



Built to last



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## COVER RATIONALE

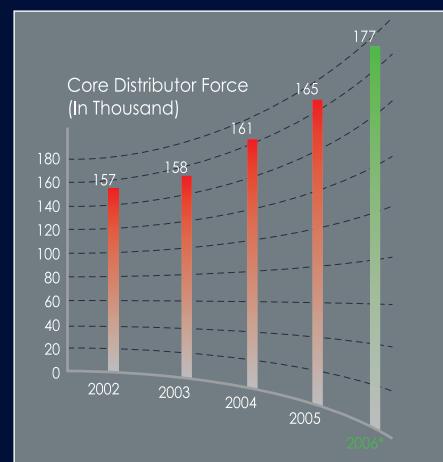
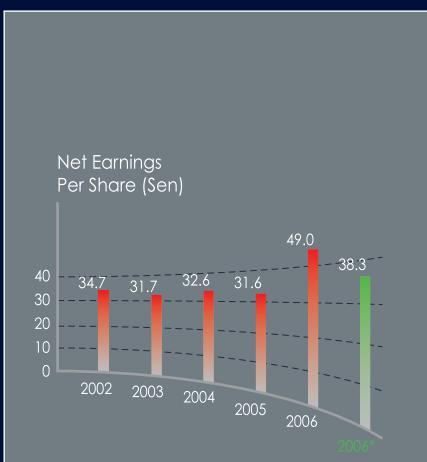
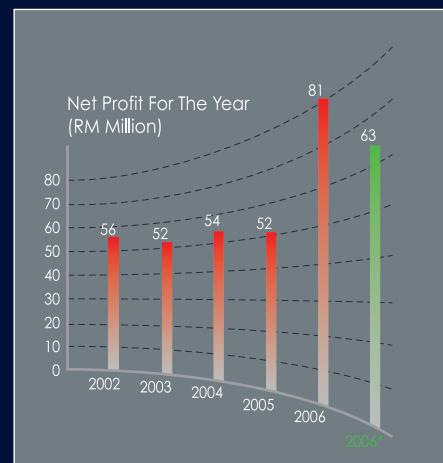
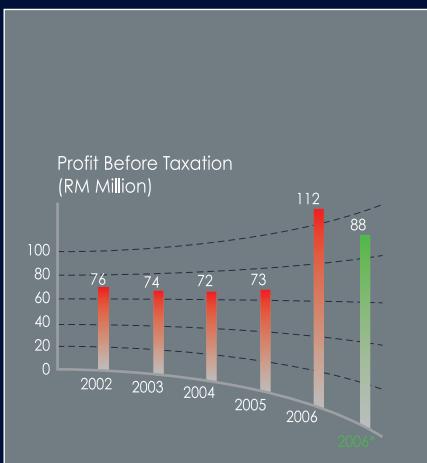
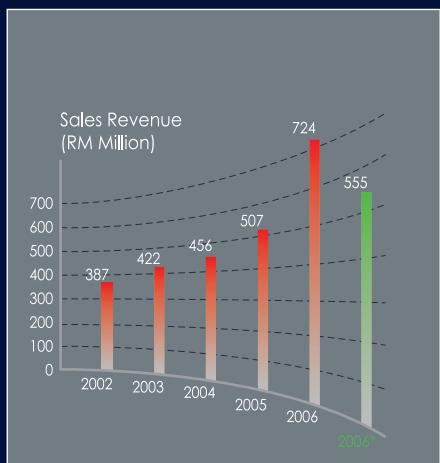
Year after year, for the last 30 years, we've been working to better our best. That's what leaders do. We strive to set the standard for others. While we may look different on the outside but we're the same on the inside. We're built upon quality products, hope for people from all walks of life looking for that something special, partnership with our distributors and most important of all, integrity. Simple values that have built the solid foundation for Amway to last, long after all else have passed through.

We're 30 and growing bigger and stronger, everyday.



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## 5 YEAR FINANCIAL HIGHLIGHTS



	2002	2003	2004	2005	2006	2006*
Sales Revenue (RM Million)	387	422	456	507	724	555
Profit Before Taxation (RM Million)	76	74	72	73	112	88
Net Profit (RM Million)	56	52	54	52	81	63
Net Earnings Per Share (Sen)	34.7	31.7	32.6	31.6	49.0	38.3
Core Distributor Force (In Thousand)	157	158	161	165	N/A	177

2002 - 2005 - Results for financial years ended 31<sup>st</sup> August.

