



*Together
we can*



Nestlé

Good Food, Good Life



Together we can

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 of the world.

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 for all.

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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 which is 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, 2014.

Financial Performance:

The year 2014 continued to be a challenging year with adverse security situation coupled with uncertainties around the political environment and ongoing energy crisis resulting in regular disruptions of business.

Despite all these challenges, the Company reported a top line growth of 11.9% way ahead of the country's GDP. The Company also improved on its gross margins by 30 bps. The growth was fuelled by effective product mix management, optimisation of our value chain through Nestlé Continuous Excellence (NCE) initiatives and processes, enabling us to continue 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. The major new product launches during 2014 included: NESCAFÉ CHILLED LATTE, Nestlé FRUITA VITALS Orange and Carrot, MAGGI Chicken Tikka, NESTEA Cardamom Chai and renovation of Nestlé MILKPAK packaging. Moreover, the Pakistan Safe Milk movement driven by Nestlé MILKPAK has helped the consumers make a safe choice.

Summary Financial Performance:

PKR Million	2014	2013	Change
Sales	96,458	86,227	+11.9%
Gross Profit margin	28.3%	28.0%	+0.3%
Operating Profit margin	14.6%	13.3%	+1.3%
Net Profit after tax	8.2%	6.8%	+1.4%
Net Profit after tax	7,929	5,867	+35.2%
Earnings per share	174.85	129.37	+35.2%

Total sales grew by 11.9% to PKR 96.5 billion, with growth coming from both increased volumes and selling prices.

The Gross Profit (GP) margin has improved by 30 bps as compared to last year due to positive volume growth, optimal product mix and effective control on total delivered cost through the NCE mindset.

The Company continued to invest behind its brands. With continuous focus on operational costs together with the appreciation of the Pakistani rupee, the Company's Net Profit margin has increased by 140 bps.

Dividends:

Keeping in view the good financial performance of the Company, the Board of Directors has recommended to pay final cash

dividend of PKR 90 per share, in addition to the interim cash dividend of PKR 80 per share, which brings the total dividend for the year to PKR 170 per share for 2014 compared to PKR 125 per share in 2013.

Investment Projects:

Nestlé Pakistan believes in a market driven approach and stands committed to invest to satisfy our consumers' needs. Total investments including expansion and development projects for the year reached PKR 3.0 billion, with the most significant projects listed below:

Project Description	PKR Million
Sheikhupura – Extension and Operational reliability	1,193
Kabirwala – Extension and Operational reliability	149
Water Factories – Extension and Operational reliability	233

Milk collection infrastructure development	286
Extension of Distribution and Sales facilities	486
Others	626

Investments, of approximately PKR 3.8 billion, are planned in 2015, primarily for 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 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 there from 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):

	Un-audited	Audited
PKR Million	2014	2013
Provident Fund	2,130	1,836
Gratuity Fund	1,184	995
Pension Fund	1,732	1,432

i) Statements regarding the following are annexed or disclosed in the notes to the accounts:

- Key financial data for the last six years
- Pattern of shareholdings
- Trading in shares of the Company by its Directors, CEO, CFO and Company Secretary

External Auditors:

Messrs KPMG Taseer Hadi & Company, Chartered Accountants have completed their assignment for the year 2014 and retire at the conclusion of the 37th 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 Employees Relations:

At Nestlé Pakistan, we believe that people are our competitive advantage. 2014 for Human Resource has been a year for sustaining and strengthening our journey of continuous improvement, ensuring compliance, driving high performance and building leadership capabilities to meet the needs of organization. Some of the key achievements this year were:

- The launch of Development Centre; a focused programme for the upcoming young leaders within the organisation. The programme offers a structured development journey involving steps like leadership trainings, cross functional experience and international exposure to help acquire the experience and traits required by our future leaders.
- Corporate Recognition Programme, 'Maan Hamara Tumse Awards' was re-launched with new categories and criterion. Employees with extraordinary achievements were recognised and rewarded in a ceremony during the visit of Global CEO of Nestlé, Mr. Paul Bulcke.
- A key initiative was the launch of an external CSV platform for upcoming female professionals called Kero Aitemaad – "Believe in Yourself" which intends to drive objectives like women empowerment seminars, breaking gender stereotypes and focused experience

opportunities for females in professions typically marked as a 'male' job.

Corporate Social Responsibility (CSR) and Community Work:

Creating Shared Value (CSV) for the communities is a core essence of the Company and is embedded into our business model. Nestlé Pakistan as part of its global and local obligations believes in CSV for the communities in which it works and lives. Pakistan is a developing economy and approximately 62% of the population lives in rural areas. There is a huge potential of rural development, particularly in the livestock sector, where companies like Nestlé can add real value for improving the quality of life in socio-economic terms for the rural communities. Given the nature of our activities and being the world's leading Nutrition, Health and Wellness Company, Nestlé has identified focus areas where it can optimise the creation of shared value. Additionally, ethical business practices, transparency and consumer trust, on the basis of high quality products with focus on Nutrition, Health and Wellness, remains the hallmark of the core business. The Company is committed to the stakeholders and the communities for mutual growth and sustainability. Nestlé Pakistan is also a signatory to UN Global Compact for Ethical Business.

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

environment 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 2014 are:

- Nutrition awareness extended to 20,000 school children in the rural, suburban and urban areas under Nestlé Healthy Kids Programme
- Continued product support through Nutrition Support Programme for the under-privileged institutions
- Nutrition support to the areas affected by natural calamities
- Refurbishment of Clean Drinking Water facilities
- 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 16,000 dairy farmers including rural women for skill enhancement related to dairy and livestock sector
- Executive Certificate in Agri Business Management with support of Lahore University of Management Sciences
- Chaunsa Project for implementation of Best Farm Practices in the Chaunsa Mango Sector
- Alliance for Water Stewardship and signing of Memorandum of Understanding with WWF-Pakistan
- 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. We are hopeful that economic prospects of the country will improve in the future. Nestlé is committed to Pakistan and will continue to enhance the quality of life by bringing products that promote Nutrition, Health and Wellness.

Acknowledgments:

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 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 thereby 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 Dum Pakistani" Company, very proud of its achievements in Pakistan.

For and on behalf of the
Board of Directors



Magdi Batato
Chief Executive

Lahore: February 19, 2015

Annexure to Directors' Report

on Corporate Governance

The Company is committed to adopt and implement high standards of Corporate Governance. It has adopted and implemented the Corporate Governance Principles of its parent Company, Nestlé S.A. Switzerland, which cover the following four essential areas:

- Rights and responsibilities of shareholders;
- Equitable treatment of shareholders;
- Duties and responsibilities of the Board of Directors; and
- Disclosure and transparency.

Board of Directors

The Board of Directors currently comprises a Non-Executive Chairman, Chief Executive/Managing Director, one Independent Director, two Executive and four Non-Executive Directors. The Directors meet at least four times a year to review the progress and performance of the Company. The Board has delegated the day-to-day operations of the Company to the Managing Director. However, the Directors are equally accountable under the law for the proper handling of the Company's affairs.



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 20, 2014	10:00 am	Corporate Office, Lahore
April 16, 2014	09:30 am	Corporate Office, Lahore
August 25, 2014	10:00 am	Corporate Office, Lahore
October 20, 2014	10:00 am	Corporate Office, Lahore

Details of attendance of Directors at Board meetings are summarized below:

Name of Directors	Date of Appointment	No. of Meetings Attended
Syed Yawar Ali	01.07.2013	4
Magdi Batato	01.07.2013	4
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	4
Faiçal Krichane	01.07.2013	1
Osman Khalid Waheed	01.07.2013	4

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 four members including the Chairman of the Committee, who is an Independent Director. Three members are Non-Executive Directors and one member is Executive Director. 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 2014. 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.

