



A Hutchison Whampoa Company



Quarter 1 • 2007

A.S. Watson quarterly family magazine

The Perfume Shop : Sweet smell of sales success

Marionnaud unveils innovative concept store

PARKŃSHOP goes international

Stars serve up spectacular tennis

Students get hands-on experience

watson

Message

from GMD



Dear Colleagues

As most of you are aware, Ian Wade retired in December last year after almost 25 years of service with A.S. Watson and I have been appointed as Acting Group Managing Director in addition to being Executive Director of Hutchison Whampoa Limited.

I am pleased to be back with the A.S. Watson family after my initial service in 1994 to 1997.

Retail is details. That has not changed and will not change. One thing that has changed is the portfolio of A.S. Watson. From a small Hong Kong company we have expanded to become one of the world's leading international retailers. Our manufacturing operation has also grown to become a major player in Hong Kong and Southern China. I am very proud of what you have achieved, and I think you should be very proud of yourselves!

Compared to a decade ago, it is of course a much more complex business now, but at the same time, one that has tremendous potential.

It is my mission as the acting head of A.S. Watson this coming year, to create maximum synergies within our global retail network. It is by pulling our resources together that we can truly capitalise on our scale and investment, and validate our efforts to our shareholders.

In today's competitive world, we must use more scientific ways in measuring every aspect of our performances, as well as in identifying opportunities and managing risks.

Our priority for 2007 is to meet budget and I rely on every one of you in delivering your plans. For our retail business, let's focus on driving store like-for-like growth. It is also a key for the Group to strengthen global buying and maximise returns on every investment. And we should not stop ourselves from being creative and brave in the process.

At A.S. Watson, we have always prided ourselves on the passion we have in the business. Indeed, it is our passion that differentiates us from other retailers. Let's all share the vision and remain dedicated to transforming A.S. Watson into a retail powerhouse.

I take this opportunity to thank Ian for his tremendous contribution to A.S. Watson.

I look forward to working closely with you in the coming year.

Dominic Lai

Meet our new Group Managing Director

Dominic Lai, aged 53, has been Executive Director of Hutchison Whampoa Limited (HWL) since 2000. He first joined HWL in 1994 as the Chief Operating Officer and Finance Director of A.S. Watson. He was subsequently appointed as Group Managing Director of Harbour Plaza Hotel Management (International) Limited in 1998 before he joined the HWL head office in 2000. Mr Lai is also the Deputy Chairman of Hutchison Harbour Ring and a Director of Hutchison Telecommunications Australia.

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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 36 markets worldwide. Today, the Group owns more than 7,700 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 98,000 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 energy, infrastructure, investments and others, in 56 countries.

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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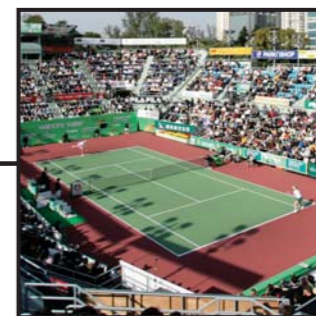
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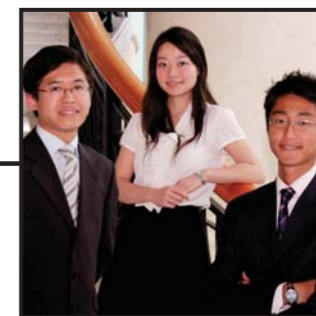
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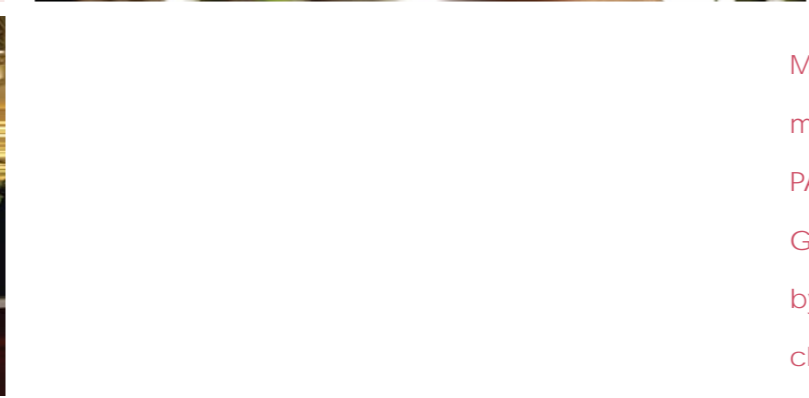
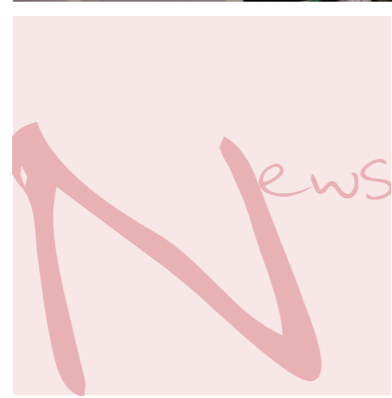
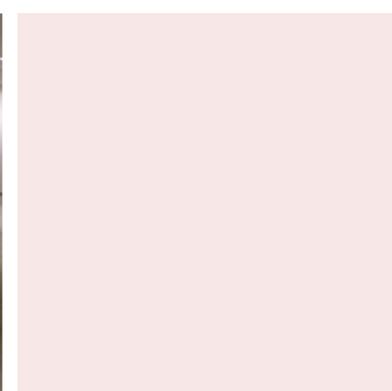
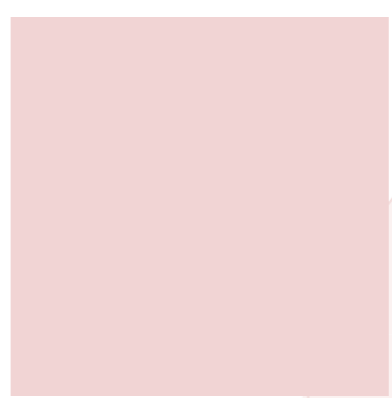
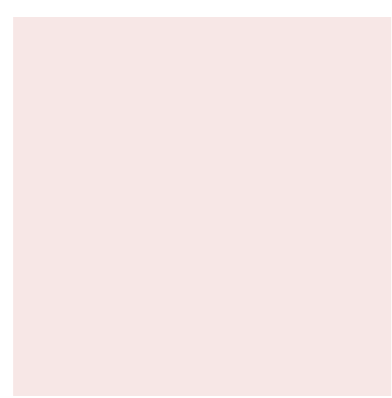
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Marionnaud unveils innovative concept store

