

Financial information for the three months  
period ended March 31, 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 first quarter report along with the condensed interim financial information of the company for the three months period ended March 31, 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 Q1 2018 compared to same period of last year.

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

|                      | Jan – Mar<br>2016<br>PKR Million | Jan – Mar<br>2017<br>PKR Million | Change  |
|----------------------|----------------------------------|----------------------------------|---------|
| Sales                | 32,857                           | 30,417                           | 8.0%    |
| Gross Profit         | 11,196                           | 11,420                           | - 2.0%  |
| % of sales           | 34.1%                            | 37.5%                            |         |
| Operating Profit     | 5,394                            | 6,269                            | - 14.0% |
| % of sales           | 16.4%                            | 20.6%                            |         |
| Net Profit after tax | 3,389                            | 4,100                            | - 17.3% |
| % of sales           | 10.3%                            | 13.5%                            |         |
| Earnings per share   | 74.73                            | 90.42                            | - 17.3% |

**Sales:**  
The sales revenue grew by PKR 2.4 billion, yielded a growth of +8% largely driven by volume and pricing.

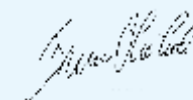
**Gross Profit:**  
We delivered a Gross Margin of 34.1% (-340 bps). The major factors behind Gross Margin decline were, increased import duties, rising commodity prices and currency devaluation.

**Operating Profit:**  
We delivered an Operating Profit of 16.4% (-420 bps). The impact behind the decline was reduction in gross profit, increase in the fuel prices and higher investments behind the brands.

**Net Profit after tax:**  
Our Net Profit after tax stood at PKR 3.4 billion.

**Future Outlook:**  
We continue to have a positive outlook on growth and earnings, despite macroeconomic challenges, currency risk and commodities cost increase.

For and on behalf  
of the Board of Directors



BRUNO BORIS OLIERHOEK  
Chief Executive

Lahore: April 16, 2018



## Condensed Interim Statement of Financial Position As at March 31, 2018 (Un-audited)

|  | Note | (Un-audited)<br>Mar. 31,<br>2018<br>(Rupees in thousand) | (Audited)<br>Dec. 31,<br>2017 |
|--|------|--|-------------------------------|
| <b>Non-current assets</b>                                      |      |  |                               |
| Property, plant and equipment                                  | 4    | 29,220,025   | 28,734,507                    |
| Capital work-in-progress                                       |      | 3,226,925  | 4,059,585                     |
| Intangible assets  |      | 21,515   | 23,532                        |
| Long term loans and advances                                   |      | 357,760  | 367,359                       |
| Long term deposits and prepayments                             |      | 48,448   | 36,147                        |
|  |      | <b>32,874,673</b>  | <b>33,221,130</b>             |
| <b>Current assets</b>  |      |  |                               |
| Stores and spares  |      | 1,692,202  | 1,769,987                     |
| Stock in trade   |      | 18,489,528   | 15,358,288                    |
| Trade debts  |      | 3,503,405  | 781,116                       |
| Current portion of long term loans and advances                |      | 129,162  | 135,248                       |
| Advances, deposits, prepayments and other receivables          |      | 5,826,647  | 5,745,866                     |
| Cash and bank balances   |      | 1,718,694  | 1,333,984                     |
|  |      | <b>31,359,638</b>  | <b>25,124,489</b>             |
| <b>Current liabilities</b>                                     |      |  |                               |
| Current portion of long term finances                          |      | 164,350  | 116,343                       |
| Short term borrowings - secured                                |      | 11,445,986   | 11,845,986                    |
| Short term running finance under markup arrangements - secured |      | 3,095,384  | 513,908                       |
| Customer security deposits - interest free                     |      | 261,885  | 260,369                       |
| Trade and other payables                                       |      | 27,791,308   | 27,355,517                    |
| Unclaimed dividend   |      | 25,672   | 26,716                        |
| Interest and mark-up accrued                                   |      | 72,007   | 146,856                       |
|  |      | <b>42,856,592</b>  | <b>40,265,695</b>             |
| <b>Net working capital</b>                                     |      | <b>(11,496,954)</b>                                      | <b>(15,141,206)</b>           |
| <b>Total capital employed</b>                                  |      | <b>21,377,719</b>  | <b>18,079,924</b>             |
| <b>Long term and deferred liabilities</b>                      |      |  |                               |
| Long term finances   |      | 9,243,748  | 9,291,755                     |
| Deferred taxation  |      | 2,405,596  | 2,493,067                     |
| Retirement benefits  |      | 1,699,570  | 1,660,762                     |
|  |      | <b>13,348,914</b>  | <b>13,445,584</b>             |
| <b>Contingencies and commitments</b>                           | 5    |  |                               |
| <b>Net assets</b>  |      | <b>8,028,805</b>   | <b>4,634,340</b>              |



