



A.S. Watson quarterly family magazine

June 2005

Watson ON 65

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The retail and manufacturing group of Hutchison Whampoa Limited

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Cover story



The recent acquisition of established French perfumery chain Marionnaud brings with it the sweet smell of success that has long been the hallmark of the A.S. Watson Group.



ASW becomes world's largest health & beauty retailer

The successful acquisition of Marionnaud in March 2005 has made A.S. Watson (ASW) the largest health & beauty as well as luxury perfumeries & cosmetics retailer in the world with more than 6,500 stores.

Marionnaud itself is the largest perfumeries & cosmetics chain in France. Its 1,200-plus stores span its home base France and 13 other countries. /Marionnaud.

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The sweet smell of success.....

About A.S. Watson Group

With a history dating back to 1828, the A.S. Watson Group (ASW) has evolved into an international retail and manufacturing business with operations in 31 markets worldwide. Today, the Group owns more than 6,500 retail stores running the gamut from health & beauty chains, luxury perfumeries & cosmetics to food, electronics, fine wine and airport retail arms. An established player in the beverage industry, ASW provides a full range of beverages from bottled water, fruit juices, soft drinks and tea products to the world's finest wine labels via its international wine wholesaler and distributor.

ASW employs over 87,000 staff and is a member of the world renowned Hong Kong-based conglomerate Hutchison Whampoa Limited, which has five core businesses - ports and related services, telecommunications, property and hotels, retail and manufacturing, and energy and infrastructure, in 52 countries.

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Wats On is the quarterly family magazine of the A.S. Watson Group. Materials from this publication may only be reprinted with full accreditation to "Wats On".

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HWL shows strong profit

Hutchison Whampoa Limited (HWL) reported audited profit attributable to shareholders for the year ended 31 December 2004 of HK\$16,128 million, 38% higher than the previous year. Turnover increased by 23% to HK\$179,415 million.

The Retail and Manufacturing Division reported turnover of HK\$74,445 million, an increase of 16% on the previous year. EBIT of HK\$3,654 million was 57% above last year, mainly due to strong organic growth of retail brands and store concepts, and also from the acquisition of the Drogas and Rossmann chains.



Superdrug★ "Best Pharmacy of the Year" Award in Top Sante Health & Beauty Awards
 <Top Sante Magazine>



IVS Tourists Favourite Hong Kong Brand Award – Gold Award
 <Just Event Limited>

RECENT AWARDS



Watsons enters Turkey

A.S. Watson has expanded into Turkey with the first Watsons Your Personal Store opened in Istanbul on 1 April, following the acquisition of local chain Cosmo Shop.

The 3,000-square-foot store offers more than 7,000 products. As the first international health & beauty chain in Turkey, Watsons offers a contemporary and comfortable shopping experience, in keeping with the "health, beauty and fun" concept.

Watsons will invest HK\$5 to 6 million to rebrand all seven Cosmo Shop stores. It plans to open 15 stores in the coming year, reaching 100 throughout Turkey in five years.



Building a global buying network

The International Buying Division had its first sourcing booth at the Canton Fair from 25-30 April in Guangzhou, China. The objective was to seek potential suppliers for long-term partnerships. The booth was also a support platform, allowing internal buyers to meet suppliers and search for information via the International OfferBase (IOB) system.

Information about A.S. Watson and the International Buying Division as well as Own Label brands, distribution and product categories was on display, attracting over 1,000 potential suppliers to register.

A.S. Watson | International Buying



New look for Drogas

Drogas introduced its first new concept store in Riga, Latvia in March with a totally different interior design and an enhanced health and beauty display, all within the same comfortable environment.

The store is the first in Europe to apply A.S. Watson's new health & beauty retail design—until now introduced in only the Asian metropolises. More new concept stores will be opened and existing ones gradually refurbished.

Drogas has also started its Drogas Beauty Expert programme, introducing consumers to the newest fashion and beauty care trends.



Stornoway Superdrug WOWS shoppers

Thanks to a tremendous effort by the store team, Superdrug's refurbished store in Stornoway in the Western Isles of Scotland opened on 27 April, two days earlier than planned.

The store carries a huge range of great value own-brand and branded health and beauty products. A make-up artist gave free makeovers and cosmetic advice throughout the opening day while price cuts on customer favourites like perfumes, aftershaves and exclusive gift sets helped the store achieve an excellent turnover on its first day of trading, without any advertising.

Tan-tastic Tony

Reports that Tony Blair is suspected of wearing fake tan caused Superdrug to put its store managers on stand-by for prospective Members of Parliament scouring the shelves for healthy tanning solutions.

On hearing that the Prime Minister had been accused of wearing fake-tan, Superdrug's Suncare Buyer Matt Twigg and the public relations agency delivered supplies of Superdrug's self tan to Downing Street. The story gained coverage in the Daily Telegraph and was a great example of reacting to the news agenda with real Superdrug personality.

Challenged on whether tanning lotion was behind his current appearance, the Prime Minister said: "No, it's not. It was really sunny down in London."

The Daily Telegraph
The browning of Blair
 Doubt over the veracity of Tony Blair's claim that his bronzed complexion is a result of last weekend's London sun has prompted high-street retailer Superdrug into action. Indeed, it has gone so far as to send a supply of its self-tanning products straight to Downing Street. "Although you may be embarrassed about it, may we reassure you that you are merely one of many men who are turning to fake tan to keep a healthy glow before the summer," read the accompanying letter to the PM. "If you require more supplies, we can send them over immediately," it added.





Kruidvat caters for the babies & mums

Kruidvat held a "Baby Fair" in Amsterdam in April, to promote its ongoing services to pregnant women, young mothers and their babies.

Kruidvat sells a record one in every four diapers in the Netherlands for its excellent quality and unbeatable prices. During the fair, five lucky families won a year's supply of free diapers for guessing the right number of diapers in a barrel.

Kruidvat also offered a new line of creams for future mums, providing extra skin care during and after pregnancy.

Young mothers could have their pictures taken with their babies at the Kruidvat booth.

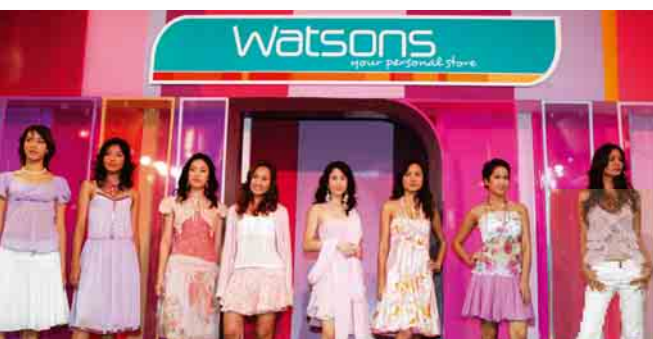
Fun for all with Watsons Thailand

Watsons Thailand held their 6th Health & Beauty Awards recently at the JW Marriot Bangkok.

