

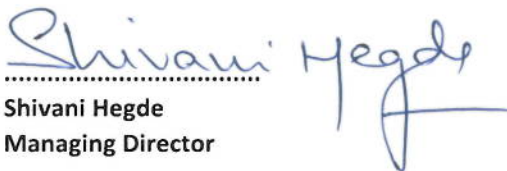


## NESTLÉ LANKA PLC

### STATEMENT OF COMPREHENSIVE INCOME

<i>For the Year Ended 31 December</i>				<i>Quarter Performance</i>	
	<i>2015</i>	<i>2014</i>	<i>Year to</i>	<i>2015</i>	<i>2014</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>date %</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>
			<i>Variance</i>		
<i>Revenue</i>	35,854,802	32,902,885	9.0%	8,764,066	7,958,342
<i>Cost of Sales</i>	(21,380,568)	(20,767,394)	3.0%	(5,112,243)	(5,082,040)
<b><i>Gross Profit</i></b>	<b>14,474,234</b>	<b>12,135,491</b>	<b>19.3%</b>	<b>3,651,823</b>	<b>2,876,302</b>
<i>Other Operating Income / (Expense)</i>	(13,454)	92,415	-114.6%	(13,406)	21,393
<i>Marketing, Selling and Distribution Expenses</i>	(6,918,332)	(5,502,378)	25.7%	(2,187,411)	(1,595,558)
<i>Administrative Expenses</i>	(2,124,675)	(1,966,435)	8.0%	(590,836)	(527,518)
<b><i>Results from Operating Activities</i></b>	<b>5,417,773</b>	<b>4,759,093</b>	<b>13.8%</b>	<b>860,170</b>	<b>774,619</b>
<i>Financial Income</i>	38,328	33,426	14.7%	12,213	7,125
<i>Financial Expenses</i>	(30,594)	(26,722)	14.5%	(1,792)	(3,858)
<b><i>Net Financing Income</i></b>	<b>7,734</b>	<b>6,704</b>	<b>15.4%</b>	<b>10,421</b>	<b>3,267</b>
<b><i>Profit Before Taxation</i></b>	<b>5,425,507</b>	<b>4,765,797</b>	<b>13.8%</b>	<b>870,591</b>	<b>777,886</b>
<i>Income Tax Expenses</i>	(1,301,183)	(978,904)	32.9%	(230,044)	(163,080)
<b><i>Profit for the Period</i></b>	<b>4,124,324</b>	<b>3,786,893</b>	<b>8.9%</b>	<b>640,547</b>	<b>614,806</b>
<b><i>Other Comprehensive Income / (Expenses)</i></b>					
<i>Actuarial loss for the year (Net of Tax)</i>	(16,762)	(46,390)		(16,762)	(46,390)
<b><i>Total Comprehensive Income</i></b>	<b>4,107,562</b>	<b>3,740,503</b>		<b>623,785</b>	<b>568,416</b>
<b><i>Basic Earnings Per Share (EPS.) Rs.</i></b>	<b>76.77</b>	<b>70.49</b>		<b>11.92</b>	<b>11.44</b>

