

**G·A·B<sup>U</sup>**  
**GUINNESS**  
**ANCHOR**  
**BERHAD**

the colours of GAB  
annual report 2006

# the colours of GAB

Our people are the colours of our Company. Their commitment to quality and delivery of customer satisfaction ensures we grow from strength-to-strength. Just as each brand has a different personality, so too our staff. Together we forge strong foundations for success.

To the people,  
You are the Colours of GAB!

Cheers to You All!

## contents

Brand Portfolio	2-3	Board of Directors	41-50	Balance Sheets	85	Properties Owned by the Group	110
Our Vision and Values	4	Management Executives	51-53	Income Statements	86	Notice of Annual General Meeting	111-113
Financial Highlights	6-10	Corporate Governance	55-64	Consolidated Statement of Changes in Equity	87	Statement Accompanying Notice of Annual General Meeting	114
Letter from Chairman	12-14	Audit Committee Report	65-71	Statement of Changes in Equity	88	Form of Proxy	
Managing Director's Review	16-19	Statement of Internal Control	72-73	Cash Flow Statements	89	Sustainability Report	116-129
Management Review	20-28	Risk Management	74-75	Notes to the Financial Statements	90-105		
Letter from Chairman (B Malaysia)	29-31	Directors' Report	78-81	Analysis of Stockholdings	106-108		
(Chinese)	32-34	Statement by Directors	82	Other Information	109		
(Tamil)	35-38	Statutory Declaration	83				
Corporate Information	40	Report of the Auditors	84				



**TOGETHER  
WE BREW  
SUCCESS**

colourfully united

A combination of people, ideas and commitment for a common goal ... that is GAB!



## brand portfolio

The GAB edge is our diverse portfolio of brands – a brand for everyone and every occasion. In our constant quest for quality and excellence, our brands have evolved, some taking on brand new looks to be contemporarily appealing. Be it new or old, one thing importantly remains the same – the vintage and pedigree goodness and freshness for that quality drinking experience.

## New & Old... Same Pedigree Goodness

### Guinness

Bold. Distinctive. Full of character. The timeless classic of Guinness Foreign Extra that has been around since 1759 has a contemporary look and feel with a new bottle design. Stylish and current, Guinness has the touch to be relevant to a younger audience and still appealing to loyal supporters. It is no wonder that over 10 million glasses of Guinness are enjoyed across the world every single day.

### Anchor Smooth

All-time favourite. It is the quality local brew with a refreshing and smoother taste. A contemporary and easy-to-drink beer, it has its appeal and is a good accompaniment for local mouth-watering dishes. It is just the right drink for a relaxed occasion while catching up with friends or unwinding after a hard day's work.

### Lion Stout

Value. It provides an affordable drinking experience as a value-for-money stout. It is popular for its uncompromising taste and full flavour.

### Tiger Beer

New distinctive look. Same perfect taste. Tiger Beer now sports a new vibrant look that reflects its world acclaimed status. With its distinctive clean and crisp taste from the finest ingredients that it is brewed, Tiger has won admirers from around the world since 1932. It has won more than 30 international medals including the prestigious Brewing Industry International Award.

### Anchor Strong

Stronger. The Anchor brand has now a new strong beer variant. With the benefit of the renowned European brewing heritage, Anchor Strong Beer is brewed longer and cold filtered to remove all excess yeast for it to be an easy-to-drink quality beer that is fuller and stronger in taste. It contains 8.8 per cent alcohol and is surprisingly smooth.

### Malta

Revitalised. This wholesome premium quality, non-alcoholic malt drink is now energised with a vibrant and dynamic new look. With the natural goodness of malt and high in Vitamins B1, B3 and B6 needed for the release of energy, Malta is the perfect answer for today's active lifestyle.

### Heineken

Unmistakable quality. This world's No 1 international premium beer has its trademark quality and taste both in the beer and its recognisable green-hued bottles. It is brewed with the Heineken A-yeast that gives the beer its distinctive taste. The tilted smiley 'e' in the word Heineken is the perfect expression of taste.

### Kilkenny

The cream. A premium draught beer that is the undisputed "Cream of Beers". With its amber shade under a creamier head, it is appreciated for its smoother taste. This Ireland's prized heritage is available on tap at selected outlets.

### Anglia

Anglia. The Real Shandy sports a new refreshing image and look that is exciting, cooler and fun. While the new look provides a fresh perspective, it continues to give drinkers that refreshing drinking experience with its unique blend of fizzy lemonade and beer.



## our vision

To be the undisputed leader in the Malaysian beer and stout market, in terms of reputation, profitability, volume and share.

## our values

### **Our Consumers:**

#### **Our Lifeline**

Our consumers are the lifeline of the business.

They are our priority. Their loyalty is crucial for our sustainability. Our in-depth understanding of their needs ensures that we deliver what they value.

### **Our People & Partners:**

#### **Our Pulse**

Our people are the pulse of our business.

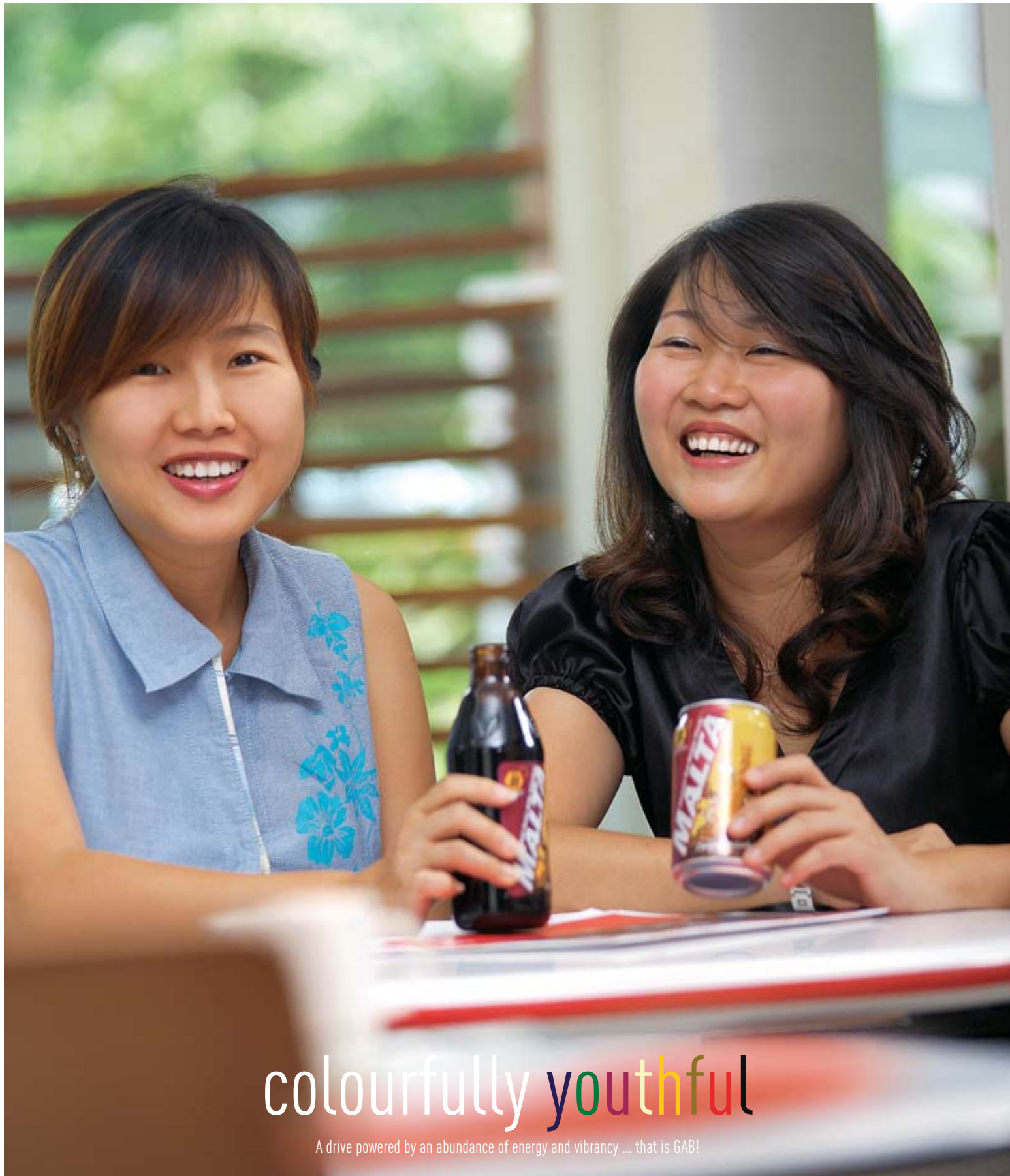
Our customer focus, commitment, integrity and teamwork are the engines that power our growth.

