



Nestlé

of Good Food, Good Life

150 Years

Management Report 2015

دیرھسوسال
دھپرساری خوشیان



For over two decades, we at Nestlé Pakistan, have strived to bring high quality products that have won the hearts of all Pakistanis. Our bedrock values of respect, trust, integrity and teamwork have helped us become the premier Nutrition, Health and Wellness Company.

We express our enduring belief of driving positive change and ensuring a better quality of life for the communities that we operate in. Guided by our renewed agenda for growth, we aim to seize greater opportunities that lie ahead, based on our idea of extending healthier food and beverage choices to all.

Management Report 2015

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Company Review

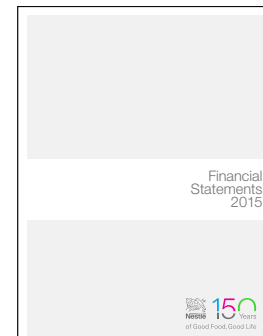
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Nestlé in society Creating Shared Value and meeting our commitments 2015



Financial Statements 2015



Our Vision

Nestlé's vision is to be the globally recognised leading Nutrition, Health and Wellness (NHW) Company. Nestlé Pakistan subscribes fully to this vision and the values that come with it.

In particular, we envision:

- Leading a dynamic, passionate and professional workforce, proud of our heritage and positive about the future
- Meeting the nutritional needs of consumers of all ages – from infancy to old age, from nutrition to pleasure, through an innovative portfolio of branded food and beverage products of the highest quality
- Delivering shareholder value through profitable long-term growth, while continuing to play a significant and responsible role in the social, economic, and environmental sectors of Pakistan

Our Mission

To positively enhance the quality of life of people of Pakistan by all that we do through our people, our brands, products and our Creating Shared Value (CSV) initiatives.

Our Ambition

To be the leading Nutrition, Health and Wellness Company in Pakistan.



Directors' Report to the Shareholders

The Directors of the Company are pleased to present the Annual Report along with the audited financial statements for the year ended December 31, 2015.

Financial Performance:

The year 2015 while showing signs of improvement was another tough year with uncertain political environment, continued security challenges and ongoing energy crises resulting in regular disruptions of business.

Despite all these challenges, the Company crossed the PKR 100 billion turnover milestone with a top line growth of 6.8%. The Company also improved its Gross Margins by 481 bps on the back of favourable input costs, effective product mix management, optimisation of our value chain through Nestlé Continuous Excellence (NCE) initiatives and a relatively stable Pak Rupee, enabling us to reinforce our commitment for investing behind our brands.

Nestlé Pakistan continues to be committed to enhancing its product base through innovation and renovation, which remains an integral part of the Company's vision to positively enhance the quality of life of our consumers. The major new product launches during 2015 included: NESTLÉ MILKPAK 200ml, NESTLÉ LACTOGROW 3, NESCAFÉ DOLCE GUSTO, NESTLÉ CEREVITA, NESTLÉ FRUITA VITALS Kinnow and NESTLÉ DOCELLO Chocolate Mousse.

Key Financial Indicators:

- Sales grew by PKR 6.5 billion, a growth of 6.8%.
- Gross Profit (GP) margin improved by 481 bps resultant of favourable commodity and fuel prices and effective control on total delivered cost through the NCE mindset.
- Net Profit margin increased by 30 bps through continuous focus on operational costs.

Summary Financial Performance:

	2015	2014	Change
Sales (PKR Million)	102,986	96,458	+6.8%
Gross Profit margin	33.1%	28.3%	+4.8%
Operating Profit margin	15.8%	14.6%	+1.2%
Net Profit after tax	8.5%	8.2%	+0.3%
Net Profit after tax (PKR Million)	8,761	7,929	+10.5%
Earnings per share (PKR)	193.18	174.85	+10.5%

Dividends:

Keeping in view the good financial performance of the Company, the Board of Directors has recommended to pay Final Cash Dividend of Rs. 90 per share, in addition to the Interim Cash Dividend of Rs.100 per share already paid, which brings the total dividend for the year to Rs.190 per share for 2015 compared to Rs.170 per share in 2014.

Investment Projects:

With a market driven approach and commitment to satisfy the needs of our consumers, in 2015 Nestlé Pakistan has made investments of PKR 2.7 billion including expansion and development projects, with the most significant projects listed below:

Project Description	PKR Million
Sheikhupura - Extension and Operational reliability	536
Kabirwala - Extension and Operational reliability	320
Water Factories - Extension and Operational reliability	292
Milk collection infrastructure development	274
Extension of Distribution and Sales facilities	491
Others	788

Investments, of approximately PKR 5.4 billion, are planned in 2016, primarily

with respect to operational reliability and capacity increase in order to meet consumer demands.

Corporate Governance:

Nestlé Pakistan is committed to maintain high standards of good corporate governance without any exception. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities and Exchange Commission of Pakistan (SECP) and formed as part of stock exchange listing regulations. Statement of compliance with Code of Corporate Governance is as under.

Statement of Compliance with Code of Corporate Governance

The Directors confirm that:

- The Financial Statements prepared by the Management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in

preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) The value of investments of employees funds are as follows (PKR millions):

	Audited 2015	Audited 2014
Provident Fund	2,851	2,528
Gratuity Fund	1,344	1,187
Pension Fund	2,023	1,740

- i) Statements regarding the following are annexed or disclosed in the notes to the accounts:
 - (i) Key financial data for the last six years
 - (ii) Pattern of shareholdings
 - (iii) Trading in shares of the Company by its Directors, CEO, CFO and Company Secretary
 - (iv) Number of Board meetings held during the year and attended by each director

External Auditors:

Messrs KPMG Taseer Hadi & Company, Chartered Accountants have completed their assignment for the year 2015 and retire at the conclusion of the 38th Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

Holding Company:

Nestlé S.A., a Company incorporated in Switzerland (the holding company), holds 26,778,229 ordinary shares representing 59% equity interest in the Company.

Human Resource Management and Employee Relations:

In 2015, we continued to sustain and improve our people processes to have competitive edge on the competition. Strong focus remained on leadership development, capability building, learning opportunities through E-learning and employee relations management for building high performance teams to achieve organisational goals. Whereas diversity and commitment to compliance remained at the heart of our agenda. Some of the key achievements this year were:

- To strengthen the leadership pipeline, two major learning initiatives, People Manager Toolkit and Nestlé Leadership Development Experience, were designed and launched. First line management capability building to deploy the techniques and concepts in various situations for the target audience to maximise positive impact on business through teams was given special focus.
- Fred's Learning Channel, a knowledge sharing platform, was launched to nurture and develop a culture of learning at Nestlé Pakistan. It remained very effective in enabling and engaging our people through quizzes, case studies, quotes and leadership videos.
- Fifteen Nestlé managers were certified as master coaches through International Coaching Federation. In 2016, these master coaches will conduct coaching clinics across the Company to

develop coaching culture at Nestlé Pakistan.

- Career coaching clinics were conducted to help our talent develop their career maps, which remained a great success.
- Performance Appraisal and Development process was implemented for non-management staff. Learnings from this year will be gathered and utilised to further strengthen the performance management system for 2016.
- Apprenticeship Programme continued across the factories with increased number of trades and learning opportunities. This enabled us to equip upcoming blue collar labour force with skills and capabilities, ultimately ensuring their readiness for employment.
- Women Empowerment Seminars were conducted with increased coverage and frequency to improve Gender Diversity at Nestlé Pakistan.
- Employee Relations and Community Engagement remained key focus areas at our factories to strengthen our relationship with the employees and surrounding communities. We also arranged training for our line managers for effective and efficient management of day to day people matters and situations related to the workplace.

Creating Shared Value (CSV) and Community Work:

Nestlé Pakistan as part of its global and local commitments, believes in Creating Shared Value (CSV) for the shareholders and the communities in which it works and lives. Given the nature of our activities and our ambition to be the world's leading Nutrition, Health and Wellness Company, Nestlé has identified the following focus areas where it can optimise the creation of shared value:

- Nutrition
- Water
- Environmental Sustainability
- Rural Development
- Our People

In line with this global vision and for “Enhancing the Quality of Life of People of Pakistan” Nestlé Pakistan continues to positively engage with farmers as well as rural and underprivileged communities in its areas of operations.

Our inspiration is governed by the Nestlé Corporate Business Principals and also as a signatory to the UN Global Compact for Ethical Business, the Company is committed to the stakeholders and the communities for mutual growth and sustainability. From offering quality products to the consumers, to providing a fair and diverse work environment for our employees; from capacity building and knowledge transfer to our partners and raw material providers to implementing responsible sourcing models into our relationships; from supporting under privileged communities to working with small farmers; from enhancing sustainability and environmental friendliness of our operations to embedding ethical and transparent business practices, CSV is entrenched into the entire value chain. The key CSV initiatives completed during 2015 are:

- Nutrition awareness was extended to 35,000 school children in the rural, suburban and urban areas under Nestlé Healthy Kids Programme
- Continued product support through Nutrition Support Programme for the underprivileged institutions
- Nutrition support to the areas affected by natural calamities
- Refurbishment of Clean Drinking Water facilities providing clean drinking water to approximately 61,000 people on daily basis

- Implementation of Alliance for Water Stewardship standard, in collaboration with WWF, at our Sheikhpura Factory
- Continued support, training and advisory services as support to dairy sector under our Farmer Support Programme
- Continued support for the Dairy and Rural Development Foundation training programme involving dairy farmers and rural women for skill enhancement related to dairy and livestock sector
- Launch of Entrepreneurship Development Programme at Institute of Business Administration, Karachi, with a focus on agriculture.
- Continuation of Chaunsa Project for implementation of Best Farm Practices in the Chaunsa Mango sector
- Support for Driver Training Facility at the National Highways and Motorway Police Training Institute, Karachi

Future Outlook:

Despite the challenges being faced in the country, we are confident of the strong potential of Pakistan and we believe it will continue to offer huge investment potential driven by its growing population. Nestlé is committed to positively enhance the quality of life of Pakistani people by bringing nutrition, health and wellness products and will continue to drive sustainable profitable growth on the back of our strong brands, Innovation and Renovation capabilities and operational excellence with NCE mindset.

Acknowledgements:

We take this opportunity to thank our valued customers and consumers who have trust in our products and continued to provide sustained

support in ensuring the progress of the Company. The Company is also immensely proud of and thankful to its employees for their committed and passionate efforts, loyalty and dedication. We greatly value the support and cooperation received from our esteemed suppliers, trading partners, bankers and all stakeholders who are helping and contributing towards the continued growth of our Company and contributing to positively enhancing the quality of life of the people of Pakistan.

Nestlé Pakistan, whilst bringing international expertise and standards into its products, processes and manufacturing sites, remains a “Har Dam Pakistani” company very proud of its achievements in Pakistan.

