

Financial information for the six months  
period ended June 30, 2017



**Nestlé**

Good Food, Good Life



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## Directors' Report to the Shareholders

The Directors of the Company are pleased to submit the half-year report along with the reviewed condensed interim financial information of the company for the six months period ended June 30, 2017.

We are pleased with our value creation progress in the first half of 2017. This includes solid operational improvements as well as portfolio management choices. Profitability is in line with our expectations, as operational savings and efficiencies have offset higher commodity costs. We are accelerating our margin improvement initiatives.

The financial performance for the six months period is summarized below:

	Jan – Jun 2017 PKR Million	Jan – Jun 2016 PKR Million	Change
Sales	61,941	56,296	+ 10.0%
Gross Profit	23,717	21,057	+12.6%
% of sales	38.3%	37.4%	
Operating Profit	12,881	10,784	+ 19.4%
% of sales	20.8%	19.2%	
Net Profit after tax	7,934	6,421	+ 23.6%
% of sales	12.8%	11.4%	
Earnings per share	174.95	141.58	+ 23.6%

**Sales:**  
The sales revenue grew by PKR 5.6 billion, yielded a growth of +10.0% largely driven by volume. Our export sales during the period stood at PKR 2.6 billion registering a growth of +10.7%.

**Gross Profit:**  
We delivered a Gross Margin of 38.3% (+89bps) on the back of improvement in product mix and optimization of the value chain through Nestlé Continuous Excellence (NCE) initiatives.

**Operating Profit:**  
We delivered an Operating Profit of 20.8% (+164bps). The increase is largely owing to improved gross margin, operational savings and effective cost management.

**Net Profit after tax:**  
Our Net Profit After Tax stood at PKR 7.9 billion, registering a strong growth of 23.6%.

**Future Outlook:**  
We will continue to have a positive outlook on growth and earnings, however we do foresee certain external developments namely currency risk, global commodities cost increases and fiscal budget pressures which could impact future results.

For and on behalf  
of the Board of Directors

BRUNO BORIS OLIERHOEK  
Chief Executive

Lahore: August 22, 2017

## Auditor's Report to the Members on Review of Condensed Interim Financial Information

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Nestlé Pakistan Limited ("the Company") as at June 30, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the three months period ended June 30, 2017 and June 30, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Lahore  
Date: August 22, 2017

KPMG Taseer Hadi & Co.  
Chartered Accountants  
(Bilal Ali)



## Condensed Interim Balance Sheet As at June 30, 2017 (Un-audited)

	Note	(Un-audited) Jun. 30, 2017	(Audited) Dec. 31, 2016
<b>Non-current assets</b>			
Property, plant and equipment	4	28,388,111	28,046,124
Capital work-in-progress		1,864,418	2,765,730
Intangible assets		27,566	31,600
Long term loans and advances		340,796	338,449
Long term deposits and prepayments		36,913	32,046
		<b>30,657,804</b>	<b>31,213,949</b>
<b>Current assets</b>			
Stores and spares		1,366,928	1,308,329
Stock in trade		17,147,506	11,207,230
Trade debts		1,246,125	564,460
Current portion of long term loans and advances		139,105	98,565
Sales tax refundable - net		4,812,738	5,374,745
Advances, deposits, prepayments and other receivables		3,217,948	661,325
Cash and bank balances		567,706	353,167
		<b>28,498,056</b>	<b>19,567,821</b>
<b>Current liabilities</b>			
Current portion of long term finances		17,184	-
Short term borrowings - secured		10,845,157	4,345,157
Short term running finance under markup arrangements - secured		1,166,857	2,013,120
Customer security deposits - interest free		251,455	240,843
Income tax - net		2,303,758	1,458,740
Trade and other payables		25,718,093	24,920,599
Interest and mark-up accrued		120,997	48,888
		<b>40,423,501</b>	<b>33,027,347</b>
<b>Net working capital</b>		<b>(11,925,445)</b>	<b>(13,459,526)</b>
<b>Total capital employed</b>		<b>18,732,359</b>	<b>17,754,423</b>
<b>Long term and deferred liabilities</b>			
Long term finances - secured		6,276,090	5,637,473
Deferred taxation		2,131,731	1,943,343
Retirement benefits		1,281,601	1,361,555
		<b>9,689,422</b>	<b>8,942,371</b>
<b>Contingencies and commitments</b>	5		
<b>Net assets</b>		<b>9,042,937</b>	<b>8,812,052</b>

