

Financial information for the nine months  
period ended September 30, 2018



**Nestlé**

Good Food, Good Life





# contents

Directors' Report to the Shareholders	3
Condensed Interim Statement of Financial Position	4
Condensed Interim Statement of Profit or Loss	6
Condensed Interim Statement of other Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	11
Company Information	19



Nestlé

## Directors' Report to the Shareholders

The Directors of the Company are pleased to submit the third quarter report along with the condensed interim financial information of the company for the nine months period ended September 30, 2018.

The company has recorded an increase in revenue of 1.8% for the period despite increasingly difficult economic conditions and competitive pressures. However, the operating profit has been impacted by higher input and energy costs resulting from forex devaluation and global increase in the prices of commodities.

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

	Jan – Sep 2018 PKR Million	Jan – Sep 2017 PKR Million	Change
Sales	94,086	92,395	+ 1.8%
Gross Profit	31,903	34,131	- 6.5%
% of sales	33.9%	36.9%	
Operating Profit	15,023	18,128	- 17.1%
% of sales	16.0%	19.6%	
Net Profit after tax	8,629	11,332	- 23.9%
% of sales	9.2%	12.3%	
Earnings per share	190.27	249.88	- 23.9%

### Sales:

The sales revenue grew by PKR 1.7 billion, yielded a growth of +1.8% driven by pricing.

### Gross Profit:

Gross Margin reported for the nine months was 33.9% (-300 bps vs. same period of last year). The major factors behind decline were higher input cost and energy prices, which could not be fully compensated by pricing.

### Operating Profit:

Operating Profit reported for the nine months was 16% (-360 bps). The drop is mainly resulting from reduction in gross

profit.

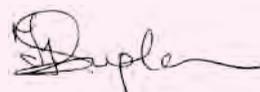
### Net Profit after tax:

Net Profit after tax stood at PKR 8.6 billion.

### Future Outlook:

Despite the uncertainties in the economy, the Company remains focused on meeting customer needs, through portfolio innovation and renovation and optimization of value chain to ensure sustainable profitable growth.

For and on behalf  
of the Board of Directors



FREDA YAHAN DUPLAN  
Chief Executive

Lahore: October 23, 2018



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

	Note	(Un-audited) Sep. 30, 2018	(Audited) Dec. 31, 2017
(Rupees in thousand)			
<b>Non-current assets</b>			
Property, plant and equipment	4	30,221,248	28,734,507
Capital work-in-progress		2,050,648	4,059,585
Intangible assets		17,481	23,532
Long term loans and advances		261,572	367,359
Long term deposits and prepayments		39,191	36,147
		<b>32,590,140</b>	<b>33,221,130</b>
<b>Current assets</b>			
Stores and spares		1,863,190	1,769,987
Stock-in-trade		20,149,115	15,358,288
Trade debts		1,920,077	781,116
Current portion of long term loans and advances		125,956	135,248
Sales tax refundable - net		3,792,425	4,477,768
Advances, deposits, prepayments and other receivables		4,041,427	1,268,098
Cash and bank balances		2,121,064	1,333,984
		<b>34,013,254</b>	<b>25,124,489</b>
<b>Current liabilities</b>			
Current portion of long term finances		260,993	116,343
Short term borrowings - secured		11,700,000	11,845,986
Short term running finance under markup arrangements - secured		5,439,649	513,908
Customer security deposits - interest free		276,244	260,369
Dividend payable		1,430,864	26,718
Income tax - net		964,516	1,150,297
Trade and other payables		28,450,286	26,205,218
Interest and mark-up accrued		254,810	146,856
		<b>48,777,362</b>	<b>40,265,695</b>
<b>Net working capital</b>		<b>(14,764,108)</b>	<b>(15,141,206)</b>
<b>Total capital employed</b>		<b>17,826,032</b>	<b>18,079,924</b>
<b>Long term and deferred liabilities</b>			
Long term finances - secured		9,105,000	9,291,755
Deferred taxation		2,349,792	2,493,067
Retirement benefits		1,732,869	1,660,762
		<b>13,187,661</b>	<b>13,445,584</b>
<b>Contingencies and commitments</b>	5		
<b>Net assets</b>		<b>4,638,371</b>	<b>4,634,340</b>