For, and on behalf, of the
Board of Directors



BRUNO BORIS OLIERHOEK

Chief Executive

Lahore: February 16, 2016

Annexure to Directors' Report on Corporate Governance

Board of Directors' Meetings

During the year under review, the Board of Directors had the following meetings:

Number of Board Meetings held for the financial year = 4

Date of Meeting	Time	Place
February 19, 2015	10:30 am	Corporate Office, Lahore
April 23, 2015	09:30 am	Corporate Office, Lahore
August 26, 2015	11:00 am	Corporate Office, Lahore
October 16, 2015	11:00 am	Corporate Office, Lahore

Detail of attendance of Directors at Board meetings is summarized below:

Name of Directors	Date of Appointment	No. of Meetings Attended
Syed Yawar Ali	01.07.2013	4
Bruno Boris Olierhoek	01.09.2015	1
Magdi Batato (Resigned w.e.f 01.09.2015)	01.07.2013	3
Pierre Schaufelberger	01.07.2013	4
John Michael Davis	01.07.2013	4
Syed Babar Ali	01.07.2013	4
Syed Hyder Ali	01.07.2013	4
Naveed A. Khan	01.07.2013	3
Faiçal Krichane (Resigned w.e.f 01.09.2015)	01.07.2013	1
John Martin Miller	01.09.2015	1
Osman Khalid Waheed	01.07.2013	3

Role and Responsibilities of the Chairman and the Chief Executive

The role of the Chairman and the Chief Executive are segregated and they have distinct responsibilities. The Chairman of the Board has responsibilities and powers vested in him by law and the Articles of Association of the Company, as well as duties assigned to him by the Board. In particular, the Chairman coordinates the activities of the Board and presides over the meetings of the Board of Directors and shareholders.

The Managing Director is the Chief Executive Officer of the Company and is responsible for the day-to-day operations and conduct of its business in accordance with the powers vested in him by law, the Articles of Association of the Company and authority delegated to him through the Board of Directors' resolutions from time to time. The Managing Director recommends policy and strategic direction and annual business plans for the Board of Directors' approval and is responsible for exercising the overall control, discretion, administration and supervision for sound and efficient management and conduct of the business of the Company.

Audit Committee

The Audit Committee comprises three members including the Chairman of the Committee, who is an Independent Director. Two members are Non-Executive Directors. The terms of reference of the Committee, which is in line with the Code of Corporate Governance, has been presented and approved by the Board of Directors.

The Audit Committee held four meetings in 2015. The Chief Financial Officer, Internal Auditors as well as External Auditors were invited to the meetings.

Human Resource and Remuneration Committee

The Company has established this Committee in accordance with requirements of the Code of Corporate Governance. All issues of remuneration are fully disclosed, deliberated and decided at the meetings of the Directors.

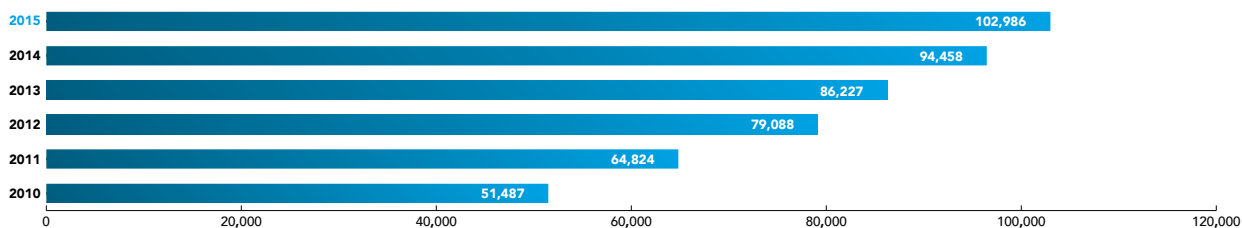
Strategic Planning

The Company's strategic direction was reviewed at the meeting of the Directors. A process has been put in place whereby long term Market Business Strategies and Annual Operational Plans established by Management are regularly reviewed by the Directors in line with the Company's overall business objectives. Part of the process involves the setting of measurable Key Performance Indicators (KPIs).

Company Performance 2015

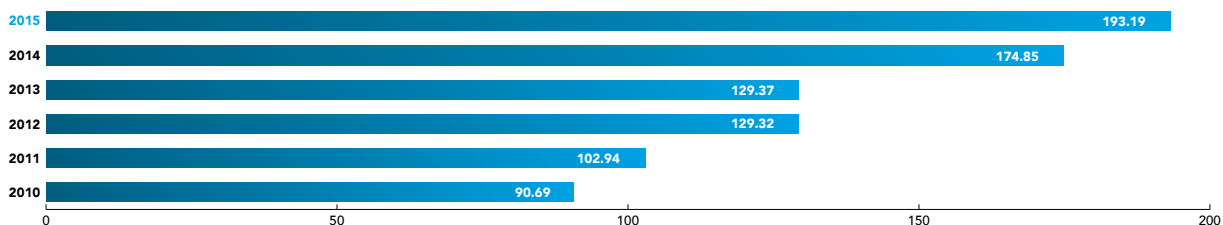
SALES

Rs. in million



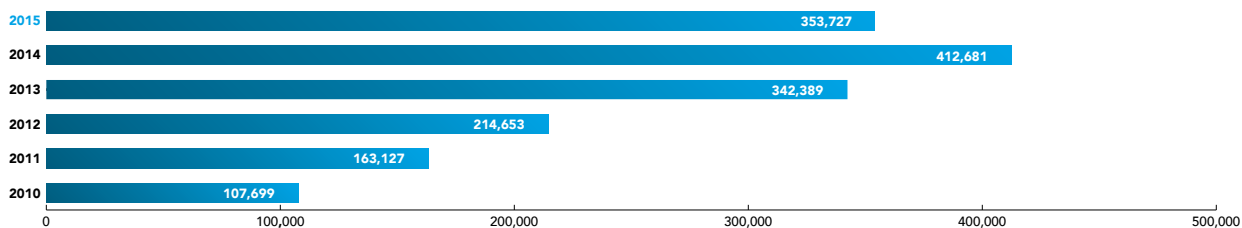
EARNINGS PER SHARE

Rupees



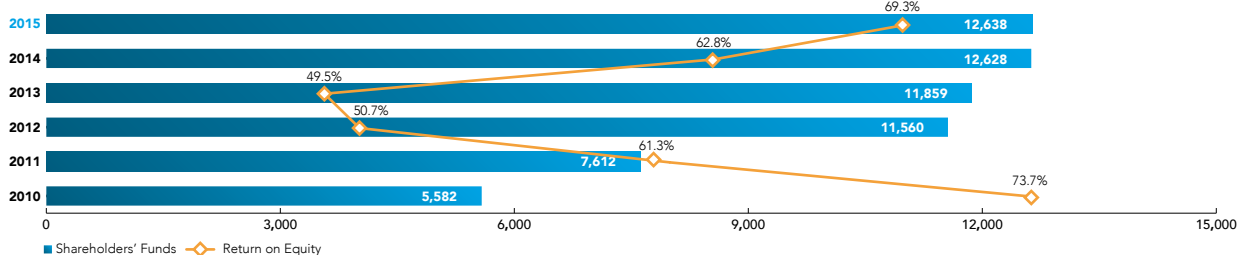
MARKET CAPITALISATION

Rs. in million



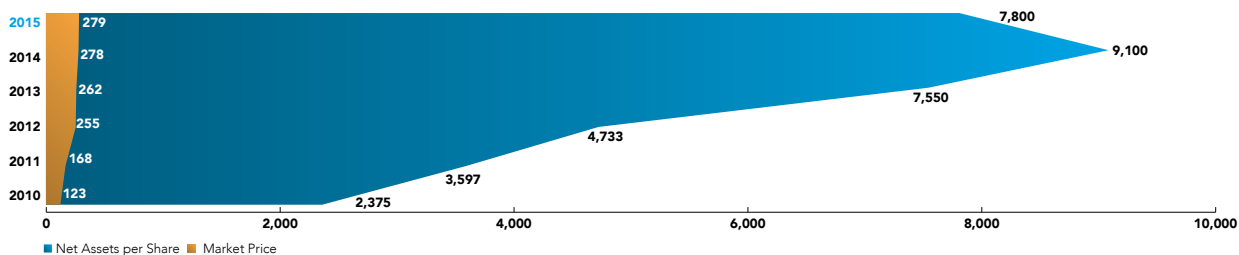
SHAREHOLDERS' FUNDS & RETURN ON EQUITY

Rs. in million



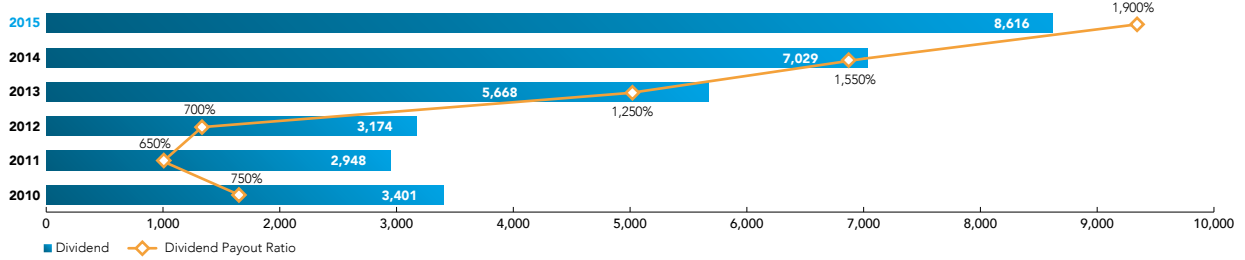
MARKET PRICE PER SHARE VS. NET ASSETS PER SHARE