### Financed by: Share capital and reserves

	(Un-audited) Jun. 30, 2017	(Audited) Dec. 31, 2016
Authorized capital 75,000,000 (December 31, 2016: 75,000,000) ordinary shares of Rs 10 each	750,000	750,000
Issued, subscribed and paid-up capital	453,496	453,496
Share premium	249,527	249,527
General reserve	280,000	280,000
Hedging reserve	(3,475)	(10,092)
Accumulated profit	8,063,389	7,839,121
	<b>9,042,937</b>	<b>8,812,052</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**JOHN MICHAEL DAVIS**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

**SYED YAWAR ALI**  
Chairman



## Condensed Interim Profit and Loss Account For the six months period ended June 30, 2017 (Un-audited)

	Six months ended		Three months ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	61,941,060	56,296,476	31,524,123	29,563,172
Cost of goods sold	(38,223,982)	(35,239,386)	(19,227,420)	(18,230,739)
<b>Gross profit</b>	<b>23,717,078</b>	<b>21,057,090</b>	<b>12,296,703</b>	<b>11,332,433</b>
Distribution and selling expenses	(9,419,774)	(8,894,122)	(5,035,256)	(5,383,200)
Administration expenses	(1,415,814)	(1,378,508)	(649,073)	(709,618)
	(10,835,588)	(10,272,630)	(5,684,329)	(6,092,818)
<b>Operating profit</b>	<b>12,881,490</b>	<b>10,784,460</b>	<b>6,612,374</b>	<b>5,239,615</b>
Finance cost	(477,229)	(599,454)	(281,838)	(329,364)
Other operating expenses	(976,567)	(799,535)	(508,338)	(365,061)
	(1,453,796)	(1,398,989)	(790,176)	(694,425)
Other income	148,934	295,821	103,765	243,491
<b>Profit before taxation</b>	<b>11,576,628</b>	<b>9,681,292</b>	<b>5,925,963</b>	<b>4,788,681</b>
Taxation	(3,642,931)	(3,260,601)	(2,092,567)	(1,809,749)
<b>Profit after taxation</b>	<b>7,933,697</b>	<b>6,420,691</b>	<b>3,833,396</b>	<b>2,978,932</b>
Earnings per share – basic and diluted (Rupees)	174.95	141.58	84.53	65.69

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**JOHN MICHAEL DAVIS**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

**SYED YAWAR ALI**  
Chairman



## Condensed Interim Statement of Comprehensive Income For the six months period ended June 30, 2017 (Un-audited)

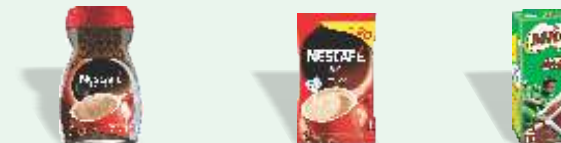
	Six months ended		Three months ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in thousand)		(Rupees in thousand)	
<b>Profit after taxation</b>	<b>7,933,697</b>	<b>6,420,691</b>	<b>3,833,396</b>	<b>2,978,932</b>
<b>Other comprehensive income / (loss) :</b>				
<i>Items that are or may be classified subsequently to profit or loss:</i>				
Cash flow hedges - effective portion of changes in fair value	9,189	(19,950)	(4,531)	(12,992)
Related tax	(2,572)	5,727	1,268	3,570
	6,617	(14,223)	(3,263)	(9,422)
<b>Total comprehensive income for the period</b>	<b>7,940,314</b>	<b>6,406,468</b>	<b>3,830,133</b>	<b>2,969,510</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**JOHN MICHAEL DAVIS**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

