

Financial information for the six months
period ended June 30, 2018



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, 2018.

We are pleased with our continued momentum on sales and brand fundamentals, despite macro-economic challenges arising from widening current account deficit and declining foreign reserves. In order to improve situation the Government took various measures including currency devaluation and enhancement of import duties. These measures along with rising material costs and fuel prices had negatively impacted our profit for H1 2018 compared to same period of last year.

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

	Jan – Jun 2018 PKR Million	Jan – Jun 2017 PKR Million	Change
Sales	64,568	61,941	+ 4.2%
Gross Profit	22,392	23,717	- 5.6%
% of sales	34.7%	38.3%	
Operating Profit	10,866	12,881	- 15.6%
% of sales	16.8%	20.8%	
Net Profit after tax	6,260	7,934	- 21.1%
% of sales	9.7%	12.8%	
Earnings per share	138.03	174.95	- 21.1%

Sales:

The sales revenue grew by PKR 2.6 billion, yielded a growth of +4.2% driven by pricing.

Gross Profit:

We delivered a Gross Margin of 34.7% (-360 bps). The major factors behind Gross Margin decline were, increased import duties, rising commodity prices and currency devaluation.

Operating Profit:

We delivered an Operating Profit of 16.8% (-400 bps). The drop is mainly due to reduction in gross profit.

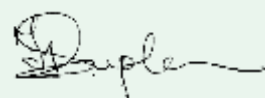
Net Profit after tax:

Our Net Profit after tax stood at PKR 6.3 billion.

Future Outlook:

Despite macroeconomic challenges, currency risk and input cost increases we continue to maintain a positive outlook on the back of strong Brand Equity, consumer centric innovations and optimization of our value chain through Nestlé Continuous Excellence (NCE).

For and on behalf
of the Board of Directors



FREDA DUPLAN
Chief Executive

Lahore: August 16, 2018



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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Nestlé Pakistan Limited** ("the Company") as at June 30, 2018 and the related condensed interim statement of profit and loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 interim financial statements 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.

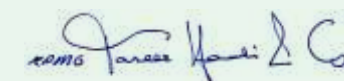
Conclusion

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

Other Matter

The figures for the quarter ended June 30, 2018 and June 30, 2017 in the condensed interim statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Kamran Iqbal Yousafi.



Lahore
Date: August 16, 2018

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position As at June 30, 2018 (Un-audited)

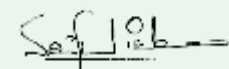
	Note	(Un-audited) Jun. 30, 2018	(Audited) Dec. 31, 2017
(Rupees in thousand)			
Non-current assets			
Property, plant and equipment	Q	30,361,227	28,734,507
Capital work-in-progress		1,967,912	4,059,585
Intangible assets		19,498	23,532
Long term loans and advances		339,627	367,359
Long term deposits and prepayments		47,792	36,147
		32,736,056	33,221,130
Current assets			
Stores and spares		1,873,666	1,769,987
Stock in trade		21,507,505	15,358,288
Trade debts		3,284,362	781,116
Current portion of long term loans and advances		130,070	135,248
Sales tax refundable - net		3,940,210	4,477,768
Advances, deposits, prepayments and other receivables		5,177,230	1,268,098
Cash and bank balances		1,743,697	1,333,984
		37,656,740	25,124,489
Current liabilities			
Current portion of long term finances		212,672	116,343
Short term borrowings - secured		11,700,000	11,845,986
Short term running finance under markup arrangements - secured		5,341,728	513,908
Customer security deposits - interest free		268,539	260,369
Unclaimed dividend		26,257	26,718
Income tax - net		1,496,220	1,150,297
Trade and other payables		30,700,009	26,205,218
Interest and mark-up accrued		172,275	146,856
		49,917,700	40,265,695
Net working capital		(12,260,960)	(15,141,206)
Total capital employed		20,475,096	18,079,924
Long term and deferred liabilities			
Long term finances - secured		9,178,242	9,291,755
Deferred taxation		2,330,564	2,493,067
Retirement benefits		1,708,528	1,660,762
		13,217,334	13,445,584
Contingencies and commitments			
Net assets	R	7,257,762	4,634,340



