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Watson



ON

A.S. Watson Quarterly Family Magazine
Quarter 1 • 2010



A.S. Watson Global Retail Day

2009 annual results

Major milestone for Watsons China

Gentlemen's night out in the Netherlands

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Around the World



2009

Annual Results

For the year ending 31 December 2009, **Hutchison Whampoa Limited** (HWL) reported a total revenue of HK\$300,549 million, with profit attributable to shareholders at HK\$14,168 million, a 12% increase compared to last year's profit of HK\$12,681 million.

For full result, see:

http://www.hutchison-whampoa.com/upload_docs/2010/03/Corporate/2176/2176_eng.pdf

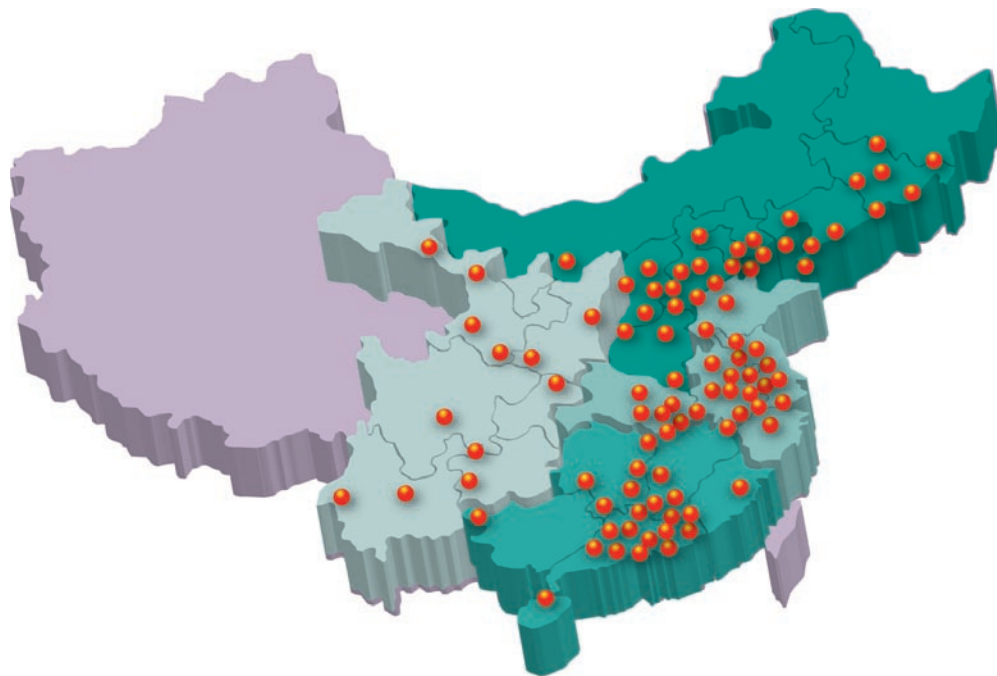
A.S. Watson, HWL's retail and manufacturing arm, delivered impressive results driven by solid sales, with growth in total revenue of 5% in local currencies at HK\$116,098 million. Earnings before interest expense and taxation (EBIT) grew to HK\$5,692 million, up 30% on same period last year due to continued improvement in cost structure, operational efficiency and cautious expansion during the year in markets with high growth potential.





Major milestone for Watsons China

Watsons China started 2010 with the exciting announcement of its footprint extended into the 100th city in Mainland China. It plans to continue an aggressive expansion plan of 300 new stores a year. The goal of the popular health & beauty chain is to have presence in more than 200 cities by 2011.



Centres of attraction

The introduction of "Watsons Hair Centre" by Watsons China is helping to increase awareness to the art of beautiful hair. The centres are becoming very popular with customers in the Mainland, who benefit from professional stylists available in-stores to offer handy advice. In December, Watsons China hosted a co-branded event with Pantene, where a celebrity endorser shared her hair beauty experiences exclusively with Watsons card members.





Dominic Lai (3rd from left), Group Managing Director of A.S. Watson Group and Gan Xin (4th from right), Vice Mayor of Guangzhou celebrated the grand opening of TASTE together with guests

Guangzhou gets a TASTE

Responding to China's new generation of consumers who aspire to high quality products and a healthy lifestyle, **TASTE** opened a new store in Guangzhou in February. TASTE specialises in catering to gourmets' needs, offering over 17,000 products, 5,000 of which are imported from overseas. From fresh fruit and meat, Chinese roasted pork to Japanese sushi and sashimi, customers can enjoy a diverse shopping and healthy eating experience at TASTE.



Gary Ng (3rd from right), Managing Director of Watsons Hong Kong and Fortress celebrated the joint opening of Watsons and Fortress in Macau

Flagship store at Macau

Customers in Macau can now enjoy the convenience of purchasing health, beauty, electronic and electrical products in one place, thanks to the relaunch of the **Watsons** and **FORTRESS** flagship store at Senado Square on 6 February. An auction was held in front of the five-storey, 20,000 sq-ft complex to attract the interest of passers-by. The store's opening greatly enhances the ambience of the location, which is one of the most popular tourist spots in Macau.