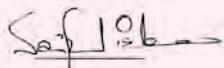
**(Un-audited) (Audited)**  
**Sep. 30, Dec. 31,**  
**2018 2017**  
**(Rupees in thousand)**

**Financed by:**

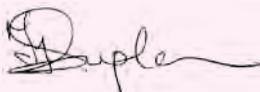
**Share capital and reserves**

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	3,655,348	3,642,960
	<b>4,638,371</b>	<b>4,634,340</b>

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



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**FREDA YAHAN DUPLAN**  
Chief Executive



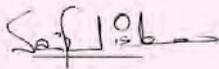
**SYED YAWAR ALI**  
Chairman



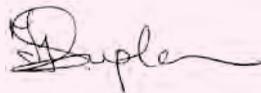
## Condensed Interim Statement of Profit or Loss For the nine months period ended September 30, 2018 (Un-audited)

	<u>Nine months ended</u>		<u>Three months ended</u>	
	Sep. 30, 2018	Sep. 30, 2017	Sep. 30, 2018	Sep. 30, 2017
	(Rupees in thousand)		(Rupees in thousand)	
Sales - net	94,085,454	92,395,385	29,517,653	30,454,325
Cost of goods sold	(62,182,700)	(58,264,419)	(20,006,731)	(20,040,437)
<b>Gross profit</b>	<b>31,902,754</b>	<b>34,130,966</b>	<b>9,510,922</b>	<b>10,413,888</b>
Distribution and selling expenses	(14,506,069)	(13,853,333)	(4,662,648)	(4,433,559)
Administration expenses	(2,373,627)	(2,149,680)	(711,448)	(733,866)
	(16,879,696)	(16,003,013)	(5,374,096)	(5,167,425)
<b>Operating profit</b>	<b>15,023,058</b>	<b>18,127,953</b>	<b>4,136,826</b>	<b>5,246,463</b>
Finance cost	(1,264,668)	(751,348)	(469,252)	(274,119)
Other operating expenses	(1,218,676)	(1,387,379)	(369,833)	(410,812)
	(2,483,344)	(2,138,727)	(839,085)	(684,931)
Other income	200,094	250,417	79,532	101,483
<b>Profit before taxation</b>	<b>12,739,808</b>	<b>16,239,643</b>	<b>3,377,273</b>	<b>4,663,015</b>
Taxation	(4,110,996)	(4,907,908)	(1,008,207)	(1,264,977)
<b>Profit after taxation</b>	<b>8,628,812</b>	<b>11,331,735</b>	<b>2,369,066</b>	<b>3,398,038</b>
Earnings per share – basic and diluted (Rupees)	190.27	249.88	52.24	74.93

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



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**FREDA YAHAN DUPLAN**  
Chief Executive



**SYED YAWAR ALI**  
Chairman

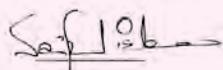


# Condensed Interim Statement of Other Comprehensive Income

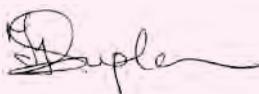
## For the nine months period ended September 30, 2018 (Un-audited)

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<b>Sep. 30, 2018</b>	<b>Sep. 30, 2017</b>	<b>Sep. 30, 2018</b>	<b>Sep. 30, 2017</b>
	<b>(Rupees in thousand)</b>		<b>(Rupees in thousand)</b>	
<b>Profit after taxation</b>	8,628,812	11,331,735	2,369,066	3,398,038
<b>Other comprehensive income</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	(17,139)	2,355	-	(6,834)
Related tax	8,782	(659)	-	1,913
	(8,357)	1,696	-	(4,921)
<b>Total comprehensive income for the period</b>	<b>8,620,455</b>	<b>11,333,431</b>	<b>2,369,066</b>	<b>3,393,117</b>

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



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**FREDA YAHAN DUPLAN**  
Chief Executive



**SYED YAWAR ALI**  
Chairman

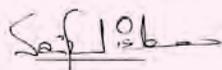


## Condensed Interim Statement of Cash flows

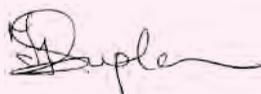
### For the nine months period ended September 30, 2018 (Un-audited)