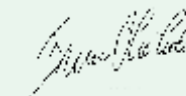
Financed by: Share capital and reserves

	(Un-audited) Jun. 30, 2018	(Audited) Dec. 31, 2017
(Rupees in thousand)		
Authorized capital 75,000,000 (December 31, 2017: 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	-	8,357
Accumulated profit	6,274,739	3,642,960
	7,257,762	4,634,340

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



SYED SAIFUL ISLAM
Chief Financial Officer



BRUNO BORIS OLIERHOEK
Chief Executive



SYED YAWAR ALI
Chairman



Condensed Interim Statement of Profit or Loss For the six months period ended June 30, 2018 (Un-audited)

	Six months ended		Three months ended	
	Jun. 30, 2018	Jun. 30, 2017	Jun. 30, 2018	Jun. 30, 2017
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	64,567,801	61,941,060	31,710,952	31,524,123
Cost of goods sold	(42,175,969)	(38,223,982)	(20,515,173)	(19,227,420)
Gross profit	22,391,832	23,717,078	11,195,779	12,296,703
Distribution and selling expenses	(9,843,421)	(9,419,774)	(4,928,763)	(5,035,256)
Administration expenses	(1,662,179)	(1,415,814)	(774,784)	(649,073)
	(11,505,600)	(10,835,588)	(5,703,547)	(5,684,329)
Operating profit	10,886,232	12,881,490	5,492,232	6,612,374
Finance cost	(795,416)	(477,229)	(439,884)	(281,838)
Other operating expenses	(848,843)	(976,567)	(436,554)	(508,338)
	(1,644,259)	(1,453,796)	(876,438)	(790,176)
Other income	120,562	148,934	52,228	103,765
Profit before taxation	9,362,535	11,576,628	4,668,022	5,925,963
Taxation	(3,102,789)	(3,642,931)	(1,797,269)	(2,092,567)
Profit after taxation	6,259,746	7,933,697	2,870,753	3,833,396
Earnings per share – basic and diluted (Rupees)	138.03	174.95	63.30	84.53

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

SYED SAIFUL ISLAM
Chief Financial Officer

BRUNO BORIS OLIERHOEK
Chief Executive

SYED YAWAR ALI
Chairman



Condensed Interim Statement of Other Comprehensive Income For the six months period ended June 30, 2018 (Un-audited)

	Six months ended		Three months ended	
	Jun. 30, 2018	Jun. 30, 2017	Jun. 30, 2018	Jun. 30, 2017
	(Rupees in thousand)		(Rupees in thousand)	
Profit after taxation	6,259,746	7,933,697	2,870,753	3,833,396
Other comprehensive income				
<i>Items that are or may be classified subsequently to profit or loss:</i>				
Cash flow hedges - effective portion of changes in fair value	(17,139)	9,189	(24,336)	(4,531)
Related tax	8,782	(2,572)	10,507	1,268
	(8,357)	6,617	(13,829)	(3,263)
Total comprehensive income for the period	6,251,389	7,940,314	2,856,924	3,830,133

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

SYED SAIFUL ISLAM
Chief Financial Officer

BRUNO BORIS OLIERHOEK
Chief Executive

SYED YAWAR ALI
Chairman



Condensed Interim Statement of Cash flows For the six months period ended June 30, 2018 (Un-audited)

	Note	Six months ended	
		Jun. 30, 2018	Jun. 30, 2017
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	6	5,013,834	5,353,939
Decrease / (increase) in long term loans and advances		32,910	(42,887)
Increase in customer security deposits - interest free		8,170	10,612
Increase in long term deposits and prepayments		(11,645)	(4,867)
Sales tax refundable - net		537,558	562,007
Retirement and other benefits paid		(245,356)	(206,710)
Worker's profit participation fund paid		(1,061,570)	-
Income taxes paid		(2,910,587)	(2,612,097)
Net cash generated from operating activities		1,363,314	3,059,997
Cash flow from investing activities			
Fixed capital expenditure		(1,272,607)	(1,172,022)
Sale proceeds of property, plant and equipment		52,781	125,880
Net cash used in investing activities		(1,219,826)	(1,046,142)
Cash flow from financing activities			
Long term finances - net		(17,184)	655,801
Finance cost paid		(769,997)	(405,120)
Short term borrowings - secured - net		(145,986)	6,500,000
Dividend paid		(3,628,428)	(7,703,733)
Net cash used in financing activities		(4,561,595)	(953,052)
Net (decrease) / increase in cash and cash equivalents		(4,418,107)	1,060,803
Cash and cash equivalents at beginning of the period		820,076	(1,659,953)
Cash and cash equivalents at end of the period	7	(3,598,031)	(599,151)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

