



# NESTLÉ INDIA LIMITED

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

## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2009

(Rupees in Lakhs)

9 Months ended (Un-audited)	3 Months ended (Un-audited)			Accounting Year ended (Audited)		
	30.09.2009	31.12.2009		31.12.2009	31.12.2008	
353954	126123	100664	(i)	NET DOMESTIC SALES	480077	398585
23805	9056	8346	(ii)	EXPORT SALES	32861	33839
377759	135179	109010	1(a)	NET SALES/INCOME FROM OPERATIONS [(i)+(ii)]	512938	432424
1474	587	317	1(b)	OTHER OPERATING INCOME	2061	1087
			2	EXPENDITURE		
2943	(3808)	(6345)	a)	(INCREASE)/DECREASE IN STOCK IN TRADE & WORK IN PROGRESS	(865)	(3454)
172462	67344	56588	b)	CONSUMPTION OF RAW & PACKING MATERIALS	239806	208844
4216	1681	1203	c)	PURCHASE OF TRADED GOODS	5897	5023
29476	13762	8361	d)	EMPLOYEES COST	43238	31458
8060	3067	2569	e)	DEPRECIATION	11127	9236
85026	36387	27972	f)	OTHER EXPENDITURE	121413	104180
753	279	31	g)	IMPAIRMENT OF FIXED ASSETS – NET	1032	31
1474	203	559	h)	PROVISION FOR CONTINGENCIES (NET) - FROM OPERATIONS	1677	1947
304410	118915	90938	i)	TOTAL (a+b+c+d+e+f+g+h)	423325	357265
74823	16851	18389	3	PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], INTEREST [6], OTHER CONTINGENCIES [6(a)], AND EXCEPTIONAL ITEMS [8] i.e. [1(a)+1(b) -2(i)]	91674	76246
1249	469	974	4	OTHER INCOME	1718	2302
76072	17320	19363	5	PROFIT BEFORE INTEREST [6], OTHER CONTINGENCIES [6(a)], & EXCEPTIONAL ITEMS [8] i.e. [3+4]	93392	78548
91	49	17	6	INTEREST EXPENSE	140	164
-	1555	1102	6(a)	PROVISION FOR CONTINGENCIES (NET) – OTHERS	1555	1102
75981	15716	18244	7	PROFIT AFTER INTEREST BUT BEFORE EXCEPTIONAL ITEMS [8] i.e. [5-6-6(a)]	91697	77282
-	-	-	8	EXCEPTIONAL ITEMS	-	-
75981	15716	18244	9	PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)	91697	77282
21773	4424	6135	10	TAX EXPENSE	26197	23874
54208	11292	12109	11	NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX (9-10)	65500	53408
-	-	-	12	EXTRAORDINARY ITEM (NET OF TAX)	-	-
54208	11292	12109	13	NET PROFIT FOR THE PERIOD (11-12)	65500	53408
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	48485	37694
56.22	11.72	12.56	16	EARNINGS PER SHARE (EPS)		
56.22	11.72	12.56		a) BASIC AND DILUTED EPS (RS) BEFORE EXTRAORDINARY ITEM	67.94	55.39
				b) BASIC AND DILUTED EPS (RS) AFTER EXTRAORDINARY ITEM	67.94	55.39
36785762	36785762	36785762	17	PUBLIC SHAREHOLDING		
38.15	38.15	38.15		- NUMBER OF SHARES	36785762	36785762
				- PERCENTAGE OF SHAREHOLDING	38.15	38.15
			18	PROMOTERS & PROMOTER GROUP SHAREHOLDING		
				(a) PLEDGED/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)		
				(b) NON-ENCUMBERED		
59629954	59629954	59629954	- NUMBER OF SHARES	59629954	59629954	
100.00	100.00	100.00	- PERCENTAGE OF SHARES	100.00	100.00	
			(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP)			
61.85	61.85	61.85	- PERCENTAGE OF SHARES	61.85	61.85	
			(AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)			

**Notes:**

**Quarter ended 31.12.2009 with reference to Quarter ended 31.12.2008**

Domestic sales growth has been positively affected by favourable weather conditions and a lower base. Employees cost is significantly high due to 'one off' actuarial losses arising from revision of underlying actuarial assumptions for retirement benefits. The increase in Other Expenditure is due to a sharp increase in brand building and demand generating activities and new product launches to sustain growth.

**Full year 2009 with reference to full year 2008**

1. Net Sales have increased by 18.6%. Domestic Sales increased by 20.4% due to increase in volumes as well as realisations. Export sales are lower by 2.9% largely on account of lower sales to Russia and Bangladesh, partially offset by improved realisations due to depreciation of Indian Rupee in the first nine months of the year.
2. Other Operating Income is higher largely due to the backlog of export incentives received during the year.
3. Operating margin has been positively affected by a better sales mix, improved net realisations, energy cost and scale efficiencies, partially offset by higher expenditure on advertising and sales promotion and actuarial losses on retirement benefits.  
Raw materials costs, in particular the recent spike in Milk Solids and Sugar whose prices are at record high levels, continue to pose an ongoing challenge.
4. Other Income has decreased due to lower market rates of return partially offset by higher liquidities.
5. The Net Profit margin has been positively affected by tax benefits.
6. Provision for Contingencies (Net) for matters related to operations and others result mainly from matters relating to litigation/dispute and other uncertainties requiring management judgement, in accordance with the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (AS-29).
7. 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.
8. The Board of Directors has recommended a final dividend for 2009 of Rs. 12.50 per equity share (nominal value Rs.10/- per equity share). This is in addition to the two interim dividends for 2009, of Rs. 9.00 & Rs. 27.00 per equity share paid in May 2009 and November 2009 respectively.
9. 6 Investor complaints were received during the quarter ended 31.12.2009, 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 FEBRUARY 19, 2010.**

**By Order of the Board**

**Date: February 19, 2010  
Place: Gurgaon**



**Antonio Helio Waszyk  
Chairman and Managing Director**