PARKnSHOP “most trusted” in China

Reflecting its operational excellence and ability to respond to market needs, **PARKnSHOP China** (PNS) won “The Most Trustful Supermarket in Customers” award at the 2009 Business Annuals held by *Southern Metropolis Daily* in December. Based on public voting through SMS and the Internet, along with a professional panel of judges, PNS scored highly in terms of quality of store environment, products and services.

Meanwhile, **PARKnSHOP CITY** and **PARKnSHOP International** re-opened stores in Guangzhou and Shenzhen in December following major refurbishments. The stores offer a wide selection of imported goods and have recruited more English-speaking staff to serve international customers. Both stores have recorded a steady rise in the number of shoppers with up to 50% increase in sales.





Martin So (2nd from left), CEO Health & Beauty Asia, Robert McDonald (Middle), CEO of Procter & Gamble and Robert Sun (2nd from right), COO of Watsons Philippines in a jubilant moment over the opening of "Beauty By SM"

Makeover for Makati store

"Beauty by SM", a transformed and more exciting beauty hall at the SM Department Store in Makati, the Philippines, opened in January. The newly renovated store, which also houses **Watsons**, was jointly designed by a highly acclaimed New York-based architectural group and SM Group. It exudes a relaxed and informal ambience, making it shopper-friendly. The whole new look and spacious design makes it easier for shoppers to navigate through the display counters and gondolas.

With more than 7,000 products, "Beauty by SM" ensures more informed choices and is the country's largest retail concept store. It also introduces the largest Men's Zone in the Philippines, with a complete line of personal care products for men.



Landmark store opens in Ximen

Watsons Taiwan opened its new Ximen store in October. The store has four storeys, each with its own theme. It has become a landmark in the area and is popular with young people. Besides a wide variety of skin care and personal care products, in-store professional beauty consultants and pharmacists are on hand to assist.

In January, Watsons Taiwan held a "Health Trust" press conference where a famous artist and Health Care Ambassador appeared with her family to demonstrate how she cared for her loved ones with Watsons' products. Watsons Taiwan's latest commercial film also premiered on this occasion, bringing a key message about health care products and Watsons' pharmacist consulting service.



Watsons Taiwan team celebrates the opening of Ximen store with guests: Kerry Lee (5th from right), Trading Director, Alice Huang (2nd from left), Finance Director, Brenda Kou (3rd from left), Director of Marketing and Communication and Alice Liu (4th from right), Human Resource Director



Brenda Kou (2nd from right), Director of Marketing and Communication of Watsons Taiwan together with Watsons Pharmacists Roger Huang (left) and Claire Hsu (right), and celebrity ambassador supports the "Health Trust"





Gentlemen's night out in the Netherlands

Kruidvat Netherlands hosted a Men's Week in March in 10 selected stores which stayed open until late at night – exclusively for men! The shops were “forbidden territories” for women and became an exclusive hunting ground for gentlemen. A wide variety of male cosmetics and personal care products were on offer, workshops provided additional product tips and, adding a touch of glamour, ladies from the car racing fraternity served as personal shopping guides.



Kruidvat reaches new high

In February, **Kruidvat** built the largest nappy cake in the world! Within 48 hours, five builders stacked 10,000 nappies to a height of six meters. To echo with this cake effort, Kruidvat donated 10,000 nappies to Belgium voluntary organisation Moeders voor Moeders (Mothers for Mothers), which helps small babies and their mothers and to assist families with financial difficulties. Besides helping in a good cause, the event drew media attention to Kruidvat's excellent range of baby products.



Ignace van Poecke (left), COO of Kruidvat Benelux, presents the gift of 10,000 nappies to Moeders voor Moeders together with Ann van Eisen (right), well-known Belgian radio presenter who helps put in the last piece on the 10,000 nappy cake

Introducing *Beauty&YOU*

In January, **ICI PARIS XL** launched *Beauty&YOU*, a new customer magazine. The magazine is developed to reinforce ICI PARIS XL's reputation for being an expert reference in the beauty industry as well as being a complete marketing and communications tool that encourages sales. *Beauty&YOU* inspires readers by giving credible advice and comprehensive information, bringing the dream of beauty to real life. The magazine is freely distributed in the stores, hotels, hairdressers and gyms.

ICI PARIS XL



Marionnaud throws party in Paris

Marionnaud opened a brand new store in the heart of Paris in November and organised two special celebration events. Promotion hostesses wearing Marionnaud colours travelled around the city in Marionnaud Smart Cars to spread the great news. They distributed flyers that entitled customers to receive special bracelets when presented at the stores. There was also an official opening party in December, where customers were welcomed as VIPs with champagne and delicacies.

