

82



Watson



A.S. Watson Quarterly Family Magazine
Quarter 3 & 4 • 2010



Kruidvat: Life begins at 35

Plastic Fantastic: 15 million Watsons Card members in Asia

Grow the people, grow the business

Reach out to unleash inner beauty

Contents



Around the World

03



Our Home

31

27

Our Products

SWISS APPLE
OVERNIGHT POLYMERAL SERUM



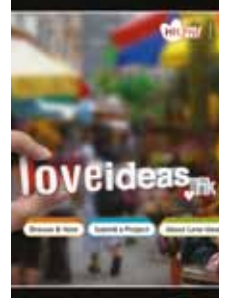
Our Community

33



Focus Story

21



Hutch News

42

• Stop Press!	5
• Plastic Fantastic!	6
• 500 reasons to celebrate	7
• Shanghai tops Health & Beauty Index	
• Health education for customers	8
• Just for the record...	
• Introducing "Virtual Mirror" technology	9
• Take another look!	
• Much more in the store	10
• Christmas in July	
• Beautiful minds	11
• Make-up master makes his mark	
• A night on the town	12
• Hot date in Hungary	
• Making friends with celebrities	13
• Volleyball stars enjoy shopping spree	
• Good morning!	14
• Party time	
• Funky nights at the "Oscars"	15
• A.S. Watson hall of frame...	17
• New additions and upgrades to our 9,500 store portfolio	19



Around the World



Marionnaud
Victor Hugo (France)



Kruidvat
Wijnegem Shopping Centre (Belgium)



Marionnaud
Levi (France)



101 PARIS XL
Wijnegem Shopping Centre (Belgium)

Stop Press!

A.S. Watson Group Managing Director Dominic Lai visited some of our stores in France, United Kingdom and Belgium in early December to show his support to the local teams just before the peak Christmas shopping started.



Kruidvat
Belgium Central Team



Superdrug
Westfields Shopping Centre (UK)



Savers
North End Road, Fulham (UK)



The Perfume Shop
Victoria Street (UK)



The Perfume Shop
in *Superdrug*
Westfields Shopping Centre (UK)



Plastic Fantastic!

In August, **Watsons Your Personal Store** celebrated its signing of the 15 millionth Watsons Card member across 10 markets in Asia. Since its debut in Taiwan in July 2008, Watsons Card has been committed to providing consumers with exceptional "personalised service", with points earning, special discounts, members-only events and tailor-made information updates.

In **Malaysia**, the Watsons Card took off on 24 September with a nationwide launch. The card has been well received by customers looking to enhance their shopping experience, with target to reach one million mark in Malaysia within the next two years.

On 6 October, **Hong Kong** has also launched this "Passport to Health, Wellness & Beauty" with brand ambassador Kay Tse featuring in a new TV commercial to deliver the benefits of the card to viewers.





Entrepreneur Dirk Rossmann (2nd from left), CEO Rossmann Klaus Praus (right), CEO and Deputy CEO of Rossmann Poland, Marek Maruszak (2nd from right) and Marcin Grabara (left) celebrate its 500th store opening in Poland

500 reasons to celebrate

Rossmann Poland celebrated opening its 500th store on 17 November, at the Royal Castle in Warsaw. A party for business partners and celebrities was held to mark this milestone. Guests had the opportunity to hear about Rossmann's development plans in Poland and were also treated to a rare concert by a famous Polish jazz star.

Rossmann is Poland's biggest health & beauty store, well-loved and frequented by 400,000 customers daily.



Top 10 China cities with highest "Watsons Health & Beauty Index":



Shanghai tops Health & Beauty Index

To reinforce **Watsons'** brand position and strengthen market leadership in the Mainland China, Watsons has developed a "Watsons Health & Beauty Index" which reflects China population's awareness of their own health and beauty. The first phase of this three-year survey was conducted in late 2009, covering 84 cities where Watsons operates. In the first phase, Shanghai was ranked No. 1, followed by Beijing and Guangzhou. The rankings are consistent with actual sales performance and market developments.



Health education for customers

Watsons Taiwan promotes healthy lifestyles by offering in-store health consultation areas to encourage interaction between customers and pharmacists, with publishing of a quarterly health booklet. This year, Watsons echoes some global event such as "World Hypertension Day" in mid-May with "Healthy Weight – Healthy Blood Pressure" programme, where customers were encouraged to have free blood pressure and body fat tests. On 20 September, Watsons also cooperated with Oral-B and Darlie for the "International Love Teeth Day" with the "Renew your old toothbrush" event.

Watsons



Just for the record...

On 7 August, **Watsons Malaysia** set the record for the "Largest Participation in a Men's Grooming Event" with 2,100 men participating in a four-minute grooming session that included a quick facial using the Watsons Men skin care range; a hair makeover using Gatsby hair wax; and an aromatic squirt of AXE's range of deodorants. Over 50 stylists administered the grooming for over 12 hours, all under the watchful eyes of the Malaysian Book of Records officials.

Watsons





Take another look!

This winter saw **Superdrug** back on TV with its major TV advertising campaign "Superdrug Take Another Look". The star in the promotion is popular and accomplished Welsh actress Joanna Page. The advertisement has been echoed in stores with publicity posters and images. Joanna has also been creating a stir on the streets in the UK, visiting stores to meet colleagues and customers. A new radio advertising featuring Joanna will also be launched soon.



Introducing "Virtual Mirror" technology

Superdrug's Virtual Mirror, in two stores this summer, allows customers to photograph themselves and then use a touch screen to "apply" cosmetics. A joint venture with IBM and EZFace, the software recognises the nuances of skin tone to allow users to see the actual colour of the product on their skin. Customers can then send images to their email, Facebook or Twitter pages, giving them a record of the products they have used to create the look.



