



For the nine months ended 30th September 2014	Year to date			Quarter Performance	
	2014 Rs. '000s	2013 Rs. '000s	% Variance	2014 Rs. '000s	2013 Rs. '000s
Revenue	24,944,543	23,110,143	7.9%	8,218,734	7,775,274
Cost of Sales	(15,685,354)	(15,037,739)	4.3%	(5,080,000)	(5,040,520)
Gross Profit	9,259,189	8,072,404	14.7%	3,138,734	2,734,754
Other Operating Income/ (Expense) (Note 1)	71,022	(41,723)	270.2%	20,685	(32,342)
Marketing, Selling and Distribution Expenses	(3,906,820)	(3,351,324)	16.6%	(1,280,615)	(1,109,165)
Administrative Expenses	(1,438,917)	(1,424,592)	1.0%	(497,526)	(469,817)
Results from Operating Activities	3,984,474	3,254,765	22.4%	1,381,278	1,123,430
Financial Income	26,301	21,175	24.2%	4,440	3,679
Financial Expenses	(22,864)	(67,784)	-66.3%	(11,119)	(29,596)
Net Financing Income/ (Expense)	3,437	(46,609)	107.4%	(6,679)	(25,917)
Profit Before Taxation	3,987,911	3,208,156	24.3%	1,374,599	1,097,513
Income Tax Expenses	(815,824)	(601,260)	35.7%	(281,273)	(191,956)
Profit for the Period	3,172,087	2,606,896	21.7%	1,093,326	905,557
Basic Earnings per share (EPS.) Rs.	59.04	48.52		20.35	16.86

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

Note 1 - Includes gain on disposal of assets of LKR 29 Mio for Jan to September 2014 (loss of 6.8 Mio for Jan to Sep 2013).

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GANESAN AMPALAVANAR  
MANAGING DIRECTOR  
12-Nov-14

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JAGDISH KUMAR SINGLA  
FINANCE DIRECTOR

NESTLÉ LANKA PLC  
STATEMENT OF FINANCIAL POSITION



As at :	30.09.2014 Rs. '000s	31.12.2013 Rs. '000s
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property Plant & Equipment	4,379,180	4,571,813
Capital Work-in-Progress	610,150	238,328
Intangible Assets	-	-
	<u>4,989,330</u>	<u>4,810,141</u>
<b>Current Assets</b>		
Inventories	2,679,158	2,603,655
Trade & Other Receivables	2,352,731	1,628,213
Amount due from Related Parties	195,504	227,586
Cash & Cash Equivalents	298,790	788,049
	<u>5,526,183</u>	<u>5,247,503</u>
<b>Total Assets</b>	<u>10,515,513</u>	<u>10,057,644</u>
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>		
Stated Capital	537,255	537,255
Revenue Reserves	3,626,415	3,678,403
	<u>4,163,670</u>	<u>4,215,658</u>
<b>Non-Current Liabilities</b>		
Retirement Benefit Obligation	412,528	469,430
Deferred Tax	548,303	459,590
	<u>960,831</u>	<u>929,020</u>
<b>Current Liabilities</b>		
Trade & Other Payables	3,247,316	2,974,834
Amount due to Related Parties	839,989	800,077
Current Tax Payable	805,571	618,678
Dividends Payable	103,144	87,716
Bank Overdraft	394,992	431,661
	<u>5,391,012</u>	<u>4,912,966</u>
	6,351,843	5,841,986
<b>Total Equity and Liabilities</b>	<u>10,515,513</u>	<u>10,057,644</u>

The figures are provisional and subject to audit

As at	30.09.2014 Rs.	30.06.2014 Rs.
Net asset value per share-	77.50	78.47
Market value per share recorded during the quarter		
- highest	2,199.00	2,000.00
- lowest	1,950.00	1,890.00
- Last trade price (Date 30/09/2014, 30/06/2014)	2,100.00	1,980.10

