

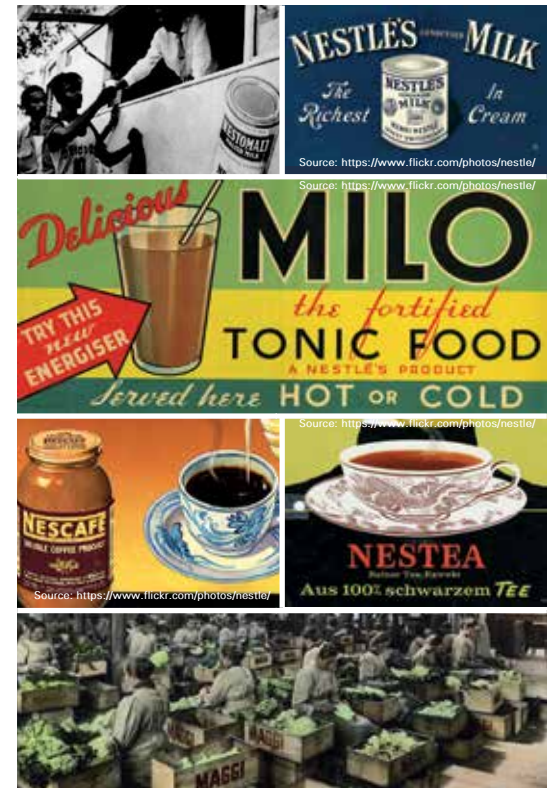
Nestlé Lanka PLC Annual Report 2015



150 Years

of Good Food, Good Life

Nestlé 1866-2016



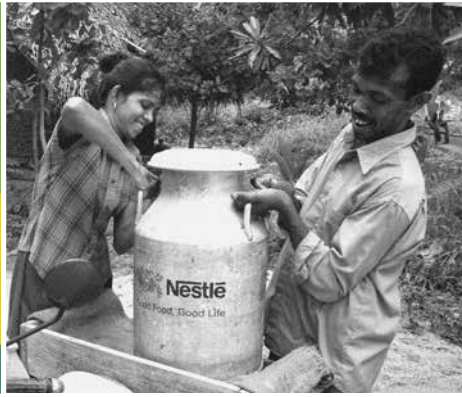
A leading Nutrition,
Health and Wellness company



Source: <https://www.flickr.com/photos/nestle/>



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Delivering Nestlé products in the early 1900s, in what was then known as Ceylon



Table of Contents

6	Nestlé Worldwide - Celebrating 150 Years	50	Our Most Loved Brands
8	Nestlé in Sri Lanka - Our Passion for Nutrition	61	Financial Report
12	Nestlé Timeline: 1866-today	62	Independent Auditors' Report
18	Nestlé in Sri Lanka: Then and Now	63	Statement of Profit or Loss and Other Comprehensive Income
20	2015 Highlights	64	Statement of Financial Position
24	Chairman's Message	66	Statement of Changes in Equity
26	Managing Director's Review	67	Statement of Cash Flows
32	Board of Directors	69	Notes to the Financial Statements
34	Management Committee	104	Value Added Statement
36	Corporate Governance	105	Ten Year Summary
39	Corporate Governance Reporting	107	Share Information
42	Report of the Audit Committee	109	Creating Shared Value Summary Report
43	Report of the Remuneration Committee	114	Enhancing Lives for 150 Years
44	Directors' Responsibility for Financial Reporting	122	Notice of Meeting
45	Annual Report of the Board of Directors on the Affairs of the Company	123	Form of Proxy
		126	Attendance Form



How our passion for nutrition inspired 'Good Food, Good Life'

It's the mid 1860's in Switzerland and a premature baby cannot breastfeed. This is worrying in an era when many infants who cannot breastfeed die of malnutrition. Our founder, pharmacist Henri Nestlé, learns about the case and feeds the child his new *Farine Lactée* infant food. It is the only product the boy can digest, and he survives.

Word of Nestlé's success spreads rapidly, and through determination, commitment and a pioneering spirit he builds a thriving business. His life-saving innovation is the model for all products that follow throughout Nestlé's history.

Nestlé today

People around the world now consume more than one billion servings of Nestlé products per day. The company operates in over 197 countries and employs almost 340,000 people. It's a far cry from the small-scale business that Henri Nestlé

founded in Vevey, Switzerland. But Nestlé still embraces his values, his famous 'Nest' logo, and his passion for nutrition.

Leading nutrition expertise

We have continued to provide innovative, science-based products and services that enhance the quality of life.

Nestlé has the largest food and nutrition research organisation in the world today, which develops and applies scientific and nutritional know-how to all our products. We continue to build on our R&D leadership with a number of studies on areas relevant to our business. For example, two ongoing Nestlé studies – the Kids Nutrition and Health Study (KNHS) and Feeding Infants and Toddlers Study (FITS) – provides snapshots of eating patterns, nutrient intakes, child lifestyle and behavioral factors, and healthy weight indicators of children up to 12 years of age. We use this research to improve the nutritional profiles of our products. It is this unique R&D strength that helps deliver the main benefits of our products – taste, nutrition, quality and safety.



One other benefit that Nestlé products have always offered is convenience. This became especially important after more women entered the workplace, and people demanded foods that were easy to prepare.

One of our first products was *Milkmaid*, which we sold as a safe, life-long alternative to fresh milk. In 1916, we acquired the Norwegian dairy company Egron which had patented a spray-drying process for producing milk powder – a product we soon started selling.

By 1938, people could 'start the day with a *Nescafé*, the world's first great-tasting instant coffee, simply by adding hot water. By 1957, they could finish the day with *Maggi* pasta 'ready meals' in cans, which were hugely successful. Our skill in anticipating and meeting consumer needs, combined with our passion for quality, has earned us recognition as the trusted leader in Nutrition, Health and Wellness.

Enhancing product superiority

Today Nestlé's global business spans food and beverages, waters, dairy, confectionery, petcare, even skincare. In 2011 the company extended its

leadership in Nutrition, Health and Wellness by creating Nestlé Health Science, to develop nutritional healthcare products that target optimal brain health, for example, or healthy ageing.

Such innovations will help Nestlé address the global challenges of malnutrition, growing and ageing populations and obesity.

The future

2016 will mark the beginning of our next 150 years, and the opportunity to reconfirm and extend our commitment to enhance the quality of life further. Raising our game in this regard is precisely what leadership in Nutrition, Health and Wellness is all about.

Nestlé has been, and will always be, passionate about nutrition.



Our passion for nutrition

Our global expertise in nutrition has benefited our operations in Sri Lanka for over a century, driving the high level of quality upheld by our state-of-the-art factory in Kurunegala when making the Nestlé products you know and love.

Enhancing product superiority

This same passion for nutrition underpins a commitment to continuously improve our products' nutritional profile.

While Sri Lanka enjoys a significantly better nutritional status than most in the region, 23% of Sri Lankan children under five are underweight, 33% are deficient in iron and 29% are deficient in Vitamin A. 5% of adults between 30 to 39 years also suffer from obesity (source: National Nutrition & Micronutrient Survey – 2012 - Medical Research Institute, Ministry Of Health).

Using our global R&D expertise, we are working to ensure that our products offer a superior nutritional profile to help meet local nutritional needs. We are reducing salt, sugar and saturated fats in our products, and fortifying them with micronutrients, vegetables and wholegrains where applicable.

Fortified with calcium and vitamin A, and enhanced with added vegetables



Reduced sugar



8 vitamins and minerals for optimum energy release



Fortified with B vitamins and minerals



Our Passion for Nutrition



60/40+: Catering to local palettes

At the core of ensuring that our products meet the needs and preferences of local consumers is our unique 60/40+ programme, the largest of its kind ever to be deployed in the industry, which requires at least 60% of a large consumer sample to prefer our Nestlé product in a blind taste test against our main competitors.

Secondly where relevant, it requires the product to offer an additional nutritional advantage based on criteria recommended by world renowned nutrition and health authorities and local public regulatory priorities.

By participating in the programme, our Sri Lankan consumers have helped shape our products to suit their palettes.

Fortified with iron

Natural goodness of cereals with added vitamins and minerals



Fortified with vitamin A and iron





Promoting healthy diets and lifestyles

We place a strong focus on helping to improve understanding of nutrition, because many non-communicable diseases often originate from a lack of awareness of healthy diets and lifestyles.

The Nestlé Healthy Kids Programme

The Nestlé Healthy Kids Programme, which partners with the Education Ministry's "Poshanayai Suwadiwiyai" (Nutrition for a Healthy Life) campaign, focuses on educating school-age children on nutrition and health. It is taught in schools as an extra-curricular subject by Ministry educationists.

The programme also has a separate component called "Kids Athletics" that creates awareness about the importance of physical activity. It holds athletic training and awareness building events across the country to encourage children to be more physically active.

Empowering Sri Lankan mothers with scientific, nutritional information

Our Nestlé Start Healthy, Stay Healthy programme, a non-commercial activity, partners with local healthcare professionals to educate mothers who do not have

access to expert advice on science and nutrition. It aims to make good nutrition a way of life and pave the way for a healthier future generation.

Sharing science-based information with local healthcare professionals

Our Nestlé Nutrition Institute is committed to empowering local healthcare professionals with the latest science-based information. Organising scientific workshops and similar events, its aim is to support continuing education amongst local healthcare professionals.

Encouraging an active lifestyle through school sports and national marathons

We strive to instill an interest in sports among youth for reasons of health, wellness, discipline and leadership. By supporting school sports events through our *Milo* brand and national marathons through our *Nestomalt* brand, we have been able to encourage hundreds of thousands of adults and children to be physically active, and support many promising athletes in their careers.



Empowering people to make informed choices about their food and beverages

Our packaging also plays an important role in enhancing nutritional understanding. We have a number of tools on pack that offer portion advice, information on nutritional value and calorie content.

The Nestlé Nutritional Compass

People are often confused by the sheer number and variety of different labeling systems. This is why we offer transparent and easy to understand nutrition information on all our packs. This approach is called the Nestlé Nutritional Compass®.

Beyond the label

We are now expanding the use of the Nutritional Compass to include a QR code on packs. Consumers can scan it with a smartphone to access useful, fact based information that they would not ordinarily find on the label; such as dietary and serving advice for the product as well as its social and environmental impact.

Nestlé Nutri-Corners

The Nestlé Nutri-Corner is an educational initiative that continues to be implemented across the island in areas with high footfall. Qualified nutritionists provide much

needed advice on the importance of having a balanced diet and healthy lifestyle to thousands of people around the island every year. We also help them assess their nutritional status through BMI (Body Mass Index), body fat, waist circumference, random blood sugar and blood pressure check-ups along with diet counseling.

Wellness campaigns

Partnering with leading health organisations for public health awareness campaigns, we help educate people about the risks of noncommunicable diseases along with tips for prevention. In 2015, we launched a campaign for World Heart Day together with the Sri Lanka Medical Association (SLMA). We also sponsored health walks, runs and fitness programmes to encourage people to live an active lifestyle.

Contribution

Looking back, we can be proud of what we have achieved. 2016 not only marks 150 years for Nestlé worldwide but also 110 years for Nestlé in Sri Lanka. That is more than 100 years of passion for nutrition; of bringing Good Food, Good Life to millions of consumers in the country.

Nestlé Timeline: 1866-today

1866



Our history begins in 1866 when, using abundant supplies of fresh Swiss milk, the Anglo-Swiss Condensed Milk Company starts supplying Europe's industrial towns with condensed milk under the *Milkmaid* brand

1904



Nestlé begins selling chocolate for the first time. Henri Nestlé plays a key role in developing the world's first milk chocolate, when he supplies his neighbour Daniel Peter with condensed milk. Peter uses the milk to develop the world's first commercial milk chocolate product



1906



Nestlé starts trading in Sri Lanka with *Milkmaid* condensed milk and *Lactogen* infant food products

1867



Our founder Henri Nestlé develops a breakthrough infant food '*Farine Lactée*' ('flour with milk') in Vevey, Switzerland. It combines cow's milk, wheat flour and sugar, and Nestlé develops it for consumption by infants who cannot be breastfed, to tackle high mortality rates. Around this time he starts using the now iconic 'Nest' logo

1905



Nestlé merges with Anglo-Swiss to form the Nestlé & Anglo-Swiss Milk Company, known today as the Nestlé Group.

Over several years, the company expands its range to include unsweetened condensed milk and sterilised milk, and gradually starts using overseas subsidiaries - with a sales network that spans Africa, Asia, Latin America and Australia – to become a global dairy company

1916



Nestlé acquires Norwegian dairy company Egron, which has patented a spray-drying process for producing milk powder – a product we soon start selling



Nestlé Timeline: 1866-today

1934



Malted chocolate drink *Milo* is launched in Australia, and its success means it is later exported for sale in other markets, including Sri Lanka

1938



Nescafé is launched as a 'powdered extract of pure coffee' that retains coffee's natural flavour, but can be prepared by simply adding hot water

The product is the brainchild of Max Morgenthaler, who begins work on it in 1929, when the Brazilian government asks Nestlé to find an outlet for its huge coffee surplus

1947



Nestlé merges with Swiss company Alimentana, which produces *Maggi* soups, bouillons and seasonings, and is renamed Nestlé Alimentana. Alimentana's history dates back to 1884, when Julius *Maggi* developed a protein-rich dried soup to tackle malnutrition

1948



In the US, Nestlé launches a soluble tea, *Nestea*, which is manufactured using the same method as *Nescafé*, and can be served both hot or cold



1950

To strengthen Nestlé's operations in Sri Lanka, a company subsidiary, Nassau Bahama Islands, is registered as Nestlé Products (Ceylon) Ltd



1964



Ceylon Nutritional Foods (Pvt) Ltd – the successor to Nestlé Products (Ceylon) Ltd – is incorporated, selling branded food products under the Nestlé, Crosse & Blackwell, *Lactogen*, *Milkmaid* and *Maggi* trademarks

Nestomalt, a malted milk-food drink developed by Nestlé Australia, is later introduced to the island. The product fast becomes a household favourite in Sri Lanka, where Sri Lankans not only consume the product on its own but also mix it together with their tea. *Nestomalt* is only manufactured in Sri Lanka today and remains Nestlé Lanka's biggest brand



Nestlé Timeline: 1866-today

1974

L'ORÉAL

For the first time, Nestlé diversifies beyond food and drink, becoming a minority shareholder in global cosmetics company L'Oréal

1977

ALCON

Renamed Nestlé S.A, the company continues its diversification strategy, buying US pharmaceutical and ophthalmic products manufacturer Alcon Laboratories



1980



Nestlé launches a dairy development programme in Sri Lanka to help rural farmers produce more milk of better quality, honouring its commitment to the government to help develop Sri Lanka's dairy industry

Nestlé SA and the Government of Sri Lanka form a joint venture – International Dairy Products Ltd (IDPL) – to use local milk for condensed milk production. IDPL's factory is based in Polonnaruwa

1981

GALDERMA

Nestlé and L'Oréal establish Galderma as a joint venture active in dermatology. The World Health Assembly adopts the WHO code on breast-milk substitutes, and Nestlé is one of the first companies to develop policies based on it and apply them across its business



The company Nestlé Lanka Limited is incorporated in Sri Lanka



1983



Reinforcing roots in the island, Nestlé Lanka Limited becomes a public quoted company, with 5,000 local shareholders. Nestlé starts building its first multi-product manufacturing facility in Sri Lanka, located in Kurunegala, with an investment of Rs. 500 million



1984



Nestlé begins commercial production in its Kurunegala factory. Its opening is a landmark event in the country and the factory is inaugurated by Sri Lanka's first Executive President, His Excellency J.R. Jayawardene. Today this state-of-the-art factory produces more than 90% of the Nestlé products sold in Sri Lanka

Nestlé Timeline: 1866-today

1986



The *Nespresso* story begins with a simple idea: enable anyone to create a perfect cup of coffee, just like a skilled barrista



A wholly owned subsidiary of Nestlé Lanka Limited – Eastern Food Specialties Ltd – is incorporated in Sri Lanka to manufacture coconut milk powder under the *Maggi* brand at the Kurunegala factory

1992



Nestlé develops its position in mineral waters by acquiring France's Perrier Group. Nestlé Sources Internationales is created as a separate waters business in 1993, and is renamed Nestlé Waters in 2002

1997

New CEO Peter Brabeck-Letmathe sees growth potential in personalised nutrition. He announces Nestlé's position as the leader in 'Nutrition, Health and Wellness', as the millennium approaches



1998

An Ultra-Heat Treatment (UHT) plant is opened in the Polonnaruwa factory to produce *Nestomalt*, *Milo* and *Nespray* Ready-to-Drink (RTD) products

1988



Nestlé buys UK confectionery company Rowntree Mackintosh, adding brands like *KitKat*, *After Eight* and *Smarties* to its portfolio.



1993



With the increasing success of *Maggi* Coconut Milk Powder, Nestlé Lanka dedicates a facility at its Kurunegala factory to exclusively manufacture the product. Today Nestlé Lanka is the only manufacturer of coconut milk powder in the Nestlé Group and is among the largest exporters of coconut milk powder in the world

2001



Nestlé buys US pet food business Ralston Purina, and merges it with Nestlé Friskies Petcare to establish the new market leader in pet care, Nestlé Purina Petcare

Nestlé Timeline: 1866-today

2002



After expanding its ice-cream business in the 1990s, Nestlé acquires the licensing rights to premium producer Häagen-Dazs in the US and Canada, and buys Mövenpick and Dreyer's Grand Ice Cream in 2003



2005



Nestlé Nutrition, Nestlé's business division that caters to specific infant, child and maternal nutrition needs, is launched in Sri Lanka

2007

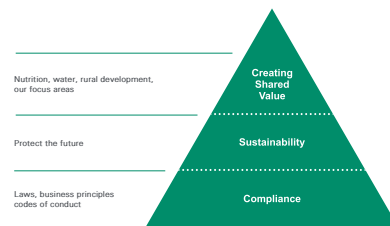
A growing focus on medical nutrition leads Nestlé to acquire Novartis Medical Nutrition. It also buys baby food company Gerber and Swiss mineral waters concern, Sources Minérales Hennessey



Complying with new regulations – section 485 (6) of the Companies Act No. 7 of 2007 – Nestlé Lanka Limited is registered as Nestlé Lanka PLC

Nestlé's operations at its Polonnaruwa factory are relocated to its Kurunegala factory

2006



Nestlé announces its Creating Shared Value approach to doing business, where any action for shareholders must also create value for the communities Nestlé operates in, and for wider society.



In Sri Lanka, Ceylon Nutritional Foods (Pvt) Ltd, International Dairy Products Ltd and Eastern Food Specialties Ltd merge with Nestlé Lanka Limited to form one entity

2008



Nestlé creates a foodservice business division named Nestlé Professional, which develops products and services for culinary professionals

Nestlé Timeline: 1866-today

 **2009**

Nestlé Nutrition Institute

The Nestlé Nutrition Institute, a non-commercial entity that shares science-based information and education with healthcare professionals, is launched in Sri Lanka

2012

Nestlé acquires Wyeth Nutrition, formerly Pfizer Nutrition, to strengthen its position in infant nutrition

2013

Nestlé Health Science buys US-based medical foods company Pamlab, which specialises in medical nutrition for patients with conditions including mild cognitive impairment and depression

2015



Nestlé enters the super-premium global chocolate category with *Cailler*

2011



Nestlé Health Science and the Nestlé Institute of Health Sciences are established, to research science-based nutritional products aimed at preventing and treating chronic medical conditions

2014



With the creation of Nestlé Skin Health, Nestlé takes full control of the Galderma dermatology joint venture it created with L'Oréal in 1981

 **2016**

 **150** Years
of Good Food, Good Life

Nestlé celebrates 110 years in Sri Lanka and 150 years worldwide.



Nestlé in Sri Lanka: Then



Inaugurated by Sri Lanka's first Executive President, His Excellency J.R. Jayawardene



More than
30 years of
manufacturing
high quality,
nutritious
products

Over three decades ago, the remote village of Makandura, Pannala, located in the Kurunegala district, witnessed foundations being placed in a bare land, to commence the construction of what is presently known as the Nestlé Lanka Kurunegala factory.

Today, this manufacturing facility produces more than 90% of Nestlé's food and beverage products in Sri Lanka, playing a vital role in establishing Nestlé

Lanka as a leading Nutrition, Health and Wellness company.

In addition to manufacturing products of the highest quality, our factory provides a livelihood to approximately 900 families through direct employment whilst positively impacting the livelihood of close to 25,000 farming families through our procurement of fresh milk and coconut.



2015 Highlights

Financial Performance

Revenue

Rs. 35.9 billion + 9%

Contribution to Exchequer

Rs. 6.7 billion

Earnings per Share

Rs. 76.77

Contribution to the Rural Economy



Rs. 3.6 billion

paid to nearly 20,000 local dairy farmers for fresh milk



Rs. 2.6 billion

contributed to the coconut industry as payment for procuring fresh coconuts

Strengthening our Nutrition, Health and Wellness credentials

 **2,850**

Children educated on nutrition and health through our Nestlé Healthy Kids Programme

 **44,000**

Children encouraged to be more physically active via Nestlé Healthy Kids athletic events

 **360 million**

Servings of micronutrient fortified Nestlé products

 **25,000**

People provided with free nutritional counselling

Lowering our Environmental Footprint

Saving energy by

 **40%**

(2008 - 2015 per tonne of production)

Saving water by

 **39%**

(2008 - 2015 per tonne of production)

Reduction of greenhouse gas emissions by

 **37%**

(2008 - 2015 per tonne of production)



RURAL DEVELOPMENT



NUTRITION



ENVIRONMENTAL SUSTAINABILITY

2015 Highlights

Strengthening our product portfolio



Nespray Nutri-Up

A Ready-To-Drink (RTD) product, made with local milk and fortified with vitamins A and D to help address micronutrient deficiencies



Maggi Devilled X-Tra Green Chilli

Sri Lanka's first green chilli noodle



Nestlé Docello Dessert Solutions

Available in chocolate mousse, panna cotta and crème brûlée, these dessert mixes allow culinary professionals to make quality desserts quicker and at a lower cost

Recognition



'Best Exporter of the Coconut & Coconut Based Product Sector' and 'Best Exporter of the Food & Other Beverages Product Sector'

Awarded at the Presidential Export Awards, for our contribution to Sri Lanka's exports



Empowering Dairy Development in Sri Lanka

Awarded by the Minister of Public Administration, in recognition of our work in developing Sri Lanka's dairy industry



Maggi: 'Food Brand of the Year' and 'Youth Food Brand of the Year'

This marks the third consecutive year *Maggi* has won both titles at the SLIM - Nielsen People's Awards



Ranked in the Top 20 best performing companies in Sri Lanka

Recognised for financial performance by Business Today and LMD (Lanka Monthly Digest)



Dear Shareholders,

It is with great pleasure that I present our Annual Report and audited statement of accounts for the year 2015. You can be proud of your Company's performance. We have once again been able to deliver sustainable profitable growth.

Our strong performance results from consistently and diligently addressing our consumers' needs. We actively manage our portfolio, ensuring we align our resources behind our strongest ideas, products and brands. Whilst delivering good financial performance, this discipline has helped us in our journey to be the recognised and trusted leader in Nutrition, Health and Wellness.

We also drive efficiencies across the value chain, allowing us to decrease operational costs and free up resources to support growth.

I know that such a performance requires hard work from everybody in our organisation. It requires commitment, persistence, discipline, dedication and an entrepreneurial spirit. For exhibiting all this, I wholeheartedly thank our Nestlé Lanka employees and our numerous partners and stakeholders. I would

also like to thank you, our shareholders, for your investment, your trust and your confidence, which have enabled us to deliver good returns over the long term.

In light of your Company's consistent and solid performance, your Directors were pleased to declare an interim dividend of Rs. 34.50 per share on 23 February 2016 and are recommending a final dividend of Rs. 30 per share for your approval.

In 2016 we will place a greater emphasis on being recognised as a company that is Fast, Focused and Flexible. We will concentrate on innovation led by consumer insights, and will be guided increasingly by nutritional science to provide promising platforms for future growth, in line with our strategy of Nutrition, Health and Wellness.

2016 is also the year when we, as Nestlé, celebrate a significant milestone. This year, we are celebrating 110 years of our presence in Sri Lanka and 150 years worldwide. That is 150 years of passion for nutrition and for quality that builds trust. It is 150 years of enhancing lives and of creating a positive impact in

Chairman's Message

This year, we are celebrating 110 years in Sri Lanka and 150 years worldwide. That is 150 years of passion for nutrition and for quality that builds trust. It is 150 years of enhancing lives and of creating a positive impact in local communities through our business. It is 150 years to be proud of.

local communities through our business. It is 150 years we are truly proud of.