Much more in the store

The Perfume Shop and **Superdrug** have announced plans to roll out in-store branded perfume shops in Superdrug stores starting in late July. The "shop-in-shop" project will see in-store fragrance refurbishments at over 60 UK Superdrug stores. In August suppliers and journalists were invited to the new "shop in shop" at Milton Keynes to see for themselves how the new concept will look.



Jo Walker (left), Managing Director of The Perfume Shop and Jeremy Siegal, CEO of A.S. Watson (Health & Beauty UK) officially opening the new "shop-in-shop"

Christmas in July

In July, **Superdrug** showed off new brands due to land on its shelves for the Christmas as British magazines plan their festive gift pages early in the summer. This year a record attendance of journalists enjoyed mini-beauty treatments using Superdrug and exclusive merchandise while experts were on hand to explain the products. Besides loving the new Look Book which highlighted on upcoming trends, media also positively commented on the gifts and cosmetic products for the hit US TV series "Glee"!



jump to it

Fresh healthy smooth skin, a punchy pink smoky eye, playful pony and a slick of lip balm makes for a cute winter look.

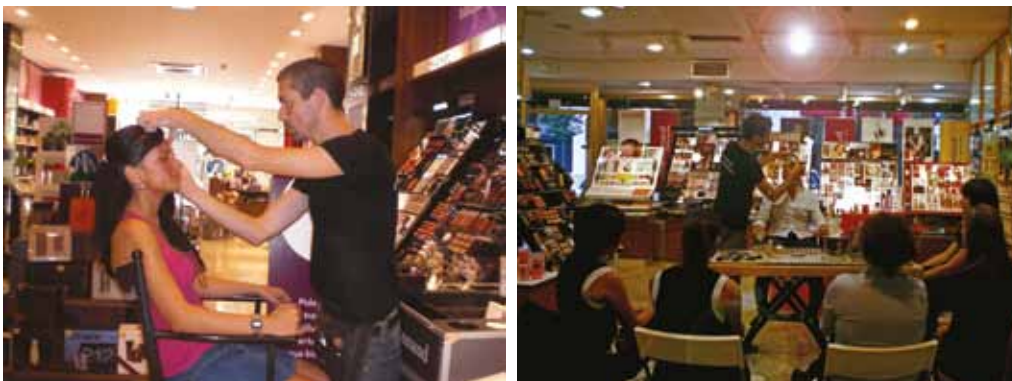




Beautiful minds

Selected **Superdrug** stores in the UK hosted a summer Beauty Academy to give girls aged 16 to 19 the chance to have some fun while learning top-secret beauty tips. Working closely with experts from Bourjois and Barry M, the students received make-up demonstrations and were invited to try the techniques themselves to get a professional look. The fun-filled beauty playground atmosphere resulted in a surge in sales.

Superdrug 



Make-up master makes his mark

Marionnaud Spain's talented make-up artist Raúl Fernández has been hosting make-up schools and individual make-up sessions with customers in the Extremadura and Andalucía regions' stores, visiting a different city each week. Thanks to Raúl's participation, sales increased on average between 15% and 20% during the week of his visit while the make-up in customers' shopping baskets increased by up to 100% in most cases.

Marionnaud

A night on the town

Marionnaud Spain recently participated in Vogue's "Fashion night out". Madrid's favourite designers, models and fashionable people mingled with thousands of shoppers on the city's most prestigious street, where Marionnaud's Fuencarral store was located and proved to be a major attraction.

Marionnaud highlighted three main brands, Guerlain, D&G and Elizabeth Arden, offering free sessions with make-up artists, fragrance samples, cocktails and exquisite French biscuits. The event raised Marionnaud's profile and resulted in a 100% increase in sales.

Marionnaud



Hot date in Hungary

The trendy Dunapark Café in Budapest, Hungary, was the venue for a sparkling press presentation in July, focusing on Marionnaud and Watson's Own Brand and Exclusive products. The event was well attended by top beauty editors from leading fashion magazines.

Meanwhile **Marionnaud Hungary** has been hosting "Happy Days" discount promotions on selected brands, featuring special skin analysers and make-up artists to help customers try new products before purchasing.

Marionnaud





Volleyball stars enjoy shopping spree

As the title sponsor of the “Watsons 2010 FIVB World Grand Prix – Hong Kong”, **Watsons Hong Kong** was delighted to join hands with **FORTRESS** in welcoming the China National Women’s Volleyball Team to their stores. Warmly welcomed by a crowd of fans, the team took time off in between the tight training and competition schedule to enjoy shopping for the latest health & beauty supplies and electronic products.



Making friends with celebrities

To reinforce its “good friend” brand image, **Watsons Taiwan** invited male celebrity Show Lo to endorse sanitary products. In its latest TV commercial, he plays the role of a considerate friend who helps female colleagues to buy all they need at Watsons. Watsons also launched the “2010 Good Friends Together Online Event” (<http://www.watsons.com.tw/friend>) to engage customers. Participants could win shopping vouchers and be invited to join the “Must be Good Friend” party.



Good morning!

To strengthen its market-leader position in the chilled juice market, **Mr. Juicy** launched two new TV advertisements in Hong Kong and the Mainland China in July to highlight the key message: "A Fresh Day begins with Fresh Mr. Juicy!" The TV advertisement further strengthens Mr. Juicy's brand positioning as "Fresh & Tasty".