Rs. in million



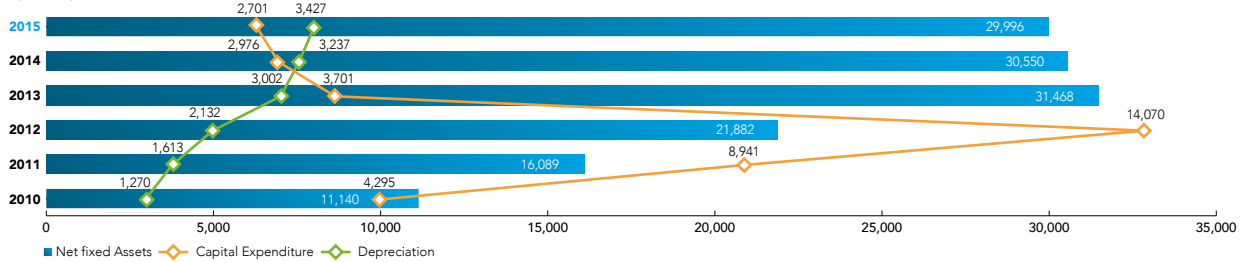
DIVIDEND PAYOUT RATIO

Rs. in million



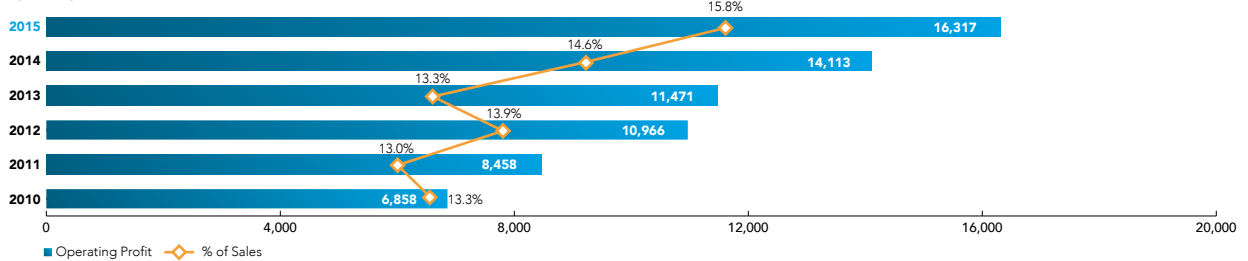
NET FIXED ASSETS, FIXED CAPITAL EXPENDITURE & DEPRECIATION

Rs. in million



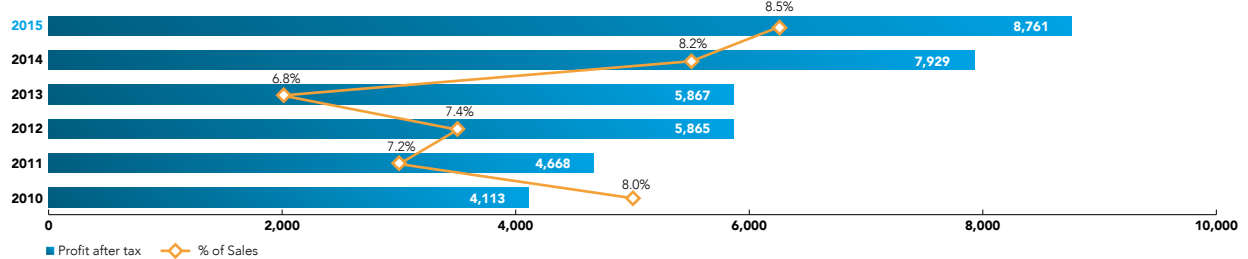
OPERATING PROFIT & % OF SALES

Rs. in million



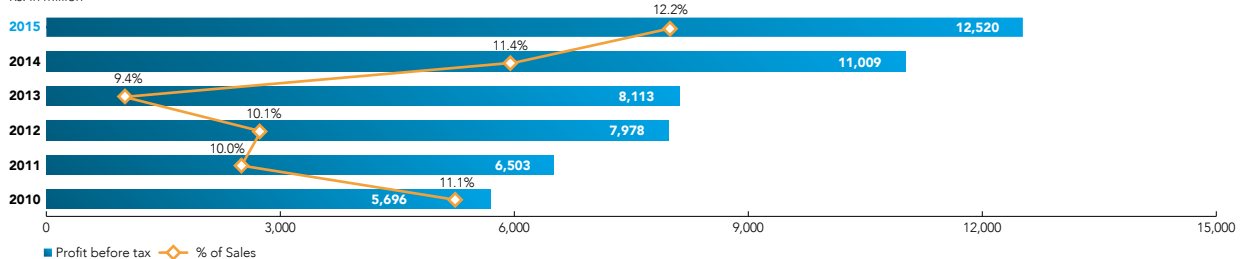
PROFIT AFTER TAX & % OF SALES

Rs. in million



PROFIT BEFORE TAX & % OF SALES

Rs. in million



Statement of Wealth Creation and its Distribution

(Rupees in 000)	2015		2014	
Wealth Generated/ Value Added:				
Turnover (including Sales tax)	113,514,384		104,971,775	
Less: Purchased materials and services	(78,014,794)		(73,918,894)	
Value Added	35,499,590		31,052,881	
Other Income	137,742		523,892	
Wealth Created	35,637,332	100%	31,576,773	100%
Wealth Distribution:				
To Employees:				
Salaries, benefits and other costs	8,335,189	23.4%	7,368,748	23.3%
To Government:				
Income tax, sales tax, excise & custom duty, WWF, WPPF	13,263,318	37.2%	10,736,327	34.0%
To Society and Development Initiatives:				
Donations and CSV Projects	52,241	0.1%	59,400	0.2%
*Dairy Development (Non-business returns)	224,731	0.6%	205,386	0.7%
To Providers of Capital:				
Dividend to Shareholders	8,616,421	24.2%	7,029,186	22.3%
Mark-up/ interest expenses on borrowed funds	1,724,420	4.8%	2,155,637	6.8%
To Company:				
Depreciation, amortisation and retained profit	3,421,012	9.6%	4,022,089	12.7%
	35,637,332	100%	31,576,773	100%

* Though Dairy Development projects are part of total Purchased Goods & Services, infact they are directly contributing towards the development of dairy sector in Pakistan. Its %age contribution towards 'Society & Development Initiatives' is calculated accordingly.

Key Financial Data

Six years at a Glance

(Rupees in million)

	2015	2014	2013	2012	2011	2010
Trading Results						
- Sales	102,986	96,458	86,227	79,088	64,824	51,487
- Gross Profit	34,127	27,324	24,161	21,523	16,725	13,879
- Operating Profit	16,317	14,113	11,471	10,966	8,458	6,858
- Profit Before Tax	12,520	11,009	8,113	7,978	6,503	5,696
- Profit After Tax	8,761	7,929	5,867	5,865	4,668	4,113

Balance Sheet

- Shareholders' Funds	12,638	12,628	11,859	11,560	7,612	5,582
- Reserves	12,184	12,174	11,406	11,107	7,159	5,128
- Operating Fixed Assets	29,996	30,550	31,468	21,882	16,089	11,140
- Net Current Assets/Liabilities*	(6,066)	(6,288)	4,767	(3,120)	(3,352)	(1,396)
- Long Term Liabilities	11,487	11,326	22,429	19,351	10,821	7,622

Investor information for six years

- Gross Profit Ratio	33%	28%	28%	27%	26%	27%
- Operating Profit Ratio	16%	15%	13%	14%	13%	13%
- Profit Before Tax Ratio	12%	11%	9%	10%	10%	11%
- Profit After Tax Ratio	9%	8%	7%	7%	7%	8%
- Inventory Turnover Ratio	7.2 : 1	7.8 : 1	7.8 : 1	7.7 : 1	8.2 : 1	8.9 : 1
- Total Assets Turnover Ratio	2.1 : 1	1.9 : 1	1.7 : 1	1.8 : 1	2.2 : 1	2.5 : 1
- Price Earning Ratio	40.4	52.1	58.4	36.6	34.9	26.2
- Return on Capital Employed	61%	55%	27%	31%	43%	51%
- Market Value Per Share	7,800	9,100	7,550	4,733	3,597	2,375
- Debt Equity Ratio	53 : 47	61 : 39	68 : 32	69 : 31	69 : 31	66 : 34
- Current Ratio	0.7 : 1	0.7 : 1	1 : 1	0.8 : 1	0.9 : 1	0.9 : 1
- Interest Cover Ratio	8.3 : 1	5.5 : 1	4.4 : 1	5.4 : 1	7.2 : 1	12.1 : 1

* Net current assets/liabilities do not include current portion of long term liabilities.

Pattern of Shareholding

of Nestlé Pakistan Limited as at December 31, 2015

No. of Shareholders	From	Shareholding	To	Total Shares Held
455	1	to	100	13,496
163	101	to	500	41,985
74	501	to	1000	57,106
86	1001	to	5000	182,591
19	5001	to	10000	144,720
7	10001	to	15000	89,846
1	15001	to	20000	18,898
4	20001	to	25000	93,541
1	25001	to	30000	25,912
1	30001	to	35000	30,866
1	35001	to	40000	38,137
2	40001	to	45000	83,755
2	50001	to	55000	105,802
1	55001	to	60000	56,807
1	65001	to	70000	66,289
1	80001	to	85000	82,717
1	100001	to	105000	100,556
1	120001	to	125000	124,124
1	155001	to	160000	155,216
1	210001	to	215000	210,865
1	220001	to	225000	224,720
1	365001	to	370000	370,000
1	370001	to	375000	375,000
1	385001	to	390000	387,334
1	425001	to	430000	428,052
1	430001	to	435000	430,551
1	535001	to	540000	538,235
1	1130001	to	1135000	1,134,364
1	1361001	to	1366000	1,365,956
1	3575001	to	3580000	3,580,000
1	3645001	to	3650000	3,649,248
1	4360001	to	4365000	4,364,666
1	26775001	to	26780000	26,778,229
836	Grand Total of CDC and Physical Shares			45,349,584

Classification of Shares by Categories

As at December 31, 2015

Categories of Members	Numbers	Shares Held	Percentage
Directors and their spouse(s) and minor children	6	2,028,213	4.47
Executives	11	836	0.00
Associated Companies, undertakings and related parties*	7	35,577,464	78.45
Financial Institution	1	62	0.00
Insurance Companies	4	13,565	0.03
Mutual Funds, Modarabas and Pension Funds	4	101,905	0.22
Joint Stock Companies	16	4,658	0.01
Foreign Investors	14	1,344,636	2.97
General Public (Individual)			
a. Local**	759	5,812,163	12.82
b. Foreign	1	100	0.00
Public Sectors Companies & Corporations	4	448,691	0.99
Others	9	17,291	0.04
Totals	836	45,349,584	100.00
Shareholders' Holding 5% or above			
* NESTLE S. A.		26,778,229	59.05
* IGI INSURANCE LIMITED		4,364,666	9.62
* PACKAGES LIMITED		3,649,248	8.05
* * SHAIKH SULTAN AHMED		3,580,000	7.89

Key Shareholding and Shares Traded

As at December 31, 2015

Information on shareholding required under reporting framework is as follows:

	No. of Shares	%
1 Associated Companies, Undertakings and Related Parties:		
1 Nestlé S. A.	26,778,229	59.05
2 IGI Insurance Limited	4,364,666	9.62
3 Packages Limited	3,649,248	8.05
4 Gurmani Foundation	538,235	1.19
5 National Management Foundation	224,720	0.50
6 Industrial Technical & Educational Institute	21,666	0.05
7 Trustees Nestlé Pakistan Ltd. Employees Provident Fund	700	0.00
	35,577,464	78.45
2 Mutual Funds		
1 CDC - Trustee National Investment (Unit) Trust	100,556	0.22
2 CDC - Trustee AKD Index Tracker Fund	969	0.00
3 CDC - Trustee Atlas Stock Market Fund	200	0.00
	101,725	0.22
3 Directors and their spouse(s) and minor children		
1 Syed Babar Ali	1,365,956	3.01
2 Syed Hyder Ali	428,052	0.94
3 Syed Yawar Ali	23,220	0.05
4 Osman Khalid Waheed	60	0.00
5 Syeda Nighat Ali (Wife of Syed Yawar Ali)	60	0.00
6 Perwin Babar Ali (Wife of Syed Babar Ali)	210,865	0.46
	2,028,213	4.47
4 Executives	836	0.00
5 Public Sector Companies and Corporations		
1 Zarai Taraqiati Bank Limited	430,551	0.95
2 Employees Old Age Benefits Institution	10,560	0.02
3 National Bank Of Pakistan	5,036	0.01
4 National Investment Trust Limited	2,544	0.01
	448,691	0.99
6 Banks, Development Financial Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	22,839	0.05
7 Shareholders holding 5% or above voting rights		
1 Nestlé S. A.	26,778,229	59.05
2 IGI Insurance Limited	4,364,666	9.62
3 Packages Limited	3,649,248	8.05
4 Shaikh Sultan Ahmed	3,580,000	7.89
	38,372,143	84.61
8 Details of Purchase of/Sale of shares by Directors / Company Secretary / Executives and their spouses/ minor children during the year 2015:	NIL	

Statement of Compliance

with the Code of Corporate Governance for the year ended December 31, 2015

This Statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in Rule No 5.19.23 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:

Independent Director

1. Osman Khalid Waheed

Executive Directors

1. Bruno Boris Olierhoek
2. John Michael Davis
3. Naveed A. Khan

Non-Executive Directors

1. Syed Yawar Ali
2. Syed Babar Ali
3. Syed Hyder Ali
4. John Martin Miller
5. Pierre Schaufelberger

The Independent Director meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs, being a broker of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
4. Casual vacancies occurring on the Board on September 01, 2015 were filled up by the Directors on the same day.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a Vision/Mission Statement, overall Corporate Strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive and Non-Executive Directors, have been taken by the Board.

8. The Meetings of the Board were presided over by the Chairman and in his absence by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The Minutes of the Meetings were appropriately recorded and circulated.