We look forward to making 2016 the first successful year of our next 150 years. I am sure that our success will continue to be based on the same ingredients as before; our people, our passion for nutrition, our determination to stay the course and look ahead, to understand the environment in which we operate, and to organise ourselves to seize opportunities to strengthen our business.



Suresh Naryananan
Chairman
NESTLÉ LANKA PLC

23 February 2016



Nestlé Lanka's state-of-the-art factory in Kurunegala



Dear Shareholders,

The year under review has been a good one for your Company. We have delivered strong results for what has been a challenging year. We were able to maintain or increase market share in the majority of our categories, and, more importantly, strengthen our credentials as a leading Nutrition, Health and Wellness company. This performance demonstrates the intrinsic strengths of Nestlé - the commitment of our people, the strength of our portfolio, the quality of our products and the trust of our consumers.

Our much loved power brands *Nestomalt*, *Milo* and *Maggi* played an important role in fuelling your Company's growth.

Sri Lanka's household favourite, *Nestomalt*, further increased its market share; deepening its engagement with rural consumers. *Milo* also maintained a strong growth momentum, partnering with the Ministry of Education to empower hundreds of thousands of athletes across the island with national school sports events. It also launched a new campaign, 'Mom, Me and My *Milo*', to encourage mothers and kids to partner together in leading a healthy and active lifestyle.

Maggi launched *Maggi* Devilled X-Tra Green Chilli noodles and ended the year on a steady note, signifying the strong trust consumers have in the quality and safety of the brand. *Nespray*, which comes to consumers with the goodness of Sri Lankan milk and Nestlé's global expertise in child nutrition, strengthened its portfolio with the launch of *Nespray Nutri-Up*, a Ready-To-Drink product fortified with vitamins A and D.

Recognising that food is a conscious way to bring health and nutrition benefits to our consumers, we are continuing to innovate and renovate our products to offer nutritional advantages and ensure that the Nestlé name on the pack is a promise of 'Good Food, Good Life' to our consumers.

Using our global R&D expertise, we are working to ensure that our products offer the most superior nutritional profile in their respective categories. Our products are fortified with essential micronutrients and other vitamins and minerals, and supplemented with vegetables and other nutritious ingredients as relevant. We are also reducing the levels of public health sensitive nutrients - like salt and sugar - in our

Managing Director's Message

The year under review has been a good one for your Company. We have delivered strong results for what has been a challenging year. We were able to maintain or increase market share in the majority of our categories, and, more importantly, strengthen our credentials as a leading Nutrition, Health and Wellness company. This performance demonstrates the intrinsic strengths of Nestlé - the commitment of our people, the strength of our portfolio, the quality of our products and the trust of our consumers.

products while ensuring the taste our consumers love remains unchanged.

Our leadership in Nutrition, Health and Wellness also extends to creating public awareness about the importance of good nutrition and an active lifestyle.

The Nestlé Healthy Kids Programme, which partners with the Education Ministry, was expanded to educate over 46,500 additional school children on nutrition and the importance of physical activity. In parallel, we launched a number of public awareness campaigns to encourage adults to 'Choose Wellness' through a healthy diet and lifestyle.

The intrinsic value of our nutrition agenda in Sri Lanka will increase as the population expands, healthcare challenges increase, and related costs multiply. We are committed to using our global know-how, and presence at the cutting edge of science, to contribute towards providing solutions for health concerns, ranging from malnutrition to obesity, in the country. Enhancing lives with our products will continue to shape everything we do.

It gives me great pleasure and pride to note that your Company continued to honour its commitment

to Creating Shared Value (CSV). CSV refers to our fundamental belief that to be successful over time, we need to create value for our shareholders while creating value for society at the same time.

We continued to invest in Sri Lanka's rural economy, contributing more than Rs. 6 billion to almost 25,000 local farming families to purchase fresh milk and coconuts for our products; and remained committed to manufacturing as efficiently as possible, reducing our energy consumption by 40% and water consumption by 39% over the last seven years.

We also continued to be recognised with a number of accolades and awards in 2015, for our financial performance and contribution to the economy.

Looking back, we can be proud of what we have achieved. I would like to thank all our employees - at the head office, in our factory and on the field - for their efforts. Their hard work, dedication, talent, creativity and entrepreneurship were key to delivering our results. We would also like to thank you, our shareholders, for your continued confidence, support and unwavering loyalty.

Looking forward, this year is a special one for Nestlé.

We celebrate 110 years in Sri Lanka and 150 years worldwide. 2016 is a year to thank everybody who has brought us here - our consumers, our employees, our distribution partners, our suppliers and our shareholders. It is a unique opportunity to celebrate and share our passion for nutrition; our passion for helping generation after generation of people live happy, healthy lives.

As we begin the next 150 years, we will strengthen the foundations of future growth while delivering in the short term and continue to invest for the future; in our brands, our innovation, our capacity and our people.



Shivani Hegde
Managing Director
NESTLÉ LANKA PLC

23 February 2016



හිතවත් කොටස් හිමිකරුවනි,

අප විසින් විමසුමට ලක්කරන වර්ෂය සැබැවින්ම ඔබගේ සමාගමට සුවිශේෂ වන්නකි. එම වර්ෂයේදී අභියෝග මධ්‍යයේ සාර්ථක ප්‍රතිඵල රැසක් හිමිකරගැනීමට අපට හැකියාව ලැබුණි. වෙළෙඳපොළෙහි අප ක්‍රියාත්මක නිපැයුම් අංශයන් බහුතරයක අප හිමිකරගෙන සිටින කොටස්හිමිකාරීත්වය පහත නොවැටී තබාගැනීමට හෝ වර්ධනය කරගැනීමට අපි සමත් වූයෙමු. පෝෂණය, සෞඛ්‍ය සහ යහගුණය රැගෙන එන ප්‍රමුඛ පෙළේ සමාගමක් වශයෙන් අප කෙරෙහි ඇති විශ්වාසනීයත්වය සවිබලගත්වාගැනීම ඒ අතරින් ඉතාම වැදගත් වේ. මේ සියළු ජයග්‍රහණයන්ගෙන් පෙන්නුම් කරන්නේ හෙස්ලේ සතු සැබෑ ශක්තියයි, අපගේ සේවක පිරිසෙහි කැපවීමයි, අපගේ නිපැයුම්වල ප්‍රබලත්වයයි, අපගේ නිපැයුම්වල ප්‍රමිතිය සහ පාරිභෝගිකයන් අප කෙරෙහි තබා ඇති විශ්වාසයයි.

අපගේ හෙස්ටමෝල්ට්, මයිලෝ සහ මැගී යන බලවත් සන්නාමයන් සමාගමේ වර්ධනය වෙනුවෙන් වැදගත් දායකත්වයක් ලබා දී තිබේ.

ශ්‍රී ලංකාවේ සෑම නිවසකම ඉතා ජනප්‍රිය සන්නාමයක් වන හෙස්ටමෝල්ට් සතු වෙළෙඳපොළ කොටස් හිමිකාරීත්වය වර්ධනය වී ඇති අතර ග්‍රාමීය පාරිභෝගිකයින් සමග ඇති බැඳීම සවිමත්කර ගැනීමට සමත්ව ඇත. අධ්‍යාපන අමාත්‍යාංශය සමග සහයෝගිතාවය ගොඩනගාගනිමින් සිය දහස් ගණනක් පාසල් මලල ක්‍රීඩක ක්‍රීඩිකාවන් සවිබල ගත්වන පාසල් ක්‍රීඩා ඉසව්වන් සඳහා අනුග්‍රාහත්වය ලබා දෙමින් අපගේ තවත් වැදගත් නිපැයුමක් වන මයිලෝ සුවිශේෂ වර්ධනයක් පවත්වාගෙන ඇත. 'Mom, Me and My Milo' නමින් නව්‍ය ව්‍යාපෘතියක් දියත්කරමින් නිරෝගිමත් මෙන්ම ක්‍රියාශීලී දිවිපෙවෙතක් හිමිකරගැනීම සඳහා මව්වරුන් සහ දරුවන් යොමුකරවීමට මයිලෝ කටයුතු කරන ලදී.

පසුගිය වර්ෂයේදී අපගේ මැගී සන්නාමය යටතේ 'මැගී ඩෙවිල්ඩ් එක්ස්ට්‍රා ශ්‍රීන් විලි නූඩ්ල්ස්' හඳුන්වා දුන් අතර මැගී යනු සුරක්ෂිත මෙන්ම ප්‍රමිතිගත නිපැයුමක් බවට පරිභෝගිකයන් අතර විශ්වාසය ඉහළ නංවන්නටද හැකියාව ලැබුණි. විටමින් A සහ D පෝෂණයෙන් පරිපූර්ණවූ 'හෙස්ලේ හියුට් අස්' (Ready-To-Drink) පානය හඳුන්වා දෙමින් ප්‍රදරු පෝෂණයෙහි ගෝලීය විශේෂඥතාවය ඇතිව

හෙස්ලේ සමාගමේ තවත් සන්නාමයක් වන හෙස්ලේ තම නිපැයුම් පරාසය පුළුල් කරගනිමින්, ශ්‍රී ලාංකික නැවුම් කිරි යහගුණය තවදුරටත් පාරිභෝගිකයන් අතරට රැගෙන යාමට සමත් විය.

ආහාර අපගේ පාරිභෝගිකයන්ට සෞඛ්‍ය සහ පෝෂණ ප්‍රතිලාභ ලබාදෙන වැදගත් සම්පතක් බව හඳුනාගනිමින් වැඩි පෝෂණ ප්‍රතිලාභයක් ලබා ගැනීමට හැකිවන අයුරින් නිරන්තරවම අපගේ නිපැයුම් නව්‍යකරණයට ලක්කරන්නෙමු. හෙස්ලේ නාමය කිසියම් අසුරුමක ඇත්නම් එය 'පිරිපුන් අහරින් පිරිපුන් දිවියක්' ලබාදෙන හෙස්ලේ නිපැයුමක් බවට අපි සහතික වන්නෙමු.

අප සතු ගෝලීය සමීක්ෂණ සහ සංවර්ධන විශේෂඥතාවය උපයෝගී කරගනිමින් අපගේ නිපැයුම්වල විශිෂ්ට පෝෂණීය ගුණාංග තවදුරටත් සහතිකකර ගැනීම වෙනුවෙන් අපි කටයුතු කරන්නෙමු. අපගේ නිෂ්පාදනවලට වැදගත් ක්ෂුද්‍ර පෝෂක සහ වෙනත් විටමින් සහ ඛණිජ ලවණ මෙන්ම එළවළු සහ වෙනත් පෝෂණ අමුද්‍රව්‍ය අතිරේක වශයෙන් එකතු කිරීමටද කටයුතු කර තිබේ. එපමණක් නොව පාරිභෝගිකයා අපගේ නිපැයුම් කෙරෙහි දක්වන කැමැත්ත නොඅඩුව පවත්වාගනිමින්, ඒවායේ රසය රැකගනිමින් මහජන සෞඛ්‍යයට සංවේදී ශුඤ්ඤ සහ සීනි වැනි පෝෂක අපගේ නිෂ්පාදනවලට යොදාගැනීම අවම කිරීමටද කටයුතු කළෙමු.

පෝෂණය, සෞඛ්‍ය සහ යහගුණය පමණක් නොව වැදගත් පෝෂණයක් සහ ක්‍රියාශීලී දිවි පැවැත්මක් පවත්වාගැනීමේ වැදගත්කම පිළිබඳව මහජනයා දැනුවත් කිරීම සම්බන්ධයෙන්ද අපි ප්‍රමුඛත්වය හිමිකරගෙන සිටින්නෙමු.

අධ්‍යාපන අමාත්‍යාංශය සමග ඒකාබද්ධව දියත් කළ 'හෙස්ලේ හෙල්දි කිඩ්ස්' වැඩසටහන 46,500කට වැඩි අමතර පාසල් ළමුන් ප්‍රමාණයකට පෝෂණය සහ ශාරීරික ක්‍රියාකාරීත්වයෙහි වැදගත්කම පිළිබඳව දැනුම බෙදාදීමට හැකිවන පරිදි තවත් පුළුල් කරන ලදී. ඊට සමගාමීව සෞඛ්‍ය සම්පන්න ආහාර වේලක් සහ දිවි පැවැත්මක් තරහා 'යහගුණය තෝරාගැනීම' සඳහා වැඩිහිටියන් උනන්දු කරවන මහජන දැනුවත් කිරීම් ව්‍යාපෘති රැසක් අපි හඳුන්වා දුන්නෙමු.

ජන ව්‍යාප්තිය, සෞඛ්‍යාරක්ෂණ අභියෝග ඉහළ යාම සහ අදාළ වියදම් යන කරුණුවලට සාපේක්ෂව ශ්‍රී ලංකාව තුළ අපගේ පෝෂණ ක්‍රියාන්විතයෙහි අගයද ඉහළ නංවන්නෙමු. ජාත්‍යන්තර දැනුම් හැකියාව භාවිතයට කැපවී සිටින අපි නවීන විද්‍යාවේ භාවිතයෙන් මන්දපෝෂණයේ සිට තරබාරුකම දක්වා පෝෂණ සෞඛ්‍ය ගැටළුවලට විසඳුම් සෙවීමට දායකත්වය ලබා දෙන්නෙමු. අපගේ නිපැයුම් හරහා පාරිභෝගිකයින්ගේ ජීවිත ඉහළ නංවන්නට කටයුතු කිරීම සෑම විටම අපගේ අරමුණයි.

ඔබේ සමාගම සාමූහික සාරධර්ම නිර්මාණකරනයෙහි (CSV) දිගින් දිගටම කැපවීමෙන් නිරතවන බව ඔබට දැනුම් දෙන්නේ ඉතාමත් සතුටින් සහ ආඩම්බරයෙනි. අපගේ සහයෝගිතාකරුවන්ට අගය වකතු කරන අතරම සමාජය වෙතද අගය වකතු කිරීම සාමූහික සාරධර්ම නිර්මාණකරනයෙහි මූලිකාංගයක් බව අපගේ විශ්වාසයයි.

ශ්‍රී ලංකාවේ ග්‍රාමීය ආර්ථිකය නගාසිටුවීම වෙනුවෙන් ආයෝජනය කරන අපි දේශීය කිරී ගොවි පවුල් 25,000ක ගෙන් අපගේ නිෂ්පාදන සඳහා අවශ්‍ය නැවුම් කිරී සහ පොල් මිලදී ගැනීමට රූපියල් බිලියන 6කට වැඩි මුදලක් වාර්ෂිකව වැයකරන්නෙමු. ඵලදායී ලෙස අපගේ නිෂ්පාදන ක්‍රියාවලිය පවත්වාගෙන යන අපි ඒ සඳහා වැය වන බලශක්තිය 40%කින් සහ ජල පරිභෝජනය 39%කින් පහළ දැමීමට පසුගිය වර්ෂ 7කට වැඩි කාලසීමාව තුළ සමත්ව ඇති බවද පැවසිය යුතුය.

එමෙන්ම 2015 වර්ෂය තුළ අපගේ මූල්‍ය කාර්යසාධනය සහ ජාතික ආර්ථිකයට ලබා දුන් දායකත්වය වෙනුවෙන් ඇගයීම් සහ සම්මාන රාශියකින් පිදුම් ලැබීමට අපට හැකියාව ලැබුණි.

ආපසු බැලීමේදී අප ලබා ගෙන තිබෙන ජයග්‍රහණයන් සම්බන්ධයෙන් සැබැවින්ම ආඩම්බර විය හැකි තත්ත්වයක අප සිටින්නෙමු. අපගේ ප්‍රධාන කාර්යාලයෙහි, කර්මාන්තශාලාවෙහි සහ ක්ෂේත්‍රයෙහි සේවයෙහි නිරත අපගේ සේවක පිරිසට ස්තුතිය පළකිරීමට මම මෙය අවස්ථාවක් කරගනිමි. ඔවුන්ගේ මහන්සිය, කැපවීම, හැකියාව, නිර්මාණශීලීත්වය සහ ව්‍යවසායකත්වය අපගේ සාර්ථක ප්‍රතිඵල සඳහා විශාල දායකත්වයක් ලබා දී තිබේ. අප කෙරෙහි තැබූ විශ්වාසය, අපට ලබා දුන් අනගි

සහයෝගය සහ ස්ථිර විශ්වාසය වෙනුවෙන් අපගේ ව්‍යාපාරික සහයෝගිතාකරුවන් වන ඔබටද අපගේ ස්තුතිය පිරිනමන්නෙමු.

ඉදිරිය දෙස විමසුම් සහගතව බැලීමේදී අපට පැවසිය හැක්කේ මේ වර්ෂය අපට සුවිශේෂී වර්ෂයක් බවයි. ශ්‍රී ලංකාව තුළ අපගේ ව්‍යාපාරික කටයුතු ආරම්භකර වර්ෂ 110ක් සපිරෙන අතර ජාත්‍යන්තර වශයෙන් නෙස්ලේ සමාගම ආරම්භවී වර්ෂ 150ක් සපිරීමද මේ වර්ෂයේදී සිදු වේ. අප මෙතැනට රැගෙන ඒමට දායකත්වය සැපයූ අපගේ පාරිභෝගිකයින්, සේවකයින්, බෙදාහැරීමේ නියෝජිතයින්, සැපයුම්කරුවන් සහ අපගේ ව්‍යාපාරික සහයෝගිතාකරුවන් වෙත ස්තූතිවන්ත වීමට මෙන්ම පෝෂණය වෙනුවෙන් අප දක්වන මහත්වූ ලැදියාව බෙදාගැනීමට සහ පරපුරින් පරපුරට සතුටින් සෞඛ්‍ය සම්පන්නව ජීවත්වීමට අප ලබා දෙන සහයෝගය සැමරීමට 2016 වර්ෂය අවස්ථාවක් කරගනිමු.

ඊළඟ වර්ෂ 150ට ආරම්භය ගනිමින් අනාගත වර්ධනයෙහි පදනම තවත් සවිබල ගන්වමින් අපගේ සන්නාමයන්, නව්‍යකරණයන්, අපගේ ධාරිතාවයන් සහ අපගේ සේවක පිරිස් වෙනුවෙන් ඉදිරියටත් ආයෝජනයන් සිදුකරන්නට අපි කැපවීමෙන් කටයුතු කරන්නෙමු.

Shuvani Hegde

ශිවානි හෙග්ඩේ
කළමනාකාර අධ්‍යක්ෂිකා
නෙස්ලේ ලංකා පීඑල්සී

23 පෙබරවාරි 2016



அன்பிற்குரிய பங்குதாரர்களே,

நாம் மீளாய்வு செய்கின்ற இந்த ஆண்டு எமது நிறுவனத்தைப் பொறுத்தவரையில் சிறப்பான ஒரு ஆண்டாக அமையப்பெற்றுள்ளது. சவால்மிக்க ஒரு ஆண்டில் நாம் உறுதியான பெறுபேறுகளை வெளிப்படுத்தியுள்ளோம். பெரும்பாலான எமது உற்பத்திப் பிரிவுகளில் எமது சந்தைப்பங்கினைத் தக்கவைத்துக்கொள்ள அல்லது அதிகரிக்க எம்மால் முடிந்துள்ளதுடன், அதை விடவும் முக்கியமாக, ஊட்டச்சத்து, ஆரோக்கியம் நல்வாழ்வு ஆகியவற்றில் முன்னிலை வகிக்கும் ஒரு நிறுவனம் என்ற எமது நன்மதிப்பையும் நாம் வலுப்படுத்தியுள்ளோம். எமது பணியாளர்களின் அர்ப்பணிப்புடனான ஈடுபாடு, எமது உற்பத்தி வரிசையின் பலம், எமது உற்பத்திகளின் தரம் மற்றும் நுகர்வோர் எம்மீது கொண்டுள்ள நம்பிக்கை ஆகிய நெஸ்லே நிறுவனத்தின் உள்ளார்ந்த பலங்களை இப் பெறுபேறுகள் புலப்படுத்துகின்றன.

நாம் மிகவும் நேசிக்கின்ற, வலுவான வர்த்தகநாமங்களான *நெஸ்ட்லேமோலர்ற்று*, *மைலோ* மற்றும் *மெகி* ஆகியன எமது நிறுவனத்தின் வளர்ச்சிக்கு உந்துசக்தியாக, முக்கிய பங்கு வகித்துள்ளன.

இலங்கையில் அனைத்து இல்லங்களிலும் விருப்பத்திற்குரிய ஒரு வர்த்தகநாமமாகத் திகழும் நெஸ்ட்லேமோலர்ற்று, கிராமப்புற நுகர்வோருடான தனது ஈடுபாட்டை ஆழமாக்கி, தனது சந்தைப்பங்கினை மேலும் அதிகரித்துக் கொண்டுள்ளது. தேசிய பாடசாலை விளையாட்டு நிகழ்வுகளின் மூலமாக நாடெங்கிலுமுள்ள பல்லாயிரக்கணக்கான விளையாட்டு வீரர்களை ஆளுமைப்படுத்தும் முகமாக கல்வி அமைச்சுடன் பங்குடமையொன்றை ஏற்படுத்திக் கொண்டுள்ள மைலோ, உறுதியான வளர்ச்சிப் போக்கினைப் பேணியுள்ளது. மேலும் அன்னையரும், பிள்ளைகளும் ஒன்றிணைந்து ஆரோக்கியமான மற்றும் உடற்செயற்பாடுகள் கொண்ட வாழ்க்கை முறையொன்றை முன்னெடுப்பதை ஊக்குவிப்பதற்கு ‘Mom, Me and My Milo’ என்ற புதிய பிரச்சாரத்தையும் அது ஆரம்பித்துள்ளது.

Maggi Devilled X-Tra Green Chilli நூட்டில் உற்பத்தியை அறிமுகம் செய்து வைத்துள்ள மெகி, கடந்த ஆண்டை குறிப்பிடும்படியாக நிறைவு செய்துள்ளது. வர்த்தகநாமத்தின் தரம் மற்றும் பாதுகாப்பு மீது நுகர்வோர் கொண்டுள்ள அசையாத நம்பிக்கையை இது வெளிப்படுத்தியுள்ளது. இலங்கையில் உற்பத்தி செய்யப்படும் நலச்செழுமைமிக்க பாலைக் கொண்டு தயாரிக்கப்படும் நெஸ்ட்லே நுகர்வோரை எட்டுவதுடன், நெஸ்லே நிறுவனம் சிறுவர் போஷாக்கு தொடர்பில் கொண்டுள்ள சர்வதேச நிபுணத்துவத்தின் துணையுடன், விட்டமின்கள் ஏ மற்றும் டி ஆகியவை நிரம்பிய, உடனடியாக பருகுவதற்கு உகந்த ஒரு பானமான *Nespray Nutri-Up* இனை அறிமுகப்படுத்தி, தனது உற்பத்தி வரிசையை மேலும் பலப்படுத்தியுள்ளது.

எமது நுகர்வோருக்கு ஆரோக்கியம் மற்றும் ஊட்டச்சத்தின் நன்மைகளை வழங்குவதற்கு உணவே சிறந்த வழி என்பதை இனங்கண்டுள்ள நாம், ஒவ்வொரு நெஸ்லே உற்பத்தியினது பக்கட்டிலும் பொறிக்கப்பட்டுள்ள ‘நல்லுணவு, நல் வாழ்வு’ என்ற நெஸ்லேயின் உறுதிமொழியை

எமது நுகர்வோருக்கு வழங்குவதை உறுதிசெய்து, ஊட்டச்சத்தின் நன்மைகளை வழங்குவதற்கு எமது உற்பத்திகள் தொடர்பில் புத்தாக்கங்கள் மற்றும் புதுப்பித்தல்களை தொடர்ச்சியாக நாம் முன்னெடுத்து வருகின்றோம்.

சர்வதேச அளவில் நாம் கொண்டுள்ள ஆராய்ச்சி மற்றும் அபிவிருத்தி நிபுணத்துவத்தை உபயோகித்து, எமது உற்பத்திகள் முறையே குறித்த உற்பத்திப் பிரிவுகளில் அதிசிறந்த ஊட்டச்சத்து உள்ளடக்கங்களைக் கொண்டுள்ளவையாக திகழ்வதை உறுதிசெய்யும் நோக்குடன் நாம் செயற்பட்டு வருகின்றோம். எமது உற்பத்திகள் அத்தியாவசியமான நுண்ணீட்டச்சத்துக்கள் மற்றும் ஏனைய விட்டமின்கள் மற்றும் கனியுப்புக்களின் செழுமையுடன், பொருத்தமான மரக்கறி வகைகள் மற்றும் ஏனைய ஊட்டச்சத்து உட்சேர்க்கைகள் சேர்க்கப்பட்டவையாக திகழ்கின்றன. உப்பு மற்றும் சீனி போன்று பொதுமக்கள் தங்கள் ஆரோக்கியம் தொடர்பில் அக்கறை கொண்டுள்ள ஊட்டச்சத்துக்களை எமது உற்பத்திகளில் சேர்க்கும் அளவு மட்டங்களை நாம் குறைத்து வருவதுடன், நுகர்வோரின் விருப்பத்திற்குரிய சுவை தொடர்ந்தும் மாறாமல் இருப்பதையும் உறுதி செய்கின்றோம்.

