

MANAGEMENT REVIEW

BRAND HIGHLIGHTS

Bridging the GAB

Good corporate citizenry that blended well with brand sponsorships and promotions saw Guinness Anchor Berhad bridging the corporate and community service gap.

In continuously striving to give something back to the community that has been supportive, a multitude of activities that have endeared the consumers and community at large were rolled out.

Much credit goes to our partners, dealers, retailers and our dedicated sales and marketing team for their stout support and efforts in creating and maximising such an exciting blend of corporate citizenry, promotions and brand visibility, which we now look back and cherish.

Lighting up young hopes and dreams

Set up in 1996 to provide financial assistance to students from Chinese schools, the GUINNESS Torch Fund raised funds via contributions from Guinness Anchor Berhad through donations from the sales of the GUINNESS brand.

The GUINNESS Torch Fund has since surpassed the RM6 million mark and has benefited more than 1,300 bright and deserving students from independent Chinese secondary schools. This year, it provided an additional RM440,000 which assisted 13 students with interest-free university loans. The on-going project is expected to continue to help students realise their dreams of having an education.

Fund-a-mentally Tiger

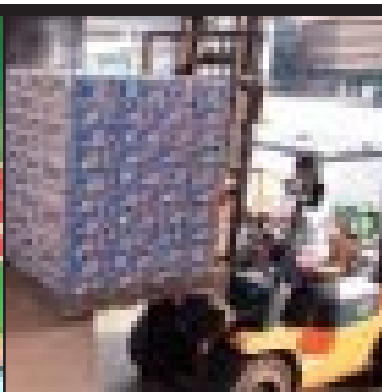
Already into its eighth year, the Tiger PowerHitz Charity Concert series continues to become Tiger's major contribution to the development of Chinese schools throughout Malaysia. With a star studded cast of performers, the Tiger PowerHitz Charity Concert series kicked off in August and moved on to help raise RM18.75 million – about RM90,000 short to breach the highest amount of RM18.84 million collected in 2000. Since its inception in 1994, the concert series has managed to raise more than RM124 million for 305 Chinese primary and independent schools throughout the country.



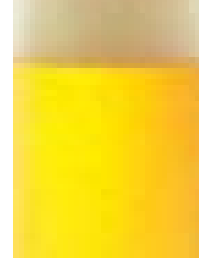
Tiger Beer kicking off more aggressive music marketing drive with Tension



Heineken delivering "cutting edge" music with renowned DJ Paul Oakenfold



Efficient logistics contribute to organisational effectiveness



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Bonding with GUINNESS

What began as a fun and rapport building session turned out to be an unforgettable evening of relaxation and camaraderie. The likes of superstars-in-the-making astounded audiences and kept them riveted to their seats as the talents of the GUINNESS Bonding Sessions stepped forward to belt out their tunes.

Held at the Tavern, the event was a culmination of the bonding cum coffeeshop karaoke competition that went on at over 29 outlets in the Klang Valley in March. The two best singers from each outlet were invited for an evening of fun and rapport at the Tavern. Also present to spice things up were HVD celebrity Mak Kwai Yuen and "Kopitiam" actor, Douglas Lim.

Absolutely, deliciously, Anchor-ed

Anchor Beer, Malaysia's favourite locally brewed brand was relaunched as Anchor Smooth with a new sporting look and a refined, smoother taste. Despite the relaunch, the beer has maintained its signature crisp taste.

The new look and improved formula makes Anchor Smooth a great companion to go with favourite local dishes. Its passion for good food was evident when the beer teamed up with a local Chinese daily to explore and savour popular Malaysian dishes with readers.

This familiar down-to-earth brand is great for those relaxed occasions - catching up with friends or unwinding after a hectic day. With its new eye-catching contemporary look, it's hard to miss Anchor Smooth at your favourite outlets. The brand was one of the top 15 best-selling brands in AC Nielsen's fast-moving consumer goods category.

"Someones Going To Do It, Why Not You?"

Following through from the "You Can When You Believe" campaign, this latest thematic campaign sets out to inspire individuals who believe in themselves and believe that they can achieve anything if they set their minds to it - be it material success or personal achievement.