Party time

To boost sales and increase brand awareness of the popular beverage **Sarsae**, Guangzhou Watson's Food & Beverage collaborated with China Entertainment Television Broadcast Limited to host the "Watson's Sarsae, Sing Out the Real Me" party in August. Party lovers who signed on and uploaded their singing video could win the opportunity to perform with a popular singer in a mini-concert talent show. Consumers who presented two Sarsae bottle stickers or with can lids could enter into a lucky draw to win tickets to the show.





Thailand



Philippines



Malaysia



Funky nights at the “Oscars”

Watsons' annual Health, Wellness & Beauty Awards are much-anticipated gala events that salute partners and suppliers who have performed outstandingly across Asian markets.

Starting in March, **Thailand** hosted an Indian themed “Royal Maharaja Night to Remember”. More than 100 awards were presented with the “Best of the Best” title going to Rojukiss Pore Tightening Serum.

Watsons **Philippines** honoured outstanding partners in June with a futuristic theme, staging a spectacular fashion show featuring a model team comprising Watsons management team and suppliers, flashing clothes and accessories from the SM Department Store.

Malaysia hosted the Awards in July with a “Safari Adventure” theme, supported by exciting African dance and drum performances. In **Singapore**, guests were transported back to early 1950s' Shanghai with casino game stalls.

Watsons **China** hosted a “Funky Town” in August where global brand Neutrogena was re-elected “Best of the Best”, and Watsons' Own Brand “Bird's nest essence whitening facial mask” again took the “Best Selling Product” title.

In October, top business executives joined socialites and celebrities as they entered the “Watsons In Wonderland” in **Hong Kong** to witness presentation of over 150 awards. Just a day later, Watsons **Taiwan** staged the awards with “Be the winning team” to emphasise Watsons and its suppliers being on the same team for business success. Besides being entertaining, the event also helped fundraised for charities including the World Vision Typhoon Morakot Relief Programme and Children Care.

Watsons



Singapore



China



HWB AWARDS 2010



Hong Kong



Taiwan



A.S. Watson hall of fame...

Good news just keep coming in from our respective brands! It is time again to celebrate their achievements...



A.S. Watson Group

- Asia's Best Brand Award, for excellence in branding and marketing
- Asia's Best Employer Brand Award (CMO Asia Awards)



Watsons

Taiwan

- ATONA Case Competition (Contest teaching students on business planning) – 2nd Runner-up (by ATONA Inc.)



豐澤 FORTRESS

- AV Lifestyle Brand Award – The Best AV Chain Store (U Choice Award 2010, by Metro Info Channel)



PARKSHOP

Hong Kong

- Outstanding Award, for success in corporate image (by TVB Weekly)



Watsons

Hong Kong

- Healthy Lifestyle Brand Award – The Best Health & Beauty Chain Store
- Beauty Lifestyle Brand Award – The Best Health & Beauty Chain Store (U Choice Award 2010, by Metro Info Channel)



Watsons

Thailand

- Superbrands 2010 (by Thailand Superbrands Council)



Marionnaud

France

Cosmétique Elu Service Client de l'année 2011
(Customer Service of the Year 2011, cosmetics category)
(by BVA and Viseo Conseils)



Marionnaud

Poland

The Perfumery Chain - Gold Laurel 2010
(by Polish daily newspaper supplement Rzeczpospolita - Rzecz o Biznesie)



Reveal "Click To Buy" Awards - Most-Wanted Scents Category
(by Reveal magazine)



ICI PARIS XL

Belgium, The Netherlands Best Perfumery Chain Award
(by Q&A Research Company on shopping)



Belgium

Best Retail Chain Store in Belgium
(by Q&A Research & Consultancy)



Belgium

Best Brochure
(Golden Doorstep Awards, by Direct Mail Association)



Hong Kong

Customers' Most Favourite Hong Kong Brands - Gold Award
(by China Enterprise Reputation & Credibility Association (Overseas))



Hong Kong

Consumers' Choice Grand Prize - Department Store, Supermarket, and Convenience Store Category
(Hong Kong Corporate Branding Award 2010, by The Chinese University of Hong Kong and Ming Pao)



China

Media ROI Gold Award
(by ROI Festival)

Around the World

New additions
and **upgrades**
to our **9,500**
store portfolio



Marionnaud re-opens the Polus store in Bratislava on 7 October as the first new concept store in Slovakia. Famous guest VIP actress tried out the new Marionnaud Skin Care Line Beauty Essential, putting it under the spotlight



Watsons Taiwan opens nine new stores from June to September, with target to open a total of 20 new stores by December 2010



The Wheel of Fortune has been on tour in Watson Turkey as part of the celebration for six new store openings in three cities, boosting sales and pedestrian flow around the new stores



The first PARKnSHOP INTERNATIONAL opens in Guangzhou on 10 August. More than 8,000 categories of quality food and products are available for the increasingly lifestyle-savvy citizens



Watsons Korea celebrates reaching 30th store in Jongro area in July. By mid-September, 33 stores in total has already been opened



Re-opening of Watsons Malaysia Sunway Pyramid outlet with the latest 5th generation concept store format



Watsons Philippines opens a new store in Gaisano Davao on 15 July



LIFE BEGINS AT 35

Kruidvat just keeps getting better as the Brand celebrates a major milestone

“What a nice atmosphere to shop around in!” This is typical of the comments made every day by customers in Kruidvat stores. After three-and-a-half decades in business, Kruidvat is a trusted household brand in the Netherlands and Belgium with millions of loyal and satisfied customers.

Since its inception in 1975, when it opened its first store in Hilversum, Kruidvat has steadily grown into a market leader in the Health & Beauty retail space, and there have been many milestones and highlights along the way.

In the first year, the number of stores quickly grew to six. In 1983, after only eight years in operation, the 100th store opened in Delft. By 1988, Kruidvat had 200 stores and by 1990 the number had risen to 273 with a market share of 23.7%. In 1991, there were 300 stores and the first store in Belgium opened in 1992.