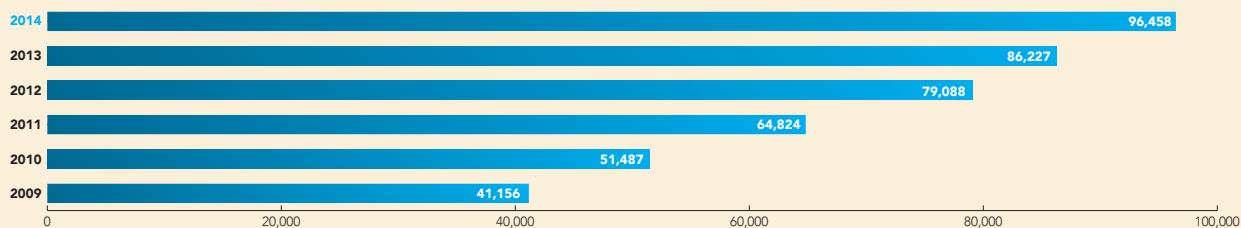
Strategic Planning

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 2014

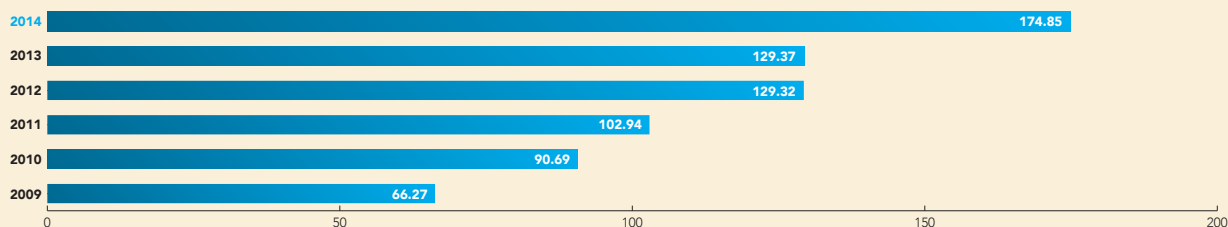
SALES

Rs. in million



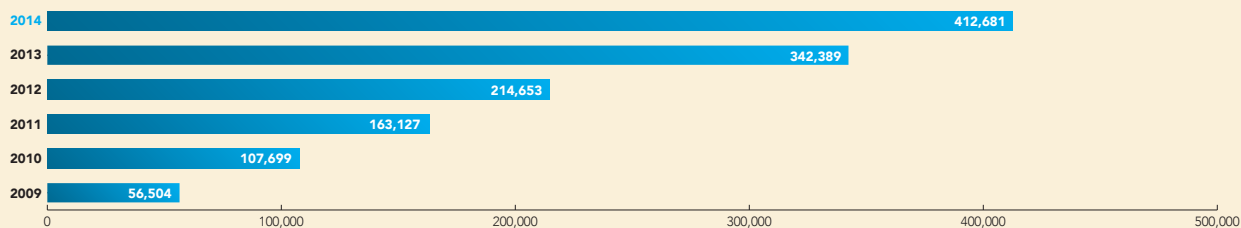
EARNINGS PER SHARE

Rupees

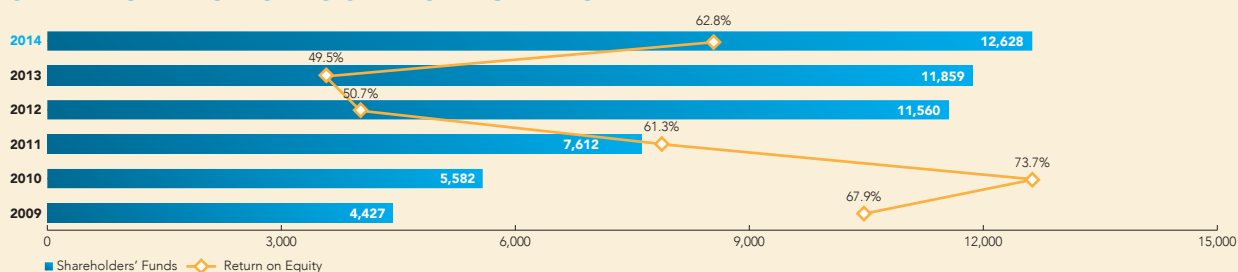


MARKET CAPITALISATION

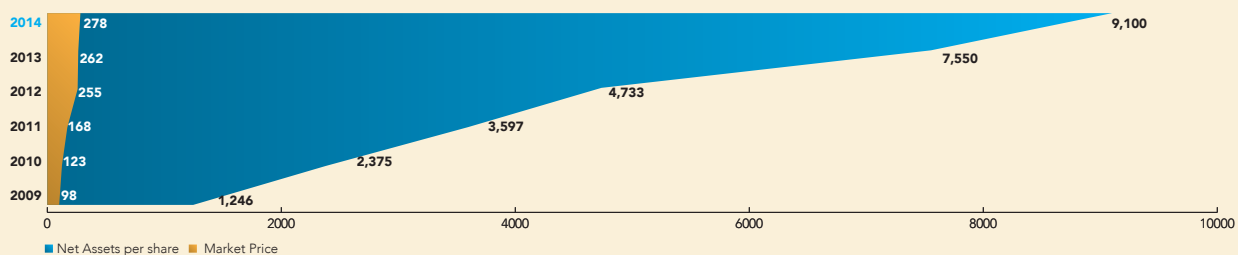
Rs. in million



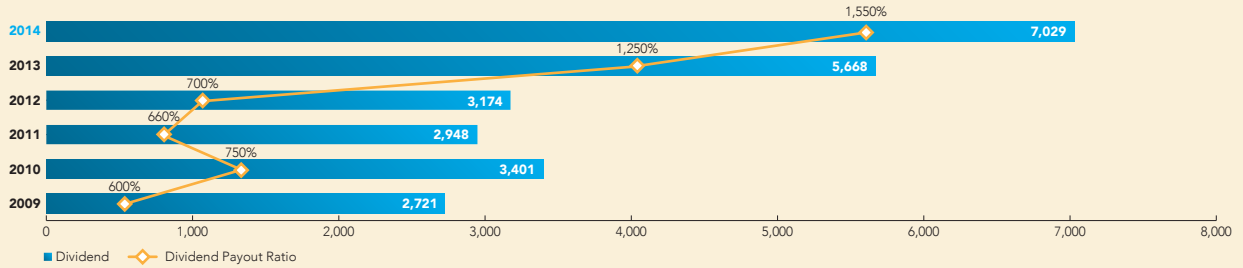
SHAREHOLDERS' FUNDS & RETURN ON EQUITY



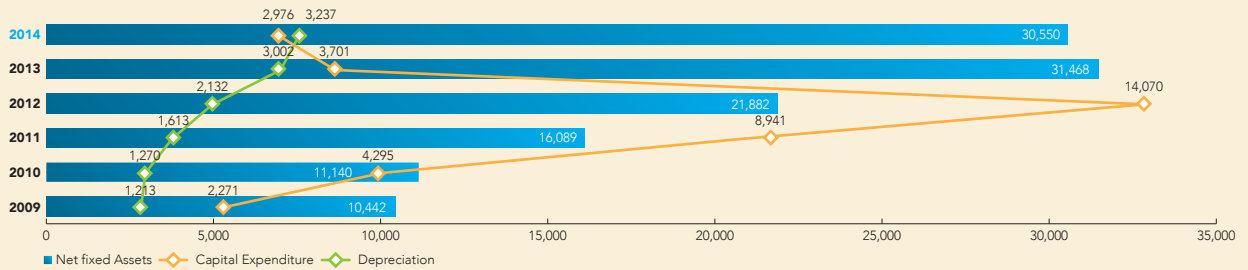
MARKET PRICE PER SHARE VS. NET ASSETS PER SHARE



