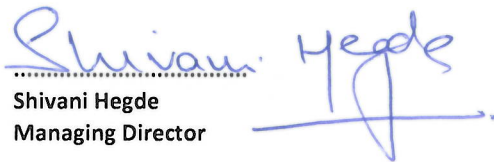


**Nestlé****NESTLÉ LANKA PLC****STATEMENT OF COMPREHENSIVE INCOME**

<i>For the Period Ended 30 June</i>				<i>Quarter Performance</i>	
	<i>2017</i> <i>Rs.'000s</i>	<i>2016</i> <i>Rs.'000s</i>	<i>Year to date</i> <i>% Variance</i>	<i>2017</i> <i>Rs.'000s</i>	<i>2016</i> <i>Rs.'000s</i>
<i>Revenue</i>	17,987,095	18,996,661	-5.3%	8,599,183	9,236,271
<i>Cost of Sales</i>	(11,599,188)	(11,706,284)	-0.9%	(5,579,925)	(5,729,225)
<b><i>Gross Profit</i></b>	<b>6,387,907</b>	<b>7,290,377</b>	<b>-12.4%</b>	<b>3,019,258</b>	<b>3,507,046</b>
<i>Other Operating Income /(Expenses)</i>	(31,774)	4,834	-757.3%	(13,790)	15,578
<i>Marketing, Selling and Distribution Expenses</i>	(3,032,107)	(3,022,916)	0.3%	(1,353,657)	(1,422,053)
<i>Administrative Expenses</i>	(1,138,883)	(1,074,937)	5.9%	(584,617)	(545,198)
<b><i>Results from Operating Activities</i></b>	<b>2,185,143</b>	<b>3,197,358</b>	<b>-31.7%</b>	<b>1,067,194</b>	<b>1,555,373</b>
<i>Financial Income</i>	17,967	22,408	-19.8%	7,770	4,424
<i>Financial Expenses</i>	(61,241)	(19,119)	220.3%	(49,173)	(14,824)
<b><i>Net Financing Income / (Expenses)</i></b>	<b>(43,274)</b>	<b>3,289</b>	<b>-1415.8%</b>	<b>(41,403)</b>	<b>(10,400)</b>
<b><i>Profit before Taxation</i></b>	<b>2,141,869</b>	<b>3,200,647</b>	<b>-33.1%</b>	<b>1,025,791</b>	<b>1,544,973</b>
<i>Income Tax Expenses</i>	(500,575)	(735,078)	-31.9%	(246,479)	(354,797)
<b><i>Profit for the Period</i></b>	<b>1,641,294</b>	<b>2,465,569</b>	<b>-33.4%</b>	<b>779,312</b>	<b>1,190,176</b>
<b><i>Other Comprehensive Income / Expenses for the Period</i></b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b><i>Total Comprehensive Income</i></b>	<b>1,641,294</b>	<b>2,465,569</b>		<b>779,312</b>	<b>1,190,175</b>
<b><i>Basic Earnings Per Share (EPS.) Rs.</i></b>	<b>30.55</b>	<b>45.89</b>		<b>14.51</b>	<b>22.15</b>

Figures in brackets indicate deductions.  
The figures are provisional and subject to audit.