Today, Kruidvat is the No. 1 Health & Beauty retailer in the Netherlands and Belgium. Some 950 stores stock 12,500 items, with 12,000 employees serving three million customers every week. This impressive growth has been driven by the company's customer-centric founding principles, to be “Constantly Surprising, Always a Good Deal”.



Out of the ordinary

Kruidvat has been the market leader in the Dutch Drug & Perfumery market for many years. While always offering great value and variety on must-have health care products, there are also surprising and good-value offers on non-cosmetic items. "I like coming to Kruidvat because of the unusual promotions," says one customer, "it is a pleasure to browse in this store."

Promotional products range from low-priced CDs and DVDs to toys, home products and clothing. Stores also sell basic items such as detergents, cleaning agents and pet food. The mix changes constantly, making each visit to Kruidvat a novel and exciting shopping experience.

The Kruidvat drugstore chain popularises products by making them accessible to a wide cross-section of the Dutch and Belgian public. This approach has proved successful with digital cameras, bags, reading glasses, lenses, sat-nav equipment, laptops and insurance policies.

Special promotions on train tickets and hotel vouchers have also proved very popular. They allow customers to make substantial savings on nationwide travel or to spend a night in a four-star hotel for just €10. These special offers have become famous, attracting long queues of eager customers when offered.



The company's stores are restocked twice every week from its modern distribution centres in Heteren and Veghel where around 450 employees make sure that on-time delivery translates into full shelves, attractive stores and satisfied customers.

Every week Kruidvat distributes leaflets door-to-door, advertising the latest good-value buys and thus encouraging the frequent visits that many customers pay to Kruidvat stores. In 2010, Kruidvat won the Golden Doorstep award for the fourth time, a prize for the best leaflet, nominated by Dutch consumers. The brand offer is also kept fresh through on-going TV and radio commercials.

While Kruidvat stocks something for everyone, approximately 90% of all customers who visit Kruidvat stores are women aged 20 or above. A total of 38% of Kruidvat visitors are under 40, 45% are aged between 40 and 65 and 17% are over 65. Kruidvat customers attach great value to safety – particularly for their children. They are generally risk-averse, like routine and are cost-conscious.



Atmospheric pleasure

In 2008, Kruidvat commenced the rollout of its new store formula, creating stores that revolve even more around the customer. The stores are conveniently laid out and accessible, but still include the famous value-for-money and surprising-special-offers proposition.

Store refurbishment has further strengthened and extended the company's position as market leader in the Health & Beauty market in the Benelux. The re-designed stores offer a pleasant, modern and conveniently arranged store environment in which products and special offers are presented, so that customers can find what they are looking for quickly.

"The store looks more spacious these days," says one regular shopper. "It's really easy to browse. I can always find what I'm looking for quickly, including the bargains, and it's really effortless to walk through the store with a pushchair. You can't say that about other stores."

One striking feature of the new layout is the "men's route" near the entrance to stores, where all men's products are conveniently displayed near the checkout counters, saving them from having to walk through the entire store. By contrast, the comprehensive baby range is located at the back of stores so that young mothers and pregnant women can choose their products more peacefully.

Brand appeal

Kruidvat's Own Brand products are extremely popular for their high quality, desirability and value. Leveraging on the global reach of the A.S. Watson Group, Kruidvat identifies, sources and develops products that consumers really want and need.

Own Brand merchandise distinguishes the chain from competitors, and the product range attracts a loyal following because customers know they are getting A-brand quality at Kruidvat prices. Currently, Own Brand merchandise accounts for approximately a quarter of all sales, and this is expected to increase in the coming years.

One of the most important success factors is the huge commitment and contribution of all Kruidvat employees who serve customers with a smile every day. "Employees are the capital of our organisation," says Gerard van Breen, CEO of A.S. Watson Health & Beauty Benelux. Accordingly, Kruidvat invests substantially in their training and development.

The impact of professionally trained staff pays off every day through customer satisfaction, which in turn leads to increased sales. "I always shop at Kruidvat because of the friendly service and good advice I get here," comments one young Amsterdam-based mom, "whether it's eyeliner, vitamins or nappies, the staff know exactly which product is most suitable for me."



35th anniversary celebration with customers: winner of the 100% NL radio station game being awarded 35 months' free shopping at Kruidvat



100% NL magazine celebrates with Dutch celebrities gracing the cover

What's more, it makes a huge difference when the people in a store clearly enjoy their work. You can see that here. The staff are always smiling, which makes me feel really welcome as a customer."

A million thanks to customers

Kruidvat celebrated in style with its customers in September, sparing no expense on its 35th birthday and treating customers to a million fantastic prizes. For each purchase of €10 and above, shoppers received a scratch card that gave them a chance to win one of a million prizes.

Kruidvat also gave away 35 free one-minute shopping sprees. Customers were invited to nominate their own good cause or person and say why they deserved to win this minute of free shopping. The promotion resulted in an enormous number of positive gestures. To round off the event, customers who spent €10 or more received a special Kruidvat edition of the popular 100% NL magazine.

Kruidvat has earned a unique position in society. Surveys in the Netherlands show that it ranks second among brands that the public considers indispensable. At 35, Kruidvat has matured into a sophisticated player in the Health & Beauty retail space but the brand is fresher, more youthful and more exciting than ever before.

Kruidvat's will to lead and win in all departments creates the right atmosphere to maintain the positive trends in market share. Kruidvat is constantly updating its model and still sees growth opportunities in terms of store numbers and is focusing on opportunities for growing its market share in the Beauty space. The brand also continues to develop new products and services and will soon be trialling prescription glasses. An extensive package of financial services is also being rolled out.