Marionnaud unveiled a refreshingly elegant test concept store at Rungis, France, on 11 January.

Designed by French architect Philippe Kauffmann, the store conceptualises beauty, wellbeing, elegance and pleasures with a new logo and modern colour codes. The architecture lends itself to a harmonious environment that takes into account different styles of shopping behaviour. To meet the needs of customers in a hurry, peripheral walls display fragrances for self-service. Addressing customers who have time to discover, low-lying thematic tables and half-open mini institutes offer manicures, make-up and care consultation services.

The first rollout begins in selected stores in France this summer with other European countries to follow. /Marionnaud



Marvellous milestones

Kruidvat and Watsons Singapore recently celebrated significant milestones with the opening of new stores.

Kruidvat opened its 750th store in Rotterdam in December. To celebrate, staff and customers took part in a ribbon- and cake-cutting ceremony while a clown entertained guests and customers.

In November, Watsons Singapore celebrated the opening of its 100th store at VivoCity.

Coinciding with the 100th store celebration, Watsons Singapore co-published its first annual beauty guidebook, titled *It All*, with publisher EzyHealth and also kicked off their programme to raise funds for the MILK Fund – a charity organisation committed to the well-being of needy children which helps realise their hopes and wishes.



For every Winnie-the-Pooh & Friends plush sold, SGD\$2 was donated to the MILK Fund



PARKNSHOP opens Shanghai flagship

In December, PARKNSHOP China continued its expansion in Mainland China to better serve mainland customers in 2007.

PARKNSHOP China's footprint has been widely extended in Guangzhou, Foshan, Kunming, Chengdu, Wuhan and Shanghai in the last quarter with six new stores. In Shanghai, the 13,000-square-metre flagship store opened at Guohe Shopping Mall on 27 December, stocking over 25,000 quality products from around the world at competitive prices.

The store is also equipped with a "Fresh Food Checking Laboratory" and a patented fish pool sterilisation and filtration system to ensure freshness and quality. PARKNSHOP



Take a stroll down The Gift Avenue

Nuance-Watson (HK) has introduced an innovative promotion concept - "The Gift Avenue" - in its mega department store "The Plaza" at Hong Kong International Airport, setting a new top-of-mind destination for travellers with gifting needs.

This concept was introduced to promote the newly revamped food and souvenir section in "The Plaza", which offers an enhanced environment where product categories are well defined and brand choices are clearly stated to flag different interests for different customers.



PARKNSHOP goes international

"International by PARKNSHOP" – a new concept designed to celebrate the international flavours of everyday life – opened in December at Happy Valley, Hong Kong.

The unique one-stop store is packed with everyday essentials from every corner of the world, offering the very best from East and West and everywhere in between – right on customers' doorsteps.

The store offers over 1,000 environmentally friendly and organic products to choose from, including breakfast cereals, vegetables and snacks.



Great deal with MoneyBack cards

PARKNSHOP, TASTE, GOURMET and GREAT on 9 January introduced the MoneyBack card-based rewards programme, bringing exclusive and individually tailored offers to consumers.

There are four cards in a set, allowing family members to earn one point for every HK\$5 spent. Accumulated points earn MoneyBack vouchers.