ஊட்டச்சத்து, ஆரோக்கியம் மற்றும் நல்வாழ்வு ஆகியவற்றில் நாம் வகித்துவருகின்ற முன்னணி ஸ்தானம், சிறந்த ஊட்டச்சத்து மற்றும் உடற்செயற்பாடுகள் கொண்ட வாழ்க்கைமுறை ஆகியவற்றின் முக்கியத்துவம் தொடர்பில் பொதுமக்கள் மத்தியில் விழிப்புணர்வுடனாவதற்கும் நீட்டிக்கப்படுகின்றது.

கல்வியமைச்சுடன் இணைந்து முன்னெடுக்கப்பட்டுள்ள Nestlé Healthy Kids (நெஸ்லே ஆரோக்கியமான குழந்தைகள்) நிகழ்ச்சித்திட்டத்தின் கீழ் ஊட்டச்சத்து மற்றும் உடற்செயற்பாடுகளின் முக்கியத்துவம் தொடர்பில் மேலதிகமாக 46,500 இற்கும் மேற்பட்ட பாடசாலை மாணவர்களுக்கு அறிவூட்டப்பட்டுள்ளது. இதற்கு இணையாக, வளர்ந்தவர்கள் மத்தியில் அவர்கள் ஆரோக்கியமான உணவு நடைமுறை மற்றும் வாழ்க்கை முறை ஆகியவற்றினூடாக ‘நல்வாழ்வைத் தேர்ந்தெடுப்பதை’ ஊக்குவிக்கும் வகையில் பல்வேறு பொது விழிப்புணர்வுப் பிரச்சாரங்களையும் நாம் ஆரம்பித்துள்ளோம்.

சனத்தொகை அதிகரிப்பு மற்றும் சுகாதாரப் பராமரிப்பு சவால்களின் அதிகரிப்பு மற்றும் அது தொடர்பில் பன்மடங்கு செலவு அதிகரிப்பு ஆகியவற்றிற்கேற்ப இலங்கையில் எமது ஊட்டச்சத்து நிகழ்ச்சித்திட்டத்தின் உள்ளார்ந்த பெறுமதியும் அதன் நற்பலனும் அதிகரிக்கும். நாட்டில் போஷாக்கின்மை முதல் உடற் பருமன் வரை பல்வேறுபட்ட ஆரோக்கியம் தொடர்புபட்ட அக்கறைகளுக்கு தீவிரகாண்பதில் பங்களிப்புச் செய்வதற்கு எமது சர்வதேச நிபுணத்துவத்தை உபயோகிப்பதிலும், நவீன விஞ்ஞானத்தை கைக்கொள்வதிலும் நாம் தொடர்ந்தும் அர்ப்பணிப்புடனான ஈடுபாட்டுடன் செயற்பட்டு வருகின்றோம். நாம் மேற்கொள்ளும் ஒவ்வொரு

செயற்பாட்டின் மூலமாகவும், எமது உற்பத்திகள் மக்களின் வாழ்வை மேம்படுத்துவதை நாம் தொடர்ந்தும் முன்னெடுப்போம்.

பகிர்வு அடிப்படையிலான பெறுமதியைத் தோற்றுவித்தல் (Creating Shared Value) என்ற உறுதிமொழியின் ஈடுபாட்டை எமது நிறுவனம் தொடர்ந்தும் சிறப்பாக கடைப்பிடித்து வருவதை உங்களுக்கு பெருமகிழ்ச்சியுடனும், பெருமையுடனும் கூறிக்கொள்கின்றேன். எமது நிறுவனத்தின் வெற்றிகரமான தொழிற்பாடுகள் மூலமாக எம்முடைய பங்குதாரர்கள் மற்றும் ஒட்டுமொத்த சமூகத்திற்கும் நற்பலனைத் தோற்றுவிக்கவேண்டும் என்ற எமது மூல நம்பிக்கையின் வெளிப்பாடே பகிர்வு அடிப்படையில் பெறுமதியைத் தோற்றுவித்தல் என்பதாகும்.

இலங்கையில் கிராமியப் பொருளாதாரத்தின் மீது நாம் தொடர்ந்தும் முதலீடுகளை மேற்கொண்டு வருவதுடன், எமது உற்பத்திகளை தயாரிப்பதற்குத் தேவையான பால் மற்றும் தேங்காய்களை கிட்டத்தட்ட 25,000 உள்நாட்டு பண்ணையாளர் குடும்பங்களிடமிருந்து கொள்வனவு செய்து அதன் மூலமாக 6 மில்லியன் ரூபாவிற்கும் அதிகமான தொகையை பங்களிப்புச் செய்துள்ளோம். கடந்த ஏழு ஆண்டுகளில் எமது மின்வலு நுகர்வை 40% இனாலும், தண்ணீர் நுகர்வை 39% இனாலும் குறைத்து, முடிந்தவரை வினைதிறன் மிக்க வழிகளில் எமது உற்பத்தி நடவடிக்கைகளை முன்னெடுப்பதிலும் நாம் மிகுந்த அர்ப்பணிப்புடன் செயற்பட்டு வருகின்றோம்.

எமது நிதியியல் பெறுபேறுகள் மற்றும் பொருளாதாரத்திற்கான பங்களிப்பு ஆகியவற்றிற்காக 2015 ஆம் ஆண்டில் பல்வேறு பாராட்டுக்கள், இனங்காணல் அங்கீகாரங்கள் மற்றும் விருதுகளையும் நாம் சம்பாதித்துள்ளோம்.

நாம் கடந்து வந்த பாதையைத் திரும்பிப் பார்க்கையில் எமது சாதனைகளையிட்டு நாம் பெருமைப்பட முடியும். எமது தலைமை அலுவலகம், எமது தொழிற்சாலை மற்றும் வெளிக்களப் பணிகளில் ஈடுபட்டுள்ள எமது அனைத்து பணியாளர்களுக்கும் அவர்களது முயற்சிகளுக்காக நான் நன்றிகளைத் தெரிவித்துக்கொள்ள விரும்புகின்றேன். அவர்களது கடுமையான உழைப்பு, அர்ப்பணிப்புடனான ஈடுபாடு, ஆற்றல், படைப்பாக்கத்திற்கு மற்றும் தொழில்முயற்சியாண்மை ஆகியனவே எமது பெறுபேறுகளுக்கான மூலாதாரங்கள். நீங்கள் தொடர்ச்சியாக எம்மீது வைத்துள்ள நம்பிக்கை, எமக்கு வழங்கிவரும் ஆதரவு மற்றும் அசைக்க முடியாத விசுவாசம் ஆகியவற்றிற்காக உங்களுக்கும், எமது பங்குதாரர்களுக்கும் நன்றிகளைத் தெரிவித்துக்கொள்ள விரும்புகின்றேன்.

எதிர்காலத்தை நோக்குகையில் இந்த ஆண்டு நெஸ்லே நிறுவனத்தைப் பொறுத்தவரையில் விசேடமான ஒரு ஆண்டு. நாம் இலங்கையில் 110 வருடங்கள் பூர்த்தியையும், உலகில் 150 வருடங்கள் பூர்த்தியையும் கொண்டாடுகின்றோம். எம்மை இந்த ஸ்தானத்திற்கு உயர்த்தியுள்ள

எமது நுகர்வோர், எமது ஊழியர்கள், எமது விநியோக பங்களாளர்கள், எமது வழங்குனர்கள் மற்றும் எமது பங்குதாரர்கள் என அனைவருக்கும் நன்றி செலுத்தவேண்டிய ஒரு ஆண்டாக 2016 அமைந்துள்ளது. ஊட்டச்சத்து மீது நாம் கொண்டுள்ள தீவிர உணர்வு, தலைமுறை தலைமுறையாக மக்கள் மகிழ்ச்சியுடனும், ஆரோக்கியத்துடனும் வாழ்வதற்கு உதவுவது மீது நாம் கொண்டுள்ள தீவிர உணர்வு ஆகியவற்றைக் கொண்டாடி, பகிர்ந்துகொள்வதற்கு இது தனித்துவமான ஒரு வாய்ப்பாகும்.

அடுத்த 150 ஆண்டுகளை நோக்கிய எமது பயணத்தை ஆரம்பிக்கும் இத்தருணத்தில், எதிர்காலத்தின் வளர்ச்சிக்கான எமது அத்திவாரங்களை நாம் மேலும் பலப்படுத்தி, குறுகிய கால பெறுபேறுகளை விநியோகித்து, எதிர்காலம், எமது வர்த்தகநாமங்கள், எமது புத்தாக்கம், எமது ஆற்றல் மற்றும் எமது பணியாளர்கள் மீது நாம் தொடர்ந்தும் முதலீடுகளை மேற்கொள்வோம்.

Shuvani Hegde

ஷிவானி ஹெக்டே
முகாமைத்துவப் பணிப்பாளர்
நெஸ்லே லங்கா பீஸ்சி

23 பெப்ரவரி 2016



Suresh Narayanan

is the Head of Nestlé in South Asia, which includes Sri Lanka, India, Bangladesh, Nepal and Maldives. He was appointed to the Board of Nestlé Lanka PLC as Chairman on 16 October 2015.

Suresh Narayanan joined Nestlé in 1999 as Executive Vice President for Sales in India. He moved to Nestlé Indochina (which includes Thailand, Cambodia, Myanmar, Laos and Vietnam) in 2003 as Executive Director for Sales, Marketing and Food-Services for the region. Two years later, he returned to Nestlé India as Head of Sales.

In 2008, he was appointed Managing Director of Nestlé Singapore. He was awarded the Medal of Commendation by the Government of Singapore for sustaining growth amidst economic downturn in the country. In 2010 he was appointed Head of NEAR (North East Africa Region) for Nestlé. His last post before moving to his current role in South Asia was Chairman and CEO of Nestlé Philippines.

He holds a Master's Degree in Economics from the Delhi School of Economics and a Diploma from the IMD Executive Development Programme in Switzerland. He has also participated in Nestlé's Leadership Programme at the London Business School.

Mr. Narayanan has over 30 years of experience in the FMCG industry. In addition to Nestlé, his vast career includes a number of senior management positions in Unilever and Colgate Palmolive.



Etienne Benet

was Chairman and Director of Nestlé Lanka PLC from 1 January 2014 to 16 October 2015.

Etienne Benet holds a Master's Degree in Agronomy and Engineering, and joined Nestlé France in 1989 as an Internal Auditor. He commenced his international career in 1991 in Egypt as Factory Controller, then as the Group Management Accountant, followed by

an assignment in Sales and Marketing of the Chilled business. In 1997 he was appointed Country Manager for Gabon, and in 1999 returned to Egypt as Country Business Manager for Nestlé Waters. In 2004, he was transferred to Indonesia as Country Manager for Nestlé Waters and in 2008, was appointed Head of Nestlé's operations in Central and West Africa (a cluster of 22 countries). In October 2013, he was transferred to India as Head of Nestlé South Asia.



Shivani Hegde

is the Managing Director of Nestlé Lanka PLC. She heads Nestlé's operations in both Sri Lanka and the Maldives since 1 February 2015.

Shivani Hegde joined Nestlé in India as a Management Trainee in 1986. Her extensive experience in the company, spanning 30 years, covers a multitude of functions including Marketing, Sales, Human Resources and Nestlé

Professional (Nestlé's out-of-home F&B solutions arm for culinary professionals).

Before she took on her current role in Sri Lanka, she was Executive Vice President of Nestlé's Food business in South Asia for ten years. Her extensive experience, coupled with her track record of consistent business results and strong marketing and business proficiencies, saw her appointed to Nestlé's global Marketing Leadership Council, which comprises select senior management officials from Nestlé's headquarters in Vevey, Switzerland and regional markets.

She holds a Masters in Business Administration from the Faculty of Management Studies in New Delhi, and a Bachelor's Degree in Economics. She has also participated in Nestlé's Leadership Programme, conducted by the London Business School.



Ganesan Ampalavanar

was the Managing Director of Nestlé Lanka PLC from 1 January 2013 to 31 January 2015.

Board of Directors

Ganesan Ampalavanar started his career at Nestlé Malaysia in 1991 as a Management Trainee. His career at Nestlé spans over 20 years, where he has served various positions in Sales, Brand and Commercial Management.

He was appointed Sales Director for Nestlé Malaysia and Singapore in 2003 and became Head of Sales for Nestlé's operations in South Asia in 2008; a post he held for five years before being appointed as Managing Director for Nestlé Lanka.

A Malaysian national with Sri Lankan roots, he graduated in Management (Accounting and Finance) from University Sains Malaysia in Penang and has attended Post Graduate programmes at International Management Development (IMD), Switzerland.



**Jagdish
Kumar Singla**

is the Director - Finance & Control of Nestlé Lanka PLC.

A Chartered Accountant, he joined Nestlé India Limited in 1990. He held roles of increasing responsibility in Finance in Nestlé India's flagship factory in Moga and in Nestlé's regional head office for South Asia, before moving to Nestlé China in 1997.

He later took on the responsibility of Business Controller for the Milks and Nutrition Business in the Greater China region, returning to India in 2004 as Moga Factory Controller. He was appointed Head of Nestlé Market Audit for Nestlé India Limited in 2008 before joining Nestlé Lanka in his current role in 2014.



**Shobinder
Duggal**

joined Nestlé India in 1986. A Chartered Accountant, he holds a wealth of experience in Finance, which includes a two year assignment with the Nestlé Group in Switzerland.

He is a Non-Executive Director of Nestlé Lanka PLC and is also Director - Finance & Control for Nestlé India Limited.



**Mahen
Dayananda**

is an Independent Non-Executive Director and the Chairman of the Remuneration Committee.

An expert on economic issues, Mahen Dayananda is the Chairman of the Sri Lanka Business Development Centre. He chairs several organisations such as Total Tea Concepts (Pvt) Ltd and Indo Asia Teas (Pvt) Ltd.

He is currently a Non-Executive Director of Pegasus Hotels of Ceylon PLC and Bukit Darah PLC and the Honorary Consul for the Republic of Benin in Sri Lanka.



**Ranjan
Seevaratnam**

is an Independent Non-Executive Director and the Chairman of the Audit Committee and Related Party Transactions Review Committee.

He is well versed and proficient in fiscal matters and has enjoyed a long, distinguished career as former Partner of KPMG. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Chartered Accountants in England and Wales. He currently serves as a Non-Executive Director on the Board of several prominent local companies across a range of industries; including agriculture, tea, consumer goods, construction, engineering, rubber, transportation and active carbon.



Management Committee



- Standing:** Norman Kannangara - AVP Beverages
Kumudu Dias
- Manager Management Accounting
Rohit Mittal - VP Technical
Radhini De Costa - AVP Marketing Services
Mrinalini Mankotia
- Country Business Manager Nestlé Nutrition
Ruwan Welikala - AVP Ambient Dairy
Jagath Wedage - AVP Nestlé Professional
Enoca Sirimanne - AVP Human Resources,
Bandula Egodage
- AVP Corporate Affairs & Communications
Roshan Perera
- Designate AVP Nestlé Professional
Sitting: Priyadarshinie Karunaratne - AVP Food
Deepal Abeywickrema - VP Sales
Shivani Hegde - Managing Director
Jagdish Kumar Singla - VP Finance and Control



Nestlé Lanka complies with established best practices of Corporate Governance. The Board has adopted the Nestlé Corporate Business Principles, which guides the conduct of Nestlé employees in their dealings with customers, suppliers and other stakeholders. It is one of the key objectives of the Company to maintain high standards of integrity in its business.

Members of the Board

The Board of Directors of Nestlé Lanka PLC comprises of six Directors of whom two are Executive Directors, two are Independent Non-Executive Directors and two are Non-Executive Directors, one being the Chairman of the Board. The Managing Director of the Company also acts as the Chief Executive Officer and the Board has entrusted the Managing Director to manage all affairs of the Company. The Board of Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company. They are well aware of the company's activities and give direction for long-term strategy; seeking and contributing views and opinions on strategic options proposed by the senior management of the Company. The Directors also ensure that the Company is fully compliant with the provisions of the Companies Act and the Listing Rules of the Colombo Stock Exchange (CSE).

The Directors' Interest / Involvement in the affairs of the Company are explained on pages 46 to 48 and the Corporate Governance Compliance Table is shown on pages 39 to 41.

Board Independence

Based on the declarations made annually by each of the Non-Executive Directors, in accordance with the requirements set out in the Listing Rules of the CSE, two out of four Non-Executive Directors, namely Mahen Dayananda and Ranjan Seevaratnam, are considered independent. They are independent of management and free from any business or other relationships which could materially interfere with the exercise of judgment other than that are disclosed in this report.

The Board considers the other two out of the four Non-Executive Directors, namely Suresh Narayanan and Shobinder Duggal, as Non Independent.

Company Secretary

The Company Secretary is qualified to act as per the provisions of the Companies Act No. 7 of 2007, and also functions as the Legal Advisor to the Company.

Management Committee

The Management Committee is led by the Managing Director. The Board has entrusted certain responsibilities, including the day to day running of the business, to the Management Committee. Every member of the Management Committee is responsible for operations and the delivery of objectives pertaining to his / her particular division. The Company's Management Committee can be viewed on pages 34 and 35.

Auditors

At the thirty fourth Annual General Meeting of Nestlé Lanka PLC, held on 12 May 2015, the shareholders reappointed KPMG as the Company's auditors and authorised the Directors to fix their remuneration. The independent auditors conducted the annual audit for the year ended 31 December 2015 in order to form an opinion on the Financial Statements. Their report on the Financial Statements is given on page 62.

Audit and Remuneration Committee

The Audit Committee Report on page 42 and the Remuneration Committee Report on page 43 detail the functions and responsibilities of the respective Committees.

Related Party Transactions Review Committee

In accordance with Section 9 of the CSE Listing Rules, the Committee was constituted by the Board of Directors at their meeting held on 5 November 2015. Ranjan Seevaratnam was appointed Chairman of the Committee along with other two members, Mahen Dayananda and Jagdish Kumar Singla. The Committee is entrusted with the responsibility of ensuring shareholders' interests are protected in all related party transactions.

The functions of the Committee, in terms of Section 9 of the Listing Rules of the Colombo Stock Exchange, are as follows;

- Review all proposed Related Party Transactions (except for exempted transactions).
- Direct the transactions for Board approval / shareholder approval as deemed appropriate.
- Obtain updates on previously reviewed Related Party Transactions from senior management and approve any material changes.
- Establish guidelines for senior management to follow in ongoing dealings with related parties.
- Review and assess on an annual basis the transactions for compliance against the Committee guidelines.

Related Party Transactions ("RPTs") of Nestlé Lanka PLC will be reviewed and disclosed in a manner consistent with the Listing Rules. The Committee is free to seek external professional advice on matters within their purview when necessary.

Internal Controls

In addition to the statutory requirements for an external audit, Nestlé Lanka PLC complies with best practices as laid down by the Nestlé Group. To ensure such conformity, the company conducts regular reviews and is also monitored by multi-tiered audits conducted by the Group's international and regional auditors from time to time, as deemed appropriate.

Internal audits are carried out regularly by the Company's internal auditors, who report directly to the Finance Director whilst also being accountable to the Managing Director.

Risk Management

Nestlé has always recognised its obligation towards the occupational health and safety of its employees, as well as of community members directly or indirectly involved in the Company's operations. Equally important is the Company's obligation to protect shareholders' interests, by managing risks to minimise potential financial loss. In order to manage these risks, the Company has implemented the following procedures:

- ➔ Strict compliance with local laws
- ➔ Clear accountability and active management leadership
- ➔ Behavioural-based safety management
- ➔ Credible market and site safety organisation
- ➔ Appropriate, systematic hazard assessments
- ➔ Technical standards for design, construction, operation and maintenance
- ➔ Emergency and contingency planning to minimise the impact of incidents
- ➔ Security management to protect products and assets

Employee Relations

One of our greatest assets is our employees. It is critical to our success to attract, retain, develop and motivate the best people with the right capabilities at all levels of our operations. We review our employee policies regularly and are committed to investing in training and development. We also carry out succession planning to ensure that the future needs of the business are considered and provided for. There are clear processes for understanding and responding to employees' needs through Human Resource initiatives, staff surveys and regular communication of business developments.

Shareholders

Nestlé Lanka PLC aims to ensure that shareholders have access to relevant, up-to-date and consistent financial and non-financial information pertaining to the Company. The Annual Report and quarterly financial statements provide shareholders as well as prospective investors the required information to assess the Company's past performance and analyse its future prospects.

Corporate Governance Reporting

Disclosure Regarding the Board of Directors				
Section	Subject	Applicable Rule	Compliance Status	Details
7.10.1(a) to (c)	Non-Executive Directors	Two or at least one third of the total number of Directors should be Non-Executive Directors	Compliant	Four out of six Directors are Non-Executive Directors
7.10.2(a)	Independent Directors	Two or one third of Non-Executive Directors (whichever is higher) should be independent	Compliant	Two of the four Non - Executive Directors are independent
7.10.2(b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format	Compliant	The two Non-Executive Independent Directors, and two Non-Executive Directors have submitted to the Company a declaration in the prescribed format
7.10.3(a)	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report	Compliant	Please refer page 33 of the Annual Report
7.10.3(c)	Brief résumé of each Director in the Annual Report	A brief resume of each Director should be included in the Annual Report, including the area of expertise	Compliant	Please refer pages 32 and 33 of the Annual Report
7.10.4	Directors do not qualify as independent but are specified by the Board as independent	As outlined in section 7.10.3(c) of the listing rules	Not applicable	Not applicable



Disclosure Regarding the Remuneration and Remuneration Committee				
Section	Subject	Applicable Rule	Compliance Status	Details
7.10.5(a)	Composition of the Remuneration Committee	Shall comprise of Non-Executive Directors, a majority of whom can be independent The Chairman of the Committee shall be a Non-Executive Director	Compliant Compliant	} Please refer page 43 of the Annual Report
7.10.5(a)	Remuneration Committee	A listed company may be permitted to have the same Remuneration Committee if the parent company is also listed	Not applicable	
7.10.5(b)	Disclosure of the functions of the Remuneration Committee	The Remuneration Committee shall recommend the remuneration payable to the Board and the Executive Officers	Compliant	Please refer page 43 of the Annual Report
7.10.5(c)	Disclosure in the Annual Report	Names of the Directors comprising the Remuneration Committee A Statement of Remuneration Policy The Aggregate remuneration paid to Executive and Non-Executive Directors	Compliant Compliant Compliant	} Please refer page 43 of the Annual Report Please refer page 77 of the Annual Report

Disclosure Regarding the Audit Committee				
Section	Subject	Applicable Rule	Compliance Status	Details
7.10.6.(a)	Composition of the Audit Committee	Shall comprise of Non-Executive Directors, a majority of whom can be independent The Chairman of the Committee shall be a Non-Executive Director The Chairman or a member should be a member of a recognised professional accounting body	Compliant Compliant Compliant	} Please refer page 42 of the Annual Report

Corporate Governance Reporting

7.10.6(a) and (c)	Audit Committee	A listed company may be permitted to have the same Audit Committee if the parent company is also listed	Not applicable	The parent company is not listed in Sri Lanka. As such, a separate Audit Committee has been formed
7.10.6. (b)	Functions of the Audit Committee	Should be detailed as per section 7.10.6 (b) of the Listing Rules	Compliant	Please refer page 42 of the Annual Report
7.10.6.(c)	Disclosure in the Annual Report	<p>The names of the Directors comprising the Audit Committee</p> <p>The basis of determination of the auditors' independence</p> <p>A report of the Audit Committee as per section 7.10.6 (c) of the Listing Rules</p>	<p>Compliant</p> <p>Compliant</p> <p>Compliant</p>	Please refer page 42 of the Annual Report

Disclosure Regarding the Related Party Transactions Review Committee

Section	Subject	Applicable Rule	Compliance Status	Details
9	Related Party Transactions Review Committee	The Company shall have a Related Party Transactions Review Committee	Compliant	Related Party Transactions Review Committee duly appointed as per CSE Listing Rules
9.2.2	Composition of the Related Party Transactions Review Committee	<p>Shall comprise a combination of Non-Executive Directors, Executive Directors and Independent Non-Executive Directors</p> <p>The Chairman of the Committee should be an Independent Non-Executive Director</p>	<p>Compliant</p> <p>Compliant</p>	Please refer page 37 of the Annual Report

Report of the Audit Committee

The Committee, appointed by the Board of Directors, comprises of two members, namely Ranjan Seevaratnam and Mahen Dayananda, both Non-Executive Independent Directors of the Company. The Committee is chaired by Ranjan Seevaratnam, who is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Chartered Accountants in England and Wales, and a former Partner of KPMG.