### **Our Brands:**

#### **Our Pride**

Our portfolio of brands is our pride.

Our constant quest for quality and excellence distinguishes our brands and our Company.



colourfully youthful

A drive powered by an abundance of energy and vibrancy ... that is GAB!

# financial highlights

## 10 Years Financial Track Record

	Year ended 31.12.1996 RM'000	Year ended 31.12.1997 RM'000	18 months ended 30.6.1999 RM'000	Year ended 30.6.2000 RM'000	Year ended 30.6.2001 RM'000	Year ended 30.6.2002 RM'000	Year ended 30.6.2003 RM'000	Year ended 30.6.2004 RM'000	Year ended 30.6.2005 RM'000	Year ended 30.6.2006 RM'000
Revenue **	685,235	733,385	1,042,440	682,441	777,198	788,060	796,595	886,208	952,113	976,013
Profit before taxation	126,328	147,193	182,407	67,352	78,448	93,718	107,363	129,254	140,519	142,211
Taxation	34,097	41,338	40,594	6,399	19,767	21,317	29,357	30,835	32,551	14,014
Profit after taxation	92,231	105,855	141,813	60,953	58,681	72,401	78,006	98,419	107,968	128,197
Dividends	54,982	60,299	150,082*	54,377	82,653*	82,655*	84,831*	91,837*	90,871	91,354
Net Dividend per 50 sen stock unit (sen)	18.2	20.0	49.7*	18.0	27.4*	27.4*	28.1*	30.4*	30.1	30.2
Earnings per 50 sen stock unit (sen)	30.5	35.0	46.9	20.2	19.4	24.0	25.8	32.6	35.7	42.4
Reserves	119,621	165,211	127,509	134,085	166,665	124,748#	146,200	159,064	176,403	213,246
Shareholders' funds	270,670	316,260	278,558	285,134	317,714	275,797	297,249	310,113	327,452	364,295
Net tangible assets per 50 sen stock unit (sen)	89.6	104.7	92.2	94.4	105.2	91.3	98.4	103.0	108.0	121.0

\* Includes special dividends

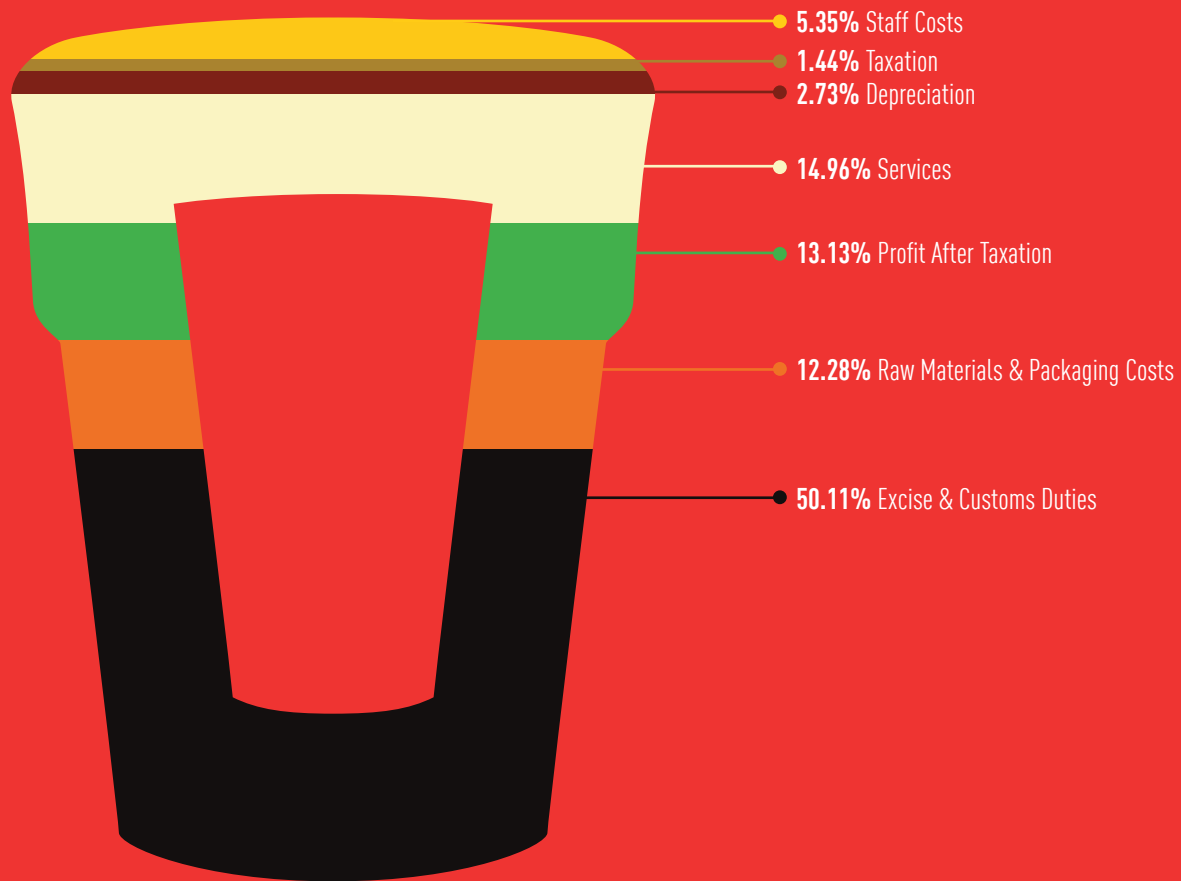
\*\* Revenue restated for years ended 2000 - 2003

