



NESTLE INDIA LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st DECEMBER 2008

(Rupees in Lakhs)

9 Months ended (Un-audited)	3 Months ended (Un-audited)			Accounting Year ended (Audited)		
	30.09.2008	31.12.2008		31.12.2007	31.12.2008	31.12.2007
297921	100664	80267		(i) NET DOMESTIC SALES	398585	317458
25493	8346	9298		(ii) EXPORT SALES	33839	32977
323414	109010	89565	1(a)	NET SALES/INCOME FROM OPERATIONS [(i)+(ii)]	432424	350435
770	317	292	1(b)	OTHER OPERATING INCOME	1087	873
			2	EXPENDITURE		
2891	(6345)	(6625)	a)	(INCREASE)/DECREASE IN STOCK IN TRADE & WORK IN PROGRESS	(3454)	(6731)
152256	56588	48284	b)	CONSUMPTION OF RAW & PACKING MATERIALS	208844	171760
3820	1203	1017	c)	PURCHASE OF TRADED GOODS	5023	3467
23097	8361	6589	d)	EMPLOYEES COST	31458	26944
6667	2569	2056	e)	DEPRECIATION	9236	7474
76208	27972	24537	f)	OTHER EXPENDITURE	104180	85368
264939	90348	75858	g)	SUBTOTAL (a+b+c+d+e+f)	355287	288282
-	31	62	h)	IMPAIRMENT OF FIXED ASSETS – NET	31	118
1388	559	417	i)	PROVISION FOR CONTINGENCIES (NET) - FROM OPERATIONS	1947	(5904)
-	-	-	j)	ADDITIONAL EMPLOYEES COST	-	7537
266327	90938	76337	k)	TOTAL (a+b+c+d+e+f+h+i+j)	357265	290033
59245	18979	13999	3(a)	PROFIT FROM OPERATIONS BEFORE IMPAIRMENT [2(h)], CONTINGENCIES [2(i)+6(a)], ADDITIONAL EMPLOYEE COST [2(j)], OTHER INCOME [4], INTEREST [6] AND EXCEPTIONAL ITEMS [8] i.e. [1(a)+1(b) -2(g)]	78224	63026
57857	18389	13520	3(b)	PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], INTEREST [6], OTHER CONTINGENCIES [6(a)], AND EXCEPTIONAL ITEMS [8] i.e. [1(a)+1(b) -2(k)]	76246	61275
1328	974	673	4	OTHER INCOME	2302	1671
59185	19363	14193	5	PROFIT BEFORE INTEREST [6], OTHER CONTINGENCIES [6(a)], & EXCEPTIONAL ITEMS [8] i.e. [3(b)+4]	78548	62946
147	17	22	6	INTEREST EXPENSE	164	85
-	1102	-	6(a)	PROVISION FOR CONTINGENCIES (NET) – OTHERS	1102	-
59038	18244	14171	7	PROFIT AFTER INTEREST BUT BEFORE EXCEPTIONAL ITEMS [8] i.e. [5-6-6(a)]	77282	62861
-	-	-	8	EXCEPTIONAL ITEMS	-	-
59038	18244	14171	9	PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)	77282	62861
17739	6135	4810	10	TAX EXPENSE	23874	21480
41299	12109	9361	11	NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX (9-10)	53408	41381
-	-	-	12	EXTRAORDINARY ITEM (NET OF TAX)	-	-
41299	12109	9361	13	NET PROFIT FOR THE PERIOD (11-12)	53408	41381
9642	9642	9642	14	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – RS 10 PER SHARE)	9642	9642
-	-	-	15	RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET	37694	32201
42.83	12.56	9.71	16	EARNINGS PER SHARE (EPS)		
42.83	12.56	9.71	a)	BASIC AND DILUTED EPS (RS) BEFORE EXTRAORDINARY ITEM	55.39	42.92
			b)	BASIC AND DILUTED EPS (RS) AFTER EXTRAORDINARY ITEM	55.39	42.92
36785762	36785762	36785762	17	PUBLIC SHAREHOLDING	36785762	36785762
38.15%	38.15%	38.15%	-	NUMBER OF SHARES	38.15%	38.15 %
			-	PERCENTAGE OF SHAREHOLDING		

Notes:

1. Net Sales for the full year 2008 have increased by 23.4% and for the quarter ended 31.12.2008 have increased by 21.7% compared with the same period of 2007. Domestic Sales for the year increased by 25.6% due to increase in volumes as well as realisations. The increase in Export sales by 2.6% is mainly due to the depreciation of Indian Rupee.
2. Other Income has increased largely due to higher rate of return supplemented by higher liquidities.
3. Profit from Operations before Impairments, Contingencies etc. for the year grew by 24.1%. The margin improvement to 18.0% from 17.9% is due to scale. Staggered price increases and cost optimization initiatives have contributed to offset steep increase in commodity prices like milk solids, green coffee, fuels, vegetable fat etc.

Reported Net Profit for the year has increased by 29.1% over 2007 with margin improvement to 12.3% from 11.8%. This has been positively influenced by the tax holiday at Pantnagar for the full fiscal year ending 31.03.2008. However, factoring the tax benefit for only the calendar year 2008, the Net Profit has grown by 26.3%.

4. 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).
5. 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.
6. The Board of Directors has recommended a final dividend for 2008 of Rs. 12.00 per equity share (nominal value Rs.10/- per equity share). This is in addition to the two interim dividends for 2008 of Rs. 8.50 & Rs. 14.50 per equity share paid in May 2008 and November 2008 respectively, and the special dividend of Rs. 7.50 per equity share paid in November 2008 pursuant to the Scheme of Arrangement. Aggregate of all aforesaid dividends is Rs. 42.50 per share.
7. 6 Investor complaints were received during the quarter ended 31.12.2008, all of which were disposed off during the quarter. No investor complaint was pending at the beginning or at the end of the quarter.
8. 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 MARCH 06, 2009.

By Order of the Board

**Date: March 06, 2009
Place: Gurgaon**


**Martial G. Rolland
Chairman and Managing Director**