Marionnaud





Classy gift cards

Watsons Singapore has launched a new series of gift cards for four different occasions. Customers can pick a card for their loved ones, allowing them to purchase products of their choice at Watsons. The cards are designed with an attractive and heart-warming look and feature new designs for special occasions such as Valentine's Day and Chinese New Year. And the best part is that the cards can be re-used with their value topped up.



Community Appreciation Day

Watsons Malaysia held "The Community Appreciation Day" in December to highlight the re-opening of its revamped stores and to encourage members of the community back into the stores. Customers were given free health checks including blood glucose tests, body fat analysis, Body Mass Index tests and smoking cessation tests. Light refreshments were also provided.



Watsons Korea shares 2010 vision

To give suppliers a better understanding of its major marketing activities and merchandising plans, **Watsons Korea** hosted the “Make 2010” conference in January. The forum provided a platform for Watsons Korea representatives to share their market vision and business strategies with suppliers.

watsons



Steven Young (left), General Manager of Watsons Korea exchanges valuable ideas in the conference with Ted Kim (middle), Director of Unilever Customer Development (Korea) and Kay Koh (right), Marketing Director of Unilever (Korea)

Watsons Philippines takes the “LEAP”

Watsons Philippines’ 7th National Sales Conference (NaSCon) took place in February. With 2010 being the Year of the Tiger on the Chinese calendar, NaSCon adopted the tiger as its icon under the theme “Watsons Take the LEAP!” where LEAP stands for “Leaders in Excellence And Performance”. The conference focused on six key strategies offering fresh inspiration and new concepts to all participants.

watsons



Robert Sun (left), COO of Watsons Philippines presents the Highest Sales Growth for Combined Mall Store Award to staff members





Superdrug showcases summer specials

Superdrug participated in the "Clothes Show Live" in Birmingham in November, working with top brands, including Rimmel, Barry M and Bourjois to offer make-up, hair-styling and manicures. The stand proved highly popular with customers attracted to three-for-two promotions on all cosmetics.

Meanwhile, Superdrug's Spring Summer Press Show in February showcased its exclusive brand partnerships and Own Brand product launches. The Make-Up Academy also offered its first cosmetics collection, with each item costing just £1. Journalists were impressed by both the variety of the offer and the product quality and value.

Superdrug also joined hands with NSPCC's ChildLine Campaign, offering a series of limited-edition badges at a suggested £1 donation.

Superdrug 



The limited edition charity badges, called Moodis, will have different "expressions" to be rolled out in the year. The badges allow customers to reflect what mood they are in. It is available in all Superdrug stores with donations going to Childline

PARKnSHOP named “best brand”

PARKnSHOP (PNS) emerged as a big winner in the Hong Kong Corporate Branding Award 2009, organised by Ming Pao newspaper and the Chinese University of Hong Kong (CUHK) MSc Marketing Survey Programme.

PNS received the Consumers' Choice Grand Prize in the “Department Store, Supermarket, and Convenience Store” Category. The award was based on the response of 1,000 local consumers interviewed by CUHK along with the deliberations of a judging panel.



The Perfume Shop gets creative for Christmas

Following the success of its TV advertising campaign for Christmas 2008, **The Perfume Shop** decided to repeat the activity in 2009. The new series of advertisements ran across a four-week period leading up to Christmas, showcasing beautiful products at great prices.





Lucky 100 score “Perfect 10”

To usher into 2010 in a state of health, wellness and beauty, **Watsons Malaysia** ran the Perfect 10 campaign in February, targeting female customers. Shoppers could participate at a patronage of RM30 in stores with 100 being selected by lucky draw. Winners participated in a wide range of health and beauty workshops and had the opportunity to experience special activities such as aerobics classes and “fox flying”, zooming across a 30-metre lake!



Toby Anderson (4th from left), Managing Director and Nuanphan Jayanama (3rd from right), Marketing Director pose together with the six winners of “Watsons YOU AWARDS VJ Search”



Six of the best

In December, **Watsons Thailand** launched a major customer relations programme, the “Watsons YOU AWARDS VJ Search” contest, looking for a new VJ (Video Jockey) with uniquely attractive characteristics. The contest aimed to encourage customers to take pride in expressing their unique physical attributes according to six contest categories. Watsons partnered with six supplier brands to organise the YOU AWARDS contest for the third consecutive year. The winner could launch his/her career as a professional VJ on You Channel managed by Thailand’s leading showbiz firm.



Did you recognise the dwarf?

The 2009 Christmas marketing campaign for **Drogas** was filled with Christmas dwarfs who appeared in commercial posters everywhere. And for those who thought the dwarfs seemed very familiar? Well, they were Drogas' very own staff members, namely Inguna Zarina, Training Specialist, and Artjom Usakov, Logistics Specialist. It was their first modelling assignment.