# Reserve restated for year ended 2002

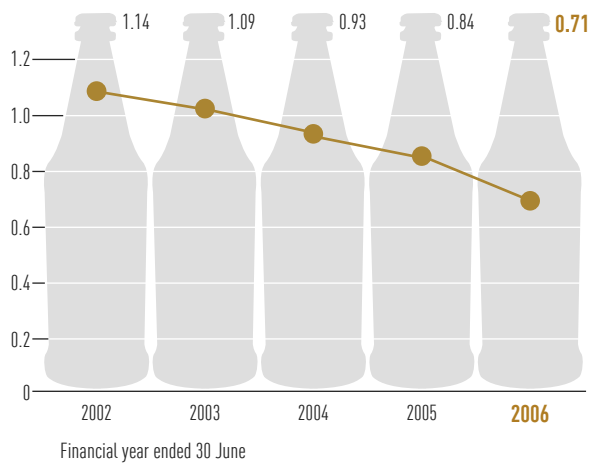
## Financial Analysis

	Year ended 30.6.2006	Year ended 30.6.2005	Change %
<b>Income Statement</b>			
	RM ' 000	RM ' 000	
Revenue	976,013	952,113	2.5
Profit before interest & taxation (PBIT)	140,118	138,863	0.9
Profit before taxation (PBT)	142,211	140,519	1.2
Profit after taxation (PAT)	128,197	107,968	18.7
<b>Balance Sheet</b>			
Shareholders' funds	364,295	327,452	11.3
Net total assets	397,205	359,452	10.5
Market capitalisation at 30 June	1,646,434	1,706,854	-3.5
<b>Financial Ratio</b>			
	%	%	
Return on Shareholders' Funds			
- PBIT	38.5	42.4	-3.9
- PBT	39.0	42.9	-3.9
PBIT /Revenue	14.4	14.6	-0.2
PBT/Revenue	14.6	14.8	-0.2
PAT/Revenue	13.1	11.3	1.8
<b>Per 50 sen stock unit</b>			
	Sen	Sen	
Profit before taxation	47.1	46.5	1.3
Profit after taxation	42.4	35.7	18.8
Net tangible assets	121.0	108.0	12.0
Dividend - gross	42.0	41.0	2.4
- net	30.2	30.1	0.3

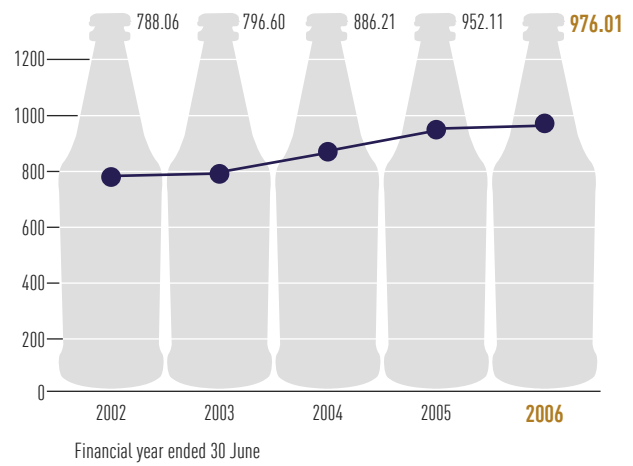
Disposal of Revenue Year Ended 30 June 2006



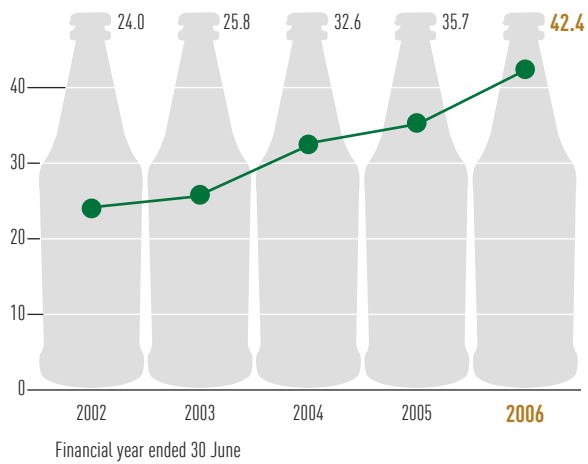
• **Net Dividend/Profit After Taxation** (Ratio)



• **Revenue** (RM' Million)

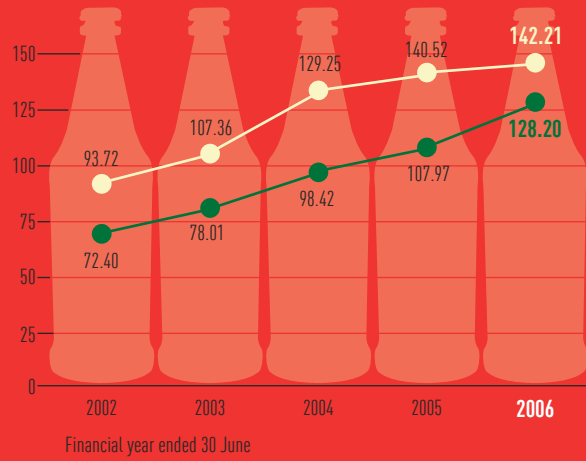


• **Earnings Per 50 Sen Stock Unit** (Sen)

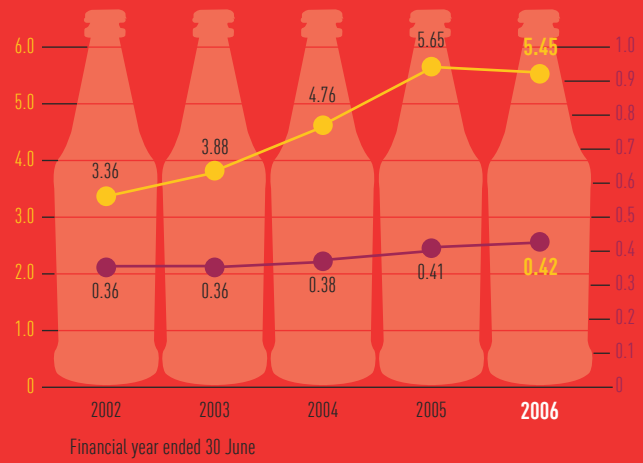


# financial highlights

- Profit Before Taxation (RM' Million)
- Profit After Taxation (RM' Million)



- Share Price as at 30 June (RM)
- Gross Dividend (RM)





# colourfully vibrant

A diversity from a multitude of colours, characteristics and flavours... that is GAB!

## letter from chairman



“Guinness Anchor Berhad ended the year on a positive note with a group pre-tax profit of RM142.21 million, a 1.2 per cent increase from RM140.52 million in the previous year. This was achieved on a 2.5 per cent improvement in revenue from RM952.11 million previously to RM976.01 million.”

Tan Sri Saw Huat Lye



1. Top spot. Heineken continues to grow market share.
2. Rewarding. Tiger celebrated success of valued trade partners
3. Resounding. Tiger charity concert

## Letter from chairman

### GAB BRAND OF TENACITY, A BREW FOR TOUGH TIMES

As I look back, the financial year was one filled with challenges. Tough times continued to brew. The difficult market environment as a result of the unprecedented 26.7 per cent increase in excise duties in Budget 2005 continued into the new financial year. Then a third consecutive round of excise duty hike in Budget 2006 thwarted the possibility of any market recovery over the year.

GAB was thus operating in very challenging and trying market conditions brought about not only by the latest 9 per cent hike in excise duties but compounded by subsequent increases in petrol prices and electricity tariffs.

Fortunately for us, GAB with its home-grown brand of tenacity had the resilience to withstand the tough conditions and yet again emerged with a creditable financial performance for the year ended 30 June 2006.