Exclusive offers to members will be marked on store shelves and a personalised shopping list with special offers can also be printed out for customers at the kiosks in stores. Additionally, the MoneyBack Gift Redemption Centre will periodically offer free product samples and gifts.



Beauty by the look

Superdrug worked with a team of world-renowned beauty experts to create the season's hottest looks on the catwalk using high street products from Superdrug for the spring-summer Superdrug Beauty-trends book, which is produced twice a year for the British media.

Collaborators included make-up artist Sharon Dowsett, who creates looks for leading fashion publications; hair stylist Lyndell Mansfield, who has tended the locks of many high-profile celebrities; and Glenis Baptiste, manicurist to the stars, whose range of nail treatments is sold exclusively in Superdrug.



A flare for health care

Kruidvat was the first store chain in the Netherlands to offer health insurance products. Now Kruidvat has taken the concept further with the introduction of a Standard Health Insurance policy and supplementary packages through OHRA, a member of the Delta Lloyd Group.

A one-year policy costs €1,053 and comes with a complimentary €50 credit note to buy goods at Kruidvat stores. The service is well received by customers who find such convenience very relevant as they shop in Kruidvat for health & beauty products.



Photofinishing kiosks
click with customers

Enabling customers to instantly share their happiest moments with family and friends, selected FORTRESS, PARKNSHOP and Watsons stores in Hong Kong have installed self-servicing digital photofinishing SONY PictureStation kiosks. The kiosk allows customers, in seven seconds, to print high-quality, indestructible and water-proof pictures that last a lifetime.



Bottles up

Watson's Wine Cellar recently hosted the "Talk of the Town" annual wine event in Hong Kong, with 40 wine producers travelling from all over the world to participate.

Programmes included "Meet the Winemaker", a "Barossa Dinner", "Grand Tasting" and a "Global Dinner" with all receiving overwhelming responses.

Watson's Wine Cellar enjoyed excellent feedback from connoisseurs and suppliers while partner host JW Marriott expressed great satisfaction with the event.



Fine wines from TASTE

To offer the best selection of fine wines during the festive season, TASTE staged a "Bordeaux Wine Festival" at LCX, Tsimshatsui, Hong Kong between 19 January and 2 February.

Premium quality Bordeaux wines were on sale at special prices, including the Michel Lynch series from famous vineyards Jean Michel Caszes and the exclusive sale of well-known French brand J.P. Chenet.

Customers also had a chance to win a return ticket to Paris in the lucky draw.






"I am new and happy to help"

On 1 December, Watsons Malaysia launched its new name badge, featuring a fresh image and clear message. The badge will be worn prominently on uniforms and will not only identify staff but also communicate their eagerness to help.


Putting "I am new" on the name badge helps introduce staff to customers and asks for their understanding in cases of inexperience. "Happy to help" denotes their dedication.

The idea was based on feedback from mystery shoppers. 



Thankful Day


In mid-December, Watsons China launched its "Thankful Day" campaign across Mainland China to express its gratitude towards loyal customers.

As part of the campaign, lots of quality products were sold at very special prices, and lucky draws with attractive prizes were held. The staff showed their appreciation, serving the crowds in high spirits. The campaign was widely praised by customers and remarkable sales were recorded. 



Refreshing the runners

Sine 1996, Watsons Water has been the official sponsor of the Standard Chartered Hong Kong Marathon, providing athletes with refreshing pure distilled water and this year the popular sports drink Watsons Iso-Tone will also be available along the track.

To celebrate this annual event, Watsons Water introduced special edition bottles and bonus packs as well as a lucky draw with fabulous prizes that include Watsons@Marathon 101 Limited Edition Badge, T-shirts, track suits and New Balance running shoes. 




Ian Cruddas, Managing Director of Watsons Taiwan presents "More Love Lucky Bun" to local pop idols "Woo Girls"

LuckyBuns

To celebrate its 2006 anniversary sale, Watsons Taiwan launched a limited "Lucky Bun" collectable campaign to bestow good luck on customers.

With any purchase of NT\$339, customers will receive one of six "Lucky Bun". Coinciding with the campaign, Watsons Taiwan's website also offered "Lucky Bun" fortune-telling games, free MSN smileys and an e-card download.

Following the excellent response, a "Lucky Piggy" promotion was also rolled out in January. 




Each "Lucky Bun" has its own name and character (from left to right), "No bad luck", "More Money", "Healthy", "Luck for Exams", "More Love" and "No back-stabbing"



Health Minister checks in with Superdrug

Superdrug recently welcomed Andy Burnham MP, Minister of State for Delivery and Quality at the Department of Health, to its Oxford Street store.


Burnham was briefed on the health related services available to customers, including the new Healthy Heart Computer Check programme, and enjoyed a complimentary mole check using the latest technology. Mole clinics currently run in three London stores.