Survivors, world champions and unsung heroes have a few things in common - self-belief and true grit. This "Why Not You" campaign aims to fire the passion for realising innermost dreams and ambitions by inspiring hope, optimism, confidence and determination to beat the odds and silence critics.

Firing up this passion, GUINNESS introduced the "Someones Going To Do It, Why Not You?" Challenge in which consumers stand a chance to spend four weeks with personalities from three professions - entrepreneurship, arts/theatre and journalism. The winners have the chance to "connect", acquire knowledge and expert advice on how to be a successful entrepreneur, performer and writer.

Luring the Tiger

Tiger Beer launched its new thematic campaign in March with the long-term aim at building a distinctly clear and competitive brand identity. With taglines such as "Live A Little", "Tempt Fate" and "Take Chances" on its evocative marketing visuals, Tiger Beer's campaign is clearly targeted at young adults who are modern, confident and progressive. Through its platform, "Thirst for Life", Tiger brings more excitement and rewards to its loyal customers through online contests.

Under its Tiger PowerHitz theme, Tiger Beer is going into a more aggressive music marketing drive and is lining up a series of mega concerts and exciting promo tours for big names in Chinese music such as TENSION, David Tao and Ah Mei, to name a few.



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Thrills and spills of Heineken

Heineken had 007 "Die Another Day" movie fans literally hanging on the edge of their seats. What a night it was at Heineken's Gala Premier for members of the trade, local celebrities and lucky consumers who mingled and rubbed shoulders with Guinness Anchor Berhad staff at GSC MidValley.

Later in the year, Heineken teamed up with Warner Brothers to enthrall consumers with the much anticipated sci-fi flick "Matrix Reloaded". Hundreds of tickets were given out via the "Heineken-get-connected" online contest. But the excitement and rewards didn't end there. There were a series of Heineken Get Connected Parties held at some leading edge outlets in the Klang Valley for those who missed the special screening.

More stout support for wushu

Following through on its continuous support for Malaysian wushu, GUINNESS was the main sponsor at the 17th National Wushu Championship. Held at the Arena of Stars in Genting, the event attracted a record of 260 participants who competed for coveted honours in four events and a total of 48 categories. GUINNESS was thrilled to be able to share in the awe and excitement of these skillful masters with the ardent fans.

Beautiful rewards

Loyal GUINNESS supporters experienced a windfall when, as a thank you gesture, they were presented with a rewarding treat through the GUINNESS Beauties Contest. Participants stood a chance to win more than RM650,000 worth of prizes in two rounds of Enticing Elegance and Alluring Adventure by answering a few simple questions and ranking the eight GUINNESS Beauties featured in the contest.

Each entry had to be accompanied by either two big GUINNESS liners or four small liners. The contest which ran from May to July 2003 was also aimed at helping to recruit new stout drinkers to grow our consumer portfolio and also boost the volume of sales during that period.

Heineken Music gets bigger

Heineken Music proves its dynamism in the new concept of cutting edge live music performance complete with DJs, singers and percussionists showcasing music ranging from latin, funk, soul, blues, fusion and more. The Green Room Sessions were experienced by consumers both in the Klang Valey as well as the other market centres like Penang, Ipoh, Malacca and Kuantan.

The club culture scene is developing fast in Malaysia and especially so with the young and upwardly mobile customers. Hence in April, Heineken Music released "Thirst" in Malaysia. The headline DJ was none other than Paul Oakenfold, one of the worlds most renowned DJ and the guru of dance music. That was not all, Heineken Music also helped unleash local DJ talents in Malaysia via Found@Thirst DJ Competition. The winning DJ won a once-in-a-lifetime chance to be the opening act for Paul Oakenfold, an opportunity to spin in Thirst@Tokyo and RM5,000 cash.



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Tiger Beer is again official broadcast sponsor of the English Premier League 2003/2004

Continuous support for our Malaysian Wushu athletes

Kick off with Tiger

Tiger Beer continues its game plan to be actively associated with all things football, locally and internationally. Tiger Beer has made the move to reinforce its association with the game by being the official broadcast sponsor of the English Premier League 2002/2003 season on ESPN and StarSports channels, bringing the best of the game to all of Asia. It is through this contagious sport that Tiger Beer aims to connect and bond with drinkers through a common love for the game and enhance the brand's international prestige and quality.