Drogas continued the dwarf theme from November to January, with all employees shedding their uniforms and creating their own Christmas dwarf image, including clothing, make-up and accessories. During the campaign, a staff competition, the "Great Jury of Drogas' Dwarfs" identified the most friendly, helpful and stylish Christmas dwarf at Drogas, with the winners receiving fabulous festive prizes!

Drogas



Atlaides līdz 50%

VAIRĀK NEKĀ 5000 PREČĒM Pasakainas cenas!

Drogas

26.11.09.-03.01.10. www.drogas.lv





Foster Cheung, Watsons Hong Kong Pharmacist lives up to his own profession in commercial and real life



Your first choice for convenience

Did you know that **Watsons** offers the longest pharmacy serving hours in Hong Kong? To promote Watsons' customer-friendly offerings, a new television commercial was released in March. The advertisement focused on the convenience of Watsons' pharmacy service for everyone in the family and starred our own staff pharmacist Foster Cheung! The campaign was supported by footage in social media as well as large-scale outdoor and in-store communications.

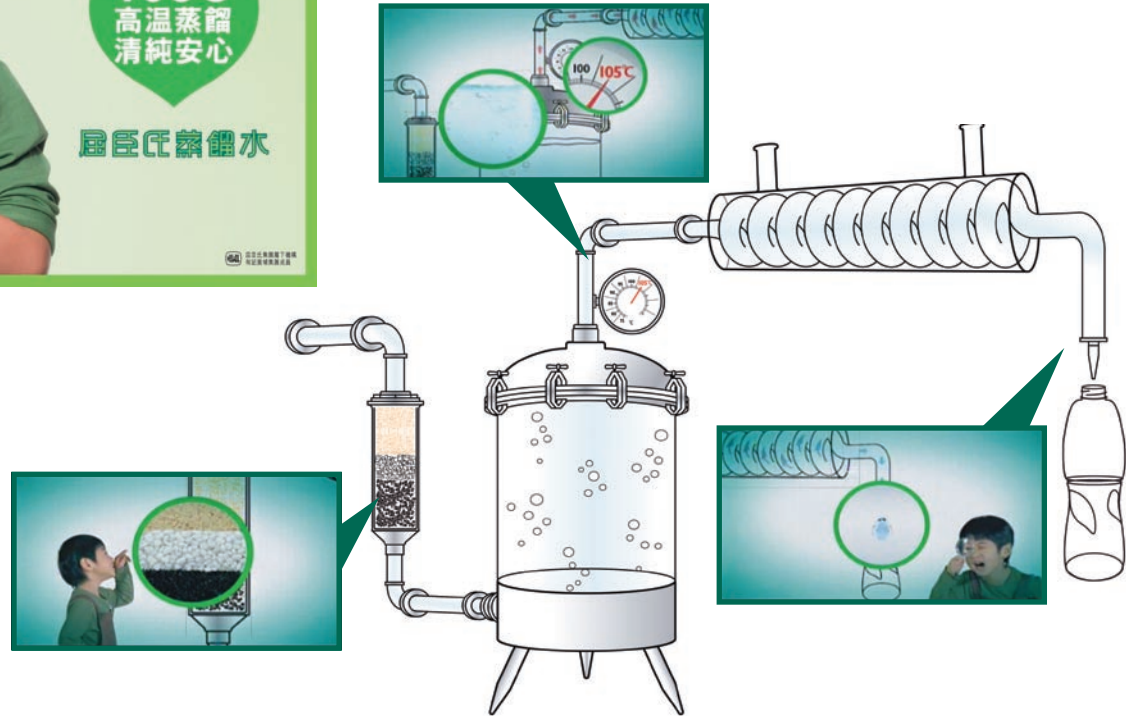
Over 200 registered pharmacists and health consultants serve daily in Watsons stores. Additionally, a service hotline offers free professional medical consultations. Our pharmacists provide health tips to a radio audience weekly, and a team of Health Ambassadors is travelling around the city to provide free health assessments, bringing health awareness to people's doorsteps.



In praise of purity

Watsons Water released a new series of television commercial (TVC) in early March, highlighting the brand's 105 degrees' promise to customers. 105°C represents the quality standard in the distillation technology of the manufacturing process, in which the multi-level filtration and 105°C high-pressure distillation helps remove heavy metals, germs and bacteria from the water to ensure product purity. The campaign included large-scale outdoor and print advertising, and several more TVC episodes were scheduled to roll out until June.

Watsons Water



Around the World





A.S. Watson Global Retail Day

First Global Suppliers Conference
and Awards night in Hong Kong





A.S. Watson Group (ASW) proudly hosted its first Global Suppliers Conference in Hong Kong on 4 March, presenting its global strategy and latest initiatives in meeting the demand of customers across its diverse portfolio that covers 34 markets.

The global gathering is part of the world's largest international health and beauty retailer's new drive to increasingly focus on collaboration with renowned manufacturers to bring innovation, differentiation and excitement to stores for customers.