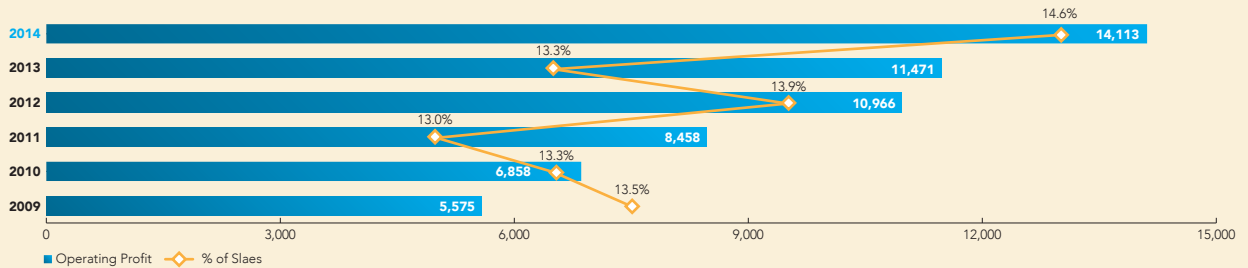
DIVIDEND PAYOUT RATIO*



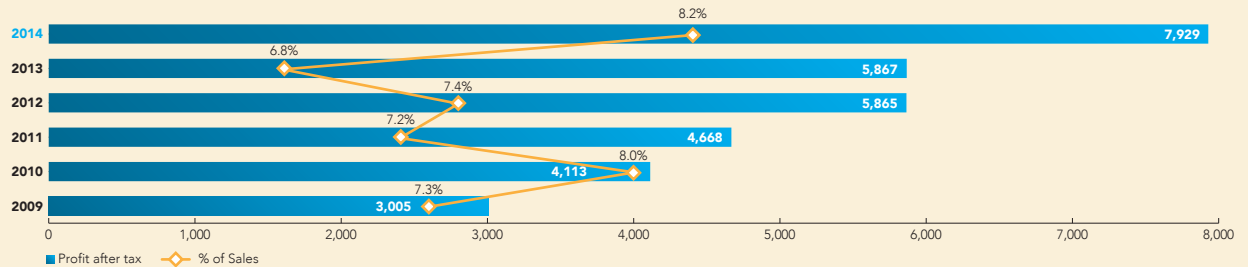
NET FIXED ASSETS, FIXED CAPITAL EXPENDITURE AND DEPRECIATION



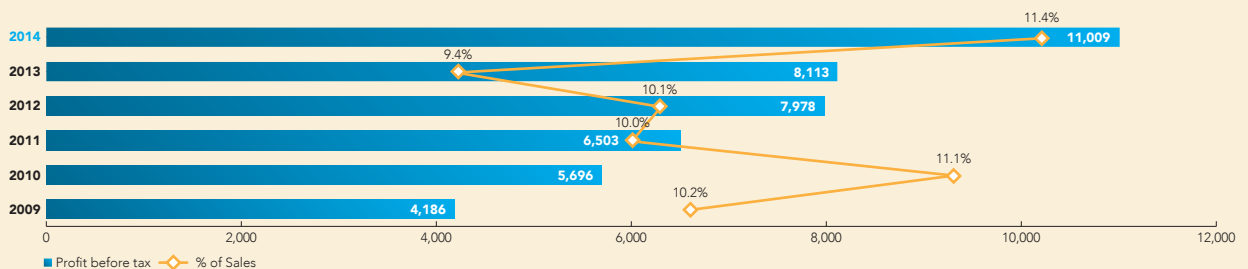
OPERATING PROFIT AND % OF SLAES



PROFIT AFTER TAX & % OF SALES



PROFIT BEFORE TAX & % OF SALES



Statement of Wealth Creation and its Distribution

(Rupees in 000)	2014		2013	
Wealth Generated/ Value Added:				
Turnover (including Sales Tax)	104,971,775		93,737,997	
Less: Purchased materials and services	-75,113,509		-69,637,055	
Value Added	29,858,266		24,100,942	
Other Income	523,892		194,565	
Wealth Created	30,382,158	100%	24,295,507	100%
Wealth Distribution:				
To Employees:				
Salaries, benefits and other costs	7,371,534	24.3%	6,170,978	25.4%
To Government:				
Income tax, Sales tax, Excise and Custom duty, WWF, WPPF	9,538,926	31.4%	7,028,787	28.9%
To Society and Development Initiatives:				
Donations and CSR Projects	59,400	0.2%	53,290	0.2%
*Dairy Development (Non-business returns)	205,386	0.7%	182,104	0.7%
To Providers of Capital:				
Dividend to Shareholders	7,029,186	23.1%	5,441,945	22.4%
Mark-up / interest expenses on borrowed funds	2,155,637	7.1%	2,113,096	8.7%
To Company:				
Depreciation, amortisation and retained profit	4,022,089	13.2%	3,305,307	13.6%
	30,382,158	100%	24,295,507	100%

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

Key Financial Data

Six years at a Glance

(Rupees in million) 2014 2013 2012 2011 2010 2009

Trading Results

- Sales	96,458	86,227	79,088	64,824	51,487	41,156
- Gross Profit	27,324	24,161	21,523	16,725	13,879	11,899
- Operating Profit	14,113	11,471	10,966	8,458	6,858	5,575
- Profit Before Tax	11,009	8,113	7,978	6,503	5,696	4,186
- Profit After Tax	7,929	5,867	5,865	4,668	4,113	3,005

Balance Sheet

- Shareholders' Funds	12,628	11,859	11,560	7,612	5,582	4,427
- Reserves	12,174	11,406	11,107	7,159	5,128	3,973
- Operating Fixed Assets	30,550	31,468	21,882	16,089	11,140	10,442
- Net Current Assets/Liabilities*	(6,288)	4,767	(3,120)	(3,352)	(1,396)	85
- Long Term Liabilities*	11,326	22,429	19,351	10,821	7,622	7,399

Investor information for six years

- Gross Profit Ratio	28%	28%	27%	26%	27%	29%
- Operating Profit Ratio	15%	13%	14%	13%	13%	14%
- Profit Before Tax Ratio	11%	9%	10%	10%	11%	10%
- Profit After Tax Ratio	8%	7%	7%	7%	8%	7%
- Inventory Turnover Ratio	7.7 : 1	7.8 : 1	7.7 : 1	8.2 : 1	8.9 : 1	9.2 : 1
- Total Assets Turnover Ratio	1.9 : 1	1.7 : 1	1.8 : 1	2.2 : 1	2.5 : 1	2.3 : 1
- Price Earning Ratio	52.1	58.4	36.6	34.9	26.2	18.8
- Return on Capital Employed	46%	24%	26%	35.5%	43%	40%
- Market Value Per Share	9,100	7,550	4,733	3,597	2,375	1,246
- Debt Equity Ratio	61 : 39	68 : 32	69 : 31	69 : 31	66 : 34	66 : 34
- Current Ratio	0.7 : 1	1 : 1	0.8 : 1	0.8 : 1	0.9 : 1	1 : 1
- Interest Cover Ratio	6.0 : 1	4.4 : 1	4.5 : 1	7.2 : 1	12.1 : 1	10.5 : 1

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

Pattern of Shareholding

of Nestle Pakistan Limited as at December 31, 2014

No. of Shareholders	From	Shareholding To	Total Shares Held
453	1	100	13,319
163	101	500	43,114
79	501	1,000	59,059
87	1,001	5,000	180,766
20	5,001	10,000	143,723
9	10,001	15,000	108,180
2	15,001	20,000	34,898
5	20,001	25,000	114,617
1	35,001	40,000	38,137
2	40,001	45,000	83,755
2	50,001	55,000	105,802
1	55,001	60,000	56,807
1	60,001	70,000	66,289
1	80,001	85,000	82,717
1	100,001	105,000	100,796
1	120,001	125,000	124,124
1	155,001	160,000	155,216
1	210,001	215,000	210,865
1	220,001	225,000	224,720
1	3,700,001	375,000	370,500
1	375,001	380,000	375,545
1	385,001	390,000	387,334
1	425,001	430,000	428,052
1	430,001	435,000	430,551
1	535,001	540,000	538,235
1	1,130,001	1,135,000	1,134,364
1	1,365,001	1,370,000	1,365,956
1	3,575,001	3,580,000	3,580,000
1	3,600,001	3,650,000	3,649,248
1	4,360,001	4,365,000	4,364,666
1	26,775,001	26,780,000	26,778,229
843	Grand Total of CDC and Phy Shares		45,349,584

Classification of Shares by Categories

As at December 31, 2014

Categories of Members	Numbers	Shares Held	Percentage
Directors CEO/Spouse/Minors	6	2,028,213	4.47
Executives	10	296	0.00
Associated Cos., Undertakings and related parties*	6	35,576,764	78.45
NIT	1	2,544	0.01
ICP	-	-	-
Financial Institutions	4	446,369	0.98
Insurance Companies	5	3,250	0.01
Modaraba Companies	-	-	-
Funds	25	132,653	0.29
Investment Companies	1	3,100	0.01
Joint Stock Companies	17	5,116	0.01
Charitable Trust	3	17,025	0.04
Foreign Investors	10	1,294,394	2.85
General Public (Individuals) :			
a) Locals*	753	5,829,250	12.85
b) Foreign	1	50	0.00
Public Sectors Companies & Corporations	1	10,560	0.02
Others	-	-	-
Total	843	45,349,584	100.00

*Shareholders' Holding 5% or above

Nestle S.A.	26,778,229	59.05
Packages Limited	3,649,248	8.05
IGI Insurance Limited	4,364,666	9.62
Sheikh Sultan Ahmed Chawla	3,580,000	7.89

Key Shareholding and Shares Traded

Information on shareholding required under reporting framework is as follows:

1	Associated Companies, undertakings and related parties	
	Nestlé S.A.	26,778,229
	Packages Limited	3,649,248
	IGI Insurance Limited	4,364,666
	Gurmani Foundation	538,235
	Industrial Technical and Educational Institution	21,666
	National Management Foundation	224,720
2	Mutual Funds	
	CDC - Trustee Pakistan Stock Market Fund	11,050
	CDC - Trustee Pakistan Capital Market Fund	920
	CDC - Trustee Pak Strategic Alloc. Fund	820
	CDC - Trustee Unit Trust of Pakistan	3,360
	CDC - Trustee AKD Index Tracker Fund	1,031
	CDC - Trustee Pak. Int. Element Islamic Asset Allocation Fund	1,360
	CDC - Trustee JS Pension Savings Fund - Equity Account	900
	CDC - Trustee National Investment (Unit) Trust & Trustee Wing	103,340
3	Directors	
	Syed Yawar Ali	23,220
	Syeda Nighat Ali	60
	Syed Babar Ali	1,365,956
	Perwin Babar Ali	210,865
	Syed Hyder Ali	428,052
	Osman Khalid Waheed	60
4	Executives	
	Mian Muhammad Shahzad Mazhar	95
	Mohammad Sajid Ansar	6
	Malik Ghulam Abbas	27
	Sheikh Mohammad Naeem	61
	Syed Zeeshan Haider Zaidi	73
	Dr. Bashir-Ud-Din	6
	Tariq Manzoor	10
	Fakhar Ahmad Munir	10
	Syed Imran Raza Tirmizi	1
	Syed Asim Raza Zaidi	7
5	Public Sector Companies and Corporations	
	EOBI	10,560
6	Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies and Modarabas	446,369
7	Shareholders holding 5% or more voting rights	
	Sheikh Sultan Ahmed Chawla	3,580,000
8	Details of purchase/sale of shares by Directors/Company Secretary Executives and their spouses/minor children during 2014	NIL

Statement of Compliance

with the Code of Corporate Governance for the year ended December 31, 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in the listing regulation no. 5.19 of the Listing Rules of the Karachi Stock Exchange and Clause 35 (xli) of the Lahore Stock Exchange 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. Magdi Batato
 2. John Michael Davis
 3. Naveed A. Khan**Non-Executive Directors**
 1. Syed Yawar Ali
 2. Syed Babar Ali
 3. Syed Hyder Ali
 4. Faïçal Krichane
 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.
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 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy arisen during the year 2014.
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. All meetings of the Board were presided over by the Chairman 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. Subsequent to year end, two Board Members completed Corporate Governance Leadership Skills – Director Education Programme at Pakistan Institute of Corporate Governance.

10. 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.

11. The Financial Statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

12. 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.

13. The Company has complied with all the corporate and financial reporting requirements of the CCG.

14. The Board has formed an Audit Committee. It comprises four members, of whom three are

non-executive directors and one is executive director. The Chairman of the Committee is an Independent Director.

15. 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.

16. 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.

17. The Board has set up an effective Internal Audit function.

18. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the 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.

19. 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.

20. 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 Exchanges.

21. Material / price sensitive information has been disseminated among all market participants at once through Stock Exchanges.

22. We confirm that all other material principles enshrined in the CCG have been complied with.



Magdi Batato
Chief Executive

Lahore: February 12, 2015

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 2014 to comply with the Listing Regulations No. 35 of Karachi and Lahore Stock Exchanges 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 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's 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 2014.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Lahore
February 19, 2015

Notice of Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting of Nestlé Pakistan Ltd; will be held at 11:00 a.m. on Thursday, April 23, 2015 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, 2014 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 declare Final Dividend. The Directors have recommended the Final Dividend of 900% i.e. PKR 90 per share for the year ended December 31, 2014. This is in addition to 800% Interim Dividend, already paid during the year 2014.

ANY OTHER BUSINESS

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

BY ORDER OF THE BOARD



Ali Sadozai
Company Secretary

Lahore
March 25, 2015

NOTES:

1. Share Transfer Books of the Company will remain closed from April 16, 2015 to April 23, 2015 (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. M/s Gors Associates (Pvt.) Ltd., 2nd Floor, 202-Soofi Chamber, Link Mcleod Road, Lahore at the close of business on April 15, 2015 will be treated in time for entitlement of payment of dividend.
2. A member entitled to attend and vote at the 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 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. Deduction of Income Tax from dividend under Section 150 of Income Tax Ordinance 2001 (Mandatory):
Pursuant to the provisions of Finance Act, 2014 effective from July 01, 2014 the rates of deduction of the income tax from the dividend payment under Section 150 of

the Income Tax Ordinance 2001 have been revised as "For Filers of Income Tax Return – 10% and For Non-Filers of Income Tax Return - 15%" which is applicable at all entitled Shareholders. FBR's Active Taxpayers List (ATL) shall be the sole referring document for the Company for the purpose of your Tax deduction on Dividend in future as well. Shareholders holding any tax exemption are required to submit their valid Tax Exemption Certificate at Nestlé's Share Registrar's Office.

10. 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 Shares 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.

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.

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

Nestlé Pakistan Ltd. is a subsidiary of Nestlé S.A., a Swiss company

based in Vevey, Switzerland. Registered on the Karachi and Lahore Stock Exchanges, 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 KSE. 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.

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 focused on the bottling of water. Nestlé Pakistan

takes great pride in its commitment to excellence in product taste and quality. 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 and enhance the livelihoods of those across our value chain.

Board of Directors

as on December 31, 2014

	Name of Director	Title	Status	Nationality	Term expires
1	Syed Yawar Ali	Chairman	Non-Executive Director	Pakistani	30.06.2016
2	Magdi Batato	Managing Director	Executive Director (Nominee of Nestlé S.A.)	Swiss	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	Faïçal Krichane	Director	Non-Executive Director (Nominee of Nestlé S.A.)	Swiss	30.06.2016
9	Osman Khalid Waheed	Director	Independent Director	Pakistani	30.06.2016

Officers

Magdi Batato	Chief Executive
John Michael Davis	Chief Financial Officer
Ali Sadozai	Company Secretary
Ali Furqan Syed	Head of Internal Audit

Audit Committee

Osman Khalid Waheed	Independent Director
Chairman	
Syed Hyder Ali	Non-Executive Director
Member	
Syed Babar Ali	Non-Executive Director
Member	
Naveed A. Khan	Executive Director
Member	
Ali Furqan Syed	Head of Internal Audit
Secretary	

Human Resource and Remuneration Committee

Syed Babar Ali	Non-Executive Director
Chairman	
Syed Hyder Ali	Non-Executive Director
Member	
Magdi Batato	Executive Director
Member	
Shahzad Umar	Head of Human Resource
Secretary	

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

Gorsi Associates (Pvt.) Limited
2nd Floor, 202-Sufi Chamber,
Link McLeod Road, Lahore, Pakistan.
Contact: 042-3598448 and 58
Cell: 0346-4479601 and 0322-4433344

Legal Advisors

Mahmood Abdul Ghani & Co.
Advocates and Industrial Relations Advisers

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
Barclays Bank PLC, Pakistan

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 1-10/3,
Industrial Area Islamabad, Pakistan.
Phone: (051) 4445991-3
Fax: (051) 4445997

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, 081-2821243,
081-2823946
Fax: 081-2847797

Hyderabad

House No. 178, Block 'C' Unit 2
Latifabad, Hyderabad, Pakistan.
Phone: 022-3860403
Fax: 022-3863202

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
Fax: 055-3733379

Faisalabad

Ground Floor, Al-Haq Palaza 271-A,
Small D Ground, Peoples
Colony I, Faisalabad, Pakistan.
Phone: 041-8716937, 8555607
Fax: 041-8716823

Multan

Al-Syed House,
Street No. 2, Iqbal Park,
Sabzazar Colony. Bosan Road, Multan,
Pakistan.
Phone: 061-6212901, 6512900
Fax: 061-6212901

North Zone

Islamabad

Plot No. 395/396,
Sector I-9/3, Industrial Area, Islamabad,
Pakistan.
Phone: 051-4859300-2
Fax: 051-4859303

Jhelum

House No. 5/155 Sabir Road,
Jhelum Cantt, Jhelum, Pakistan.
Phone: 0544-720004
Fax: 0544-629126

Peshawar

42-D Jalala House, Old Jamrud Road,
University Town, Peshawar, Pakistan.
Phone: 091-5700859, 091-5842415
Fax: 091-5854454

Management Committee



From Left to Right
(Sitting in First Row)