The English Premier League 2003/2004 has kicked off and keeping up with the excitement, Tiger Beer is still the official broadcast sponsor.

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TECHNICAL HIGHLIGHTS



State-of-the-art automation has more than increased production efficiency and product quality

MAKING OUR GOOD BETTER, AND OUR BETTER BEST



Sign of quality

Production efficiency and product quality have been taken to new heights with the completion of the first phase of the RM33 million brewery upgrading involving a state-of-the-art automation system in place.

Guinness Anchor Berhad set a production record in the last fiscal year with an all-time high brewery output. On top of that, a new benchmark in production was created with the brewery running without a hitch at maximum capacity to meet the Chinese New Year festive demand.

We also earned the distinction of renewal of the Ministry of Health's Hazard Analysis Critical Control Point (HACCP) Certification and also the ISO 9001:2000 Certification – again underscoring the high standards in product quality, integrity and safety.

All these add up just to show that we give our best to do things better.

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Bottling lines smooth operations fulfilled demand

Brewhouse Automation

At the Annual General Meeting of our company last year, we announced the decision to invest RM33 million in upgrading the Sungei Way Brewery. The first of this multi-phase upgrading which involves installing a state-of-the-art automation system has been completed.

The malt reception, silos, malt transfer and treatment as well as all the auxiliary closing equipment in the brewhouse have now been automated.

In addition to this, we have changed to a more powerful automation system in the brewhouse.

With this in place, we will be able to produce our products in a more consistent way and with an even better quality.

While the automation system required less manpower resources, it also introduced new work practices. The preparation for this saw the staff members working together as a team resulting in them adapting well to the new working practices and environment.

The automation of the brewhouse took place during the busy period of the run-up to Chinese New Year and what was significant was that it was successfully implemented without any major disruption to production and supply. The brewery ran at maximum capacity and the enormous outputs were able to meet the demand of the Chinese New Year festivities.



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The next two phases of the upgrading exercise will involve the beer cellars. Automation of the lager beer fermentation and the bright beer cellars began in September 2003 and the next phase following that will be automation of the stout and intermediate cellars.

HACCP and ISO Certifications Again!

In July 2002, we became the first and only brewery in the country not only to get the Ministry of Health's Hazard Analysis Critical Control Point (HACCP) Certification but also the ISO 9001:2000 Certification more than a year ahead of the 2003 conversion deadline.

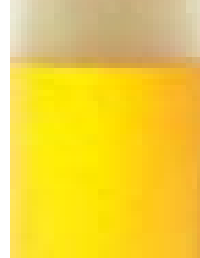
A year later -- in June -- both these two internationally recognised standards were renewed. This speaks volumes of the distinction we have in quality and safety of our products as renewal of both certifications is not automatic but hinges on continual improvements to our manufacturing process and the safety and integrity of our production output.

The renewal of the HACCP Certification is a stamp of approval of our continued commitment towards ensuring safe consumption of our products as the Ministry of Health does conduct surprise audits and makes stringent assessments of hazards controls affecting food safety. With the renewal of ISO 9001:2000, it is thumbs up to our fully integrated approach to continuous improvements to quality.

The renewal of the certifications serves to reinforce confidence in the safety and integrity of our beer, stout, shandy and malt drinks that we produce.



Working towards record output



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Health Responsibility

In the light of the Severe Acute Respiratory Syndrome (SARS) situation, Guinness Anchor Berhad quickly formed a SARS Crisis Management Committee to implement preventive measures for the brewery and monitor the situation.

Strictly enforced were daily temperature checks on all employees, contractors, suppliers and visitors to the brewery. Clear procedures and contingency measures were laid out for implementation in the event that anyone had a temperature or was suspected of having contracted SARS.

Other preventive measures enforced were:

- Restriction on travel for all employees
- Restriction of visitors from infected countries or who have visited the infected countries in the last 10 days
- Suspension of brewery tours and functions at The Tavern

Cleanliness in the brewery was meticulously maintained and posters of SARS from the Ministry of Health were put up in strategic locations to keep the employees well informed.

While these preventive measures caused some inconveniences, they were necessary as they effectively ensured the safety of our employees and shielded us from any untoward incidents that would have had a negative impact on our operations.



Speed to market