**SYED YAWAR ALI**  
Chairman



## Condensed Interim Cash Flow Statement For the six months period ended June 30, 2017 (Un-audited)

	Note	Jun. 30, 2017	Jun. 30, 2016
(Rupees in thousand)			
<b>Cash flow from operating activities</b>			
Cash generated from operations	6	5,353,938	7,732,987
Increase in long term loans and advances		(42,887)	(2,464)
Increase in customer security deposits - interest free		10,612	9,514
(Increase) / decrease in long term deposits and prepayments		(4,867)	684
Sales tax refundable - net		562,007	(35,615)
Retirement and other benefits paid		(206,710)	(119,927)
Finance cost paid		(405,120)	(630,931)
Income taxes paid		(2,612,097)	(2,670,974)
<b>Net cash generated from operating activities</b>		<b>2,654,876</b>	<b>4,283,274</b>
<b>Cash flow from investing activities</b>			
Fixed capital expenditure		(1,172,022)	(627,043)
Sale proceeds of property, plant and equipment		125,880	450,746
<b>Net cash used in investing activities</b>		<b>(1,046,142)</b>	<b>(176,297)</b>
<b>Cash flow from financing activities</b>			
Long term finances - net		655,801	(1,047,600)
Short term borrowings - secured - net		6,500,000	2,500,000
Dividend paid		(7,703,733)	(4,068,402)
<b>Net cash used in financing activities</b>		<b>(547,932)</b>	<b>(2,616,002)</b>
Net increase in cash and cash equivalents		1,060,802	1,490,975
Cash and cash equivalents at beginning of the period		(1,659,953)	(2,208,381)
Cash and cash equivalents at end of the period	7	(599,151)	(717,406)

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**JOHN MICHAEL DAVIS**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

**SYED YAWAR ALI**  
Chairman



## Condensed Interim Statement of Changes in Equity For the six months period ended June 30, 2017 (Un-audited)

	Capital Reserves			Revenue Reserves		Total
	Share capital	Share premium	Hedging reserve	General reserve	Accumulated profits	
	(Rupees in thousand)					
Balance as at December 31, 2015 (audited)	453,496	249,527	2,728	280,000	11,652,011	12,637,762
Total comprehensive income for the period:						
Profit after tax	-	-	-	-	6,420,691	6,420,691
Cashflow hedges - effective portion of changes in fair value - net	-	-	(14,223)	-	-	(14,223)
Transactions with owners of the Company recognized directly in equity	-	-	(14,223)	-	6,420,691	6,406,468
Final dividend for the year ended December 31, 2015 (Rs. 90 per share)	-	-	-	-	(4,081,463)	(4,081,463)
Balance as at June 30, 2016 (un-audited)	453,496	249,527	(11,495)	280,000	13,991,239	14,962,767
Total comprehensive income for the period:						
Profit after tax	-	-	-	-	5,426,282	5,426,282
Cashflow hedges - effective portion of changes in fair value - net	-	-	1,403	-	-	1,403
Remeasurement loss on employee retirement benefits-net	-	-	-	-	(14,255)	(14,255)
			1,403		5,412,027	5,413,430



	Capital Reserves			Revenue Reserves		Total
	Share capital	Share premium	Hedging reserve	General reserve	Accumulated profits	
<i>Transactions with owners of the Company recognized directly in equity</i>						
Interim dividend for the six months period ended June 30, 2016 (Rs. 70 per share)	-	-	-	-	(3,174,472)	(3,174,472)
Interim dividend for the nine months period ended September 30, 2016 (Rs. 185 per share)	-	-	-	-	(8,389,673)	(8,389,673)
Balance as at December 31, 2016 (audited)	453,496	249,527	(10,092)	280,000	(11,564,145)	8,812,052
<i>Total comprehensive income for the period:</i>						
Profit after tax	-	-	-	-	7,933,697	7,933,697
Cashflow hedges - effective portion of changes in fair value - net	-	-	6,617	-	-	6,617
<i>Transactions with owners of the Company recognized directly in equity</i>						
Final dividend for the year ended December 31, 2016 (Rs. 170 per share)	-	-	-	-	(7,709,429)	(7,709,429)
<b>Balance as at June 30, 2017 (un-audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>(3,475)</b>	<b>280,000</b>	<b>8,063,389</b>	<b>9,042,937</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**JOHN MICHAEL DAVIS**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