  
Shivani Hegde  
Managing Director

  
Jagdish Kumar Singla  
Director Finance & Control

10 August 2017



**NESTLÉ LANKA PLC**

**STATEMENT OF FINANCIAL POSITION**

<b>AS AT :</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
	<b>Rs. '000s</b>	<b>Rs. '000s</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property Plant and Equipment	5,384,823	5,524,652
Capital Work-In-Progress	549,177	455,619
	<b>5,934,000</b>	<b>5,980,271</b>
<b>Current Assets</b>		
Inventories	3,266,690	3,935,497
Trade and Other Receivables	3,650,409	2,729,585
Amount Due from Related Parties	340,715	247,957
Cash and Cash Equivalents	49,605	393,328
	<b>7,307,419</b>	<b>7,306,367</b>
<b>Total Assets</b>	<b>13,241,419</b>	<b>13,286,638</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated Capital	537,255	537,255
Retained Earnings	2,288,575	4,945,319
	<b>2,825,830</b>	<b>5,482,574</b>
<b>Non-Current Liabilities</b>		
Retirement Benefit Obligations	352,452	464,750
Deferred Tax Liabilities	848,798	802,306
	<b>1,201,250</b>	<b>1,267,056</b>
<b>Current Liabilities</b>		
Trade and Other Payables	3,801,631	4,368,214
Amount Due to Related Parties	1,002,997	899,085
Current Tax Payable	660,832	805,881
Dividends Payable	150,164	151,061
Bank Overdrafts and Other Short Term Finance	3,598,715	312,767
	<b>9,214,339</b>	<b>6,537,008</b>
<b>Total Liabilities</b>	<b>10,415,589</b>	<b>7,804,064</b>
<b>Total Equity and Liabilities</b>	<b>13,241,419</b>	<b>13,286,638</b>
<i>The figures are provisional and subject to audit</i>		
<b>AS AT (Rs.) :</b>	<b>30.06.2017</b>	<b>31.03.2017</b>
<b>Net asset value per share-</b>	<b>Rs. 52.60</b>	<b>Rs. 78.09</b>
<b>Market value per share recorded during the quarter</b>		
- Highest	2,310.00	2,100.00
- Lowest	2,001.00	1,930.10
- Last trade price (Date 30/06/2017 , 31/03/2017)	2,030.00	2,089.30

*Shivani Hegde*

Shivani Hegde  
Managing Director  
10 August 2017

*Jagdish Kumar Singla*

Jagdish Kumar Singla  
Director Finance & Control



**NESTLÉ LANKA PLC**  
**STATEMENT OF CASH FLOWS**

<i>For the Period Ended 30 June</i>	<b>2017</b>	<b>2016</b>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<b>Cash Flow from Operating Activities</b>		
Profit before Taxation	2,141,869	3,200,647
<b>Adjustments for ;</b>		
Depreciation	319,030	315,353
Gain on sale of Property Plant and Equipment	(2,187)	(29,062)
Amortization of Staff Loan Interest	14,180	8,832
Interest Expense	61,241	19,119
Interest Income	(15,541)	(18,653)
Inventory Write Off	71,326	48,011
Provision for Impairment of Trade Receivable	20,772	20,481
Provision for Retirement Benefit Obligation	51,330	52,695
<b>Operating Profit before Working Capital Changes</b>	<b>2,662,020</b>	<b>3,617,423</b>
<b>Working Capital Changes</b>		
Decrease in Inventories	612,286	295,007
Increase in Trade and Other Receivables	(1,034,353)	(666,648)
Decrease in Trade and Other Payables	(477,476)	(213,035)
<b>Cash Generated from Operations</b>	<b>1,762,477</b>	<b>3,032,747</b>
Interest Paid	(61,241)	(19,119)
Income Tax Paid	(599,135)	(468,160)
Retirement Benefit Obligation Paid	(163,628)	(111,532)
<b>Net Cash Flows Generated from Operating Activities</b>	<b>938,473</b>	<b>2,433,936</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(272,541)	(133,636)
Proceeds from Sale of Property, Plant and Equipment	1,969	41,239
Interest Received	1,361	9,821
<b>Net Cash Flows used in Investing Activities</b>	<b>(269,211)</b>	<b>(82,576)</b>
<b>Cash Flow from Financing Activities</b>		
Dividend Paid	(4,298,934)	(3,466,657)
<b>Net Cash Flows used in Financing Activities</b>	<b>(4,298,934)</b>	<b>(3,466,657)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(3,629,672)</b>	<b>(1,115,297)</b>
Cash and Cash Equivalent at beginning of Year	80,562	419,253
Cash and Cash Equivalent at End of Period	<b>(3,549,110)</b>	<b>(696,044)</b>
<b>Analysis of Cash and Cash Equivalents at the End of the Period</b>		
Cash in Hand and Balances with Bank	49,605	137,785
Bank Overdrafts and Other Short Term Finance	(3,598,715)	(833,829)
	<b>(3,549,110)</b>	<b>(696,044)</b>