### Financed by: Share capital and reserves

|  | (Un-audited)<br>Mar. 31,<br>2018<br>(Rupees in thousand) | (Audited)<br>Dec. 31,<br>2017 |
|--|--|-------------------------------|
| Authorized capital<br>75,000,000 (2017: 75,000,000) ordinary<br>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  | 13,829   | 8,357                         |
| Accumulated profit   | 7,031,953  | 3,642,960                     |
|  | <b>8,028,805</b>   | <b>4,634,340</b>              |

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

**SYED SAIFUL ISLAM**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

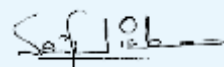
**SYED YAWAR ALI**  
Chairman



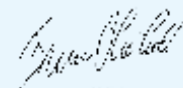
## Condensed Interim Statement of Profit and Loss For the three months period ended March 31, 2018 (Un-audited)

|   | Mar. 31,<br>2018     | Mar. 31,<br>2017  |
|---|----------------------|-------------------|
|   | (Rupees in thousand) |                   |
| Sales - net                                     | 32,856,849           | 30,416,937        |
| Cost of goods sold                              | (21,660,796)         | (18,996,562)      |
| <b>Gross profit</b>                             | <b>11,196,053</b>    | <b>11,420,375</b> |
| Distribution and selling expenses               | (4,914,658)          | (4,384,518)       |
| Administration expenses                         | (887,395)            | (766,741)         |
|   | (5,802,053)          | (5,151,259)       |
| <b>Operating profit</b>                         | <b>5,394,000</b>     | <b>6,269,116</b>  |
| Finance cost                                    | (355,532)            | (195,391)         |
| Other operating expenses                        | (412,289)            | (468,229)         |
|   | (767,821)            | (663,620)         |
| Other income                                    | 68,334               | 45,169            |
| <b>Profit before taxation</b>                   | <b>4,694,513</b>     | <b>5,650,665</b>  |
| Taxation  | (1,305,520)          | (1,550,364)       |
| <b>Profit after taxation</b>                    | <b>3,388,993</b>     | <b>4,100,301</b>  |
| Earnings per share – basic and diluted (Rupees) | 74.73                | 90.42             |

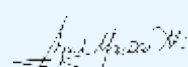
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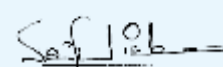
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Chairman



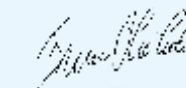
## Condensed Interim Statement of Other Comprehensive Income For the three months period ended March 31, 2018 (Un-audited)

|  | Mar. 31,<br>2017     | Mar. 31,<br>2016 |
|--|----------------------|------------------|
|  | (Rupees in thousand) |                  |
| <b>Profit after taxation</b>   | 3,388,993            | 4,100,301        |
| <b>Other comprehensive income:</b><br><i>Items that are or may be classified subsequently to profit or loss:</i> |                      |                  |
| Cash flow hedges - effective portion of changes in fair value  | 7,197                | 13,720           |
| Related tax  | (1,725)              | (3,840)          |
|  | 5,472                | 9,880            |
| <b>Total comprehensive income for the period</b>   | <b>3,394,465</b>     | <b>4,110,181</b> |

