



Good Food, Good Life

NESTLÉ LANKA PLC
INTERIM FINANCIAL STATEMENTS
31 MARCH 2019



NESTLÉ LANKA PLC

STATEMENT OF COMPREHENSIVE INCOME

<i>For the Period Ended 31 March</i>	2019 <i>Rs. '000s</i>	2018 <i>Rs. '000s</i>	Year to date % <i>Variance</i>
Revenue	8,876,924	9,618,835	-7.7%
Cost of Sales	(5,955,894)	(6,173,246)	-3.5%
Gross Profit	2,921,030	3,445,589	-15.2%
Other Operating Expenses	(18,302)	(22,857)	-19.9%
Marketing, Selling and Distribution Expenses	(1,365,162)	(1,622,364)	-15.9%
Administrative Expenses	(622,634)	(540,643)	15.2%
Results from Operating Activities	914,932	1,259,725	-27.4%
Financial Income	1,366	8,561	-84.0%
Financial Expenses	(94,222)	(18,655)	405.1%
Net Financing Expenses	(92,856)	(10,094)	819.9%
Profit before Taxation	822,076	1,249,631	-34.2%
Income Tax Expenses	(249,177)	(305,933)	-18.6%
Profit for the Period	572,899	943,698	-39.3%
<u>Other Comprehensive Income/(Expenses)</u>			
Loss on Cash Flow Hedges (Net of Tax)	(41,572)	-	
Total Comprehensive Income	531,327	943,698	
Basic Earnings Per Share (EPS.) Rs.	10.66	17.57	

Figures in brackets indicate deductions.
The figures are unaudited and provisional.

.....
Fabrice Cavallin
Managing Director

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Gurcharan Grover
Director Finance & Control

08 May 2019



NESTLÉ LANKA PLC

STATEMENT OF FINANCIAL POSITION

AS AT :	31.03.2019 Rs. '000s	31.12.2018 Rs. '000s
ASSETS		
Non-Current Assets		
Property Plant and Equipment	9,283,340	9,210,242
Capital Work-In-Progress	442,794	673,117
Other Non Current Assets	344,711	353,884
	<u>10,070,845</u>	<u>10,237,243</u>
Current Assets		
Inventories	3,208,720	2,987,844
Trade and Other Receivables	3,733,420	3,361,854
Amount Due from Related Parties	588,879	854,134
Cash and Cash Equivalents	188,775	217,731
	<u>7,719,794</u>	<u>7,421,563</u>
Total Assets	<u>17,790,639</u>	<u>17,658,806</u>
EQUITY AND LIABILITIES		
Equity		
Stated Capital	537,255	537,255
Retained Earnings and Reserves	4,286,091	5,097,901
	<u>4,823,346</u>	<u>5,635,156</u>
Non-Current Liabilities		
Retirement Benefit Obligations	371,361	390,700
Deferred Tax Liabilities	995,436	1,000,725
Non Current Provisions	289,459	289,459
Non Current Financial Liabilities	2,011,916	2,007,954
	<u>3,668,172</u>	<u>3,688,838</u>
Current Liabilities		
Trade and Other Payables	5,231,018	4,634,844
Amount Due to Related Parties	1,295,146	1,312,575
Current Tax Payable	670,682	681,215
Dividends Payable	181,575	182,004
Current Financial Liabilities	1,920,700	1,524,174
	<u>9,299,121</u>	<u>8,334,812</u>
Total Liabilities	<u>12,967,293</u>	<u>12,023,650</u>
Total Equity and Liabilities	<u>17,790,639</u>	<u>17,658,806</u>

The figures are provisional and subject to audit

AS AT (Rs.) :	31.03.2019 Rs. 89.78	31.12.2018 Rs. 104.89
Net asset value per share-		
Market value per share recorded during the quarter		
- Highest	1,750.00	1,797.00
- Lowest	1,590.00	1,600.00
- Last trade price (Date 29/03/2019, 31/12/2018)	1,624.60	1,700.00

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 Fabrice Cavallin
 Managing Director
 08 May 2019

.....
 Gurcharan Grover
 Director Finance & Control



NESTLÉ LANKA PLC
STATEMENT OF CASH FLOWS

<i>For the Period Ended 31 March</i>	2019 <i>Rs. '000s</i>	2018 <i>Rs. '000s</i>
Cash Flows from Operating Activities		
<i>Profit before Taxation</i>	822,076	1,249,631
Adjustments for ;		
<i>Depreciation of Property Plant and Equipment</i>	250,630	180,491
<i>(Gain)/Loss on sale of Property Plant and Equipment</i>	16,715	(4,617)
<i>Amortization of Staff Loan</i>	8,025	6,749
<i>Interest Expense</i>	94,222	18,955
<i>Interest Income</i>	(8,510)	(7,209)
<i>Provision for Inventories and Inventory Written Off</i>	104,019	47,828
<i>Net Impairment of Trade Receivable</i>	10	7,992
<i>Provision for Retirement Benefit Obligation</i>	24,903	26,040
Operating Profit before Working Capital Changes	1,312,090	1,525,860
Working Capital Changes		
<i>Increase in Inventories</i>	(324,895)	(680,671)
<i>Increase in Trade and Other Receivables</i>	(399,254)	(203,561)
<i>Decrease in Amount due from Related Parties</i>	265,255	156,126
<i>Increase in Trade and Other Payables</i>	566,113	69,310
<i>Decrease in Amount due to Related Parties</i>	(37,885)	(112,505)
Cash Generated from Operations	1,381,424	754,559
<i>Income Tax Paid</i>	(248,833)	(260,865)
<i>Retirement Benefit Obligation Paid</i>	(44,242)	(21,633)
Net Cash Flows Generated from Operating Activities	1,088,349	472,061
Cash Flow from Investing Activities		
<i>Investment in Property, Plant and Equipment</i>	(94,815)	(578,852)
<i>Proceeds from Sale of Property, Plant and Equipment</i>	4,270	16,209
<i>(Purchase) / disposal of other non current financial assets (net)</i>	9,173	(21,071)
Net Cash Flows used in Investing Activities	(81,372)	(583,714)
Cash Flow from Financing Activities		
<i>Payment of Lease Liabilities</i>	(17,039)	(17,550)
<i>Dividend Paid</i>	(1,343,566)	(1,344,142)
<i>Interest Paid</i>	(74,268)	(71,592)
<i>Interest Received</i>	485	460
Net Cash Flows used in Financing Activities	(1,434,388)	(1,432,824)
Net Decrease in Cash and Cash Equivalents	(427,411)	(1,544,477)
<i>Cash and Cash Equivalent at beginning of Year</i>	(1,225,301)	(2,407,609)
Cash and Cash Equivalent at End of the Period	(1,652,712)	(3,952,086)
Analysis of Cash and Cash Equivalents at the End of the Period		
<i>Cash in Hand and Balances with Bank</i>	188,775	163,600
<i>Current Financial Liabilities [Excluding Short Term Lease Liability of 79,213 (2018 - 43,493)]</i>	(1,841,487)	(4,115,686)
	(1,652,712)	(3,952,086)