Burnham was also briefed on Superdrug's ongoing campaign to cut VAT on children's sun-care products, which are currently classed as luxury items. 



FORTRESS delivers ace service to tennis duo


Formidable Chinese tennis duo Zheng Jie and Yan Zi paid a special visit to FORTRESS at Times Square, Causeway Bay on 5 January while they were in Hong Kong to participate in the Watsons Water Champions Challenge 2007.

With fans crowding the store, Zheng and Yan showed great interest in electronic products and were amazed by the unrivalled and trendy product ranges. After a thorough inspection, they selected DV video camera recorders, notebook computers and mobile phones. 




1st FORTRESS is first in town

To inspire smart living, FORTRESS Hong Kong is constantly searching for new and hot electronic products. Recently, FORTRESS teamed up with Microsoft Hong Kong Limited to sell the new computer operating system - Windows Vista™ at the "WOW" Starts Now" sale at Times Square store in Causeway Bay on 3 February.

Customers were the first in town to secure their Windows Vista Ultimate or Microsoft® Office Home & Student 2007 at fantastic prices. 



Plaudits for Watsons China

In 2006, Watsons China recorded an excellent performance with rapid expansion and the launch of a VIP card to provide better service to customers. These efforts have been recognised by various organisations, which have bestowed the following awards: 

"Top Ten Most Favourite Shopping Place 2006"
– Nanfang Metropolis News

"Top Ten Guangzhou Commercial Campaign 2006"
(Launch of VIP card) – Nanfang Metropolis News

"The Most Trustworthy Chain Store"
– Shanghai Chain & Franchise Association

"The Most Influential Brand 2007"
– Beijing Shopping Guide



Store Openings (December 2006 to February 2007)

PARKN SHOP

Hong Kong

- Supermarket
 - Oceania Height, Tuen Mun
 - Wo Tong Tsui, Kwai Chung
 - Chelsea Heights, Tuen Mun
 - Chevalier Commercial Centre, Kowloon Bay
- Superstore
 - Tsuen Wan Plaza (Phase 2), Tsuen Wan

Mainland China

- Superstore
 - Yun Tian Plaza, Chengdu
 - Sunlink International Centre, Foshan
- Megastore
 - Yuan Meng Yuan, Wuhan
 - Yi Long Plaza, Kunming
 - Guo He, Shanghai
 - GrandBuy Sunny Mall, Guangzhou



FORTRESS

Hong Kong

- Fortress World
 - Yuen Long Plaza, Yuen Long

Watsons

Mainland China

- Jun Tai, Beijing
- Dongfang Yinzuo, Beijing
- Hualian, Beijing
- Guo Zhan, Harbin
- Ansheng Shopping Center, Dalian
- Mudan Jiang, Shanghai
- Wanda, Shanghai
- Bailian Zhonghuan, Shanghai
- Qingpu Kaiteli, Shanghai
- Thumb Plaza, Shanghai
- Robinson Plaza, Shanghai
- Hongyi Plaza, Shanghai
- New World, Wuhan
- Shimao, Wuhan
- Tongluo Wan Shopping Center, Wuhan
- Shishang Mingdu, Wuhan
- SM Shopping Mall, Jinjiang
- Shilong, Dongguan
- Xin Lian Xin, Xiangtan
- SM Shopping Mall, Chengdu
- China New World, Chengdu
- CapitaRetail & Szitic, Mian Yang
- Wal-mart, Jin Jiang
- Dynasty Plaza, Jiangmen
- Tongde Mall Store, Wuchuan



Taiwan

- Tu Chen, Taichung

Philippines

- Ma. Cristina, Fuente Osmena, Cebu City

Singapore

- Telok Ayer



Thailand

- Central Ladprao



Nuance-Watson

WORLD CLASS DUTY FREE

Hong Kong

- La Prairie



Marionnaud

France

- Boulogne Billancourt
- Lyon

ROSSMANN

Czech Republic

- Radická 1620, 594 01 Velké Meziříčí
- ul. Lipová 807, 434 01 Most - Kahan
- tř. Míru 1400, 530 02 Pardubice OC Grand
- Náměří 1 stí 12, 692 01 Mikulov



Poland

- Łska 46, Zduńska Wola
- Tatrzańska 42/ 44, Łódź
- Górecka 30, shopping centre "Panorama", Poznań
- Warszawska 37, Mrągowo
- Plac Wolności 8/ 9, Włochewek (Relocation)
- Rynek 32-36a, Strzegom
- Sobieskiego 19, Kęty
- Sikorskiego 22, Kętrzyn
- Warszawska 2/14, Częstochowa
- Aleje Jerozolimskie 144, Dworzec Zachodni PKS, Warszawa
- Toruńf1 ska 14, Koł
- Al. Marsz. J. Piłsudskiego 50, Olsztyn
- Żwirki 40, Tczew
- Korfantego, Radlin
- Wybickiego 21-23, Grudziądz (Relocation)
- Kościuszki 34, Zgorzelec