9. During the year, one Board member completed Corporate Governance Leadership Skills – Director Education Programme at the Pakistan Institute of Corporate Governance.

-
10. The Board has approved the appointment of the Head of Internal Audit, including his remuneration and terms and conditions of employment during the year.
 11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
 12. The Financial Statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
 13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the Pattern of Shareholding.
 14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
 15. The Board has formed an Audit Committee. It comprises of three Non-Executive Directors. The Chairman of the Committee is an Independent Director.
-
16. The Meetings of the Audit Committee were held at least once in every quarter prior to approval of Interim and Final Results of the Company and as required by the CCG. The Terms of Reference of the Committee have been formed and advised to the Committee for compliance.
 17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are Non-Executive Directors and the Chairman of the Committee is a Non-Executive Director.
 18. The Board has set up an effective Internal Audit function.
 19. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
-
20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
 21. The 'Closed Period', prior to the announcement of Final Results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to the Directors, Employees and Stock Exchange.
 22. Material / price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
 23. We confirm that all other material principles enshrined in the CCG have been complied with.



BRUNO BORIS OLIERHOEK

CEO

Lahore: February 16, 2016

Review Report to the Members

on Statement of Compliance with Best Practices of Code of Corporate Governance

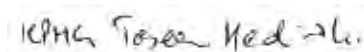
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Nestlé Pakistan Limited ("the Company") for the year ended 31 December 2015 to comply with the requirements of Rule No. 5.19 of Rule Book issued by of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 31 December 2015.



KPMG Taseer Hadi & Co.

Chartered Accountants

(Bilal Ali)

Lahore
February 16, 2016

Notice of Annual General Meeting

Notice is hereby given that the 38th Annual General Meeting of Nestlé Pakistan Ltd; will be held at 12:30p.m. on April 25, 2016 at 304 – Upper Mall, Lahore, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2015 together with the Directors' and Auditors' reports thereon.
2. To appoint Auditors for the term ending at the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
3. To approve payment of a Final Cash Dividend of Rs. 90/- per share i.e. 900% to those who are Shareholders as at the close of business on April 15, 2016, in addition to the 1000% Interim Cash Dividend (i.e. Rs. 100 per share) already paid during the year 2015, as recommended by the Directors.

SPECIAL BUSINESS

4. To authorise the Company, subject to the approval of the Securities and Exchange Commission of Pakistan, to transmit its quarterly accounts by placing the same on the Company's website instead of circulating by post to the Shareholders, as and by way of passing the following ordinary resolution:

RESOLVED THAT subject to all prior necessary approvals as stipulated by the regulatory authorities, the Company be and is hereby authorised to transmit its quarterly accounts by placing the same on the Company's website instead of circulating by post to the Shareholders.

FURTHER RESOLVED that the Company Secretary be and is hereby authorised to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.

ANY OTHER BUSINESS:

5. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



Ali Sadozai
Company Secretary
March 31, 2016

STATEMENT OF MATERIAL FACTS UNDER SECTION 160 (1)(B) OF THE COMPANIES ORDINANCE, 1984

This Statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company.

The Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 19 of 2004 has allowed listed companies to place their quarterly accounts on their website instead of sending the same by post. Prior permission of the SECP will be sought for transmitting the quarterly accounts through Company's website after the approval of the shareholders. This would ensure prompt disclosure of the information to the shareholders, as well as saving of costs associated with printing and dispatch of the accounts by post. The Company, however, will supply the printed copies of accounts to the shareholders on demand at their registered address free of cost.

NOTES:

1. Share Transfer Books of the Company shall remain closed from April 18, 2016 to April 25, 2016 (both days inclusive) and no transfer will be registered during that time. Share transfer deeds received in order with the Shares Registrar of the Company i.e. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 at the close of business on April 15, 2016 will be treated in time for entitlement of payment of dividend.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as proxy to attend and vote instead of him/her.
3. The instrument appointing a proxy must be received at the Registered Office of the Company at 308-Upper Mall, Lahore, not later than forty eight (48) hours before the Meeting.
4. Shareholders whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original CNIC along with their account number in CDS and participants ID number for verification. In case of appointment of proxy by such account holders it must be accompanied with participants' ID number and Account/Sub-account number along with attested photocopies of CNIC or the Passport of the beneficial owner. Representatives of Corporate Members should bring the usual documents required for such purposes.
5. Members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.
6. Shareholders are requested to notify the change of address, Zakat Declaration and Tax Exemption Status with its valid certificate, if any, immediately to our Shares Registrar.
7. In case of joint holders, only one member whose name will appear as main title shareholder in our list of shareholders, will be allowed to attend the General Meeting.

Special Notes to the Shareholders:

8. Submission of Copies of CNIC (Mandatory):

The Securities & Exchange Commission of Pakistan (SECP) vide its SRO 779 (I)/2011 dated August 18, 2011, SRO 831(I)/2012 dated July 5, 2012 and SRO 19 (I)/2014 dated January 10, 2014 has made it mandatory that the dividend warrants should bear the Computerised National Identity Card Number (CNIC) of the registered member or authorised person, except in the case of minor(s) and corporate members. Therefore individual members or their authorised representatives who have not yet provided an attested copy of their valid CNICs to the Company/ Shares Registrar are requested to provide the same at their earliest to avoid any inconvenience. The corporate entities are requested to provide their National Tax Number (NTN).

9. Dividend Mandate (Optional):

In order to make the process of payment of cash dividend more efficient, SECP vide its Circular No. 8(4) SM/CDC 2008 dated April 5, 2013 has issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. The shareholders may, therefore, authorise the Company to credit the dividend directly to their bank account for all future dividends declared by the Company. Accordingly, all non-CDC shareholders are requested to send their bank account details to the Company's Share Registrar at the address given above. Shareholders who hold shares with Participant/Central Depository Company of Pakistan Limited (CDC) are advised to provide the mandate to the concerned Stock Broker / Central Depository Company of Pakistan Limited.

10. Deduction of Income Tax from dividend under Section 150 of Income Tax Ordinance, 2001:

As per the provisions of Section 150 of the Income Tax Ordinance, 2001 ("Ordinance"), different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. The current withholding tax rates are as under:

- (a) For Filers of Income Tax Returns: 12.50%
- (b) For Non-Filers of Income Tax Returns: 17.50%

To enable the Company to make tax deduction on the amount of Cash Dividend @ 12.50% instead of 17.50%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue ("FBR"), despite the fact that they are Filers, are advised to make sure that their names are entered into ATL before the date of issuance of Dividend Warrants, otherwise tax on their Cash Dividend will be deducted @ 17.50%.

The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company's Share Registrar and Share Transfer Agent, M/s. Central Depository Company of Pakistan Limited.

The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective Folio numbers.

As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to our Shares Registrar; otherwise tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non-Filer" status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:

FOLIO / CDC ACCOUNT NO.	TOTAL SHARES	PRINCIPAL SHAREHOLDER		JOINT SHAREHOLDER(S)	
		NAME AND CNIC NO.	SHAREHOLDING PROPORTION (NO. OF SHARES)	NAME AND CNIC NO.	SHAREHOLDING PROPORTION (NO. OF SHARES)

11. Circulation of Annual Audited Financial Statements and Notice of AGM to the Members through E-mail:

SECP through its Notification No. SRO. 787(1)/2014, dated September 08, 2014 has allowed companies to circulate Annual Audited Financial Statements ("Annual Financial Statements") along with Notice of Annual General Meeting ("Notice of AGM") to its members through e-mail. In order to avail this facility, the members who desire to opt to receive Annual Financial Statements and Notice of AGM through e-mail are requested to provide their written consent and e-mail addresses to the Share Registrar at the below mentioned address.

Please note that Annual Reports / Financial Statements are also available on the Company's website.

For any query/ difficulty/ information, the members may contact the Company's Share Registrar and share Transfer Agent, at the following address, phone/fax numbers:

Central Depository Company of Pakistan Limited
Share Registrar Department
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi-74400

Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 34326053

Email: info@cdcpak.com

Website: www.cdcpakistan.com

About Nestlé

Nutrition has been in our DNA since 1867, when Henri Nestlé developed the first infant food. Today, millions of consumers across Pakistan mirror our emphasis on nutrition, realising that food choices impact their health and quality of life.

Nestlé Pakistan is the leading Nutrition, Health and Wellness company in Pakistan. Our key focus is to spread nutrition, health and wellness to our consumers across the country. We believe in continuing to enhance the quality of people's lives throughout our value chain.

Nestlé Pakistan is headquartered in Lahore, with four production facilities across the country. Factories in Sheikhpura and Kabirwala are multi-product, whereas the ones in Islamabad and Karachi are water factories. Nestlé Pakistan takes great pride in its commitment to excellence in product quality and taste. We believe that in order to be successful, we must also create long-term value for our society as well as for our shareholders; we make important contributions to society in order to enhance the livelihoods of millions of people.

Nestlé Pakistan Ltd. is a subsidiary of Nestlé S.A., a company based in Vevey, Switzerland. Registered on the Pakistan Stock

Exchange (PSE), our food processing company has been operating in Pakistan since 1988 under a joint venture with Milk Pak Ltd, whose management we took over in 1992. For the last several years, Nestlé Pakistan has been consistently placed among the top companies of the PSE. Our existing products grow through innovation and renovation, while maintaining a balance in geographic activities and product lines. We respect the cultures of the regions in which we operate, and recognise the need to improve the quality of life for the consumers in these areas. Our priority is always to bring people the best quality products, keeping in mind their location and age demographic, and in accordance with their needs. This is ensured through our effective marketing and widespread sales and distribution network.

Our company's strategy is guided by Nestlé's Corporate Business Principles, which are in line with internationally accepted norms and practices.



Board of Directors

as on December 31, 2015

	Name of Director	Title	Status	Nationality	Term expires
1	Syed Yawar Ali	Chairman	Non-Executive Director	Pakistani	30.06.2016
2	Bruno Boris Olierhoek	Managing Director	Executive Director (Nominee of Nestlé S.A.)	Dutch	30.06.2016
3	Pierre Schaufelberger	Director	Non-Executive Director (Nominee of Nestlé S.A.)	Swiss	30.06.2016
4	John Michael Davis	Director	Executive Director (Nominee of Nestlé S.A.)	Newzealander	30.06.2016
5	Syed Babar Ali	Director	Non-Executive Director	Pakistani	30.06.2016
6	Syed Hyder Ali	Director	Non-Executive Director	Pakistani	30.06.2016
7	Naveed A. Khan	Director	Executive Director (Nominee of Nestlé S.A.)	Pakistani	30.06.2016
8	John Martin Miller	Director	Non-Executive Director (Nominee of Nestlé S.A.)	British	30.06.2016
9	Osman Khalid Waheed	Director	Independent Director	Pakistani	30.06.2016

Officers

Bruno Boris Olierhoek
Chief Executive

John Michael Davis
Chief Financial Officer

Ali Sadozai
Company Secretary

Jehanzeb Ahmed
Head of Internal Audit

Audit Committee

Osman Khalid Waheed
Chairman
Independent Director

Syed Hyder Ali
Member
Non-Executive Director

Syed Babar Ali
Member
Non-Executive Director

Jehanzeb Ahmed
Member
Head of Internal Audit

Human Resource and Remuneration Committee

Syed Babar Ali
Non-Executive Director
Chairman

Syed Hyder Ali
Non-Executive Director
Member

Bruno Boris Olierhoek
Executive Director
Member

Akmal Saeed
Head of Human Resource (w.e.f March 1, 2016)
Secretary (w.e.f February 16, 2016)