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NESTLE LANKA PLC

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000s	Retained Earnings Rs. '000s	Other Equity Reserves Rs. '000s	Total Rs. '000s
Balance as at 1 January 2018	537,255	4,235,458	28,322	4,801,035
Total Comprehensive Income for 3 months ended 31 March 2018				
Profit for the Year	-	943,698	-	943,698
Transactions with Owners of the Company Recognised Directly in Equity				
Interim Dividend for 2017	-	(1,343,137)	-	(1,343,137)
Balance as at 31 March 2018	537,255	3,836,019	28,322	4,401,596
Balance as at 1 April 2018	537,255	3,836,019	28,322	4,401,596
Total Comprehensive Income for 9 months ended 31 December 2018				
Profit for the Year	-	2,542,103	-	2,542,103
Other Comprehensive Income	-	-	34,594	34,594
Transactions with Owners of the Company Recognised Directly in Equity				
Final Dividend for 2017	-	(1,343,137)	-	(1,343,137)
Balance as at 31 December 2018	537,255	5,034,985	62,916	5,635,156
Balance as at 1 January 2019	537,255	5,034,985	62,916	5,635,156
Total Comprehensive Income for 3 months ended 31 March 2019				
Profit for the Period	-	572,899	-	572,899
Other Comprehensive Income	-	-	(41,572)	(41,572)
Transactions with Owners of the Company Recognised Directly in Equity				
Interim Dividend for 2018	-	(1,343,137)	-	(1,343,137)
Balance as at 31 March 2019	537,255	4,264,747	21,344	4,823,346



NESTLÉ LANKA PLC

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Interim Financial Statements for the period ended 31 March 2019

1. The Accounting policies and methods of computation followed in the Interim Financial Statements are 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 reported in the latest year end Financial Statements.
5. Net Financial Expenses
Net Financial Expenses has increased mainly due to the borrowings for significant Capital Expenditure and cessation of capitalization of borrowing costs on completion of key project.
6. Income Taxes
With the application of New Inland Revenue Act w.e.f 01 April 2018, the Company's profit is liable to tax at 28%. Whereas, prior to 01 April 2018, qualifying export profits were taxed at a concessionary rate of 12%, profits from the Ready-To-Drink milk business were taxed at a concessionary rate of 10% and profits with respect to off-shore business earned in foreign currency were exempt from income tax. This has resulted in a significant increase in the overall tax cost for the company.
7. Comparative information has been reclassified where necessary, to confirm to current year's presentation



NESTLÉ LANKA PLC

NOTES TO THE FINANCIAL STATEMENTS

Additional Notes and other information

- Public Holding Percentage: 9.18%. Number of Public shareholders - 5,325
- Float Adjusted Market capitalization : Rs. 8,012,523,144
- The Directors of the company hold no shares in the Company except for Mr. Mahendra Dayananda, who holds 1,000 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	Citibank New York S/A Norges Bank Account 2	493,037	0.92
3	RBC Investor Services Bank-Coeli Sicav I-Frontier Markets Fund	308,500	0.57
4	Deutsche Bank AG-London	250,000	0.47
5	Miss Harnam Neesha Joint Mrs. Jasbinderjit Kaur Piara Singh	200,000	0.37
6	SEB AB -Tundra Sustainable Frontier Fund	186,509	0.35
7	Sri Lanka Insurance Corporation Ltd - Life Fund	180,466	0.34
8	SSBT- Deustche Bank AG Singapore A/C 01	155,600	0.29
9	SSBT- Al Mehwar Commercial Investments L.L.C	148,000	0.28
10	Employees Provident Fund	100,000	0.19
11	BNYM RE-GHI Holdings Maruitius	75,000	0.14
12	Union Assurance PLC/ Account No.5 (Unit-Linked Life Insurance Fund - Equity Fund)	74,551	0.14
13	SSBT-Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	72,040	0.13
14	Mrs. Jasbinderjit Kaur Piara Singh	69,300	0.13
15	Colombo Investment Trust PLC	50,904	0.09
16	SSBT- Russell Investments Institutional Funds Public Limited Company	49,151	0.09
17	Mr. Udeshi Morarji Meghji Joint Mrs. Asha Ajay Merchant	45,000	0.08
18	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
19	Mr. Maheswaran Radhakrishnan	36,671	0.07
20	Miss.Radhakrishnan Meenambigai Priyadarshini	36,667	0.07