I am pleased to report to you that Guinness Anchor Berhad ended the year on a positive note with a group pre-tax profit of RM142.21 million, a 1.2 per cent increase from RM140.52 million in the previous year. This was achieved on a 2.5 per cent improvement in revenue from RM952.11 million previously to RM976.01 million.

This is indeed heartening in spite of the bleak environment.

#### Against All Odds

The duty-paid malt liquor market (MLM) was weighed down considerably by the three successive years of excise duties hike. With the impact of these excise duty increases fully felt, the MLM contracted by nearly 8 per cent.

This dramatic contraction of the MLM brought about by lower consumption as a result of higher retail prices was also contributed by an uptake in smuggling activities. The high excise duties made it even more lucrative for smugglers to even risk heightened Government crackdown on contraband products. Stacked against these odds, GAB had to draw on its inner strength so as not to languish in these tough conditions.

The inner strength came from organisational effectiveness, operational efficiency and the diverse portfolio of brands which combined to be the winning formula for GAB.



1. Upbeat. Tiger grew in popularity
2. Dedication. GAB staff in commitment to quality

## letter from chairman

Kudos to the Board for their foresight in investing ahead of time in initiatives like brewery automation, product and process innovation, cost reduction measures, and strong marketing and promotions to give GAB the strength to confront difficult market conditions.

Anchored in the values – *Our Consumers: Our Lifeline; Our People and Partners: Our Pulse; Our Brands: Our Pride* – GAB has successfully built a corporate culture that has positioned the Company well to anticipate and meet diverse needs with a pedigree portfolio of brands and a winning spirit.

Imbued with these strengths, GAB is set to perform even better in a market environment that is favourable. It is heartening that the Government considered it prudent not to impose another round of increase in excise duties in Budget 2007.

In line with the good financial performance in the year that was, I am pleased to announce that the Board of Directors is recommending a final dividend of 29 sen gross per 50 sen stock unit less Malaysian income tax at 28 per cent. This will bring the total dividends for the financial year to 42 sen gross per 50 sen stock unit compared to 41 sen gross per 50 sen stock unit for the previous year.

On behalf of the Board of Directors, I would like to take this opportunity to thank our shareholders and all our stakeholders for their continued support which has been vital for GAB to brew success. I would also like to express my gratitude especially to the Management and staff for their dedication and commitment, and also to our distributors, retailers and suppliers for their unrelenting support that has given the Company the strength to face the challenges.

And most of all, our thanks go out to all the consumers who have been steadfastly loyal to our brands.

Thank you.

Tan Sri Saw Huat Lye  
Chairman  
18 September 2006



colourfully dynamic

A zeal to innovate, push the limits and excel... that is GAB!

## managing director's review



“GAB still managed to do well despite the odds as we had the right fortitude, the right ingredients, the right formula and the strong belief in our brands and ourselves.”

Theo A F de Rond

1. Picture perfect. Heineken filled to the brim
2. Premium. Tiger FC huggables
3. Greatness. Guinness sustained lead



## managing director's review

### OUTPERFORMING THE MARKET

The tough times of financial year 2004 did not abate but instead escalated. It was just tough and tougher in 2005.

The duty-paid malt liquor market (MLM) came under heavy pressure from all fronts, with the most drastic being the unabated increase in excise duties. After three years of successive excise duties hikes to bring it to a cumulative total of about 50 per cent, the MLM submitted to the pressure of the full impact.

A 10 per cent increase in excise duties in calendar year 2003 saw MLM growth curtailed but it was the subsequently unprecedented high increase of 26.7 per cent in 2004 that dealt the first heavy blow that saw the market contracting. The unexpected 9 per cent increase that followed last year saw the MLM slide further, this time by a wider margin of nearly 8 per cent.

The three-in-a-row imposition of excise duties added up to give Malaysia the dubious honour of being second only to Norway as the country with the highest duties on beer and stout in the world. This is despite Malaysia's per-capita annual income being at only US\$5,000 per annum, a far cry from Norway's US\$40,000.

The series of three price increases in beer and stout that followed the excise duties hikes was hard on the pockets of consumers. Just

as consumers were feeling the pinch, petrol prices and power tariffs went up. Disposable incomes shrank and the consumer became very guarded with their purse strings.

Exercising prudence in spending, consumers switched to hard liquor for purportedly better value for money in view of the smaller price difference with beer and stout or went for the cheaper smuggled beer and low price imports or simply, bought and consumed less beer and stout.

The prevalence of smuggling was even more apparent in the year under review. It is the norm for smuggling activities to pick up each time excise duties increase as the wider disparity between the duty-paid and duty-not-paid price makes it all the more worthwhile for more to be engaged in the contraband business. Even heightened anti-smuggling crackdowns did not serve as deterrents for the duty-not-paid beer to make its way into the market.

While pressure was mounting from smuggling, the duty-paid MLM had also to contend with a newly introduced Government measure that had an impact on the cost of doing business. The Government has made it mandatory for brewers to implement security ink coding on all bottles and cans of locally manufactured beer and stout as a new initiative to curb counterfeiting.



## managing director's review

The nett effect of all these is lower consumption. Amidst this picture of gloom for the industry, GAB fared well under the circumstances.

### Good Results, Better Market Share

Our financial results attest to that. We outperformed the market, grew our market share and brand equity. Tiger continued its run to be the fastest growing lager brand and Heineken held steadfastly to its top spot as No 1 international premium brand. Anchor, the local brew, grew its volume while Guinness further consolidated its position as the top selling stout in the country.

On the overall, we managed to grow our market share for beer and sustained our lead in stout.

GAB still managed to do well despite the odds as we had the right fortitude, the right ingredients, the right formula and the strong belief in our brands and ourselves.

The diversity of our pedigree portfolio of brands gave us the distinction of having brands that consumers can relate with and brands that satisfy every drinking moment. We have brands for everyone and every occasion, thus fulfilling the needs of the many market segments.

Our time-tested and proven strategy to focus on organisational effectiveness and operational efficiencies and implement appropriate initiatives well ahead of time are now bearing fruit.

Organisational effectiveness further improved with a productive and positive work culture in place and a continuous focus on cost savings. The ViVA or Vision and Values campaign has evolved to foster ViVA work habits of taking self-responsibility to deliver results, taking action to drive results, ensuring quality of work, and being innovative and creative.

Complementing ViVA work habits is the TPM or Total Productive Management programme that has chalked up successes in the focus on processes to maximise efficiency and effectiveness. While ViVA focuses on people to encourage and adopt good work habits, TPM zeros in on processes to improve work and achieve operational excellence.

Better customer insights – an on-going process which was one of the top priorities identified a few years ago in our drive for organisational effectiveness – has enabled GAB to be more effective in spending our marketing ringgit. Promotions are more focused and brands are positioned more clearly to consumers thus making us more successful in reaching our key target audience.



3



4

1. Training. Excellent people and good work habits
2. Chic. Avant-garde designed bottle of Heineken
3. Sealed. Harmonious industrial relationship
4. Passion. Away or Home, Tiger FC rules

## managing director's review

Operational efficiency in GAB has also been greatly enhanced with the brewery now fully automated. The five-year exercise involving an investment of over RM50 million has been completed and now the silo, brew houses, cellar and filtration plant are not just automated but fully integrated. This has resulted in enhanced freshness and greater consistency in quality of beer and stout produced, lower manning level in the various production areas and reduction in wastage. It simply means that we are getting more out of our installations.