Suppliers were recognised with awards such as the "Key Account of the Year" and the "Best of the Best Award". Entertainment included a Body Paint Show and a Thai Xylophone & Drum Duel Show featuring melodious tunes from acclaimed singer Khun Radklao Ammaradith.



(From left) Alan S. Nementzik, Managing Director of Watsons Thailand; K. Nat Evitra Sirasart, the Watsons Ambassador; and Nigel Healey, Regional Managing Director (South East Asia) of Watsons, officiate at the Health & Beauty Awards.



Hitting 100

Watsons Thailand organised a fun party at the Siam Discovery Centre on 3 April to inaugurate its 100th store.

The charmingly decorated venue incorporated the new generation 4G store concept. Guests were entertained with various activities, including a "Beauty in Pink" fashion show as well as performances from celebrity pianist "Toa" and "Dan and Beam", Thailand's most famous duo. There was also on-the-spot product testing.



Yahoo! Emotive Brand Award – Retail Chain Category 2005

<Yahoo Hong Kong>



• The 9th Session of Guangdong Top 10 Excellent Retailer – Best Store Design
<Guangdong Chain Operations Association>

• Customer Satisfied Shop
<Guangzhou Consumer's Association>

RECENT AWARDS

Watsons Malaysia adds star appeal

Watsons Malaysia has appointed Cheryl Samad, an all-round host and actress, as its Health & Beauty Ambassador.

Apart from hosting the "Smart Shopping with Watsons" infomercial with its health & beauty tips, Cheryl supports Watsons' proposition of helping customers "Look Good, Feel Great and Have Fun".



Ian Cruddas, General Manager of Watsons Malaysia, welcomes Cheryl Samad to be the Watsons Health & Beauty Ambassador.



Cheryl promotes the Watsons brand with enthusiasm during an in-store activity.



Watsons Philippines has introduced a special campaign named "Beauty & Brent".

With a minimum purchase of 150 pesos at Watsons, customers are entitled to participate in a draw by registering through their mobile phones. Ten winners will be selected and win a make-up package worth one million pesos. Of the 10 chosen, one lucky winner will enjoy an all-expenses-paid date with Brent Javiers, the most sought-after model in the Philippines.

Offering
"Beauty & Brent"

May madness at PARKNSHOP



PARKNSHOP China's Trading & Marketing Director Olivier Fournier Morel (left) and Managing Director Hicks Feng unveil the launch of "PARKNSHOP Month".

PARKNSHOP China kicked off its "PARKNSHOP Month" on 30 April, to bring fun and enjoyment to customers.

Promotional activities include discounts on electrical appliances, Mother's Day gift recommendations, a prize redemption programme and a preview of Own Label clothing brand "Mingle". Two thematic events were held during the month – "My Happy Family Children Painting Competition" and "100 Dreams Come True".



The Internet Zone features FORTRESS' 2005 new line-drawing designs showing how technology can be integrated into daily lives.

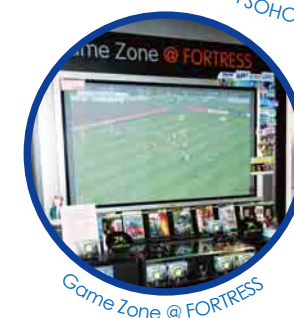
FORTRESS goes futuristic

FORTRESS unveiled its new concept store at Telford Plaza, Hong Kong on 1 April. The sleek design and fresh initiatives inspire integration between digital lifestyles and the latest technology.

The new FORTRESS store stocks thousands of today's hottest products in four categories, including digital electronics, information technology, AV entertainment and home appliances, all housed in a futuristic multi-zone shopping environment of more than 10,000 square feet. The store also features an industry-first "Internet Zone @ Fortress", a first-in-market "IBM SOHO (Small Office Home Office) Office Corner" and the "Game Zone @ FORTRESS".



IBM SOHO Office Corner



Game Zone @ FORTRESS

Surprises for beautiful mums!

Watsons China initiated its "Refresh Your Mind, Surprise Your Mum!" event in its model stores in Guangzhou, Shanghai and Beijing on 20 April. Delicate Mothers' Day gifts, including a wide range of seasonal products, exclusive new products and Own Label products were showcased to the media.



Lucilla Tam, Director & General Manager of Watsons China, introduces the special Mothers' Day gifts.

Watsons Hong Kong IVS Tourists Favourite Hong Kong Brand Award – Gold Award <Just Event Limited>

Watsons Taiwan Quality Cosmetic Retailer <Taipei City Government>

RECENT AWARDS

Make sense of simple skin

Watsons Hong Kong shared the results of a beauty survey at the 2nd Skin Simple Summer Beauty Awards on 4 May, revealing how men and women view facial beauty and how skin quality affects relationships. The results show that over 50% of both men and women dream of having blemish-free skin and believe it adds to a happier life. At the awards, ten acclaimed beauties representing different brands shared their skin secrets and opinions, with professional consultants giving demonstrations of the latest summer skincare products.



Watsons Hong Kong Managing Director, David Boynton (centre) and Merchandising Director, Maria Norman (left) present the "Skin Simple Summer Beauty Awards" to the acclaimed beauties.

FORTRESS hip in HK

Top lifestyle, fashion and digital technology brands joined the first FORTRESS "Digital Mix & Match" promotion from 29 April to 2 May.

FORTRESS Mix & Match Digital Trend Show featured more than 100 hippest personal electronic products from some 20 top international brands. An innovative "Digital Catwalk" merged fashion and digital products, and there was a "Digital Trend Auction", with proceeds from the sale of nine outfits exemplifying the latest in technology and fashion donated to charity.



FORTRESS-designed functional smart collectables were given out to spice up the summer.



Local pop star Leo Ku makes special guest appearance during the FORTRESS Mix & Match Digital Trend Show.



(From left) FORTRESS' Merchandise Controller Ken Ng, Managing Director Peter Dove and Marketing Manager Elman Lee make their debut on the "Digital Catwalk".

Watson's Wine Cellar launches wine club

Watson's Wine Cellar introduced the "Watson's Wine Club" in March - the first of its kind in Hong Kong.