Nadia Omer
Nestlé Continuous Excellence Manager

Magdi Batato
Managing Director

Faisal Akhtar Rana
Business Executive Manager, Coffee and Beverages

Samra Maqbool
Head of Communication and Marketing Services

From Left to Right
(Standing)

Nauman Khan
Country Business Manager, Nestlé Professional

Shahzad Umar
Head of Human Resource

Asim Rifat
Country Business Manager, Infant Nutrition

Arsalan Khan
Head of Sales

Waqar Ahmad Sheikh
Head of Corporate Affairs

Rustem Oguz
Head of Supply Chain

Naveed Ahmad Khan
Head of Technical

John Michael Davis
Head of Finance and Control



* Location: Nestlé Healthy Kids School, Lahore

Babar Khan

Business Executive Manager, Juices

Abdullah Jawaid Ahmad

Business Executive Manager, Chilled Dairy

Ali Sadozai

General Counsel and Company Secretary

Nadji Rekhif

Business Executive Manager, Food

Roland Stieger

Business Executive Manager, Ambient Dairy



Humaira Ashar
Business Manager,
Confectionery



Dr Usman Iqbal Bhatti
Country Business Manager,
Nestlé Waters



Khurram Zia
Country Business Manager,
Nestlé Waters (as of April 1, 2015)

Human Resource

2014 for Human Resource has been a year of sustaining and strengthening our journey of continuous improvement, ensuring compliance, driving high performance and building leadership capabilities to meet the needs of the organisation.

In 2014, Human Resource continued to reinforce a culture of High Performance, Leadership Development and Diversity in Nestlé Pakistan.

To strengthen our competitiveness within a changing external environment and ensuring high employee engagement, quite a few initiatives were taken in rewards and recognition to support the business. The Corporate Recognition Programme, 'Maan Hamara Tumse Awards', was re-launched with new categories and criteria. Employees with extraordinary achievements were recognised and rewarded in a ceremony during the visit of Nestlé Global CEO, Mr. Paul Bulcke.

To promote business case on Gender Diversity within the organisation, Human Resource played a critical role. Several initiatives were taken which include launch of flexible work arrangements, gender balance awareness sessions, launch of female alumni network and appointment of a maternity champion. Another key initiative was the launch of an external CSV platform for upcoming female professionals called Kero Aitemaad – "Believe in Yourself" which intends to drive objectives like women empowerment seminars, breaking gender stereotypes and focused experience opportunities for females in professions typically marked as 'jobs for males'.



Additionally, to meet with focused leadership needs of the organisation at every level, market-wide training sessions were conducted for line managers and employees. The programmes were received with high ratings on engagement, relevance and content from the participants.

In the context of continuous improvement, big leaps were taken to enhance and standardise facilities across the organisation. Some of the key initiatives include launch of Health Club in Head Office, pick and drop staff van facility launched for all zonal sales office employees, revamp of cafeteria in Kabirwala factory, expansion of daycare facility in Sheikhpura factory and a policy

to support sites without a daycare was also implemented.

Some of our other key activities continued their journey of success in 2014, which include Corporate Employee Volunteering Program 'Mashal-e-Rah', successful launch of Global Employee Engagement Survey, strengthening the coaching network and maintaining industrial peace.

Organisational Development

HR's Organisational Development arm took several initiatives for the development of employees in the year of 2014. One such initiative was the Development Centre



Programme, which is a complete journey to help our employees grow into future leaders. The kickoff of our first Development Centre Journey was in September 2014 with an initial batch of 10 candidates from different departments. These candidates will be taken through a series of steps, inclusive of trainings, cross functional and international exposure to help gauge the experience and traits required.

Mentoring Wave II

After a successful pilot phase, the second wave of the Corporate Mentoring Programme was launched in September 2014, where we ensured a 50-50 split of male to female ratio as part of Gender

Balance. More importantly, we incorporated more nominations into the programme.

Mentoring is a structured relationship with clearly defined goals, roles and expectations. The Mentor, a senior executive at Nestlé, facilitates the development of the Mentee through advising, challenging and sharing of their expertise and skills.

In 2015, Human Resource commits to continue and deliver its role as a key strategic partner to our businesses.

Milk Collection and Dairy Development

Dairy Development teams have helped develop the capacity of 27 animal feed manufacturers in Punjab to produce cost effective nutritious and compliant cattle feed solutions in the shape of feed concentrate and compliant cotton seed pellets.



We collect milk from 190,000 dairy farmers with 3,500 milk collection and 3,300 chilling centres. Milk Collection and Dairy Development's (MCDD) commitment to the journey of continuous improvement took a leap forward in 2014.

The challenge was to supply best quality milk with sustainable sourcing at a competitive price, which was met because of the team's commitment and passion. Our focus on milk quality enabled us to deliver the lowest microbial level, minimal Mycotoxin level (toxin produced due to fungus in animal feed) and reduce milk rejections by 20% compared to 2013. As a result of our efforts and success in achieving minimal Mycotoxin level, the Mycotoxin Control Team was awarded the "STAR Team Award" in Maan Hamara Tum Se (Nestlé Pakistan internal awards).

In 2014, the Dairy Development team assisted more than 100 commercial dairy farmers and helped them cultivate silage on 4,500 acres. It helped our dairy farmers to minimise their fodder shortages and sustainable supply of milk to Nestlé.

The Dairy Development teams have helped develop the capacity of 27 animal feed manufacturers in Punjab to produce cost effective, nutritious and compliant cattle feed solutions in the shape of feed concentrate and cotton seed pellets. During 2014, more than 540,000 compliant concentrate feed bags were delivered at the farmers' doorstep.

The transition of milk collection transport agreements resulted in cost efficiencies, directly impacting our bottom line. Vehicle monitoring through tracking devices ensured

timely delivery of milk to factories. To further save time at the sub-centre level (from farmer to factory) a Single Minute Exchange of Dies (SMED) project has been initiated, which will be completed in 2015.

'Back to Base' initiative was implemented to increase our focus on small farmers. With the help of our Agri-Services and Dairy Hub 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.

Supply Chain

We launched our global initiative of Customer Facing Supply Chain through which we collaborated with sales teams and engaged our distributors to enhance their capabilities. This helped Nestlé to grow sustainably together with its business partners.

Our diverse Supply Chain function depends on various suppliers for the production of high quality goods. Manufacturing a range of food and beverage products means we procure a large variety of commodities from diverse locations.

Despite high volatility and uncertainty throughout this year, the Procurement team ensured supply of quality materials and services at competitive prices. The process to localise raw materials continued successfully, delivering savings and shorter procurement lead times. Seamless transition of transport contracts was another highlight of 2014, which was a result



of better negotiated, improved and progressive contracts of fresh milk transport.

The transformation of our warehouses, both for raw pack and finished goods, developing synergies in our operations and a

very efficient transport system were our key priorities. Our first ever Third Party Logistics Project Hubbing was successfully launched and integrated in our network.

We launched our global initiative of Customer Facing Supply Chain

through which we collaborated with sales teams and engaged our distributors to enhance their capabilities. This helped Nestlé to grow sustainably together with its business partners. The overall service levels increased maintaining top tier status with local and international key accounts.

Nestlé Continuous Excellence remained a key enabler for the acceleration of cost saving initiatives, problem solving and people engagement. Our LEAN initiative has now been extended to the entire value chain in 2014. One of the milestones we hope to achieve in 2015 is the setup of Education and Training in Supply Chain to develop our potential.

Technical

“Being Brilliant at the Basics” remained Technical’s key priority. The function continued to strive towards “Going for Zero Loss” in all five dimensions of Manufacturing Excellence: Safety, Quality, Cost, Delivery and Environment.



Technical and Production has played a vital role to drive growth in the market and create better outcomes for our customers and consumers through successful innovations and renovations and making the processes lean.

Our determined people continued their journey of Nestlé Continuous Excellence (NCE) practices, enabling us to deliver greater value to our consumers. Due to the strong implementation of Nestlé’s new Manufacturing Performance Measures, with a keen focus on Manufacturing Excellence, Asset Intensity of our production lines was improved by 500 basis points (5.0%), during 2014.

“Being Brilliant at the Basics” remained our key priority. We continued to strive towards “Going

for Zero Loss” in all five dimensions of Manufacturing Excellence: Safety, Quality, Cost, Delivery and Environment by sustainable and successful implementation of our NCE practices. We further enhanced the quality of our products while reducing consumer complaints, energy and water consumption to support our market in delivering competitive advantage.