Company Directory

Registered and Corporate Office

Nestlé Pakistan Limited
308 – Upper Mall,
Lahore - 54000, Pakistan.
PABX: (042) 111 637 853
Fax: (042) 35789303-4

Corporate Office Annex

- 304 – Upper Mall,
Lahore, Pakistan.
- 309 – Upper Mall,
Lahore, Pakistan

Resident Corporate Office

Plot BC/10, 8th Floor, Clifton Diamond,
Block 4, Clifton Karachi, Pakistan.
Phone: (021) 5833935-6
Fax: (021) 35833937

Auditors

K.P.M.G. Taseer Hadi & Co.
Chartered Accountants

Share Registrar / Transfer Agent

Central Depository Company of Pakistan Limited
Share Registrar Department
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400
Phone: 0800-25275
PABX: (021) 111-111-500
Fax: (021) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Legal Advisors

Chima & Ibrahim.
Advocates
Corporate Counsel

Bankers

Faysal Bank Limited
Citibank N.A.
Deutsche Bank A.G.
Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
National Bank of Pakistan Limited
Allied Bank Limited
Meezan Bank Limited

Factories

Sheikhupura

29-km Lahore - Sheikhupura Road,
Sheikhupura, Pakistan.
Phone: (056) 3406615-29
Fax: (056) 3406639

Kabirwala

10-km, Khanewal Road, Kabirwala,
District Khanewal, Pakistan.
Phone: (065) 111 637 853
Fax: (065) 2411432

Islamabad

Plot No. 32, Street No. 3, Sector I-10/3,
Industrial Area Islamabad, Pakistan.
Phone: (051) 4445991-3

Karachi

Plot No. A23, North Western
Industrial Area, Port Qasim Karachi,
Pakistan.
Phone: (021) 34720152-4

Regional Sales Offices

South Zone

Karachi

Plot BC/10, 8th Floor, Clifton Diamond,
Block 4, Clifton Karachi, Pakistan.
Phone: (021) 5833935-6
Fax: (021) 35833937

Quetta

63-B-D, Chaman Housing Scheme,
Opp. Askari Park, Quetta, Pakistan.
Phone: 081-2834887, 081-2821543,
081-2823946

Hyderabad

House No. 178, Block 'C' Unit 2
Latifabad, Hyderabad, Pakistan.
Phone: 022-3860403

Centre Zone

Lahore

3-K, Commercial Plaza,
Model Town Extension, Lahore, Pakistan.
Phone: 042-35916650-2
Fax: 042-35916752

Gujranwala

Habib Bank Plaza,
1st Floor Satellite Town, Gujranwala,
Pakistan.
Phone: 055-3733415, 3733243

Faisalabad

Ground Floor, Al-Haq Plaza 271-A,
Small D Ground, Peoples
Colony I, Faisalabad, Pakistan.
Phone: 041-8716937, 8555607

Multan

Street No. 7, Shalimar Colony,
Bosan Road, Multan, Pakistan.
Phone: 061-6212900-2

North Zone

Islamabad

Plot No. 395-396,
Sector I-9/3, Industrial Area, Islamabad,
Pakistan.
Phone: 051-4859301-2
Fax: 051-4859303

Jhelum

House No. 5/155 Sabir Road,
Jhelum Cantt, Jhelum, Pakistan.
Phone: 0544-720004
Fax: 0544-625605

Peshawar

Plot No. 1712, Near Kohat Road, Qamar
Din Gare Bridge, Ring Road, Peshawar,
Pakistan.
Phone: 091-2323237



Management Committee

From Left to Right

(Sitting)

Waqar Ahmad Sheikh	Head of Corporate Affairs
Khurram Zia	Country Business Manager, Nestlé Waters
Roland Stieger	Business Executive Manager, Ambient Dairy
Rustem Oguz	Head of Supply Chain
Bruno Boris Olierhoek	Managing Director
Nadia Omer	Business Executive Manager, Coffee and Breakfast Cereals
John Michael Davis	Head of Finance and Control
Naveed Ahmad Khan	Head of Technical

From Left to Right

(Standing)

Babar Khan	Business Executive Manager, Juices
Akmal Saeed	Head of Human Resource (w.e.f March 1, 2016)
Abdullah Jawaaid Ahmad	Business Executive Manager, Chilled Dairy
Humaira Ashar	Market Innovation Lead
Nausheen Jaffery	Market Nestlé Continuous Excellence Manager
Arsalan Khan	Head of Sales
Nauman Khan	Country Business Manager, Nestlé Professional
Fuad Ghazanfar	Business Executive Manager, Food
Asim Rifat	Country Business Manager, Infant Nutrition



Ali Sadozai
General Counsel and Company Secretary



Samra Maqbool
Head of Communication and Marketing Services



Shahzad Umar
Head of Human Resource



Human Resource

In 2015, we continued to improve our people processes to sustain an edge over our competition. Our focus remained on leadership development, capability building, E-learning and employee relations management for building high performance teams to achieve organisational goals. Diversity and commitment to compliance remained at the heart of our agenda.

To strengthen the leadership pipeline, People Manager Toolkit & Nestlé Leadership Development Experience were launched as major learning initiatives. These programmes were designed for capability building of first line managers by deploying tools and concepts in various situations enabling a positive impact on business. There was a focus on developing and nurturing a culture of learning and a knowledge sharing platform Fred's Learning Channel was launched. It proved to be very effective in enabling and engaging our people through quizzes, case studies, quotes and leadership videos.

Human Resource played an effective role in developing Effective Coaching skills. In this context, 15 Nestlé Managers were certified as master coaches through International Coaching Federation. These coaches will conduct their coaching clinics across the company to develop coaching culture at Nestlé Pakistan.

Special focus was also given to employee careers; Career Coaching Clinics were conducted for employees to develop career maps; helping them foresee their future with the company.

Many initiatives were taken for the development of Non Management Staff. Performance Appraisal and Development process was implemented for non-management staff. Learnings from this year will be gathered and utilised to further strengthen the performance management system for 2016.

In the current changing and challenging business environment, attracting top talent has been a tough task. Various steps were taken to

attract the right talent for the right jobs and to build a talent pipeline for the future. Few of the highlights are:

- 15 universities were targeted for Campus Drives and Job Fairs.
- 341 internships were offered,
- 100 apprentices were taken on-board,
- 21 apprentices were inducted under our programme Kero Aitemaad - Women Empowerment Platform,
- 10 Management Trainees were inducted,
- CV clinics were conducted nationwide for one-on-one career counselling sessions.

Employee Relations and Community Engagement remained key focus areas at our factories to strengthen our relationship with the employees and surrounding communities. We also arranged training for our line managers for effective and efficient management of day-to-day people matters and situations related to work.

Gauging the pulse of the organisation, Employee Engagement Survey – Nestlé & I was conducted in 2014 and Market & Functional Action Plans developed in 2015. The quarterly monitoring of Action Plans was carried out and progress was shared with the Market.

An Employee Volunteer Programme "Mashal-e-Rah" continued to spread the light of compassion. The key activities included Blood Donation Drive across Head Office, factories and all zonal sales offices. Donations from employees were matched equally by Nestlé for earthquake-hit families of Chitral.



Milk Collection and Dairy Development

Milk Collection and Dairy Development (MCDD) continued its journey to excellence by meeting business expectations in volume delivery, cost and compliance. Nestlé Continuous Excellence (NCE) journey aligned the MCDD team with business objectives, developed the capability to accelerate continuous improvement and minimised waste by improving operational efficiencies.

Nestlé Pakistan is the 4th biggest fresh milk sourcing market in the Nestlé world. MCDD operation extends into Punjab, Sindh and Khyber Pakhtunkhwa provinces of Pakistan. We collect milk from 150,000 dairy farmers and have 3,000 milk collection points.

Following our ambition of supplying best quality milk with sustainable sourcing at a competitive price, the team delivered fresh milk exactly as per business need, with lowest ever microbial and mycotoxin levels (toxin produced due to fungus in animal feed) and reduced milk rejections. As a result of our efforts and success in achieving business targets, our Zonal and Human Resource teams were recipients of the Maan Hamara Tum Se awards (Nestlé Pakistan internal awards).

In 2015, the dairy development team trained more than 2,500 farmers at their Nestlé training farm while 78,000 farmers attended farmer help camps organised at the village level. The team assisted more than 900 dairy farmers to cultivate silage on more than 12,000 acres. It helped our dairy farmers in minimising their fodder shortages and sustainable supply of milk to Nestlé.

In addition to the development of 29 high quality animal feed manufacturers in Punjab, the team also developed a number of cotton seed cake manufactures who are now producing high quality cotton seed cake which would contribute in maintaining good animal health and yielding milk within the safe aflatoxin level.

Implementation of our 'Back to Basis' initiative was continued to increase our focus on small farmers. With the help of our Agri-Services team, we were able to engage more farmers of small and medium capacities to help them through the implementation of best farm practices and support their businesses.

MCDD took two new initiatives during 2015 to facilitate dairy farmers.

Mobile Banking for farmers

Making use of the latest mobile banking systems, Nestlé Pakistan, in 2015, introduced Mobile Banking Project to facilitate farmers, enabling them to receive their payments directly in their mobile bank accounts.

Previously, the small farmers were paid in cash through an agent. The current arrangement enables direct and secure transfer of funds to the farmer and also offers them the flexibility to withdraw cash from any of the mobile payment outlets.

Apart from an efficient payment process, the Mobile Banking Project brings transparency and better control around these payments. For the farmers, it is not only speedy and convenient, but also brings them in the ambit of the formal banking sector with introduction to other banking products and financial facilities. Through the solution implemented jointly by banking and telecom partners, Treasury and field operations, more than 1,000 farmers were registered across 190 locations till November 2015, and will soon be paid via mobile wallet whereas 328 farmers at 72 locations are already being paid through this digital solution.

Financing Scheme for farmers

In collaboration with the National Bank of Pakistan, Nestlé is facilitating its farmers for loan financing business through Prime Minister's Youth Business Loan Scheme. The scheme aims to enhance the capability of the farmers through enabling them to meet the different needs for their animals and farms and is expected to bring an improvement in the livelihood of the farmers and the development of dairy farming. Around 1,000 farmers are likely to benefit from this financing facility at a very low financing rate with easy payment terms.



Supply Chain

In 2015, Supplier Facing Supply Chain (SFSC) initiatives took centre stage, where we aligned our value chain with key business partners to create win-win growth scenarios.

With the constantly evolving economic environment, the biggest challenge in the year 2015 was to collaborate with key partners in the value chain and create an alliance for positive change. Keeping this in mind, multiple Supplier Facing Supply Chain (SFSC) initiatives were undertaken with key raw and packaging material suppliers.

As a consequence of these initiatives, Procurement and Factory Supply Chain embarked on a journey for better quality, reliability and subsequently to create win-win scenarios with our suppliers. Additionally, the ongoing alternate supplier development projects – anchored around the objective to maximise profitability and shareholder value – also ensured improved cost and reliability of supply by the Supply Chain and Procurement teams.

Enhancing payables was a must-win battle this year. The team put in a considerable amount of effort, aided by decreasing interest rates, to achieve an improvement of 3,750 bps over 2014. These steps improved the capital efficiency of the company and enhanced shareholder value.

In Logistics operations, safety, agility and flexibility remained the core areas of focus while delivering the ever-growing sales volume. Moreover, by complying with procedural safeguards such as multi-skilling of the staff and in-housing

critical promotional services, the team also made sure that minimal cost impact was passed on to the consumer.