With a single purchase of HK\$1,500 or more, customers are eligible to become members and enjoy a variety of privileges, including vineyard tours, wine seminars and tastings, news updates, a reward programme, partner discounts and access to Wine & Spirit Education Trust wine courses.

The first members' tour will be to South Australia in autumn 2005.



(From left) Ingo Grady, Wine Director of Mission Hill winery in Canada; Paul Liversedge, General Manager of Watson's Wine Cellar; Christian Nothhaft, Director and General Manager of Watson's Wine; James Hepple, Manager Retail Division of Watson's Wine Cellar and famous actor Simon Yam celebrate the Wine Club's launch at the newest store at IFC Mall, Hong Kong.

Nuance-Watson joins Sevens action

Nuance-Watson (HK) jointly organised a Rugby Outpost together with the Hong Kong Rugby Football Union, to get in on the action of the famous Rugby Sevens. The official collection of Rugby Sevens ready-to-wear, souvenir items and rugby balls were available at the Hong Kong International Airport to visitors from all over the world and the 23 participating teams. The outpost brought shopping fun to travellers and good business for Nuance-Watson!



The Hong Kong Rugby Team at the "Rugby Sevens Outpost".



"V Pro" comes in three flavours - "Apple + Cucumber", "Pear + Guava" and "Pink Grapefruit".

"V Pro" a new health sensation

Citrus Growers International has launched "V Pro", an innovative, cholesterol-free vegetable protein drink. Vegetable protein helps to reduce the risk of cardiovascular disease, provides nutrition after sports, increases bone density, maintains bone health and prevents osteoporosis. Since vegetable protein is easily absorbed, it is also suitable for those who are allergic to dairy products.

- Superbrand Platinum 2005 <Reader's Digest>
- Superbrand Gold 2005 <Reader's Digest>

RECENT AWARDS

TASTE offers healthy Australian extravaganza



TASTE hosted an Australian Food Fest from 22 April to 5 May, showcasing more than 100 products that are new to Hong Kong, alongside about 1,300 other items ranging from beverages, coffee grinders and organic breakfast foods to health snacks.

The festival was also held at GREAT and selected PARKNSHOP stores.

PARKNSHOP finds the favourites

PARKNSHOP Hong Kong launched a "Favourite Selections" programme in April, to bring in what customers love most.

Customers simply need to share their favourites through the "Favourite Selections" suggestion boxes in-store or directly with Product Hero and Food Expert Catriona Nisbet, during her visits to selected stores. She will source the items from around the world and bring them back to PARKNSHOP.



PARKNSHOP Product Hero Catriona Nisbet



PARKNSHOP sets fresh standards



PARKNSHOP launched an industry-first "New Freshness Standard" campaign at the "MarketFresh" of PARKNSHOP in April, highlighting its "freshness from inside out" proposition in line with the growing trend for high-quality fresh food. A smart new logo reflects PARKNSHOP's ongoing commitment to food safety and hygiene.

Vegetables must pass strict planting controls, with Chinese vegetables coming from accredited farms and no pesticides allowed for up to 28 days before harvest. Pork must be tested for presence of Clenbuterol, while seafood is handled by PARKNSHOP's Fresh Fish Centre.



These days, fragrance is increasingly becoming part of the overall equation. More and more, classy perfumes and interesting fragrances are not just the domain of the super-rich. People from all walks of life have moved on from merely picking up the first bottle of deodorant they find on the supermarket shelf. They realise that a distinctive fragrance reflects as much of who they are as what they wear or how they style their hair. In fact, today's discerning customers more often than not have several fragrances, not just one — all carefully chosen for different moods and occasions and to reflect different aspects of their character at different times.

The sweet smell of success

Looking good is one thing, but these days people want to smell good too. The health and beauty industry has grown in leaps and bounds as individuals all over the world have come to realise that who they are is more than skin-deep — today more people than ever before realise that healthy hair, teeth and skin are all factors that reflect their inner selves.

Roadmap to a "fragrant" business

Over the years A.S. Watson (ASW) has built its reputation and business to become the world's leading player in the health & beauty retailing arena. The Group has also seen the trend in perfumes and fragrances, thanks to the takeover of ICI PARIS XL, a popular perfumery chain in Belgium and Holland, in the 2002 Kruidvat Group deal. The most recent addition of Marionnaud to the ASW family shows that the Group has once again sniffed out a great opportunity, and had the resources and skills to act on it.

When asked his opinion of a good perfume, ASW Group Managing Director Ian Wade replied: "One that sells." Well-known for his nose for a good business deal, Mr Wade had been looking at Marionnaud, the European leader in the traditional perfumery business, for about two years and the time was finally right. He launched an offer in January 2005 with the successful acquisition of more than 90% of the company. As France's largest perfumeries and cosmetics retailer with a strong service offer and growing international reach, Marionnaud is a natural fit for the growing ASW family as it continues with its expansion strategy in Europe.

"What this deal has done is put us on the world map in terms of retailing. It has given us a lot of exposure," said Mr Wade.

"The potential of Marionnaud is enormous". "The brand is known to everyone in France and is very symbolic. The new partnership is aimed at further expanding the chain across Europe, and also looks at the opportunities of bringing the concept to Asia and internationally. I am confident that the combined operation will succeed with a strong commitment of both Groups towards a shared future."

Today, the Marionnaud chain has 1,200-plus stores operating in France and 13 other countries. The acquisition marks an entry point for ASW into France, the second largest economy in the euro-zone, as well as in other key markets where Marionnaud is strong and ASW has not yet had a retail presence, including Italy, Spain, Austria and Switzerland. It also greatly enhances ASW's strength in the perfumery sector, an area in which the Group has been seeking to expand further.

The deal is also great news for Marionnaud. ASW has a big plan to revitalise the company by leveraging its brands and its retail network, improving performance of its operations, and integrating Marionnaud into the Group's international portfolio. Combining the network of both Groups, significant synergies are expected in sourcing and logistics and many other business aspects.



"What this deal has done is put us on the world map in terms of retailing."

