

83

Watson



A.S. Watson Family Magazine
Quarters 1 & 2 • 2011

**Watsons Ukraine:
New Watsons for the emerging beauty**

2010 Annual results

Celebrating success of outstanding stores

Magic number for going green

Contents



Around the World

03



Our Products

25



Our Home

27



Our Community

37



Focus Story

19



Hutch News

46

| | |
|---|----|
| • 2010 Annual Results | 5 |
| • Let's go cruising | 6 |
| • A melodic fair | |
| • Loyal flush | 7 |
| • Dramatic beauty | 9 |
| • East meets West | |
| • More caring men for their beloved | 10 |
| • Look who's on Facebook | |
| • Red hot party for VIPs | 11 |
| • Aromatic party | |
| • Mirror mirror... | 12 |
| • A banquet of ideas | 13 |
| • Superdrug adds beauty to the High Street | |
| • A brand new image | 14 |
| • Triumphant moment | 15 |
| • New additions and upgrades to our store portfolio | 17 |



Around the World



2010 Annual Results

For the year ending 31 December 2010, **Hutchison Whampoa Limited** (HWL) reported a total revenue of HK\$325,922 million, 8% higher than last year. Profit attributable to shareholders for the year was HK\$20,038 million, a 47% increase compared to last year's restated profit at HK\$13,631 million.

For full report, see:
<http://www.hutchison-whampoa.com/eng/investor/annual/annual.htm#ar10>

A.S. Watson Group, HWL's retail and manufacturing arm, delivered a strong growth in earnings before interest expense and taxation (EBIT) with a 38% increase to HK\$7,866 million, and growth in total revenue by 8% in local currencies, driven by management's strong commitment to improving operating efficiencies, reducing inventory levels, increasing centralised purchasing and continued expansion in high growth markets.





Let's go cruising

Key journalists attended **Kruidvat's** beauty summer cruise in Amsterdam in March on the fabulous "Grace Kelly" yacht which was transformed into a summer location. Guests enjoyed product presentations by Kruidvat's buyers, learning about the latest health & beauty trends while being pampered with manicures, massages and make-up. The day ended with tropical cocktails and fine food. The successful event has generated good publicity for its Own Brand products.



A melodic fair

In February, a Dutch singer who was also a new father opened **Kruidvat's** "Nine Months Baby Fair" in Amsterdam, playing music from his new baby album. The CD is available exclusively in Kruidvat stores. As the Netherlands' largest baby goods retailer, Kruidvat's fair allowed visitors to buy and try new baby products while pregnant visitors could have their bellies painted and be pampered with a professional make-up session.



Latest addition to the **A.S. Watson** loyalty family

**JOUW
EXTRA
VOORDEEL
KAART**

NIEUW



Loyal flush

To increase loyalty and reward customers for their patronage, **Kruidvat** and **Superdrug** launched their first customer loyalty cards in April and May respectively. The Superdrug Beautycard, which doubled as a handy mirror in the customers' purse, can be used to earn points both online and in-store for customised redemptions, and it is backed up by its famous 100% Happiness Guarantee. Customers can also part-pay for products with their points.

Kruidvat's loyalty card makes shopping even more fun than before, offering deals that are specific to each customer. A Dutch singer recorded a song especially for the card's launch, and sang it live to the card's first owners at the Almere store.

A.S. Watson brands with loyalty programmes in place:



Earlier, **PARKnSHOP** has also launched its MoneyBack membership card in Southern China and Shanghai. The set of four cards includes three supplementary cards for customers and their family members to enjoy discounts and make redemptions more quickly at leading stores including PARKnSHOP, **PARKnSHOP International**, **PARKnSHOP City** and **TASTE**. In addition, customers who are applying for the card before end of June will be awarded extra bonus points.

Marionnaud, the "avant-gardist" retailer with loyalty programme in Europe, rewards 255,000 most loyal customers from its strong 10 million membership base in France in April by launching the "M Prestige" membership card to pamper its regular spenders with special and exclusive privileges, in line with the brand's generosity DNA to loyal customers.





Dramatic beauty

Third year in its running, **Watsons China's** "YOU Award" was fronted by the "Show your beauty, you can be hero" idol contest this year, which came as a huge success attracting 10,000 applicants and over 6 million online votes in China. The winner of the contest will be casted in a web drama in Tudou, the country's leading online video website, which is a perfect resonance to the contest - with courage and beauty, everybody is a hero.



East meets West

Watsons Singapore is breaking new ground in preventative healthcare through collaboration with a physician chain to offer unique health-screening plans that provide consultations with both a Western doctor and a traditional Chinese medicine practitioner. Customers will have direct access to Watsons' pharmacists who can advise them on the most suitable package depending on their health concerns.