**SYED YAWAR ALI**  
Chairman

## Notes to the Condensed Interim Financial Information

### For the six months period ended June 30, 2017 (Un-audited)

#### 1. Legal status and nature of business

Nestlé Pakistan Limited ("the Company") is a public limited company incorporated in Pakistan and its shares are quoted on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing, purchase, processing and sale of food products including imported products (dairy, confectionery, culinary, coffee, beverages, infant nutrition and drinking water). Registered office of the Company is situated at Babar Ali Foundation Building, 308-Upper Mall, Lahore.

#### 2. Basis of preparation

##### 2.1 Statement of compliance

This condensed interim financial information is being submitted to the shareholders as required by section 237 of the Companies Act, 2017 ("the Act") and is un-audited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

On May 30, 2017 the Companies Act, 2017 was enacted which replaced and repealed the Companies Ordinance, 1984 (the "repealed Ordinance"). However, the Securities and Exchange Commission of Pakistan (SECP) vide its circular 17 dated July 20, 2017 and press release of the said date, has clarified that all the companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, can prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires certain additional disclosures which would be applicable for financial year ending after June 30, 2017.

This condensed interim financial information of the Company for the six months period ended June 30, 2017 has been prepared in accordance with the requirement of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2016. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

##### 2.2 Judgments and estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended December 31, 2016, except as disclosed otherwise.

#### 3. Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the



financial statements for the year ended December 31, 2016, except as mentioned in note 3.1.1 below.

3.1.1 The Company has changed its accounting policy for valuation of inventories i.e. for 'goods purchased for resale with effect from January 01, 2017. Previously, in recognising the consumption and valuation of goods purchased for resale, the Company used First In First Out (FIFO) basis, however, the Company has now adopted the weighted average basis for recognizing consumption and valuation as the management considers that this change gives a fair presentation of the results and financial position of the Company. This change in accounting policy has been applied prospectively in accordance with International Accounting Standard 8 (IAS-8) "Accounting Policies, Changes in Accounting Estimates and Errors" as resulting impact is considered to be immaterial.

3.2 There is no significant impact of new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 01, 2017, as mentioned in the financial statements for the year ended December 31, 2016.

**(Un-audited) (Audited)**  
**Jun. 30, Dec. 31,**  
**2017 2016**  
**(Rupees in thousand)**

#### 4. Property, plant and equipment

Opening balance - net book value	28,046,124	29,996,095
Additions during the period / year	2,073,334	2,182,268
	<u>30,119,458</u>	<u>32,178,363</u>
Book value of property, plant and equipment disposed / scrapped during the period / year	(63,808)	(428,019)
Depreciation charged during the period / year	(1,667,539)	(3,495,831)
Impairment reversed during the period / year	-	68,546
Fixed assets charged off	-	(276,935)
Closing balance - net book value	<u>28,388,111</u>	<u>28,046,124</u>

#### 5. Contingencies and commitments

5.1 There is no material contingency as at balance sheet date.

**(Un-audited) (Audited)**  
**Jun. 30, Dec. 31,**  
**2017 2016**  
**(Rupees in thousand)**

5.2 Guarantees		
Outstanding guarantees	334,043	263,486
Un-utilized portion of limits with banks	<u>543,957</u>	<u>296,514</u>