Ian Wade
Group Managing Director
A.S. Watson



Marionnaud operates

1,200-plus stores in France and 13 other countries



- France • Italy • Spain • Austria • Switzerland • Czech Republic • Poland • Hungary • Portugal • Israel • Russia • Morocco • Romania • Slovakia

Stepping up

Marionnaud adds to ASW's already strong family of brands in health, beauty and perfumery, which include European names Superdrug, Trekpleister, Rossmann, Savers, Drogas, Kruidvat and the already established perfume company ICI PARIS XL. It adds to the Group's strength in its home base of Asia, with the fast expanding health & beauty brand Watsons Your Personal Store. In every way, it smells like good business all over again as ASW extends its reach by expanding efforts to help customers look good, feel good and smell great! *Marionnaud*



The **Marionnaud** legendary

Marionnaud has had strong historical growth in France and Europe. It is a well-loved brand that has built strong relationships with its customers, offering nine million loyalty cards in Europe and more than six million in France alone. The company has more than 9,000 employees, with 5,708 in France and the rest further afield, including in Switzerland, Austria, Italy, Spain, Portugal and Eastern Europe. It is also present in Israel, Russia and Morocco. Since 2000, the Group has grown strongly beyond its home base of France, with more points of sale added abroad in 2002 and 2003 than at home. France remains Marionnaud's biggest market, however, making up 68% of sales, compared with single-digit percentages in other markets.

Marionnaud founder Marcel Frydman opened his first perfume store in 1984, and the business has registered exceptional growth ever since. Between 1986 and 1992, the company bought a large number of local perfume retailers and independent outlets. It listed on the French stock exchange in 1991. By 1996 it owned 48 stores, and then went on to acquire "Bernard Marionnaud", which at the time was having difficulties. During 1997, the company registered a spectacular recovery. After this success, Marionnaud announced an IPO for the secondary market in order to raise enough funds for its development. As a result, the Group acquired more than 1,100 stores over the period of five years.

In 2002, the Group continued its European growth, particularly in Italy, Spain and Portugal and became the leading French perfume retailer and the second largest in Europe. Now, the acquisition by ASW opens a new world of opportunities.

"I am delighted to support our brand new start with A.S. Watson, which is one of the largest retailers in the world," said founder and CEO Mr Frydman. "Together, we will ensure the best means to develop Marionnaud in France and in the world."



Senior management appointment

A.S. Watson has already added to the strength of the management team at Marionnaud, with the board of directors naming Hugues Witvoet as Deputy CEO in May.



Mr Witvoet has spent the past decade in Asia, where he held several senior executive positions with Promodès Group in Korea from 1995 to 2000, and with LVMH Hong Kong from 2000 to 2005.

"I am particularly proud to join a company as emblematic as Marionnaud," Mr Witvoet said. "It is a great honour for me to participate, alongside Marcel Frydman, in the international development of the brand within the A.S. Watson Group."

Before embarking on a career in Asia, Hugues Witvoet worked for McKinsey in London, Royal Dutch Shell in Paris and Madrid, and L'Oréal.



Instituts

Built inside Marionnaud's stores, the Marionnaud Institute is an exclusive, tranquil beauty salon dedicated to female customers to pamper their body and soul. The professional beauty consultants there offer skincare advice and answer questions on body care and wellbeing. Over 900 Marionnaud Institutes are now in service.



A.S. Watson believes its most valuable asset and the key to success is its people. The combination of individual talent, strong team spirit and competitiveness drives our growth and continues to increase profitability.

Future leaders need to thrive on challenges



Leadership in A.S. Watson

In order to be a successful leader within the A.S. Watson (ASW) family they need to:

- Decide or make sure employees know the business goal, strategy and objectives. For this, they need to be excellent communicators.
- Decide the skills and experience needed in their teams to deliver business results. For this, they need good thinking skills and the experience to know what it takes to operate successfully.
- Find the right people, motivate and organise them so they can operate in an effective manner, and contribute with passion.
- Focus their people on the right priorities, developing

their skills and experience to continually drive better performance. Never being happy with the status quo and constantly striving for better delivery is a necessity.

Thinking, Delivery, People Skills are the key success factors for our ASW leaders, based on a solid foundation of functional and business experience.

The team needs to be able to see their leader as a role model of good business, management and personal behaviour. For this, they need to create a culture that encourages challenge, is open to new ideas, is focused on results and supports the development of individuals and the team.

Nurture for the future

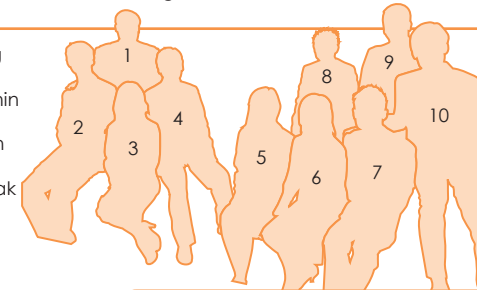
We cannot leave the development of our leaders to chance, so we see it as an area of investment. The ASW Management Trainee (MT) Programme has been running for a number of years to develop a pool of talent and nurture future leaders, as a significant part of succession planning.

"We aim to develop our own pool of talent and grow our future leaders. It is vital that we continue to identify and develop individuals from within the company and externally, to support our global growth strategy." Shanthi Flynn, International Human Resources Director of A.S. Watson said.



"The experience working with A.S. Watson has been very exciting. It's a really big company," said the 10 management trainees recruited in January this year.

1. Alex Wong
2. Arthur Siu
3. Debbie Chin
4. KC Chan
5. June Chan
6. Chloe Lo
7. Donald Mak
8. Ray Yip
9. Kaiser Ho
10. Patrick Lui



The right candidates

Selecting leaders requires a competency framework, not a gut feeling. There are a number of entry-level requirements that prospective trainees should possess.

- High performing graduates, preferably with some working experience. Overseas experience is a definite advantage
- Excellent communication and presentation skills in English and be able to speak at least one other language
- Intelligent with good common sense and strong business acumen
- Fast learners who are highly adaptable in a multi-cultural environment
- Candid and assertive and have leadership potential
- Willing to travel and be flexible for relocation

Mining for talent

Potential external trainees are recruited via advertisements in newspapers or the Internet and through university alumni and student organisations.

Most candidates are aged between 22 and 26 and 70% have some work experience. Approximately 58% have trained at overseas universities and 42% at local universities.

Having met the initial criteria, candidates undergo a stringent selection process that begins with initial CV screening, an aptitude assessment that includes an Occupational Personality Questionnaire (OPQ), assessment of verbal critical reasoning, numerical testing and Personal Development Profile (PDP).

In the last recruitment drive 70 candidates were selected to take the aptitude test out of 314 applications received. Of the 70, only 24 candidates were selected to move to the next level of screening at the Assessment Centre where they took part in group exercises, made individual presentations and faced a panel interview. Of the 24, only 11 individuals were selected to be interviewed by the Group Managing Director or CEO and 10 were ultimately recruited for the MT Programme.