More caring men for their beloved

Female comprises 80% of **Watsons Taiwan**'s i-members. To attract more male customers this year, Watsons Taiwan launched an i-member online event for men. Combined with television commercial and co-operation with GQ magazine, the event aimed to encourage men to use i-member card every day to help them save money as well as showing care for their loved ones. Positive publicity was also achieved through a Facebook app co-worked with GQ resulting in 1.4 million exposures and over 20,500 users' voting.

Watsons



Voting campaign in GQ Website

Look who's on Facebook

Watsons Thailand has launched its Facebook to strengthen relationships with its target customers. Watsons could listen to and better understand Thai consumers through this communications platform. A photo contest was organised as the first online activity, which was publicised through a launch event in Siam Square attended by local celebrities. To date, the page has already recruited over 40,000 fans.

Check out the site: www.facebook.com/watsonsthailand

Watsons





Red hot party for VIPs

Watsons Malaysia treated its top 100 VIP spending customers and members of the media to a Red Hot Party to thank their support in February. The ambience was of the grand imperial days of China in fusion with modern, hot and electrifying fashion and dance performances by models and dancers fully resplendent in Red, befitting the auspicious Chinese New Year season.

Watsons



Aromatic party

Marionnaud Hungary collaborated with *Glamour* magazine to organise a shopping party for special customers in February. This exciting new way of shopping aimed to create a fun and entertaining experience and enabled guests to spend time in a relaxing atmosphere. Customers felt very special as in an “exclusively women’s club” with snacks, champagne and soft drinks served, a DJ jamming music and discount on all purchases.

Marionnaud

Mirror mirror...

ICI PARIS XL The Netherlands staged a three-week promotion titled "Mirror Mirror..." which focused on make-up products and the expertise of make-up artists. The promotion included an attractive discount on make-up products while a dutch beauty coach and ICI PARIS XL's make-up artists gave customers advice and make-overs. The promotion was publicised by brochure distribution to 4.2 million households.

Valentine's Day is no doubt an important occasion for ladies to dress up. Based on analysis from Customer Relationship Management (CRM) data, ICI PARIS XL The Netherlands has strategically targeted mature customers in this year's Valentine's Day promotion, presenting the gorgeous "timeless beauty" look to customers. Thanks to the findings from CRM database, the campaign turned out to be a big success in turnover and promotion efficiency.

ICI PARIS XL





Watsons Taiwan strengthens its good relationship with the media at its annual gathering



A banquet of ideas

Watsons Taiwan earlier hosted an elegant “Year-End Press Luncheon” to thank the media for their support in the past year. Krish Iyer, Managing Director of Watsons Taiwan presented the business results and shared the brand’s future goals with the media, with insight on five major consumer trends that will capture growth over the next three years, including “Elegant Greying”, “Women Power vs Metrosexual”, “Smart Shopping for Maximised Cost-Performance Value” and the “Precious Baby Generation”.

Watsons



Superdrug adds beauty to the High Street

Superdrug has expanded its beauty services at the UK customers’ convenience, in conjunction with trained experts to deliver the best results.

In addition to services such as brow threading and nail bars at selected stores, customers can now have a fish spa pedicure or non-invasive cosmetic procedures performed by a trained doctor.

Launching in central London, the new clinics add another dimension to Superdrug’s beauty services, which include facials, derma fillers and laser hair removal.

Superdrug



A brand new image

Drogas has launched a new uniform for sales staff to start the year off. More elegant, feminine and corporate, it helps create a professional image that engenders trust in the professionalism of Drogas' beauty experts.

Keeping up its surprise to customers, Drogas has also recently launched its new website, offering updates about products, promotions and special offers. Of particular importance is the section "My Drogas", where each customer can register to get privileges, special offers, newsletters and discount coupons.



Around the World

Triumphant moment

Let's take a look at our brands' achievements in the recent months!