Kruidvat

Netherlands

- Grotestraat 19, Baarlo, Ambyerstraat 44-02 44-03, Maastricht
- De Bunders 62-66, Veghe
- 1e Middellandstraat 56, Rotterdam

Belgium

- J.V. Damstraat 3B 1, Zaventem
- Brugsesteenweg 265, Mariakerke
- Vlamingstraat 13, Wervik
- Jodenstraat 1, Leuven
- Brusselsestaanweg 374, Ledeborg



ICI PARIS XL

Netherlands

- Lijnbaan 74, Rotterdam

Belgium

- Stationstraat 9, Eeklo



Sweet smell

of sales success



2006 was an extremely busy year for The Perfume Shop, which successfully consolidated its position as the leading specialist fragrance retailer in the UK . The year's performance culminated in a fabulous Christmas season with a combined UK & Eire like-for-like sales increase of 10.2% during the five-week period ending 30 December.



Founded in 1991 and acquired by A.S. Watson in 2005, The Perfume Shop (TPS) has developed a highly successful format in the UK fragrances sector. Its shops are located in both shopping centres and malls throughout the UK and Ireland, and sell over 300 different fragrance brands for men and women at affordable prices, online and at prime shopping locations.

In 2006, TPS ended the year with 147 stores. Seventeen new stores were opened in the UK including a new

flagship store on Oxford Street in London, opposite famous UK department store Selfridges. TPS held a grand opening party at the store and invited many key suppliers to come and see it in all its glory! With its doors slap bang opposite Selfridges' Fragrance Hall, you can imagine that TPS is causing quite a stir!

A further three UK stores were re-sited – in the Victoria Centre in Nottingham, Meadowhall Shopping Centre in

Sheffield and Castle Mall in Norwich – to take advantage of higher footfall areas. All three stores have new shop-fit elements, including Meadowhall's fabulous and very large window wall, which suppliers are clamouring to use to promote their new launches. TPS has also continued its Irish expansion with the opening of three new stores in 2006. TPS now trades through seven stores in Eire under the name Perfume Direct.

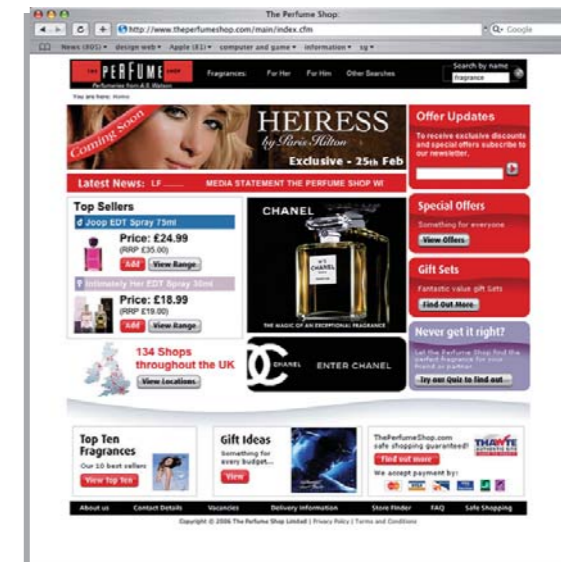


Jeremy Seigal, Managing Director of The Perfume Shop, inaugurates the Oxford Street store opening

www.theperfumeshop.com Online

Online sales at its website (www.theperfumeshop.com) were particularly strong during 2006 with turnover almost doubling at 94%. This followed investment in the website in October that included changing the homepage to make it more accessible and enable more promotional space, and the setting up of a regular email system to inform customers about new products and offers. The website has provided the company with an email database numbering several thousand

customers. In December, TPS also launched a viral game on the internet, which asked people five questions in order to identify their perfect fragrance match. With further investment planned and many suppliers keen to get more involved, TPS'



website is expected to record further strong growth in 2007.

Personnel

During the summer, Gill Smith joined TPS as the new Finance Director and Jo Walker was promoted to Trading Director in recognition of her contribution to the business in 2006. With an ever-growing store portfolio, nearly every team at Head Office has added one or two people to ensure that stores are properly supported. New faces bring new ideas, so the benefits will be seen in 2007.



Gill Smith - Finance Director



Jo Walker - Trading Director

Exclusive Celebrity Fragrance Launches

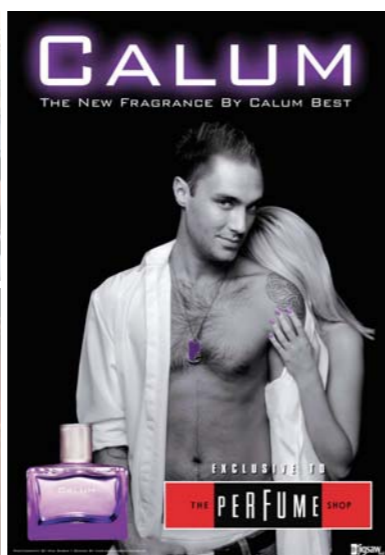
The launch of several exclusive celebrity fragrances added much excitement during the year.