In discharging its responsibilities, the Audit Committee has unrestricted access to the Company's management, books and records. The Committee supports the Board of Directors in its supervision of financial controls through a direct link to KPMG (external auditors) and the Nestlé Group Audit. The Nestlé Group Audit is a world-class audit department. It provides value adding assistance to top management in the markets and at the international headquarters.

The Audit Committee's main duties include the following;

- Assisting the Board of Directors in reviewing the financial statements, to ensure that the financial reporting process is in compliance with the required standards;
- Reporting to the Board on the quality and acceptability of accounting policies and practices;
- Reviewing the Company's internal controls, risk management process and process for monitoring compliance with laws and regulations;
- Assessing the independence and the performance of the Company's external auditors;
- Making recommendations to the Board pertaining to the appointment, reappointment and removal of external auditors;
- Approving the remuneration and the terms of engagement of the external auditors;

Page 33 of this Annual Report displays the profiles of the members of the Audit Committee. The members have the requisite financial knowledge and business acumen to carry out their roles effectively and to discuss matters that come within their purview independently and professionally.

The Committee met four times during the year under review as recorded in the table below.

Date of the meeting	Attendance Yes (✓) / No (x)		Attendance by invitation Yes (✓) / No (x)	
	Ranjan Seevaratnam	Mahen Dayananda	Managing Director	Finance Director
19/02/2015	✓	✓	✓	✓
12/05/2015	✓	✓	✓	✓
11/08/2015	✓	✓	✓	✓
05/11/2015	✓	✓	x	✓

The Managing Director and the Finance Director of the Company attended the meetings by invitation and the Secretary to the Board of Directors acted as the Secretary to the Committee. Internal and external auditors were invited to be present where appropriate at the deliberation of the Committee.

The Audit Committee has assessed and reviewed the effectiveness of the independent performance of the external auditors KPMG, and also recommended to the Board of Directors that KPMG be reappointed as Auditors for the financial year ending on 31 December 2016 subject to the approval of the shareholders at the next Annual General Meeting.

Having evaluated the prevailing processes and systems, the Audit Committee is satisfied that the internal controls of the Company provide reasonable assurance regarding the financial reporting, and that the requirements under the Listing Rules of the Colombo Stock Exchange have been met.



Ranjan Seevaratnam
Chairman, Audit Committee

NESTLÉ LANKA PLC

23 February 2016

Report of the Remuneration Committee

The Remuneration Committee was appointed by the Board of Directors with the aim of recommending the remuneration payable to the Executive Directors and Chief Executive Officer of the Company. The Committee comprises of three Non-Executive Directors, namely Mahen Dayananda and Ranjan Seevaratnam who are Independent Directors, and Suresh Narayanan, who is a member. Mahen Dayananda is Chairman of the Committee.

The Committee was established and assigned with the task of evaluating and assessing the remuneration payable to the Executive Directors and Chief Executive Officer of the Company. The Remuneration Policy of the Company is to be consistent and aligned with market reality to attract and retain qualified and competent personnel. The Committee evaluated the Executive Directors' remuneration and recommended the remuneration payable.

The Committee is assisted by the Vice President – Finance and Control and Assistant Vice President - Human Resources in providing relevant information. The remuneration packages are linked to individual performances and are aligned with the Company's remuneration policy. The Committee makes every effort to maintain the policy and attract and retain talent.

The Members of the Committee meet as and when necessary. During the year under review, the Committee met on 5 November 2015. The Managing Director of the Company, together with the Vice President - Finance and Control, and Assistant Vice President - Human Resources attended the said meeting by invitation. The Secretary to the Board attended this meeting in the capacity of Secretary to the Committee.



Mahen Dayananda
Chairman, Remuneration Committee

NESTLÉ LANKA PLC

23 February 2016

Director's Responsibility for Financial Reporting

The Company's Financial Statements, presented in this report for the financial year ended 31 December 2015, conform to the requirements of the Financial Reporting Standards and the Companies Act No. 7 of 2007. The Directors have confirmed that the Financial Statements presented by them give a true and fair view of the Company's activities as at that date. The financial information is consistent with that in the Financial Statements.

The Board of Directors has initiated an efficient and concise system of internal control. It also includes internal checks and internal audits, along with financial and other controls required to carry on the business smoothly, whilst safeguarding its assets in a secure, practical, accurate and reliable manner.

The Company's Auditors, KPMG, review and carry out random checks on the internal controls wherever considered necessary towards endorsing their opinion on the Financial Statements.

The management's responsibilities on Financial Reporting is overseen by the Board of Directors / Audit Committee through regular review meetings and approving of financial information contained in the Annual Report, along with the preparation and presentation of the Financial Statements.

KPMG are the auditors appointed by the shareholders. They have audited the Financial Statements submitted by the Board of Directors, as well as all supporting Financial Records and minutes from the shareholders meetings and the Directors meetings, and have expressed their opinion which is published under the Independent Auditor's Report on page 62.

By Order of the Board.



Keerthi Pathiraja
Company Secretary

NESTLÉ LANKA PLC

23 February 2016

Annual Report of the Board of Directors on the Affairs of the Company

The Directors of Nestlé Lanka PLC take pleasure in presenting to the shareholders their Report together with the Audited Financial Statements for the year ended 31 December 2015 and the Auditors' Report thereon.

Directors

Etienne Benet (resigned with effect from 16 October 2015), Suresh Narayanan (appointed with effect from 16 October 2015), Ganesan Ampalavanar (resigned with effect from 31 January 2015), Shivani Hegde (appointed with effect from 1 February 2015), Shobinder Duggal, Jagdish Kumar Singla, Mahen Dayananda, and Ranjan Seevaratnam are the Directors of the Company.

In terms of Article 56, 57 and 58 of the Articles of Association of the Company, Shobinder Duggal will retire and being eligible, offer himself for re-election.

Ranjan Seevaratnam will retire pursuant to Section 210 of the Companies Act No. 07 of 2007 as he attained the age of 70 years on 24 September 2013. Resolution, in terms of Section 211, to the effect that the age limit of 70 years referred to in Section 210 of the Companies Act shall not be applicable to Ranjan Seevaratnam, will be proposed at the forthcoming Annual General Meeting.

Review for the Year

The Chairman's Message and Managing Director's Review on pages 24 and 26 highlights the Company's affairs and the performance of the period under review.

Results and Dividends

The profit achieved by the Company on a net turnover of Rs. 35.9 billion, after provisioning for all known liabilities and depreciation on fixed assets, but before taxation, amounts to Rs. 5,425 million. After deducting a sum of Rs. 1,301 million as taxation, the profit was Rs. 4,124 million. The profit available for appropriation was Rs. 3,984 million, which is obtained by adding the profit of Rs. 515 million brought forward from the past year, and deducting the Other Comprehensive Expenses amounting to Rs. 17 million and Super Gain Tax amounting to Rs. 638 million in compliance with the Finance Act No. 10 of 2015.



The Income Statement for the year 2015 is given on page 63.

The Directors of Nestlé Lanka PLC declared an interim dividend of Rs. 34.50 per share which will be paid to the shareholders of the Company on 15 March 2016, and were pleased to recommend a final dividend of Rs. 30.00 per share, payable on 16 May 2016, subject to the approval of the shareholders at the upcoming Annual General Meeting scheduled to be held on 5 May 2016.

Stated Capital

The stated capital of the Company as at 31 December 2015 amounts to Rs. 537, 254, 630.

Activity

In 2015, the Company strengthened its product portfolio and its credentials as a leading nutrition, health and wellness company. It launched *Nespray Nutri-Up*, a Ready-To-Drink (RTD) product, made with local milk and fortified with Vitamins A and D to help tackle micronutrient deficiency. It also expanded its Nestlé Healthy Kids Programme, which partners with the Education Ministry, to educate thousands more school children on nutrition and conducted a number of other public awareness campaigns in parallel to teach adults about healthy diets and living an active lifestyle.

Continuing to strengthen its Devilled noodle range, the Company launched Sri Lanka's first green chilli noodle *Maggi* Devilled X-Tra Green Chilli in the first quarter. Nestlé *Docello* Dessert Solutions, available in chocolate mousse, panna cotta and crème brûlée, was introduced to the market in the second quarter. These dessert mixes allow culinary professionals to make quality desserts quicker and at lower cost.

90% of the Nestlé products sold in Sri Lanka are manufactured locally at the Company's state-of-the-art, multi-product factory in Kurunegala. These include renowned brands like *Nestomalt*, *Milo*, *Nespray*, *Nescafé*, *Nestum*, *Milkmaid*, *Cerelac* and the *Maggi* range of products, such as *Maggi* bouillon cubes, *Maggi* noodles, *Maggi* seasoning and *Maggi* Coconut Milk Powder.

All locally produced Nestlé products are manufactured under the exclusive permission of the Trademark owner, Societé de Produits Nestlé S.A. Vevey, Switzerland.

We are proud to note that in 2015 the Company was also recognised for its performance and contribution to the rural economy.

The Company received an award for 'Empowering Dairy Development in Sri Lanka' from the Minister of Public Administration in recognition of our work in developing Sri Lanka's dairy industry.

This was followed by more wins at the Presidential Export Awards, where Nestlé was awarded 'Best Exporter of the Coconut & Coconut Based Product Sector' and 'Best Exporter of the Food & Other Beverages Product Sector' for its contribution to Sri Lanka's exports.

Maggi was also voted 'Food Brand of the Year' and 'Youth Food Brand of the Year' by consumers at the SLIM - Nielsen People's Awards. This marks the third consecutive year the brand has won both titles.

In December, the Company was ranked among the top 20 best performing companies in Sri Lanka by Business Today and LMD (Lanka Monthly Digest).

Directors' Interest

a) In contracts

Details of Directors' interest in contracts of the Company are disclosed below. The Directors do not have direct or indirect interests or proposed contracts other than those disclosed hereunder.

The Directors have disclosed all material interests in contracts (if any) involving the Company and have refrained from participating when decisions were taken.

Annual Report of the Board of Directors on the Affairs of the Company

Interest Register

Suresh Narayanan - Transactions with affiliates or related parties.
Disclosed in notes 16, 22 and 23 of pages 84, 92 and 94 to the financial statements.

Shivani Hegde - Transactions with affiliates or related parties.
Disclosed in notes 16, 22 and 23 of pages 84, 92 and 94 to the financial statements.

Shobinder Duggal - Transactions with affiliates or related parties.
Disclosed in notes 16, 22 and 23 of pages 84, 92 and 94 to the financial statements.

Jagdish Kumar Singla - Transactions with affiliates or related parties.
Disclosed in notes 16, 22 and 23 of pages 84, 92 and 94 to the financial statements.

Mahen Dayananda - No transaction with affiliates
Directorships in other companies:

Company	Position	Transaction (procurement) during the year (Rs.'000s)	Balance (due to) / from as at 31 December 2015 (Rs.'000s)
Total Tea Concepts (Private) Ltd	Chairman	No	Nil
Indo Asia Teas (Pvt) Ltd	Chairman	No	Nil
Sri Lanka Business Development Centre	Chairman	No	Nil
Pegasus Hotels of Ceylon PLC	Director	No	Nil
Bukit Darah PLC	Director	No	Nil

Ranjan Seevaratnam - No transaction with affiliates

Directorships in other companies:

Company	Position	Transaction (procurement) during the year (Rs.'000s)	Balance (due to) / from as at 31 December 2015 (Rs.'000s)
Acme Printing & Packaging PLC	Non-Executive Director	No	Nil
Diesel & Motor Engineering PLC	Non-Executive Director	17,800	562
Lanka Aluminium Industries PLC	Non-Executive Director	No	Nil
Tea Small Holders Factories PLC	Non-Executive Director	No	Nil
Tokyo Cement PLC	Non-Executive Director	No	Nil
Colombo Fort Land and Building Co. PLC	Non-Executive Director	No	Nil
Omega Line (Pvt) LTd	Non-Executive Director	No	Nil
Hayleys Agriculture Holdings (Pvt) Ltd	Non-Executive Director	No	Nil
Hayleys Consumer (Pvt) Ltd	Non-Executive Director	No	Nil
Hayleys Advantis (Pvt) Ltd	Non-Executive Director	No	Nil
Metecno Lanka (Pvt) Ltd	Non-Executive Director	921	750
The Distilleries Co. of Sri Lanka	Non-Executive Director	No	Nil
Darley Butler (Pvt) Ltd.	Non-Executive Director	No	Nil

b) In shares of the Company

	Director	Shares Held		Management
		1 January 2015	31 December 2015	
Executive	Shivani Hegde	Nil	Nil	Yes
Executive	Jagdish Kumar Singla	Nil	Nil	Yes
Non-Executive	Suresh Narayanan	Nil	Nil	No
	Shobinder Duggal	Nil	Nil	No
Independent Non-Executive	Mahen Dayananda	1,000	1,000	No
	Ranjan Seevaratnam	Nil	Nil	No

Annual Report of the Board of Directors on the Affairs of the Company

Corporate Governance

The corporate governance practices of the Company are set out in detail on page 36.

Property, Plant and Equipment

Details of property, plant and equipment, additions made during the year and depreciation thereof for the year are shown in note 12 to the financial statements on page 80.

Donations

Total donations made by the Company amounted to a sum of Rs. 0.3 million.

Auditors

KPMG, Chartered Accountants, have been the Company's auditors in the past and being eligible, offer themselves for re-appointment for the next year. The auditor's fees are disclosed in note 7 to the financial statements on page 77.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor), with the Company other than those disclosed in note 7 to the financial statements on page 77.

The Auditors also do not have any interest in the Company.

Accounting Policies

The Company prepared its annual financial statements according to the Sri Lanka Accounting Standards (SLFRS / LKAS). All relevant applicable standards have been followed in presenting the financial statements for the financial year ended 31 December 2015.

Material Issues

There were no material issues pertaining to employees and industrial relations.

Risk Factors

The Directors of the Company have reviewed the risk management structure of the Company and confirm that there are no material risk factors foreseeable.

Conclusion

The Directors of Nestlé Lanka PLC wish to convey their gratitude and appreciation to the management and staff of the Company for their dedicated and untiring cooperation during the year under review.

For and on behalf of the Board.

NESTLÉ LANKA PLC



Shivani Hegde
Managing Director



Jagdish Kumar Singla
Director, Finance & Control



Keerthi Pathiraja
Company Secretary

23 February 2016

Our Most Loved Brands

A uniquely Sri Lankan product that has been a household name in the country since 1964, *Nestomalt* today is Sri Lanka's best loved, iconic malted food drink brand.

Nestomalt was first developed by Nestlé in Australia and later introduced to our island. Sri Lankans fell in love with the product - consuming it mainly as an energising and nutritious enhancer with the nation's staple drink, tea.

Bringing 'Power, Strength and Energy' from the golden goodness of malt, the essential nutrients of milk and energy releasing B vitamins, *Nestomalt* offers our Sri Lankan consumers the perfect blend of nutritious energy in one cup.

Nestomalt is only manufactured in Sri Lanka today and remains Nestlé Lanka's biggest brand.





Our Most Loved Brands

Milo was developed in the 1930s during the depression in Australia as a direct response to the fact that children were not receiving enough nutrients from their daily diet.

Thomas Mayne, a Nestlé Engineer, created the nutritious and delicious beverage using local milk knowledge and Swiss cocoa expertise. He named the drink *Milo* after the Greek mythical character *Milo*, who was known for his strength.

Milo is the world's leading chocolate malt beverage today, and a much loved and trusted brand that is deeply rooted in Sri Lanka. Renowned for its unique and delicious chocolate malt taste, *Milo* is enjoyed by generations of Sri Lankan children.

Made from local fresh milk and fortified with vitamins and minerals, *Milo* stands for wholesome and balanced nutrition. Inspiring consumers to achieve their very best by supporting their drive to succeed, the brand embodies the positive dimension of sports, energy and wellbeing. It has supported the development of school level sports in Sri Lanka for over two decades





Our Most Loved Brands

Maggi joined Nestlé's portfolio of products in 1947, when we merged with Swiss company Alimentana, which produced *Maggi* soups, bouillons and seasonings. Alimentana's history dates back to 1884, when Julius Maggi developed a protein-rich dried soup to tackle malnutrition.

Maggi was launched in Sri Lanka in 1964 and is manufactured at our state-of-the-art factory in Kurunegala. *Maggi* noodles has been a trusted household favourite in the country for generations, winning the hearts of adults and children alike.

Its popular Classic noodles range - *Maggi* Chicken, *Maggi* Curry and *Maggi* Tikiri - is fortified with essential nutrients calcium and vitamin A. The much loved noodles are also enhanced with added vegetables and popular home ingredients typically found in Sri Lankan kitchens, such as turmeric, nutmeg, coriander, cumin and cardamom.

In 1986, Nestlé Lanka decided to put its excess milk powder production capacity to good use and manufacture coconut milk in powder form, offering Sri Lankan housewives tasty convenience.

The product, which we marketed under the *Maggi* brand, used exclusively Sri Lankan coconuts to ensure a fresh and delicious taste.

Maggi Coconut Milk Powder is manufactured by Nestlé exclusively at our factory in Kurunegala today, supplying markets all over the world through Nestlé's extensive global distribution channels. As one of the largest exporters of coconut milk powder in the world, we have a far reaching impact on Sri Lanka's rural economy.

Maggi Rasa Musu is an all-purpose seasoning, which has captured the taste of real ingredients like onion and garlic, and select Sri Lankan spices such as nutmeg, cumin seeds, fenugreek, chilli and turmeric. It can be used in a wide variety of traditional Sri Lankan dishes to enhance taste. This easy to use, affordable product is also fortified with iron, ensuring your dish is not just tastier but healthier too.





Our Most Loved Brands

In terms of value of products sold, Nestlé is the world's largest milk company. Many people aren't aware that our beginnings were based on milk products and that one of our first products was *Milkmaid*.

Nestlé merged with the Anglo-Swiss Condensed Milk Company in 1905 to become the global company it is today. The Anglo-Swiss Condensed Milk Company started operations in 1866 when it opened the first European condensed milk factory in Switzerland, and started selling condensed milk under the *Milkmaid* brand. Condensed milk was considered a safe, long-life alternative to fresh milk at the time.

Nestlé's first product in Sri Lanka in 1906 was also *Milkmaid*. Since then, for over 100 years, *Milkmaid* has been a household favourite in Sri Lanka and is synonymous with mouthwatering desserts today.

In 1916, Nestlé acquired Norwegian dairy company Egron, which had patented a spray-drying process for producing milk powder. We soon added this new product to our portfolio.

We began manufacturing milk powder in Sri Lanka under the *Nespray* brand in the 1980s. Delicious and serving Sri Lankan families for generations, *Nespray Everyday* is fortified with iron, vitamin A and vitamin D to complement the goodness of milk and help address key micronutrient deficiencies.

Nespray Nutri-Up Ready-To-Drink (RTD) is the latest addition to the *Nespray* portfolio, fortified with vitamins A and D. All three products – *Milkmaid*, *Nespray Everyday* and *Nespray Nutri-Up* – are manufactured at our state-of-the-art manufacturing facility in Kurunegala, offering the goodness of local fresh milk collected from close to 20,000 dairy farmers every day.





Our Most Loved Brands

The rich taste of Sri Lanka's favourite coffee reflects its rich history. *Nescafé* is the brainchild of Max Morgenthaler, who began work on it in 1929, when the Brazilian government asked Nestlé to find an outlet for its huge coffee surplus.

In 1938 *Nescafé* was launched as a 'powdered extract of pure coffee' that retains coffee's natural flavour, but can be prepared by simply adding hot water.

Today *Nescafé* is the world's number one most trusted and enjoyed coffee. Over the years, *Nescafé* has evolved further to capture even more of the natural aroma and flavour from every coffee bean. Today, consumers around the world enjoy the quality, flavour, aroma, convenience and natural goodness of *Nescafé* coffee in many different choices.

In 2010, Nestlé launched the *Nescafé* Plan to develop the company's sustainable supply chains in cocoa and coffee, improve social conditions in farming communities, and ensure their profitability.







Financial Report

- 62** | Independent Auditors' Report
- 63** | Statement of Profit or Loss and Other Comprehensive Income
- 64** | Statement of Financial Position
- 66** | Statement of Changes in Equity
- 67** | Statement of Cash Flows
- 69** | Notes to the Financial Statements

Company Highlights

<i>In Thousands of Rupees</i>	2015	2014
Revenue	35,854,802	32,902,885
Profit before Taxation (PBT)	5,425,507	4,765,797
Profit after Taxation	4,124,324	3,786,893
Capital Expenditure	875,766	1,198,065
Shareholders Funds	4,521,636	4,087,928
PBT as a % of Revenue	15%	14%
Return on Capital Employed	94%	91%
Key Ratios		
Current Ratio	1.02	0.97
Net Assets Per Share	84.16	76.09
Earnings Per Share	76.77	70.49
Dividend Per Share	64.50	68.50
Dividend Cover	1.19	1.03
Dividend Payout Ratio	84%	97%
Market Value Per Share - Highest	2,390.00	2,444.00
- Lowest	1,960.40	1,890.00
- Average	2,149.77	2,061.74
- Last Traded	2,049.50	2,105.00
Number of Personnel	822	784

Independent Auditors' Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NESTLÉ LANKA PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Nestlé Lanka PLC ("the Company"), which comprise the statement of financial position as at 31st December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 63 to 103 of the annual report.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
 - the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

Chartered Accountants
Colombo

23rd February 2016

KPMG, a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.S. Jayasekara ACA
G.A.U. Karunaratne ACA
R.H. Rajan ACA
P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyaratne ACA
R.M.D.B. Rajapakse ACA
C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. B.K.D.T.N. Rodrigo ACA
Principals - S.R.L. Perera FCMA(UK), LL.B., Attorney-at-Law, H.S. Goonewardene ACA

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December	Note	2015 Rs. '000s	2014 Rs. '000s
Revenue	5	35,854,802	32,902,885
Cost of Sales		(21,380,568)	(20,767,394)
Gross Profit		14,474,234	12,135,491
Other Operating Income / (Expenses)	6	(13,454)	92,415
Marketing, Selling and Distribution Expenses		(6,918,332)	(5,502,378)
Administrative Expenses		(2,124,675)	(1,966,435)
Result from Operating Activities	7	5,417,773	4,759,093
Finance Income		38,328	33,426
Finance Expenses		(30,594)	(26,722)
Net Finance Income / (Expenses)	8	7,734	6,704
Profit Before Taxation		5,425,507	4,765,797
Income Tax Expense	9	(1,301,183)	(978,904)
Profit for the Year		4,124,324	3,786,893
Other Comprehensive Income / (Expenses)			
Actuarial Loss for the Year - Net of Tax		(16,762)	(46,390)
Total Comprehensive Income		4,107,562	3,740,503
Basic Earnings Per Share (Rs.)	10	76.77	70.49

"Notes to the Financial Statements," set out on pages 69 to 103, form an integral part of the financial statements. Figures in brackets indicate deductions.

Statement of Financial Position

As at 31 December	Note	2015 Rs. '000s	2014 Rs. '000s
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	12	5,477,442	5,208,556
Capital Work-In-Progress	13	143,597	206,381
		5,621,039	5,414,937
Current Assets			
Inventories	14	3,322,433	2,991,408
Trade and Other Receivables	15	2,107,037	1,816,426
Amounts Due from Related Parties	16	203,975	304,641
Cash and Cash Equivalents	17	867,563	282,517
		6,501,008	5,394,992
Total Assets		12,122,047	10,809,929
EQUITY AND LIABILITIES			
Equity			
Stated Capital	18	537,255	537,255
Retained Earnings		3,984,381	3,550,673
		4,521,636	4,087,928
Non-Current Liabilities			
Retirement Benefit Obligations	19	522,240	514,740
Deferred Tax Liabilities	20	699,452	640,972
		1,221,692	1,155,712
Current Liabilities			
Trade and Other Payables	21	4,137,446	3,803,636
Amounts Due to Related Parties	22	713,686	748,650
Income Tax Payable		942,057	705,691
Dividends Payable		137,220	102,956

As at 31 December	Note	2015 Rs. '000s	2014 Rs. '000s
Bank Overdrafts	17	448,310	205,356
		6,378,719	5,566,289
Total Liabilities		7,600,411	6,722,001
Total Equity and Liabilities		12,122,047	10,809,929

"Notes to the Financial Statements," set out on pages 69 to 103, form an integral part of the financial statements. Figures in brackets indicate deductions.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

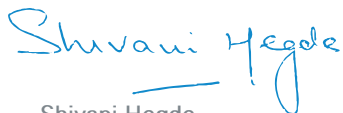


Jagdish Kumar Singla
Vice President - Finance & Control

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board.