	Note	Nine months ended	
		Sep. 30, 2018	Sep. 30, 2017
<b>(Rupees in thousand)</b>			
<b>Cash flow from operating activities</b>			
Cash generated from operations	6	11,489,111	13,699,974
Decrease / (increase) in long term loans and advances		115,079	(61,522)
Increase in customer security deposits - interest free		15,875	16,745
Increase in long term deposits and prepayments		(3,044)	(3,822)
Sales tax refundable - net		685,343	760,153
Retirement and other benefits paid		(366,720)	(314,769)
Worker's profit participation fund paid		(1,061,461)	-
Income taxes and WWF paid		(4,431,269)	(3,927,881)
<b>Net cash generated from operating activities</b>		<b>6,442,914</b>	<b>10,168,878</b>
<b>Cash flow from investing activities</b>			
Fixed capital expenditure		(2,164,113)	(3,619,825)
Sale proceeds of property, plant and equipment		139,616	140,099
<b>Net cash used in investing activities</b>		<b>(2,024,497)</b>	<b>(3,479,726)</b>
<b>Cash flow from financing activities</b>			
Long term finances - net		(42,105)	655,801
Finance cost paid		(1,156,714)	(638,233)
Short term borrowings - secured - net		(145,986)	10,100,827
Dividend paid		(7,212,273)	(15,411,966)
<b>Net cash used in financing activities</b>		<b>(8,557,078)</b>	<b>(5,293,571)</b>
Net (decrease) / increase in cash and cash equivalents		(4,138,661)	1,395,581
Cash and cash equivalents at beginning of the period		820,076	(1,659,953)
Cash and cash equivalents at end of the period	7	(3,318,585)	(264,372)

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



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**FREDA YAHAN DUPLAN**  
Chief Executive



**SYED YAWAR ALI**  
Chairman



## Condensed Interim Statement of Changes in Equity For the nine months period ended September 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
<i>Total comprehensive income for the period</i>	-	-	-	-	11,331,735	11,331,735
Profit after tax	-	-	1,696	-	-	1,696
Cashflow hedges - effective portion of changes in fair value - net	-	-	1,696	-	11,331,735	11,333,431
<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)
Interim dividend for the six months period ended June 30, 2017 (Rs. 170 per share)	-	-	-	-	(7,709,429)	(7,709,429)
	-	-	-	-	(15,418,858)	(15,418,858)
Balance as at September 30, 2017 (un-audited)	453,496	249,527	(8,396)	280,000	3,751,998	4,726,625
<i>Total comprehensive income for the period</i>	-	-	-	-	3,310,047	3,310,047
Profit after tax	-	-	16,753	-	-	16,753
Cashflow hedges - effective portion of changes in fair value - net	-	-	-	-	(244,614)	(244,614)
Remeasurement loss on employee retirement benefits	-	-	16,753	-	3,065,433	3,082,186

	Capital Reserves			Revenue Reserves		Total
	Share capital	Share premium	Hedging reserve	General reserve	Accumulated profits	
	(Rupees in thousand)					
<i>Transactions with owners of the Company recognized directly in equity</i>						
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	-	-	-	-	8,628,812	8,628,812
Cashflow hedges - effective portion of changes in fair value - net	-	-	(8,357)	-	-	(8,357)
	-	-	(8,357)	-	8,628,812	8,620,455
<i>Transactions with owners of the Company recognized directly in equity</i>						
Final dividend for the year ended December 31, 2017 (Rs. 80 per share)	-	-	-	-	(3,627,967)	(3,627,967)
Interim dividend for the six months period ended June 30, 2018 (Rs. 110 per share)	-	-	-	-	(4,988,457)	(4,988,457)
<b>Balance as at September 30, 2018 (un-audited)</b>	<b>453,496</b>	<b>249,527</b>	<b>-</b>	<b>280,000</b>	<b>3,655,348</b>	<b>4,638,371</b>

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



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**FREDA YAHAN DUPLAN**  
Chief Executive



**SYED YAWAR ALI**  
Chairman

# Notes to the Condensed Interim Financial Information

## For the nine months period ended September 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 Limited. 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 September 30, 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 cash flow statement together with the notes forming part thereof.

