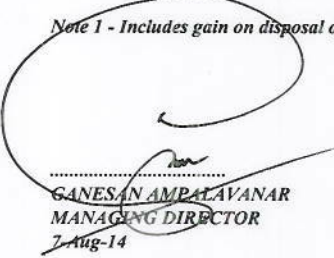




For the six months ended 30th June	2014		Year to date % Variance	Quarter Performance	
	Rs. '000s	2013 Rs. '000s		2014 Rs. '000s	2013 Rs. '000s
Revenue	16,725,809	15,334,869	9.1%	8,128,670	7,587,577
Cost of Sales	(10,605,354)	(9,997,219)	6.1%	(5,129,288)	(4,963,898)
Gross Profit	6,120,455	5,337,650	14.7%	2,999,382	2,623,679
Other Operating Income/ (Expense) (Note 1)	50,337	(9,381)	636.6%	17,104	(4,525)
Marketing, Selling and Distribution Expenses	(2,626,205)	(2,242,159)	17.1%	(1,341,424)	(1,121,504)
Administrative Expenses	(941,391)	(954,775)	-1.4%	(457,590)	(485,177)
Results from Operating Activities	2,603,196	2,131,335	22.1%	1,217,472	1,012,473
Financial Income	21,861	17,496	24.9%	4,290	5,351
Financial Expenses	(11,745)	(38,188)	-69.2%	(7,422)	(24,292)
Net Financing Income/ (Expense)	10,116	(20,692)	148.9%	(3,132)	(18,941)
Profit Before Taxation	2,613,312	2,110,643	23.8%	1,214,340	993,532
Income Tax Expenses	(534,551)	(409,304)	30.6%	(238,569)	(206,217)
Profit for the Period	2,078,761	1,701,339	22.2%	975,771	787,315
Basic Earnings per share (EPS.) Rs.	38.69	31.67		18.16	14.65

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

Note 1 - Includes gain on disposal of assets of 27.9 Mio for Jan to June (loss of 7.6 Mio for Jan to June 2013).


GANESAN AMPALAVANAR
MANAGING DIRECTOR
7-Aug-14


S.S. ISLAM
FINANCE DIRECTOR

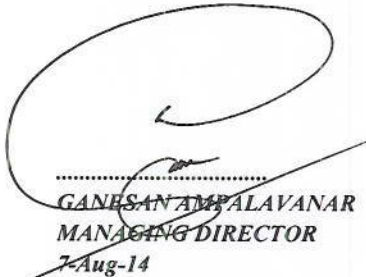
NESTLÉ LANKA PLC
STATEMENT OF FINANCIAL POSITION



As at :	30.06.2014 Rs. '000s	31.12.2013 Rs. '000s
Assets		
Non-Current Assets		
Property Plant & Equipment	4,315,949	4,571,813
Capital Work-in-Progress	456,611	238,328
Intangible Assets	-	-
	<u>4,772,560</u>	<u>4,810,141</u>
Current Assets		
Inventories	2,459,296	2,603,655
Trade & Other Receivables	2,515,591	1,628,213
Amount due from Related Parties	250,842	227,586
Cash & Cash Equivalents	281,575	706,541
	<u>5,507,304</u>	<u>5,165,995</u>
Total Assets	<u>10,279,864</u>	<u>9,976,136</u>
Equity & Liabilities		
Equity		
Stated Capital	537,255	537,255
Revenue Reserves	2,533,442	3,678,403
	<u>3,070,697</u>	<u>4,215,658</u>
Non-Current Liabilities		
Retirement Benefit Obligation	504,094	469,430
Deferred Tax	497,752	459,590
	<u>1,001,846</u>	<u>929,020</u>
Current Liabilities		
Trade & Other Payables	3,348,390	2,974,834
Amount due to Related Parties	972,781	800,077
Current Tax Payable	871,082	618,678
Dividends Payable	105,103	87,716
Bank Overdraft	909,965	350,153
	<u>6,207,321</u>	<u>4,831,458</u>
	7,209,167	5,760,478
Total Equity and Liabilities	<u>10,279,864</u>	<u>9,976,136</u>

The figures are provisional and subject to audit

As at	30.06.2014 Rs.	31.03.2014 Rs.
Net asset value per share-	57.16	78.47
Market value per share recorded during the quarter		
- highest	2,000.00	2,249.90
- lowest	1,890.00	1,900.00
- Last trade price (Date 30/06/2014)	1,980.10	1,997.90


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GANESAN AMPALAVANAR
MANAGING DIRECTOR
7-Aug-14