NESTLÉ LANKA PLC
Colombo



Shivani Hegde
Managing Director



Ranjan Seevaratnam
Director

23 February 2016.

Statement of Changes in Equity

	Stated Capital Rs.'000s	Retained Earnings Rs.'000s	Total Rs.'000s
Balance as at 1 January 2014	537,255	3,678,403	4,215,658
Total Comprehensive Income for the Year			
Profit for the Year	-	3,786,893	3,786,893
Other Comprehensive Expenses	-	(46,390)	(46,390)
Transactions with Owners of the Company Recognised Directly in Equity			
Interim Dividend for 2013	-	(1,719,215)	(1,719,215)
Final Dividend for 2013	-	(1,504,313)	(1,504,313)
First Interim Dividend for 2014	-	(644,705)	(644,705)
Balance as at 31 December 2014	537,255	3,550,673	4,087,928
Balance as at 1 January 2015	537,255	3,550,673	4,087,928
Super Gain Tax (Note 9.3)	-	(638,365)	(638,365)
Adjusted Balance as at 1 January 2015	537,255	2,912,308	3,449,563
Total Comprehensive Income for the Year			
Profit for the Year	-	4,124,324	4,124,324
Other Comprehensive Expenses	-	(16,762)	(16,762)
Transactions with Owners of the Company Recognised Directly in Equity			
Second Interim Dividend for 2014	-	(1,531,176)	(1,531,176)
Final Dividend for 2014	-	(1,504,313)	(1,504,313)
Balance as at 31 December 2015	537,255	3,984,381	4,521,636

Statement of Cash Flows

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Cash Flows from Operating Activities		
Profit before Taxation	5,425,507	4,765,797
<i>Adjustments for;</i>		
Depreciation	602,523	548,357
Impairment of Property, Plant and Equipment	-	10,882
Gain on Sale of Property, Plant and Equipment	(31,100)	(47,342)
Amortisation of Staff Loan Interest	17,929	16,941
Interest Expense	30,594	25,464
Interest Income	(28,870)	(33,121)
Inventory Written Off	120,309	130,816
Provision for Impairment of Trade Receivable	7,696	10,785
Provision for Retirement Benefit Obligations	98,890	162,090
Net Fair Value Loss on Derivatives	-	894
Operating Profit Before Working Capital Changes	6,243,478	5,591,563
Working Capital Changes		
Increase in Inventories	(462,235)	(485,800)
(Increase) / Decrease in Trade and Other Receivables	(197,472)	196,415
Increase in Trade and Other Payables	309,746	743,712
Cash Generated from Operations	5,893,517	6,045,890
Interest Paid	(30,594)	(25,464)
Income Tax paid	(999,988)	(692,469)
Super Gain Tax Paid	(638,365)	-
Retirement Benefit Obligation Paid	(114,670)	(181,210)
Net Cash Flows Generated from Operating Activities	4,109,900	5,146,747

Statement of Cash Flows

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(812,982)	(1,166,118)
Proceeds from Sale of Property, Plant and Equipment	35,457	49,424
Interest Received	10,941	16,182
Net Cash Flows Used in Investing Activities	(766,584)	(1,100,512)
Cash Flows from Financing Activities		
Dividends Paid	(3,001,224)	(3,852,993)
Net Cash Flows Used in Financing Activities	(3,001,224)	(3,852,993)
Net Increase in Cash and Cash Equivalents	342,092	193,242
Cash and Cash Equivalents at the Beginning of the Year	77,161	(116,081)
Cash and Cash Equivalents at the End of the Year (Note 17)	419,253	77,161
Analysis of Cash and Cash Equivalents at the End of the Year		
Cash in Hand and Balances with Bank	867,563	282,517
Bank Overdrafts	(448,310)	(205,356)
	419,253	77,161

"Notes to the Financial Statements," set out on pages 69 to 103, form an integral part of the financial statements. Figures in brackets indicate deductions.

Notes to the Financial Statements

1 Reporting Entity

Nestlé Lanka PLC is a company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange. The registered office and the principal place of business is located at 440, T.B. Jayah Mawatha, Colombo 10. The Company is in the food and beverage industry.

The ultimate parent and holding company is Nestlé S.A.

1.1 Principal Activities and Nature of Operations

Principal activities of the Company include manufacturing, marketing, selling and distribution of food and beverages products. The Company is also involved in the export of locally manufactured food and beverage products.

2 Basis of Preparation

2.1 Statement of Compliance

Nestlé Lanka PLC has prepared the financial statements in accordance with the Sri Lanka Accounting Standards (LKAS and SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 19 of 1995.

The financial statements were authorised for issue by the Directors on 23 February 2016.

2.2 Basis of Measurement

The financial statements are prepared on the historical cost basis and applied consistently, with no adjustments being made for inflationary factors affecting the financial statements except for;

- Liability for the Defined Benefit Obligation, recognised at the present value of the Defined Benefit Obligation, net of plan assets.
- Liabilities for the cash settled share-based payment arrangements, measured at fair value.
- Derivative financial instruments, measured at fair value.

2.3 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand.

2.4 Use of Estimates and Judgments

The preparation of financial statements, in conformity with the Sri Lanka Accounting Standards, requires management to make judgments, estimates and assumptions that affect income and expenses, reported amounts of assets and liabilities, and the application of policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared based on the going concern concept.

When preparing the financial statements, the Directors have assessed the ability of the Company to continue as a going concern in the foreseeable future and do not foresee a need for liquidation or cessation of trading, taking in to account all available information about the future.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except following,

The Company adopted the following alternative accounting treatment,



Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax

As per the Provisions of Part III of the Finance Act No. 10 of 2015 which was certified on 30 October 2015, the Company is liable for Super Gain Tax of Rs. 638 million.

According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the Financial Statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by The Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015.

This SoAT supersedes paragraph 46 of LKAS 12–‘Income Tax’. Further, this SoAT must be applied by all companies who are liable to pay Super Gain Tax as required under Part III of the Finance Act without any option.

As per the SoAT, Super Gain Tax expense is deemed to be an expenditure for the year ended 31 December 2013, it should be recorded as an adjustment to the opening retained earnings reported in the Statement of Changes in Equity as at 1 January 2015.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Sri Lankan Rupees at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.2 Financial Instruments

a) Non-derivative Financial Assets

The Company initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are netted-off and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, loans and receivables are recognised at amortised cost using the effective interest method less any impairment losses.

Loans and receivables comprise trade and other receivables, including staff loans receivable and cash and cash equivalents.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash balances and call deposits with a maturity period of less than three months. For the purpose of the Statement of Cash Flows, cash and cash equivalents are presented net of bank overdrafts, short term borrowings and short term investments.

d) Non-Derivative Financial Liabilities

Financial liabilities are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The Company’s financial liabilities include trade and other payables, and bank overdrafts.

e) Derivative Financial Instruments and Hedge Accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposure. Derivatives are recognised at fair value while attributable transaction

Notes to the Financial Statements

costs are recognised in Statement of Profit or Loss and Other Comprehensive Income as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

f) Stated Capital

Ordinary shares of the Company are classified as equity.

3.3 Property, Plant and Equipment

a) Recognition and Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of Property, Plant and Equipment comprises major components having different useful lives, they are accounted for as separate items of Property, Plant and Equipment.

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognised net within "Other Operating Income" in the Statement of Profit or Loss and Other Comprehensive Income.

b) De-Recognition

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from use or disposal. The gains or losses arising from de-recognition of an item of Property, Plant and Equipment is included in the Statement of Profit or Loss and Other Comprehensive Income when the item is derecognised.

c) Subsequent Expenditure

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

d) Depreciation

Depreciation is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of items of Property, Plant and Equipment. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Freehold Buildings	35 years
Plant and Machinery	10 - 25 years
Tools, Furniture and Office Equipment	5 years
Motor Vehicles	5 years
Information Systems (IS) Equipment	3 - 5 years

Depreciation on asset begins when it is available for use and ceases at the earlier of the date that the assets are classified as held for sale and the date that the assets are derecognised.

The useful lifetime, depreciation methods and residual values are reassessed annually or on an earlier date where any circumstances indicate such assessment is required.

Improvements on leasehold buildings and buildings constructed on leasehold land are depreciated over the lower of their useful economic life or unexpired period of lease.

e) Capital Work-In-Progress

Capital expenses incurred during the year on assets, which are not completed as at the date of Statement of Financial Position, are shown as Capital Work-In-Progress whilst the capital assets which have been completed during the year and put to use have been transferred to Property, Plant and Equipment.

f) Leased Assets

Buildings constructed by the Company on leasehold land are capitalised and included under the category "Leasehold Building".

3.4 Intangible Assets

Intangible Assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

a) Basis of Recognition

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and cost can be measured



reliably and carried at cost less accumulated amortisation and accumulated impairment losses.

b) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

c) Amortisation

Amortisation is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

d) Retirement and Disposal

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.5 Impairment

a) Financial Asset

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and if the loss event that had an impact on the estimated future cash flows of that asset can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers and economic conditions that correlate with defaults.

Financial assets measured at amortised cost

The Company considers evidence of impairment for financial assets, measured at amortised cost, at both specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

b) Non-Financial Asset

The carrying amounts of the Company's assets are reviewed at each date of

the Statement of Financial Position to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generate cashflows from continuing use that are largely independent of cashflows of other assets and cash generating units.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(i) Calculation of recoverable amount

The recoverable amount of assets is the greater of its value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time of value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(ii) Reversal of impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Inventories

Inventories are stated at the lower of cost and net realizable value. Raw materials and purchased finished goods are valued at purchase cost on First in First Out (FIFO) basis. In the case of manufactured inventories and work-in-progress, cost includes all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the cost of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolescence, slow-moving and defective stocks.

Notes to the Financial Statements

3.7 Employee Benefits

a) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan asset is deducted. The Company determines the Net Interest Expense / (Income) on the Net Defined Benefit Liability / (Asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the Net Defined Benefit Liability / (Asset), taking into account any change in the net defined benefit liability during the period as a result of contributions and benefit payments.

The calculation is performed annually by a qualified actuary, M/s Towers Watson India Pvt Ltd, using the "Projected Unit Credit Method". When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in Other Comprehensive Income. All other expenses related to defined benefit plans is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

When the benefits of a plan are changed, the portion of the changed benefit related to past service by employees is recognised immediately in profit or loss when the plan amendment occurs.

The liability to Retirement Benefit Obligation under the payment of Gratuity Act No. 12 of 1983 is a defined benefit plan covering 816 employees of the Company. The pre-1996 liability is unfunded and provided for by way of an accounting provision in the financial statements of the Company, in accordance with Sri Lanka Accounting Standard No.19 – Employee Benefits (LKAS 19). The liability subsequent to this date is funded by way of an insurance policy.

An annual valuation of the fund at AIA Insurance PLC (formally AVIVA NDB Insurance PLC) is carried out by a certified actuary using the "Projected Unit Credit Method".

The movement of the obligation during the year and assumptions used for actuarial valuation are disclosed in Note 19 to the financial statements.

b) Defined Contribution Plans – Mercantile Services Provident Society, Employee Provident Fund and Employee Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the Statement of Profit or Loss and Other Comprehensive Income when they are due.

All employees of the Company are members of either the Mercantile Service Provident Society (MSPS) or Employee Provident Fund (EPF) to which the Company contributes 12%, and Employee Trust Fund (ETF), to which the Company contributes 3% of such employees' wages or salary.

In addition to the statutory contributions mentioned above, the Company commenced contributions of 2% (for employees over 5 years) & 5% (for employees over 10 years) to the MSPS under a new defined contribution scheme offered to employees joining after 1 January 2006 from July 2014 onwards.

c) Share-Based Payments

The Company participates in the Nestlé Restricted Stock Unit plan of Nestlé S.A, the parent company, where selected employees are granted rights to obtain the stock units of Nestlé S.A. This represents a cash settled share-based payments arrangement in accordance with SLFRS 2 Share Based payment. Accordingly, the grant-date fair value of stock units granted to employees is recognised as an employee expense, with a corresponding increase in liability over the period that the employees become unconditionally entitled to the awards. Until the liability to the parent company is settled, the liability is re-measured at each reporting date and at the settlement date, with any changes in the Statement of Profit or Loss and Other Comprehensive Income.

3.8 Liabilities and Provisions

Liabilities and provisions are recognised in the Statement of Financial Position when there is a present legal /constructive obligation as a result of the past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor, or within one year of the reporting date, are treated as current liabilities in the Statement of Financial Position. Liabilities payable after one year from the reporting date are treated as non-current liabilities in the Statement of Financial Position.

a) Dividends

Dividends are recognised as a liability in the period in which they are declared and approved for distribution.

3.9 Revenue

a) Sale of Goods

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably and there is no continuing management involvement with goods, and the amount of the revenue can be measured reliably.

Transfer of risks and rewards vary depending on the individual terms of the contract of sale.

3.10 Other Operating Income

a) Gain / Loss from Sale of Property, Plant and Equipment

Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognised in the period in which the sale occurs and is classified as Other Operating Income or Expense.

(b) Other Income

Other income is recognised on an accrual basis.

3.11 Expenses

Expense Recognition

a) Revenue Expenditure

The profit earned by the Company, as shown in the Statement of Profit or Loss and Other Comprehensive Income, is after providing for all known liabilities and for depreciation of Property, Plant and Equipment.

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that the function of expenses method presents fairly the elements of the enterprise's performance, hence such presentation method is adopted.

b) Capital Expenditure

Expenditure incurred for the purpose of extending or improving assets of

a permanent nature, by means to carry on the business or for the purpose of increasing the earning capacity of the business, has been treated as capital expenditure.

Gains or losses of revenue nature, on the disposal of Property, Plant and Equipment, have been accounted for in the Statement of Profit or Loss and Other Comprehensive Income.

c) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the term of the lease.

3.12 Finance Income and Finance Costs

Net financing costs comprise interest payable on borrowings, interest receivable on funds invested and foreign exchange gains and losses that are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income on accrual basis unless collectability is in doubt.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs.

3.13 Income Tax Expense

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

a) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date as per the provisions of the Inland Revenue Act No. 10 of 2006 and any adjustment to tax payable in respect of previous years.

b) Deferred Tax

Deferred tax is provided using the liability method as per Sri Lanka Accounting Standard 12 - Income Taxes (LKAS 12), providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the

Notes to the Financial Statements

carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

3.14 Statement of Cash Flows

Cash Flow Statement has been prepared using the indirect method in accordance with Sri Lanka Accounting Standard No. 7 – Statement of Cash Flows (LKAS 7).

3.15 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective Notes to the Financial Statements.

3.16 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.17 Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

Nestlé Lanka PLC is primarily involved in the business of manufacturing, marketing, selling and distribution of food and beverage products. The entire business is organised as one segment for making operating decisions in assessing performance by the Chief Operating Decision Maker. Further, information of the business is reported to the Chief Operating Decision Maker as a whole. Therefore the Board of Directors are of the opinion that there are no identifiable operating segments within the Company and therefore the disclosure requirements of SLFRS 8 will not be applicable to Nestlé Lanka PLC.

3.18 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are

incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset of Property, Plant and Equipment, in which case they are capitalised as part of the cost of the asset.

3.19 Comparative Information

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

3.20 Commitments and Contingencies

Contingencies are possible assets or obligations that arise from a past event and whose existence confirmed only on the occurrence or non-occurrence of uncertain future events which are beyond the Company's control.

3.21 Events Occurring After the Reporting Period

All material events occurring after the reporting period have been considered, disclosed and adjusted where applicable.

4 New Accounting Standard Issued But Not Effective as at the Reporting Date

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standard which will become applicable for financial periods beginning on or after 1 January 2016 or at a later date.

Accordingly, this Standard has not been applied in preparing these financial statements.

Sri Lanka Accounting Standard – SLFRS 9 “Financial Instruments”

The objective of this SLFRS is to establish principles for the financial reporting of financial assets and financial liabilities, that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

An entity shall apply this SLFRS to all items within the scope of LKAS 39 Financial Instruments: Recognition and Measurement.

The application of this standard has been currently deferred by the Institute of Chartered Accountants of Sri Lanka, consequent to the International Accounting

Standard Board's (IASB) decision to defer the mandatory effective date of IFRS 9. SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Sri Lanka Accounting Standard - SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts. SLFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

5 Revenue

For the year ended 31 December

	2015 Rs.'000s	2014 Rs.'000s
Local Revenue	31,734,274	28,936,811
Target Incentives	(248,116)	(208,319)
Commission to Agents	(150,243)	(109,085)
Local Revenue Net of Trade Discounts	31,335,915	28,619,407
Exports	4,518,887	4,283,478
	35,854,802	32,902,885

6 Other Operating Income / (Expenses)

For the year ended 31 December

	2015 Rs.'000s	2014 Rs.'000s
Impairment loss of Property Plant and Equipment	-	(10,882)
Gain / (Loss) on Sale of Property, Plant and Equipment	31,100	47,342
Net Foreign Exchange Gain / (Loss)	(86,568)	6,942
Income from Scrap Sales	42,014	49,013
	(13,454)	92,415

Notes to the Financial Statements

7 Results from Operating Activities

7.0 Results from Operating Activities are Stated after Charging / (Crediting) All Expenses Including the Following:

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Depreciation	602,523	548,357
Impairment Loss of Property, Plant and Equipment	-	10,882
Inventory Write Off	120,309	130,816
Technical Assistance Fee	1,513,875	1,317,825
Lease Payment	809	540
Auditors Remuneration - Audit	3,350	3,100
- Audit related	100	500
- Non Audit	2,683	583
Provision for Impairment of Trade Receivables	7,696	10,785
Legal Fees	10,966	10,699
Directors' Fees	835	835
Employees Benefit Expenses (Note 7.1)	2,089,608	1,980,187

7.1 Employees Benefit Expenses

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Personnel Costs		
Executive Directors' Emoluments	41,533	39,310
Salaries and Wages	1,383,162	1,282,239
Provision for Retirement Benefit Obligations (Note 19.3)	98,890	162,090
Contributions to EPF, MSPS and ETF		
Employees' Provident Fund and Mercantile Services Provident Society	110,390	101,347
Employees' Trust Fund	29,522	26,325
Other Benefits	426,111	368,876
	2,089,608	1,980,187

8

Net Finance Income / (Expenses)

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Finance Income		
Interest on Call Deposits	10,941	16,180
Gain on Foreign Currency / Liquid Assets	9,458	305
Interest on Staff Loans	17,929	16,941
	38,328	33,426
Finance Expenses		
Interest on Short Term Borrowings and Overdrafts	(30,580)	(25,464)
Loss on Foreign Currency / Liquid Assets	(14)	(364)
Net Fair Value loss on Derivatives	-	(894)
	(30,594)	(26,722)
Net Finance Income	7,734	6,704

9

Income Tax Expense

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Tax on Current Year Profits (Note 9.2)	1,236,185	779,482
Deferred Tax Charge (Note 20)	64,998	199,422
	1,301,183	978,904

9.1

(a) The corporate income tax rate applicable to Nestlé Lanka PLC is 28%, while qualifying export profits are taxed at a concessionary rate of 12%, and profits from the Ready-To-Drink milks business are taxed at the rate of 10%. Profits with respect to off-shore business earned in foreign currency are exempt from income tax.

(b) The full benefit of capital allowances arising in terms of section 25 of the Inland Revenue Act No. 10 of 2006 has been taken into account in determining income tax expense on profits for the year.

Notes to the Financial Statements

(c) Deferred tax has been computed using the income tax rate of 28%.

(d) Investments made in fixed assets from 1 April 2011 to 31 March 2014 on the expansion of the existing business is eligible for Qualifying Payment Relief (QPR) at the rate of 25% every year over a four year period.

9.2 Reconciliation Between Accounting Profit and Taxable Profit

For the year ended 31 December	2015 Rs. '000s	2014 Rs. '000s
Accounting Profit Before Tax	5,425,507	4,765,797
Adjustments Relating to Disallowances	290,181	160,188
Adjustments Relating to Capital Allowances	(222,579)	(674,944)
Profit from Tax Exempted Operations	(324,494)	(292,768)
Qualifying Payment Relief for Investment	(180,475)	(689,610)
Taxable Profit	4,988,140	3,268,663
Income Tax at 10%	51,675	42,917
Income Tax at 12%	52,274	42,576
Income Tax at 28%	1,129,987	693,989
Income Tax Expense	1,233,936	779,482
Under Provision in respect of Previous Year	2,249	-
	1,236,185	779,482

9.3 Super Gain Tax

As per the provisions of Part III of the Finance Act, No. 10 of 2015, which were certified on 30 October 2015, the Company is liable for Super Gain tax. According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirements of the Sri Lanka Accounting

Standards, hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015. The Company has paid Rs. 638 million as Super Gain Tax during the year.

10 Basic Earnings Per Share (EPS)

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary shareholders, divided by the weighted average number of ordinary shares outstanding during the year.

Net profit attributable to ordinary shareholders and weighted average number of ordinary shares are given below:



	2015	2014
Profit attributable to Ordinary Shareholders (Rs'000s)	4,124,324	3,786,893
Weighted Average Number of Shares	53,725,463	53,725,463
Basic Earnings Per Share (Rs.)	76.77	70.49

11 Dividend Per Share

a) The Directors have declared an interim dividend of Rs. 34.50 per share on 23 February 2016 and have also proposed a final dividend of Rs. 30.00 per share for the year ended 31 December 2015, to be approved at the Annual General Meeting to be held on 5 May 2016. In accordance with Sri Lanka Accounting Standard Events After the Reporting Period (LKAS 10), the interim dividend and final dividend has not been recognised as a liability as at 31 December 2015.

b) However, for the purpose of computing Dividend per Share, interim dividend of Rs. 1,853,528,474 (Rs. 34.50 per share) declared on 23 February 2016, and final dividend to be approved has been taken into consideration.

c) The dividend per share calculation is based on the total dividend attributable to ordinary shareholders of Rs. 3,465,292,364 (2014 – Rs. 3,680,194,216), divided by the number of ordinary shares as at the reporting date.

12 Property, Plant and Equipment

	Freehold Land Rs.'000s	Freehold Buildings Rs.'000s	Leasehold Buildings Rs.'000s	Plant and Machinery Rs.'000s	Tools Furniture and office Equipments Rs.'000s	Motor Vehicles Rs.'000s	Information System Equipment Rs.'000s	Total Rs.'000s
Cost								
Balance as at 1 January 2014	17,925	101,259	1,316,357	5,011,726	1,198,074	348,599	254,283	8,248,223
Additions During the Year	-	17,921	467,622	304,612	164,046	3,600	24,866	982,667
Transferred from Capital Work-In-Progress	-	-	84,942	130,456	-	-	-	215,398
Disposals During the Year	-	-	(1,874)	(16,962)	(26,298)	(72,108)	(36,103)	(153,345)
Balance as at 31 December 2014	17,925	119,180	1,867,047	5,429,832	1,335,822	280,091	243,046	9,292,943

Notes to the Financial Statements

	Freehold Land Rs.'000s	Freehold Buildings Rs.'000s	Leasehold Buildings Rs.'000s	Plant and Machinery Rs.'000s	Tools Furniture and office Equipments Rs.'000s	Motor Vehicles Rs.'000s	Information System Equipment Rs.'000s	Total Rs.'000s
Depreciation								
Balance as at 1 January 2014	-	26,393	258,665	2,151,766	775,470	274,918	189,198	3,676,410
Charge For the Year	-	2,647	38,631	300,862	146,364	33,249	26,604	548,357
Impairment Loss	-	-	2,469	8,413	-	-	-	10,882
On Disposals	-	-	(481)	(16,869)	(25,741)	(72,108)	(36,063)	(151,262)
Balance as at 31 December 2014	-	29,040	299,284	2,444,172	896,093	236,059	179,739	4,084,387
Cost								-
Balance as at 1 January 2015	17,925	119,180	1,867,047	5,429,832	1,335,822	280,091	243,046	9,292,943
Additions During the Year	-	6,823	130,139	353,824	148,393	1,362	29,443	669,984
Transferred from Capital Work-in-Progress	-	-	10,009	100,091	80,464	9,433	5,785	205,782
Disposals During the Year	-	-	(8,046)	(27,966)	(37,994)	(55,102)	(20,511)	(149,619)
Balance as at 31 December 2015	17,925	126,003	1,999,149	5,855,781	1,526,685	235,784	257,763	10,019,090
Depreciation								-
Balance as at 1 January 2015	-	29,040	299,284	2,444,172	896,092	236,060	179,739	4,084,387
Charge For the Year	-	3,076	55,762	323,055	166,667	26,432	27,531	602,523
On Disposals	-	-	(8,030)	(27,608)	(37,343)	(51,770)	(20,511)	(145,263)
Balance as at 31 December 2015	-	32,116	347,016	2,739,619	1,025,416	210,722	186,759	4,541,648
* Written Down Value as at 31 December 2014*	17,925	90,140	1,567,763	2,985,660	439,729	44,032	63,307	5,208,556
Written Down Value as at 31 December 2015	17,925	93,887	1,652,133	3,116,162	501,269	25,062	71,004	5,477,442

Property, Plant and Equipment include fully depreciated assets which are in use; the cost of which as at the reporting date amounted to Rs. 1,917,634,145 (2014- Rs. 1,738,684,804).