A.S. Watson Group



Watson's Wine

Hong Kong

Manpower Developer (2011-2013)

(by The Employees Retraining Board of Hong Kong)



China

2010 China Fashion Industry Award
- Excellent Contribution Corporation

(by Information Times)



Singapore

Singapore Service Class
(S-Class) Certification
(by SPRING Singapore)



Marionnaud

France

Retailer of the Year in France
(by Q&A Research & Consultancy Agency)



Superdrug

• 4th Most Favourite Retailer in the UK
• 1st Most Favourite Health & Beauty
Retailer in the UK
(by Verdict Research)



Taiwan

Commendation for the contribution
to creating job opportunities
(by Ministry of Economic Affairs
and Council of Labour Affairs,
presented by Wu Den-yih,
Premier of Executive Yuan)



China

2010 Golden Compass
• The Most Valuable Brand Activity
• CSR Contribution Award
(by Life Style)



China

2010 Advanced unit of foreign investment
in Jiang An District
(by Government of Jiang An District, Wuhan)



China

Outstanding Company for 15 Splendid Years
of Guangdong Chain Retail
(by Guangdong Chain Operations Association)



Marionnaud

France

Exclusive & Own Brands
(Skincare & Facial Cleansing) Award
Marionnaud Relaxing Massaging Cleanser
(by Oscar Cosmétique 2011)



Best Buy
Kruidvat Nut Milk SPF 15
(by The Consumers Federation
of the Netherlands)



Best diaper in the market
Kruidvat diapers
(by Dutch critical TV show Vara's Kassa)



Excellent Service Award 2010
(2 Star, 2 Gold and 31 Silver Awards)
(by Spring Singapore,
Singapore Ministry of Trade and Industry)

www.aswatson.com



WORLD CLASS DUTY FREE

DFNI Global Awards 2011
• Travel Retailer of the Year
• Airport Travel Retailer of the Year

DFNI Asia Pacific Awards 2011
• Asia / Pacific Travel Retailer of the Year
• Best Fashion, Leathersgoods & Accessories
Travel Retailer in Asia / Pacific
• Best Food & Confectionery Travel Retailer
in Asia / Pacific
• Best Gifts Travel Retailer in Asia / Pacific
• Best Website Serving the Asia / Pacific
Travelling Consumer

(by DFNI)



DFNI Asia Pacific Awards 2011
• Best Fragrances and Cosmetics
Travel Retailer in Asia-Pacific (2004-2011)
• Best Travel Retailer operating
in a Single Country (2010-2011)
(by DFNI)



Watson's Wine

My Favourite Wine Cellar
(by U Magazine)



Watson's Wine

Best Label Award
(by Marie Claire)

New additions and upgrades to our store portfolio



Downham Market is the first new store for Savers in 2011. Its first 50 customers who spend over £5 are given a free bottle of fragrance at their purchase



Watsons Thailand opens new store in Phetchabun in January



Watsons Turkey unveils its 50th store in the Marmara Forum Shopping Mall, which is one of the most popular shopping arcades in Istanbul



Watson's Wine opens the first Mainland China store in Shanghai in late 2010. Customers can be assured of the highest quality wines with the help from experienced and knowledgeable wine consultants



Drogas opens two new stores in Latvia in the beginning of the year, in Adazi and Ogre



Watsons Taiwan opens a new store in Kinmen in late 2010



The first TASTE opens in Shanghai in January. The 4,300 sq-m food store offers over 25,000 items from all over the world, providing customers with "More Than Food" shopping experiences



Watsons Malaysia opens a flagship store in Petaling Jaya on 11 January. The first, 11th and 111th customers in the queue for the store opening are each being awarded a trip for two to Hong Kong



Watsons Philippines opens 200th store in Quezon City in late January. During the new opening, the store provides free blood pressure monitoring and consultations



Photo courtesy of Serge Illin

New Watsons for the emerging beauty in Ukraine

With the recent rebranding of DC stores to Watsons, consumers in Ukraine can now enjoy a superior international shopping experience.



Watsons
магазин краси та здоров'я



REBRANDING >>>



Group Managing Director Dominic Lai visits the rebranded store

Focus Story

"Oh, I love Watsons!" says Irina Kravchuk, a 24-year-old office worker who lives in Kiev. "I go back again and again. There's always a good variety of different products, so many tempting discounts and always something new."

Irina is among the millions of modern, upwardly mobile customers throughout Ukraine who are broadening their shopping horizons at newly rebranded Watsons stores.

Bordering the Black Sea, between Poland, Romania, and Moldova in the west and Russia in the east, Ukraine is at the crossroads of Europe and Asia. With a population of 46 million

www.aswatson.com

– 70% in urban areas – Ukraine is a significant retail market, not least in the health & beauty retail space.

No surprise then that A.S. Watson Group (ASW) – the world-leading name in health & beauty retail – introduced the Watsons brand to Ukrainian consumers on 10 March 2011, rebranding all DC outlets across the country.

ASW acquired a 65% controlling interest in DC in 2006 as part of the expansion strategy in Eastern Europe, when it was already the biggest health & beauty chain in the country. In 2010, ASW further completed acquisition of the remaining

shares to fully own the business.