Kruidvat and its customers can look forward to a very bright future as the brand continues to grow – and constantly surprise.



"One Minute Free Shopping for Charity" – an opportunity for customers to nominate family or friends who have volunteered at a charity as a surprise treat



35 years of Kruidvat:

Going from **Strength** to **Strength**



1975



2000



2006 First Family Fair



1983



1984



2009

- First store opened in Hilversum, the Netherlands

1975

- 100th store opened in Delft; hundreds of customers queued up at 6 a.m. to make it into the Guinness Book of Records
- The first coloured brochure was handed out

1983

- Began producing Own Brand merchandise in skin care, nappies and baby care product lines

1984

- 200 stores nationwide in the Netherlands

1988

- First record year with 30 new stores opening for a total of 273 stores and a market share of 23.7%

1990

- 300 stores nationwide in the Netherlands
- Started photo-developing service

1991

- First store opened in Belgium

1992

- Own Brand batteries named "Best Buy" by the Consumers' Association
- Trekpleister joins the Kruidvat family

1997

2000 • Opening of the biggest-ever store in The Hague marks 25th anniversary

2001 • 500th store opened
• Online sales of merchandise began

2002 • A.S. Watson Group acquired Kruidvat, making the Group the world's third largest Health & Beauty retailer

2003 • Benelux School of A.S. Watson launched

2005 • 700 stores opened
• Prijsmepper outlet stores began operations

2006 • The Kruidvat Family Fair was organised for the first time, attracting 60,000 visitors to the Utrecht Exhibition Centre, where 400 customers had their weddings staged free-of-charge

2009 • Kruidvat Solait (sun care) named "Best Buy" by the Consumers' Association

2010 • Became a four-time winner of "Best Brochure" in the Golden Doorstep Awards by Direct Mail Association (previous wins in 2001, 2002 & 2004)
• Awarded as "Best Retail Chain Store" by Q&A Research & Consultancy in Belgium
• Kruidvat Mobile was launched in March



Gerard van Breen, CEO Health & Beauty Benelux, celebrates Kruidvat's 35th birthday together with staff at the "Passion for Red" internal party



Part of the family

Staff at the Kruidvat Emmen store received a wonderful and unexpected birthday surprise from a happy customer. "She loves shopping with us and thinks there's a nice atmosphere in the branch. So to thank us for our efforts and to give something back, she baked us a cake with a lovely card to celebrate our 35th anniversary."

• Kruidvat celebrates 35th anniversary as market leader in the drugstore sector



Ask us anything about

Budget beaters

Superdrug is selling its 'miracle' Optimum Swiss Apple Overnight Skin Renewal Serum for just £9.99 (£14.99 from October 27). Scientists claim the apple extract, known as PhytoCellTec Malus Domestica and said to be used by actress Helen Mirren, holds the key to reversing skin ageing. Skin creams using the extract sell for as much as £225.



The new anti-ageing miracle... Heard about Apple Stem Cell? It's the latest look-younger ingredient. Try the new Superdrug Optimum Swiss Apple Overnight Skin Renewal Serum. £14.99, which has the same ingredients and concentration level of Apple Stem Cell found in more costly creams. Apply before bedtime and you'll wake up with younger, peachier skin.



An apple a day

August saw the launch of **Superdrug's** new OPTIMUM Swiss Apple anti-ageing serum, heralded by the cosmetics industry as the latest hero ingredient discovered to diminish the appearance of wrinkles. The product was an instant hit with sales reaching 8,500 bottles in the first five days!



Magical experience

Journalists from key beauty magazines attended **Watsons Taiwan's** launch of the MAGIC B.B cream series to discover the magical properties of the range up close. A famous local make-up artist demonstrated on product's usage and attending media were impressed by the perfection effect of the product. Other products included MAGIC B.B. Colour Change, Pore Veil, LOHAS, Tension and Male Exclusive.



Exclusively Eva

On 5 September, Eva Longoria launched her debut fragrance – Eva by Eva Longoria – exclusively at **The Perfume Shop** (TPS). Hundreds of fans came to shop at Westfield Shopping Centre, London, to celebrate the launch and queued for the chance to meet the Hollywood beauty. Eva did not disappoint, staying to ensure she met all her fans and signed their fragrance bottles. The fragrance is available exclusively at TPS from 8 August for three months.

PERFUME



Our Products

Nailing accessible beauty

September saw the exclusive launch of Andrea Fulerton Nail Boutique in **Superdrug** stores and on Superdrug.com, the first-ever collection designed by the renowned nail-technician-to-the-stars. The line-up included items previously only available to professionals and the collection comprised Nail Prep, Nail Colour, Nail Art and Nail Finishing formulations.

Superdrug





Celebration with a stylish fit

Celebrating the first anniversary of Giorgio Armani boutique at the Hong Kong International Airport, **Nuance-Watson (HK)** proudly launched an exclusive Giorgio Armani leather jacket for men, available only to airport customers. The stylish Nappa (smooth lambskin) creation was showcased with the Fall/Winter 2010 "Romantic Futurism" collection.

 Nuance-Watson (HK)
HONG KONG INTERNATIONAL AIRPORT



Essentially a hot new launch

VIPs and Polish journalists witnessed the launch of the **Marionnaud** Essential Beauty Care line and the re-launch of Marionnaud Bio and Marionnaud Bath line in Warsaw on 22 September. Against the pleasant backdrop of the Lazienki Park, guests enjoyed a presentation by Marionnaud Poland's skin expert Trainer. Lunch time discussions followed with the Marionnaud Team presenting Marionnaud's Own and Exclusive brand products portfolio to guests.