Those who make it through the rigorous screening process and 12-to-18 month on-the-job training emerge as extremely competent managers.



Adeline Gall

Senior Merchandise Manager (Cosmetics & Skin Care), Watsons Your Personal Store, Hong Kong

Adeline joined the Hutchison Whampoa Management Training Programme in 2000.

"The programme was the most important cornerstone in my career path," she said. "it sharpened my commercial insight for this fast-paced retail world. I learned to remain positive in adversity and never contemplate losing. It helped me move up quickly along a very steep learning curve and it gave me a valuable chance to gain experience and to be part of the winning team. I am very proud to work for Watsons, which always strives to be the No. 1 health & beauty retailer."

The Beauty division is Watsons' core business with a significant profit contribution. Adeline has mastered it well over the past years with proven results and strong market positioning. She and her team continue to drive the business forward and ensure maximum financial benefits for the company.

Simon Shum

Supply Chain Manager, Fortress Hong Kong

A graduate of the Class of 2000, Simon played a key role in establishing the Supply Chain Department from scratch. Already a Certified Public Accountant, Simon said the MT programme fostered his personal growth and prepared him for the future by exposing him to rapid change.

"There was a change of job postings every few months," Simon recalled, "from store operation to merchandising, then process re-engineering, warehousing, system implementation and finally setting up a completely new supply chain. What I recognised is that different departments have different primary objectives but there must be common ones that tie them together. Secondly there was a change of company structure and a change of team members when I went through different postings. Living with consistent changes may not all be fun, but it is an important process in becoming a veteran. I'm happy to have experienced all these while still young!"



Violet Yu

Marketing Controller, Great, TASTE & Gourmet

Violet is yet another successful graduate of the class of 2000.

I decided to join the programme because it met my objective of finding a more "mature" MT programme, requiring candidates with some work experience. Further to my MBA studies, I wanted to actualise myself and make a contribution to a very well-recognised corporation." Violet said.

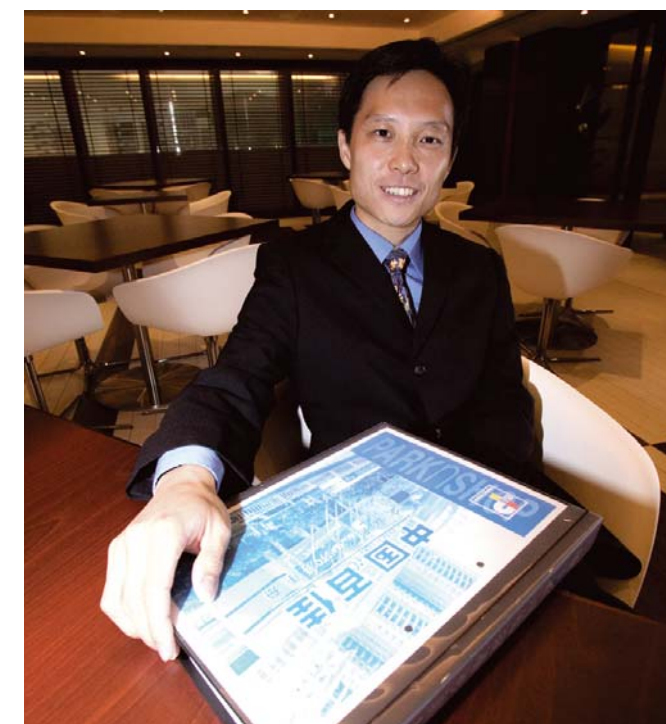
I started off in the Marketing Department, then the Operations Department and Trading Department; finally, I settled in the Marketing Department and handled the marketing functions of various food & wine operations. The three-year MT programme definitely enriched my knowledge, strengthened my networks in the industry and prepared me very well for the challenges ahead. Now I'm ready to be part of the team that is building some of the best Fine Food brands in town, which I expect will play key roles in Hong Kong's up-and-coming fine foods culture.

Dominic Wong

Operations Manager, PARKNSHOP China

A veteran of the MT programme, Dominic joined in 1995.

"Taking part in the MT programme was a privilege, he said. "I had the chance that not many people have in their career, to experience various postings and take part in a number of interesting projects. After the programme, I started in the Manufacturing Division, transferred to PARKNSHOP where I was involved in buying, and settled in PARKNSHOP China as Operations Manager overseeing store operations. I was assigned to PARKNSHOP's first megastore launch in Mainland China in 2001 and had the chance to fly to the United Kingdom where I worked with a design house on store design and zoning. The store launch was very successful."



Next Step

It is ASW's plan to introduce a similar programme for trainees selected from within our existing management. We also hope that the leadership modules being developed will start to be used across the business to develop our general management capability. Watch this space for further updates.



Showing the way to a GREENER FUTURE

From plastic bags and bottles to batteries, A.S. Watson is driving several environment-friendly initiatives in Hong Kong, offering incentives to help customers see the way towards a greener future.



Joining rechargeable battery drive

Watsons Your Personal Store and Fortress support the Environmental Protection Department's rechargeable battery initiative, to help conserve natural resources and reduce environmental risk.

Rechargeable battery producers, importers and green groups jointly launched the "Rechargeable Battery Recycle" programme on 9 April. Watsons and Fortress are among the few retailers to offer a battery collection service for the public. Stores will place collection bins and posters to promote the message and staff will also assist people in collecting batteries.



Turning the tide on plastic

PARKNSHOP Hong Kong has launched a "Don't Drown the Earth" programme, which aims to cut the number of bags used by over 10 million a year and is expected to raise more than HK\$200,000 for green education. The initiative, running from 13 May to 16 September, has the support of the Environmental Protection Department and Green Power.

New reusable carrier bags are on offer in all stores in three fashionable colours. To encourage the customers to use the bag, customers who pay HK\$6.90 for each bag will get a stamp collection card. For purchases of \$50 or more will get 1 stamp and on the 10th stamp, the bag's cost is deducted from the customer's bill. For every reusable bag purchased, PARKNSHOP is donating \$1 to Green Power to support the Green Power Green School Network scheme.



Philippe Giard, Managing Director of PARKNSHOP Hong Kong (centre in dark grey suit); Eric Chan, Acting Deputy Director of Environment Protection (right) and Dr Man Chisum, Chief Executive of Green Power (left), at the PARKNSHOP's "Don't Drown the Earth" campaign press conference.