Capability building is a key company priority for laying the foundation for talented people, which will help deliver success in the future. Supply Chain led the pack in rolling out the training plan, which was complemented by a remarkable improvement in e-learning usage. As a result, Supply Chain Pakistan stands second globally within the Nestlé world.

Understanding consumer behavior has always been the mainstay of our work. This year, our renewed commitment to grasp an even better understanding of the consumer made a colossal impact on our performance. To achieve this, a diverse cross functional team was taken on board to revamp our monthly business planning process. This allowed us to be more responsive and, at the same time, sensitive to consumer needs and largely aided the business to take over the helm at the marketplace. Moreover, this initiative also helped us improve on critical performance indicators such as dispatch, on-shelf freshness, service level and forecasting accuracy, which in turn had a twofold impact: it assisted us in achieving sustained growth and better equipped us to face the challenges that might surface in 2016.



Nestlé
of Good Food, Good Life

150 Years



Technical

Technical and Production have played a vital role to drive growth in the market. Our commitment to Manufacturing Excellence enabled us to not just sustain but improve in all dimensions of Safety, Quality, Cost, Delivery and Environment.

Our ambition of 'Going for Zero' and 'Being Brilliant at Basics' empowered us to significantly increase the asset intensity of our production lines. As a result of 'sweating of our assets', we were able to deliver more value to our consumers while cutting down on waste – things that they do not value. We further enhanced the quality of our products and reduced consumer complaints through a number of defect reduction projects.

Our Nestlé Continuous Excellence (NCE) journey has delivered sustainable results. We are the first market across Zone Asia, Oceania and Africa (AOA) to open NCE Foundation Gate in Corporate Technical. Technical and Production have successfully embarked on the journey of Total Performance Management (TPM) which will bring efficiency improvement in our production lines. A special emphasis will also be placed on making the entire value stream leaner.

To deliver on our promise of Nutrition, Health and Wellness, we worked endlessly to make our products healthier and tastier. Now all our NESTLÉ FRUITA VITALS variants are Calorie Smart, compared to the competition. Furthermore, we kept a special focus on further enhancing the quality of fresh milk by building the capabilities of farmers in the field.

Safety, Health and Environment also remained a priority, making our operations safer for all those linked with our operations.

Next year, our focus will remain on further improving our Safety, Health and Environment practices, enhancing operational productivity and supporting businesses in re-igniting growth by ensuring product superiority and consistency.

Sheikhupura Factory

2015 was another year of continuous improvement for Sheikhupura (SKP) Factory. Due to a keen focus on NCE, Sheikhupura Factory is now the first ever factory in the market to stand at 'Emerging' rating in NCE Foundations.

Nestlé Pakistan has embarked on TPM, one of the advanced practices of NCE. TPM is further engaging our shop floor people to deliver improved results in a structured way and will further accelerate our journey towards re-igniting growth in the coming years.

In line with Nestlé's commitment to community engagement, Nestlé Waters Global CEO Marco Settembri and Nestlé Pakistan Managing Director (MD) Bruno Olierhoek inaugurated a clean drinking water facility in Bhatti Dhillwan village, near the factory. At least 5,000 people belonging to the neighboring areas will have access to clean drinking water daily.

A new Canteen and Lockers for our third party contractors was also inaugurated by the MD.

The factory successfully passed the 'NIMS', ISO 17025, and NSF and SQTS audit with zero non-compliance. FSMS and ISIS 3 Audit were also successful.

To further delight our consumers, Globe Quality Monitoring System was successfully implemented at Infant Cereals, Infant Formula, Nestlé Waters and Chilled Dairy plants. The first-of-its-kind Bulk Aseptic Filler for Nestlé Professional was successfully installed at the factory – another first for Nestlé Pakistan. The filler features a packing size from 4 litres to 12 litres.

Through strong problem solving initiatives and extensive focus, significant improvements were recorded in Asset Intensity and the Recordable Injury Rate.

The Nestlé Sheikhupura Factory became the first site in Pakistan as well as the Nestlé world to start implementing the Alliance for Water Stewardship (AWS) standard which promotes better management of site-specific water use and the water catchment areas to address shared water concerns related to quality, quantity and governance.

Kabirwala Factory

The Kabirwala Factory continued its journey towards manufacturing excellence.

As a part of Focused Improvement journey, several Define, Measure, Analyse, Improve, Control (DMAIC) projects were completed this year, which enabled the factory to achieve its best ever record production and asset intensity. Many new initiatives were implemented across the factory and these contributed significant savings to the business.

In order to deliver best quality products, many defect reduction projects were completed. Successful ISO 17025 and Food Safety System Certification (FSSC) 22000 re-certification and an 'excellent' rating in P-test are other notable



achievements. By embedding the 'Safety First Mindset' and Capability Development through extensive trainings on safety, the factory was able to achieve remarkable reduction in Recordable Injury Rate and Zero Lost Time Injury in 2015.

The Kabirwala Factory successfully installed KRONOS attendance system. The new setup will help ensure the safety and security of all our people as well as our factory assets. Several CSV initiatives were completed in the communities around the factory like installation

of water filtration plant, repair of old schools and the construction of a new school.

Port Qasim Factory

The key focus of Port Qasim Factory in 2015 was to enhance productivity in operations, ensure safe working environment and supply the product with the right quality.

NCE tools helped in improving safety and eliminated potential hazards from routine and non-routine activities. As a result, Zone AOA awarded Best of the Best award for

eliminating and sustaining zero first aid cases in Supply Chain operation. Additionally, Knowledge Street was designed for employees where all Standard Operating Procedures were posted in pictorial form to act as a quick reference. This was highly appreciated and taken as a best practice to implement at the rest of the sites.

There was a strong team commitment to reduce environment footprint through energy and water consumption reduction. A new 1,000 tonnes tank was installed to increase

the storage capacity of raw water and save 15,000 tonnes of water annually.

Following our gender diversity roadmap, female Engineering Associates were inducted to accomplish the objective of women empowerment and development of their competencies.

Nestlé Pakistan also rebuilt the 'Government Primary Sindh School' at Peerano Goth, located in the suburbs of Port Qasim Industrial zone. The repair and refurbishment has allowed hundreds of children in the surrounding areas to attend school again.

Islamabad Factory

In 2015, key focus of Islamabad Factory was ensuring a safe working environment as well as increasing productivity with quality. NCE tools helped the factory in increasing production capacity by 14% and improving loading efficiency to meet challenges in the years to come. New loading dock was constructed, which has increased direct loading of products to distributors from 30% to 52%, hence reducing the delivery time to customers. Water saving projects were implemented in 2015, thus, reducing the environment footprint.

Islamabad Factory has achieved Satisfactory rating in Nestlé Market Audit which took place in October. This factory is a pioneer in process release for the last seven years and is committed to sustaining it in the coming years to delight the consumers.





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Quality Assurance

During 2015, Nestlé Pakistan developed its Quality and Food Safety Management Systems across the entire value chain which helped to live up to the promise of 'consistent quality and safe' products. The systems went through extensive assessments and verifications by both internal and external assessors.

The Quality Assurance team also strove to ensure the quality of its raw materials by actively engaging farmers and rural development organisations, as well as public and private entrepreneurs.

The department was involved in training farmers about crop cultivation and best practices in livestock management by proactively sharing its experiences and knowledge regarding potential food safety issues, which could have arisen due to improper agricultural and storage practices.

The Quality Assurance team also revolutionised cattle feeding protocols across the entire milk shed, contributing to improved quality of life for dairy farmers by increasing their crop and milk yields.

The quality systems were also strengthened in downstream operations at distributors and retailers level by ensuring good warehouse practices and developing easy-to-understand visual standards. The department was also involved in training and coaching retailers on proper handling practices for different product categories.

In 2015, all four factories of Nestlé Pakistan were audited and re-certified by a renowned certification body against international standards on food safety and quality – like FSSC 22000 and ISO 9001 as well as internal standards like Nestlé Quality Management System. The Quality Assurance labs in all factories were accredited against the international lab competency standard ISO 17025.





Nestlé Continuous Excellence

2015 continued to be a strong year for Nestlé Continuous Excellence (NCE) in building the capabilities of our teams and delivering tangible results within the organisation. The NCE journey began with Foundations and after a brilliant run in Operations, the journey was extended into Business units.

The year ended on a high note as the Market was able to achieve the distinction of two Gate Openings within Business units; Gate Opening is the title awarded as an acknowledgement of a high level of maturity on both capability and proven results.

The NCE journey was successfully complemented by our Lean Initiative, which was extended to the Milk Collection and Dairy Development function – an integral part of our value chain. The ambition is to drive efficiency throughout our operations and continue our 'war against waste'. With the spirit of continuous improvement, the Lean team also initiated the first ever Identifying Business Opportunities for the Market. This endeavour will help prioritise resources behind the initiatives, which help drive value for the stakeholders, and ultimately drive results.



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BUSINESS REPORT

DISTANCE (MILES)



PACE (TIME / MILE)



DATE	TIME	DISTANCE (MILES)	PACE (TIME / MILE)
4/1/14	20m 0s		
4/3/14	25m 18s	2.00	10m 0s
4/10/14	30m 0s	2.25	11m 15s
4/12/14	30m 12s	2.50	12m 0s
4/14/14	30m 0s	3.25	9m 18s
4/16/14	30m 42s	3.00	10m 0s
4/18/14	30m 0s	3.25	9m 27s
4/21/14	30m 24s	4.00	10m 0s
4/23/14	30m 0s	4.35	7m 36s
4/25/14	30m 0s	4.25	6m 51s

NOTES

Finance & Control and GLOBE

In 2015, our focus was to drive sound business decision making in order to optimise profitable growth, free cash flow and improved return to shareholders.

Delivering Improved Financial Performance

Finance & Control has continued to enhance the business planning processes and leverage technology driven financial solutions, ensuring the delivery of improvement in Free Cash Flow on the back of better margins and effective working capital management.

Governance and Risk Management

Driving stewardship in our Internal Controls was once again an important area of focus. We also improved our integrated business risk management processes, both of which strengthened business governance at all levels.

Developing Team Capability

As a result of having the Finance community fully engaged across the business, many career opportunities were made possible, enabling the achievement of personal aspirations.

Finance & Control also played an important role in developing Finance and Business acumen across the company by conducting 'Value Creation' business simulation sessions.

GLOBE

GLOBE created competitive gaps by providing consumer and customer focused Business Processes and Solutions along the value chains, including

- Improved Information System / Information Technology Security and Compliance framework to remain a trusted business partner.
- Leveraging the GLOBE Solutions, Processes and Infrastructure, we continued our journey to eliminate legacy applications and upgrade to the standard solutions used worldwide in Nestlé.
- Implementing the Digital Service building blocks to support the Market digital ambition.



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Sales

The Sales function continued to be the growth engine for Nestlé by ensuring steadfast access to consumers to their favourite brands. The teams leveraged their expertise in converting shopper insights into best-in-class executions at point of sale to provide delightful shopping experiences.

Channel and Category Sales Development

Channel and Category Sales Development (CCSD) plays a pivotal role in driving success in the marketplace. In 2015, CCSD team worked with a renewed focus to improve their understanding of shoppers, channels and categories in this dynamic environment and customised executions in trade. CCSD ensured Availability, Visibility and Accessibility (AVA) of Nestlé products in the Market to create a better shopping experience.

The team also focused on capability development of Distributor Sales Force to deliver a standardised execution at every store. In Call Execution (ICE) the Nestlé way to do Sales – was inculcated in the Distribution Sales Force to achieve strong results. To monitor executions

at trade level, CCSD launched an automated tool, which helped in improving the offtake and was recognised globally as well.