ASW is also one of the fastest growing retailers in the world with 8,800 stores. This year the Group plans to open in average two stores per day. Its Mainland flagship chain, Watsons China, now operates in 101 cities with over 600 stores, and plans to increase to 1,000 stores in 16 months.

At the conference, ASW received over 110 delegates from the global offices of the world's largest health and beauty care manufacturers - including Chief Executive Officers, Global Customer Officers, Regional Chiefs and Presidents of Sales.

Group Managing Director Dominic Lai officiated the opening of the full day conference and presented the keynote speech on the strategic roadmap behind the US\$15 billion retailer and the next steps ahead. The Group's executives also presented their strategies on how they manage the opportunities and challenges in the various market groups, including developed markets, developing markets and emerging markets.



Dominic Lai
Group Managing Director
A.S. Watson Group



Gerard van Breen
CEO
Health & Beauty Benelux



Jeremy Seigal
CEO
Health & Beauty UK



Michael Naujock
Commercial Director
Rossmann



Special thanks to guest speakers Peter Gale (photo on left, left), Managing Director of The Nielsen Company Asia who joined the "Asia Horizons" discussion panel, and Bernd Beetz (photo on right, left), CEO of Coty and Robert Fregolle (photo on right, 2nd from right), Global Customer Business Development Officer of Procter & Gamble, who joined the panel discussion on "Retailing online & CRM"

A special section of the conference was a panel discussion on Online Retailing and Customer Relationship Management (CRM). Morgan Stanley Managing Director Mary Meeker, an authority in global internet trends, shared her analysis and insights by webcast. Bernd Beetz, Chief Executive Officer of Coty, and Robert Fregolle, Global Customer Business Development Officer of Procter & Gamble, were guests speakers on the panel.

To round up the first-ever event, ASW presented in the evening the 2010 Global Suppliers Awards including Best of the Best Supplier of the Year, Best of the Best Operational Excellence, Best of the Best Category Partners, Best of the Best Exclusives of the Year, Best of the Best Innovations, Best of the Best Marketing Event, and Best Products of the Year.



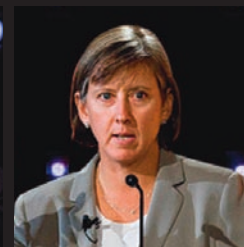
Christian Salbaing
Deputy Chairman
Hutchison Whampoa Europe



William Koeberte
CEO Marionnaud Group &
Eastern Europe



Martin So
CEO
Health & Beauty Asia



Mary Meeker
Managing Director
Morgan Stanley





Best of the Best
**Operational
Excellence**

Best of the Best
**Supplier
of the Year**

Best
**Category
Partners**

2010
A.S. Watson
Global Suppliers
Awards

Best of the Best
Exclusives

Best of the Best
**Innovations
& Marketing
Event**

Best
**Products
of the Year**



Focus Story



Introducing PURE BEAUTY

Watsons Thailand held a “Red Party” in January to introduce “PURE BEAUTY” – a new international beauty brand. PURE BEAUTY first launched the Pomegranate Antioxidant skin care range in Thailand. The range repairs the effects caused by free radicals in the air and prevents further skin-cell damage. The deep-action catalyst boosts the skin’s own regenerating powers to reverse the effects of aging to a new baby-soft radiance. The range comprises six products ideal for modern Asian woman seeking a healthy looking skin. “PURE BEAUTY” range was also subsequently launched in Hong Kong, Singapore and Turkey, and will soon roll out in Malaysia, Philippines and Korea .

Watsons



Unconditional is No.1

The Perfume Shop secured the exclusive launch of the celebrity scent “Unconditional” by Peter Andre. This ladies’ fragrance was launched over the Christmas period. To support this exclusive launch, Peter visited five stores to sign over 3,000 bottles for his screaming fans who queued up for hours in freezing cold weather to get a chance to meet their hero. The perfume instantly became the No.1 selling new ladies’ fragrance for 2009.



The sweet smell of escape

Marionnaud France recently launched its first Own Brand Bath Range, which includes a refreshing selection of shower creams, body scrubs and body lotions. The range stands out with its pleasant bouquet and a revitalising feel. The products are presented in eight subtle fragrances, each associated with a delicate colour, inviting users to travel into three distinctive olfactory universes: Tonic Escape, Gourmand Excursion and Flowery Walk.

Marionnaud



Our Products

31. Novel approach boosts staff training • Country heads in Asia gather to set out 2010 strategies 32. Dressed up for Christmas • One Mission, One Goal, One Team



Our Home



Novel approach boosts staff training

In a pioneering move, **A.S. Watson Group** launched the Commercial Leadership Training Programme to engage all business units across Europe. Based around a business simulation, participants assume responsibility for running a retail business. The core material has been designed to allow the programme to be run on different levels of management from store managers to functional leaders. The business simulation develops participants' awareness of how their actions impact on the wider business.