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

  
Shivani Hegde  
Managing Director

  
Jagdish Kumar Singla  
Director Finance & Control


23 February 2016

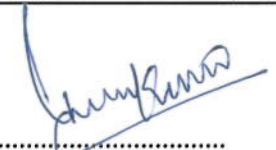


NESTLÉ LANKA PLC

STATEMENT OF FINANCIAL POSITION

AS AT :	31.12.2015	31.12.2014
	Rs. '000s	Rs. '000s
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property Plant and Equipment	5,477,442	5,208,556
Capital Work-in-Progress	143,597	206,381
	<b>5,621,039</b>	<b>5,414,937</b>
<b>Current Assets</b>		
Inventories	3,322,433	2,991,408
Trade and Other Receivables	2,107,037	1,816,426
Amount due from Related Parties	203,975	304,641
Cash and Cash Equivalents	867,563	282,517
	<b>6,501,008</b>	<b>5,394,992</b>
<b>Total Assets</b>	<b>12,122,047</b>	<b>10,809,929</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated Capital	537,255	537,255
Revenue Reserves	3,984,381	3,550,673
	<b>4,521,636</b>	<b>4,087,928</b>
<b>Non-Current Liabilities</b>		
Retirement Benefit Obligation	522,240	514,740
Deferred Tax	699,452	640,972
	<b>1,221,692</b>	<b>1,155,712</b>
<b>Current Liabilities</b>		
Trade and Other Payables	4,137,446	3,803,636
Amount due to Related Parties	713,686	748,650
Current Tax Payable	942,057	705,691
Dividends Payable	137,220	102,956
Bank Overdraft	448,310	205,356
	<b>6,378,719</b>	<b>5,566,289</b>
<b>Total Liabilities</b>	<b>7,600,411</b>	<b>6,722,001</b>
<b>Total Equity and Liabilities</b>	<b>12,122,047</b>	<b>10,809,929</b>
<i>The figures are provisional and subject to audit</i>		
<b>AS AT :</b>	<b>31.12.2015</b>	<b>30.09.2015</b>
Net asset value per share-	Rs. 84.16	Rs. 90.38
Market value per share recorded during the quarter		
- Highest	2,240.00	2,160.00
- Lowest	2,000.00	1,960.40
- Last trade price (Date 31/12/2015 , 30/09/2015)	2,049.00	2,098.70

  
Shivani Hegde  
Managing Director  
23 February 2016

  
Jagdish Kumar Singla  
Director Finance & Control



**NESTLÉ LANKA PLC**  
**STATEMENT OF CASH FLOWS**

<i>For the Year Ended 31 December</i>	<b>2015</b>	<b>2014</b>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<b>Cash Flow from Operating Activities</b>		
<i>Profit before Taxation</i>	5,425,507	4,765,797
<b>Adjustments for ;</b>		
<i>Depreciation</i>	602,523	548,357
<i>Impairment of Property Plant and Equipment</i>	-	10,882
<i>Gain on sale of Property Plant and Equipment</i>	(31,100)	(47,342)
<i>Amortization of staff loan interest</i>	17,929	16,941
<i>Interest Expense</i>	30,594	25,464
<i>Interest Income</i>	(28,870)	(33,121)
<i>Inventory write off</i>	120,309	130,816
<i>Provision for Impairment of Trade Receivable</i>	7,696	10,785
<i>Provision for Retirement Benefit Obligation</i>	98,890	162,090
<i>Net Fair Value of Derivatives</i>	-	894
<b>Operating Profit before Working Capital Changes</b>	<b>6,243,478</b>	<b>5,591,563</b>
<b>Working Capital Changes</b>		
<i>Increase in Inventories</i>	(462,235)	(485,800)
<i>(Decrease) / Increase in Trade and Other Receivables</i>	(197,472)	196,415
<i>Increase in Trade and Other Payables</i>	309,746	743,712
<b>Cash Generated from Operations</b>	<b>5,893,517</b>	<b>6,045,890</b>
<i>Interest Paid</i>	(30,594)	(25,464)
<i>Income Tax Paid</i>	(999,988)	(692,469)
<i>Super Gain Tax Paid</i>	(638,365)	-
<i>Retirement Benefit Obligation Paid</i>	(114,670)	(181,210)
<b>Net Cash Flows Generated from Operating Activities</b>	<b>4,109,900</b>	<b>5,146,747</b>
<b>Cash Flow from Investing Activities</b>		
<i>Purchase of Property, Plant and Equipment</i>	(812,982)	(1,166,118)
<i>Proceeds from Sale of Property, Plant and Equipment</i>	35,457	49,424
<i>Interest Received</i>	10,941	16,182
<b>Net Cash used in Investing Activities</b>	<b>(766,584)</b>	<b>(1,100,512)</b>
<b>Cash Flow from Financing Activities</b>		
<i>Dividend Paid</i>	(3,001,224)	(3,852,993)
<b>Net Cash used in Financing Activities</b>	<b>(3,001,224)</b>	<b>(3,852,993)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>342,092</b>	<b>193,242</b>
<i>Cash and Cash Equivalent at beginning of year</i>	77,161	(116,081)
<i>Cash and Cash Equivalent at end of period</i>	<b>419,253</b>	<b>77,161</b>
<b>Analysis of Cash and Cash Equivalents at the end of the period</b>		
<i>Cash in Hand and Balances with Bank</i>	867,563	282,517
<i>Bank Borrowings</i>	(448,310)	(205,356)
	<b>419,253</b>	<b>77,161</b>