Additionally, CCSD in pursuit of being Brilliant at Planning, revamped the Integrated Commercial Planning (ICP) process, which in turn helped to create robust business plans for 2016.

In order to win with our Popularly Positioned Products (PPP), the Sales team executed a major trade drive where PPP Hangers were deployed at 25,000 stores. Hangers are specially designed units that will help increase the stock depth and significantly improve visibility of our PPPs, making it more appealing for the shoppers.

Furthermore, the CCSD Team with its globally acclaimed monthly sales review process continues to improve forecasting accuracy that is helping us in better serving our customers, retailers and shoppers.

Key Accounts Team

With local and international modern trade segments quickly proliferating the market, the consumer experience is becoming even more dynamic; and the relation of customers to products has become increasingly personal.

Keeping in mind this dynamic, Nestlé Key Accounts launched a series of successful campaigns in 2015 aimed

at winning with consumers and delighting them with an extensive array of consumer-centric activities. This included the continuation of Choose Wellness Choose Nestlé (CWCN) and various promotions like Delighting the Nation (on Pakistan Day), Ramadan, NESCAFÉ' and Juices. Promotions are becoming a big success with shoppers and consumers alike. As part of CWCN, nutritionists offered free health checks and nutritional guidance to customers. Shoppers and their families were also educated about how to lead an active and healthy lifestyle.

Key Accounts cooperative working rapport with local and international modern trade has been one of the foremost growth drivers. Engaging modern trade customers through a vision of mutual respect and consideration for each other's business needs has proved to be instrumental in driving positive growth through the years. The channel offers a significant opportunity in providing the right platform to connect with the growing urban, modern shoppers. Effective Point of Purchase communication, focused investment and the vision to drive mutual profitable growth has assisted Nestlé in being a favoured commercial partner for our customers.



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Nestlé Mail



پیارے پاکستان،

سدا رہو تم شاد اور آباد!

#PyarayPakistan کے ذریعے اپنے پیغامات بھیجیں اور پاکستان کا شکریہ ادا کریں۔



تمہارا اپنا Nestlé



facebook.com/Nestle.PK



@nestlepakistan

Consumer Communication

The Communications function at Nestlé is committed to providing competitive advantage to build strong brands that deliver business results, whilst strengthening our corporate Nutrition, Health and Wellness (NHW) image.

The function continued to bolster corporate equity through company-wide initiatives integrating multiple brands, like “Pyaray Pakistan.”

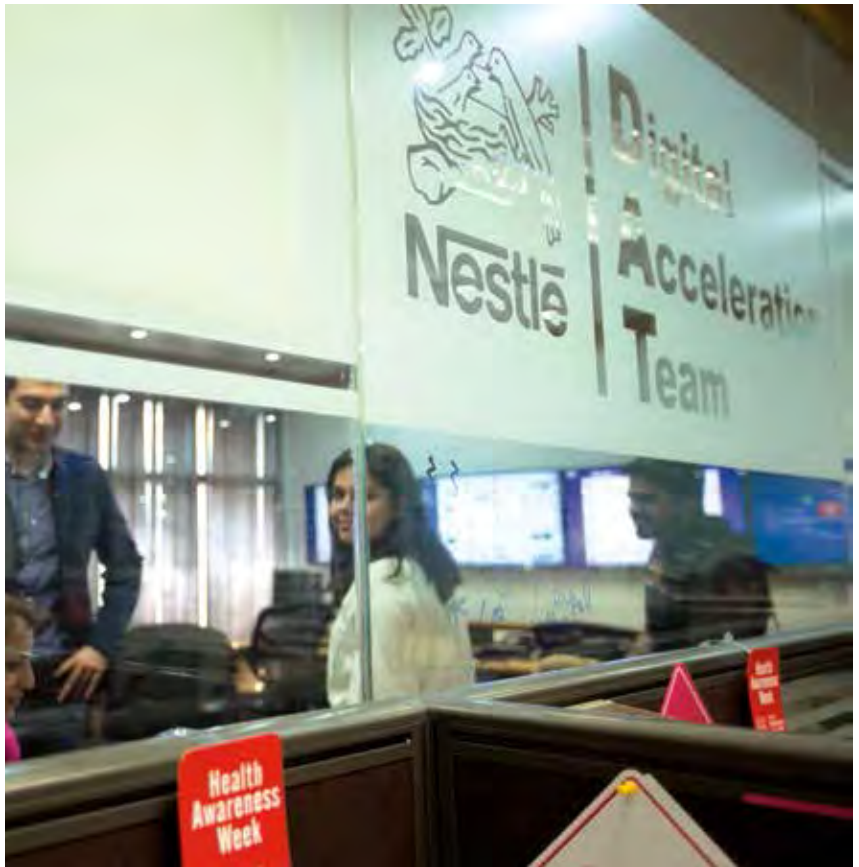
The sub functions lay the foundations of building strong brands by providing deeper consumer and shopper understanding and NHW credentials at one end and world class execution on the other.

Be the Voice of the Consumer – CIMR

In 2015, the Consumer Insight and Market Research (CIMR) team helped build brand and communication strategies by identifying the right passion points and tapping the right emotional chords of our consumers.

The team helped the brands optimise spends across various touch points and mediums enabling them to invest the savings back into the business through the first ever Marketing Mix Modelling Study.

The team is driven to push forward the Nestlé Creative Excellence Imperative i.e. challenging our creatives, avoiding playing it safe, moving away from mediocrity and continuously striving for ultimate creative excellence while ensuring consumer-centricity in everything we do.



Digital and Mobile

Mobile technology and the ever evolving social media are disrupting traditional ways of doing business and creating new avenues and opportunities for brands and consumers to interact.

A growing percentage of our advertising and marketing spend is dedicated to digital platforms. We are leveraging Facebook, Twitter, Instagram and other channels in innovative ways to produce compelling content, drive engagement and bolster brand equity.

Our increased investment in digital is creating unique opportunities for two-way dialogue with consumers. For instance, through “Nestlé Kitchen”, we engaged consumers online to co-create innovative and healthy recipes and content.

We also continue to explore e-commerce opportunities in the market to accelerate our trajectory across this fast-growing channel.

Consumer Engagement Services

The Consumer Care team remains pivotal in building trust in Nestlé and its products through our 24/7 toll free Nestlé NAATA hotline.

We at Nestlé believe that every contact is an opportunity for the company and the brand to speak to its customers that helps build long-term relationship with them.



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Nutrition, Health and Wellness

Nestlé enhances people's lives by offering tastier and healthier food and beverage choices at all stages of life.

Nestlé places high priority on providing consumers with information on how to make informed dietary choices.

We have introduced worldwide, the Nutritional Compass to guide consumers on the path to NHW. As part of building trust in Nestlé corporate and product brands, we are expanding the use of the Nestlé Nutritional Compass to include a QR (quick reference) code to give consumers a gateway to useful, fact-based information, "Beyond the Label" through their mobile devices.

As a responsible organisation, Nestlé has also voluntarily started Guideline Daily Amount (GDA) implementation on all products to provide consumer information on the percentage of daily calories and other important nutrients that they will ingest, when they consume our products.

Ambient Dairy



NESTLÉ MILKPAK

NESTLÉ MILKPAK, the safety and quality leader brand in the UHT milk category, comes with a proprietary '4 Steps to Safe Milk' guarantee. Throughout its value chain, the safety and quality are ensured, not only with several steps of product quality checks but also with tight controls over animal health and feed as well as the largest self-collection setup in Pakistan. Only the best quality milk collected from around 150,000 farmers across Pakistan earns the quality seal of NESTLÉ MILKPAK. Together with the promise of safety and quality, the brand's rich heritage and unbeaten taste provide the consumer with an age old promise of pure goodness for the entire family.



NESTLÉ NESVITA

The modern woman of today is leading an increasingly demanding lifestyle. On such a fast-paced journey, she can easily forget about her own well-being. NESTLÉ NESVITA Calcium Plus is educating young women on the importance of daily Calcium intake and that they need a strong body to overcome the challenges and pressures on the way to fulfill their ambitions. The brand strives to inspire and empower urban females by mentoring them to pursue ambitions of their choice, while taking care of their bones. Not just high in Calcium, it also has a proprietary formula that helps lock Calcium in their bones. And with less than 1% fat, NESTLÉ NESVITA supports consumers to live an active and healthy life, so that they are not held back.



NESTLÉ MILKPAK CREAM

Cream is a part of staple diet in the northern areas of Pakistan and Afghanistan. NESTLÉ MILKPAK CREAM promotes strong traditional family values that are a rich part of the ethnic consumer's lifestyle. The brand is the leading player in both urban and ethnic markets. It offers a strong heritage, consistent quality and taste, enhancing our traditional family bonds by becoming an ideal companion to cherish each moment. In the modern households of Pakistan, NESTLÉ MILKPAK CREAM is committed to bring busy families back to the dining table around the most delicious, yet healthy creations of dishes and desserts.



NESTLÉ NIDO FORTIGROW

When it comes to your child, there are no second chances. A mother wants to impact her child's growth and development in all the right ways for a happy and successful life. Backed by Nestlé's global experience of 150 years in child nutrition, NESTLÉ NIDO FORTIGROW is the brand that understands a mother's apprehensions and reassures her that her choices are investments in her child's growth and development. The Nestlé Research Centre in Switzerland has developed NESTLÉ NIDO FORTIGROW to meet the specific needs of school-going children between 5-12 years of age. NESTLÉ NIDO FORTIGROW provides a special combination of 24 vitamins and minerals to support optimum physical and mental growth of young children, so that they can be successful inside and outside the classroom.



NESTLÉ BUNYAD

More than one-third children in Pakistan under the age of 5 (Source: National Nutrition Survey 2011) suffer from iron deficiency which can hold them back in their important formative years. NESTLÉ BUNYAD, with its proposition of affordability and iron fortification, has embarked on a long-term mission to help eradicate iron deficiency from every level of society in Pakistan. NESTLÉ BUNYAD is reaching out to mothers, especially in low-income households, to help them ensure that their children can achieve the best in life.

Ambient Dairy



Nestlé is the global leader in coffee and tea enhancement. Be it in powder or liquid form, NESTLÉ EVERYDAY delivers superior “KHAAS” taste to tea.

Tea drinking is an integral part of everyday life in the Pakistani culture and so when it comes to tea it's about NESTLÉ EVERYDAY. Strongly established as a specialised tea creamer, today NESTLÉ EVERYDAY has not only become the heart of tea, but also found its way into the heart of tea lovers across Pakistan. EVERYDAY's “KHAAS” promise is about the taste of tea as well as about the personality of the tea maker who only accepts distinction and highest consistent quality. With a wide portfolio ranging from sachets to large pouches to liquid format, it does not matter if the tea being prepared is mixed or separate: NESTLÉ EVERYDAY guarantees a perfect cup of tea.

Chilled Dairy



NESTLÉ YOGURT SWEET 'n' TASTY

NESTLÉ YOGURT SWEET 'n' TASTY was launched in 2000. It soon established itself as the market leader due to its consistent delicious taste, nutritional goodness and guaranteed hygiene, backed by Nestlé's promise of quality. It is Nestlé's flagship brand in the packaged yogurt category due to its strong winning position in consumer taste tests against all major competition. It soon established itself as the market leader due to its consistent delicious taste, nutritional goodness and guaranteed hygiene, backed by Nestlé's promise of quality.