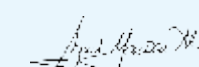
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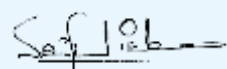
**SYED YAWAR ALI**  
Chairman



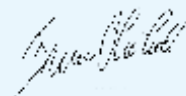
## Condensed Interim Statement of Cashflows For the three months period ended March 31, 2018 (Un-audited)

|   | Note | Mar. 31,<br>2018 | Mar. 31,<br>2017   |
|---|------|------------------|--------------------|
| (Rupees in thousand)  |      |                  |                    |
| <b>Cash flow from operating activities</b>                      |      |                  |                    |
| Cash generated from operations                                  | 6    | 1,400,165        | (643,373)          |
| Decrease / (increase) in long term loans and advances           |      | 15,685           | (27,629)           |
| (Increase) in long term deposits and prepayments                |      | (12,301)         | (532)              |
| Increase in customer security deposits - interest free          |      | 1,516            | 2,077              |
| Retirement and other benefits paid                              |      | (108,481)        | (99,930)           |
| Worker's profit participation fund paid                         |      | (1,061,829)      | -                  |
| Income taxes paid   |      | (1,121,565)      | (1,342,557)        |
| <b>Net cash used in operating activities</b>                    |      | <b>(886,810)</b> | <b>(2,111,944)</b> |
| <b>Cash flow from investing activities</b>                      |      |                  |                    |
| Fixed capital expenditure                                       |      | (518,053)        | (324,424)          |
| Sale proceeds of property, plant and equipment                  |      | 39,521           | 25,631             |
| <b>Net cash used in investing activities</b>                    |      | <b>(478,532)</b> | <b>(298,793)</b>   |
| <b>Cash flow from financing activities</b>                      |      |                  |                    |
| Long term finances - net  |      | -                | 384,054            |
| Short term borrowings - net                                     |      | (400,000)        | 1,000,000          |
| Finance cost paid   |      | (430,381)        | (187,164)          |
| Dividend paid   |      | (1,043)          | (139)              |
| <b>Net cash (used in) / generated from financing activities</b> |      | <b>(831,424)</b> | <b>1,196,751</b>   |
| Net decrease in cash and cash equivalents                       |      | (2,196,766)      | (1,213,986)        |
| Cash and cash equivalents at beginning of the period            |      | 820,076          | (1,659,953)        |
| Cash and cash equivalents at end of the period                  | 7    | (1,376,690)      | (2,873,939)        |

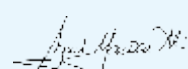
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Head of Finance & Control



**BRUNO BORIS OLIERHOEK**  
Chief Executive



**SYED YAWAR ALI**  
Chairman



## Condensed Interim Statement of Changes in Equity For the three months period ended March 31, 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   | -                    | -             | -               | -                | 4,100,301           | 4,100,301    |
| Profit after tax  | -                    | -             | 9,880           | -                | -                   | 9,880        |
| Cashflow hedges - effective portion of changes in fair value - net                      | -                    | -             | 9,880           | -                | -                   | 9,880        |
| Balance as at March 31, 2017 (un-audited)   | 453,496              | 249,527       | (212)           | 280,000          | 11,939,422          | 12,922,233   |
| 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)                 | -                    | -             | -               | -                | (7,709,429)         | (7,709,429)  |
| Interim dividend for the six months period ended June 30, 2017 (Rs. 170 per share)      | -                    | -             | -               | -                | (3,174,471)         | (3,174,471)  |
| Interim dividend for the nine months period ended September 30, 2017 (Rs. 70 per share) | -                    | -             | -               | -                | (18,593,329)        | (18,593,329) |