The acquisition was a natural fit for ASW's global retail portfolio, and in line with its expansion into Central and Eastern Europe where the Group had already entered Russia and the Baltic States.

Since 2006, ASW has invested approximately US\$13 million in expanding the DC network, simultaneously building its IT infrastructure, improving warehouse and logistics capabilities.



“
The shop staff
and consultants
are always
helpful!
”



“
The new
Watsons store
looks very
nice!
”

Powerful pedigree

The Watsons brand is very well established globally, with a portfolio of 2,200 stores in 11 markets, particularly in Asia. Furthermore, ASW has a total of over 9,400 retail outlets across 33 markets (21 of which are in Europe) under famous brands such as Kruidvat, Trekleister, Rossmann, Superdrug, Savers, Drogas, Spektr, Marionnaud, ICI PARIS XL and The Perfume Shop.

The introduction of the Watsons banner brings several benefits to Ukrainian consumers. These include new store layouts that offer a more rewarding and convenient shopping experience, a greater assortment of products, and superior customer service.

“This is more than just a change of name,” said Dominic Lai, Group Managing Director of ASW at the Watsons brand launch in Kiev. “It signals the start of an evolutionary shift in the way people shop for health & beauty products in Ukraine.”

Formerly a member of the Soviet Union, Ukraine gained independence in 1991. Today, the government is pursuing European integration while the people of Ukraine look to the West for inspiration in culture, style, fashion and beauty.

“
There’s always
a good **variety**
of different
products!
”



“
Everything is
great. I really
like it!
”

Listening to customers

The Watsons brand operates under the format of a convenience drugstore, offering a comprehensive mix of beauty, personal care, toiletry and household products. The introduction of Watsons delivers international standards and practices of sourcing, resulting in better-quality products, greater value and superior customer service while tailoring the shopping experience to Ukrainian consumers' specific local needs.

“We have been listening to what Ukrainian customers want,” Mr Lai said. “They told us they would like more choice of products at great value in an aspirational shopping environment. We decided to bring the Watsons brand to Ukraine not only to provide a contemporary one-stop-shop health & beauty shopping experience but also to bring more exclusive international products imported from worldwide, especially from Western Europe.”

Customers have been overwhelmingly positive about the new-look stores. Housewife Ivanna Kravec shops regularly at her local outlet in Odessa. “It’s very comfortable in the store because I know where things are and what products I like,” she says. “Everything that I need to keep my house clean and everything for myself such as cosmetics, bodycare products and so on, I buy at Watsons.”

Katia Razh is another fan. With a husband and two young children to take care of, Watsons offers one-stop-shopping convenience for the whole family. “I can buy all the essentials as well as something for special occasions,” Katia says. “In this rebranded store, I find it easier to browse and find products than before!”

WATSONS CLUB. ЗАЛИШ ЧАС НА СЕБЕ!

Виражаючи свою вдячність і піклуючись про Вас, ми створили Watsons Club – програму кращих покупок для постійних покупців.

- 

Отримай картку Watsons Club
- 

Заповни анкету та залиш її у магазині Watsons
- 

Активуй картку Watsons Club
- 

Накопичуй бали за всі покупки
- 

Використовуй бали як економку на усі товари у Watsons



1996

The "Distributor Centre" company created

1997

1st retail store opened in Kiev opened as a specialised health & beauty store

2001

DC Club 5% discount loyalty programme launched

Expansion plans

Watsons is currently the market leader in health & beauty retail in Ukraine with more than 28 million customer visits every year.

"It is a profitable business and presents great potential for further expansion," says Mr Lai. "Our objectives have been well met so far."

The company plans to open 60 new Watsons outlets in 2011 and will invest a further US\$37 million to reach 500 stores within five years. Consumers will benefit from ASW's global reach in sourcing top-quality products and gain access to Watsons highly regarded Own Brand labels. Watsons' staff, too, will continue to benefit from international-standard training in the retail business.

Through its continued investment and innovation on a global scale ASW can easily transfer its best-practice retail processes to Ukraine to deliver a contemporary one-stop health & beauty shopping experience.

"We are committed to bringing international standards of retail operations into the market," Mr Lai confirms. "We will focus on improving product selection to meet the changing needs of local customers, improving the store environment and offering value for money through our international buying power."

The ASW International Buying Division centralises and harmonises the buying practices of the Group's global retail operations, enabling Watsons to bring in an unrivalled selection of exclusive international products, thus improving the offering to Ukrainian customers.

With introduction of the Watsons brand, the DC discount club has been replaced with Watsons customer loyalty points scheme, offering shoppers better value than ever before. Customers have also been successfully engaged through Watsons' Facebook page.