SYED SAIFUL ISLAM
Chief Financial Officer

BRUNO BORIS OLIERHOEK
Chief Executive

SYED YAWAR ALI
Chairman



Condensed Interim Statement of Changes in Equity For the six months period ended June 30, 2018 (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, 2016 (audited)	453,496	249,527	(10,092)	280,000	7,839,121	8,812,052
Total comprehensive income for the period	-	-	-	-	7,933,697	7,933,697
Profit after tax	-	-	6,617	-	-	6,617
Cashflow hedges - effective portion of changes in fair value - net	-	-	6,617	-	7,933,697	7,940,314
Transactions with owners of the Company recognized directly in equity	-	-	-	-	(7,709,429)	(7,709,429)
Final dividend for the year ended December 31, 2016 (Rs. 170 per share)	-	-	-	-	-	-
Balance as at June 30, 2017 (un-audited)	453,496	249,527	(3,475)	280,000	8,063,389	9,042,937
Total comprehensive income for the period	-	-	-	-	6,708,085	6,708,085
Profit after tax	-	-	-	-	-	-
Cashflow hedges - effective portion of changes in fair value - net	-	-	11,832	-	-	11,832
Remeasurement loss on employee retirement benefits	-	-	-	-	(244,614)	(244,614)
	-	-	11,832	-	6,463,471	6,475,303

	Capital Reserves			Revenue Reserves		Total
	Share capital	Share premium	Hedging reserve	General reserve	Accumulated profits	
	(Rupees in thousand)					
Interim dividend for the six months period ended June 30, 2017 (Rs. 170 per share)	-	-	-	-	(7,709,429)	(7,709,429)
Interim dividend for the nine months period ended September 30, 2017 (Rs. 70 per share)	-	-	-	-	(3,174,471)	(3,174,471)
Balance as at December 31, 2017 (audited)	453,496	249,527	8,357	280,000	3,642,960	4,634,340
Profit after tax	-	-	-	-	6,259,746	6,259,746
Cashflow hedges - effective portion of changes in fair value - net	-	-	(8,357)	-	-	(8,357)
Transactions with owners of the Company recognized directly in equity	-	-	(8,357)	-	6,259,746	6,251,389
Final dividend for the year ended December 31, 2017 (Rs. 80 per share)	-	-	-	-	(3,627,967)	(3,627,967)
Balance as at June 30, 2018 (un-audited)	453,496	249,527	-	280,000	6,274,739	7,257,762

Interim dividend for the six months period ended June 30, 2017 (Rs. 170 per share)
Interim dividend for the nine months period ended September 30, 2017 (Rs. 70 per share)

Balance as at December 31, 2017 (audited)

Profit after tax
Cashflow hedges - effective portion of changes in fair value - net

Transactions with owners of the Company recognized directly in equity
Final dividend for the year ended December 31, 2017 (Rs. 80 per share)

Balance as at June 30, 2018 (un-audited)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

SYED SAIFUL ISLAM
Chief Financial Officer

BRUNO BORIS OLIERHOEK
Chief Executive

SYED YAWAR ALI
Chairman

Notes to the Condensed Interim Financial Information For the six months period ended June 30, 2018 (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. Following are the factories and their respective locations:

Factories	Address
Sheikhupura	29-km Lahore - Sheikhupura Road, Sheikhupura, Pakistan.
Kabirwala	10-km, Khanewal Road, Kabirwala, District Kabirwala, Pakistan.
Islamabad	Plot No. 32, Street No. 3, Sector I-10/3, Industrial Area Islamabad, Pakistan.
Karachi	Plot No. A23, North Western Industrial Area, Port Qasim Karachi, Pakistan.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at 30 June 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements are unaudited but subject to limited scope review by external auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do 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 31 December 2017. 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.



Effective 01 January 2018, the provisions of the Companies Act, 2017 relating to the preparation of the financial statements have become applicable. However, there is no major impact of these provisions on the Company's condensed interim financial statements.