|  | Capital Reserves     |               |                 | Revenue Reserves |                     | Total        |
|--|----------------------|---------------|-----------------|------------------|---------------------|--------------|
|  | Share capital        | Share premium | Hedging reserve | General reserve  | Accumulated profits |              |
|  | (Rupees in thousand) |               |                 |                  |                     |              |
| <i>Total comprehensive income for the period</i>                   | -                    | -             | -               | -                | (18,593,329)        | (18,593,329) |
| Profit after tax   | -                    | -             | -               | -                | 10,541,481          | 10,541,481   |
| Cashflow hedges - effective portion of changes in fair value - net | -                    | -             | 8,569           | -                | -                   | 8,569        |
| Remeasurement of net retirement benefits liability (net of tax)    | -                    | -             | -               | -                | (244,614)           | (244,614)    |
| Balance as at December 31, 2017 (audited)                          | 453,496              | 249,527       | 8,357           | 280,000          | 10,296,867          | 10,305,436   |
| <i>Total comprehensive income for the period</i>                   | -                    | -             | -               | -                | 3,388,993           | 3,388,993    |
| Profit after tax   | -                    | -             | 5,472           | -                | -                   | 5,472        |
| Cashflow hedges - effective portion of changes in fair value - net | -                    | -             | 5,472           | -                | -                   | 5,472        |
| Balance as at March 31, 2018 (un-audited)                          | 453,496              | 249,527       | 13,829          | 280,000          | 7,031,953           | 8,028,805    |

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

**SYED SAIFUL ISLAM**  
Head of Finance & Control

**BRUNO BORIS OLIERHOEK**  
Chief Executive

**SYED YAWAR ALI**  
Chairman

## Notes to the Condensed Interim Financial Information

### For the three months period ended March 31, 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 and beverages 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 statements 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; and
- Provision of and directives issued under 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.

##### 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 31 December 2017.

#### 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 31 December 2017.
- 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 01 January 2018, as mentioned in the financial statements for the year ended 31 December 2017.



**(Un-audited) (Audited)**  
**Mar. 31, Dec. 31,**  
**2018 2017**  
**(Rupees in thousand)**

#### 4. Property, plant and equipment

|  |                   |                   |
|--|-------------------|-------------------|
| Opening balance - net book value   | 28,734,507        | 28,046,124        |
| Additions during the period / year   | 1,350,712         | 4,225,248         |
|  | <u>30,085,19</u>  | <u>32,271,372</u> |
| Book value of property, plant and equipment disposed / scrapped during the period / year | (20,111)          | (131,032)         |
| Depreciation charged during the period / year  | (859,864)         | (3,374,550)       |
| Impairment reversed / (charged) during the period / year                                 | 14,781            | (31,283)          |
| Closing balance - net book value   | <u>29,220,025</u> | <u>28,734,507</u> |

#### 5. Contingencies and commitments

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

##### 5.2 Guarantees

|  |                |                |
|--|----------------|----------------|
| Outstanding guarantees                   | 334,242        | 213,023        |
| Un-utilized portion of limits with banks | <u>718,759</u> | <u>586,976</u> |

##### 5.3 Commitments

5.3.1 Commitments in respect of capital expenditure

1,301,467

1,036,443

##### 5.4 Letters of credit

|  |                  |                  |
|--|------------------|------------------|
| Outstanding letters of credit            | 9,860,402        | 6,478,488        |
| Un-utilized portion of limits with banks | <u>3,748,628</u> | <u>7,949,052</u> |