The three levels of the programme have been successfully piloted from last October to March in the UK and the Netherlands, and will soon roll out across all European business units.



Country heads in Asia gather to set out 2010 strategies

Taiwan hosted the 2010 Health & Beauty Asia Regional Conference on 14 and 15 January with country heads from all 10 **Watsons'** Asia markets attending. The conference reviewed market challenges and opportunities, and set out the focus and development strategies. The vision for 2010 is to upgrade store environments, build customer relations, optimize human resources, and develop Own Brands. Delegates enjoyed store visits around significant sites of Taipei city, supplemented with local delicacies.

Watsons

Dressed up for Christmas

As Christmas is the time for parties and gatherings, **Watsons Philippines** celebrated in the head office with the theme of "Anime-zing Christmas". All colleagues in head office dressed themselves up into anime costumes and became their favourite anime character for a day.

Meanwhile, colleagues working in stores also felt the joyful atmosphere, as each received a Christmas gift basket. Christmas is definitely the best time of the year to look good, feel great and have fun!



One Mission, One Goal, One Team

Watsons Taiwan held a Store Manager Conference in December under the theme "One Mission, One Goal, One Team". As the event emphasised on the "One Team" spirit, management team members were each given a team shirt with their own name and own store number printed on the back. "One Mission" was to remain and increase Watsons Taiwan's market dominance, and "One Goal" was to make 2010 another successful year for the stores.



Krish Iyer, Managing Director of Watsons Taiwan shares the concepts of "One Mission, One Goal, One Team" with the managers at the conference

35. Breakfast for babies • Rossmann 15th Anniversary
36. Love to share, share to love • Customers rush for plush
37. Bringing New Year cheer • The gift of a smile
38. Sowing seeds of love and care **39. Helping hands for Haiti • Praise for Polly's priorities**
40. Student Sports Awards 5th Anniversary **41. Volunteer Team celebrates 5th Anniversary**



Our Community





Breakfast for babies

Kruidvat hosted a sponsored charity breakfast in February for the Orange Babies Foundation, raising €100,000. The foundation helps pregnant women with HIV and their babies in Africa. In order to make a valuable contribution towards a unique initiative, Kruidvat also invited celebrities and singers to feed 60 babies with Kruidvat's Own Brand biological baby food to raise public and media awareness of issues affecting babies' health.



5.000.000 Kč pro dětský úsměv

15 LET v České republice ROSSMANN

Máme narozeniny, ale dárek dostanou děti

Vy koupíte takto označený výrobek ve dnech 10. 8. – 15. 8. 2009

My darujeme výhřezek z každého zakoupeného výrobku na konto Nadačního fondu Kapka naděje a Nadace Naše dítě.

Společně pomůžeme dětem, které to nejvíce potřebují.

Výhřezek z této akce půjde na konto:

© příloha, přesných podmínek a konečném stavu konta se dozvíte v našich prodejních sítích na www.rossmann.cz

www.rossmann.cz

ROSSMANN



Raul Rossmann (left), Rossmann Germany and Ulrich Bensemann (2nd from left), Managing Director of Rossmann Czech Republic present the donation cheques to Vendula Svobodová (3rd from left), Kapka naděje foundation

Rossmann 15th Anniversary

Being loved by the public for 15 years, **Rossmann** shared its love with the people in need by organising a charity event called "Five million CZK for a child's smile". It raised a total of 5.6 million CZK (approximately €185,000). The donations were equally distributed to two foundations which look after children in need and those children who suffered from leukemia. In February, Rossmann also donated medical equipment to Montol Hospital for leukemia children. Rossmann celebrated its 15th Anniversary by sharing love with the community, which was well praised by customers and the press!



Love to share, share to love

Popular retail brands in Hong Kong, including **PARKnSHOP**, **INTERNATIONAL**, **TASTE**, **GOURMET**, **GREAT**, **Watson's Wine Cellar**, **FORTRESS** and **Watsons Hong Kong**, joined hands again this year to support the Red Cross Pass-it-On Campaign, which raises funds for the humanitarian work of the Hong Kong Red Cross. Available in all of the above stores, the charity sales icon this year is "Bear + Book", with the message: "Love to share, share to love".



Customers rush for plush

To boost sales and enhance the spirit of giving, **Marionnaud's** latest Christmas charity campaign was centred on giving customers an attractive gift. At any purchase worth €80 or more, customers could receive an irresistible plush dog while donating to needy social groups. The cute toy also starred as the main marketing motif, featuring in flags, banners, leaflets, windows and in-store exhibitions as well as in loyalty card communications.

Marionnaud





Bringing New Year cheer

Watsons Thailand spread happiness during the New Year for the members of the Association for the Promotion of the Status of Women, which is under the royal patronage of HRH Princess Soamsawali through "Watsons Volunteer's Day". Watsons' volunteers helped provide funds and gifts to the unfortunate women and children at the foundation.