2006 - Results for the 16-month period from 1<sup>st</sup> September 2005 to 31<sup>st</sup> December 2006.

2006\* - Results for a 12-month period from 1<sup>st</sup> January 2006 to 31<sup>st</sup> December 2006.

# CHAIRMAN'S STATEMENT

DEAR SHAREHOLDER



Your Company's 30<sup>th</sup> anniversary in Malaysia provided the backdrop for a financial period that exceeded expectations and pushed the boundaries to reach record sales again. The Company's ability to achieve growth in 27 out of 30 years in a mature market environment is a testimony of the resilience and viability of the Amway business.

I am pleased that in my first report to you as Chairman, I am able to share the good news about the Company's stellar performance and more importantly, to reaffirm the leadership position that the Company maintains in Malaysia's direct selling industry.

Having passed the RM500 million revenue mark in FY05, the strong momentum carried forward into the period in review. With the Company's focus on increasing Distributor productivity through heightened retailing and sponsoring activities, the Company put in place programmes to support this effort with new product launches, creative promotions, better services and facilities, an enhanced Sales Incentive Programme (SIP) and Non-Cash Awards (NCA) especially in conjunction with the 30<sup>th</sup> Anniversary.

As a result of the recent change in the Company's year-end from 31<sup>st</sup> August to 31<sup>st</sup> December, this report will encapsulate activities and results of a 16-month period, from 1<sup>st</sup> September, 2005 to 31<sup>st</sup> December, 2006.



▲ 30<sup>th</sup> Anniversary Corporate Ads



▲ 30<sup>th</sup> Anniversary Commemorative Premiums



## RESULTS

For the 16-month period ended 31<sup>st</sup> December, 2006, your Company chalked up RM723.7 million in sales revenue. Profit before tax was RM111.8 million while profit after tax was RM80.6 million. There is no basis for comparison this year as it is a one-off anomaly resulting from the change in the year-end.

However, for future benchmarking, sales revenue from January 2006 to December 2006 was recorded at RM554.8 million, resulting in profit before tax of RM87.5 million and profit after tax of RM63.0 million. These references are provided because of the change in year-end which will see future financial periods ending on 31<sup>st</sup> December.

The last annual report stated that the Company's strategy over the last few years was to invest in enhancing the awareness and value of the business opportunity and products. This strategy exerted pressure on the margins in the short term, a necessary move to protect our market share. I am pleased to share with you that these initiatives have paid off. The period in review stayed on course with these investments which included new products and promotions and an enhanced SIP specially designed in conjunction with the 30<sup>th</sup> Anniversary. As a result, the Company achieved strong sales revenue growth.

For the 16-month period, I am glad to announce that the Board of Directors is recommending a fifth quarter interim dividend of 7.5 cents per share, giving a total gross dividend of 60 cents for the whole period, including a special dividend announced in the third quarter of 20 cents, of which 10 cents was tax-exempted. This will amount to a total pay-out of RM75.7 million net of tax.

## OPERATIONAL OVERVIEW

30<sup>th</sup> Anniversary-related activities dominated the landscape for the period in review which heightened the excitement level of the Distributors, leading to the seventh consecutive year of increased Distributor productivity. The Company organized a few major events such as the 30<sup>th</sup> Anniversary National Convention which drew a record crowd of 40,000 and a 2-day Product Exposition which attracted 18,000 visitors. New product launches and attractive product promotions provided impetus to the retailing activities of the Distributors while the ground-breaking ceremony for the new Headquarters heightened the excitement level as the promise of better and larger facilities became a strong growth catalyst. Operational details will be outlined further under the Operations Review in pages 11 to 19.

## AWARDS AND RECOGNITION



Corporate governance is an important priority at Amway, and we are focused on continuous improvement in pursuit of the highest standards of ethics, compliance and transparency for the betterment of our company and brands and in the best interest of our employees and shareholders.

Over the last few years, Amway has been recognized for its commitment in the area of corporate governance and last year, Amway was again the recipient of an award in Finance Asia's Best Managed Companies Poll when it ranked 7<sup>th</sup> in the category of "Best Commitment to Strong Dividends". Amway was also ranked 10<sup>th</sup> out of the top 100 companies in terms of creating shareholder value in the KPMG Shareholder Value Awards 2005. Another feather in the cap for Amway was the conferring of the BrandLaureate Award 2006-2007 in the Direct Selling Category which solidifies its position as the leading direct selling company in Malaysia. The first regional brand award from Malaysia, the BrandLaureate Awards are conferred on the best brands in the region.