  
GANESAN AMPALAVANAR  
MANAGING DIRECTOR  
12-Nov-14

  
JAGDISH KUMAR SINGLA  
FINANCE DIRECTOR

**CASH FLOW STATEMENT***For the nine months ended 30th September 2014*

	<b>2014</b>	<b>2013</b>
	<b>Rs. '000s</b>	<b>Rs. '000s</b>
<b>Cash Flow from Operating Activities</b>		
Profit before Taxation	3,987,911	3,208,156
<b>Adjustments for ;</b>		
Depreciation	409,014	405,216
Amortisation	-	11,159
(Gain)/ Loss on sale of Property Plant & Equipment	(29,059)	6,869
Amortisation of staff loan interest	13,242	12,300
Interest Expense	22,116	69,470
Interest Income	(26,301)	(21,175)
Provision for Obsolete Inventory	(8,667)	5,735
Inventory write Off	113,418	81,889
Provision for Impairment of Trade Receivable	24,152	(16,361)
Provision for Retirement benefit Obligation	157,175	109,793
<b>Operating Profit before Working Capital Changes</b>	<b>4,663,001</b>	<b>3,873,051</b>
<b>Working Capital changes</b>		
(Increase) in Inventories	(180,254)	(922,466)
Increase in Trade & Other Receivables	(716,589)	(736,503)
Increase in Trade & Other Payables	312,394	790,922
<b>Cash Generated from Operations</b>	<b>4,078,553</b>	<b>3,005,004</b>
Interest Paid	(22,116)	(69,470)
Income tax paid	(540,218)	(383,103)
Retirement Benefit Obligation paid	(214,077)	(90,174)
<b>Net Cash flows Generated from Operating Activities</b>	<b>3,302,142</b>	<b>2,462,257</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(590,245)	(186,531)
Proceeds from sale of Property, Plant & Equipment	31,102	55,570
Interest Received	13,059	8,875
<b>Net Cash used in Investing Activities</b>	<b>(546,084)</b>	<b>(122,086)</b>
<b>Cash flow from Financing Activities</b>		
Dividend Paid	(3,208,648)	(2,889,993)
<b>Net Cash used in financing Activities</b>	<b>(3,208,648)</b>	<b>(2,889,993)</b>
<b>Net Increase / (Decrease) in cash and cash Equivalents</b>	<b>(452,590)</b>	<b>(549,822)</b>
Cash and Cash Equivalent at beginning of year	356,388	(122,170)
Cash and Cash Equivalent at end of year	<u>(96,202)</u>	<u>(671,992)</u>
<b>Analysis of cash and cash Equivalents at the end of the year</b>		
Cash in hand & balances with Bank	298,790	165,278
Bank borrowings	(394,992)	(837,270)
	<u>(96,202)</u>	<u>(671,992)</u>

## STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30th September 2014

	<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 9 months ended 30.09.2013</i>	-	2,606,896	2,606,896
<i>Interim Dividend for 2012</i>	-	(1,611,765)	(1,611,765)
<i>Final Dividend for 2012</i>	-	(1,289,204)	(1,289,204)
<i>Balance as at 30th September 2013</i>	<u>537,255</u>	<u>2,937,695</u>	<u>3,474,950</u>
<i>Net profit for the 3 months ended 31.12.2013</i>	-	740,708	740,708
<i>Balance as at 31st December 2013</i>	<u>537,255</u>	<u>3,678,403</u>	<u>4,215,658</u>
<i>Net profit for the 9 months ended 30.09.2014</i>	-	3,172,087	3,172,087
<i>Interim Dividend for 2013</i>	-	(1,719,215)	(1,719,215)
<i>Final Dividend for 2013</i>	-	(1,504,860)	(1,504,860)
<i>Balance as at 30th September 2014</i>	<u>537,255</u>	<u>3,626,415</u>	<u>4,163,670</u>

**Notes to the 30.09.2014 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 except for note No.4 as below.

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 30.09.2014 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 LKR 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	671,631	1.25
3	HSBC Intl Nom Ltd – SSBT- Wasatch Frontier Emerging Small Countries Fund	435,331	0.81
4	RBC Investor Services Bank -Coeli Sicav I-Frontier Markets Fund	254,500	0.47
5	Miss Neesha Harnam	200,000	0.37
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	HSBC Intl Nom Ltd-SSBT-Julius Baer Multipartner-WMP EM Established Leaders Fund	61,100	0.11
11	AIA Insurance Lanka PLC	53,975	0.10
12	Mr. Jayampathi Divale Bandaranayake	53,100	0.10
13	Colombo Investment Trust PLC	50,904	0.09
14	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	45,755	0.09
15	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
16	Mrs. Asha Ajay Merchant	39,600	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	Mr. Sashimaal Ruhash Fernando	30,260	0.06
20	Mascons (Pvt) Ltd	30,000	0.06