2003

1st DC pharmacy opened

2006

A.S. Watson Group acquired 65% controlling interest of DC

2008

Awarded "The No.1 choice of the Year (Health & Beauty store)" in the International Festival Competition

2010

200th DC store opened ASW officially acquired 100% of DC

2011

DC is rebranded to Watsons in March



Foreign visitors, too, will be pleasantly surprised. With its rich history, spectacular architecture, abundant natural beauty and attractive, friendly people, Ukraine is gaining popularity as a tourist destination, drawing some 20 million visitors per year. In 2012, the country will co-host the UEFA European football championship with Poland, an event that is expected to generate a great deal of positive PR.

"Our central strategy is to think global and yet act local," says Mr Lai. "Ukraine health & beauty is just starting to bloom and is a market with big potential. Currently Ukraine business contributes slightly over 50% of ASW's total profit in Eastern Europe and is one of the top-performing countries in ASW's global portfolio."

While the business model is indeed compelling, it is the on-the-ground shopping experience that is generating most of the excitement. According to a well-known Ukrainian proverb: "You don't really see the world if you only look through your own window." With the introduction of the Watsons brand, an exciting new window has been opened for Ukrainian consumers.

watsons

www.aswatson.com

Forum for fans

Watsons has been extremely successful in engaging customers through Facebook, the social networking website.

The majority of fans were from Kiev, with other cities such as Odessa, Kharkiv, Doneck and Dnipropetrovsk also featuring significantly.

Fans particularly liked special activities, such as "Make a present to your friend" from L'Oréal and "Choose your present". Prize draws were also frequently held and highly participated.





Nuanphan Jayanama, Marketing Director of Watsons Thailand (2nd from right) joins a chat at the launch event with a celebrity model and medical expert



Introducing an innovative skincare range

Watsons is constantly developing new products that improve health and enhance customer's beauty. Recently in Thailand, the first premium medicated skincare range, "Dermaction Plus by Watsons", was launched which features the latest beauty innovation of Liquid Crystal Lamellar technology. The range incorporates patented technology specifically designed for hydrating the skin and locking in moisture, resulting in reduced wrinkles.

Watsons



Japan inspires Sakura launch

Watsons Philippines invited top beauty editors in February to wear Japanese-inspired outfits to celebrate the launch of Watsons SakuraBella, co-hosted by Japanese celebrities. Infused with cherry blossom extracts for a youthful glow, the bodycare range was well received, with guests treated to hand massages and fun Japanese activities like origami and calligraphy. Models presented the products in pink SakuraBella-inspired kimonos created by contestants of *Mega* magazine's "Gen M Young Designers" competition.

Watsons



Cutting-edge skincare technology

When **Superdrug** launched the OPTIMUM Swiss Apple overnight skin renewal serum in August 2010 it was an instant hit, with almost 100,000 bottles sold to date. This March saw OPTIMUM Swiss Apple skin renewal day cream added to the Swiss Apple family. The new product offers the same Apple Stem Cell wonder ingredient used in the original serum as well as hyaluronic acid, which provides exceptional moisturisation along with UVA and UVB filters.

Superdrug

Black Pearl shines in Taiwan and Thailand

Watsons launched Pure Beauty's new "Youth Restore with Black Pearl" skincare series in Taiwan and Thailand in March. The luxurious anti-aging line contains extracts from rare black-lipped pearls found only in Tahiti.

In Taiwan, the brand invited its endorser to give an inspiring performance and a beauty master as VIP to speak at the launch. 137 media attended to generate NT\$18 million in PR value on the launch day. Watsons Thailand literally "launched" the Black Pearl from the sea after dark, which came as an elegant nice surprise for everyone.

watsons



Our Products

Best brains meet to amplify competitive edge

Retail is all about detail, and there are always phenomenal details to learn and share from each other in different aspects of our work in A.S. Watson (ASW). A series of important conferences were held recently to sustain and amplify our competitive advantage across functions, to make success not only in 2011, but also for the years to come.



Groupwide Finance Conference

With the theme "Commercial Financial Analysis: The Tools and Techniques", the Groupwide Finance Conference assembled all country finance teams to ensure that commercial financial analysis of our trading and investment activities add value to our business and set the game of the retailing industry to the next level. Vital business processes including CRM, Pricing and Promotional Effectiveness were covered, analytical tools and related techniques were also shared which help improving business performance in various disciplines.