Over in the Czech Republic, Marionnaud also hosted a press conference for 85 journalists in Prague on 5 October to promote the Essential Beauty skin care line. The launch incorporated a strong marketing campaign with promotions in-stores, a double-page advertisement in Marionnaud Magazine and light boxes in shopping centres. Earlier, Marionnaud staff received training on the new product.

 Marionnaud

Keeping the summer heat at bay

Hot summer days call for thirst-quenching solutions – thanks to Citrus Growers International, our choices are never boring!

Irresistible premium indulgence

Inspired by the fantastic feedback of the Premium Juice series launched last year, **Sunkist** recently introduced two new flavours, Ruby Grapefruit Orange and Strawberry Smoothie. Deliciously refreshing and good for health.

Sparkling new flavours from California

Customers in both China and Hong Kong markets can enjoy two new Sunkist sparkling juice flavours in the 380ml series – Blackcurrant & Pomegranate for the Mainland, and Blackcurrant & Grapefruit for Hong Kong. Both markets have also launched a four-bottle assorted pack.

Two cheers

In August, **Mr. Juicy** launched two exciting new flavours, antioxidant-rich Blueberry Grape Juice, and Mix Calamansi Nata de Coco Juice with a uniquely refreshing South-east Asian taste.

Sunkist 世味





Group Managing Director Dominic Lai with graduates of the 2009 A.S. Watson Management Development Programmes (top) and 2008/2009 Future Leaders Programme (bottom)

Grow the people, grow the business

Developing internal talent is a key element of **A.S. Watson's** growth strategy. Group Human Resources (Asia) has organised three core Leadership Development Programmes for high-potential managers since early 2008. On 5 May, 74 staff attended their graduation ceremony where Group Managing Director Dominic Lai encouraged all to "take every opportunity to broaden your knowledge and progress through the business".



Delegates from the Senior Management Development Programme include a creative Rap performance in their presentation. Delegates here are pictured with Dominic Lai (2nd from left), Group Managing Director



Fun in the sun

The 2010 Sports & Fun Day for all **Watsons Korea** employees was held over two days in late June to honour the hard work of colleagues and to strengthen the teamwork within the company. It was a very memorable day with beautiful weather despite it being the rainy season. Employees got to know each other better by participating in games, interacting with other team members, leaders and executives.



Jo Walker (right), Managing Director of The Perfume Shop celebrates 18th birthday with celebrity

Look who's come of age

To celebrate its 18th birthday and thank suppliers, **The Perfume Shop** threw a party for key suppliers at a top London hotspot. The venue was dressed with 18 balloons, a giant birthday cake and cookies galore. Suppliers signed a giant 18th birthday card and sipped on a specially created cocktail aptly named the "TPS Sling". After the all-important speeches, a showreel played key images from the last 18 years, followed by a sing-song into the night.



A moment for learning

On 14 September, 250 **Drogas** colleagues met for 3rd Drogas Global Own Brand and Exclusives Conference to discuss Own Brand and Exclusives as a unique offer for Drogas customers, related management in stores and the specific customer service required to put these products into spotlight. Employees learned more about our Own Brand's history, world trends, development of Drogas, and also the quality and targets for these products.

Drogas



Our Home

Sporty spirits show our might

In September, **A.S. Watson** Corporate Sports Teams showed their might with the following wins:

Soccer Team

- 1st runner-up in Inter-hong Mini-Soccer Tournament

Snooker Team

LCSD Corporate Games:

- 2nd runner-up in Men's Doubles
- 3rd runner-up in Team Event

Athletics Team

LCSD Corporate Games:

- Champion and 3rd runner-up in 800m (Men's Master)
- Champion and 1st runner-up in 1,500m (Men's Master)
- 2nd runner-up in 1,500m (Men's Open)



35. Sun sense • A night out in town 36. On behalf of the giraffe • Mercury falls and medicine saved 37. Think and ring pink • Reach out to unleash inner beauty 38. Promoting good health • Heard on the grapevine 39. Love your child charity • Unflinching efforts to help the needy 40. Time for fun, time for learning



Our Community



Sun sense

This summer **Kruidvat** teamed up with the Dutch Cancer Society (*KWF Kankerbestrijding*), the authority on skin cancer in the Netherlands. A special door-to-door "sun paper" was distributed, advertising sun products and tips on healthy sunbathing. 100 packages of Kruidvat Solait were raffled amongst new Society benefactors while special Solait sun-tanning teams mingled in Amsterdam's busy Vondelpark, dispensing sun cream, discount vouchers and informing the public about sun exposure consequences.



A night out in town

Superdrug held its biennial charity fundraiser in July at a glittering London venue, hosting key suppliers as well as colleagues from sister companies Savers, The Perfume Shop and Kruidvat. The event was in support of Childline, Cancer Research UK and Teenage Cancer Trust. The evening of entertainment was a highlight to Superdrug's continuous charity effort, and a great example of supplier and colleague engagement. Over £200,000 was raised on the night, bringing Superdrug's charity total to over £1 million in the last three years.



On behalf of the giraffe

For years, **Marionnaud Portugal** has supported good causes in creative ways. Lisbon Zoo was chosen for 2010, wherein Marionnaud sponsored an endangered giraffe. A naming competition participated by staff and their families gave the giraffe her name, Marionilde. Taking giraffe attention to the next level, a Marionilde plush giraffe was being sold with proceeds donated to the Associação das Aldeias de Crianças SOS Portugal, a charity association that gives orphans the opportunity to build lasting family relationships while acquiring a solid education.