Bottles recycling for better tomorrow

In May, Watsons Water launched a "Plastic Bottles Recycling Programme", selecting a private housing estate in Ma On Shan, for the pilot scheme. Residents are encouraged to put rinsed plastic bottles in waste collection kiosks, with a stamp given for every five plastic bottles. Gifts are redeemable for five stamps or more. An exhibition has also been organised in the estate's clubhouse to increase the residents' understanding of recycling.



Kruidvat fosters creative spirit

Kruidvat has received an overwhelming response to its art initiative, allowing talented artists to achieve their potential and the general public to buy real art at affordable prices.

Through a promotion in Kruidvat's magazine, almost 30,000 autographed handmade paintings produced by promising young creators have been sold at competitive prices since the start of 2005.

The artists were able to introduce themselves through information posted at the back of the works. More important, the earnings gave room for further development.



Watsons extends free health initiative

Watsons Hong Kong is extending its free Medication History Review Plan to all 50 Watsons pharmacies, after a successful pilot programme launched last year with the Chinese University of Hong Kong. It aims to offer at least 40,000 counselling sessions in 2005 and provide a reliable primary health care channel.

There is a monthly disease focus, with the first being "diabetes and a healthier life". Two hundred and fifty eligible patients have been recruited to participate in a three-year programme, which includes free health testing and counselling from Watsons' pharmacists and dieticians, complemented with monitoring provided by Hong Kong Hospital Authority.



Local celebrity Lisa Fong introduces cuisines that are suitable for diabetes patients (left) and receives the health test conducted by a Watsons' pharmacist.

A.S. Watson
屈臣氏集團

拉闊生活
新一族 Lifestyle Club

More than just a job – the ASW lifestyle

A.S. Watson (ASW) has recently launched the Lifestyle Club exclusive for ASW colleagues with the aim to enhance their experience working with company. Hope to see you all joining in the fun.

"Lifestyle Club" is the official staff recreational club of ASW.

The Concept

It's about creating FUN for colleagues, and ENRICHING their everyday lives! The Club aims to develop a more active culture within the Group, and at the same time enhance the "Feel Good" factor amongst staff. All ASW colleagues are entitled to be members and activities will be organised throughout the year.

Vision

We want colleagues to say: "I love working with A.S. Watson! It's great fun!"

Target Audience

As the Club is based in Hong Kong, its primary target audience is the 14,000 colleagues based in the city. Our 73,000 overseas colleagues are the secondary target audience.

Nature of Activities

The Club will organise international and local activities. Internationally, we have the annual Singing Contest in August and the Sports & Fun Day in October. Locally in Hong Kong, we will organise interest courses, outings, sports competitions, as well as volunteer services.

Organisation

The Club will be managed by Group Public Relations, with Group Managing Director Ian Wade as the Patron. All CEOs will act as Vice-Patrons and HR teams are on an advisory committee.

Tell us your interests at ASWLifestyleClub@asw.com.hk



Watsons Philippines held an amazing team-building exercise at the White Rock Resort in the Philippines on 13 March.

Six teams were asked to participate in games and activities, including a Tug of War, Sack Race, Touch and Run and Basketball at the Pool. The highlight of the event was the search for "Miss Bikini Getaway 2005", which pitted contestants against each other in a showdown of versatility, talent and poise.

Bikini getaway builds team spirit



Enjoying well-earned rewards

After a year of hard work, it was high time for the staff to take a break and spend an evening enjoying a tasteful supper and an astonishing performance. Let's RELAX!



Reaching out in pursuit of the best

PARKNSHOP China held its first annual meeting at Mission Hills Country Club recently, with the theme of "Reach Out", attended by management teams from different departments.

Hicks Feng, Managing Director of PARKNSHOP China, reviewed the year's progress, explaining that the "Reach out" theme reflected expansion outside Guangdong, as well as actively pursuing the best. Different departments gave inspiring speeches, with the Merchandising Department giving an Own Label clothing demonstration while the Operations Department told the stories of fictitious characters "Mr Bad Luck" and "Mr Will Come Back" to stress creativity.



Celebrating record-breaking athletes



Watsons Athlete Club (WAC) athletes have broken several records in the Watsons Water Athletic King Championships 2005 Round II and the Watsons Water Hong Kong Junior Elite Athletic Championships 2005 Round II.

Meanwhile, WAC's athletes continued to excel abroad. Leung Shuk-wah, Pang Hok-man and Leung Han-see set new Hong Kong records in the Women's 4 x 100m relay in the All China Games (Zhanoqing). Junior sprinters Maggie Hui and Law Kai-tui came first in the women's and men's 100m at the Manila Track & Field Open Meet, and Fung Chun-yu set a new Hong Kong junior record in Men's 400m hurdles at the All China Grand Prix (Zhongshan).

Tin Ka-yin broke the nine-year-old junior record for women's shot put, setting a new distance of 11.75m in Watsons Water Hong Kong Junior Elite Athletic Championships 2005 Round II.

Tang Yik-chun (right), 19, has twice broken the Hong Kong men's 200m record, with Lau Yu-leong breaking the men's 100m record in Watsons Water Athletic King Championships 2005 Round II.

ASW honours junior athletes

A.S. Watson (ASW) continues to sponsor the A.S. Watson Group/Hong Kong Sports Institute Outstanding Junior Athletes Awards, with swimmer Sze Hang-yu and badminton player Wong Wai-hong recently named as the winners for the fourth quarter of 2004.

The awards are presented by the Hong Kong Sports Institute and supported by the Sports Federation & Olympic Committee of Hong Kong and the Hong Kong Sports Press Association.

ASW has sponsored the awards since 2003, which recognise the achievement of local junior athletes on a quarterly basis.



Alessandra Piovesana (centre), Managing Director of Nuance-Watson (HK), holds a commemorative flag with Cassius Lau, Airport District Commander of the HKSAR.



Nuance-Watson earns anti-crime honours

Nuance-Watson (HK) has been honoured with a "Fighting Crime Award" by the Hong Kong Police, commending its contribution to fighting crime at the Hong Kong International Airport. It is the first time a private company has received such an award.

Moreover, Human Resources Manager Kan Chan (left in bottom photo) has been nominated as the Airport Authority Safety Ambassador for her good work done in the domain of airport safety, on behalf of Nuance-Watson (HK).