**(Un-audited) (Un-Audited)**  
**Mar. 31, Mar. 31,**  
**2018 2017**  
**(Rupees in thousand)**

#### 6. Cash generated from operations

|   |                    |                    |
|---|--------------------|--------------------|
| Profit before taxation  | 4,694,513          | 5,650,665          |
| Adjustment for non-cash items:  |                    |                    |
| Depreciation on property, plant and equipment   | 859,865            | 836,183            |
| Amortization of intangible assets   | 2,017              | 2,017              |
| (Reversal of)/ provision for stock in trade   | -                  | (7,819)            |
| Provision for obsolete stores and spares  | 89,432             | 81,955             |
| Provision for workers' profit participation fund  | 252,245            | 303,184            |
| Provision for workers' welfare fund   | 98,142             | 109,840            |
| Gain on disposal of property, plant and equipment   | (19,410)           | (6,244)            |
| Reversal of impairment on property, plant and equipment                                     | (14,781)           | -                  |
| Unrealized exchange loss  | 11,686             | 19,705             |
| Retirement and other benefits   | 147,289            | 131,155            |
| Finance cost  | 355,532            | 195,392            |
| Profit before working capital changes   | <u>6,476,530</u>   | <u>7,316,033</u>   |
| Effect on cash flow due to working capital changes (Increase) / decrease in current assets: |                    |                    |
| Stores and spares   | (11,647)           | (126,703)          |
| Stock in trade  | (3,131,240)        | (4,342,374)        |
| Trade debts   | (2,722,290)        | (1,395,651)        |
| Advances, deposits, prepayments and other receivables                                       | (73,671)           | (1,232,544)        |
| Increase / (decrease) in current liabilities:   |                    |                    |
| Trade and other payables  | 862,483            | (862,134)          |
|   | <u>(5,076,365)</u> | <u>(7,959,406)</u> |
|   | <u>1,400,165</u>   | <u>(643,373)</u>   |

#### 7. Cash and cash equivalents

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Cash and bank balances                | 1,718,694          | 251,430            |
| Short term running finances - secured | (3,095,384)        | (3,125,369)        |
|                                       | <u>(1,376,690)</u> | <u>(2,873,939)</u> |





## 8. Transactions with related parties

The related parties comprise of associated companies, other related companies, key management personnel and employees retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows

|  | (Un-audited)<br>Mar. 31,<br>2018<br>(Rupees in thousand) | (Un-audited)<br>Mar. 31,<br>2017<br>(Rupees in thousand) |
|--|--|--|
| Associated companies:                              |  |  |
| Royalty and technical assistance fee               | 952,321  | 924,391  |
| Purchase of assets, goods, services, rental        | 4,543,960  | 4,375,784  |
| Sales of goods                                     | 644,534  | 14,314   |
| Insurance claims received                          | 4,607  | 5,149  |
| Other related parties                              |  |  |
| Contribution paid to staff retirement benefit plan | 190,428  | 175,937  |
| Remuneration to key management personnel           | 152,406  | 146,430  |

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

## 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 three months ended March 31, 2018 (Un-audited)

|  | Milk & Nutrition<br>Products | Beverages | Other<br>Operations | Total       |
|--|------------------------------|-----------|---------------------|-------------|
|  | (Rupees in thousand)         |           |                     |             |
| Sales  |                              |           |                     |             |
| External sales                                       | 25,424,194                   | 7,219,366 | 213,289             | 32,856,849  |
| Inter-segment sales                                  | -                            | -         | -                   | -           |
| Total revenue  | 25,424,194                   | 7,219,366 | 213,289             | 32,856,849  |
| Depreciation and amortization                        | 633,745                      | 211,960   | 16,176              | 861,881     |
| Operating profit before tax and unallocated expenses | 4,835,524                    | 625,952   | (67,476)            | 5,394,000   |
| Unallocated corporate expenses:                      |                              |           |                     |             |
| Finance cost   |                              |           |                     | (355,532)   |
| Other operating expenses                             |                              |           |                     | (412,289)   |
| Other income   |                              |           |                     | 68,334      |
| Taxation   |                              |           |                     | (1,305,520) |
| Profit after taxation                                |                              |           |                     | 3,388,993   |