IT Conference for Asia

The first ever IT Conference for Asia concluded in February with a vision to work on a coherent information system, and to embrace the new digital media. ASW will have all the 100%-owned Asia businesses running on the same IT platform, therefore the conference was set in a perfect timing for sharing of best practices and operating standards. With the trend in digital customer engagement, vision was also set on investment in digital channels to keep us in the forefront of the new media battlefield.

ASW Global Operations Summit

Store Managers and Operations Directors met in April to share their expertise in operational excellence and quality customer service in the three-day ASW Global Operations Summit.

To recognise stores with outstanding performance and uphold staff's passion for customers, the "ASW Global Best Stores Awards", being a highlight of the programme, honoured 43 stores from 32 business units in 26 winning countries, with their store managers receiving the award from Group Managing Director Dominic Lai.

The 43 store managers joined a "Great Race" to get to know each other through teamwork while visiting some of the Group's most spectacular stores, and the best sights in town. A grand celebration dinner was hosted to show the Group's appreciation for their hard work, with presentation of special long service awards to those who had been with their respective brands for more than 10 years.





Award Presentation



29 Celebration Dinner





GREAT TEAMWORK AROUND TOWN



Great Race



Workplace decoration, PARKnSHOP Hong Kong

Passionately A.S. Watson

WE BRING MORE TO LIFE

is the refreshed A.S. Watson brand launched in the beginning of 2011.

Let's see how our business units express this unique DNA across offices and at events!



Office opening ceremony, Watsons China



Meeting room décor, Watsons Ukraine



Workplace decoration, International Buying, Zurich



Sports day for staff, Watsons Thailand



Workplace decoration, Battersea Office, UK



Workplace decoration, Watsons Taiwan



Workplace decoration, PARKnSHOP Hong Kong



Our Home



Workplace decoration, Battersea Office, UK



Honesty reaps its own reward

FORTRESS Senior Sales Adviser Crystal Man found HK\$14,000 cash in her store in late 2010 and reported it to her district manager, which was claimed by a delighted customer who returned to the store.

Vincy Law, Sales Assistant from **Watsons Macau** also found a wallet in her store. Vincy refused a HK\$1,000 reward from the owner, who later wrote to the press to praise her honesty.

香港 FORTRESS

WATSONS



Training for make-up artists

Marionnaud Spain has created a Marionnaud Make-up Professionals (MMP) programme in which selected staff members are trained to become highly skilled make-up artists to participate in make-up events all over Spain, attracting new customers and boosting sales in make-up.

/Marionnaud



Fresh approach at business summit

Watsons Taiwan held its annual Business Summit earlier to encourage solidarity and raise morale, calling on staff's creativity in presentation, stage design and programme planning.

Watsons



A grand opening

To further improve its training facilities, **ICI PARIS XL The Netherlands** has moved its education centre to a bigger location to offer more space for interactive training on quality customer service in make-up, perfume and skincare.

ICI PARIS XL



Best minds meet in Taiwan

A.S. Watson held its GOBE.Com meeting in Taiwan in March, inviting Own and Exclusive Brand development teams to set strategy objectives.

The meeting room was decorated as a Watsons store, and participants visited the Cheng Chung Store and the GIC Innovation Centre, the latter being our own research and development centre, to witness the innovative developments of Watsons in Taiwan.



Staff show their creative flair

Drogas Latvia organised a staff competition on Own and Exclusive Brands (GOBE) earlier under the topics "GOBE Sales", "Mystery Shopper", "Product Knowledge" and "GOBE Commercial". More than 50 teams participated, submitting creative videos, presentations and even a huge blanket. The contest helped Drogas to reach budget targets and showed the creative flair of staff. The team of six winners was rewarded with a four-day trip to Germany to visit one GOBE production factory.





I sell therefore I am

Professionalism in sales almost determines retail success or failure. On 13 April, **Drogas Latvia** organised "I know, what I sell!", a training initiative for more than 250 sales staff to enhance their knowledge and customer-centric service standards.

Practical knowledge including the product facts, buying behaviour of customers and quality service were delivered during the special training programme. Specific training on sales mentality was also delivered, helping to increase transactions and foster excellence in customer service.



For those in the know

The Perfume Shop recently celebrated the two-year anniversary of its groundbreaking internal bi-monthly magazine "The Nose". Conceived with the brand's core values at heart, it talks to staff in an informative, educational and fun way, celebrating everything the retail brand stands for. Working closely with suppliers, "The Nose" helps to train staff teams on new and classic fragrances, and also offering exciting opportunities to win designer prizes and dream trips.



Journal boosts Watsons family connections

Watsons Taiwan launched its quarterly Journal "WatsON Taiwan" in late 2010 to provide a platform for the Watsons family to share their experiences, get to know each other and the company better and to be proud of being part of the Watsons family.