Product innovations were also significant contributory factors. In the last financial year, we introduced the 5-litre keg of Heineken draught which was just right for parties during the year-end festivities. Each keg with a CO<sub>2</sub> system and tap built-in serves 20 glasses of chilled fresh draught beer.

The limited edition 1.5 litre Magnum bottle of Heineken was successfully introduced specially for Christmas.

Quality continued to be our top-line focus and evident of our attention to details on quality was the continued renewal of the Ministry of Health's Hazard Analysis Critical Control Point and ISO 9001:2000 certifications. This is the fifth successive year that GAB earned the renewal of the certifications since 2002 when we became

the first brewery in the country to be awarded the certifications for maintaining and continually improving the integrity and quality of our products.

All the initiatives, innovations and processes would not have been possible without the commitment of our people, to the Company and to the vision and values. Our people have been truly the pulse of our business. As I have said many a time and I say it again, we have so rightly invested in our people. Our employees have been strong proponents of our success.

We value our employees who have been one with the Company to rise above the competition in the highly competitive and challenging environment. Reflective of the harmonious industrial relations we have with our employees is the landmark conclusion of the negotiations after two sittings for the 12th Collective Agreement with the Union of Beverage Industry Works that was signed. We made history with what we believe to be one of the fastest agreements to be concluded between a company and its union in the country. *Syabas!*

We have excellent people and we have fantastic brands too! Let us hope, that the market environment will improve for us to perform even better in the year ahead.

# management review



## BRAND HIGHLIGHTS

The diversity in brand portfolio has given GAB the distinction to anticipate and meet diverse needs of its consumers. This, however, is not just confined to having the right brands and the right drinks but extended to creating the right moments too. Through the diversity of GAB's marketing and promotional activities, it has created a myriad of such drinking moments. Many undoubtedly would raise their glasses to toast to this diversity which is a credit to the creativity and ingenuity of GAB's marketing and sales team supported by the dealers and retailers. They do not only know their brand and drinks but have cleverly blended them with the right events.

### GUINNESS

#### Now That's Greatness – The Guinness Greatness

Honouring a bet... Making a commitment... Being honest... These are examples of the kind of Greatness that men can both relate to and be inspired by. Guinness brought these to life with its latest Greatness thematic campaign. Through print advertisements, posters and point-of-sale materials, the campaign provided

insights of these qualities and strengths that truly reflect Greatness.

Guinness Greatness is not just about major achievements, like climbing Everest. It is about doing and saying things that people will admire or wish they had said or done themselves. The litmus test of such Greatness is when friends raise a glass and salute you for it!

Such Greatness is in Guinness. Great for its consistent quality, distinctive appearance and unmistakable taste. Great, not in a pompous manner but in a simple, honest and straightforward way that proves itself time and time again, drop after drop, glass after glass.

#### Millionaires and Turkeys

In a show of appreciation to loyal consumers, Guinness set out to provide them a chance to become millionaires. The Guinness Be A Millionaire promotion, which ran from August to December 2005, enabled consumers to exchange specially marked Guinness bottle caps for a RM2 Magnum 4D Ticket of their favourite number.



1. *Defined. Guinness and greatness in loyalty*
2. *Winner. Guinness and a chance to be a millionaire*
3. *Bonding. Great company with Guinness*
4. *No 1. The heroes of Guinness direct marketing campaign*

## management review (brand highlights)

At the end of the contest, 20 finalists were shortlisted based on the most creative Guinness signature and the closest estimate of the total number of entries for the entire promotion. They then had to battle it out in the Cold Turkey challenge by dipping their hands in the ice box to take home a cash prize of either RM100,000 or RM10,000.

### Accolades for Guinness

*World's No 1 Direct Marketing Campaign. Best of Show. Best Strategy. Best Relationship Marketing Programme. Best Client.* These are among the many accolades that Guinness received.

**Best Campaign.** Guinness "Hero" direct marketing campaign was ranked as the World's No 1 Direct Marketing Campaign for 2005 by the prestigious London-based Won Report. The Won Report, now into its third year, is an annual analysis of the world's best direct marketing and digital advertising based on the quantity and quality of awards won at various levels of international shows.

"Hero" also bagged the *Best of Show and Best Strategy awards* at the Direct Marketing Asia Awards 2005.

**Best Programme.** This campaign was part of a highly successful relationship marketing programme, called the "Guinness Insider". It received top honours as *Best Relationship Marketing Programme* at the Diageo Asian Hero Awards 2005 in Perth, Australia. This award recognises the marketing achievements amongst Diageo brands in the Asian markets. It attests the unique relationship marketing programme which includes regular member publications and networking activities that built brand affinity and loyalty among members.

The Guinness Insider Relationship Marketing Programme, which started with over 5,000 members in August 2003, has since grown to more than 30,000 members throughout Malaysia. To date, 18 issues of the bi-monthly Guinness Insider newspaper have been published. The newspaper comprises news and information on numerous topics and exclusive members' activities. Members also receive special communications and offers during special occasions.



## management review (brand highlights)

**Best Client.** The 2006 Direct Marketing Asia Awards added a new category: Best Client. This unique award recognises a client-agency relationship that displays a consistency in strategy, fresh ideas and precise execution, year after year. Guinness in Malaysia stamped its mark by being the first-ever winner of this award.

### Guinness Masterclass

Guinness Masterclass Charity Campaign raised a total of RM100,000 for the Guinness Torch Fund. This month-long campaign saw a total of 4,000 attending three large-scale charity dinners held in Penang, Johor Baru and Kuala Lumpur – the last of which was the grand finale in which top class acts like the 24 Seasons Drums and acrobats from China performed to the delight of diners.

The charity dinners served as events for Guinness to show its appreciation to its loyal supporters as well as provide the opportunity for the diners to donate for education and help students realise their dreams.

To-date, the Guinness Torch Fund has raised over RM6 million and helped over 1,300 students.

### Bonding with Guinness

A total of 640 Guinness Primetime events held all over the country provided just the right occasion for bonding with Guinness. Guinness drinkers had the opportunity to mingle while enjoying their favourite

drink at the various refreshment outlets where the events were held. While bonding, the Guinness drinkers were also treated to various forms of entertainment and games.

Charity was not forgotten. For every bottle consumed during these bonding sessions, 20 sen (for pint bottles) and 40 sen (for quart bottles) were contributed to the Guinness Torch fund.

### Guinness Black Party Series

Since August 2003, the 12 Guinness Black Parties have successfully brought Guinness and younger adults closer. The Black Party series provided just the right environment to experience Guinness and reinstated Guinness as a modern brand that is gaining popularity among the younger crowd.

This was particularly apparent in the three events held last year. *Themed Code:Black, Code:Black The Rising and Code:Black The Evolution*, these parties were bigger and bolder than before, and commanded a strong following of 3,000.

### TIGER Tiger FC Rules!

Tiger FC, Tiger's successful and award winning programme raved about by football fans throughout the country, returned with the start of the English Premier League season in mid-August 2005.



1. *Masterclass. The scale of Guinness charity dinners*
2. *Distinctive. The new vibrant look of Tiger unveiled*
3. *World spectacle. Tiger FC brought Germany to Malaysia*
4. *Gigs. Tiger and indie music in Street Roar*
5. *FA Cup. Prized moment in Tiger FC Arsenal Trophy Tour*

## management review (brand highlights)

Tiger continued to be the Official Broadcast Sponsor of ESPN and STAR Sports coverage of the Barclays English Premier League. For the second year running, Tiger FC brought together people with the love of football and their beer, creating just the right drinking moments for many football fans.