The Property situated at No.440, T.B. Jayah Mawatha, Colombo 10 (Area- 45,230 sq.ft.) was valued on 31 July 2009 by a chartered valuer.

The carrying amounts of Freehold Land and Buildings (three buildings), had it been revalued, amounted to:

Freehold Land	Rs. 669,200,000
Freehold Buildings	Rs. 68,800,000

However, the effect on revaluation has not been considered in the financial statements; the said properties are stated at cost.

13 Capital Work-In-Progress

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	206,381	238,328
Capitalised During the Year	(205,782)	(215,398)
Additions During the Year	142,998	183,451
Balance as at 31 December	143,597	206,381

14 Inventories

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Raw Materials	824,906	706,328
Packing Materials	258,113	172,961
Finished Goods	1,408,350	1,185,945
Energy, Technical Materials	200,604	181,329
Work-In-Progress	131,541	93,202
	2,823,514	2,339,765
Goods-In-Transit	532,532	680,325
	3,356,046	3,020,090
Less : Provision for Obsolete Inventories (Note 14.1)	(33,613)	(28,682)
	3,322,433	2,991,408

Notes to the Financial Statements

14.1 Provision for Obsolete Inventories

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	28,682	36,774
Charge During the year	4,931	(8,092)
Balance as at 31 December	33,613	28,682

15 Trade and Other Receivables

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Trade Receivables (Note 15.1)	1,603,110	1,344,807
Other Receivables (Note 15.2)	503,927	471,619
	2,107,037	1,816,426

15.1 Trade Receivables

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Trade Receivables	1,696,151	1,430,152
Less: Provision for Impairment loss (Note 15.1.1)	(93,041)	(85,345)
	1,603,110	1,344,807

15.1.1 Provision for Impairment Loss

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	85,345	74,560
Provision made During the Year	7,696	10,785
Balance as at 31 December	93,041	85,345

15.2 Other Receivables

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Prepayments	140,081	116,465
Refundable Deposits and Non Trade Receivables	45,196	48,676
Loans to Employees (Note 15.2.1)	318,650	306,478
	503,927	471,619

15.2.1 Loans to Employees

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	306,478	299,418
Granted During the Year	102,663	121,326
Repaid During the Year	(90,491)	(114,266)
Balance as at 31 December	318,650	306,478

Loans to employees are disbursed to officers of the Company excluding Directors. The quantum of each loan in excess of Rs. 20,000 has been granted to 367 officers (2014 - 381 officers).

16 Amounts Due from Related Parties

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Nestlé UK Limited	18,546	37,996
Nestlé (South Africa) (Pty) Limited	-	197
Nestlé S.A	-	2,238
Nestlé (Thai) Limited	-	197
Nestlé Australia Limited	964	9,254

Notes to the Financial Statements

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Nestlé S.A	17,517	47,752
Nestlé Png Limited	-	8,556
Nestlé Middle East FZE	83,767	74,584
Nestlé India Limited	12,132	19,973
Nestlé Jamaica Limited	14,679	32,032
Nestlé Trinidad and Tobago Limited	44,581	37,742
Nestlé Panama S.A	2,966	-
Nestlé Caribbean Inc	5,365	5,511
Nestlé EAR (Epz) Limited	-	99
Nestlé Nigeria Plc	-	3,572
Nestlé Egypt S.A.E	-	197
Nestlé Tunisie Distribution SA	-	99
Nestlé Korea Limited	-	986
P.T Nestlé Indonesia	-	493
Nestlé Japan Limited	3,458	20,559
Nestlé Manufacturing (Malaysia) Sdn Bhd	-	1,558
Nestlé Philippines, Inc	-	197
Nestlé Singapore (Pte) Limited	-	849
	203,975	304,641

17 Cash and Cash Equivalents

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Favourable Balances		
Balances with Banks	50,315	282,463
Money Market Placements	817,191	-

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Cash in Hand	57	54
Cash and Cash Equivalents	867,563	282,517
Unfavourable Balances		
Distributor Finance with recourse to Nestlé Lanka PLC	(98,187)	(88,003)
Bank Overdrafts	(350,123)	(117,353)
	(448,310)	(205,356)
Cash and Cash Equivalents for the Statement of Cash Flows	419,253	77,161

18 Stated Capital

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
53,725,463 Ordinary Shares	537,255	537,255

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

19 Retirement Benefit Obligations

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Pension Scheme		
Present Value of Obligations	608,110	584,280
Fair Value of Plan Assets	(106,560)	(72,330)
Present Value of Obligations	501,550	511,950

Notes to the Financial Statements

As at 31 December	2015 Rs.'000s	2014 Rs.'000s
Gratuity Plan		
Present Value of Obligations	510,070	475,520
Fair Value of Plan Assets	(489,380)	(472,730)
Present Value of Obligations / (Excess in Plan)	20,690	2,790
 Total Present Value of the Defined Benefit Obligations (Note 19.1)	 1,118,180	 1,059,800
Fair Value of Plan assets (Note 19.2)	(595,940)	(545,060)
Total Retirement Benefit Obligations	522,240	514,740

Employees who joined prior to 2006 and who hold a minimum 10 years of service, are entitled to pension upon retirement at the age of 55 years. Currently, 26 employees who retired are drawing a monthly pension.

The liability to Retirement Benefit Obligation under the payment of Gratuity Act No. 12 of 1983, is a defined benefit plan covering 816 employees of the Company. The pre-1996 liability is unfunded and provided for by way of an accounting provision in the Financial Statements of the Company in accordance with the Sri Lanka Accounting Standard No.19 – Employee Benefits (LKAS 19). The liability subsequent to this date is funded by way of an insurance policy.

The plan is partially funded by a policy obtained from AIA Insurance Lanka PLC (formally known as AVIVA NDB Insurance PLC) on 31 December 1996. The policy covered only the Gratuity liability prior to June 2014 but was extended to cover the Pension liability as well from July 2014. AIA Insurance Lanka PLC has confirmed

that the features of the policy satisfy the definition of a "qualifying insurance policy". The contributions to the fund by the Company are based on Actuarial Valuations carried out by AIA Insurance Lanka PLC. The Company expects to pay Rs. 92.73 million as contributions to its gratuity plan for the period ended 31 December 2015. Employees are not required to contribute to this fund.

Employees under the Pension scheme were provided an option to join a new Retirement Benefit scheme at the end of June 2014. From the 330 eligible employees, 205 accepted the new scheme offered, while 25 employees opted to remain under the old scheme. 100 employees with less than five years to retirement were offered the higher of the new scheme benefit and the pension under the old scheme. A past service cost of Rs. 64.35 million was charged to the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2014 on account of this plan change.

19.1 Movement in the Present Value of the Defined Benefit Obligations:

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	1,059,800	941,950
Current Service Cost	56,660	51,960
Past Service Cost	-	64,350
Interest Cost	90,620	92,140

	2015 Rs.'000s	2014 Rs.'000s
Remeasurements		
Experience Adjustments	11,440	(21,350)
Actuarial Losses from Changes in Financial Assumptions	20,880	82,820
Benefits Paid by the Plan	(121,220)	(152,070)
Balance as at 31 December	1,118,180	1,059,800

The weighted average duration of the defined benefit obligation at the end of the reporting period is as follows.

Pension Plan 6 years

Gratuity Plan 7 years

19.2 Movement in the Fair Value of Plan Assets:

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	545,060	472,520
Contributions Paid into the Plan	90,940	123,350
Benefits Paid by the Plan	(97,490)	(94,210)
Interest Income on Plan Assets	48,390	46,360
Return of Plan Assets Lesser than Discount Rate	9,040	(2,960)
Balance as at 31 December	595,940	545,060

19.3 The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income:

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Current Service Cost	56,660	51,960
Net Interest on Net Defined Benefit Liability	42,230	45,780
Past Service Cost	-	64,350
	98,890	162,090

Notes to the Financial Statements

19.3.1 The expense is recognised in the following line items in the Statement of Profit or Loss and Other Comprehensive Income:

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Cost of Sales	42,278	71,699
Administrative Expenses	56,612	90,391
	98,890	162,090

19.4 Expected Benefit Payments

The Expected Benefit Payment for the year ending	Pension Rs.'000s	Gratuity Rs.'000s	Total Rs.'000s
31 December 2016	40,610	28,500	69,110
31 December 2017	95,460	69,330	164,790
31 December 2018	66,650	50,610	117,260
31 December 2019	102,320	86,780	189,100
31 December 2020	120,130	106,060	226,190
31 December 2021 to 2025	361,760	339,160	700,920

19.5 The income / (expense) is recognised in other comprehensive income:

For the year ended 31 December	2015 Rs.'000s	2014 Rs.'000s
Actuarial Loss	(32,320)	(61,470)
Surplus / (Deficit) in Actual Return on Plan Assets	9,040	(2,960)
Actuarial Loss for the year	(23,280)	(64,430)
Deferred Tax impact on Actuarial Loss	6,518	18,040
Actuarial Loss for the year - Net of Tax	(16,762)	(46,390)

19.6 Actuarial Assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2015	2014
(1) Rate of Discount	9.0%	9.0%
(2) Future Salary Increase	9.7%	9.7%
(3) Future Pension Increase	6.0%	6.0%

Assumptions regarding future mortality are based on published statistics and mortality tables. The retirement age is assumed as 55 years.

by considering the best estimate for the expected long-term real rates of return and return from the main asset classes.

The assumption made for the expected rate of return on assets have been derived

19.6.1 Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above.

of a change in the respective assumptions by 0.5%, holding other assumptions constant.

The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result

	Defined Benefit Obligation	
	+0.5%	-0.5%
Rate of Discount	(32,220)	34,050
Future Salary Increase	34,650	(33,180)
Future Pension Increase	4,880	(4,590)

If the mortality rates are scaled up / down by one year, the impact on the Defined Benefit Obligation of the pension scheme will be (Rs. 4,820) and Rs. 4,880 respectively while there is no material impact on the Gratuity Liability.

19.7 The composition of Insurance Plan Asset is as follows:

	2015	2014
Reporting entity's own financial instruments	Nil	Nil
Property occupied by, or other assets used by, the reporting entity	Nil	Nil

Notes to the Financial Statements

The investment portfolio of AIA Insurance Lanka PLC as at 31 December	2015	2014
Government Securities	39.00%	40.00%
Reverse Repurchase Agreements	6.00%	14.00%
Corporate Debt	29.00%	25.00%
Fixed Deposits	17.00%	9.00%
Equity	6.00%	8.00%
Policy Holder Loans	3.00%	4.00%

An interim Return on Plan Assets of 8.44% was declared by AIA Insurance Lanka PLC for the year 2015. (2014 - 7.69%)

20 Deferred Tax Liabilities

	2015 Rs.'000s	2014 Rs.'000s
Balance as at 1 January	640,972	459,590
Charge for the year (Note 20.2)	58,480	181,382
Balance as at 31 December (Note 20.1)	699,452	640,972

20.1 Movement in Temporary Differences during the Year

	2015 Rs.'000s		2014 Rs.'000s	
	Temporary	Difference	Temporary	Difference
Property, Plant and Equipment	3,444,711	964,519	3,189,621	893,094
Retirement Benefit Obligations	(522,240)	(146,227)	(514,740)	(144,127)
Other Provisions	(424,429)	(118,840)	(385,696)	(107,995)
Net Deferred Tax Liabilities	2,498,042	699,452	2,289,185	640,972

20.2 Deferred Tax Liability Provision/(Reversal) for the Year

	2015 Rs.'000s	2014 Rs.'000s
Profit for the Year	64,998	199,422
Other Comprehensive Income	(6,518)	(18,040)
	58,480	181,382

As proposed in the 2016 Budget, the Current Income Tax Rate of 28% will be reduced to 15%. However the Company has considered a tax rate of 28% for differed taxation, as the new rate is not yet substantially enacted as of the reporting date.

21 Trade and Other Payables

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Trade Payables	2,836,199	2,564,807
Derivatives - Forward Exchange Contract	-	894
Other Payables	1,301,247	1,237,935
	4,137,446	3,803,636

22 Amounts Due to Related Parties

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Nestlé Deutschland AG	2,186	1,975
Nestlé Espana S.A	-	1,753
Nestlé France	6,259	2,293
Nestlé Waters Marketing & Distribution	4,476	9,273
Nestlé UK Limited	487	576
Nestlé Nederland B.V.	4,353	7,735
Nestlé S.A.	10,479	2,355
Servcom S.A	2,103	287
Société des Produits Nestlé S.A.	99,594	80,644
Nestlé Suisse S.A.	978	6,817
Nestlé Operational Services Worldwide S.A.	12,037	9,652
Nestlé Korea Limited	-	3,031

Notes to the Financial Statements

As at 31 December	2015 Rs. '000s	2014 Rs. '000s
Nestlé India Limited	41,524	31,944
Nestlé Products Sdn Bhd	17,730	25,325
Nestlé Asean (Malaysia) Sdn Bhd	3,057	3,697
Nestlé Manufacturing (Malaysia) Sdn Bhd	155,887	131,621
Nestlé Phillippines Inc	139,486	149,159
CPW Philippines, Inc	9,667	8,175
Nestlé Business Service AOA Inc	964	-
Nestlé Singapore (Pte) Limited	161,934	177,076
Nestlé TC Asia-Pacific (Pte) Limited	-	28,176
Nestlé R & D Centre (Pte) Limited	8,937	1,308
Nestlé (Thai) Limited.	8,009	11,123
Nestlé Australia Limited.	19,150	31,084
Globe Centre AOA	-	14,315
Nestlé Mexico, S.A. De C.V.	108	98
Nestlé Brazil Limited	1,408	1,897
Nestec S.A.	1,706	1,232
Nestlé Dubai Manufacturing LLC	-	3,367
P.T. Nestlé Indonesia	37	1,360
Nestlé Japan Limited	924	1,109
Nestlé Pakistan Limited	139	127
Nestlé ROH (Thailand) Limited	67	66
	713,686	748,650

23 Related Party Disclosure

23.1 Transactions with Related Companies

Name of the Company	Nature of the Relationship	Nature of the Transactions	2015 Rs.'000s	2014 Rs.'000s
CPW Phillipines Inc	Affiliates	Imports / Re-Export	(37,074)	(35,701)
Globe Center AOA	Affiliates	IT Service Charges	(235,173)	(218,082)
LOTTE - Nestlé Korea Co Ltd	Affiliates	Imports	(13,200)	-
Nestec S.A	Affiliates	Recoveries	82	-
		Service Charges	(2,780)	(3,349)
Nestlé (Png) Limited	Affiliates	Exports	11,591	20,254
Nestlé (Thai) Limited	Affiliates	Exports	-	6,025
		Imports / Re-Export	(24,834)	(28,868)
Nestlé Asean (Malaysia) Sdn Bhd	Affiliates	Re-Export	(12,110)	(15,602)
		Exports	43,495	76,721
Nestlé Australia Limited	Affiliates	Imports / Re-Export	(66,291)	(76,630)
		Exports	8,883	-
Nestlé Bangladesh Limited	Affiliates	Recoveries	263	-
Nestlé Brazil Limited	Affiliates	Imports	(428)	(1,337)
Nestlé Business Service AOA Inc	Affiliates	Service Charges	(851)	(1,253)
Nestlé Caribbean	Affiliates	Exports	15,994	19,532
Nestlé Deutschland AG	Affiliates	Technical	(7,196)	(3,934)
Nestlé Dubai Manufacturing LLC	Affiliates	Imports	(11,216)	(10,015)
Nestlé France	Affiliates	Technical	(9,788)	(7,828)
Nestlé Ghana Limited	Affiliates	Recoveries	3,124	-
		Exports	313,132	305,365
Nestlé India Limited	Affiliates	Recoveries	6,227	-
		Technical / Imports / Serv. Chg	(134,027)	(139,102)
Nestlé Jamaica Limited	Affiliates	Exports	116,256	125,053
		Exports	10,821	52,718
Nestlé Japan Limited	Affiliates	Imports	(2,091)	(5,520)

Notes to the Financial Statements

Name of the Company	Nature of the Relationship	Nature of the Transactions	2015 Rs. '000s	2014 Rs. '000s
Nestlé Korea Limited	Affiliates	Exports	-	432
		Imports	-	(13,996)
Nestlé Maghreb S.A.	Affiliates	RSUP	(2,843)	-
		Exports	-	3,500
Nestlé Manufacturing (Malaysia) Sdn Bhd	Affiliates	Recoveries	6,293	-
		Import / Re-Export / Technical	(532,031)	(484,933)
Nestlé Mexico S.A. de C.V.	Affiliates	Service Charges	-	(248)
		Exports	786,532	731,327
Nestlé Middle East FZE	Affiliates	Recoveries	330	-
		Imports	-	(94)
Nestlé Nederlands B.V.	Affiliates	Imports / Technical	(12,858)	(10,363)
Nestlé Nigeria	Affiliates	Exports	-	3,575
Nestlé Operational Services Worldwide S.A.	Affiliates	Service Charges	(26,119)	(26,027)
Nestlé Pakistan Limited	Affiliates	Service Charges / Imports	-	(241)
Nestlé Panama S.A.	Affiliates	Exports	2,956	-
Nestlé Philippines Inc	Affiliates	Imports / Re-Export	(1,096,721)	(999,884)
		Imports / Re-Export	(50,073)	(97,495)
Nestlé Products Sdn Bhd	Affiliates	Exports	-	121
Nestlé Purina Petcare Tianjin Ltd.	Affiliates	Imports	(208)	-
Nestlé R & D Centre (Pte) Limited	Affiliates	Technical	(37,972)	(13,676)
Nestlé ROH (Thailand) Limited	Affiliates	Service Charges	(196)	(135)
		Exports	-	2,231
Nestlé S.A.	Parent	Dividend Payment / RSUP	(2,511,740)	(3,190,025)
Nestlé Saudi Arabia	Affiliates	Exports	-	2,346
		Exports	2,707	8,678
Nestlé Singapore (Pte) Limited	Affiliates	Recoveries	1,494	-
		Imports	(1,467,581)	(1,491,443)

Name of the Company	Nature of the Relationship	Nature of the Transactions	2015 Rs.'000s	2014 Rs.'000s
Nestlé Suisse S.A.	Affiliates	Exports	10,805	-
		Imports	(26,589)	(21,677)
Nestlé Taiwan Limited	Affiliates	Exports	31,606	30,637
		Imports	-	(477)
Nestlé Trinidad and Tobago Limited	Affiliates	Exports	173,520	134,016
		Exports	71,753	88,422
Nestlé UK Limited	Affiliates	Recoveries	483	12
		Service Charges	(488)	-
Nestlé Waters Marketing	Affiliates	Imports / Re-Export	(14,756)	(27,843)
		Recoveries	8,059	-
Nestrad S.A.	Affiliates	Exports	122,463	132,987
		Imports / Service Charges	(12,938)	(6,761)
Osem UK Limited	Affiliates	Exports	-	172
P.T. Nestlé Indonesia	Affiliates	Imports	(9,607)	(8,006)
San Pellegrino S P A	Affiliates	Service Charges	(99)	-
Servcom S.A.	Affiliates	Service Charges	(2,495)	(402)
Societe des produits Nestlé S.A.	Affiliates	Technical Assistance Fee	(1,513,875)	(1,317,825)

Transactions with Related Parties are carried out in the ordinary course of the business and were made on terms equivalent to those that prevail in arm's length transactions.

23.2 Transactions with Key Management Personnel

Key management personnel include all the members of the Board of Directors of the Company having authority and responsibility for planning, directing and controlling the activities of the Company.

	2015 Rs.'000s	2014 Rs.'000s
Short Term Employee Benefits	42,369	40,145
Directors' Fees	835	835
Non Cash Benefits	23,220	34,244
Share Based Payments	28,658	20,299
	95,082	95,523

Notes to the Financial Statements

Loans to Directors

No loans were given to the Directors during the year.

23.3 Share-based Payments

The Company participates in the Nestlé Restricted Stock Unit (RSU) plan of Nestlé S.A. whereby selected employees are granted non-tradable Restricted Stock Units with the right to obtain Nestlé S.A. shares or cash equivalents. Restricted Stock Units are granted to employees vest, subject to certain conditions, after completion of three years. Upon vesting, Nestlé S.A. determines whether shares,

free of charge or cash equivalent to the value of shares, is to be transferred to the employee. The Company has to pay Nestlé S.A. an amount equivalent to the value of Nestlé S.A. shares on the date of vesting, delivered to the employee. Provisions are made based on estimates, including the Nestlé S.A. share price, over the vesting period of three years.

	2015 Rs.'000s	2014 Rs.'000s
Number of Shares Granted During the Year	2,255	2,795
Weighted Average Fair Value of RSU as at Period End	22,582	25,460
Total Expense Recognised in Profit & Loss	63,768	37,204
Carrying Amount as at the Reporting Date	83,264	53,315

There are no related party transactions other than those disclosed in Notes 16, 22, and 23

24 Commitments

(a) Capital Commitments

The capital commitment for the year 2015, which has been approved by the Board, but not been contracted for, is Rs. 117 million (2014 - Rs. 189 million).

(b) Lease Commitment

The land in which the Nestlé Lanka's factory building is constructed was leased out from the Sri Lankan Government. As per the lease agreement, the land in Mahayaya Estate was leased for 50 years from 25 March 1981.

The annual amount payable under the lease agreement is Rs. 539,540 from the year 2011, as the government has the option to increase the lease payments every five years subject to a maximum of 50% of the previous lease rental. From 2016 onwards, the annual lease commitment will be Rs. 809,310.

Non Cancellable Operating Lease Commitments are as follows:

	2015 Rs.'000s	2014 Rs.'000s
Not Later Than One Year	809	540
Later Than One Year and Not Later Than Five Years	3,238	2,158
Later Than Five Years	8,902	6,474
	12,949	9,172

25 Contingent Liabilities

An Income Tax assessment for Rs 201 million was issued to the Company for the years of assessment 2011/12 and 2012/13. A formal appeal to the Commissioner General of Inland Revenue has already been lodged, setting out our submissions and requesting for withdrawal of the assessment. The Company believes it has a strong case.

There are no other material contingent liabilities other than those disclosed above.

26 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, other than the following;

- An interim dividend of Rs. 34.50 per share amounting to Rs. 1,853,528,474 was approved on 23 February 2016 by the Board of Directors and will be paid on 15 March 2016.

- The Board of Directors has recommended a final dividend of Rs. 30.00 per share amounting to Rs. 1,611,763,890 for the year ended 31 December 2015. This is to be approved at the Annual General Meeting to be held on 5 May 2016.

27 Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk) and price risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management procedures are established to identify and analyse the risks faced by the Company, set appropriate risk limits, and to control and monitor risks to ensure adherence.

(a) Credit Risk

Credit risk arises when the counterparty may fail to perform its obligation.

The major risk in this regard arises from trade receivables, which are subject to credit limits and control and approval procedures to minimise the extent of the Company's financial exposure. Bank guarantees are also obtained to minimise the risk further.