SuperQuiz

(Issue no. 65)

Answers to Issue no. 64: 1) 100th store in Mainland China and 300th store in Taiwan
2) TASTE
3) Serena Williams

Super Prize (512MB MP3 player)

Name	Company & Department
1. Chan Wai-keung	PARKNSHOP - Sheung Shui Distribution Centre
2. Fanny Au	Watsons - Operations
3. Ng Chi-fung	ASWI - Engineering
4. Simon Glass	Superdrug
5. Violeta Mataitiene	Drogas

Gold Prize (Watsons Water Champions Challenge 2005 souvenir kit)

Name	Company & Department
1. Justina Ng	ASW - Group Human Resources
2. Grace Wong	ASW - Office Services
3. Leung Yiu-fai	PARKNSHOP - Shatin Distribution Centre
4. Wilson Mak	PARKNSHOP - Engineering & Construction
5. Cheung Ming-wai	PARKNSHOP - Finance
6. Zhong Li	PARKNSHOP China
7. Louise Tong	FORTRESS - Sales Administration
8. Annie Ngai	FORTRESS - Merchandising
9. Lee Wai-chun	FORTRESS - Supply Chain
10. Serena So	Watsons - Store Development
11. Lau Kwan-ying	Watsons - Supply Chain
12. Chan On-ki	Nuance-Watson - Finance
13. Lo Hoi-yan	ASWW - Sales
14. Leung Chi-mui	ASWI - Garage
15. Lam Hok-ting	CGI - Distribution
16. Abigail M. David	Watsons Philippines
17. Brenda M. Sapungan	Watsons Singapore
18. Margaret Hall	Savers
19. Peter Taylor	Savers
20. Lieuwe Kampen	Health & Beauty Continental Europe

Silver Prize (Watsons Own Label skincare gift set)

Name	Company & Department
1. Tammy Chung	ASW - Group Finance
2. Clarence Yeung	ASW - Group Finance
3. Lau Tan-man	ASW - Group Finance
4. Ivy Wong	ASW - Group Human Resources
5. Jay Chan	ASW - Group Human Resources
6. Wong Wai-yiu	ASW - Office Services
7. Yeung Kan-yue	ASW - Information Technology

8. Carrey Tam	ASW - On Eleven
9. Leung Chiu-man	PARKNSHOP - Accounts
10. Yeung Siu-wa	PARKNSHOP - Engineering & Construction
11. Chan Kwok-kit	PARKNSHOP - Engineering & Construction
12. Ng Siu-fai	PARKNSHOP - Operations
13. Ron Lam	PARKNSHOP - Trading
14. Curtis Chui	PARKNSHOP - Property Development
15. Tang Ka-ki	PARKNSHOP - Sheung Shui Distribution Centre

16. Wong Chung-sze	TASTE
17. Joanna Chen	PARKNSHOP China
18. Wann Y Wang	PARKNSHOP China
19. LuLu	PARKNSHOP China
20. June Yim	FORTRESS - Supply Chain
21. Ma Siu-ping	FORTRESS - Accounts
22. Luby Yeung	FORTRESS - Services Operation
23. Dorothy Wong	FORTRESS - Office Administration
24. Wong Man-see	FORTRESS - Merchandising
25. Pan Hsin-hsin	Watsons - Store Development
26. Cheung Yiu-sing	Watsons - Store Development
27. Lee Kam-lan	Watsons - Accounts
28. Louis Chueng	Watsons - Design & Development
29. Cheng Fung-yam	Watsons - Human Resources
30. Sally Wong	Watsons - Information Technology
31. Eric Choi	Nuance-Watson - Accounts
32. Michelle Poon	ASWI - Finance
33. Wong Wai-yung	ASWI - Finance
34. Chen Shun-ling	ASWI - Finance
35. Elaine Lau	ASWI - Finance
36. Lau Kwok-hung	CGI - Distribution
37. Ling Ka-cheung	CGI - Distribution
38. Keung Yeuk-hon	CGI - Distribution
39. Wong Yik-yue	ASWW - Customer Care
40. U Chi Keong	Watsons Macau
41. Veley	Watsons Foshan
42. Kelly Lin	Watsons Taiwa
43. Polly Poon	Watsons Malaysia
44. Rita Chanviriyavuth	Watsons Thailand
45. Divina Gracia Dinglase	Watsons Philippines
46. Prisilla Hentoloro	Watsons Philippines
47. Kristine S. Tallado	Watsons Philippines
48. Christine Burbage	Superdrug
49. Teunette van de Scheue-V. Rinsum	Kruidvat
50. Vera Judina	Drogas

Super Prize (20)



Elegant necklace

Marionnaud nicely presents an elegant necklace to greet *WatsOn* readers. With a pendant made of crystal, the delicate necklace is an adorable gift to you and your friends.

Sponsored by

Gold Prize (20)



FORTRESS' smart collectables

Creatively designed accessories including pen holder, key chain, paper clips, bookstands, coasters, name card holder and magnet memo stand add splash to your flatty daily lives.

Sponsored by

Silver Prize (20)



PARKNSHOP environmental shopping bag

PARKNSHOP is giving way the durable and washable reusable bags in three fashionable colours, orange, black and green which are foldable and easy to carry for shopping.

Sponsored by



- 1) Which country did Watsons Your Personal Store recently enter?
- 2) What programme did PARKNSHOP launch to cut the number of bags used?
- 3) Name the official staff recreation club of A.S. Watson?

Name of Staff: _____ (ENG) _____ (CHI)

Company & Department: _____ (Country)

Employee No: _____ Contact Tel No: _____ Signature: _____

A1: _____ A2: _____ A3: _____

Send your completed entry form to:

Group Public Relations
A.S. Watson Group
11/F Watson House
1-5 Wo Liu Hang Road
Fo Tan, Shatin, Hong Kong

or Email to WatsOn@asw.com.hk

Deadline: 19 August 2005

store Openings

(March to May 2005)

We open 2 stores everyday!