**Nestlé****NESTLÉ LANKA PLC****STATEMENT OF CHANGES IN EQUITY**

	<i>Stated Capital</i> <i>Rs. '000s</i>	<i>Revenue Reserve</i> <i>Rs. '000s</i>	<i>Total</i> <i>Rs. '000s</i>
<i>Balance as at 01 January 2014</i>	<b>537,255</b>	<b>3,678,403</b>	<b>4,215,658</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>Profit for the Year</i>	-	3,786,893	3,786,893
<i>Other Comprehensive Expenses</i>	-	(46,390)	(46,390)
<i>First Interim Dividend for 2014</i>	-	(644,705)	(644,705)
<b><i>Balance as at 31 December 2014</i></b>	<b>537,255</b>	<b>3,550,673</b>	<b>4,087,928</b>
<i>Balance as at 01 January 2015</i>	537,255	3,550,673	4,087,928
<i>Super Gain Tax</i>	-	(638,365)	(638,365)
<i>Profit for the Year</i>	-	4,124,324	4,124,324
<i>Second Interim Dividend for 2014</i>	-	(1,531,176)	(1,531,176)
<i>Final Dividend for 2014</i>	-	(1,504,313)	(1,504,313)
<i>Other Comprehensive Expenses</i>	-	(16,762)	(16,762)
<b><i>Balance as at 31 December 2015</i></b>	<b>537,255</b>	<b>3,984,381</b>	<b>4,521,636</b>



NESTLÉ LANKA PLC

## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the 31 December 2015 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. 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. 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 01 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.
4. **Material Events subsequent to the end of the Reporting Period.**  
There were no material events occurring after the reporting date that require adjustment or disclosure in the financial statements, other than the following;  
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 05 May 2016.
5. **Contingent Liability**  
An Income Tax assessment for Rs. 201 million was issued on the Company for year 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.
6. Comparative information has been reclassified where necessary, to confirm to current year's presentation.



## NESTLÉ LANKA PLC

### NOTES TO THE FINANCIAL STATEMENTS

#### Additional Notes and other information

- Public Holding Percentage: 9.18%. Number of Public shareholders - 5,411.
- Market capitalization of the Public Holding : Rs.10,103,039 (Rs'000)
- The Directors of the company hold no shares in the Company except for Mr. Mahendra Dayananda, who holds 1000 shares as at period closing.

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

No	Names	No. of Shares	%
1	Nestlé S.A	48,793,746	90.82
2	HSBC International Nominees Limited - SSBT - Wasatch Frontier Emerging Small Countries Fund	436,962	0.81
3	HSBC International Nominees Limited - State Street London C/O - SSBT - Fundsmith Emerging Equities Trust PLC	343,558	0.64
4	RBC Investor Services Bank - Coeli Sicav I-Frontier Markets Fund	238,500	0.44
5	Ms. Neesha Harnam	200,000	0.37
6	HSBC International Nominees Limited - MSIP - Coupland Cardiff Funds PLC - CC Asian Evolution Fund	195,961	0.36
7	HSBC International Nominees Limited - SSBT - Deutsche Bank AG Singapore A/C 01	155,600	0.29
8	HSBC International Nominees Limited - SSBT - Julius Baer Multipartner WMP EM Established Leaders Fund	114,000	0.21
9	Estate of Late Mr. Radhakrishnan Mariapillai (Deceased)	110,000	0.20
10	Employees Provident Fund	100,000	0.19
11	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	85,650	0.16
12	HSBC International Nominees Limited -UBS AG Singapore Branch (EX SBC)	85,000	0.16
13	AIA Insurance Lanka PLC A/C NO.07	55,975	0.10
14	HSBC International Nominees Limited - JPMCB - T.Rowe Price Institutional Frontier Markets Equity Fund	54,915	0.10
15	Colombo Investment Trust PLC	50,904	0.09
16	Mr. Bandaranayake Jayampathi Divale	44,100	0.08
17	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
18	Mrs. Merchant Asha Ajay	41,000	0.08
19	Mrs. Singh Jasbinderjit Kaur Piara	40,100	0.07
20	Mellon Bank N.A.-Commonwealth Pen Pub School	35,905	0.07