A three-year Market Business Strategy was developed this year with a key focus on Safety, Health and Environment in order to prevent accidents and protect our people and environment. In 2015, we will make our operations more reliable and sweat our assets to deliver competitive advantage to our consumers. To enhance the quality of our products, we will focus on defect reduction projects and

strengthen compliance. To deliver Nutrition, Health and Wellness with high quality and competitiveness, we will also continue consumer centric Innovation and Renovation. We will continue to create shared value through dairy development. And to achieve all of the above, we will create a high performance culture through leadership development.

The factories are continuously working on development of their Human Resource through a structured approach, improving gender diversity in the team and building dedicated residential facilities for our female workers.

Sheikhupura Factory (SKP)

The Sheikhupura factory continued its journey of innovation and renovation by manufacturing and processing powder drinks, cardamom tea, Pasteurised milk in pouches and Orange-Carrot nectar as new products. The site team continued their success in the year 2014 while remaining focused on Safety, Health and Environment, Compliance, Excellence and Quality aspects.

The Sheikhupura factory successfully completed the construction of a new Quality Assurance Lab in July, 2014. The new centre is a two-storey building; the ground floor houses a chemical lab and the first floor has a microbiology section. The new analytical setup will help streamline the quality operations resulting in improved testing turn-around time.

For the first time in Pakistan, an Energy Target Setting exercise was conducted to explore energy potentials. It was organised by the



unification of diversified energy specialists from different companies and was assisted by Energy and Water Management CO-Eng. services, PTC Orbe and PTC Konolfingen. The focus areas were the mitigation of energy losses, improved efficiencies of system operations and capitalisation of new technologies.

Nestlé Sheikhupura Factory also successfully sustained its Nestlé Continuous Excellence Journey and LEAN expansion to all plants, keeping fully aligned with its business priorities and consumer insight.

Kabirwala Factory (KBF)

The Kabirwala factory continued its journey of Nestlé Continuous Excellence and all past improvements were successfully audited and sustained. In addition to sustainability, multiple new initiatives helped the factory improve its service levels remarkably. Focused improvement journey on LEAN value stream contributed significant savings to the business. In order to “Delight our customers” and deliver best quality

products, the factory was able to reduce quality complaints by more than 50% as compared to last year.

A new state-of-the-art bulk filling line for milk powders was installed to enhance milk handling capacity during the peak season. The MAGGI Noodles production line was also upgraded.



Port Qasim Factory (PQ)

2014 was the year of continuous improvement for Port Qasim Factory as the site demonstrated strong performance to enhance reliability of production lines and ensured timely product delivery according to the demand.

Through a comprehensive exercise to list down a number of water and energy saving opportunities, the site managed to implement majority of the initiatives and embarked on the environmental footprint positively.

In terms of quality, for the eighth consecutive year, the Port Qasim



factory sustained an excellent proficiency level in performing quality tests, which reflect the site's

commitment to manufacture quality products consistently.

Islamabad Factory

The Islamabad factory achieved a unique milestone by significantly increasing its in-house line capacity. With committed efforts in Leadership Development, Engineering Compliance and Goal Alignment, the factory is aggressively embedding the Nestlé Continuous Excellence culture.

The factory has been maintaining process release for the last six years and thus is able to directly ship from its premises. The facility is Nestlé Integrated Management System (NIMS) (ISO 22000, ISO 14001, OHSAS 18001, QMS 9001, PAS 220 and NQMS) certified.

The factory is leading in Global Focused Improvement (GFI) score in Nestlé Waters Zone Asia, Oceania and Africa thus putting considerable efforts to delight consumers and deliver sustainable business growth for Nestlé Waters.



Quality Control

We are sharing our experience of around 150 years in quality and food safety with our stakeholders across the value chain to develop and train them on similar management systems at their ends.



Quality and food safety are an integral part of Nestlé Corporate Business Principles, which support us in making Nestlé a trusted brand. Nestlé's vision can be best described in the words of our Global CEO, Mr. Paul Bulcke: "It is Quality that drives Trust".

We are sharing our experience of around 150 years in quality and food safety with our stakeholders across the value chain to develop and train them on similar management systems at their ends. These initiatives are helping to transform quality systems at our suppliers, distributors and retailers' end thereby safe-guarding the consumer. We are also working with suppliers of fresh milk and other raw materials

to support rural communities in the implementation of globally recognised "Good Agricultural Practices" at the farm level, which are not only enhancing the quality of life of rural people but also providing a competitive advantage.

Strong Quality and Food Safety systems under Nestlé Quality Management Systems (NQMS) and Nestlé Food Safety Management System (NFSMS) together with certification in international standards like Food Safety System Certification (FSSC 22000) and ISO 9001 are playing pivotal role to ensure Quality and Food Safety in our processes.

Quality Assurance labs at our manufacturing sites are accredited for ISO 17025, which has further helped us strengthen the authenticity of our product inspection services. We have developed a new state-of-the-art Quality Assurance Laboratory at the Sheikhpura factory which is well-equipped to support analytical requirements of our market.

Nestlé fully believes that consumer trust can only be ensured through delivering quality and we will keep evolving our quality and food safety management systems to fulfill this promise.

Nestlé Continuous Excellence

Strengthening alignment, engagement and empowerment across the organisation, operational reviews are now part of our organisational fabric and the key platform for our teams to review and take quick decisions.

Nestlé Continuous Excellence (NCE) builds competitive advantage by changing our peoples' competency levels, engaging them and bonding them as one team. This winning team in turn drives competitive advantage through improved quality, reduced costs and faster speed to market.

Strengthening alignment, engagement and empowerment across the organisation operational reviews are now part of our organisational fabric and the key platforms for our teams to review and take quick decisions. They enable us to review our performance in a transparent manner, pick-up on emerging trends and put in place contingency plans to manage business results in a volatile and uncertain market place. These reviews help us cascade information and decisions, up, down



and across the organisation like a well-integrated nervous system. Our operational reviews, spanning from the Head Office to the top 90 distributors, are now a critical building block and an integral part of how we operate; with transparency, speed and 100% engagement.

Driving consumer centricity across the value chain

Followed by the Nestlé FRUITA VITALS and Nestlé MILKPAK, this year the Nestlé NIDO and MAGGI teams embarked on an ambitious journey to understand what their consumers and customers really value and how they can eliminate gaps across every part of the value chain to gain sustainable competitive advantage.

The learnings have given us a road map on how to strengthen our business over the coming few years.

War on Waste

The focus this year has been on driving the 'War on Waste' mindset across the organisation. Through a variety of structured improvement initiatives, we have been able to sweat our assets, drive cost down and reduce lead time for improved speed to market. These savings have been ploughed back into our brand building activities to reignite growth.

We now have two business, Juices and Dairy, that are on the LEAN Journey and have a structured programme to continually eliminate waste across the value chain.



Finance & Control and GLOBE

While believing in “Winning through People”, we focused on young talent development and 2014 was the year of highest number of internal movements and external recruitments. We also continued our focus on workplace diversity.



During 2014, Finance and Control (F&C) focused on internal control, leadership development and sustained performance through goal alignment practices. An improved mindset and challenging the status quo helped us identify the hidden waste in our processes and brought saving opportunities across the value chain.

F&C's key success contributors were:

- Alignment with businesses and F&C functional strategies
- Trust and ownership at all levels of the organisation

- Stewardship on governance, risk management and compliance
- Improvement in Monthly Business Planning process
- Increased focus on value creating activities

These capability and strategic initiatives enabled the F&C team “to drive sound business decision making and innovative planning to optimise profitable growth, free cash flow and total return to shareholders”.

During 2014, we saw significant improvement of Target Free Cash Flow through:

- Distributors' and vendors' financing initiatives
- Driving efficiency through optimum utilisation of fixed assets
- Total Deliver Cost initiatives resulted in improvement of our margins

Lean stock covers of raw and packaging material and reduction of trade debtors' balances improved effectiveness of working capital. Last year, we reviewed the potential risks and opportunities through Enterprise Risk Management process to identify gaps and took corrective action accordingly.

Sales

Strong execution capabilities combined with better planning processes helped the team to offset the negative impacts and continue to stand tall amidst trying situations.

In 2014, the team continued its focus on “winning in-store” by focusing on being brilliant at the basics in Sales. This focus allowed the team to tackle uncertainty in the marketplace and deliver on its monthly targets. Strong execution capabilities combined with better planning processes helped the team to offset the negative impacts and continue to stand tall amidst trying situations.