#### 5.3 Commitments

5.3.1 The amount of future payments under Ijarah and the period in which these payments will become due are as follows:

	<b>(Un-audited)</b> <b>Jun. 30,</b> <b>2017</b>	<b>(Audited)</b> <b>Dec. 31,</b> <b>2016</b>
	<b>(Rupees in thousand)</b>	
Not later than one year	34,467	41,925
Later than one year but not later than five years	-	13,164
	<u>34,467</u>	<u>55,089</u>
5.3.2 Commitments in respect of capital expenditure	3,070,040	275,704
5.4 Letters of credit		
Outstanding letters of credit	3,993,708	2,480,350
Un-utilized portion of limits with banks	<u>6,866,692</u>	<u>7,111,680</u>

**(Un-audited) (Un-audited)**  
**Jun. 30, Jun. 30,**  
**2017 2016**  
**(Rupees in thousand)**

#### 6. Cash generated from operations

Profit before taxation	11,576,628	9,681,292
Adjustment for non-cash items:		
Depreciation on property, plant and equipment	1,667,539	1,738,186
Fixed assets charged off	-	276,935
Amortization of intangible assets	4,034	4,034
(Reversal of)/ provision for stock in trade	(16,677)	52,625
Provision for obsolete stores and spares	81,955	95,106
Provision for workers' profit participation fund	620,347	520,627
Provision for workers' welfare fund	209,967	198,237
Gain on disposal of property, plant and equipment	(62,072)	(108,403)
Reversal of impairment on property, plant and equipment	-	(122,639)
Provision for doubtful debts and advances	-	8,890
Unrealized exchange loss	47,072	21,786
Exchange gain on foreign currency loan from associated company	-	(150)
Retirement and other benefits	126,756	185,956
Finance cost	477,229	599,454
Profit before working capital changes	<u>14,732,778</u>	<u>13,151,936</u>





**(Un-audited) (Un-audited)**  
**Jun. 30, Jun. 30,**  
**2017 2016**  
**(Rupees in thousand)**

Effect on cash flow due to working capital changes:

Increase in current assets:		
Stores and spares	(140,554)	(146,169)
Stock in trade	(5,923,599)	(6,333,837)
Trade debts	(681,665)	(448,003)
Advances, deposits, prepayments and other receivables	(2,562,290)	(642,763)
(Decrease) / increase in current liabilities:		
Trade and other payables	(70,732)	2,151,823
	<b>(9,378,840)</b>	<b>(5,418,949)</b>
	<b>5,353,938</b>	<b>7,732,987</b>

#### 7. Cash and cash equivalents

Cash and bank balances	567,706	268,624
Short term running finances - secured	(1,166,857)	(986,030)
	<b>(599,151)</b>	<b>(717,406)</b>

#### 8. Transactions with related parties

Related parties comprise of Nestlé S.A (holding company), its subsidiaries and associates, and other companies with common directors that of the Company, employees retirement benefit funds and key management personnel. Significant transactions with related parties are summarized as follows:

**(Un-audited) (Un-audited)**  
**Jun. 30, Jun. 30,**  
**2017 2016**  
**(Rupees in thousand)**

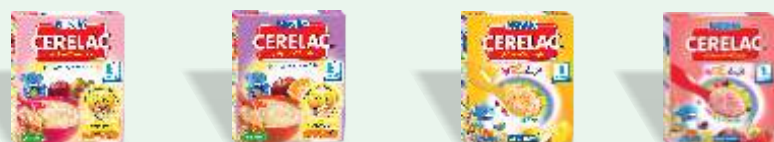
Associated companies:

Royalty and technical assistance fee	1,761,112	1,585,313
Purchase of assets, goods, services and rental	7,758,860	7,309,040
Interest on foreign currency loan	-	7,984
Repayment of foreign currency loan	-	1,047,600
Sales of goods	33,514	24,025
Insurance claims received	22,480	13,296
Donations	2,500	2,500

Other related parties

Contribution to staff retirement benefit plan	362,219	328,203
Remuneration to key management personnel	2,368,299	2,190,203

All transactions with related parties have been carried out on commercial terms and conditions.