For this 2005/2006 season, more than 500 football viewing parties were held. They were made up of Tiger FC Away and Tiger FC Home parties. These Away Game celebrations held in outlets provided the atmosphere with big screen, enthusiastic crowd, good beer and football action.

The Tiger FC Home parties broke new ground on how football fans and their pals enjoy the game right in the comfort of their own living rooms. Tiger FC brought in the big screen TV, Tiger Beer, buffet spread, games and freebies whilst all the host had to do was to invite his pals.

It therefore came as no surprise that Tiger FC with its unique concept of Tiger bringing wholesome viewing experience of top class football matches was accorded the "Best of the Best" Award 2005 by the Direct Marketing Association (DMA) of Malaysia. It also won the Silver Award at the DMA International Echo awards.

### Up Close with Arsenal

Tiger FC presented its members, whose numbers now exceed 10,000, the rare opportunity to come up close and personal with the English FA Cup during the Tiger FC Arsenal Trophy Tour.

Fans present at Slippery Senioritas, The Curve and Asia Café in Subang Jaya, literally had the treat of their lifetime to touch and feel the cup and have the moment immortalised in a photograph, courtesy of Tiger FC.

The FA Cup made its final stop at the Tavern where staff and trade partners too got to see the Cup and enjoy an evening of football-related fun and games.

### A World-Class Match

During June and July 2006, Tiger FC matched the excitement of the biggest and most-watched football spectacle around the world with its introduction of *Tiger FC Stadiums* and *Tiger FC Office Games*.

The *Tiger FC Stadiums* were 21 dedicated football outlets spread across the nation that literally brought Germany to Malaysia, offering fans regular meeting points to discuss, speculate and cheer for their favourite teams.

### Tiger Roars on the Streets

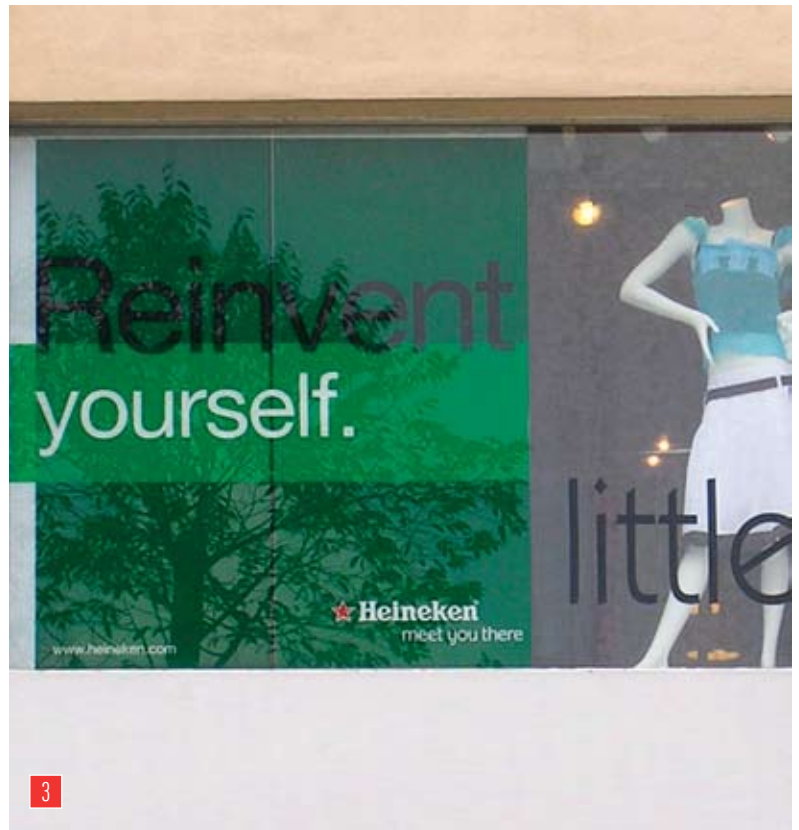
Tiger became the right accompaniment for indie music in the series of Street Roar mini gigs that were held in December 2005 and culminated in the Street Roar Independent Music Festival in January 2006.



1



2



3

## management review (brand highlights)

The gigs were held at Rakaro Café in Petaling Jaya, 20 Leith Street in Penang and Halo Café in Sunway Pyramid in PJ where the crowds were treated to indie music by homegrown performing bands.

The fun and entertainment of enjoying indie music with Tiger throughout the night was further enhanced with opportunities to win attractive prizes with every purchase of Tiger.

### Tiger Shows its New Colours

Trade partners, business associates and media members toasted to the dawn of the new Tiger. The new logo of the Tiger was unveiled by Managing Director Theo de Rond at the Frangipani Restaurant in Changkat Bukit Bintang.

While the new face of the Tiger was part of Tiger's global initiative to strengthen its enviable position as Asia's world beer, it dazzled with the distinctive look and continued to please with the same perfect taste.

### Tiger-Sin Chew Concerted Effort Continues

The Tiger and Sin Chew Daily collaboration through concerts to support education has netted RM152.4 million and benefited 342 schools throughout the country to date.

The programme continued its good run from the previous years with more than RM10 million raised in 2005 and 2006. Fifteen schools were beneficiaries of these concerted efforts.

### HEINEKEN

#### Pushing Boundaries with greenspace

Heineken's integrated global campaign, **greenspace**, was introduced in Malaysia to encourage and engage consumers to constantly push the boundaries, widen their horizons, and discover new experiences.



1. Great effort. A good combination with Tiger to yield good results.
2. New face. A wall of the re-branded Tiger
3. Experience. Heineken's greenspace and reinventing oneself
4. Jungle beat. Heineken's continued support of the Rainforest World Music Festival
5. Anywhere. Heineken on the move with the 5-litre Draught keg
6. Connect. Music and good beer, the Heineken way

## management review (brand highlights)

In the campaign, targeted at young urban consumers, roving teams went around in popular hang-out places such as malls, cinemas and record stores to enliven interaction with consumers. Quirky and fun messages were tailored to each space for the surprise and wow factors.

The campaign peaked with a night-long event featuring three different themes – art, music and party – at Zouk KL on 14 December 2005. A number of international and local artistes performed in three separate spaces – *Arttack*, *Musicuts* and *Dancevolution* – making it a celebration that went beyond the norm.

### Heineken Innovation

The Heineken Ito bottle, a chic aluminum beer bottle with an avant-garde design, made its appearance at a **greenspace** event and was also exclusively available at Heineken Green Room Sessions.

Another innovation from Heineken was the Magnum 1.5 litre which was introduced in selected supermarkets during the year-end festive celebrations.

Joining the Magnum bottle – which serves six glasses of Heineken – in the festivities was the 5-litre Draught keg. Each keg serves 20 glasses of draught beer and has a shelf life of 30 days. Consumers can enjoy a fresh glass of Heineken draught beer anytime, anywhere with the 5-litre Draught keg.

Individually or collectively, they were just perfect for festive season entertaining.

### The World in Jungle Rhythm

The rainforests of Sarawak reverberated to the music of the world. From Kyrgyzstan, Madagascar, Latin America, Austria, Scotland, Korea, musicians from the world over came to make music at the Rainforest World Music Festival in Kuching from 7 to 9 July 2006.



