

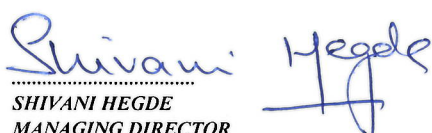
## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December			<u>Year to date</u>	<u>Quarter Performance</u>	
	2014	2013	% Variance	2014	2013
	Rs. '000s	Rs. '000s		Rs. '000s	Rs. '000s
Revenue	32,902,885	30,913,413	6.4%	7,958,342	7,803,270
Cost of Sales	(20,767,394)	(20,251,656)	2.5%	(5,082,040)	(5,213,917)
Gross Profit	<u>12,135,491</u>	<u>10,661,757</u>	13.8%	<u>2,876,302</u>	<u>2,589,353</u>
Other Operating Income/ (Expenses) (Note 1)	92,415	(34,843)	365.2%	21,393	6,880
Marketing, Selling and Distribution Expenses	(5,502,378)	(4,577,455)	20.2%	(1,595,558)	(1,226,131)
Administrative Expenses	(1,966,435)	(1,914,141)	2.7%	(527,518)	(489,549)
Results from Operating Activities	<u>4,759,093</u>	<u>4,135,318</u>	15.1%	<u>774,619</u>	<u>880,553</u>
Financial Income	33,426	28,246	18.3%	7,125	7,071
Financial Expenses	(26,722)	(80,353)	-66.7%	(3,858)	(12,569)
Net Financing Income / (Expenses) (Note 2)	6,704	(52,107)	112.9%	3,267	(5,498)
Profit Before Taxation	<u>4,765,797</u>	<u>4,083,211</u>	16.7%	<u>777,886</u>	<u>875,055</u>
Income Tax Expenses	(978,904)	(766,466)	27.7%	(163,080)	(165,206)
Profit for the Period	<u><u>3,786,893</u></u>	<u><u>3,316,745</u></u>	14.2%	<u><u>614,806</u></u>	<u><u>709,849</u></u>
<b>Other Comprehensive Income</b>					
Defined Benefit Plan Actuarial Gain/ (Loss) (Net of Tax)	(46,390)	30,859		(46,390)	30,859
Other Comprehensive Income for the period	(46,390)	30,859		(46,390)	30,859
Total Comprehensive Income for the period	<u><u>3,740,503</u></u>	<u><u>3,347,604</u></u>		<u><u>568,416</u></u>	<u><u>740,708</u></u>
Basic Earnings per share (EPS.) Rs.	70.49	61.74		11.44	13.21

Note 1 - Includes Net Exchange Gain of Rs.7 million for Jan - Dec 2014 (Loss of Rs.68 Million for Jan - Dec 2013) incurred on foreign currency transactions during the period.

Note 2 - Lower cost of borrowing in 2014 of Rs.25 million (Rs.80 million in 2013) due to better cash position.

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

  
SHIVANI HEGDE  
MANAGING DIRECTOR  
19-Feb-15

  
J.K.SINGLA  
FINANCE DIRECTOR

NESTLÉ LANKA PLC  
STATEMENT OF FINANCIAL POSITION



As at :	31.12.2014 Rs. '000s	31.12.2013 Rs. '000s
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property Plant and Equipment	5,208,556	4,571,813
Capital Work-In-Progress	206,381	238,328
Intangible Assets	-	-
	<u>5,414,937</u>	<u>4,810,141</u>
<b>Current Assets</b>		
Inventories	2,952,545	2,603,655
Trade and Other Receivables	1,816,426	2,100,682
Amount due from Related Parties	304,641	227,586
Cash and Cash Equivalents	282,517	788,049
	<u>5,356,129</u>	<u>5,719,972</u>
<b>Total Assets</b>	<u>10,771,066</u>	<u>10,530,113</u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated Capital	537,255	537,255
Revenue Reserves	3,550,673	3,678,403
	<u>4,087,928</u>	<u>4,215,658</u>
<b>Non-Current Liabilities</b>		
Retirement Benefit Obligations	514,740	469,430
Deferred Tax	640,972	459,590
	<u>1,155,712</u>	<u>929,020</u>
<b>Current Liabilities</b>		
Trade and Other Payables	3,764,773	2,974,834
Amount due to Related Parties	748,650	800,077
Current Tax Payable	705,691	618,678
Dividends Payable	102,956	87,716
Bank Overdraft	205,356	904,130
	<u>5,527,426</u>	<u>5,385,435</u>
	<u>6,683,138</u>	<u>6,314,455</u>
<b>Total Equity and Liabilities</b>	<u>10,771,066</u>	<u>10,530,113</u>