Marionnaud



Mercury falls and medicine saved

To support elimination of mercury-containing medical equipment due to its harmful effects, **Watsons Philippines** partnered with Healthcare Without Harm, an international environmental health group and Omron, a global distributor of health monitoring devices, conducting education campaign for employees and customers, plus a press launch well attended by the media and celebrities.

For the fifth year, Watsons Philippines is also supporting SM Foundation's Gamot Para Sa Kapwa Campaign in cooperation with government agencies, such as the National Red Cross and selected media partners. Together with 14 pharmaceutical partners, Watsons joined the launch of the campaign in September to collect unopened or unexpired medicines for use in SM Foundation's medical missions for indigent communities.

Watsons





Cathy Yeap (3rd from right), Managing Director of Watsons Singapore joins Watsons Pink Ribbon Walk/Run 2010 with the cancer survivors



Think and ring pink

Watsons Singapore has adopted the Breast Cancer Foundation (BCF) as its official charity this year, donating S\$80,000 and undertaking to raise funds via several breast cancer awareness initiatives. All 102 stores in Singapore have been selling S\$5 BCF pink ribbon pins, giving away BCF Breast Books, staging a Pink Shelves Programme, and organising the Watsons Pink Ribbon Walk/Run 2010 on 2 October.

Watsons



Nuanphan Jayanama (1st from right) together with the Watsons members volunteers share a happy afternoon with the children in Khon Kaen

Reach out to unleash inner beauty

Watsons Thailand has continued its support and care for the community in northeastern Khon Kaen province with growing numbers of volunteers from both Watsons Card members and staff. The volunteers helped to fix books at the local library, provided drawing materials and souvenirs and put smiles all over children's faces through engaging storytelling. The activity is part of the exclusive member's workshop "Make a New You," which aims to inspire creation of total beauty from within.

Watsons

Promoting good health

In line with its goals to promote good health in the community, **Watsons Taiwan** co-operated with the Taipei City Government's Songshan Department of Health to host 2nd Healthy Community Check on 31 July. Pharmacists provided weight, body-fat and BMI checks. Health counsellors offered advice on nutrition, and beauty advisors offered skin care testing and advice. Customers also received free "Divinia" samples to try.



Heard on the grapevine

In September, **Watson's Wine Cellar** conducted a wine seminar for the University of 3rd Age (U3A), a project sponsored by HK Electric Century Trust, which encourages retirees to run self-learning centres to pursue lifelong learning and continue to contribute to society. Twenty-four retirees were taught basic knowledge about wine making, storage and caring, followed by a tasting of red and white wine from Bordeaux, France, and a fruitful discussion session.





Gary Ng (2nd from right), Managing Director of Watsons Hong Kong, and brand ambassador, Kay Tse (1st from right) together visit the children at Po Leung Kuk



Gary Ng together with Quincy Lui (3rd from left), Chairman of Po Leung Kuk attend the kick-off ceremony



Jessica To (left), Marketing Director of PARKnSHOP Greater China presents the donation cheque to Gigi Fu, President of SPCA



Angie Lee, (left) Head of Marketing of PARKnSHOP Hong Kong, and Jacqueline Cheung (right), Senior Marketing Manager of Watsons Hong Kong and FORTRESS present the donation cheque to Lorraine Tsang (middle), Senior Fundraising Manager of Hong Kong Committee of UNICEF

Love your child charity

Echoing its theme “Love Your Body”, **Watsons Hong Kong** teamed up with child charity Po Leung Kuk in September to co-host the “Watsons Loving Po Leung Kuk Charity Fundraising Campaign”. At the kick-off ceremony, a visit was paid to Po Leung Kuk to share health & beauty knowledge and the “Love your Body” principle with the children.

Donation boxes have been placed in all Watsons and **FORTRESS** stores until June 2011. Watsons will also further organise charity sales of calendars and Christmas teddy bears to raise more funds.



Unflinching efforts to help the needy

PARKnSHOP launched a two-week fundraising campaign under the “MoneyBack Charity Fundraiser” for the Society for the Prevention of Cruelty to Animals (SPCA) Flag Day in June, in which customers could make cash donations at all **PARKnSHOP**, **INTERNATIONAL**, **TASTE**, **GOURMET**, **Fusion** and **GREAT** stores’ checkouts. More than HK\$130,000 was raised and donated to the SPCA to fund their charity work for animals.

In August, landslides and mud-rock flows in Gansu Province, China, called upon PARKnSHOP, INTERNATIONAL, TASTE, GOURMET, Fusion, GREAT, **Watsons Hong Kong** and **FORTRESS** to initiate customers to donation for the victims. More than HK\$380,000 was raised and donated to UNICEF to fund their relief operations.

In late October, PARKnSHOP was being presented the Annual Big Donors Award (Big Donation) by the Hong Kong Red Cross for raising over HK\$516,600 in the past year.





Time for fun, time for learning

ASW Volunteer Team just can't help being busy bees. In August, more than 1,200 underprivileged youth and children from the Hong Kong Young Women's Christian Association and Hong Kong Children & Youth Services were invited to watch the "Watsons 2010 FIVB World Grand Prix – Hong Kong" volleyball games. Many came along with their parents, making it a fun family affair!

During September and October, our team members ventured on a learning path. They visited indigenous Hakka elderly near the north border of Hong Kong, learned about their culture and their specialties through a cooking competition.

The cool November month did not hold back our volunteers' enthusiasm. Joining **Watsons China's** team to visit the Watsons and Sowers Action Primary School in Yunnan, China, our volunteers hit the (muddy) roads to bring care and warmth to the rural village children. Besides witnessing the completion of the school building funded by Watsons China, they also got to know of the harsh environment and the needs of the Mainland's village children.