In April 2006, TPS began working with the Living TV channel, which commissioned a series that followed an ex-reality TV show star, Jade Goody, in her quest to make a top-ten best-selling fragrance in just 12 weeks. TPS' operations, buying and marketing teams met with the TV production team and advised on how such an ambitious project could be achieved whilst the cameras rolled! On 20 June, the new fragrance was launched exclusively for TPS at a celebrity-studded party in London. The brand went on to generate sales of over £1 million in 2006 and the TV show was watched by an average of more than 100,000 people a week, giving valuable exposure to the TPS brand.

TPS was also involved in the launch of a new fragrance by Calum Best, son of



footballing legend George Best. Calum, another popular reality TV contestant, is well known for having a reputation as a ladies' man, so excitement ran high when TPS exclusively launched his fragrance – Calum – in November. Calum then toured TPS stores across the length and breadth



of the UK to promote his fragrance, causing many hearts to flutter – and not just among the customers!



Christmas Brochure

In October, TPS launched its first ever Christmas catalogue. Three million Christmas brochures made their way into the hands of customers across the UK as inserts in several national magazines and regional newspapers. The 32-page full-colour catalogue, featuring advertising from all TPS' major suppliers, was also distributed direct to customers via the store network. Additionally, over 100,000

were handed out when TPS took a stand at Clothes Show Live, the UK's biggest fashion exhibition show at Birmingham's National Exhibition Centre. A total of 180,000 16- to 25-year-old women passed through the doors over the six-day event and members of the TPS team were ready and waiting to give them a catalogue and spread the word about the great Christmas offers available in stores.



Success in 2007

The success of the new stores, the online improvements, the exclusive celebrity fragrances, the Christmas catalogue and the new faces with new ideas all played their part in feeding through to TPS' end-of-year figures.

As ever, the main driver behind the

company's success in 2006 and in previous years was its people. Whether working behind the counter in stores, in the warehouse picking and packing stock, in the remote stock room on recovery, or at Head Office, everyone played their part. At Christmas the hours at TPS are traditionally very long, but the staff's

commitment, passion and enthusiasm enables everything to come together at the busiest time of the year. That teamwork and spirit was undoubtedly the key to TPS' sales success in 2006 and will be the main driver of our success in 2007.


It's fun keeping fit

To keep up the healthy sporting spirit throughout the A.S. Watson Group and to promote harmonious family living in 2007, the Lifestyle Club will organise several sports competitions in Hong Kong during April to June, and will also offer new sports courses to all staff and their families. Here's a preview!



Mahjong Queen crowned

The much-anticipated Mahjong Challenge was held on 20 January in Hong Kong with more than 80 colleagues taking part. As usual, the event was fiercely competitive and Cheung Wai-mei from PARKNSHOP eventually emerged as the Mahjong Queen. Kenneth Leung and Kan Cheuk-king from Group Office and Cheng Hoi-yan from Watsons were the 1st, 2nd and 3rd runners-up.

Staff also participated in a "lucky red packet" charity drive with proceeds donated to the Community Chest. 



Cheers!!

Sports Competitions

Badminton

- Staff Competition (Men's Singles and Doubles; Women's Singles and Mixed Doubles) with staff teaming up with family members
- Coaching Clinics for staff

Soccer

- Five-a-side soccer matches (free combination of staff members) game; staff family members are welcome
- Coaching Clinics for staff's kids

Distance Running

- 5km races for individual entries and 1km per person for team entries

Tenpin Bowling


- Individual entries and 10-person team entries

Watch out for more news from your HR!

Sports Course

New courses will be introduced based on feasibility; time slots for courses will be extended to fit the schedules of store staff and shift staff. Proposed new sports courses include:

- "Keep Fit" training programme
- Golf for beginners
- Lawn bowling
- Tai-chi

You will hear more details from the Lifestyle Club shortly. Meanwhile, get fit and gear up for action-packed activities! 



HWL Sports & Family Day

More than 12,000 staff and family members of the Hutchison Whampoa Group (HWL) got together on 19 November to enjoy a relaxing and happy day at the Group's annual sports and family day, held at Hong Kong Sports Institute in Hong Kong.

The fun-filled day included a variety of programmes, such as special performances, competitions and game booths set up by member companies of HWL.

In the Mini-Olympic Competition, A.S. Watson staff showed off their sporting talents, eventually triumphing in both the men's and women's championship.

This year, about 70 disabled students from Hong Chi Morninghill School and BM Kotewall Memorial School were invited to attend the event and share the happiness. Some also participated in a performance with HWL volunteers.



DISCO fever

On 21 January, ICI PARIS XL and the LVMH-group joined together to hold a wonderful annual HR Party for the ICI PARIS XL staff to celebrate the great efforts everybody made during the last year.