The Company limits its exposure to credit risk by investing only in short term liquid

Notes to the Financial Statements

assets, and only with counter parties that have an existing business relationship at a global level with Nestlé S.A. or locally with entities classified by Investment Grade.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

	2015 Rs. '000s	2014 Rs. '000s
Trade Receivables	1,603,110	1,344,807
Loans to Employees	318,650	306,478
Amount Due from Related Parties	203,975	304,641
Refundable Deposits and Non Trade Receivables	45,196	48,676
	2,170,931	2,004,602
Trade Receivables		
Trade Receivables	1,696,151	1,430,152
Allowance for Trade Receivables	(93,041)	(85,345)
	1,603,110	1,344,807
The Ageing of Trade as at the reporting date were as:		
Not Past Due	1,629,364	1,251,867
Past Due 1-30 Days	1,083	101,034
Past Due 31-60 Days	18,713	14,044
Past Due 61-90 Days	20,737	516
Past Due 91-120 Days	10,113	2,105
Past Due More Than 120 Days	16,140	60,586
Allowance for Trade Receivables	(93,041)	(85,345)
	1,603,110	1,344,807

(b) Liquidity Risk

Liquidity risk arises when a company encounters difficulties to meet commitments associated with liabilities and other payment obligations. The Company's objective

is to manage this risk by limiting exposures in the instruments that may be affected by liquidity problems and by maintaining sufficient back-up facilities.

The contractual maturities of financial liabilities are as follows:

	2015 Rs.'000s		2014 Rs.'000s	
	Less than 6 Months	6 - 12 Months	Less than 6 Months	6 - 12 Months
Trade Payables	2,824,035	12,164	2,501,861	62,946
Other Payables	1,231,458	69,789	1,170,067	68,762
Bank Overdrafts and Distributor Finance Scheme	448,310	-	205,356	-
	4,503,803	81,953	3,877,284	131,708

(c) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and anticipated future transactions.

The Company's objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return and / or cost.

(d) Currency Risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in foreign currencies, primarily the US Dollar (USD), Singapore Dollar (SGD) and Euro (EUR).

The exposures are managed within a prudent and systematic hedging policy in accordance with the Company's specific needs. The Company manages its foreign currency exposure through use of currency forwards when suitable.

Exposure to Currency Risk

The Company's exposure to currency risk as at the reporting date can be summarised as follows:

As at 31 December	2015 Rs.'000s			2014 Rs.'000s		
	EUR	USD	SGD	EUR	USD	SGD
Trade Receivables	8,471	405,678	-	-	431,385	-
Trade Payables	(69,817)	(767,935)	(94,209)	(50,661)	(809,588)	(58,298)
Net Statement of Financial Position	(61,345)	(362,257)	(94,209)	(50,661)	(378,203)	(58,298)

Notes to the Financial Statements

The following significant exchange rates are applied during the year:

	2015	2014
USD	144.20	131.50
EUR	157.61	159.82
SGD	102.13	99.44

Sensitivity Analysis

Strengthening / weakening of the EUR/ USD/ SGD against the LKR (Lankan Rupee) as at 31 December 2015 would have affected the measurement of the financial

instruments denominated in foreign currencies, and the increase / decrease of profit or loss by the amount shown below.

	Strengthening Profit or Loss Rs.'000s	Weakening Profit or Loss Rs.'000s
31 December 2015		
USD (1% movement)	3,623	(3,623)
EUR (7% movement)	4,105	(4,105)
SGD (3% movement)	3,631	(3,631)
31 December 2014		
USD (1% movement)	3,782	(3,782)
EUR (7% movement)	3,552	(3,552)
SGD (3% movement)	1,790	(1,790)

(e) Interest rate Risk

The Company's objective is to maintain an efficient operational interest cost structure to minimise the adverse effects of fluctuating interest rates.

(f) Fair Value Measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 : Valuation techniques based on observable inputs.

Level 3 : Valuation techniques using significant unobservable inputs.

Accounting Classifications and Fair Values

The following table shows the carrying amount and the fair value of financial assets and liabilities, including their values in the fair value hierarchy. It does not

include the fair value information for financial assets and liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

	Held for Trading Rs. '000s	Held to Maturity Rs. '000s	Loans and Receivables Rs. '000s	Available for Sale Rs. '000s	Other Financial Liabilities Rs. '000s	Total Rs. '000s
As at 31 December 2015						
Financial Assets Not Measured at Fair Value						
Trade and Other Receivables	-	-	2,107,037	-	-	2,107,037
Cash and Cash Equivalents	-	-	867,563	-	-	867,563
	-	-	2,974,600	-	-	2,974,600
Financial Liabilities Not Measured at Fair Value						
Trade and Other Payables	-	-	-	-	4,137,446	4,137,446
Bank Overdrafts and Distributor Finance Scheme	-	-	-	-	448,310	448,310
	-	-	-	-	4,585,756	4,585,756
As at 31 December 2014						
Financial Assets Not Measured at Fair Value						
Trade and Other Receivables	-	-	1,816,426	-	-	1,816,426
Cash and Cash Equivalents	-	-	282,517	-	-	282,517
	-	-	2,098,943	-	-	2,098,943
Financial Liabilities Not Measured at Fair Value						
Trade and Other Payables	-	-	-	-	3,803,742	3,803,742
Bank Overdrafts and Distributor Finance Scheme	-	-	-	-	205,356	205,356
	-	-	-	-	4,008,098	4,008,098

Notes to the Financial Statements

	Rs. '000s			
	Level 1	Level 2	Level 3	Total
As at 31 December 2015				
Financial Liabilities Measured at Fair Value				
Forward Exchange Contracts	-	-	-	-
	-	-	-	-
As at 31 December 2015				
Financial Liabilities Measured at Fair Value				
Forward Exchange Contracts	-	894	-	894
	-	894	-	894

Cash and Cash Equivalents

The carrying amount of the cash and cash equivalents and balances with banks approximate the fair value, as these are short term in nature.

Trade and Other Receivables

Trade and other receivables are expected to be settled within one year of the reporting date, hence the discounting impact would be immaterial. Therefore the carrying amount approximates the fair value as at the reporting date.

Trade and Other Payables

Trade and other payables are expected to be settled within one year of the reporting date, hence the discounting impact would be immaterial. Therefore the carrying amount approximates the fair value as at the reporting date.

30 Directors' Responsibility

The Board of Directors is responsible for the preparation and presentation of the financial statements.

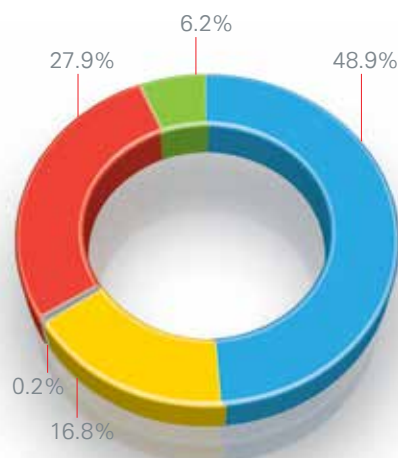
The Directors' Responsibility Statement is given in page 44 of this annual report.

Value Added Statement

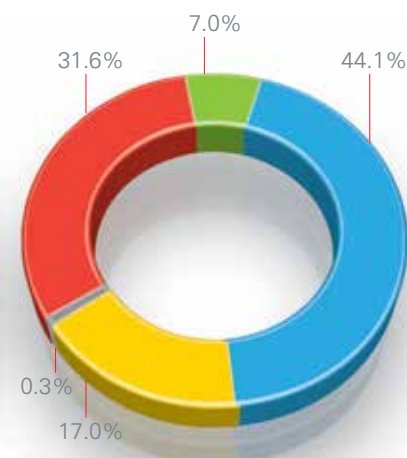
	2015 Rs. '000s		2014 Rs. '000s
Revenue	35,854,802		32,902,885
Bought Out Goods and Services	(23,419,041)		(21,260,965)
Value Added	<u>12,435,761</u>		<u>11,641,920</u>

	Rs. '000s	%	Rs. '000s	%
To Government as Taxes / Duties	6,077,400	48.9	5,139,249	44.1
To Employees as Remuneration and Other Benefits	2,089,608	16.8	1,980,187	17.0
To Lenders as Interest	30,580	0.2	26,358	0.3
To Shareholders as Dividends	3,465,292	27.9	3,680,194	31.6
Retained with Business (Including Depreciation)	772,881	6.2	815,932	7.0
	<u>12,435,761</u>	<u>100.0</u>	<u>11,641,920</u>	<u>100.0</u>

Analysis of Value Addition 2015



Analysis of Value Addition 2014



- To Government as Taxes / Duties
- To Employees as Remuneration
- To Lenders as Interest
- To Shareholders as Dividends
- Retained with Business (Including Depreciation)

Ten Year Summary

	2006 Rs.'000s	2007 Rs.'000s	2008 Rs.'000s	2009 Rs.'000s	2010 Rs.'000s	2011 Rs.'000s	2012 Rs.'000s	2013 Rs.'000s	2014 Rs.'000s	2015 Rs.'000s
Statement of comprehensive Income										
Net Revenue	14,128,658	16,255,216	19,111,985	19,427,135	21,422,984	25,575,780	28,571,488	30,913,413	32,902,885	35,854,802
Profit before tax	2,043,874	2,046,975	2,483,987	2,427,850	2,846,771	3,444,267	3,467,713	4,083,211	4,765,797	5,425,507
Taxation	(688,988)	(655,383)	(820,894)	(847,535)	(932,052)	(814,497)	(529,146)	(766,466)	(978,904)	(1,301,183)
Profit after tax	1,354,886	1,391,592	1,663,093	1,580,315	1,914,719	2,629,770	2,938,567	3,316,745	3,786,893	4,124,324
Other Comprehensive Income / (Expense)	-	-	-	-	-	-	39,101	30,859	(46,390)	(16,762)
Retained profits / (Loss) brought Forward	35,009	46,758	95,213	146,541	115,091	176,284	254,100	330,799	454,875	515,184
Super Gain Tax	-	-	-	-	-	-	-	-	-	(638,365)
Profit available for distribution	1,389,895	1,438,350	1,758,306	1,726,856	2,029,811	2,806,054	3,231,768	3,678,403	4,195,378	3,984,381
Interim Dividend	(537,255)	(483,529)	(537,255)	(483,529)	(644,704)	-	(1,611,765)	(1,719,215)	(2,175,881)	-
Final Dividend	(805,882)	(859,608)	(1,074,510)	(1,128,236)	(1,208,823)	(2,551,953)	(1,289,204)	(1,504,313)	(1,504,313)	-
Retained Profits carried forward	46,758	95,213	146,541	115,091	176,284	254,100	330,799	454,875	515,184	3,984,381

Ten Year Summary

	2006 Rs.'000s	2007 Rs.'000s	2008 Rs.'000s	2009 Rs.'000s	2010 Rs.'000s	2011 Rs.'000s	2012 Rs.'000s	2013 Rs.'000s	2014 Rs.'000s	2015 Rs.'000s
Statement of Financial Position										
Stated Capital	537,255	537,255	537,255	537,255	537,255	537,255	537,255	537,255	537,255	537,255
Reserves	852,640	954,821	1,221,051	1,243,327	2,029,811	2,806,054	3,231,768	3,678,403	3,550,673	3,984,381
Non-Current Liabilities	213,703	206,541	371,650	430,965	522,736	594,713	794,419	929,020	1,155,712	1,221,692
	<u>1,603,598</u>	<u>1,698,617</u>	<u>2,129,956</u>	<u>2,211,547</u>	<u>3,089,802</u>	<u>3,938,022</u>	<u>4,563,442</u>	<u>5,144,678</u>	<u>5,243,640</u>	<u>5,743,328</u>
Represented by:										
Tangible Fixed Assets	1,263,724	1,809,300	1,780,501	2,057,526	2,796,792	4,591,419	4,892,994	4,810,141	5,414,937	5,621,039
Intangible Assets	-	-	145,072	111,594	78,116	44,637	11,159	-	-	-
Current Assets	2,441,960	3,196,200	3,157,602	3,238,362	3,673,888	4,290,657	3,739,135	5,719,972	5,394,992	6,501,008
Less: Current Liabilities	(2,102,086)	(3,306,883)	(2,953,219)	(3,195,935)	(3,458,994)	(4,988,691)	(4,079,847)	(5,385,435)	(5,566,289)	(6,378,719)
Net Current Assets	<u>339,874</u>	<u>(110,683)</u>	<u>204,383</u>	<u>42,427</u>	<u>214,894</u>	<u>(698,034)</u>	<u>(340,712)</u>	<u>334,537</u>	<u>(171,297)</u>	<u>122,289</u>
	<u>1,603,598</u>	<u>1,698,617</u>	<u>2,129,956</u>	<u>2,211,547</u>	<u>3,089,802</u>	<u>3,938,022</u>	<u>4,563,442</u>	<u>5,144,678</u>	<u>5,243,640</u>	<u>5,743,328</u>
Average Market price per share (Rs)	180.15	262.85	278.75	345.64	611.42	764.38	1,154.07	1,978.75	2,105.00	2,049.50
Earnings per Share (Rs)	25.22	25.90	30.96	29.41	35.64	48.95	54.70	61.74	70.49	76.77
Dividend paid / proposed (Rs. 000s)	1,343,137	1,343,137	1,611,764	1,611,764	1,853,528	2,551,959	2,901,175	3,223,528	3,680,194	3,465,292
Dividend Per Share (Rs.)	25.00	25.00	30.00	30.00	34.50	47.50	54.00	60.00	68.50	64.50

Analysis of Shareholders According to the Number of Shares Held as at 31 December 2015

			Resident			Non-resident			Total		
Number of Shares Held			Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
1	to	1000 Shares	4,885	711,142	1.32	57	14,120	0.03	4942	725,262	1.35
1001	to	10,000 Shares	389	1,023,482	1.90	26	117,374	0.22	415	1,140,856	2.12
10,001	to	100,000 Shares	33	772,411	1.44	14	498,607	0.93	47	1,271,018	2.37
100,001	to	1000,000 Shares	1	110,000	0.20	7	1,684,581	3.14	8	1,794,581	3.34
	Over	1,000,000 Shares	0	0	0.00	1	48,793,746	90.82	1	48,793,746	90.82
			5,308	2,617,035	4.86	105	51,108,428	95.14	5,413	53,725,463	100

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	5,254	2,380,740
Institutional	159	51,344,723
	5,413	53,725,463

High / Low Market Prices

Highest Market Value	Rs. 2,390.00
Lowest Market Value	Rs. 1,960.40
Market Value as at 31 December 2015	Rs. 2,049.50
Public Holding as at 31 December 2015	9.18%

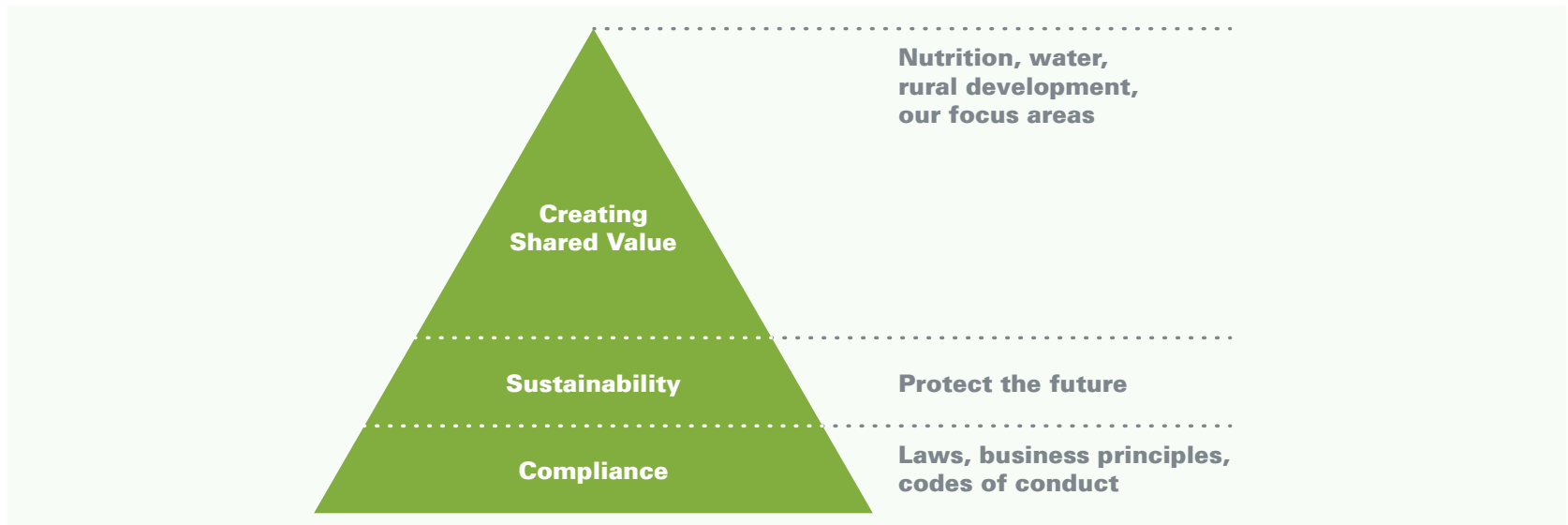
Market capitalisation of the Public Holding as at 31 December 2015 : Rs.10,105,504 (Rs'000s)

List of 20 Major Shareholders Based on the Number of Shares Held as at 31 December 2015

No.	Names	%	Shares as at 2015	Shares as at 2014
1	Nestlé S.A.	90.82	48,793,746	48,793,746
2	HSBC Int'l Nom Ltd - SSBT - Wasatch Frontier Emerging Small Countries Fund	0.81	436,962	435,331
3	HSBC Int'l Nom Ltd - State Street London C/O SSBT - Fundsmith Emerging Equities Trust PLC	0.64	343,558	-
4	RBC Investor Services Bank-Coeli Sicav I-Frontier Markets Fund	0.44	238,500	304,500
5	Harnam Neesha J.K.P. Singh Jasbinderjit Kaur Piara	0.37	200,000	200,000
6	HSBC Int'l Nom Ltd - Msip - Coupland Cardiff Fund PLC-CC Asian Evolution Fund	0.36	195,961	521,631
7	HSBC International Nominees Ltd - SSBT - Deutsche Bank AG Singapore A/C 01	0.29	155,600	155,600
8	HSBC Int'l Nom Ltd - SSBT - Julius Baer Multipartner - WMP EM Established Leaders Fund	0.21	114,000	78,435
9	Estate of late Radhakrishnan (Deceased) Mariapillai	0.20	110,000	110,000
10	Employees Provident Fund	0.19	100,000	100,000
11	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	0.16	85,650	49,213
12	HSBC Intl Nom Ltd - UBS AG Singapore Branch (Ex SBC)	0.16	85,000	85,000
13	AIA Insurance Lanka PLC A/C No.07	0.10	55,975	53,975
14	HSBC Int'l Nom Ltd - JPMCB - T.Rowe Price Institutional Frontier Markets Equity Fund	0.10	54,915	-
15	Colombo Investment Trust PLC	0.09	50,904	50,904
16	Bandaranayake Jayampathi Divale	0.08	44,100	44,100
17	Hirdaramani Anil Kumar Lalchand	0.08	42,500	42,500
18	Merchant Asha Ajay	0.08	41,000	39,600
19	Singh Jasbinderjit Kaur Piara	0.07	40,100	34,700
20	Mellon Bank N.A. - Commonwealth Pen Pub School	0.07	35,905	35,905

Creating Shared Value Summary Report

Creating Shared Value – Going Beyond Corporate Social Responsibility



At Nestlé, our view of Corporate Social Responsibility (CSR) has evolved into 'Creating Shared Value' (CSV).

The concept of CSV states that for a company to be successful over time and create value for shareholders, it must also create value for society.

The CSV model focuses on creating 'joint benefit' or 'shared value' for both our shareholders and society at every stage of our business. It encourages businesses to create economic and social value simultaneously by focusing on the social issues that they are uniquely capable of addressing.

Accordingly, we have focused our CSV efforts and investments in three areas – nutrition, water and rural development – as they are core to our business strategy and vital to the welfare of the local community. We believe that these areas have the greatest potential for 'joint benefit' for both society and Nestlé.

Nutrition: Food and nutrition are the basis of health and of our business – it is the reason why we exist.

Water: The ongoing quality and availability of water is vital to life, the production of food and for our operations.

Rural Development: The overall wellbeing of farmers, rural communities, workers, small entrepreneurs and suppliers is intrinsic to the continuance of our business in the future.

For Nestlé, CSV has become the way we do business. The saying goes 'if a man is hungry, don't give him a fish, give him a rod'. In the same way, we believe that it is not enough to feed a man for a day, but that it is far more practical and beneficial to empower communities to be able to generate their own income in a

sustainable and independent manner. By providing communities with the means and education to develop their own livelihoods, we make it possible for them to not only enhance the quality of their lives, but also those of the future generations to come.

Nutrition



Our products are not just about great taste. Through our world renowned R&D we ensure that the latest technology, processes and thinking are incorporated in the development of our products.

Nestlé has the largest R&D network of any food company in the world, with a heritage of 150 years of research, development and scientific know-how. The Nestlé Research Centre is widely recognised across the globe as one of the world's leading research institutions in food, nutrition and life sciences.

To learn more about our passion for nutrition, read pages 8 to 11.

Rural Development

Nestlé's approach to rural development aims at enhancing the lives of rural farmers and communities. Our efforts are directed at both farm and community level to provide training and technical assistance and improve quality and productivity.

We support close to 25,000 farmers with our procurement of fresh milk and coconut. Our direct payment to local farmers for these raw materials came to Rs. 6 billion in 2015.

Dairy



As Sri Lanka's largest private buyer of fresh milk, we play a big role in helping to develop the local dairy industry and increase local fresh milk production.

Because Sri Lanka's dairy industry is still an emerging one, where farmers do not produce enough milk to meet consumer demand, we have been working closely with the authorities since the early 1980's to help develop it. Our aim is to not only increase the supply and quality of milk but also to provide local farmers a livelihood that is profitable and sustainable.

Currently working with close to 20,000 dairy farmers, we offer them regular training and development programmes on a range of technical topics and best practices, including cattle feeding and breeding and animal health and farm management.

In addition to donating vital equipment and medicine, we also provide financial assistance to develop dairy farms and promote artificial insemination for breeding high-yield cows.

Creating Shared Value Summary Report

We have also constructed a number of chilling centres and milk collection points across the country. These facilities help farmers keep their milk fresh at a temperature of 4 degrees Celsius. Previously, facilities for storing fresh milk in the area were inadequate, resulting in low quality and wastage.

Each Nestlé chilling centre is equipped with testing equipment and farmers are paid for the quality of milk they provide – the higher the quality, the higher the price they receive.

The chilling centres and collection points are managed by people we appoint from the area, ensuring that it is not only the dairy farmers who gain a livelihood from these facilities.

When the civil conflict ended in 2009, we were the first to begin large scale development of the dairy industry in the North and East provinces. Our determined efforts to train farmers and help them produce more milk of better quality has contributed to the economic prosperity of these areas.

Significant mentions are the chilling centres opened by us in Jaffna, Kilinochchi, Mallavi and Oddusudan, which were the first ever to be established in those areas in 30 years.

In 2015, we contributed Rs. 3.6 billion as direct payment to local farmers for milk to manufacture our products like *Nespray*, *Milo* and *Milkmaid*. We also spent more than Rs. 500 million on crucial infrastructure and resources to operate our milk chilling centres across the island, ensure efficient transportation of fresh milk, and maintain high quality control.

We remain committed to contributing to the rural economy, and providing our Sri Lankan consumers a portfolio of high quality products made with the goodness of local fresh milk.

Coconut

We are one of the largest exporters of coconut milk powder in the world. Our *Maggi* Coconut Milk Powder, which is manufactured only at our Kurunegala factory, is sold by Nestlé worldwide.

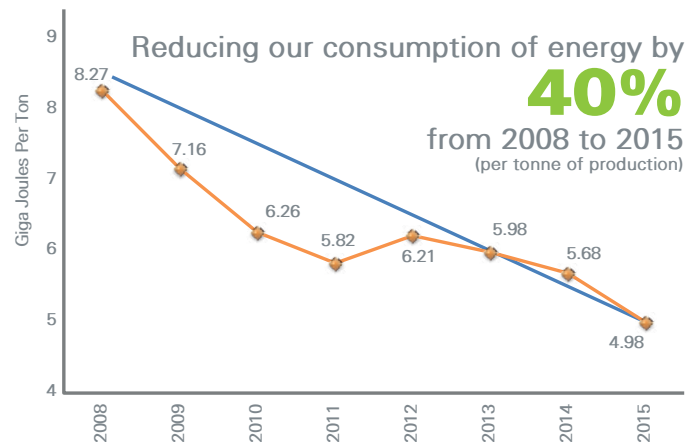
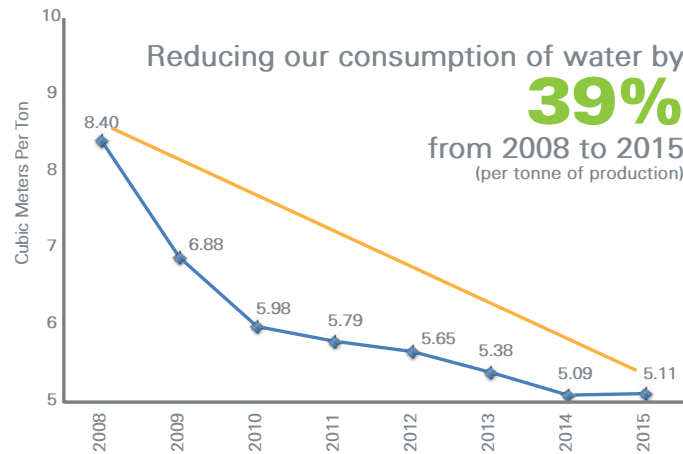
We purchase coconuts indirectly from 5,400 rural farming families through our suppliers, offering them a sustainable source of income. In line with our standard supply chain model, we help local suppliers improve their quality standards and empower farmers to grow crops that benefit them.