**NESTLÉ LANKA PLC**

**STATEMENT OF CHANGES IN EQUITY**

	<i>Stated Capital</i>	<i>Retained Earnings</i>	<i>Total</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<i>Balance as at 01 January 2016</i>	<b>537,255</b>	<b>3,984,381</b>	<b>4,521,636</b>
<i>Net profit for the 6 months ended 30 June 2016</i>	-	2,465,569	2,465,569
<i>Interim Dividend for 2015</i>	-	(1,853,528)	(1,853,528)
<b><i>Balance as at 30 June 2016</i></b>	<b>537,255</b>	<b>4,596,422</b>	<b>5,133,677</b>
<i>Net profit for the 6 months ended 31 December 2016</i>	-	1,933,193	1,933,193
<i>Final Dividend for 2015</i>	-	(1,611,764)	(1,611,764)
<i>Other Comprehensive Income</i>	-	27,468	27,468
<b><i>Balance as at 31 December 2016</i></b>	<b>537,255</b>	<b>4,945,319</b>	<b>5,482,574</b>
<i>Balance as at 01 January 2017</i>	537,255	4,945,319	5,482,574
<i>Net profit for the 6 months ended 30 June 2017</i>	-	1,641,294	1,641,294
<i>Interim Dividend for 2016</i>	-	(2,149,019)	(2,149,019)
<i>Final Dividend for 2016</i>	-	(2,149,019)	(2,149,019)
<b><i>Balance as at 30 June 2017</i></b>	<b>537,255</b>	<b>2,288,575</b>	<b>2,825,830</b>



## NESTLÉ LANKA PLC

### NOTES TO THE FINANCIAL STATEMENTS

#### Notes to the 30 June 2017 Quarterly Statements

1. The Accounting policies and methods of computation followed in the Interim Accounts is the same as that of the latest year end Financial Statements.
2. The Stated Capital consists of 53,725,463 Ordinary shares.
3. Events Occurring After the Reporting Date  
There were no material events occurring after the reporting date that require adjustment or disclosure in the financial statements.
4. Contingent Liability  
There have been no material changes to the contingent liabilities since the last annual reporting period.
5. Comparative information has been reclassified where necessary, to confirm to current year's presentation.

#### Additional Notes and other information

- Public Holding Percentage: 9.18%. Number of Public shareholders - 5,299.
- Float Adjusted Market capitalization : Rs. 10,011,955 (Rs'000)
- The Directors of the company hold no shares in the Company except for Mr. Mahendra Dayananda, who holds 1000 shares as at period closing.

Names and the number of shares held by the 20 major shareholders, and the percentages of such shares.

No	Names	No. of Shares	%
1	Nestlé S.A	48,793,746	90.82
2	HSBC International Nominees Limited - State Street London C/O - SSBT - Fundsmith Emerging Equities Trust PLC	417,061	0.78
3	RBC Investor Services Bank - Coeli Sicav I-Frontier Markets Fund	288,500	0.54
4	HSBC International Nominees Limited - BBH - Fidelity Funds	237,282	0.44
5	Ms. Neesha Harnam	200,000	0.37
6	HSBC International Nominees Limited - SSBT - Wasatch International Opportunities Fund	166,215	0.31
7	HSBC International Nominees Limited - SSBT - Deutsche Bank AG Singapore A/C 01	155,600	0.29
8	HSBC International Nominees Limited - SSBT - Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	128,076	0.24
9	Northern Trust Company S/A Coupland Cardiff Funds PLC-CC Asian Evolution Fund	124,729	0.23
10	HSBC International Nominees Limited - SSBT - Multipartner SICAV - WMP EM Established Leaders Fund	114,000	0.21
11	Employees Provident Fund	100,000	0.19
12	HSBC International Nominees Limited - JPMCB NA - Fidelity Asian Values PLC	98,730	0.18
13	HSBC International Nominees Limited -UBS AG Singapore Branch (EX SBC)	85,000	0.16
14	HSBC International Nominees Limited - SSBT - Russell Investments Institutional Funds Public Limited Company	69,151	0.13
15	HINL – BBH - Destinations International Equity Fund	61,350	0.11
16	Colombo Investment Trust PLC	50,904	0.09
17	Mr. Bandaranayake Jayampathi Divale	44,100	0.08
18	Mrs. Merchant Asha Ajay	43,000	0.08
19	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
20	Mrs. Singh Jasbinderjit Kaur Piara	40,100	0.07