## CORPORATE SOCIAL RESPONSIBILITY



A company's financial performance is an important measure by which we are judged, but it is no longer the only measure. Amway Distributors, our business partners, the government and the community in which we do business and the general public expect more of us. As one of the largest direct selling companies in Malaysia, we are being held to an increasingly higher standard of behaviour. One of the most visible areas is our contribution back to society.

In 2003 when your Company initiated the campaign to help children develop better self-esteem and positive mental health, our aim was to touch children's lives One By One, which is also the global theme for Amway affiliates the world over in the area of community work. The years following that, including the period in review, saw both Amway staff and Distributors giving their time and commitment to helping nearly 1,000 children achieve happier, healthier minds through workshops and camps facilitated by a team of child psychologists. Taking the cue from the words of Amway Corporation's President Doug DeVos who said that "We have been providing people around the globe with help, hope and opportunity...but we can – and must – do even more," we did just that. In 2006, we embarked on another project albeit in the same area of children's mental health by undertaking to refurbish the Children's Day Care Wards in six government-run hospitals over a three-year period. We have refurbished two hospitals so far, and by 2008, Amway will have six Happy Healthy Wards under which children patients can recover in a more conducive environment.

There are great stories to share - how a seven-year old orphaned girl was able to learn how to feel better about herself and her friends, in turn, giving her the confidence to want to rise above her situation; or how the 10-year old Thallasemia boy was able to pass the four hours away at the hospital for his blood transfusion being surrounded by a more cheerful environment. We should be more aggressive about telling our story, and we have, through our Distributors and the media. We have dedicated pages 18 and 19 in this year's annual report to our CSR efforts to reinforce our company's emphasis on helping people live better lives.

## OUTLOOK

When the early signs of tightening consumer spending crept into the economy during the financial period, the Company had to adopt a balanced approach to the business. We needed to keep the field excited through new product introductions and promotions as well as sustain the attractiveness of the rewards and recognition for Distributors, while finding ways to drive cost out of the business through more efficient and focused operations, which we did.

Although consumer spending was weak, we remain cautiously optimistic that with easing inflation and stable interest rates, overall consumer sentiment will improve this year. However, it will still be a year that needs continued vigilance as the projected slowdown in the global economy, particularly those in the industrialized countries, can impact our own economy. Your Company will continue to exercise a cautious approach to managing our costs and resources, yet at the same time put in place the necessary initiatives and programmes to support Distributors in their efforts to retail and sponsor.

Despite the challenges ahead, we are already approaching the new year with resolve. We will draw our strength from the core competencies that drive our business: a good range of products, resilient Distributors and a commitment to innovation.



## APPRECIATION

By any measure, the last financial period was a good one for Amway. And collectively, many different groups of people played their parts to make it happen. I'd like to pay tribute to the Distributors for their loyalty and partnership to the Company which form the very solid foundation upon which the continued success of this Company depends on. To the staff, I salute their singular devotion to achieving the Company's aspirations. I'd like to also thank the Company's business partners for their continued support. Last but not least, I'd like to thank my fellow Board members for their guidance and commitment to the Company.

We have achieved much after 30 years and while we celebrate our success, we need to embrace the future. There is still a great amount of work to do. I have every confidence that our team of people will take Amway to an even higher level of growth and performance.



**DATO' AB. HALIM BIN MOHYIDDIN**  
Chairman

30<sup>th</sup> Anniversary Congratulatory Ads from  
Business Partners

# PENYATA PENGERUSI



## PARA PEMEGANG SAHAM SEKALIAN



Ulang tahun Ke-30 Syarikat anda di Malaysia telah menyediakan asas yang mendorong pencapaian satu tempoh kewangan yang melebihi jangkaan. Syarikat juga telah sekali lagi, mencatatkan rekod jualan. Keupayaan Syarikat mencapai pertumbuhan dalam 27 daripada 30 tahun penglibatannya di persekitaran pasaran yang matang adalah bukti keteguhan dan daya maju perniagaan Amway.

Saya berasa sukacita kerana dalam laporan pertama saya sebagai Pengurus anda, saya berpeluang berkongsi berita yang memberangsangkan mengenai prestasi cemerlang Syarikat dan yang lebih penting, menegaskan semula pendirian kepimpinan Syarikat dalam industri jualan langsung di Malaysia.

