITIONAL EMPLOYEES COST	-	753.7	753.7
11	INTEREST	0.9	1.9	8.5
12	IMPAIRMENT OF FIXED ASSETS (NET)	-	-	11.8
13	PROVISION FOR CONTINGENCIES (NET)	99.6	(710.1)	(590.4)
14	PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-[8+10+11+12+13])	2,241.7	1,647.0	6,286.1
15	TAX EXPENSE			
	a) CURRENT TAXES (INCL.FRINGE BENEFIT TAX)	634.5	287.0	1,981.1
	b) DEFERRED TAXES	5.7	275.5	166.9
	NET TAXES (a+b)	640.2	562.5	2,148.0
16	NET PROFIT (14-15)	1,601.5	1,084.5	4,138.1
17	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – RS 10 PER SHARE)	964.2	964.2	964.2
18	RESERVES EXCLUDING REVALUATION RESERVES	-	-	3220.08
19	BASIC AND DILUTED EARNINGS PER SHARE (RS)	16.61	11.25	42.92
20	PUBLIC SHAREHOLDING			
	- NUMBER OF SHARES	36,785,762	36,785,762	36,785,762
	- PERCENTAGE OF SHAREHOLDING	38.15%	38.15%	38.15 %

Notes:

1. Total Net Sales for the quarter have increased by 26.4% compared with the same period of 2007. Net Domestic Sales have increased by 29.2% supported by growth across product groups. Export Sales were negatively impacted due to lower exports of Beverages and appreciation of Indian Rupee compared to the same period last year.

2. The EBIT margin improved to 20.9% largely due to economies of scale, improved sales channel mix, as well as the ongoing strategic transformation process that allowed the business to mitigate higher raw materials costs which continue to be at high levels and pose a big challenge.

Reported Net Profit for the quarter grew by 47.7%. This has been positively influenced by a lower Income Tax Provision due to the accrual of tax holiday claim arising out of Pantnagar factory operations for the full fiscal year ending 31.3.2008. However, factoring the tax benefit of this quarter, the Net Profit has grown by 38.0% resulting in a net margin of 13.6%.

3. 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).
4. The Board of Directors declared on April 17, 2008, an interim dividend for 2008 of Rs. 8.50/- per equity share (nominal value Rs.10/- per equity share), amounting to Rs. 819.5 million, which will be paid on and from May 09, 2008.
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. 7 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 29.04.2008.

By Order of the Board

Date: 29.04.2008
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 March 31, 2008 does not have any impact on the above Results.

By Order of the Board

Date: 29.04.2008
Place: Gurgaon

Martial G. Rolland
Chairman and Managing Director

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