We contributed Rs. 2.6 billion to the coconut industry in 2015 as payment for procuring fresh coconuts for our products.

Water and Environmental Sustainability

We want our products to not only be tastier and healthier, but also better for the environment throughout the value chain. We are committed to improve our environmental performance, year on year.



Achieving zero water discharge

Our Kurunegala factory, which manufactures more than 90% of the Nestlé products sold in Sri Lanka, opened a Reverse Osmosis (RO) plant in 2015 to help us become a 'zero water discharge' factory.



Currently all our wastewater is treated and purified before being released into the environment. However 'zero water discharge' means that all our industrial wastewater will not only be treated and purified but also recycled so it can be used again in our operations.

Costing approximately Rs. 100 million, the RO plant helps us purify wastewater to drinking water and also helps improve the efficiency of our boilers, as we will not use as much water as in the past. It will also improve the safety of our boilers by reducing the use of chemicals and eliminating the risk of contamination.

The RO plant reduces our factory's use of water by 5571 m3 per year, equivalent to the amount of water 35 households would use over 12 months.

It also helps us save 2,946 GJ of energy every year in our operations, equivalent to the amount of electricity 1,100 households would use over 12 months.

Creating Shared Value Summary Report

Expanding our UPS system to save energy

As with any other manufacturing entity, our factory is highly dependent on continuous supply of electricity to continually operate the machinery. As a food and beverage company that adheres to strict quality guidelines, failure in power supply would impact the manufacturing process adversely - any product that does not follow a normal manufacturing process would have to be disposed of, wasting a large amount of our resources.

To ensure that our machines are able to run continuously even during a power failure, we began using two 1,250 KVA diesel power generators full time. However, the cost of generating in-house electricity (running the generators) full time was higher than the cost of electricity supplied by the CEB.

To address this, we installed a centralised UPS (uninterrupted power supply) system, similar to the emergency power systems used for computers. The system allows our machines to work uninterrupted even during a power failure for a limited time, buying us enough time to switch to the diesel generators.

In 2015 we expanded our UPS system, allowing us to reduce our diesel consumption by 864,000 litres a year, energy consumption by 2.5% a year, CO₂ emissions by 1,800 tonnes a year, and energy costs by Rs. 45 million a year.



Pre-engineered green distribution centre building design

We redesigned our Distribution Center (DC) so it would be more environmentally friendly, helping use less natural resources for our operations. The DC helped us reduce our costs by Rs. 40 million by offering the following unique features –

- Powered using only solar energy (215 solar cells), helping us save the same amount of energy 330 households would use in a year
- Illuminated 100% by 40 sky lights, helping us save the same amount of energy 125 households would use in a year
- Ventilated only via natural ventilators, helping us save the same amount of energy 228 households would use in a year
- The three initiatives above helped us reduce CO₂ emissions by 47 tonnes and diesel consumption by 20%


Our green distribution centre won us a gold rating in 2015 by the Green Building Council of Sri Lanka.



Enhancing Lives for 150 Years

Nestlé is full of stories; of people, of enhancing lives, of making a difference.

Meet some of the people we have touched through our business.



"Nestlé was the first to begin buying milk from us after the war. They also helped us by teaching us how to develop our business. Thanks to Nestlé, I have a flourishing milk business today that my family and I earn a good livelihood from."

Thampaiyah Srikamalanathan
Dairy farmer
Kumulamunai




"My brother Madhawa and I, and our father before us, have been working with Nestlé for over 45 years. Nestlé has always supported us and helped us during our difficult times. The 2004 tsunami destroyed our building and stocks but Nestlé was gracious enough to reimburse 70% of the damaged inventory. Our yearly turnover is half a billion rupees today thanks to Nestlé, and we couldn't be more grateful for everything they have done for us."

*Manuja De Silva
Distributor
Owner of EM. EM. Agencies*



"It was Nestlé who approached us four years ago and suggested we venture into the coconut milk industry. Our business has thrived since then, with Nestlé procuring coconut milk from us every day. With their advice and support, we have grown our business and empowered the livelihoods of the people in the area by giving them employment opportunities."

*Oshada Ranatunga
Supplier
Director of RMP Coconut
Products Pvt Ltd*

A woman with dark curly hair tied back, wearing an orange t-shirt, is smiling and looking down at a stainless steel cup on a kitchen counter. She is holding a spoon with a dollop of yellow spread. On the counter next to her is a yellow and white bag of Nestlé Nespray Everyday, a pink mug, and a small white container. The kitchen has wooden cabinets and a tiled backsplash with decorative fruit stickers. A green speech bubble in the top right corner contains a testimonial.

"I trust Nestlé as it meets every one of my family's nutritional needs with products like *Milo*, *Nestomalt*, *Nespray* and *Maggi*. As a mother, I find their products very useful and convenient and my children love the taste!"

Rumeshi Rajapaksha
Consumer

"I've been working at Nestlé for the past 10 years, but my affiliation with the company started long before as my Dad worked for Nestlé for almost 25 years. I've literally grown up with the company and its products so it was a dream come true when I got the opportunity to work here, and my dad was so proud.

I never imagined that I would meet my husband at Nestlé too! Nestlé is a big part of my life in so many ways. It has not only given me a rewarding career but has also been an inspiration to people very special to me; My father – my first love, and my husband – my life partner."

Dilshani Abayasekara
Employee
Management Accounting
Specialist

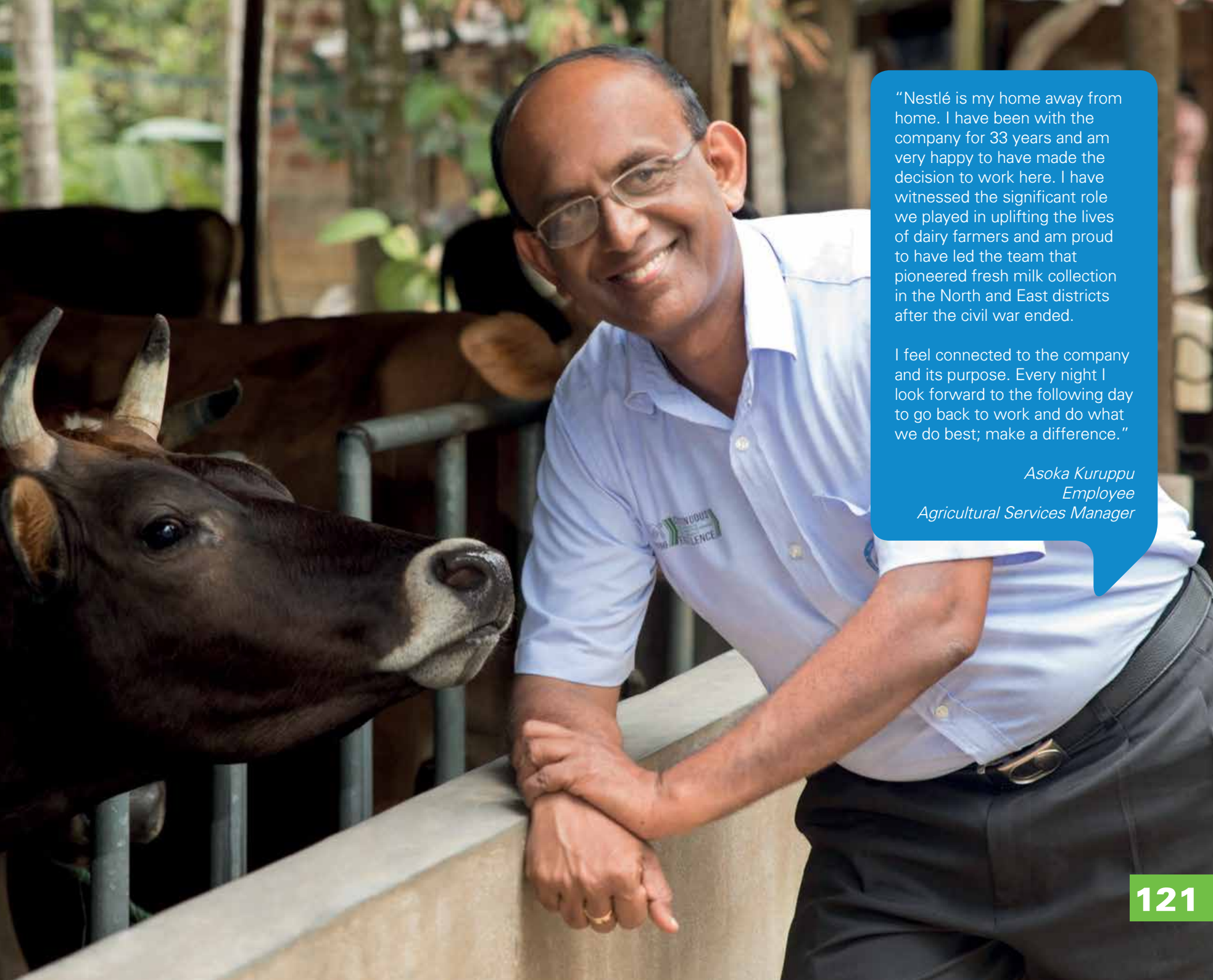




"I joined Nestlé Lanka in 1984. I have experienced the most inspirational and eventful 30 years of my life since the days I helped start up our manufacturing facility in the Kurunegala factory. Nestlé is my second home. Not only did Nestlé support my professional growth both locally and internationally, but also encouraged my personal growth.

As a retiree now, I must say that there isn't a single day that goes by without reminiscing over the memories at the Kurunegala factory; all the great work we did and the challenges we overcame to make Nestlé Lanka what it is today. I'm deeply proud to have been a part of this great company."

*Bandarathilaka Tennakoon
Retired Employee
Former Production Manager*



"Nestlé is my home away from home. I have been with the company for 33 years and am very happy to have made the decision to work here. I have witnessed the significant role we played in uplifting the lives of dairy farmers and am proud to have led the team that pioneered fresh milk collection in the North and East districts after the civil war ended.

I feel connected to the company and its purpose. Every night I look forward to the following day to go back to work and do what we do best; make a difference."

*Asoka Kuruppu
Employee
Agricultural Services Manager*

Notice of Meeting

Notice is hereby given that the Thirty Fifth (35) Annual General Meeting of Nestlé Lanka PLC will be held at the Sri Lanka Foundation Institute, 100, Padanama Mawatha, Independence Square, Colombo 07, on Thursday, 5 May 2016 at 10.00 am for the following purposes:

Agenda

1. To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company, Independent Auditor's Report and the audited Financial Statements for the year ended 31 December 2015.
2. To approve a Final Dividend for the year ended 31 December 2015 as proposed by the Directors
3. To re-elect Shobinder Duggal as Director, who retires by rotation in terms of Article 56, 57 and 58 of the Articles of Association.
4. To re-elect Ranjan Seevaratnam as Director, who is over the age of 70 years and retires at the forthcoming Annual General Meeting in terms of Section 210 of the Companies Act No. 07 of 2007, by passing the following ordinary resolution in terms of Section 211 of the Companies Act No. 07 of 2007:

"Resolved that Ranjan Seevaratnam, who is over the age of 70 years, be and is hereby re-elected as a Director of the Company. It is hereby resolved and declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to said Director"
5. To reappoint the auditors M/s. KPMG and to authorise the Directors to determine their remuneration.

By Order of the Board.
NESTLÉ LANKA PLC.



Keerthi Pathiraja
Company Secretary

23 February 2016

Note:

1. A member, entitled to attend and vote at the Meeting, is entitled to appoint a proxy to attend and vote instead of him / her.
2. A proxy need not be a member of the Company.
3. A form of proxy accompanies this notice.
4. Shareholders attending the meeting are requested to complete the Attendance Form as instructed, and hand over the same at the entrance to the meeting hall for registration.
5. Shareholders / proxy holders are requested to bring their National Identity Cards for the purpose of identification.
6. No parcels and other belongings will be allowed inside the meeting hall.
7. Only the shareholder will be permitted to enter the meeting hall. Shareholders are kindly requested to refrain from bringing children in order to avoid any inconvenience.
8. Kindly note that no complimentary gift parcels will be issued at the AGM.

Nestlé Lanka PLC

I / We..... of
..... being a member/ members of the above named Company hereby
appoint of
..... or failing
..... of or
failing as my / our proxy to represent me / us
and vote for me/us on my / our behalf at the Thirty Fifth Annual General Meeting to be held on Thursday, 5 May 2016 at 10.00 a.m. and at
any adjournment thereof.

Signed on this: day of 2016.

.....
Signature

Instructions as to the completion

1. Kindly perfect the form of proxy legibly by filling in your full name and address in the spaces provided, along with the date and your signature.
2. If the proxy form is signed by an Attorney, the related Power of Attorney should also accompany the completed form for registration, if it has not been already registered with the Company.
3. If the shareholder is a Company or Corporate Body, the proxy form should be executed under its common seal in accordance with its Articles of Association or Constitution.
4. The completed form of proxy should be deposited at the Office of the Registrars of the Company, M/s. SSP Corporate Services (Pvt) Ltd., at 101, Inner Flower Road, Colombo 03, not less than 48 hours before the time appointed for the Annual General Meeting.

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.....
යන ලිපිනයෙහි පදිංචියන අය
අපගේ පෙරකලාසිකරු / පෙරකලාසිකරුවන් ලෙස නම්කරන අතර මා / අප නියෝජනය කරමින් මා / අප වෙනුවෙන් 2016 මැයි 5 වැනි දින පැවැත්වෙන
නිස්පස් වැනි වාර්ෂික මහා සමුළුවට සහභාගිවී ඡන්දය ප්‍රකාශ කිරීමට සහ ඉදිරියේදී ඕනෑම අවස්ථාවක මා / අප නියෝජනය කරමින් ඡන්දය ප්‍රකාශ කිරීමට
බලය පවරමි.

.....
අත්සන

.....
දිනය

සම්පූර්ණ කිරීම සඳහා උපදෙස්

1. කරුණාකර පැහැදිලි අකුරින් නියමිත පරිදි නිශ්චයවල ඔබගේ සම්පූර්ණ නම, ලිපිනය සමඟ දිනය සහ ඔබගේ අත්සන ද යොදා මෙම පෙරකලාසි පෝරමය සම්පූර්ණ කර එවන්න.
2. පෙරකලාසි පෝරමය ඇටෝර්නි බලකරුවෙකු විසින් අත්සන් කරන විටකදී අදාළ ඇටෝර්නි බලපත්‍රය සමාගම සමඟ දැනටමත් ලියාපදිංචි කර නොමැති නම් සම්පූර්ණ කළ පෙරකලාසි පෝරමය සමඟ එම බලපත්‍රය සමාගමේ ලියාපදිංචිය සඳහා යොමු කළ යුතුය.
3. කොටස් හිමියා සමාගමක් හෝ ආයතනික ව්‍යුහයක් නම් පෙරකලාසි පත්‍රය එම සමාගමේ ව්‍යවස්ථාවට අනුකූලව එහි පොදු මුද්‍රාව යටතේ අත්සන් තැබිය යුතුය.
4. පෙරකලාසිහිමියෙකු පත්කිරීම සඳහා සම්පූර්ණ කරන ලද පෙරකලාසි පෝරමය අවම වශයෙන් මහා සභා රැස්වීම පැවැත්වීමට පැය 48කට පෙර, එස්. එස්. පී. කෝපරේට් සර්විසස් (පුද්.) සමාගමල අංක: 101, ඇතුලත මල් පාර, කොළඹ 03 යන ලිපිනයෙහි පිහිටා ඇති සමාගමේ රෙජිස්ටාර්වරුන්ගේ කාර්යාලයට භාර දෙන්න.

நெஸ்லே லங்கா பீஸ்சி

மேற்குறிப்பிட்ட நிறுவனத்தில் பங்குதாரராக / பங்குதாரர்களாக உள்ள

.....என்ற முகவரியைச் சேர்ந்த

..... ஆகிய நான் / நாம்

..... என்ற முகவரியைச் சேர்ந்தஎன்பவரை, தவறும் பட்சத்தில் ஏன்ற முகவரியைச் சேர்ந்த

..... என்பவரை, தவறும் பட்சத்தில்

..... என்ற முகவரியைச் சேர்ந்த என்பவரை 2016 மே 5 அன்று மு.ப. 10.00 மணிக்கு இடம்பெறவுள்ள அல்லது ஒத்திவைக்கப்படும் திகதியில் இடம்பெறவுள்ள முப்பத்து ஐந்தாவது வருடாந்த பொதுக் கூட்டத்தில் எனது / எங்களது சார்பில் சமூகமளித்து எனது / எங்களது சார்பில் வாக்களிப்பதற்குரிய பதில் பிரதிநிதியாக நியமிக்கின்றோம்.

கையொப்பமிடப்பட்ட திகதி:.....ஆம் திகதி 2016

.....
கையொப்பம்

இதனைப் பூர்த்தி செய்வதற்கான அறிவுறுத்தல்கள்

1. தரப்பட்டுள்ள இடைவெளிகளில் உங்களது முழுப் பெயர் மற்றும் முகவரியைக் குறிப்பிட்டு, திகதியுடன் உங்களது கையொப்பத்தை இடவும்.
2. அதிகாரமுள்ள பிரதிநிதியை நியமிக்கும் படிவம் வழக்கறிஞர் ஒருவரால் கையொப்பம் இடப்படும் பட்சத்தில், அது தொடர்பான அட்டோனி தத்துவ உறுதி ஏற்கனவே நிறுவனத்தில் பதிவு செய்யப்படாது இருந்தால், அதனையும் பதிவு செய்வதற்காக பூரணப்படுத்தப்பட்ட படிவத்துடன் அனுப்பி வைத்தல் வேண்டும்.
3. பங்குதாரர் ஒரு நிறுவனமாகவோ அல்லது வர்த்தக கூட்டு அமைப்பாகவோ இருக்கும் பட்சத்தில், உரிய அமைப்பு விதிகள் அல்லது யாப்பு விதிகளுக்கு அமைவாக அதன் உத்தியோகபூர்வ நிறுவன முத்திரையின் கீழ் அதிகாரமுள்ள பிரதிநிதியை நியமிக்கும் விண்ணப்படிவத்தை பூர்த்தி செய்யும் நடைமுறை நிறைவேற்றப்படுதல் வேண்டும்.
4. அதிகாரமுள்ள பிரதிநிதியை நியமிப்பதற்கான பூரணப்படுத்தப்பட்ட படிவம் நிறுவனத்தின் பதிவாளர்கள் அலுவலகமான SSP கோர்ப்பரேட் சேர்விசஸ் (பிரைவேட்) லிமிட்டெட், 101, இன்னர் பிளவர் வீதி, கொழும்பு 03 என்ற முகவரியில், வருடாந்த பொதுக் கூட்டம் இடம்பெறும் என நியமிக்கப்பட்ட திகதியில் இருந்து அதற்கு 48 மணித்தியாலங்களுக்கு முன்பதாக வைப்புச் செய்யப்படுதல் வேண்டும்.

Attendance Form / පැමිණීමේ සටහන් පත්‍රය / சமூகமளிப்புப் படிவம்

Full name of shareholder / කොටස් හිමිකරුගේ සම්පූර්ණ නම / பங்குதாரரின் முழுப் பெயர்:

Folio no. / පත්‍රේ අංකය / கோவை இல:

NIC no. / ජාතික හැඳුනුම්පත් අංකය / தேஅஅ இல:

No. of shares held / හිමිකාරීත්වය දරණ කොටස් ප්‍රමාණය / வைத்திருக்கும் பங்குகளின் எண்ணிக்கை:

Signature / අත්සන / கையொப்பம்:

Notes:

- Shareholders are requested to bring this attendance form to the Thirty Fifth Annual General Meeting of Nestlé Lanka PLC. The meeting will be held at the Sri Lanka Foundation Institute, 100, Padanama Mawatha, Independence Square, Colombo 7 on Thursday, 5 May 2016 at 10.00 a.m.
- Shareholders are kindly requested to refrain from bringing children in order to avoid any inconvenience.

සටහන්:

- හෙස්ලේ ලංකා පීවිල්සි සමාගමේ තිස් පස්වැනි වාර්ෂික මහා සමුළුවට සහභාගිවන්නට පැමිණීමේදී මෙම පැමිණීමේ ලේඛනය රැගෙන එන මෙන් කොටස් හිමියන්ගෙන් ඉල්ලා සිටිමු. 2016 මැයි 5 වැනි දිනයේ පැවැත්වෙන දින පෙරවරු 10.00ට කොළඹ 07 නිදහස් චතුරස්‍රයේ පදනම් මාවතේ පිහිටි ශ්‍රී ලංකා පදනම් ආයතනයේදී මෙම වාර්ෂික මහා සමුළුව පැවැත්වේ.
- කුඩා දරුවන් රැගෙන ඒමෙන් වළකින මෙන් කොටස් හිමිකරුවන්ගෙන් කාරුණිකව ඉල්ලා සිටිමු.

குறிப்புகள்:

- நெஸ்ட்லே லங்கா பீவ்ஸி நிறுவனத்தின் முப்பத்தி ஐந்தாவது வருடாந்த பொதுக் கூட்டத்திற்கு இந்த சமூகமளிக்கும் படிவத்தை தம்முடன் எடுத்துவருமாறு பங்குதாரர்கள் கேட்கப்படுகின்றனர். இக்கூட்டம் 2016 மே 5 ஆம் திகதி மு.ப 10.00 மணிக்கு 100, பதனம் மாவத்தை, சுதந்திர சதுக்கம், கொழும்பு 7 என்ற முகவரியில் அமைந்துள்ள ஸ்ரீலங்கா பவுண்டேஷன் இன்ஸ்டிடியூட் நிலையத்தில் இடம்பெறவுள்ளது.
- அசௌகரியங்களைத் தவிர்க்கும் பொருட்டு தமது பிள்ளைகளை தம்முடன் கூட்டி வருவதை தவிர்த்துக்கொள்ளுமாறு பங்குதாரர்கள் தயவுசெய்து கேட்டுக்கொள்ளப்படுகின்றனர்.

Corporate Information

Name of Company :	Nestlé Lanka PLC
Registered Office and Head Office :	440, T.B. Jayah Mawatha, Colombo 10, Sri Lanka. Tel: (+94 11) 2696304, 2697821, 2699991 Fax: (+94 11) 2699437 E-mail: info.srilanka@lk.nestle.com Website: www.nestle.lk
Legal Form :	A public quoted company with limited liability, incorporated in Sri Lanka on 29 January 1981 and listed on the Main Board of the Colombo Stock Exchange
Company Registration Number :	PQ20
Company Secretary :	Keerthi Pathiraja
Nestlé Lanka PLC Certifications :	FSSC 22000: 2010 (Food Safety System Certification) ISO 14001: 2007 (Environmental Management Systems) OHSAS 18001: 2007 (Occupational Health and Safety Management Systems) NQMS (Nestlé Quality Management Systems certified by SGS) SLSI Certification for <i>Nespray</i> Full Cream Milk Powder, <i>Cerelac</i> , <i>Nestum</i> and <i>Milkmaid</i> Environmental Protection Licence No: 345/2013 R11
Registrars :	M/s. SSP Corporate Services (Pvt) Ltd. 101, Inner Flower Road, Colombo 3, Sri Lanka. Tel: 011 2573894, 2576871
Legal Advisors :	D. L. & F. De Saram (Attorneys-at-Law) Julius & Creasy (Attorneys-at-Law)
Auditors :	KPMG (Chartered Accountants)
Bankers :	Citibank, N.A. Commercial Bank Hatton National Bank HSBC Standard Chartered Bank
Financial Year :	1 January to 31 December



A publication of Nestlé Lanka PLC
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Concept and writing by Nestlé Lanka PLC Corporate Communications

Visual concept and design by Dhash M Gunaratne
Printing by Commercial Printing and Packaging Private Limited