Whenever mealtime seems incomplete, the delicious NESTLÉ YOGURT SWEET 'n' TASTY lightens up the dining table and brings a smile to everyone's face. It's available in a 400g pack, for those special moments together, and a single serve 200g pack for those individual moments of healthy pleasure.

NESTLÉ RAITA

Raita is a popular Pakistani condiment made with yogurt that is used as an "antidote" to spicy food. NESTLÉ ZEERA RAITA was launched in 2004 to target the meal component segment of yogurt consumption, and became an instant favourite of Pakistani cuisine lovers. Due to its growing popularity and demand, another variant, NESTLÉ PODINA RAITA was launched in 2006. Over the years, NESTLÉ RAITAS have evolved from a growing brand into an established one within the Chilled Dairy portfolio. NESTLÉ RAITAS provide all the innate goodness of yogurt with zeera (cumin) and podina (mint) – a delicious meal accompaniment, which tastes just like homemade raita.

Without the hassle of preparation and worrying about quality, consumers can be assured that the raita they are having is of the best quality from Nestlé.

NESTLÉ ACTIPLUS YOGURT

Consumer understanding shows that around one in six women suffer from digestive problems such as constipation. Although yogurt is commonly associated with digestive benefits, there was a gap in the market for a yogurt positioned specially on healthy digestion.

To fill this gap for consumers, NESTLÉ ACTIPLUS YOGURT was launched in 2012. It contains fibre and a unique strain of a probiotic—from the Lactobacillus Acidophilus family—which helps improve digestive health. NESTLÉ ACTIPLUS YOGURT is also low in fat, making it the ideal food choice for a fit and healthy lifestyle.

NESTLÉ MILKPAK YOGURT

The Pakistani yogurt market is dominated by loose yogurt, primarily due to its all-purpose usage. However, the progressive consumer has always been concerned about safety and health of her family. This provided with an opportunity to offer the consumers an ideal solution, leveraging on the trust and quality associated with the MILKPAK Brand.

NESTLÉ MILKPAK YOGURT was launched in 2013 as the hygienic alternative to loose yogurt, and has quickly gained popularity as such. Hygienically packed NESTLÉ MILKPAK YOGURT is also low in fat and contains the goodness of calcium. Consumers now have one less reason to worry about when it comes to the safety and health of their loved ones.

Nestlé Juices, Nectars and Drinks



NESTLÉ FRUITA VITALS

NESTLÉ FRUITA VITALS is the brand of choice within the premium juice, nectars and drinks category for young adults. NESTLÉ FRUITA VITALS offers the promise of superior quality with high quality fruits sourced from around the world.

Apart from great taste, our entire range is now Calorie Smart which means less than 100 calories per serving making it perfect for a healthy lifestyle.

In the spirit of innovation and bringing excitement to the category at the start of the season NESTLÉ FRUITA VITALS launched its newest variant Kinnow. The new flavour has got a great response from connoisseurs of Kinnow all across Pakistan and promises to be one of our leading flavours.

NESTLÉ NESFRUTA

NESTLÉ NESFRUTA is our mainstream range for young enthusiastic teenagers. Be it school, college or university, a mundane day or a tiring evening, NESFRUTA is by your side. It stands for the ideal of NEWISM which encourages young teenagers to bring “newness” in everything they do by adding their own creative unique twist!

Beverages



NESTLÉ MILO

NESTLÉ MILO, due to its unique choco-malt taste and strong association with sports, continues to be a key player in the beverage category, delivering on the “Healthy energy to go further” platform.

NESTLÉ MILO contains PROTO-MALT, a special malt extract made from malted barley (Jau). It stands for the everyday victories that lead to lifelong success.

NESTLÉ MILO, being a strong patron of sports, is popular both with kids and adults looking for healthy energy and great taste.



Nestlé Waters



DRINKING WATER FOR HEALTHY LIFESTYLE

At Nestlé Waters, we believe that what you drink is just as important as what you eat. Let's not forget that the first step towards good health is a healthy lifestyle. As water is the essential element for life, we think that it deserves extra special attention.

DAILY HYDRATION

Hydration is one of the very few primary needs for human beings and as such, is a core component of human health. On top of being the major constituent of our body and of all vital organs, water is indispensable for many key functions, such as cell life, chemical and metabolic reactions, nutrients transportation, body temperature regulation and shock absorption.

NUMBER ONE BOTTLED WATER BRAND

NESTLÉ PURE LIFE is the world's number one bottled water brand with presence in over 40 countries. Pakistan is the proud birth place of this global healthy hydration brand where it was launched in 1998 and continues to be the favourite healthy beverage option for Pakistani consumers.

Nestlé Coffee



NESCAFÉ 3in1

Our NESCAFÉ 3in1 proposition plays the role of induction SKU for new users to the category. Taste and method of preparation are a key barrier to coffee usage for most coffee trialists. The product taste profile has been tailored to suit the Pakistani palate; with a rich and frothy mouthfeel while the 3in1 format offers ease of preparation and helps new users experience the same perfect cup, every time.



NESCAFÉ CLASSIC

NESCAFÉ CLASSIC, pure soluble coffee in jars, offers convenience, economy and versatility in preparation for the regular coffee user.

This year, we have decided to win in the Pure Soluble coffee segment and through competitive pricing and strong focus on gaining in-store share of shelf. The RED Mug promo on 100 gms, helped us differentiate our offering on shelf, gain shoppers from parallel imports and upgraded existing 50 gms users.

On digital, NESCAFÉ Pakistan now boasts the biggest Facebook fan base amongst all Nestlé Pakistan brands and is also part of the top three global NESCAFÉ pages in terms of engagement rates. We also expanded our digital presence to Twitter and Instagram. One of the key digital activations have been the NESCAFÉ Basement talent hunt. Inspiring stories of different NESCAFÉ Basement band members and sneak peeks have generated a lot of conversations amongst our younger consumer base.



NESCAFÉ DOLCE GUSTO

NESCAFÉ DOLCE GUSTO is a modern day style statement for coffee lovers who wish to enjoy café-style beverages in the comfort of their home.

NESCAFÉ DOLCE GUSTO prepares a variety of coffee drinks from layered lattes, to frothy cappuccinos, bold espressos and tempting chocolate drinks. Two types of machines have been made available in the Pakistani market: Coffee drop inspired, the sleek 'NESCAFÉ DOLCE GUSTO Drop' and the fun and charming NESCAFÉ DOLCE GUSTO Mini-Me'. Both machine systems operate at a 15 bar pressure and along with smartly designed flavour pods produce the perfect cup of coffee.

Breakfast Cereals



Nestlé Breakfast Cereals provide you and your family with wholesome breakfast nutrition. They are convenient, tasty and a nutritious way to start your (and your family's) day. All of our cereals are made with whole grains, which keep all the parts of the grain intact, retaining its natural content of fibre, vitamins and minerals.

Kids Range:

NESTLÉ KOKO KRUNCH is a flagship brand in the kids' range. It takes kids on the ultimate chocolate experience.

NESTLÉ MILO CEREAL is a nutritious breakfast cereal. With its great taste, it gives the energy and confidence to succeed in life.

All Family Range:

NESTLÉ CORN FLAKES is a nutritious cereal made with whole grain corn and is fortified with vitamins and minerals.

Adult Weight Management:

NESTLÉ FITNESSSE is a low-fat whole wheat cereal which facilitates you in making your lifestyle healthier. It helps you manage your weight and keep it off as it is made with delicious whole grain flakes and contains essential vitamins and minerals.

Culinary



MAGGI

MAGGI, the pioneer in instant noodles in Pakistan, has been delighting the Pakistani taste palate for more than 20 years. MAGGI stands for "Taste Bhi, Health Bhi" and gives a great tasting snacking option to the mothers for their kids with the added advantage of iron and

protein. With constant innovation to enhance taste and introduce new exciting flavours, MAGGI is a favourite brand among children of all ages. Even young adults cannot resist its irresistible taste.

MAGGI is proud to be the part of the everyday lives of millions of kids in Pakistan and the trusted choice of mothers.

With the promise of taste and health, the recipes have been improved to make the products tastier and also healthier by reducing sodium content in compliance with the Nestlé Nutrition Foundation Guidelines.



Infant Nutrition



NESTLÉ CERELAC - Nourishing Generations!

With its long history in Pakistan, NESTLÉ CERELAC is now with its second generation of users and is a household name, trusted by mothers and endorsed by doctors.

NESTLÉ CERELAC was introduced in Pakistan in 1992, positioning itself as the “First step to solid food”. Over time it has come to be perceived as the trusted partner of the Pakistani mother. With the passage of time the brand has built its reputation as the complete food that offers “Big nutrition for small tummies”.

NESTLÉ CERELAC understands that each stage of a baby’s growth is different and their nutritional needs evolve as they grow. Accordingly, NESTLÉ CERELAC infant cereals are grouped into stages according to the changing nutritional needs of a growing child, providing the right nutrition at each stage.

NESTLÉ CERELAC recipe has been recently renovated with IRON+, and now NESTLÉ CERELAC helps in cognitive development of babies after 6 months along with helping in healthy physical growth. It’s an exhilarating time to be part of the NESTLÉ CERELAC family. The brand has its eyes set on new heights and extraordinary achievements in the coming years!

Infant Formulae & Growing-Up Milks*

Nestlé continued to offer the most scientifically advanced infant formulae and growing up milks formulation. NESTLÉ LACTOGEN is the flagship brand of Infant Formula for Nestlé Pakistan. NESTLÉ NAN is another infant formula, also having a growing-up milk NESTLÉ NAN 3 in the portfolio to extend the benefits to children over one year of age. Pediatric specialties range comprising of formulations including NESTLÉ AL110, NESTLÉ PRE-NAN and NESTLÉ LACTOGEN RECOVER continue to provide nutritional solution to infants with specific nutritional requirements.

NESTLÉ NIDO 1+ is a growing-up milk (not to be used as breast milk substitute) extending the benefit of gut protection to children from 1 year of age because of unique renovated recipe. While NESTLÉ NIDO 3+ is helping to ensure healthy growth and development from 3 year onwards.

****Breast milk is best for babies. Nestlé promotes mother's milk in all its communication to Health Care Professionals (HCPs), infant formula and CERELAC packaging and all other related material. Nestlé also strictly follows the local code as well as international code for protection of breastfeeding and marketing of infant formulae. This document is part of company information only and may be viewed accordingly.***

Nestlé Nutrition Institute

The Nestlé Nutrition Institute (NNI) is a not-for-profit organisation that fosters "Science for Better Nutrition". NNI continued its contribution to enhance the quality of people's lives by sharing leading science- based unbranded information and education material, with healthcare professionals only. In this context, scientific symposia were conducted on multiple topics with health care professionals nationwide.



Nestlé Professional



Nestlé Professional aspires to be an inspiring growth partner for its Out of Home (OOH) operators and strives to deliver creative Food and Beverage Solutions with the convenience of free doorstep delivery to fulfill our customers' business needs.

Our success as a business rests on building customer intimacy and

developing win-win partnerships with our OOH operators by ensuring convenient and consistent supply of innovative products and solutions that meet our customers' requirements.

The key contributing factor to this astounding success was the focus on driving innovation, accelerating the solution business, driving numeric and geographic reach, and improving the channel focus.

Nestlé Professional's product portfolio is segmented into two major categories:

Food:

Under the food portfolio, Nestlé Professional offers both ambient and chilled dairy products that serve the requirements of the customers.

Beverages:

Under beverages, Nestlé Professional offers solutions and standard products that are required by the food service operators.



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