39. Stepping out for charity **40. On top of their game**
41. Caring on and on • Employees drive green initiative
42. Magic number for going green **43. ‘Whatever It Takes’ • Beauty is more than skin deep** **44. Caring for kids • Friendly pharmacists promote drug safety**



Our Community



ASW Group Managing Director Dominic Lai (7th from left, front row) and senior executives join staff and their families at the kick-off of Group's participation in the charity Walkathon



Stepping out for charity

Nothing is more important to **A.S. Watson** (ASW) than enhancing the life of every one we touch. As the world's leading international health, beauty & lifestyle retailer, ASW improves customers' lives through exceeding their expectations in 33 operating markets on a daily basis. ASW also brings more to the life of every one through community involvement.

On 27 February, more than 2,500 ASW Hong Kong employees, together with their families and friends, rose to the occasion to participate in The Community Chest's New Territories Walk for Millions, gathering donations of over HK\$628,000 to support "Children and Youth Services" of the Chest's member agencies.





On top of their game

A.S. Watson Group celebrated 6th anniversary of its Hong Kong Student Sports Awards in March with a presentation ceremony that involved 70% of all Hong Kong schools. The programme encourages youngsters to love sports and enjoy life. A total of 4,718 students have benefited from the programme so far. This year's theme is "Pass-it-On", calling on awardees with a mission to pass on the spirit of sports to their friends and peers. A leadership training workshop was held during the Chinese New Year to help awardees develop their leadership potential and communication skills. This year, 30 students will join the "2011 China Sports Exchange Tour" to visit the national sports training stadium and meet famous athletes in Shanghai.





Caring on and on

On 19 April, **A.S. Watson Group** (ASW) was named a “Caring Company” by the Hong Kong Council of Social Service for 9th consecutive year.

Cheung Kong Group has a total of 92 member companies being awarded on the same occasion, which at the same time is the highest number of participating companies for a Hong Kong corporation, a record maintained by the Cheung Kong Group for eight consecutive years.

Of the 92 awarded member companies, PARKnSHOP, Gourmet, GREAT, TASTE, Watson’s Wine, FORTRESS, Watsons Hong Kong and Watsons Water were all awarded “5 Year Plus Caring Company” logo, while Nuance-Watson (HK), A.S. Watson Industries and Citrus Growers International were awarded “5 Consecutive Years Caring Company” logo.



Watsons Water Delivery Team attends workshop to learn about green driving in effort to reduce carbon footprint

Employees drive green initiative

Watsons Water joined the “Take a Brake” low carbon initiative organised by Friends of the Earth (HK), Green Power and WWF in late 2010. Delivery teams attended a workshop on how to be “green drivers”; they were also encouraged to take “Low Carbon” action with vehicle stickers. Their efforts resulted in a “Gold Status” ranking in the “Take a Brake Corporate Green Driving Award Scheme” and a “Most Creative Fuel Saving Initiative” award.





Magic number for going green

Watsons China inspired the public to think deep on environmental protection with the launch of the Bring Your Own Bag Campaign through partnership with Green Commuting Fund and *LOHAS* magazine to unveil the fact that eco-friendly bags have to be reused for at least six times to be truly helpful to the environment. With the support of famous local celebrities, this myth-buster campaign educated millions of public through media reports and digital interactions, and 30,000 eco-friendly bags have already been distributed to its loyalty card members.

Watsons





'Whatever It Takes'

Nuance-Watson (HK) recently launched limited edition iPhone4 cases designed by celebrity fashion designer Donna Karan and Oscar-winning actress Charlize Theron.

The iPhone cases are the latest artwork collection of a charity campaign named "Whatever It Takes", which feature "Symbols of hope for 21st Century" created by selected celebrities. The cases were exclusively available to passengers at the Hong Kong International Airport.

Nuance-Watson HK
www.nuance-watson.com



Miek Vercouteren (left), Managing Director of Marionnaud France, presents a €100,000 donation cheque to Françoise Monteny (middle), President of CEW



Beauty is more than skin deep

Marionnaud France reaffirmed its support for the Cosmetic Executive Women (CEW), a non-profit association of women working in the field of beauty by presenting a €100,000 cheque. Skincare treatments are also provided free at the patients' bedside or in a beauty booth, with products provided free-of-charge by the cosmetic industry.