2.2 Judgments and estimates

The preparation of condensed interim financial statements 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 these condensed interim financial statements, 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 31 December 2017.

3. Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended 31 December 2017.

3.2 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Standard or interpretation	Effective date (accounting periods beginning on or after)
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
IFRS 15 - Revenue from Contract with Customer	01 July 2018
Amendment to IFRS 9 - Prepayment Features with Negative Compensation	01 July 2018
Amendment to IAS 28 - Long Term Interests in Associates and Joint Ventures	01 January 2019
Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	01 January 2019
IAS - 19 Employee Benefits	01 January 2019
IFRS - 16 Leases	01 January 2019



(Un-audited) (Audited)
Jun. 30, Dec. 31,
2018 2017
(Rupees in thousand)

4. Property, plant and equipment

Opening balance - net book value	28,734,508	28,046,124
Additions during the period / year	3,364,279	4,225,249
	32,098,787	32,271,374
Book value of property, plant and equipment disposed / scrapped during the period / year	(25,943)	(131,032)
Depreciation charged during the period / year	(1,726,398)	(3,374,551)
Reversal of Impairment charged / impairment charged for the period / year	14,781	(31,283)
Closing balance - net book value	30,361,227	28,734,507

5. Contingencies and commitments

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

5.2 Guarantees

Outstanding guarantees	230,536	213,023
Un-utilized portion of limits with banks	822,463	586,976

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:

	(Un-audited) Jun. 30, 2018	(Audited) Dec. 31, 2017
Not later than one year	-	9,832
Later than one year but not later than five years	-	-
	-	9,832
5.3.2 Commitments in respect of capital expenditure	2,067,060	1,036,443

5.4 Letters of credit

Outstanding letters of credit	10,598,806	6,478,488
Un-utilized portion of limits with banks	4,360,694	7,949,052



(Un-audited) (Un-Audited)
Jun. 30, Jun. 30,
2018 2017
(Rupees in thousand)

6. Cash generated from operations

Profit before taxation	9,362,535	11,576,628
Adjustment for non-cash items:		
Depreciation on property, plant and equipment	1,726,398	1,667,539
Amortization of intangible assets	4,034	4,034
Reversal of provision for stock in trade	-	(16,677)
Provision for obsolete stores and spares	89,432	81,955
Provision for Workers' Profit Participation Fund	502,335	620,347
Provision for Workers' Welfare Fund	181,823	209,967
Gain on disposal of property, plant and equipment	(26,838)	(62,072)
Reversal of impairment charge	(14,781)	-
Retirement and other benefits	293,122	126,756
Finance cost	795,416	477,229
Profit before working capital changes	12,913,476	14,685,706
Effect on cash flow due to working capital changes		
Increase in current assets:		
Stores and spares	(193,111)	(140,554)
Stock in trade	(6,149,217)	(5,923,599)
Trade debts	(2,503,246)	(681,665)
Advances, deposits, prepayments and other receivables	(3,926,357)	(2,562,290)
Increase / (decrease) in current liabilities:		
Trade and other payables	4,872,289	(23,659)
Net increase in working capital	(7,899,642)	(9,331,767)
Cash generated from operations	5,013,834	5,353,939

7. Cash and cash equivalents

Cash and bank balances	1,743,697	567,706
Short term running finances - secured	(5,341,728)	(1,166,857)
	(3,598,031)	(599,151)

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) Jun. 30, 2018	(Un-audited) Jun. 30, 2017
	(Rupees in thousand)	
Associated companies:		
Royalty and technical assistance fee	2,013,274	1,761,112
Purchase of assets, goods, services, rental and reimbursable expense	8,393,593	7,758,860
Sales of goods	1,226,735	33,514
Insurance claims received	9,047	22,480
Donations	-	2,500
Other related parties		
Contribution paid to staff retirement benefit plan	432,937	362,219
Remuneration to key management personnel	259,955	225,201

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.