#### 9. Segment reporting

Segment information is presented in respect of the Company's business. The primary format, business segment, is based on the Company's management reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets and liabilities include short term and long term borrowings, employees retirement benefits and other operating liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Company's operations comprise of the following main business segments:

- Milk and nutrition products
- Beverages

These segments comprise of following major types of products:

- **Milk and nutrition products**  
Milk based products and cereals
- **Beverages**  
Juices & water

9.1 Segment analysis for the six months ended June 30, 2017 (Un-audited)

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
Sales				
External sales	46,910,279	14,628,488	402,293	61,941,060
Inter-segment sales	-	-	-	-
Total revenue	46,910,279	14,628,488	402,293	61,941,060
Depreciation and amortization	1,192,538	443,027	36,007	1,671,572
Operating profit before tax and unallocated expenses	10,278,852	2,766,421	(163,783)	12,881,490
Unallocated corporate expenses:				
Finance cost				(477,229)
Other operating expenses				(976,567)
Other income				148,934
Taxation				(3,642,931)
Profit after taxation				7,933,697



Segment analysis for the six months ended June 30, 2016 (Un-audited)

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
Sales				
External sales	43,277,274	12,662,975	356,227	56,296,476
Inter-segment sales	-	-	-	-
Total revenue	43,277,274	12,662,975	356,227	56,296,476
Depreciation and amortization	1,256,809	448,945	36,466	1,742,220
Operating profit before tax and unallocated expenses	9,207,815	1,808,854	(232,209)	10,784,460
Unallocated corporate expenses:				
Finance cost				(599,454)
Other operating expenses				(799,535)
Other income				295,821
Taxation				(3,260,601)
Profit after taxation				6,420,691

Reportable segment assets and liabilities

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
As at June 30, 2017 (Un-audited)				
Segment assets	37,379,561	12,103,078	558,015	50,040,654
Unallocated assets				9,115,206
Total assets				59,155,860
Segment liabilities	19,456,962	6,318,909	166,859	25,942,730
Unallocated liabilities				24,170,193
Total liabilities				50,112,923
As at December 31, 2016 (Audited)				
Segment assets	31,513,706	11,927,256	482,510	43,923,472
Unallocated assets				6,858,298
Total assets				50,781,770
Segment liabilities	19,640,343	5,360,924	160,175	25,161,442
Unallocated liabilities				16,808,276
Total liabilities				41,969,718

(Un-audited) (Un-audited)  
Jun. 30, Jun. 30,  
2017 2016  
(Rupees in thousand)

## 9.2 Geographical segments

Sales are made by the Company in following countries:

Pakistan	59,350,503	53,956,173
Afghanistan	2,525,462	2,315,771
Other foreign countries	65,095	24,532
	61,941,060	56,296,476

The company manages and operates manufacturing facilities and sales offices in Pakistan only.

## 10. Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the audited financial statements of the Company for the year ended December, 31 2016.

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2016.

## 11. Date of authorization for issue

This un-audited condensed interim financial information was authorized for issue on August 22, 2017 by the Board of Directors.

## 12. Dividend

The Board of Directors in their meeting held on August 22, 2017 have proposed an interim cash dividend for the six months period ended June 30, 2017 of Rs. 170 per share (June 30, 2016: Rs. 70 per share) per share, amounting to Rs. 7,709.43 million (June 30, 2016 : Rs. 3,174.47 million). This condensed interim financial information does not reflect this dividend.

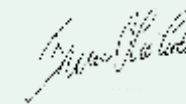
## 13. General

This condensed interim financial information is presented in Pakistan rupees which is the Company's functional currency and the figures have been rounded off to the nearest thousand of rupee.


Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework, however no material reclassification has been made.