1. Green Room. Chicks on Speed at the Heineken Green Room session
2. Friendship. Driving home Anchor's Keeping It Real message

Congested roads.  
Rude Drivers.  
The drive home isn't that bad...  
(When there's an Anchor waiting.)

## management review (brand highlights)

As many as 20,000 music lovers from all corners of the globe turned up at this annual music festival which was supported by Heineken for the fourth year running. Among them were nine lucky Heineken contest winners from Kuala Lumpur.

Amidst the jungle setting, a diverse lineup of world-renowned performers and indigenous musicians transported the audience to a music utopia with the broad spectrum of traditional, spiritual and modern sounds. As usual, Heineken was there to make consumers connect with the music and their beer.

### The Beat Continues in Green Room

Nobody does it quite like Heineken when it comes to connecting consumers, music and beer. Heineken continued its Green Room sessions, showcasing contemporary new music crossing all genres – punk, hip hop, electro and anything in between.

The first Heineken Green Room session of the year started at the KL Performing Arts Centre on 11 March with the highly acclaimed all-punk trio Chicks on Speed from Germany. It was the electroclash

band's first ever performance in Malaysia and they gained admiration for their unique brand of punk, electronica and new wave.

All in all, Green Room sessions presented an exciting yet diverse line up of music all year round.

### ANCHOR Keeping It Real

A new campaign "Keeping It Real" was launched in conjunction with the revitalisation of Anchor. This new campaign reinforced the Anchor brand values of genuine and true friendship as well as the smooth and refreshing taste of Anchor beer. For many Malaysians, the enjoyable moments are often linked to food. Thus, Keeping It Real offered the accompaniment of smooth and refreshing Anchor Beer for these moments.

Beer and food promotions with participating food outlets and coffee shops around the country were held to provide Malaysians with more avenues to enjoy or enhance their experience.



1



2



3

1. Systematic. Operational efficiency in warehousing
2. Centralised. Better control of brewing process
3. Keeping tabs. Smooth operations in bottling

## TECHNICAL HIGHLIGHTS

### GAB Walks the Talk

GAB is making good headway in its efforts to replace limited energy and resources with alternatives in its operations, demonstrating that it walks the talk in its commitment to sustainable development in its brewery.

The big strides it has taken and the enviable results it has achieved to reduce continued reliance on fuel oil, for example, make many green.

GAB is now in a state of readiness to be connected to the national natural gas pipeline for the conversion to natural gas to fuel its operations.

With the underlying intent to be environmentally friendly as far as possible in its operations, GAB embarked on a new initiative to convert its energy source from fuel oil to natural gas. This has resulted in not only a more environmentally friendly fuel but enables it to reduce cost.

### Fully Automated Fully Integrated Brewery

The installation of a new bright beer filter and the consolidation of three control stations into one centralised control room complete the brewery automation – a multi-phase upgrading exercise which began in 2001.

The brewery is now fully automated and fully integrated, taking operational efficiency to a new level.

GAB is enjoying a host of benefits from this brewery automation, top among which are operational efficiency and cost reduction.

Consistency of quality and enhanced freshness of beer and stout, rank as significant benefits that flow out the upgrading exercise as well. This is largely due to better control of the brewing process through the ability to take pre-emptive and proactive corrective measures.

Production capacity has also been boosted for GAB to ramp up output as and when required.



1. *Quality. Attention to details in the lab*
2. *Accomplished. Problem solving by TPM team*
3. *Improvement. External endorsements received for quality improvements*

## management review (technical highlights)

### Continued Emphasis on Quality

Efforts to improve work and achieve operational excellence through Total Productive Management (TPM) have been rewarding. GAB's implementation of TPM as part of the worldwide roll out by Heineken has won it the recognition as one of the top performers in Asia.

Since the launch of the TPM programme in 2004, 24 teams have been set up to apply a systematic approach in reducing problems and losses in the brewery. Sixteen teams have since been closed upon achieving the desired results and solutions, giving it a high success rate.

Another external endorsement of quality in GAB came from the renewal of the Ministry of Health's Hazard Analysis Critical Control Point (HACCP) Certification and ISO 9001:2000 Certification. This renewal is not automatic. It is given only after stringent assessments of hazards controls affecting food safety and the measures to continuously improve quality. GAB was subjected to surprise audits, which it passed with flying colours.

The renewal of the certifications for the fifth successive year underscores the safety and integrity as well as the quality of the beer, stout, shandy and malt drinks produced in the brewery.

*surat daripada pengerusi*



*“Guinness Anchor Berhad mengakhiri tahun kewangannya dengan mencatat keuntungan sebelum cukai RM142.21 juta, meningkat 1.2 peratus daripada RM140.52 juta pada tahun sebelumnya. Keuntungan ini diperolehi daripada hasil perolehan yang bertambah 2.5 peratus daripada RM952.11 juta pada tahun sebelumnya kepada RM976.01 juta.”*

*Tan Sri Saw Huat Lye*

1. *One goal. Tiger FC unites*  
Satu matlamat. Tiger FC bersatu
2. *Challenge. Hands on with Guinness' cold turkey contest*  
Cabaran. Menerima cabaran pertandingan "cold turkey" Guinness
3. *Energised. Malta for vitality*  
Bertenaga. Malta menambah keceriaan



surat daripada pengerusi

## KETABAHAN, SENJATA GAB TEMPUH CABARAN

Bila direnungkan kembali, saya dapati bahawa tahun kewangan yang baru berlalu dipenuhi dengan pelbagai cabaran. Kita terpaksa menempuh banyak kegetiran dan kesusahan. Persekitaran pasaran bertambah sukar akibat daripada kenaikan 26.7 peratus cukai eksais yang telah diumumkan dalam Belanjawan 2005 berlarutan memasuki tahun kewangan yang seterusnya. Kemudian, kali ketiga berturut-turut kenaikan cukai eksais yang diumumkan dalam Belanjawan 2006 juga telah membantutkan harapan untuk memulihkan pasaran.

Maka itu, GAB terpaksa beroperasi dalam keadaan pasaran yang sangat sukar dan mencabar, bukan sahaja disebabkan oleh kenaikan terbaru cukai eksais 9 peratus, tetapi juga diburukkan lagi oleh kenaikan harga minyak petrol dan tarif elektrik.

Namun, kita bernasib baik kerana dengan ketabahan kita dan jenama-jenama kita yang kukuh, kita mempunyai daya ketahanan untuk mengharungi keadaan sukar ini dan sekali lagi menyumbangkan prestasi kewangan yang boleh dibanggakan bagi tahun berakhir 30 Jun 2006.

Sukacita saya melaporkan bahawa Guinness Anchor Berhad mengakhiri tahun kewangannya dengan mencatat keuntungan sebelum cukai RM142.21 juta, meningkat 1.2 peratus daripada RM140.52 juta pada tahun sebelumnya. Keuntungan ini diperolehi

daripada hasil perolehan yang bertambah 2.5 peratus daripada RM952.11 juta pada tahun sebelumnya kepada RM976.01 juta.

Dalam persekitaran yang sebegitu getir, ini adalah satu pencapaian yang sungguh memberangsangkan.

### Menongkah Arus

Kenaikan cukai eksais tiga tahun berturut-turut telah menjejaskan pasaran arak malt (PAM). Apabila kesan kenaikan cukai eksais ini dirasakan sepenuhnya, PAM telah susut hampir 8 peratus.