Keteguhan momentum yang dicapai pada TK05 setelah berjaya menembusi hasil jualan sebanyak RM500 juta telah berterusan sepanjang tempoh yang ditinjau. Dengan tumpuan utama untuk meninggikan produktiviti Pengedar melalui peningkatan aktiviti peruncitan dan penajaan, Syarikat telah melaksanakan program-program bagi menyokong usaha tersebut dengan pelancaran-pelancaran produk baru, promosi yang kreatif, perkhidmatan dan kemudahan yang lebih baik, Program Insentif Jualan (SIP) dan Program Ganjaran Bukan Tunai (NCA) yang dipertingkatkan sempena Ulangtahun Ke-30.

Disebabkan oleh perubahan tarikh akhir tahun Syarikat baru-baru ini dari 31 Ogos kepada 31 Disember, laporan ini akan meliputi aktiviti dan keputusan sepanjang tempoh 16 bulan mulai 1 September 2005 hingga 31 Disember 2006.

## KEPUTUSAN

Syarikat anda telah mencatat hasil jualan sebanyak RM723.7 juta bagi tempoh 16 bulan berakhir 31 Disember 2006. Keuntungan sebelum cukai adalah sebanyak RM111.8 juta, manakala keuntungan selepas cukai pula sebanyak RM80.6 juta. Sememangnya pencapaian pada tahun ini tidak mempunyai asas untuk diperbandingkan kerana ia merupakan satu peristiwa yang luar dari kelaziman yang terhasil daripada perubahan tarikh akhir tahun tersebut.

Walau bagaimanapun, untuk tujuan ukur rujuk pada masa depan, catatan hasil jualan dari bulan Januari 2006 hingga Disember 2006 adalah sebanyak RM554.8 juta, menghasilkan keuntungan sebelum cukai sebanyak RM87.5 juta dan keuntungan selepas cukai sebanyak RM63.0 juta. Rujukan ini disediakan kerana perubahan terhadap tarikh akhir tahun yang ditinjau akan menjadikan akhir tempoh kewangan pada masa depan jatuh pada 31 Disember.

Laporan tahunan yang lepas menyatakan bahawa strategi Syarikat sepanjang beberapa tahun yang lalu adalah untuk melabur ke arah peningkatan kesedaran serta nilai peluang perniagaan dan produk. Strategi ini telah memberi tekanan terhadap margin dalam jangka

masa pendek yang merupakan satu tindakan perlu untuk melindungi bahagian pasaran kita. Saya berasa sukacita untuk memaklumkan bahawa inisiatif tersebut telah membawa hasil. Tempoh yang ditinjau telah meneruskan usaha pelaburan ini yang meliputi produk-produk baru dan promosi serta peningkatan SIP yang dirangka khusus sempena Ulangtahun Ke-30 Syarikat di Malaysia. Kesemuanya ini telah menghasilkan pertumbuhan hasil jualan yang kukuh.

Bagi tempoh 16 bulan tersebut, sukacita saya umumkan bahawa Lembaga Pengarah mengesyorkan satu dividen interim suku tahunan kelima sebanyak 7.5 sen sesaham, menjadikan jumlah dividen kasar bagi keseluruhan tempoh tersebut sebanyak 60 sen, termasuk dividen khas sebanyak 20 sen yang telah diumumkan pada suku tahunan ketiga, yang mana 10 sen daripadanya adalah dikecualikan daripada cukai. Ini akan menghasilkan jumlah pembayaran keseluruhan sebanyak RM75.7 juta selepas ditolak cukai.

## TINJAUAN OPERASI

Aktiviti-aktiviti berkaitan Ulangtahun Ke-30 telah mendominasi persekitaran tempoh yang ditinjau dan mempertingkatkan tahap daya usaha para Pengedar, justeru, menghasilkan peningkatan produktiviti para Pengedar tujuh tahun berturut-turut. Syarikat menganjurkan beberapa acara besar seperti Konvensyen Nasional Ulangtahun Ke-30 yang telah mencatat rekod jumlah pengunjung seramai 40,000 serta Ekspo Produk selama 2 hari yang telah menarik seramai 18,000 orang pengunjung. Pelancaran produk-produk baru dan promosi produk yang menarik pula telah menjadi pemangkin kepada kerancakan aktiviti jualan di kalangan para Pengedar, manakala majlis pecah tanah bagi Ibu Pejabat baru telah turut mempertingkatkan tahap komitmen kerana penyediaan kemudahan yang lebih baik dan besar adalah pemangkin pertumbuhan yang kukuh. Butir-butir operasi akan dibentangkan dengan lebih lanjut di dalam bahagian Tinjauan Operasi dalam Laporan Tahunan ini daripada muka surat 11 sehingga 19.