Winning With Shoppers – Channel and Category Sales Development

Channel and Category Sales Development (CCSD) continued to play its role in developing Channel/ Shopper insights and driving the commercial functions in achieving business objectives. In-line with Nestlé Pakistan’s spirit of being



Brilliant at Planning, the Monthly Sales Review process was revamped by developing a robust tracking and monitoring mechanism, which has not only helped in

improving forecasting accuracy but has also earned recognition from Nestlé Global Management.

CCSD took robust initiatives to strengthen the visibility and availability of Nestlé brands in the marketplace. The best merchandising practices were rolled out across the market, thus bringing in a lot of standardisation and uniformity in product displays and promotional material execution. In-Call Execution (ICE) training was also launched in Pakistan, with the objective of equipping our sales team with the knowledge and skills to excel at the Point of Purchase. The training module has been tailored to the local needs by designing new channel architecture and establishing channel-wise Picture of Success for all Nestlé brands. ICE trainings will continue



through 2015 with a single-minded focus of providing a pleasurable shopping experience.

To further enhance our knowledge base on shoppers, various shopper insight sessions were conducted on major categories for the first time in Pakistan. The findings were locked into actionable insights as a foundation for next year's plans besides being disseminated to all relevant stakeholders to ensure that all efforts are aligned to enhance the category understanding.

Key Accounts - Delighting Shoppers through Execution Excellence

Evolving changes in consumers and shoppers' habits and rapidly growing businesses of international and local modern trades have been a focal point of the new reality that Nestlé

foresees in Pakistan. A modern trade channel offers the ideal platform to connect with relevant consumers by offering the perfect shopping experience and also acts as a launch pad for innovation, to capitalise on which Nestlé believes in concerted working affiliation with modern trade customers.

In 2014, keeping in view the philosophy "Customers and Consumers are at the heart of Nestlé", a number of successful "Mega Events" (Choose Wellness, Choose Nestlé, Delighting the Nation, Flavours of the World – Beverages, Dairy event and NESCAFÉ festival) focusing on Nutrition, Health and Wellness, brand building and rewarding our loyal consumers / shoppers were organised in collaboration with International and local Customers. The execution of "Choose Wellness,

Choose Nestlé" (CWCN) campaign with a purpose of raising the nutrition and health awareness amongst Pakistani families was well received by shoppers, consumers and customers.

Considering that Modern Trade is in its early stage in Pakistan, Key Accounts Department is constantly striving towards intuitive point of purchase communiqué, investing in the right areas with our associates and working for a common goal of profitable, mutual and sustainable development, as it has helped in instituting Nestlé as one of the preferred business partners.



Consumer Communication

To drive consumer centricity the Consumer Insight and Market Research team continued its endeavours to get better and deeper understanding of the consumers to ensure that they become brand partners in all kinds of developmental work.



The vision of the Communications function at Nestlé is to drive consistent and world class consumer and shopper experiences that contribute to build competitive advantage for our brands delivering strong business results.

Living up to this vision, the department put in all efforts to embrace consumer centricity by fully understanding our consumer, understanding their needs and wants while amplifying meaningful product truths that bring in a positive

impact in their lives. This ultimately leads to the creation of engaging and rewarding brand experiences for our consumers beyond consumption and shopping.

To drive consumer centricity the Consumer Insight and Market Research team continued its endeavours to get better and deeper understanding of the consumers to ensure that they become brand partners in all kinds of developmental work. Therefore, this year saw an enhanced focus

on consumer validation across the communication development work. The team successfully led six insight generation workshops, which have become recognised as a global best practice. There was also a wealth of knowledge accumulated through segmentation studies and various other packaging and pricing studies for innovation and renovation projects along with an increased emphasis on foresight to support businesses with long-term brand strategies.



Understanding and responding to the dynamic shift in the use of digital and mobile, Nestlé Pakistan set up Digital Acceleration Team (DAT) in 2014, to support our business teams to lead in digital with meaningful content that is unique and also generates earned media. These efforts resulted in best-in-class campaigns like Pakistan Safe Milk Movement and NESCAFÉ Basement, leading to extra-ordinarily high engagement and earned media. In 2014, we also started small with Mobile, led by the Nestlé MILKPAK brand, but with very strong results. The local DAT facility boasts the best in-house listening tools that monitor online consumer conversations. A DAT Mentor programme was also introduced as

part of our local initiative where the young digitally savvy employees participate in reverse mentoring of the senior leadership team. Along with this, the Consumer Care team remained committed to build Trust for Nestlé through our 24/7 toll free Nestlé NAATA hotline. Every contact is an opportunity for the Company to listen to our consumers with care.

The team is driven to push forward the Nestlé Creative Excellence Imperative challenging our creative, avoiding playing it safe, moving away from mediocrity and continuously striving for ultimate creative excellence while keeping the consumer at the heart of everything we do.



Good Food, Good Life®

Good to remember
MILKPAK is guaranteed free from preservatives and harmful chemicals.

Nutrition Information	Average Per 100ml	Average Per 250ml (Serving)	% GDA* Per Portion
Energy (kcal)	62	155	8%
Fat (g)	3.6	9	13%
of which saturates (g)	2.3	5.8	29%
Carbohydrates (g)	5.2	13	5%
of which sugars (g)	5.2	13	14%
Fiber (g)	Traces	Traces	0%
Protein (g)	2.2	5.5	11%
Sodium (g)	0.09	0.23	12%
NRV**			
Calcium (mg)	100	250	25%
Vitamin A (IU)	177.6	444	17%
Vitamin D (IU)	13.6	34	17%

*Guideline Daily Amounts of an average adult (8400kJ/2000kcal). Pack contains 4 portions. Portion should be adjusted for children of different ages.
**NRV: Nutrient Reference Values, Codex Alimentarius

Good to talk:
NESTLÉ NAATA
24/7 Toll Free: 0800-62282 (0800-NAATA)
Email: NAATA@pk.nestle.com
www.nestle.pk

Scan to learn more about the nutritional, environmental and societal aspects of this product.
<http://qr.Nestle.pk/milkpak1>

NUTRITIONAL COMPASS®
® Reg. Trademark of Société des Produits Nestlé S.A., Vevey, Switzerland.

Nutrition, Health and Wellness

Nutrition, Health and Wellness is Nestlé's competitive edge and a key driver for sustainable growth. Health and wellness are growing in importance and the ways consumers connect to health and wellness through food and beverages are changing.

Our aim is to enhance the quality of life by bringing nutrition to all consumers, wherever they are in the world.

The Leader in Nutrition, Health and Wellness

Nutrition, Health and Wellness (NHW) is Nestlé's competitive edge and a key driver for sustainable growth. Health and wellness are growing in importance and the ways consumers connect to health and wellness through food and beverages are changing. Consumers expect their foods and beverages to deliver both taste and health. This is why Nestlé's commitment to deliver nutrition in a consumer relevant way also means that "taste" is the key.

Authenticity and Transparency

Nestlé places high priority on providing consumers with information on how to make informed dietary choices. Nestlé has introduced, worldwide, the Nutritional Compass to guide consumers on the path to Nutrition, Health and Wellness.

We believe that nutrition information should be available on food labels and that it should be science-based, transparent, responsible and informative. Most importantly, it should empower consumers



to make dietary choices that can contribute to good health. In Pakistan 100% of our packs contain Nutritional Compass®.

As part of building trust in Nestlé corporate and product brands, Nestlé is 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 they will ingest when they consume our products.

Improve our Reality

As the leading NHW Company Nestlé not only drives continuous improvement in the nutritional profile of our brands but also strives for innovations that have strong NHW propositions. Nestlé Pakistan made significant progress in 2014. As many as 93% of our product portfolio comprises of brands that are compliant with Nutrition Foundation (NF) whereas in 2015 we aim at having all our brands to have a 100% NF compliant status.

NF is achieved when the product reaches adequate levels for total energy, public health sensitive nutritional factors and category specific nutritional contributions (like calcium in dairy products).

Promote Healthy Lifestyles

Nestlé believes that the lack of right knowledge causes consumption of food with low nutritional value that contributes to the vicious cycle of malnutrition. The key to our success as the leading NHW Company is ensuring that we equip our employees with sufficient nutritional knowledge.

This year, our Nutrition Quotient (NQ) Programme successfully reached 100% of our permanent employees who went through the NQ Foundation Module and are now equipped with the basics about nutrition.

The advanced workshops designed for product development and communication teams helped them take the next steps towards the alignment of the NHW strategies for each business.