### Segment analysis for the three months ended March 31, 2017 (Un-audited)

|  | Milk & Nutrition<br>Products | Beverages | Other<br>Operations | Total       |
|--|------------------------------|-----------|---------------------|-------------|
|  | (Rupees in thousand)         |           |                     |             |
| Sales  |                              |           |                     |             |
| External sales                                       | 23,881,909                   | 6,304,498 | 230,530             | 30,416,937  |
| Inter-segment sales                                  | -                            | -         | -                   | -           |
| Total revenue  | 23,881,909                   | 6,304,498 | 230,530             | 30,416,937  |
| Depreciation and amortization                        | 591,602                      | 228,055   | 18,543              | 838,200     |
| Operating profit before tax and unallocated expenses | 5,312,407                    | 1,051,761 | (95,052)            | 6,269,116   |
| Unallocated corporate expenses:                      |                              |           |                     |             |
| Finance cost   |                              |           |                     | (195,391)   |
| Other operating expenses                             |                              |           |                     | (468,229)   |
| Other income   |                              |           |                     | 45,169      |
| Taxation   |                              |           |                     | (1,550,364) |
| Profit after taxation                                |                              |           |                     | 4,100,301   |



Reportable segment assets and liabilities

|                                   | Milk & Nutrition<br>Products | Beverages  | Other<br>Operations | Total      |
|-----------------------------------|------------------------------|------------|---------------------|------------|
| (Rupees in thousand)              |                              |            |                     |            |
| As at March 31, 2018 (Un-audited) |                              |            |                     |            |
| Segment assets                    | 39,959,096                   | 15,640,894 | 553,610             | 56,153,600 |
| Unallocated assets                |                              |            |                     | 8,080,711  |
| Total assets                      |                              |            |                     | 64,234,311 |
| Segment liabilities               | 21,504,546                   | 6,368,241  | 180,406             | 28,053,193 |
| Unallocated liabilities           |                              |            |                     | 28,152,313 |
| Total liabilities                 |                              |            |                     | 56,205,506 |
| 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) (Un-audited)**  
**Mar. 31, Mar. 31,**  
**2018 2017**  
**(Rupees in thousand)**

9.2 Geographical segments

Sales are made by the company in the following companies:

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| Pakistan        | 32,191,714        | 29,408,222        |
| Afghanistan     | 587,730           | 991,285           |
| Other countries | 77,405            | 17,430            |
|                 | <b>32,856,849</b> | <b>30,416,937</b> |

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**

This un-audited condensed interim financial information was authorized for issue on April 16, 2018 by the Board of Directors.

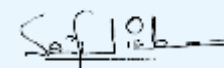
12. **Dividend**

The Board of Directors in their meeting held on April 16, 2018 have proposed an interim cash dividend for the three months period ended March 31, 2018 of Rs. Nil (March 31, 2017: Rs. Nil) per share, amounting to Rs. Nil (March 31, 2017 : Rs. Nil). This condensed interim financial information does not reflect this dividend.

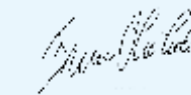
13. **General**

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.



**SYED SAIFUL ISLAM**  
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  |   |
|  | Syed Saiful Islam   | Director  |   |
| <b>Company Secretary</b>                 | Juan Jose Aranols Campillo  | Director  |   |
|  | Naveed Ahmad Khan   | Director  |   |
|  | John Martin Miller  | Director  |   |
|  | Ali Sadozai   | General Counsel                                     |   |
|  | <b>Management</b>   | Abdullah Jawaid Ahmad                               | Business Excellence Officer - Nestlé Professional |
|  |   | 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                              |   |
| 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   |   |   |
| <b>Registered &amp; Corporate Office</b> | 308 – Upper Mall, Lahore – 54000, Pakistan.<br>PABX : (042) 111 637 853<br>Fax : (042) 35789303 - 4   |   |   |
|  | <b>Corporate Office Annex</b>   |   |   |
|  | 304 – Upper Mall, Lahore – 54000, Pakistan.<br>309 – Upper Mall, Lahore – 54000, Pakistan.<br>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