## ANUGERAH DAN PENGIKTIRAFAN

Di Amway, tadbir urus korporat adalah satu keutamaan yang penting dan fokus kami ialah untuk mencapai peningkatan yang berterusan dalam usaha bagi mengekalkan piawaian etika, pematuhan dan ketulusan tertinggi demi memartabatkan Syarikat dan jenama kita serta demi kepentingan kakitangan dan para pemegang saham kita.

Sepanjang beberapa tahun yang lalu, Amway telah diiktiraf atas komitmennya dalam bidang tadbir urus korporat dan pada tahun lepas, Amway sekali lagi menerima anugerah dalam Finance Asia's Best Managed Companies Poll apabila ia menduduki tangga ke 7 dalam kategori "Komitmen Terbaik bagi mencapai Dividen yang Kukuh". Amway juga berada di tangga ke 10 daripada 100 buah syarikat dari segi penciptaan nilai pemegang saham dalam KPMG Shareholder Value Awards 2005. Amway mencapai satu lagi kejayaan apabila ia telah dianugerahkan BrandLaureate Awards 2006-2007 dalam Kategori Jualan Langsung. Kejayaan ini mengukuhkan lagi kedudukan Amway sebagai syarikat jualan langsung paling terkemuka di Malaysia. BrandLaureate Awards adalah anugerah jenama serantau pertama Malaysia yang mengiktiraf jenama-jenama terbaik di rantau ini.



## TANGGUNGJAWAB SOSIAL KORPORAT

Prestasi kewangan syarikat adalah ukuran yang penting untuk menentukan prestasi kita, tetapi ia bukan lagi satu-satunya ukuran. Para Pengedar Amway, rakan kongsi perniagaan kita, kerajaan dan masyarakat di mana kita menjalankan perniagaan serta orang ramai mengharapkan sesuatu yang lebih bermakna daripada pencapaian kewangan kita. Sebagai salah sebuah syarikat jualan langsung terbesar di Malaysia, kami kini diukurujuk berdasarkan piawaian tatalaku yang tinggi. Salah satu daripada bidang yang paling ketara adalah sumbangan kami kepada masyarakat.

Apabila Syarikat anda melancarkan kempen membantu kanak-kanak membina keyakinan diri yang lebih kental dan kesihatan mental yang positif pada tahun 2003, matlamat kita adalah untuk memberi manfaat kepada kehidupan kanak-kanak secara Seorang Demi Seorang (One By One), yang juga merupakan tema sedunia bagi syarikat-syarikat gabungan Amway di seluruh dunia dalam bidang berkaitan usaha kemasyarakatan. Tahun-tahun seterusnya, termasuk tempoh yang ditinjau, telah menyaksikan kakitangan dan para Pengedar Amway sama-sama menyumbangkan masa dan usaha mereka membantu hampir 1,000 orang kanak-kanak mencapai minda yang lebih ceria dan sihat melalui program-program bengkel dan perkhemahan yang dikendalikan oleh sebuah pasukan pakar psikologi kanak-kanak. Dengan berpandukan kata-kata Doug DeVos, Presiden Amway Corporation yang berbunyi "Kita telah menghulurkan bantuan, harapan dan peluang kepada orang ramai di serata dunia... tetapi kita juga boleh – dan wajib – melakukan sesuatu yang lebih besar lagi.", kita telah merealisasikan seruan tersebut. Pada tahun 2006, kita telah memulakan satu lagi projek dalam bidang yang sama, iaitu kesihatan mental kanak-kanak dengan menyediakan kelengkapan Wad Jagaan Harian Kanak-kanak di enam buah hospital kerajaan untuk tempoh selama tiga tahun. Setakat ini, kita telah menyumbangkan kelengkapan kepada dua buah hospital, dan menjelang tahun 2008, Amway akan selesai melengkapkan enam buah Wad Sihat Ceria di mana pesakit kanak-kanak boleh menjalani proses pemulihan dalam persekitaran yang lebih kondusif.