PARKnSHOP

Hong Kong

- Supermarket
- Cheung Wang Estate
- Marina Cove



Watsons

Hong Kong

- Shek Yam Road
- HK Station
- Un Chau Street
- Garden Rivera
- City Garden
- Fortress Hill
- New Town Plaza (re-fit)
- Harbour City (re-fit)
- Des Voeux Road

Taiwan

- Hsu Chang, Taipei
- Chao Zhou, Chiayi
- Pu Zi, Tainan
- Bei Men, Tainan
- Lu Zhu, Kaoshiung
- Wu Fen Pu, Taipei City
- Li Yun, Tainan
- Da Lin, Chiayi
- Dou Nan, Yunlin
- Shui Shang, Chiayi
- Nan Hua, Kaoshiung

Philippines

- Araneta Square
- Limketkai Mall
- Dasmariñas Supermarket
- Dasmariñas Mall
- Dasmariñas DS
- Olongapo Mall
- Shangrila Rustans
- Boni Avenue
- Greenbelt 1
- Baguio Mall 3
- Gaisano Davao
- Market ! Market !
- Makati Drug
- Batangas Mall
- Batangas Supermarket
- Batangas Dept. Store
- Gateway Mall
- Waltermart Sta. Rosa
- Delgado Mall Tutuban
- Waltermart Makati
- Ayala Cebu
- Berkeley
- Dasmariñas Mall 3
- Pacita Complex
- Makati Enterprise

Thailand

- Nana Square, Bangkok
- Major Hollywood changwattana, Bangkok
- Siam Discovery, Bangkok
- Naza mall Supanburi
- Tuk Com Pattaya

- Sermthai Mahasarakham, Bangkok
- Patpong, Bangkok
- Imperial World Samrong
- Ram 53, Bangkok
- River Plaza Nontaburi, Nontaburi
- Big C Omyai, Bangkok
- Kanokpetch Kanchanaburi, Kanchanaburi
- Yongkij Mukdahan, Mukdahan
- Kalasin Plaza, Kalasin
- Hi Mall, Bangkok
- Victory Monument 2, Bangkok

Singapore

- Marsiling
- Pearl Centre
- Downtown East



FORTRESS

Hong Kong

- FORTRESS World
- Plaza Hollywood, Diamond Hill
- Telford Plaza, Kowloon Bay
- FORTRESS Digital
- APM, Kwun Tong
- Russell Street, Causeway Bay
- Sai Yeung Choi Street, Mongkok



Watson's 酒窖 Wine Cellar

Hong Kong

- International Finance Centre

Kruidvat

Netherlands

- Delft, Bastiaansplein 13
- Kerkdriel, Mgr. Zwijssenlein 20a
- Den Haag, Oude Kustlijn 104
- Rotterdam, Korte Poolstraat 15
- Assendelft, Dorpsstraat 537b
- Eindhoven, Hermanus Boexstraat 28
- Bakel, Dorpsstraat 3
- Amsterdam, Buitenveldertselaan 160
- Beeststerzwaag, Hoofdstraat 66
- Velden, Markt 10
- Surhuisterveen, De Kolk 24
- Linchtenvoorde, Markt 12a
- Bedum, Grote Straat 15c
- Deventer, Flora 247-249
- Beek Ubbergen, Schellingshof 3
- Krimpen a/d IJssel, Raadhuisplein 55B
- Elburg, Jufferenstraat 22
- Amersfoort, Langestraat 116

- Haren, Rijksweg 181
- Groningen, Siersteenstraat 428 / 18
- Ulvenhout, Dorpsstraat 81A
- Putte, Antwerpsestraat 34
- Gieten, De Trog 60
- Musselkanaal, Marktstraat 87
- Bergambacht, Hoofdstraat 19
- Hoogeveen, De Weide 7-11
- Den Bosch, Hinthamerstraat 36-38
- Appelscha, Vaart Zuidzijde 50
- Dordrecht, Pearl Buckerf 24
- Bergen op Zoom, Gouvernementplein 29
- Duiven, Eilandplein 488
- Den Haag, Vlamingstraat 22a
- Den Haag, Leyweg 940 P
- Enschede, Raadhuisstraat 16
- Den Helder, Marsdiepstraat 395
- Franeker, Dijkstraat 10
- Maarheeze, Stationstraat 13
- Eygelshoven, Veldhofstraat 19D
- Nijmegen, Molenpoortpassage 16
- Beek Ubbergen, Schellingshof 3
- Gouda, Nieuwe Marktpassage 14

Belgium

- Brussels, Woluwe shopping center

savers

United Kingdom

- Dingwall
- Hoddesdon
- Ballymena
- Harpurhey
- South Emsell
- Wood Green
- Inverurie
- Malton
- Erith



Superdrug

United Kingdom

- Stornoway
- Rothesay

Trekpleister

Netherlands

- Goirle, De Hovel 47a
- Etten-Leur, Burchtplein 27
- Amsterdam, Ankerplaats 12-14
- Almere, Stationstraat 10
- Leeuwarden, Cambuurplein 2

ICI PARIS XL

Netherlands

- Spijkenisse, Stadhuispassage 17
- Vlaardingen, Liesveld 20
- Zwijndrecht, Hof van Holland 18
- Lelystad, Neering Passage 59-61
- Valkenswaard, Eindhoveneweg 37
- Etten-Leur, Hof van Houte 118
- Hoofddorp, Marktlaan 162
- Amsterdam, Leidsestraat 67

ROSSMANN

Poland

- Sochaczew, Pokoju 3 A

Czech Republic

- Znojmo, Kovářka 12

Hungary

- Dunakeszi, Casalgrande Platz 4.
- Tatabanya, Kodaly Zoltan Platz 5.
- Budapest, Rákospalva park 3/c.



An artist's impression of the Li Ka Shing Medical Sciences Building.

LI KA SHING foundation

CUHK health sciences institute

The Li Ka Shing Foundation has donated HK\$60 million to The Chinese University of Hong Kong (CUHK) to establish an institute of health sciences and to fund clinical studies and health sciences research at the Faculty of Medicine.

The newly established "Li Ka Shing Institute of Health Sciences" will devote its research effort mainly to areas related to individual health, with particular emphasis on sickness prevention, clinical sciences, and regenerative medicine. Research foci include early detection of severe diseases, innovative therapeutics, and disease prevention through understanding genetic susceptibility. The Institute will also seek multi-disciplinary collaboration with private and public partners in research projects related to personal health and health education.

The Institute, to be headed by Dean of the Faculty of Medicine Professor Fok Tai-fai, will be housed in a new 12-storey building at the Prince of Wales Hospital scheduled for completion in the fourth quarter of 2006. The new medical sciences building will be named after Dr Li Ka-shing in recognition of his contribution.

The Li Ka Shing Foundation has been a long-standing supporter of education and healthcare projects, contributing over HK\$2.3 billion to medical care and research since 1980.

CUHK and the Foundation have a history of successful collaborations. Two specialist clinics at the Prince of Wales Hospital were built with the Foundation's support in 1984 and 1997.

Vice-Chancellor of CUHK, Professor Lawrence Lau said the university admired Dr Li's legendary philanthropy and public-spiritedness. "We are truly impressed by the many significant contributions Dr Li has made over the years towards educational and medical causes in Hong Kong and on the mainland," he said.