JOHN MICHAEL DAVIS  
Head of Finance & Control



BRUNO BORIS OLIERHOEK  
Chief Executive



SYED YAWAR ALI  
Chairman

## COMPANY INFORMATION

<b>Board of Directors</b>	Syed Yawar Ali	Chairman	
	Bruno Boris Olierhoek	Chief Executive / Managing Director	
	Syed Babar Ali	Director	
	Syed Hyder Ali	Director	
	Osman Khalid Waheed	Director	
	John Michael Davis	Director	
	Juan Jose Aranols Campillo	Director	
<b>Company Secretary</b>	Naveed Ahmad Khan	Director	
	John Martin Miller	Director	
	Ali Sadozai	General Counsel	
	<b>Management</b>	Abdullah Jawaid Ahmad	Business Executive Officer - Chilled Dairy
		Akmal Saeed	Head of Human Resources
		Ali Sadozai	Head of Legal Affairs & Company Secretary
		Arsalan Ul Haq Khan	Head of Sales
Jason Avancena		Business Excellence Officer – Infant Nutrition	
Babar Hussain Khan		Business Executive Officer - Juices	
Bruno Boris Olierhoek		Managing Director	
Fuad Saqib Ghazanfar		Business Executive Officer - Food, Coffee, CPW	
Haseeb Aslam		Business Executive Officer - Family Dairy	
Humaira Ashar		Market Innovation Lead	
John Michael Davis		Head of Finance and Controls	
Khurram Zia		Business Executive Officer - Nestlé Waters Pakistan	
Muhammad Nauman Khan		Business Executive Officer - Nestlé Professional	
Naveed Ahmad Khan		Head of Technical	
Rustem Oguz	Head of Supply Chain		
Samra Maqbool	Head of Communication and Marketing Services		
Sheikh Waqar Ahmad	Head of Corporate Affairs		
Syeda Nausheen Iqbal Jaffery	Market Business Excellence Manager		
Usman Iqbal Bhatti	Business Executive Officer - Dairy Nutrition Solution		

**Registered & Corporate Office**  
308 – Upper Mall, Lahore – 54000, Pakistan.  
PABX : (042) 111 637 853  
Fax : (042) 35789303 - 4

**Corporate Office Annex**  
304 – Upper Mall, Lahore – 54000, Pakistan.  
309 – Upper Mall, Lahore – 54000, Pakistan.  
309-A – Upper Mall, Lahore – 54000, Pakistan.



### Factories

**Sheikhupura**  
29 Kilometer, Lahore – Sheikhupura Road  
Sheikhupura, Punjab, Pakistan.  
Phone: (056) 3406615 - 25

**Kabirwala**  
10 Kilometer, Khanewal - Kabirwala Road, Kabirwala  
District Khanewal, Punjab, Pakistan.  
Phone: (065) 111 637 853 Fax: (065) 2411432

**Karachi**  
Plot No. A – 23, North Western Industrial Zone,  
Port Qasim, Karachi, Pakistan.  
Phone: (021) 34720151-4

**Islamabad**  
Plot No. 32, Sector (I-10/3), Industrial Area,  
Islamabad, Pakistan.  
Phone: (051) 4445997

### Auditors

KPMG Taseer Hadi & Co. (Chartered Accountants)

### Share Registrar / Transfer Agent

Share Registrar Department  
Central Depository Company of Pakistan Limited  
CDC-House, 99-B, Block-B, SMCHS, Main Shahra – e- Faisal

Karachi-74400, Tel: Customer Support Services  
(Toll Free) 0800-CDCPL(23275)  
Fax: (92-21) 34326053 E-mail: info@cdcpak.com  
website: www.cdcpakistan.com

Public dealings: : Monday to Friday: 09:00 am to 07:00 pm  
Saturday: 09:00 am to 01:00 pm

### Legal Advisor

Chima & Ibrahim  
Advocates Corporate Counsel

### Bankers

**Conventional banking relations**  
Allied Bank Limited  
Citibank N.A  
Deutsche Bank A.G.  
Habib Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited  
Tameer Microfinance Bank Limited

**Islamic banking relations**  
Meezan Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Habib Bank Limited

[www.nestle.pk](http://www.nestle.pk)



# Nestlé

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