The figures are provisional and subject to audit

As at :	31.12.2014 Rs.	30.09.2014 Rs.
Net asset value per share -	76.09	77.50
Market value per share recorded during the quarter		
- Highest	2,444.00	2,199.00
- Lowest	2,000.00	1,950.00
- Last trade price (Date 31/12/2014,30/09/2014)	2,105.00	2,100.00

  
SHIVANI HEGDE  
MANAGING DIRECTOR  
19-Feb-15

  
J.K.SINGLA  
FINANCE DIRECTOR

**STATEMENT OF CASH FLOWS**

<i>For the Year Ended 31st December</i>	<i>2014</i>	<i>2013</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<b>Cash Flows from Operating Activities</b>		
Profit before Taxation	4,765,797	4,083,211
<b>Adjustments for ;</b>		
Depreciation	548,357	539,962
Amortisation	-	11,159
Impairment of Fixed Assets	10,882	5,364
(Gain)/ Loss on sale of Property Plant and Equipment	(47,342)	2,104
Amortisation of Staff Loan Interest	16,941	16,881
Interest Expense	25,464	80,068
Interest Income	(33,121)	(28,246)
(Reversal)/Provision for Obsolete Inventory	(8,003)	39,810
Inventory Write Off	159,587	173,123
Provision for Impairment of Trade Receivable	10,785	5,904
Provision for Retirement Benefit Obligations	162,090	100,450
Net Fair Value of Derivatives	894	284
<b>Operating Profit before Working Capital Changes</b>	<b>5,612,331</b>	<b>5,030,074</b>
<b>Working Capital Changes</b>		
Increase in Inventories	(500,474)	(944,254)
Decrease/(Increase) in Trade and Other Receivables	196,415	(320,903)
Increase in Trade and Other Payables	737,618	800,511
<b>Cash Generated from Operations</b>	<b>6,045,890</b>	<b>4,565,428</b>
Interest Paid	(25,464)	(80,068)
Income Tax Paid	(692,469)	(473,580)
Retirement Benefit Obligations Paid	(181,210)	(108,359)
<b>Net Cash Flows Generated from Operating Activities</b>	<b>5,146,747</b>	<b>3,903,421</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(1,166,118)	(530,111)
Proceeds from Sale of Property, Plant and Equipment	49,424	65,534
Interest Received	16,182	9,981
<b>Net Cash used in Investing Activities</b>	<b>(1,100,512)</b>	<b>(454,596)</b>
<b>Cash Flows from Financing Activities</b>		
Dividend Paid	(3,852,993)	(2,890,243)
<b>Net Cash used in Financing Activities</b>	<b>(3,852,993)</b>	<b>(2,890,243)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>193,242</b>	<b>558,582</b>
Cash and Cash Equivalent at Beginning of Year	(116,081)	(674,663)
<b>Cash and Cash Equivalent at End of Year</b>	<b>77,161</b>	<b>(116,081)</b>
<b>Analysis of Cash and Cash Equivalents at the End of the Year</b>		
Cash in Hand and Balances with Bank	282,517	788,049
Bank Borrowings	(205,356)	(904,130)
	<b>77,161</b>	<b>(116,081)</b>