Watsons



The gift of a smile

The ability to smile is something most people may take for granted. But for some being able to smile is a gift cherished forever. Such is the plight of children born with cleft lips and palates. That's why **Watsons Malaysia** embarked on a multi-platform campaign during Christmas, entitled "Give the Gift of a Smile". It raised a total of RM43,915 for children's surgery, putting confident smiles on their faces.

Watsons

Kulvinder Birring (left photo, right), General Manager of Watsons Malaysia presents cheque to Ronald McDonald House Charities and hands out gifts to children at the programme's launch

Sowing seeds of love and care

Watsons China is a firm supporter of Sowers Action, which provides educational assistance to children in undeveloped regions of Mainland China. Since 2008, Watsons China has donated over RMB450,000 through offering a charity calendar available in all Watsons stores in China. Donations went towards reconstruction of schools. Watsons China representatives and volunteers also formed the “Sunshine Smileys” team, bringing stationery supplies to school kids in remote mountainous regions in Yunnan.





Gerard van Breen, CEO Health & Beauty Benelux, represents the company to express our care for the people in Haiti



Helping hands for Haiti

When a devastating earthquake struck Haiti recently, leaving millions injured, homeless and orphaned, A.S. Watson's business units immediately lend a helping hand. **Kruidvat Netherlands** and **Belgium** donated €100,000 while **Trekpleister** donated €10,000 through a TV donation campaign to help the earthquake victims. Gerard van Breen, CEO of Health & Beauty Benelux, presented the cheque during the TV campaign on behalf of Kuidvat and Trekpleister to assist with clean-up operations and to express love and care for the people in Haiti.

In a bid to alleviate the suffering, **PARKnSHOP**, **INTERNATIONAL**, **TASTE**, **FUSION** and **GREAT** immediately set up donation boxes at all checkouts to encourage customers to make donations for the millions of victims. Thanks to customers' generosity, more than HK\$280,000 has been raised and donated to the Hong Kong Red Cross to fund the relief operations.



Praise for Polly's priorities

When Polly Siu, Assistant Store Manager of **Watsons Hong Kong**, found HK\$3,000 cash in her store in August, she reported it to the police. In December, the store manager was informed by the police that as no one had claimed the money, the unclaimed money was reverted to the founder. Polly decided to donate the money to charity, buying 107 charitable bears for homeless children at S.K.H. St. Christopher's Home. What an honourable act by our respected colleague!





Dominic Lai (3rd from right, in red jacket), Group Managing Director, guests and advisers officiate the opening and anniversary celebration ceremony at the Award Presentation



Chan Ah-king, Deputy Director of the Central People's Government Liaison Office in HKSAR, also renowned ex-China national volleyball player, supports the Awards since its inception in 2005

屈臣氏集團
 香港學生運動員獎
 A.S. Watson Group HK Student Sports Awards
 2009 - 2010

Student Sports Awards 5th Anniversary

A.S. Watson Group celebrated the 5th anniversary of its Hong Kong Students Sports Awards with a presentation ceremony hosted in March. A record 904 students were honoured for their sporting achievements during the year. To date, a total of 3,980 students have benefited and 80% of the schools in Hong Kong have participated in the programme. Leadership Training Workshops help awardees learn about harmony, encourage teamwork and foster mutual respect. Thirty students will be further selected to join the "2010 China Sports Exchange Tour" and have the chance to visit the national sports training stadium and the Shanghai World Exposition, as well as learn more about Chinese history and culture.



www.aswatson.com



Our Community



ASW volunteers bring daily necessities and knitted scarves to elderly on 30 January

Volunteer Team celebrates 5th Anniversary

ASW Volunteer Team is proud to celebrate its 5th Anniversary, having committed over 10,500 hours in serving people who are less fortunate, with 2,138 participation in services, benefiting more than 60 organisations in the past 5 years. On this memorable occasion, they went to visit singleton elderly with woolen scarves knitted by our own volunteers. After the visit, a celebration gathering was held to thank all the volunteers for their love and personal time, and also to encourage their family members and friends to continue their support for ASW's contribution to the community.



An honourable moment for our volunteering staff and family members



ASW Volunteers

- 2,100 +** staff and family members participation
- 10,000 +** hours of social services
- cooperated with **60 +** social organisations



Super Quiz

Answers

to Issue 79 1) 10,000 2) 2004 3) 9

Questions:

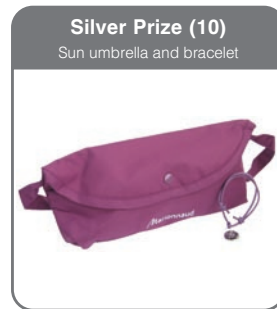
- 1) How many nappies did Kruidvat donate to Moeders voor Moeders?
- 2) Name one of the awards presented at the A.S. Watson Global Suppliers Awards Presentation.
- 3) Name the new international beauty brand that was being launched recently in Thailand.