Super Quiz

Answers

to Issue 81

1) 101

2) HK\$8 million

3) 8

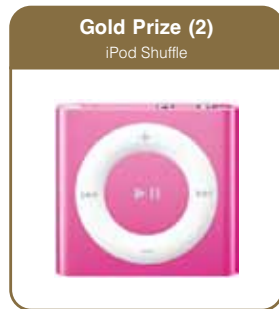
Questions:

- 1) Which two of A.S. Watson's brands have jointly rolled out "shop-in-shop" concept in July?
- 2) Kruidvat celebrates its _____ anniversary this year.
- 3) By August, how many Watsons Your Personal Store card members across 10 Asia markets?



Super Prize (1)
Chanel - CHANCE Eau Tendre

Sponsored by



Gold Prize (2)
iPod Shuffle

Sponsored by



A.S. Watson Group



Silver Prize (5)
Watsons H Bella skin care

Sponsored by



Thailand

Super Prize (Electronic toothbrush)

Name

Company & Department

- | | |
|----------------------|------------------------------------|
| 1. Marcel Evers | ASW Benelux - Logistics |
| 2. Maricar M. Agtang | Watsons Philippines - Supply Chain |

Gold Prize (Plush polar bear & skin care set)

Name

Company & Department

- | | |
|---------------------|------------------------------|
| 1. Lee Mei-yuk | PARKnSHOP HK - QA |
| 2. Wenny Wei | PARKnSHOP China - Operations |
| 3. Wang Xinhong | ASWW Beijing - Finance |
| 4. Celion Zhang | Watsons Shanghai - HR |
| 5. Tracey Griffiths | Superdrug - Store 1196 |

Silver Prize (Summer beach premium set)

Name

Company & Department

- | | |
|------------------|---|
| 1. Rebecca Tam | ASW - FSSC |
| 2. Taria Lau | ASWW HK - CCD |
| 3. Li Mun-wai | ASWW HK - Credit Control |
| 4. Kee Kin-man | PARKnSHOP HK - SSSC |
| 5. Lilian Chen | ASWW Guangzhou - Finance |
| 6. Sammie Liang | ASWW Guangzhou - Quality Control |
| 7. Melissa Shen | Watsons Taiwan - Sales & OPS Dept |
| 8. Marivelle Ong | Watsons Philippines - Supply Chain |
| 9. Yasmin Bt Esa | Watsons Malaysia - Space & Range Department |
| 10. Amy Cheng | ASW - FSSC |

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

Company and Department: _____

Address: _____

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

A1: _____ A2: _____ A3: _____

Send your **completed** entry form to:

Deadline: 31 January 2011

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



Love HK Your Way

A total of HK\$28 million in grants for 177 "Love Ideas, Love HK" projects

"Love Ideas, Love HK" programme, the first initiative of the Li Ka Shing Foundation's "Love HK Your Way!" philanthropic campaign, will be awarding grants for 177 projects. During a three-week voting session, more than 74,000 registered voters casted a total of 211,000 votes to support the projects they feel meaningful to the Hong Kong community.

Voters elected 169 projects, which ranked among the top 25 percentile of the five grant categories. Voted-in applicants will be emailed details of grant formalities and following verification, grants will be awarded in mid-December. A full list of the elected projects is listed at www.loveideas.hk.

In addition to the above, Mr Li Ka-shing, himself a voter, will allocate an additional HK\$2.15 million for 12 ideas which he found innovative and moving. "Many projects demonstrated their deep love and commitment to their communities, I am very moved by their innovation and dedication and am most honoured to be a part of their initiatives," said Mr Li. He wishes to encourage others to take the time to browse through the projects listed again and also give extra support if they can.

Amongst his list of 12 projects, four were also voted in and hence will be receiving twice the amount they applied for.



Since its launch on 15 September, "Love Ideas, Love HK" programme received a total of 1,029 project applications, amongst which 674 eligible projects were uploaded for voting session starting 1 November to 21 November. The applications reflected a diversity of needs and showcased the creativity and the caring attitude of the citizens of Hong Kong. In view of overwhelming response, the Li Ka Shing Foundation (LKSF) has decided to launch the second round of the "Love Ideas, Love HK" programme, of which details will be announced soon in December.

"Love Ideas, Love HK" is the first initiative of LKSF's HK\$300-million public philanthropic campaign "Love HK Your Way!", an effort to engage Hong Kong citizens to improve our community in issues they deeply care about. Combining the powers of technology, charity and community awareness, the programme encourages Hong Kong residents to vote for projects they believe are beneficial to their community and should receive LKSF grants.



香港仁愛香港

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 33 markets worldwide.

Today, the Group operates over 9,500 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 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; property and hotels; retail; energy, infrastructure, investments and others; and telecommunications in 53 countries.

Editorial committee

Adviser : Dominic Lai

Editor : Malina Ngai

Members :

- **Group Office** : Clare Forrester, Teresa Pang, Joanna Wong, Joelle Chan, Karen Mak
- **Health and Beauty (Asia and Continental Europe):**
Nuanphan Pat Jayanama, Joseph To, Jose Mes, Igor Didok
- **Luxury Europe** : Zita Tourneur, Matt Walburn, Lieke de Klein
- **Manufacturing** : Lilian Au, Linda Chan
- **Retail Hong Kong** : Winnie Chow, Mary Yau, Tiffany Yeung, Kelvin Chu

Published by A.S. Watson & Co., Limited
Watson House, 1-5 Wo Liu Hang Road, Fo Tan, Shatin
New Territories, Hong Kong
Website: www.aswatson.com
Email: WatsOn@asw.com.hk
© Copyright A.S. Watson & Co., Limited