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st December

	<i>Stated Capital</i>	<i>Revenue Reserve</i>	<i>Total</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<i>Balance as at 1 January 2013</i>	537,255	3,231,768	3,769,023
<b><i>Total Comprehensive Income for the year</i></b>			
<i>Profit for the Year</i>	-	3,316,745	3,316,745
<i>Other Comprehensive Income</i>		30,859	30,859
<b><i>Transactions with owners of the Company recognised directly in Equity</i></b>			
<i>Interim Dividend for 2012</i>	-	(1,611,765)	(1,611,765)
<i>Final Dividend for 2012</i>	-	(1,289,204)	(1,289,204)
<i>Balance as at 31 December 2013</i>	<u>537,255</u>	<u>3,678,403</u>	<u>4,215,658</u>
<i>Balance as at 01 January 2014</i>	537,255	3,678,403	4,215,658
<b><i>Total Comprehensive Income for the year</i></b>			
<i>Profit for the Year</i>		3,786,893	3,786,893
<i>Other Comprehensive (Expenses)</i>		(46,390)	(46,390)
<b><i>Transactions with owners of the Company recognised directly in Equity</i></b>			
<i>Interim Dividend for 2013</i>	-	(1,719,215)	(1,719,215)
<i>Final Dividend for 2013</i>	-	(1,504,313)	(1,504,313)
<i>Interim Dividend for 2014</i>		(644,705)	(644,705)
<i>Balance as at 31 December 2014</i>	<u>537,255</u>	<u>3,550,673</u>	<u>4,087,928</u>

## NOTES TO THE ACCOUNTS

*Notes to the 31.12.2014 Quarterly Statements*

1. *The Accounting policies and methods of computation followed in the Interim Accounts is the same as that of the latest year end Financial Statements.*
2. *The Stated Capital consists of 53,725,463 Ordinary shares.*
3. *Material Events subsequent to the end of the interim period.*  
*There were no other material events subsequent to the end of the interim period up to the date on which we submitted the quarterly statements to CSE ,which would require adjustment or disclosure in the financial statements, other than the following;*

*The Directors have declared a second interim dividend of Rs.28.50 per share on 19 February 2015 and have also proposed a final dividend of Rs. 28.00 per share for the year ended 31 December 2014 to be approved at the Annual General Meeting to be held on 12 May 2015.*

*A Super Gains Tax of 25% on Profits of 2013 was introduced by the Government at the recent Interim Budget as a one time payment. The exact calculation and the payment due date have not been defined yet by the authorities.*

4. *Contingent Liabilities*  
*An Income Tax assessment for Rs 92 million was issued on the Company for year of assessment 2011/12. 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 were no other contingent liabilities for the interim period ended 31.12.2014 other than the above disclosed.*

5. *Comparative Information*  
*Trade receivables under the Distributor Financing Scheme with recourse to the Company (Rs. 472.5 million as at 31.12.2013) have been shown as gross trade receivables in the Statement of Financial Position. This adjustment has no impact on the profit, total comprehensive income or the net assets of the Company as at and for the year ended 31.12.2013.*

### **Additional Notes and Other Information**

Public Holding Percentage: 9.18%.

The Directors of the Company hold no shares in the Company except for Mr. Mahendra Dayananda, who holds 1000 shares as at period closing.

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

<b>No</b>	<b>Names</b>	<b>No. of Shares</b>	<b>%</b>
1	Nestlé S.A	48,793,746	90.82
2	HSBC International Nominees Limited - MSIP - Coupland Cardiff Funds PLC - CC Asian Evolution Fund	521,631	0.97
3	HSBC International Nominees Limited - SSBT - Wasatch Frontier Emerging Small Countries Fund	435,331	0.81
4	RBC Investor Services Bank - Coeli Sicav I-Frontier	304,500	0.57
5	Ms. Neesha Harnam	200,000	0.37
6	HSBC International Nominees Limited - SSBT - Deutsche Bank AG Singapore A/C 01	155,600	0.29
7	Estate of Late Mr. Radhakrishnan Mariapillai	110,000	0.20
8	Employees Provident Fund	100,000	0.19
9	Trading Partners Private Limited	92,380	0.17
10	HSBC International Nominees Limited -UBS AG	85,000	0.16
11	HSBC International Nominees Limited - SSBT - Julius Baer Multipartner WMP EM Established Leaders Fund	78,435	0.15
12	AIA Insurance Lanka PLC A/C N0.07	53,975	0.10
13	Colombo Investment Trust PLC	50,904	0.09
14	CB NYS/A Wasatch Frontier Emerging Small Countries	49,213	0.09
15	Mr. Bandaranayake Jayampathi Divale	44,100	0.08
16	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
17	Mrs. Merchant Asha Ajay	39,600	0.07
18	Mellon Bank N.A.-Commonwealth Pen Pub School	35,905	0.07
19	Mrs. Jasbinderjit Kaur Piara Singh	34,700	0.06
20	Commercial Bank of Ceylon PLC/S.R.Fernando	30,267	0.06