These condensed interim unconsolidated financial statements are unaudited 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 January 01, 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)**  
**Sep. 30, 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	4,173,051	4,225,249
	32,907,558	32,271,374
Book value of property, plant and equipment disposed / scrapped during the period / year	(75,457)	(131,032)
Depreciation charged during the period / year	(2,625,634)	(3,374,551)
Reversal of Impairment charged / impairment charged for the period / year	14,781	(31,283)
	30,221,248	28,734,507

**5. Contingencies and commitments**

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

**5.2 Guarantees**

Outstanding guarantees	220,381	213,023
Un-utilized portion of limits with banks	579,619	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:

	<b>(Un-audited) (Audited)</b> <b>Sep. 30, Dec. 31,</b> <b>2018 2017</b> <b>(Rupees in thousand)</b>
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	9,627,989	6,478,488
Un-utilized portion of limits with banks	6,060,271	7,949,052



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

**6. Cash generated from operations**

Profit before taxation	12,739,808	16,239,643
Adjustment for non-cash items:		
Depreciation on property, plant and equipment	2,625,634	2,515,065
Amortization of intangible assets	6,051	6,051
Provision for stock-in-trade	9,929	(18,533)
Provision for obsolete stores and spares	133,873	(194,500)
Provision for workers' profit participation fund	684,497	869,906
Provision for workers' welfare fund	247,826	288,575
Gain on disposal of property, plant and equipment	(64,159)	(61,962)
Reversal of impairment loss on property, plant and equipment	(14,781)	(51,760)
Provision for doubtful debts	39,698	-
Unrealized exchange loss	61,508	45,817
Retirement and other benefits	438,827	257,554
Finance cost	1,264,668	751,348
<b>Profit before working capital changes</b>	<b>18,173,379</b>	<b>20,647,204</b>
<b>Effect on cash flow due to working capital changes</b>		
Increase in current assets:		
Stores and spares	(227,076)	(212,864)
Stock-in-trade	(4,800,756)	(5,240,891)
Trade debts	(1,178,659)	(619,920)
Advances, deposits, prepayments and other receivables	(2,790,555)	(1,952,272)
Increase / (decrease) in current liabilities:		
Trade and other payables	2,312,778	1,078,717
<b>Net increase in working capital</b>	<b>(6,684,268)</b>	<b>(6,947,230)</b>
<b>Cash generated from operations</b>	<b>11,489,111</b>	<b>13,699,974</b>

**7. Cash and cash equivalents**

Cash and bank balances	2,121,064	1,249,982
Short term running finances - secured	(5,439,649)	(1,514,354)
	<b>(3,318,585)</b>	<b>(264,372)</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) Sep. 30, 2018	(Un-audited) Sep. 30, 2017
	(Rupees in thousand)	
Associated companies:		
Royalty and technical assistance fee	2,807,450	2,626,313
Purchase of assets, goods, services, rental and reimbursable expense	12,113,379	12,622,124
Sales of goods	1,652,969	55,270
Insurance claims received	14,147	31,973
Donations	-	5,000
Other related parties		
Contribution paid to staff retirement benefit plan	646,546	551,596
Remuneration to key management personnel	358,102	336,556

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 & coffee



9.1 Segment analysis for the nine months ended September 30, 2018 (Un-audited)

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
<b>Sales</b>				
External sales	70,308,852	23,171,151	605,451	94,085,454
Inter-segment sales	-	-	-	-
<b>Total revenue</b>	<b>70,308,852</b>	<b>23,171,151</b>	<b>605,451</b>	<b>94,085,454</b>
Depreciation and amortization	1,810,846	783,997	36,841	2,631,684
Trading operating profit	13,077,042	2,023,279	(283,661)	14,816,660
Unallocated items of operating profit:				206,398
Operating profit				15,023,058
Unallocated corporate expenses:				
Finance cost				(1,264,668)
Other operating expenses				(1,218,676)
Other income				200,094
Taxation				(4,110,996)
<b>Profit after taxation</b>				<b>8,628,812</b>

Segment analysis for the nine months ended September 30, 2017 (Un-audited)