The NHW team specifically organised a Health Awareness Week for all Head Office employees

during the month of August with a focus on healthy lifestyle tips and basic health checkups.

Women being a vulnerable segment of our society, Nestlé Pakistan organised a session for all its female employees on women health. A renowned gynecologist delivered a lecture on common health issues of Pakistani women and provided tips to all participants on healthy and happy living.

Telling our Story

Nestlé Pakistan launched its first ever “Choose Wellness, Choose Nestlé” (CWCN) multi-brand campaign in August. The pilot’s scope was limited to Lahore and amplified mainly through digital and outdoor media.

This activity was the first of its kind where a corporate brand reached out to consumers through qualified nutritionists. In this activity, each consumer who wanted to participate underwent a series of basic health checks including Body

Mass Index, Blood Pressure and Bone Mass Density checks followed by a counseling session based on their health status. The activity also featured a Parenting Centre, guiding concerned parents on the right nutrition for their children. This activity interacted, on average, with 2,700 consumers a day.

Our first activity was also attended by our global CEO Mr. Paul Bulcke and Mr. Nandu Nandkishore, Head of Zone America, Oceania and Africa during their visit to Lahore.

Encouraged by the appreciation and success of this pilot, we plan on making CWCN bigger, bolder and better in 2015.



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 is 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 190,000 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 a fast-paced journey, she can easily forget about her own wellbeing. 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 placing on itself the onus of taking care of their bones. Not just high in Calcium, it has a proprietary formula that helps lock calcium in their bones. With less than 1% fat, Nestlé NESVITA supports consumers to live an active and healthy life, so that they are not held back moving forward.



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

Life's successes and failures are largely determined by the choices we make. 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 almost 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 Center in Switzerland has developed Nestlé NIDO FORTIGROW to meet the specific needs of school-going children between 5-12 years of age. In addition to the goodness of safe and high-quality milk, 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 of 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 the Pakistani culture and everyday life 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 the 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 every time.

Chilled Dairy



NESTLÉ YOGURT SWEET 'n' TASTY

Nestlé YOGURT SWEET 'n' TASTY was launched in 2000. 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. Nestlé YOGURT SWEET 'n' TASTY offers the goodness of pure dairy along with the digestive benefits of active live cultures. Whenever mealtime seems incomplete, the delicious Nestlé YOGURT SWEET 'n' TASTY lightens up the dining table and brings a smile to everyone's face.



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 the 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 fiber 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 his/her family. This is where the heritage of trust and quality associated with the MILKPAK brand provided an opportunity for Nestlé's Chilled Dairy business to provide the ideal solution. Nestlé MILKPAK YOGURT was launched in 2013 as the hygienic alternative to loose yogurt and has quickly gained popularity as such. Consumers now have one less reason to worry about when it comes to the safety and health of their loved ones.

Nestlé Juices



NESTLÉ FRUITA VITALS

Nestlé FRUITA VITALS is our premium range of fruit nectars and drinks for today's young and dynamic consumers. A class apart, Nestlé FRUITA VITALS juices are made from pulps sourced directly from the best fruit gardens from around the world to ensure the ultimate premium juice experience.

This year, we continued our NHW journey by launching ORANGE CARROT, which has the lowest calorie count per serving amongst all Nestlé FRUITA VITALS products. The launch was received very well by the consumers.



NESTLÉ NESFRUTA

Nestlé NESFRUTA is our mainstream range of fruit drinks. Launched in 2011, the brand has grown tremendously over the past four years. Light and refreshing, the product is tailored to suit the local palette.

This year we launched a new mango recipe with a 70-30 win against key competition along with the re-launch of the litre pack in prisma packaging.



Beverages



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

Nestlé MILO contains PROTOMALT, a special malt extract made from malted barley (Jau). It stands for the everyday victories that lead to life-long 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 and an essential element for life, we think that it deserves extra special attention.



DAILY HYDRATION

Hydration is one of 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.

THE HEALTHY HYDRATION BRAND

Nestlé PURE LIFE is the world's number one bottled water brand with the 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 favorite healthy beverage option for Pakistani consumers.

NESTLÉ PURE LIFE PROTECT

Keeping consumers' Nutrition, Health and Wellness at the heart of all of its initiatives, Nestlé PURE LIFE launched its first fortified water, Nestlé PURE LIFE PROTECT, with Zinc that is scientifically proven to support the immune system, along with many other benefits.



Nestlé Coffee

NESCAFÉ – the global coffee brand is synonymous with coffee in Pakistan. NESCAFÉ is a pioneer in coffee with generations of loyal consumers throughout the world.

NESCAFÉ has become the no. 1 coffee brand in the world primarily because of 75 years of breakthrough innovations and a solid commitment to enhancing the quality of NESCAFÉ experiences for millions of consumers every day. Whether you like your coffee black, creamy, frothy or cold, we have the perfect offering for you. So enjoy NESCAFÉ to lift your mood and revive your senses.



The all new NESCAFÉ 3in1 lets you make coffee easily with just the right balance of coffee, milk and sugar. Kick-start everything with a great tasting creamy and frothy cup of NESCAFÉ 3in1.



The smooth and rich taste of NESCAFÉ CLASSIC with its bold and uplifting flavor is a perfect recharge at all times.



The silky smooth and refreshing NESCAFÉ CHILLED LATTE is your answer to all your summer woes. A perfect treat, this velvety blend of coffee and milk is a perfect drink to sip while chilling out with friends.

Confectionery



Nestlé CRUNCH is a great tasting cereal snack made with wholesome ingredients and delicious Nestlé chocolate. Nestlé CRUNCH was launched in 2013 in two flavours; chocolate and chocolate-orange with the idea to add fun to everyday moments. Manufactured in our Kabirwala Factory, Nestlé CRUNCH marks Nestlé Pakistan's first step in building a Confectionery business. In 2014, the brand was extensively activated at trade and various other consumer touch points to build a deeper bond with the consumers.

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 fiber, 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 MILO 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 FITNESS 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



Staying true to the promise of “Taste Bhi, Health Bhi”, MAGGI has made its portfolio more exciting for consumers with a limited edition Spicy Chicken Tikka flavour that has been recently launched following the success of MAGGI Chatpata flavour in early 2014.

In its journey to expand Noodle consumption in Pakistan, MAGGI has been reaching out to hundreds of thousands of consumers throughout the year with on-ground sampling of warm and delicious MAGGI Noodle moments.

Furthermore, hundreds of mothers have attended MAGGI cooking classes learning new ways of cooking tasty and healthy MAGGI Noodle dishes.



Infant Nutrition



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 as the best weaning option in Pakistan.

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. After the introduction of Bifidus BL in the cereals, Nestlé CERELAC also extended the benefit of strengthening natural defences of babies. 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.

Launched in 2013, Nestlé CERELAC's range for one year olds is especially formulated keeping children's growing nutritional requirements in mind. It has bigger fruit chunks, multi-grain nutrition

with a thicker texture and Bifidus BL to provide optimal nutrition at this age and also help strengthen the child's natural defences.

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 Formula* and Maternal Nutrition

Nestlé continued to offer the most scientifically advanced infant formula formulation. LACTOGEN is the flagship brand of Infant Formula for Nestlé Pakistan. NAN is another infant formula, whose portfolio



was expanded by launching NAN 3 in September 2013 to extend the benefits to children over one year of age. Pediatric specialties range comprising of formulations including AL110, Pre-NAN and LACTOGEN RECOVER continue to provide nutritional solution to infants with specific nutritional requirements.

Nestlé also entered into the maternal nutrition category with MOM&me, a specialised pregnancy and lactation milk supplement for moms and moms-to-be, an effective mean to support maternal and fetal health as well as promote breast feeding, which is our commitment.

**Breast milk is best for babies.*

Nestlé promotes mother's milk in all its communication to 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 formulas. 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.

Nestlé Professional



Nestlé Professional aims to be an inspiring growth partner for its Out of Home (OOH) operators and strives to deliver creative, branded food and beverage solutions enabling the operators to innovate and delight their consumers.

2014 was a successful year for Nestlé Professional with strong double digit volume growth and continuous improvement in the bottom line.

The key contributing factor to the promising results was the business ability to offer a basket of products and solutions that fulfilled the requirements of the OOH operators. This was further strengthened by introduction of new beverage products and increased investment behind the vending solutions apart from driving numeric and geographic reach.

Even though the rising costs of the raw materials had an impact on cost of production, the business was able to respond to this by efficiently managing the portfolio mix apart from bringing efficiencies in the entire value chain.



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