

Nestlé Pakistan Ltd.

(Formerly Nestlé Mills Ltd.)

308 - Upper Mall,
P.O. Box 1974
LAHORE, PAKISTAN

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**Nestlé**The Managing Director
Karachi Stock Exchange
(Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Fax # 021-2415763

Lahore: October 18, 2006

Dear Sir,

FINANCIAL RESULTS FOR 3RD QUARTER ENDED SEPTEMBER 30, 2006

We have to inform you that the Board of Directors of our Company, in their meeting held on October 18, 2006 at 9:00 a.m. at 308 - Upper Mall, Lahore recommended the following:

1. **Cash Dividend**
Cash dividend: Nil

2. The financial results of the Company are as follows:

	Three months ended		Nine Months ended	
	30 Sep. 2006	30 Sep. 2005	30 Sep. 2006	30 Sep. 2005
Sales-Net	5,531,491	4,491,074	18,714,877	12,908,301
Cost of goods sold	(4,283,527)	(3,394,631)	(12,133,001)	(9,370,949)
Gross Profit	1,267,964	1,096,443	4,581,876	3,537,352
Distribution and selling expenses	(660,473)	(557,107)	(2,375,618)	(1,548,694)
Administration expenses	(168,422)	(138,799)	(515,143)	(424,694)
Operating profit	409,069	402,537	1,691,113	1,463,764
Finance cost	(124,261)	(55,026)	(321,470)	(129,741)
Other operating expenses	(18,026)	(37,766)	(141,672)	(130,210)
Other operating income	19,753	36,489	39,647	53,060
Profit before taxation	288,535	346,234	1,267,618	1,256,873
Provision for taxation	(92,725)	(120,584)	(411,286)	(419,346)
Profit after taxation	196,810	225,670	856,332	837,526
Earnings per share (Rs)	4.32	4.98	18.68	19.50

Yours truly,
Nestlé Pakistan Ltd.

(Raymond Franke)
Finance & Control Manager