Kemerosotan PAM ini adalah disebabkan oleh kekurangan pengambilan akibat harga runcit yang lebih tinggi dan juga kegiatan penyeludupan yang meningkat. Cukai eksais yang tinggi telah meningkatkan kegiatan penyeludupan meskipun Kerajaan mengambil langkah-langkah tegas untuk membanterasnya. Untuk menempuh cabaran-cabaran ini, GAB terpaksa menggunakan kekuatan dalaman, yang diperolehi daripada keberkesanan organisasi, kecekapan operasi dan kepelbagaian jenama yang bergabung telah menjadi formula kemenangan bagi GAB.

Syabas kepada semua Lembaga Pengarah kerana berpandangan jauh dan telah melabur terlebih dahulu dalam inisiatif-inisiatif seperti



## surat daripada pengerusi

automasi breweri, inovasi produk dan proses, langkah-langkah mengurangkan kos, dan usaha pemasaran dan promosi untuk memberikan kekuatan kepada GAB menangani keadaan-keadaan pasaran yang kian mencabar.

Berpegang kepada nilai-nilai – *Pengguna Kita: Nyawa Kita; Kakitangan dan Rakan Kongsi Kita: Nadi Kita; Jenama-Jenama Kita: Kebanggaan Kita* – GAB telah berjaya membina budaya korporat yang telah membolehkan Syarikat meramal dan memenuhi pelbagai keperluan dengan pelbagai portfolio jenama dan semangat kemenangan.

Dengan kekuatan ini, GAB telah bersedia untuk mencapai prestasi yang lebih baik dalam persekitaran pasaran yang lebih menggalakkan. Kami berasa gembira dan menyambut baik langkah bijak Kerajaan untuk tidak mengenakan satu lagi pusingan kenaikan cukai eksais dalam Belanjawan 2007.

Selaras dengan prestasi kewangan yang baik pada tahun kewangan dalam tinjauan, sukacita saya mengumumkan bahawa Lembaga Pengarah mencadangkan dividen akhir 29 sen kasar sesaham 50 sen tolak cukai pendapatan Malaysia 28 peratus. Ini akan menjadikan jumlah dividen bagi tahun kewangan yang lalu 42 sen kasar sesaham 50 sen, berbanding 41 sen kasar sesaham 50 sen pada tahun sebelumnya.

Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada para pemegang saham dan pemegang kepentingan kami di atas sokongan berterusan yang sangat penting kepada GAB untuk menjana kejayaan. Saya juga ingin merakamkan setinggi-tinggi penghargaan, khususnya kepada pihak pengurusan dan kakitangan di atas dedikasi dan komitmen mereka, dan juga kepada para pengedar, peruncit dan pembekal kami di atas sokongan padu mereka yang telah memberikan kekuatan kepada Syarikat untuk menempuh berbagai cabaran.

Dan yang paling penting sekali, ucapan terima kasih kepada para pengguna yang sentiasa setia kepada jenama-jenama kami.

Terima kasih.

Tan Sri Saw Huat Lye  
Pengerusi  
18 September 2006

## 主席獻詞



“健力士英格有限公司在本財政年結束時，集團稅前盈利從去年前期的1億4千52萬令吉，增長了1.2巴仙至1億4千221萬令吉，而集團的收益則從9億5千211萬令吉增長了2.5巴仙至9億7千601萬令吉。”

丹斯里蘇發來



1. Towering. Heineken for the right occasion  
啤酒耸立。海尼根啤酒适合任何场合。
2. Appreciate. Right drinking moments with Tiger  
相知。与虎啤共享你的美好时刻。

## 主席獻詞

### 健力士英格坚强的品牌，其啤酒品質卓越足於克服時艱

回顧過去的財政年，可說充滿了許多挑戰。在艱難時刻正繼續醞釀，市場受到2005年財政預算案啤酒國產稅調升26.7巴仙的打擊，延續至新的財政年之際，2006年財政預算案再次宣佈提高酒稅，連續三年提高的酒稅消除了市場在未來一年內復甦的任何可能性。

因此，健力士英格有限公司可說是在非常艱難及滿佈荊棘的市場狀況中營運，而這個狀況的起因，不單是因為酒稅最近增加了9巴仙所造成，也應歸咎於緊接著的汽油價格和電費升揚。

值得健力士英格有限公司慶幸的是，公司本土品牌所具有的堅韌本性，賦予它承受時艱的彈力，並且因而能夠在截至2006年6月30日為止的財政年內，再次取得可喜可賀的業績。

我謹此欣然宣佈，健力士英格有限公司在本財政年結束時，集團稅前盈利從去年前期的1億4千52萬令吉，增長了1.2巴仙至1億4千221萬令吉，而集團的收益則從9億5千211萬令吉增長了2.5巴仙至9億7千601萬令吉。

儘管市場前景黯淡，但是能夠取得這個佳績仍然是令人至感欣慰的。

### 逆流而上

麥芽酒類市場(MLM)因啤酒國產稅一連三年調升而備受打擊，當來自在這方面的影響日漸加劇至最大程度之際，市場萎縮了將近8巴仙。

麥芽酒類市場劇急萎縮，除了是因為啤酒零售價調高使飲用量降低而造成外，私酒活動更加猖獗也是其中因素。啤酒國產稅更高也使到酒類走私活動更有利可圖，以至私梟在政府加緊取締之際，不惜鋌而走險。健力士英格有限公司在面對這一系列不利因素之際，必須善用其內在力量，方不至在艱難時刻蒙受打擊。而這個內在力量，來自機構和營運上的效能，以及廣泛的產品組合，並將之結合起來成為健力士英格有限公司的制勝配方。

我們向董事部致最高的感謝及敬意。他們具有先見之明的投資計劃，例如使釀酒過程自動化、提倡創新產品

1. Abundance. Tiger and Guinness for the festive cheer  
丰盈。虎啤及健力士与你欢庆每个节日。



## 主席獻詞

及程序、採納降低成本的措施及展開強大的市場促銷活動，讓公司具有足夠的能力去應付時艱。

健力士英格有限公司在秉持 - 我們的消費者：我們的生命線；我們的員工和夥伴：我們的脈搏；我們的品牌：我們的驕傲 (Our Consumers: Our Lifeline; Our People and Partners: Our Pulse; Our Brands: Our Pride) - 的價值理念之下，成功的打造出使公司能夠作好準備去透過優良的產品組合和勝利精神去預期及迎合不同需求的一項企業文化。

被賦予這些力量的健力士英格有限公司，勢必能夠在利好的市場環境中取得更佳的業績。令人感到欣慰的是，政府已考量到有須謹慎的避免在2007年度財政預算案中再次的調高國產稅。

配合本財政年度的良好業績表現，我要欣然宣佈董事部已建議每50仙股分派29仙的利息扣除馬來西亞的28巴仙所得稅。這意味著本財政年的每50仙股總共派出的利息為42仙而高於前期的41仙。

我謹代表董事部趁此機會感謝繼續給予支持我們的股東和所有的權益持有人，他們的支持對健力士英格有限公司的成功至為重要。我也要感謝尤其是我們的管理層和員工的全力以赴及承諾，還有我們的經銷商、零售商和供應商的不遺餘力支持，使公司有能力的去應付挑戰。

當然，最重要的是要感謝所有消費者一路來對我們的品牌的忠實支持。

謝謝大家。

丹斯里蘇發來  
主席  
2006年9月18日