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

Company and Department: _____

Address: _____

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

A1: _____ A2: _____ A3: _____

Super Prize (Trendy headphones)

Name	Company & Department
1. Mattie Verherbrugge	Kruidvat - Store 2569
2. Vivien Yeung	Watsons Shanghai - Trading

Gold Prize (Monopoly game set)

Name	Company & Department
1. Chan Hiu-kwan	ASW - GIT
2. Ngai Wing-yip	ASWW - Carboy Sales
3. Yip Tung-hoi	PARKnSHOP HK - Garage
4. Jacob U	Watsons Macau
5. Sarah Rong	Watsons Beijing - Finance
6. Tarcy Chen	Watsons Chengdu - HR
7. Lin Qi-hua	PARKnSHOP China - Finance
8. Susan Lee	Watsons Taiwan - HR
9. Jaimelie Dimaano	WTC Philippines - HR
10. Beata Torok	Rossmann Hungary - Buying

Silver Prize (Plush dog and bracelet)

Name	Company & Department
1. Josie Lau	ASW - GHR
2. Fung Wing-ze	ASWI - Finance
3. Carey Yeung	Nuance-Watson (HK) - Store
4. Lee Wah-chun	Fortress - Supply Chain
5. Shirley Chen	Watsons Guangzhou - Finance
6. Lina Wong	Watsons Beijing - Finance
7. Sandy Liao	Watsons Taiwan - HR
8. Ong Guat-eng	Watsons Singapore - Finance
9. Eva Khan Ee Hua	Watsons Malaysia - Finance
10. Marsha P. Joyno	Watsons Philippines - Trading

Send your **completed** entry form to:

Deadline: 31 May 2010

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

or email to: WatsON@asw.com.hk

New Year Speech by Chairman Mr Li Ka-shing

2010 Cheung Kong Group Annual Dinner

Dear Directors and Colleagues,

Happy New Year! It is a great pleasure to be in the company of over 1,400 of our directors, executives, and colleagues this evening.

Looking back over the past year, repercussions from the most severe financial crisis in 100 years, which began in 2008, continued to be felt throughout the banking and financial industries, and also adversely affected export and import volumes at major ports around the world, resulting in significant drops compared to 2008. The severity of the downturn impacted all industries to varying degrees, including trade and commerce, real estate, hotel and travel, and retail, but the economies of Mainland China and Hong Kong benefited from the support of the Central and local Government's policies and initiatives. 2009 was indeed a challenging year, and tonight, I would like to share with you the state of our Group's two major companies.

One of **Cheung Kong Holdings'** primary operating principles is to achieve a balance between progress and stability, which is why we are maintaining a gearing ratio below 12%, and our land bank will underpin development plans over the coming five to six years. With our low average land acquisition cost, we are confident that we can generate a good return on any given parcel of land, whether it is in Hong Kong, the Mainland, Singapore, or the UK. Furthermore, with a low debt level and high reserves, we have at our disposal no less than HK\$50 billion to take advantage of timely investment opportunities for large-scale developments. Through **Hutchison Whampoa's** diversified businesses across 54 countries, with annual revenues of over HK\$300 billion, we are strategically positioned to tap unlimited investment opportunities. With such enormous potential within our grasp, I remain highly confident in Cheung Kong Holdings' future prospects. Taking into consideration all our strengths and potential, the Group is decidedly well placed to sail through any waters.

Hutchison Whampoa's global operations performed satisfactorily despite a very difficult operating environment in 2009. It is now a smooth ride for our 3G business. We are showing a marked improvement in our cash flow and a reduction in debt. There remain many elements of uncertainty in the global economy in 2010, but barring major unforeseen circumstances, the Group's performance should continue to improve. Hutchison Whampoa will continue to look to commit new investment capital to further expand our core businesses, which could be done without needing to increase debt. This is an operating ideal, and I am confident that we can achieve this objective. New opportunities abound for Hutchison Whampoa, and I have full confidence in its future.

Our other subsidiary and associated companies, such as Cheung Kong Infrastructure, Husky Energy, Hongkong Electric, Hutchison Telecom, CK Life Sciences, and TOM Group all performed well, and their futures are also bright.

The Cheung Kong Group is a well-run organization with solid financial strength, and most important of all, we have assembled a professional, intelligent and innovative management team, as well as 240,000 diligent employees across the globe. I would like to thank each of you for your hard work and contributions over the past year. Let us all continue to work together with a great team spirit and meet new challenges in 2010 and beyond. I firmly believe that our annual gatherings will only get better with each passing year. Thank you all again.

I wish you all a happy and successful New Year.



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 34 markets worldwide.

Today, the Group operates over 8,800 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electronics, fine wine and airport retail arms. Also 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 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; property and hotels; retail; energy, infrastructure, investments and others; and telecommunications in 54 countries.

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Editor : Malina Ngai

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