Dior, Givenchy, Guerlain and Kenzo chose the great location of an up-market disco in the Brussels area. Everybody took out their old bell-bottoms and plateau-boots, added lots of glitter and glamour, then danced to the beat of 70's disco tunes until their feet got tired! **ICI PARIS XL**



PARKNSHOP employee WINS Medal of Honour

Lamb Young, a passionate staff member working in the Operations Department of PARKNSHOP Hong Kong, has been awarded the "Medal of Honour" by the Hong Kong Special Administrative Region for his outstanding and dedicated contribution to the Civil Aid Service in 2006.

Young is the Assistant Support Force Commander in the Kowloon region. The Civil Aid Service is an auxiliary emergency measure organisation that helps relieve the pressure on Hong Kong's full-time emergency forces. **PARKNSHOP**



watsons water
Champions Challenge
屈臣氏蒸餾水世界網球冠軍挑戰賽 Jan 3 - 6, 2007 • Victoria Park **2007**

Stars serve up
spectacular tennis

Top-quality tennis performance was again on display at Victoria Park, Hong Kong, during the Watsons Water Champions Challenge, held from 3 to 6 January.

The biggest names in world tennis, including Maria Sharapova, Kim Clijsters, Svetlana Kuznetsova, Nicole Vaidisova, Elena Dementieva, Patty Schnyder, Caroline Wozniacki, Zheng Jie and Yan Zi, competed in the singles event.

Clijsters dethroned Sharapova in the Gold Group while Wozniacki defeated Yan in the Silver Group. These two talents also beat glamorous Chinese duo Zheng and Yan in the doubles event.

The stars gave lessons at a tennis clinic on 3 January while the "Queen of Aces" game offered a prize of an 8-tael gold tennis ball for a lucky fan who predicted which star would serve the most aces. **watsons water**



ASW stores

celebrate spirit of giving



In the spirit of Christmas, A.S. Watson launched a charity initiative across its luxury retail business in Europe. To raise funds, Marionnaud, ICI PARIS XL and The Perfume Shop sold gifts such as teddy bears and lucky charm bracelets, and donated a portion of their sales to their favourite local charities.

The charities included Unicef, Reves, Paris Tout Petit, Sternschnuppe, Licht ins Dunkel, Fundacion SOS, Meyer Pediatric Hospital Foundation, Apoio a Vitima, SOS Kinderdorpen and Teenage Cancer Trust. A total of £388,500 was raised.


Meanwhile, Watsons Hong Kong and China held charity sales of "Christmas Winnie the Pooh and friends" and "Love 365 days calendars" respectively, and Kruidvat also donated proceeds from the sale of each Christmas card to The Bart Foundation.



Helping to extinguish bad habits

Giving up smoking has become a worldwide hot topic in view of rising awareness about good health.


In Hong Kong, Watsons echoed the new anti-smoking law enacted on 1 January by providing a comprehensive free smoking cessation consultation service in 52 stores that includes offering related health tests, professional advice on smoking cessation and recommendations on anti-smoking drugs.

In the UK meanwhile, Superdrug pharmacies have been working with local health authorities to support those giving up smoking, offering further advice and one-to-one support from trained pharmacy staff. 



A fairytale for Filipino children

Apart from providing the best products, Watsons Philippines is also committed to contributing to the community. Recently, it sponsored the classic musical play "Peter Pan", which made its debut in Manila from 12 January to 4 February as the first stop of the 2007 Peter Pan Asian Tour.

The play will benefit various charities such as Children's Hour, a fundraising organisation that taps individuals and companies to donate one-hour's worth of earnings to help marginalised Filipino children. 




Watsons Philippines' management team including (from left to right) Bobby Saneo, Marketing Manager; Krish Iyer, Managing Director and Robert Sun, Trading and Supply Chain Director, greet Michael Lin (2nd left), the actor of Peter Pan after his debut



Hot trot helps kids

Marionnaud again sponsored the famous French horse trotting race Prix d'Amérique - Marionnaud, held on 28 January at Vincennes racetrack.


A special trophy created for the occasion by famous French artist Kasper was presented to the winning jockey.

Apart from the spectacular race, another highlight of the day was an art auction, the proceeds of which were given to Chirurgie Mécénat Cardiaque, a charity that provides cardiac surgery to poor children. 



Students get hands-on experience

On 27 November, a special-formula Kruidvat store, Prijsmepper, opened in Rotterdam and is being run by groups of students from Albeda College Rotterdam aged 16 to 20.

The students, who are studying store management were very enthusiastic about the unique opportunity to receive practical training. Every 12 weeks a new team of four interns put their learning into practice under the supervision of a Kruidvat store manager and a coach from the college. 