Terdapat pelbagai cerita yang memberangsangkan untuk dikongsi – bagaimana seorang kanak-kanak yatim piatu berusia tujuh tahun telah belajar untuk yakin terhadap diri sendiri, manakala kawan-kawan beliau telah turut sama memberi keyakinan kepadanya untuk tidak menyesali keadaan diri beliau; atau bagaimana seorang kanak-kanak lelaki berusia 10 tahun yang menghidap Thallasemia telah melalui proses transfusi darah selama empat jam di hospital di dalam suasana yang lebih ceria. Kita perlu lebih agresif dalam menceritakan kisah-kisah kejayaan kita, dan itulah yang telah kita lakukan, melalui para Pengedar dan pihak media. Kita telah mengkhususkan muka surat 18 dan 19 dalam laporan tahunan tahun ini untuk usaha CSR kita bagi menegaskan lagi penekanan yang dibuat oleh syarikat berhubung usaha membantu orang ramai bagi menjalani kehidupan yang lebih baik.



## TINJAUAN MASA DEPAN

Apabila tanda-tanda awal penguncupan perbelanjaan pengguna mula muncul dalam ekonomi pada awal TK06, Syarikat telah menerima pakai satu pendekatan yang seimbang dalam perniagaan. Kita perlu merangsang pasaran melalui pengenalan dan promosi produk-produk baru serta mengekalkan daya tarikan ganjaran dan pengiktirafan bagi para Pengedar, dan pada masa yang sama mencari jalan untuk mengurangkan kos perniagaan melalui operasi yang lebih berkesan dan berfokus. Kita telah berjaya melaksanakan kesemuanya ini.

Walaupun perbelanjaan pengguna lemah pada tahun lepas, namun kita tetap optimistik tetapi secara berhati-hati bahawa dengan penurunan kadar inflasi dan kadar faedah yang stabil, sentimen pengguna secara keseluruhan akan bertambah baik pada tahun ini. Walau bagaimanapun, langkah berjaga-jaga akan terus dilaksanakan selama setahun lagi kerana unjuran kelembapan dalam ekonomi global khususnya di negara-negara perindustrian, boleh mendatangkan kesan kepada ekonomi kita. Walau bagaimanapun, Syarikat anda akan terus melaksanakan pendekatan secara berhati-hati dalam menguruskan kos dan sumber kita, namun pada masa yang sama, kita akan menyediakan inisiatif dan program yang perlu untuk menyokong para Pengedar dalam usaha mereka untuk menjalankan usaha jualan dan tajaan.

Walaupun bakal menghadapi cabaran, kita akan tetap melangkah ke tahun baru dengan azam yang kental. Kita akan menggembli keteguhan daripada daya saing teras yang mendorong perniagaan kita, iaitu: produk yang berpelbagai, para Pengedar yang cekal dan komitmen ke arah inovasi.

## PENGHARGAAN

Walau dinilai dengan apa juu ukuran, hakikatnya Amway telah mencapai kejayaan cemerlang pada tempoh kewangan yang lepas. Dan secara kolektif, pelbagai kumpulan individu yang berlainan telah memainkan peranan masing-masing untuk menjayakannya. Saya ingin menyampaikan ucapan penghargaan kepada para Pengedar atas kesetiaan dan perkongsian mereka dengan Syarikat yang telah membentuk asas kukuh yang telah menunjang kejayaan Syarikat. Syabas kepada kakitangan atas usaha gigih mereka untuk mencapai cita-cita Syarikat. Saya juga ingin mengucapkan ribuan terima kasih kepada rakan-rakan kongsi Syarikat atas sokongan berterusan mereka. Yang terakhir dan terutama, saya ingin mengucapkan setinggi-tinggi penghargaan kepada rakan Lembaga Pengarah atas panduan dan komitmen mereka kepada Syarikat.

Kita telah mencapai kejayaan yang cemerlang berkat usaha selama 30 tahun dan dalam kita meraikan kejayaan tersebut, kita juga perlu melihat jauh ke hadapan. Masih banyak yang perlu diusahakan. Saya yakin sepenuhnya bahawa secara bersama, kita akan dapat membawa Amway ke tahap pertumbuhan dan prestasi yang lebih tinggi.

