

## Managing Director's Review

The highlight of the year under review was that GAB took clear market leadership, and ended the year with 55 per cent market share and 67 per cent share of the industry profit. This is a very significant achievement for us and we are particularly proud to have achieved it in a market that declined by 1.4 per cent on a year-on-year basis.



Charles Henry Ireland

## Taking clear market leadership

This was achieved because we have a strong portfolio of brands as well as a great team of people working for and supporting the business.

Having attained this market leadership position, our objective now is to grow our market share year-on-year and stay ahead of the competition. In doing so, we will continue to deliver value to all our stakeholders, namely our shareholders, brand owners, employees, trade partners and consumers.

## The Winning Blend – People, Brands and Performance

We are winning market share; we have a great team of capable, hardworking and dedicated people; we have winning brands in Tiger, GUINNESS, Heineken and Anchor; and we are delivering solid returns to our shareholders. What we have is a winning blend of people, brands and performance.

The average length of service of our employees is 14 years, a testament to how well we are already appreciated as an employer. However, over the past year we have been working even harder on the people front. We strive to be an employer of choice that Malaysians will seek out and choose to work for. With close to 500 employees, we have been working hard to foster improved teamwork,

as we know this is a key way to help release the potential of both our people and our business. Additionally, we have invested in building a great working environment, refurbishing much of our office space. We have also revamped our training and development programmes to ensure we are helping our people grow towards their full potential.

Our brands are reaping the benefits of many years of careful positioning and equity building. They have complementary positioning which enables them to comfortably work together as a strong portfolio that caters to every drinking moment.

Our brands grew steadily during the year. Tiger, GUINNESS, Heineken, Anchor Smooth and Anchor Strong all grew.

During the year, we developed even closer working relationships with our brand owners and were again able to draw upon global and regional sponsorships. Examples include the broadcast sponsorship of ESPN and STAR Sports coverage of the Barclays English Premier League, GUINNESS Asian 9 Ball Pool sponsorship and Heineken UEFA Champions League Sponsorship.

GAB received accolades for the brewing quality of Tiger and GUINNESS from their international brand owners. Tiger achieved second place in the coveted Tiger League of Excellence Award and GUINNESS won first place in the global GUINNESS League of Excellence for the best GUINNESS brewed outside of Dublin.



Managing Director's Review



Our solid performance in this financial year was also achieved through our dedication to constantly improve what we do, when we do and how we do it. GAB has evolved over time, continually changing and transforming for the better. We now have a fully automated brewery. We have updated our Corporate Identity and brands to enhance our image. We have worked hard to develop strong partnerships with suppliers and customers alike. These changes have often been small, but the cumulative effect is large and impactful.

### Maintaining Our Momentum

Having attained market leadership, our objective now is to maintain our momentum, and again grow our market share, volume and profit. In doing so, we will continue to deliver value to all our stakeholders.

Malaysia currently ranks the second highest in the world, after Norway, in terms of beer and stout duties and the industry pays RM1 billion in duties to the Government every year. It is good that the Government did not increase the excise duty on beer and stout for 2008. We believe that the Government should give the rest of the world time to catch up with Malaysia. This will give some relief to our consumers and will also help promote Malaysia as a tourist destination, as we know tourists consider the price of alcohol when choosing holiday destinations.

In moving forward, we have developed a new vision for the Company. Our vision for the last 6 years was, "To be the undisputed leader in the Malaysian beer and stout market, in terms of reputation, profitability, volume and share". We have successfully achieved this and the management team and Board worked together to craft a new vision to guide us.

### Our new vision is:

**"GAB is an icon in business. Respected the world over for delivering exceptional growth in people, brands and performance".**

People, Brands and Performance are the key success factors of our Company. We have already started working on making our vision a reality, and we will continue to focus our resources on this winning blend.