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
<b>Sales</b>				
External sales	70,048,274	21,713,838	633,273	92,395,385
Inter-segment sales	-	-	-	-
<b>Total revenue</b>	<b>70,048,274</b>	<b>21,713,838</b>	<b>633,273</b>	<b>92,395,385</b>
Depreciation and amortization	1,771,575	706,646	42,895	2,521,116
trading operating profit	14,452,314	3,709,972	(263,229)	17,899,057
Unallocated items of operating profit:				
Operating profit				228,896
Unallocated corporate expenses:				18,127,953
Finance cost				(751,348)
Other operating expenses				(1,387,379)
Other income				250,417
Taxation				(4,907,908)
<b>Profit after taxation</b>				<b>11,331,735</b>

Reportable segment assets and liabilities

	Milk & Nutrition Products	Beverages	Other Operations	Total
	(Rupees in thousand)			
As at September 30, 2018 (Un-audited)				
Segment assets	46,839,109	17,013,445	673,762	64,526,316
Unallocated assets				2,077,078
<b>Total assets</b>				<b>66,603,394</b>
Segment liabilities	18,709,941	9,280,358	278,903	28,269,202
Unallocated liabilities				33,695,821
<b>Total liabilities</b>				<b>61,965,023</b>
As at December 31, 2017 (Audited)				
Segment assets	35,876,654	14,296,431	508,219	50,681,304
Unallocated assets				7,664,315
<b>Total assets</b>				<b>58,345,619</b>
Segment liabilities	20,555,771	6,056,985	170,701	26,783,457
Unallocated liabilities				26,927,822
<b>Total liabilities</b>				<b>53,711,279</b>

**(Un-audited)**    **(Un-audited)**  
**Sep. 30,**        **Sep. 30,**  
**2018**            **2017**  
**(Rupees in thousand)**

9.2 Geographical segments

Sales are made by the company in the following countries:

Pakistan	92,323,913	88,669,549
Afghanistan	1,613,228	3,607,636
Other countries	148,313	118,200
	<b>94,085,454</b>	<b>92,395,385</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**

These un-audited condensed interim financial statements were authorized for issue on October 23, 2018 by the Board of Directors.

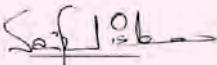
**12. Dividend**

The Board of Directors in their meeting held on October 23, 2018 have proposed an interim cash dividend for the nine months period ended September 30, 2018 of Rs. 75 (September 30, 2017: Rs. 70 per share) per share, amounting to Rs. 3,401.22 (September 30, 2017: Rs. 3,174 million). These condensed interim financial statements do not reflect the effect of this dividend.

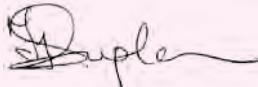
**13. General**

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.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation.



**SYED SAIFUL ISLAM**  
Chief Financial Officer



**FREDA YAHAN DUPLAN**  
Chief Executive



**SYED YAWAR ALI**  
Chairman

## COMPANY INFORMATION

### Board of Directors

Syed Yawar Ali	Chairman
Freda Yahan Duplan	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
Amr Rehan	Director
John Martin Miller	Director

### Company Secretary

Ali Sadozai	General Counsel
-------------	-----------------

### Management

Freda Yahan Duplan	Chief Executive / Managing Director
Syed Saiful Islam	Head of Finance and Control
Amr Rehan	Head of Technical
Ali Sadozai	Head of Legal Affairs and Company Secretary
Ali Akbar	Head of Supply Chain
Samra Maqbool	Head of Strategy and Business Development
Faisal Akhtar Rana	Head of Communications and Marketing Services
Akmal Saeed	Head of Human Resources
Sheikh Waqar Ahmad	Head of Corporate Affairs
Babar Hussain Khan	Head of Sales
Haseeb Aslam	Business Executive Officer Family Dairy
Dr. Usman Iqbal Bhatti	Business Executive Officer Dairy Nutrition Solutions
Fuad Saqib Ghazanfar	Business Executive Officer Beverages, Culinary, CPW
Khurram Zia	Business Executive Officer Nestlé Waters
Jason Avancena	Business Executive Officer Nestlé Infant Nutrition
Abdullah Jawaid Ahmad	Business Executive Officer Nestlé Professional
Syeda Nausheen Iqbal Jaffery	Market Business Excellence Manager
Humaira Ashar	Market Innovation Lead

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



# Nestlé

©Nestlé Pakistan Ltd.

308 – Upper Mall, Lahore, Pakistan.

Tel: +92 42 111 637 853 Fax: +92 42 35789303