**DATO' AB. HALIM BIN MOHYIDDIN**  
Pengerusi

## THE FOUNDATION OF A BEAUTIFUL PARTNERSHIP





## OPERATIONS REVIEW

### BUILT ON A LEGACY

We approached the year with 29 years of firm business fundamentals. With a proven Sales and Marketing Plan that has provided income opportunities to thousands of Malaysians all these years as well as a wide range of quality products that have made their way into the homes of thousands more, Amway has touched many lives the way it was intended to by the two co-founders, Richard DeVos and the late Jay Van Andel.

With that strong legacy and continued support from our parent company in the areas of product development, research and technology and manufacturing capabilities, Amway Malaysia celebrated its 30<sup>th</sup> year in Malaysia with the energy and enthusiasm of a young and dynamic organization.

### BUILT ON HELPING PEOPLE LIVE BETTER LIVES

Last year, 176,800 people chose to supplement their income, whether fully or partially, through Amway. This group of Core Distributor Force (CDF) has been increasing in the last 10 years at a steady pace. Every year, achievers are rewarded and recognized for moving another level and last year saw five new Diamonds, one new Founders Diamond and three new Executive Diamonds take their place amongst the jewels of the distributor force. The Sales Incentive Programme (SIP) was also well received last year with the 30th Anniversary Move-Up Bonus, a special 30th Anniversary component in the SIP, recording nearly 37% more new qualifiers from Sapphire to Executive Diamond.

As a reflection of their commitment and enthusiasm for the business opportunity, nearly 40,000 Distributors attended the 30th Anniversary National Convention last year to hear addresses from selected distributor leaders who have achieved successes in their Amway business. The mood of the night was energetic and contagious and punctuated with celebratory moments as international singer Lee Hom and a few home-grown singers provided the entertainment.



▲ □ National Convention



▲ □ Dinner and Dance

▲ □ Product Exposition

## BUILT ON PRODUCTS

The Nutrition & Wellness product category, largely represented by NUTRILITE™, continued to be the major driver of sales. Its growth of 11.1% over the same 16-month period of the previous year was remarkable in view of the numerous brands of multivitamins and health supplements available in the market. The growth reflected increasing consumer confidence of NUTRILITE and loyalty towards the brand. The three major product launches, namely NUTRILITE BP Complex for circulatory health, NUTRILITE Nutribifidus for gastro-intestinal health and NUTRILITE CB Plus to inhibit the absorption of carbohydrates, collectively contributed nearly 4% of the total Nutrition & Wellness sales for the year. To assist Distributors in their retailing efforts, NUTRILITE introduced two Lifestyle Packs to acquaint new customers with a range of NUTRILITE products that suited their nutritional needs. The NUTRILITE Healthy Heart Pack and NUTRILITE Antioxidant Pack were very well received by both distributors and customers.

The sales momentum for ARTISTRY™, the skincare and cosmetic business line, continued in the period of review. The strong performance was contributed by the growth in the Time Defiance range of products as consumers focused on products to help slow down the effects of aging. In 2006, two major products from this range were launched, the ARTISTRY Time Defiance Wrinkle Relax and the ARTISTRY Time Defiance Moisturisers.

The Personal Care range of products experienced 7.7% growth over the same above mentioned period. Our SATINIQUE™, BODY SERIES™ and GLISTER™ brands were able to withstand the heavy competition from other fast-moving-consumer brands. In terms of new products, SATINIQUE saw the introduction of the Color Care range of products, comprising of Shampoo, Conditioner and Protector to complement the brand.

Home Care sales also increased 11.6% over the similar period amidst tough competition in this price-sensitive product category. Additionally, one locally-sourced new product, the Floor Shine floor cleaner was very well received by Distributors by achieving two and half times the forecast sales at launch.





A major product launched during the year came from the Home Tech core line. The introduction of the ATMOSPHERE™ Air Treatment System in September 2006 was a great success with sales doubling forecast. Improved product features coupled with the Easy Payment Plan and the effects of the haze helped Distributors to retail the high-ticket item. In addition, the annual AMWAY™ Water Treatment System 1 trade-in promotion continued to be well-received, contributing to the Home Tech core line growing by 3.8%.

To provide exposure to the Distributors and customers to Amway's wide range of products, the annual Amway Product Exposition and smaller Product Fairs were held over the course of the period in review. The Product Exposition which was held over a two-day week-end drew a record 18,000 visitors to the Sunway Pyramid Convention Center while the five Product Fairs in Penang, Ipoh, Kuantan, Johor Baru and Kota Kinabalu attracted about 15,000 people.