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S.S. ISLAM
FINANCE DIRECTOR

CASH FLOW STATEMENT*For the six months ended 30th June*

	2014 Rs. '000s	2013 Rs. '000s
Cash Flow from Operating Activities		
Profit before Taxation	2,613,312	2,110,643
Adjustments for ;		
Depreciation	272,190	269,454
Amortisation	-	11,159
(Gain)/ Loss on sale of Property Plant & Equipment	(27,982)	7,474
Amortisation of staff loan interest	9,316	8,896
Interest Expense	11,044	39,748
Interest Income	(21,861)	(17,496)
Provision for Obsolete Inventory	(8,667)	3,835
Inventory write Off	99,267	54,390
Provision for Impairment of Trade Receivable	27,380	21,224
Provision for Retirement benefit Obligation	117,550	73,195
Operating Profit before Working Capital Changes	3,091,549	2,582,522
Working Capital changes		
Decrease/(Increase) in Inventories	53,759	(664,651)
Increase in Trade & Other Receivables	(938,014)	(804,752)
Increase in Trade & Other Payables	546,260	969,590
Cash Generated from Operations	2,753,554	2,082,709
Interest Paid	(11,044)	(39,748)
Income tax paid	(244,627)	(272,520)
Retirement Benefit Obligation paid	(82,886)	(58,689)
Net Cash flows Generated from Operating Activities	2,414,997	1,711,752
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(233,965)	(63,064)
Proceeds from sale of Property, Plant & Equipment	27,982	54,847
Interest Received	12,545	8,600
Net Cash used in Investing Activities	(193,438)	383
Cash flow from Financing Activities		
Dividend Paid	(3,206,337)	(2,889,818)
Net Cash used in financing Activities	(3,206,337)	(2,889,818)
Net Increase / (Decrease) in cash and cash Equivalents	(984,778)	(1,177,683)
Cash and Cash Equivalent at beginning of year	356,388	(122,170)
Cash and Cash Equivalent at end of year	(628,390)	(1,299,853)
Analysis of cash and cash Equivalents at the end of the year		
Cash in hand & balances with Bank	281,575	267,986
Bank borrowings	(909,965)	(1,567,839)
	(628,390)	(1,299,853)

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June

	<i>Stated Capital</i>	<i>Revenue Reserve</i>	<i>Total</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<i>Balance as at 1st January 2013</i>	537,255	3,231,768	3,769,023
<i>Net profit for the 6 months ended 30.06.2013</i>	-	1,701,339	1,701,339
<i>Interim Dividend for 2012</i>	-	(1,611,764)	(1,611,764)
<i>Final Dividend for 2012</i>	-	(1,289,204)	(1,289,204)
<i>Balance as at 30 June 2013</i>	<u>537,255</u>	<u>2,032,139</u>	<u>2,569,394</u>
<i>Net profit for the 6 months ended 31.12.2013</i>	-	1,646,265	1,646,265
<i>Balance as at 31st December 2013</i>	<u>537,255</u>	<u>3,678,404</u>	<u>4,215,659</u>
<i>Net profit for the 6 months ended 30.06.2014</i>	-	2,078,761	2,078,761
<i>Interim Dividend for 2013</i>	-	(1,719,215)	(1,719,215)
<i>Final Dividend for 2013</i>	-	(1,504,508)	(1,504,508)
<i>Balance as at 30th June 2014</i>	<u><u>537,255</u></u>	<u><u>2,533,442</u></u>	<u><u>3,070,697</u></u>

Notes to the 30.06.2014 Quarterly Statements

1. The Accounting policies & 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. Material Events subsequent to the end of the interim period

There were no material events subsequent to the end of the Interim period upto the date on which we submitted the quarterly statements to CSE, which would require adjustments or disclosure in the Financial Statements.

4. The company has a Distributor Financing Scheme (Financing facility provided by the bank to the distributors) where the bank has a recourse to Nestlé for the credit extended to the distributors beyond internal limits set by the bank. The company has decided to recognize this recourse amount as Debtors from Q2 2014 onwards and the Balance Sheet as at 30.06.2014 reflects this change. If the same treatment is considered for the Balance Sheet as at 31.12.2013, the debtors and financial liability would increase by 472 Mio.

5. Comparative information has been reclassified where necessary, to conform to current year's presentation.

Additional Notes and other information

Public Holding Percentage: 9.18%.

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	Nestle S.A	48,793,746	90.82
2	HSBC International Nominees Ltd -MSIP- Coupland Cardiff Funds PLC-CC Asian Evolution Fund	821,631	1.53
3	HSBC Intl Nom Ltd - SSBT- Wasatch Frontier Emerging Small Countries Fund	311,631	0.58
4	Miss Neesha Harnam	200,000	0.37
5	RBC Investor Services Bank -Coeli Sicav I-Frontier Markets Fund	161,000	0.30
6	HSBC International Nominees Ltd -SSBT-Deutsche Bank AG Singapore A/C No. 1	155,600	0.29
7	Estate of Late Mr. Mariapillai Radhakrishnan	110,000	0.20
8	Employees Provident Fund	100,000	0.19
9	HSBC Intl Nom Ltd - UBS AG Singapore Branch	85,000	0.16
10	AIA Insurance Lanka PLC	81,375	0.15
11	HSBC Intl Nom Ltd-SSBT-Julius Baer Multipartner-WMP EM Established Leaders Fund	61,100	0.11
12	Mr. Jayampaihi Divale Bandaranayake	53,100	0.10
13	Colombo Investment Trust PLC	50,904	0.09
14	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
15	Mrs. Asha Ajay Merchant	39,600	0.07
16	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	39,455	0.07
17	Mellon Bank N A- Commonwealth Pen Pub School	35,905	0.07
18	Mrs. Jasbinderjit Kaur Piara Singh	34,700	0.06
19	Mascons (Pvt) Ltd	30,000	0.06
20	Mr. Sashimaal Ruhash Fernando	29,896	0.06