

MOST RESPECTED

ENTITIES IN SRI LANKA



THE TOP 100

**How and why they are the most admired
AND Why the world is their oyster**

MACKWOODS



Dr. Chris Nonis
Chairman

SELECTIVE DIVERSIFICATION

Mackwoods Group continues to pursue its diversification strategies to create value for its stakeholders and society at large.

Q: What are your company's key strengths – and weaknesses, if any?

A: A defining strength of Mackwoods lies in its 167-year-old heritage – which reflects stability, integrity and resilience in the face of adversity – underpinned by a consistent strategy of selective diversification within our areas of expertise; our continuous drive towards expansion of international trade; and pursuit of value creation and innovation-led growth, thereby ensuring our long-term sustainability.

In addition, Mackwoods epitomises a unique corporate model of positive growth spanning the 19th, 20th and 21st centuries – and, today, is a conglomerate of several companies engaged in key sectors of the Sri Lankan economy: namely health care (pharmaceuticals, medical equipment, scientific and laboratory equipment); agribusiness and plantations (tea, rubber and oil palm); ICT education and software development; imports and exports; industrial machinery and equipment; industrial chemicals; energy sector; leisure sector; and manufacturing sector. We provide employment to nearly 9,500 individuals and manage a land base of over 27,000 acres.

Being a family-owned company, Mackwoods has been led by successive generations who have all been professionals in their own right, and have consistently pre-

served the principles and family values of the group. This is also borne out by the commitment and dedication of our employees at all levels, who have played a pivotal role in our progress.

However, in the context of today's competitive globalised environment, developing economies such as ours are severely affected by global issues. A particular challenge is the current financial turmoil arising from rapidly escalating oil and food prices. Further challenges we face as a corporate are the adverse effects of domestic macroeconomic factors – including high inflation, interest rates, cost of utilities and operating costs – and cyclical trading patterns.

At the same time, there is a compelling need to evolve a transformative and inclusive peace process, if we are to develop a conducive environment that will enable all communities in Sri Lanka to reap the dividends of economic growth.

Q: How have these elements impacted on your company's performance?

A: These elements have enabled the group to mitigate risk, and broad-base our revenue and profit streams, enabling us to deliver a reasonable performance – notwithstanding the challenging business environment during this period.

Q: How would you assess your company's specific performance in terms of goals set and targets achieved?

A: The business model adopted by Mackwoods – that of a diversified and balanced portfolio – has contributed to most sectors within the group achieving progress against key performance indicators: including growth targets, contributing to consolidating our core businesses and laying a platform for sustaining future growth. For example, Agalawatte Plantations – the quoted company within the group – achieved a record performance, with the highest ever turnover and profit in its history.

Our strategy of selective diversification-led growth aimed at further broad-basing our revenue and profit streams, and integration along the value chain, saw considerable progress with our re-entry into the leisure sector. There was also successful value creation and international brand-building initiatives during the year.

Q: How would you assess existing as well as potential market opportunities? What threats, if any, do you perceive to your company and the sector?

A: In today's context of globalisation, myriad opportunities exist in the global marketplace. The task throughout all our



MACKWOODS

OVER 165 YEARS OF EXCELLENCE

www.mackwoods.com

MEDIA SERVICES PHOTOFILE (MACKWOODS)

sectors, however, is to focus and leverage on our core competencies; always seek to create value in every business and with each employee; drive business through technology and innovation; and constantly pursue competitive advantage.

Q: What achievements has your company enjoyed in the year past?

A: In the year under review, we continued to achieve benchmarks of excellence – both local and international; but where we derive greater satisfaction is in the knowledge that our activities have had a positive impact on the lives of our people.

Q: What impact will the inclusion of your company among the MOST RESPECTED have on your future business prospects?

A: Our inclusion in the MOST RESPECTED ranking, with LMD being a corporate magazine with a broad reach, will provide exposure and raise awareness of our corporate philosophy, strengths and strategy; and serve as a reference point.

Q: What are your company's plans for the future?

A: Our strategy will continue to be one of continuous development and consolidation of our core business through commit-

ment to quality, productivity improvement and fiscal prudence, while concurrently pursuing diversification initiatives that will create value for our stakeholders in particular and society at large.

Q: What type of CSR activities has your company engaged in recently and how do you think this may have impacted on how it is perceived?

A: We pride ourselves in the fact that the Mackwoods Group formalised its corporate philanthropy by establishing a charitable fund – the Mendis-Mackwoods Charity Fund – over 25 years ago... long before the concept of CSR became a cor-

porate imperative. This fund was the initiative of my grandfather, the late N. S. O. Mendis, with a focus on the upliftment of the poor and marginalised at grass-roots level in society. This work was significantly expanded by my mother, the late Sriyani Nonis, who was deeply committed to social and welfare initiatives, and my sisters and I have further established the Sriyani Nonis Charitable Trust in her memory.

Recognising the imperative of bridging the urban-rural divide, our rural IT and English-literacy centres in partnership with the Mackwoods Research Foundation, enable our communities to harness the benefits of a knowledge economy.

KEY PERSONNEL

Dr. Chris Nonis
Chairman
Mackwoods Group of Companies



1983. Qualified in London, with a first-

B.Sc. (Hons.) (London), MBBS (London), MRCP (UK), Chairman of the Mackwoods Group of Companies. First appointed to the Board of a Mackwoods Group company in

class honours B.Sc. from Imperial College of Science, Technology and Medicine, receiving the H. A. F. Dudley Prize for the best overall performance in the B.Sc.; MBBS from the Royal Free Hospital Medical School, University of London, having spent electives at Massachusetts General Hospital – Harvard Medical School (Boston, US). Vice-Chairman and Trustee of The Royal Commonwealth Society headquarters (London) and one-time advisor to the WHO.