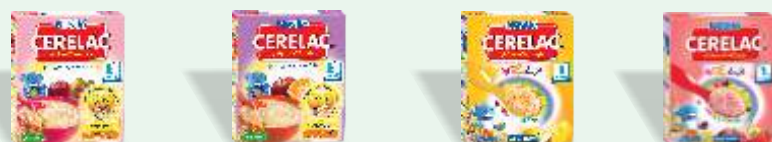
Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

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 30 June 2018 (Un-audited)

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
Sales				
External sales	47,940,957	16,232,077	394,767	64,567,801
Inter-segment sales	-	-	-	-
Total revenue	47,940,957	16,232,077	394,767	64,567,801
Depreciation and amortization	1,258,570	437,049	30,779	1,726,398
Operating profit before tax and unallocated expenses	9,363,880	1,688,935	(166,583)	10,886,232
Unallocated corporate expenses:				
Finance cost				(795,416)
Other operating expenses				(848,843)
Other income				120,562
Taxation				(3,102,789)
Profit after taxation				6,259,746

Segment analysis for the six months ended 30 June 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	36,008	1,671,573
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

Reportable segment assets and liabilities

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
As at June 30, 2018 (Un-audited)				
Segment assets	43,594,457	14,735,563	684,149	59,014,169
Unallocated assets				11,378,627
Total assets				70,392,796
Segment liabilities	22,952,581	8,039,930	189,002	31,181,512
Unallocated liabilities				31,953,522
Total liabilities				63,135,034
As at December 31, 2017 (Audited)				
Segment assets	35,876,654	14,296,431	508,219	50,681,304
Unallocated assets				7,664,315
Total assets				58,345,619
Segment liabilities	20,555,771	6,056,985	170,701	26,783,457
Unallocated liabilities				26,927,822
Total liabilities				53,711,279

(Un-audited)
Jun. 30,
2018
(Rupees in thousand)

(Un-audited)
Jun. 30,
2017

9.2 Geographical segments

Sales are made by the company in the following countries:

Pakistan	63,261,039	59,350,503
Afghanistan	1,163,096	2,497,829
Other countries	143,666	92,728
	64,567,801	61,941,060

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 31 December 2017.

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 31 December 2017.

11. Date of authorization for issue

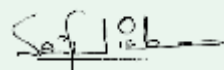
These un-audited condensed interim financial statements were authorized for issue on August 16, 2018 by the Board of Directors.

12. Dividend

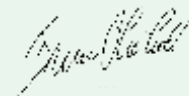
The Board of Directors in their meeting held on August 16, 2018 have proposed an interim cash dividend for the six months period ended 30 June 2018 of Rs. 110 (30 June 2017: Rs. 170) per share, amounting to Rs. 4,988.45 (30 June 2017 : Rs. 7,709.43 million). These condensed interim financial statements do not reflect the effect of this dividend.

13. General

These condensed interim financial statements are presented in Pakistani rupees which is the Company's functional currency and the figures have been rounded off to the nearest thousand rupees.



SYED SAIFUL ISLAM
Chief Financial Officer



BRUNO BORIS OLIERHOEK
Chief Executive



SYED YAWAR ALI
Chairman

COMPANY INFORMATION

Board of Directors

Syed Yawar Ali	Chairman
Bruno Boris Olierhoek	Chief Executive / Managing Director
Syed Babar Ali	Director
Syed Hyder Ali	Director
Osman Khalid Waheed	Director
Syed Saiful Islam	Director
Juan Jose Aranols Campillo	Director
Naveed Ahmad Khan	Director
John Martin Miller	Director

Company Secretary

Ali Sadozai	General Counsel
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Management

Abdullah Jawaid Ahmad	Business Excellence Officer - Nestlé Professional
Akmal Saeed	Head of Human Resources
Ali Sadozai	Head of Legal Affairs & Company Secretary
Babar Hussain Khan	Head of Sales
Jason Avancena	Business Excellence Officer – Infant Nutrition
Bruno Boris Olierhoek	Managing Director
Fuad Saqib Ghazanfar	Business Executive Officer - Beverages, Culinary, CPW
Haseeb Aslam	Business Executive Officer - Family Dairy
Humaira Ashar	Market Innovation Lead
Syed Saiful Islam	Head of Finance and Controls
Khurram Zia	Business Executive Officer - Nestlé Waters Pakistan
Amr Rehan	Head of Technical
Ali Akbar	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**

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



Nestlé

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308 – Upper Mall, Lahore, Pakistan.
Tel: +92 42 111 637 853 Fax: +92 42 35789303