Super Prize (MP3 Player)

| Name | Company & Department |
|-----------------|----------------------------|
| 1. Alison Lau | PARKNSHOP - Replenishment |
| 2. Angerine Tan | Watsons Malaysia - Finance |

Gold Prize (Watsons own-label gift set)

| Name | Company & Department |
|-------------------------|-------------------------------------|
| 1. Jolie Lun | ASW - OSD |
| 2. Sophia Heung | ASW - Finance |
| 3. Eugenia Kwong | PARKNSHOP HK - Finance |
| 4. Wong Pei-lung | PARKNSHOP HK - Replenishment |
| 5. Carmen Wong | Watsons HK - Account |
| 6. Ho Yuet-yee | FORTRESS - Account |
| 7. Penny Chan | ASWI - Customer Care |
| 8. Cheung Yun-mui | ASWI - Customer Care |
| 9. Lee Kar-yan | ASWI - TSD |
| 10. Rock Tang | PARKNSHOP China - Merchandising |
| 11. Ice Zeng | ASWI Guangzhou - Finance |
| 12. Richard Zeng | ASWI Guangzhou - Sales |
| 13. Eva Chan | Watsons Malaysia - Finance |
| 14. Carel Lyn Albarillo | Watsons Philippines - Merchandising |
| 15. Norm Peralta | Watsons Philippines - IT |
| 16. Rob Liu | Watsons Philippines - IT |
| 17. Lieuwe Kampen | Health & Beauty Continental Europe |
| 18. Aigars Armanovs | Drogas Latvia |
| 19. Janis Krumins | Drogas Latvia |
| 20. Erica Snijders | Kruidvat Netherlands |

Silver Prize (2006 A.S. Watson Group Sports & Fun Day towel)

| Name | Company & Department |
|--------------------------------------|---|
| 1. Chan Kwok-kit | PARKNSHOP HK - Construction & Engineering |
| 2. Yeung Yuk-han | PARKNSHOP HK - Construction & Engineering |
| 3. Wong Shan-shan | FORTRESS - Supply Chain |
| 4. Catherine Wong | Watsons HK - Finance |
| 5. Cassis Suen | Nuance-Watson (HK) |
| 6. Kwok Shek-ying | ASWI HK - Customer Care |
| 7. Cheng Kwok-sing | ASWI HK - Finance |
| 8. Liang Jiang-xian | ASWI Guangzhou - Finance |
| 9. Dong Hai-ying | ASWI Beijing - Sales |
| 10. Richard Zhong | Watsons Shanghai - HR |
| 11. Carol Huang | Watsons Taiwan - Store |
| 12. Maura A. Sabido | Watsons Philippines - Finance |
| 13. Ahmad Ariffin Bin Mohamad Kassim | Watsons Malaysia - HR |
| 14. Valerie Chiam | Watsons Singapore |
| 15. Suada Begtasevic | Health & Beauty Continental Europe |
| 16. Inga Geka | Drogas Latvia |
| 17. Johan Malfliet | ICI PARIS XL Belgium |
| 18. Agnieszka Amsolik | Rossmann Poland |
| 19. Clemy Balvers | Kruidvat Netherlands |
| 20. Kirsty Mcdade | Superdrug |

Questions:

- 1) Where is the new PARKNSHOP China's 13,000-square-metre flagship store located?
- 2) The Perfume Shop ended in 2006 with how many stores?
- 3) How many scholarships will be provided by the Hutchison Chevening Scholarships in 2007?

Super Prize (20)



Bluetooth clip handset

Sponsored by HWL

Gold Prize (30)



Pingu mobile phone strap & card holder

Sponsored by PARKNSHOP

Silver Prize (3)



Memory card holder

Sponsored by LifeStyle Club

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

Company & Department: _____

Address: _____

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: 30 April 2007

HWL boosts funding for bright scholars

Brilliant postgraduates from Hong Kong and Mainland China will continue to benefit from sponsored studies in the UK, as Hutchison Whampoa Limited (HWL) has pledged further financial support for the Hutchison Chevening Scholarships.

The new commitment of £504,000, which brings HWL's contributions to £6.5 million to date, will fund about 60 postgraduates to pursue further studies at Cambridge and other major British institutions in 2007.

HWL started its sponsorship in 2002, pledging £2.02 million. The Group has also contributed £4 million towards the Dorothy Hodgkin Postgraduate Awards since 2003, providing more opportunities for scholars to pursue doctoral studies in the UK.

Deputy Group Managing Director Susan Chow said, "HWL has a long history of supporting higher education initiatives. We are committed to developing young leaders and providing them with opportunities to achieve their goals."



British Consul-General Stephen Bradley said the British Government and Cambridge University would make a matching contribution.

"Hutchison Whampoa's generous contribution has been a crucial factor in expanding the scheme in Hong Kong and Mainland China," Bradley said. "It has provided talented individuals with new opportunities, which will enable them to contribute so much more in the future."

For more information, please visit www.britishcouncil.org.hk/chevening.