Marionnaud

Caring for kids

Watsons Taiwan cooperated with “The Child Welfare League Foundation” again to stage a “Love Children Exhibition”, with 3,500 parents and children attending. At the event, Watsons set up a “Child Health Check Centre” where pharmacists provided Body Mass Index (BMI) checks and issued “child health passports” while encouraging parents to bring their kids regularly to Watsons stores to keep a check on their weight.

watsons



Friendly pharmacists promote drug safety

Watsons Taiwan has numerous professional pharmacists who frequently work with government to provide health check services. To encourage people to focus on the importance of drug safety, Watsons held drug consultations to encourage the public to pay more attention to drug safety and to understand the proper usage of pharmaceuticals. The 1,500 consumers who brought their unused medicines to Watsons pharmacists received medication consultations along with free health gifts.

watsons



Super Quiz

Answers

to Issue 82

1) The Perfume Shop and Superdrug

2) 35th

3) 15 million

Questions:

- 1) How many "M Prestige" members are there in Marionnaud France?
- 2) In which city was the first retail store opened for Watsons Ukraine (formerly DC)?
- 3) What kind of fruit was used to make Superdrug's latest overnight skin renewal serum?

Super Prize (1)

Solar Timepiece



Sponsored by



A.S. Watson Group

Gold Prize (2)

320GB Portable Hard disk



Sponsored by



A.S. Watson Group

Silver Prize (10)

Make-up Set



Sponsored by



Taiwan

Super Prize (Chanel - CHANCE Eau Tendre)

Name

Company & Department

1. Ng Loi-chuen ASW - Finance

Gold Prize (iPod Shuffle)

Name

Company & Department

1. Mireille Krechting ASW Benelux - Finance
2. Ellen Han Watsons Beijing - Finance

Silver Prize (Watsons H Bella skin care)

Name

Company & Department

1. Ng Kam-ha ASWI HK - Finance
2. Wang Kun PARKnSHOP China - Leasing
3. Steve Hallett Superdrug - Store 769
4. Johnny Chen Watsons Taiwan - HR
5. Kristine Riva A. Baylon Watsons Philippines - HR

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 September 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

Loving and rewarding great ideas



Mr Li Ka-shing, Ms Christine Fang, Mr Michael Lai and Yu Tsang pose for a picture with all elected applicants of the "Love Ideas, Love HK" programme (Round 1)

The Li Ka Shing Foundation (LKSF) has an exemplary philanthropic record supporting projects that propel social progress and create a cycle of charity. It achieves this through expanding access to quality education and healthcare, encouraging cultural diversity and exploration, and stimulating community involvement and sustainable development. Since its inception in 1980, the Foundation has made charitable donations amounting to over HK\$12.1 billion (US\$1.55 billion).

Last year, the Foundation introduced **"Love HK Your Way!"**, a HK\$300 million campaign that aims to engage Hong Kong citizens to help improve their community on issues they deeply care about.

In the first initiative of "Love HK Your Way!", the Foundation unveiled the "Love Ideas, Love HK" programme in September 2010, inviting original proposals to uplift the community. A total of 1,029 proposals on subjects ranging from education and medical care to culture and community was received, of which 674 eligible projects were listed on the website www.loveideas.hk for online public voting, with grants over HK\$28 million being subsequently awarded to 177 projects.

On 28 March 2011, LKSF launched the second phase of the "Heart of Gold" Hong Kong Hospice Service Programme as a second activity of "Love HK Your Way!", granting HK\$40 million donation to increase Hong Kong's hospice care to provide a total of 160,000 sessions over the next three years in 10 hospice centres located in the public hospitals on top of the over 130,000 sessions already provided in the earlier phase between 2007 and 2010. A

website (www.hospicehome.hk) was also established to provide useful information on hospice care resources in Hong Kong.

In keeping with the momentum to cheer up the local community, LKSF and SkyHigh Creative Partners jointly presented "Love More" in April 2011, which is a collection of short films by 12 young and promising Hong Kong directors showcasing caring messages for Hong Kong, reminding us to love one another more. Check out the videos at www.lovemore.hk.

On 3 May, LKSF kicked off Round 2 of the "Love Ideas, Love HK" programme, giving Hong Kong people another chance to create and pick their favourite philanthropic cause.

The "Love HK Your Way" campaign has been an ongoing success in uniting the kindness and generosity of all Hong Kong citizens and empowering improvement of the community through a collective effort.



LKSF Chairman Mr Li Ka-shing attends "Love More" premiere and congratulates and encourages the directors, actors and crew taking part in the shooting and production of the 12 films



The hospice centre at Queen Mary Hospital embraces a comfortable home-like and tranquil atmosphere and provides convenient access to professional care, equipment and expertise to terminal-stage cancer patients



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 9,400 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 52 countries.

Editorial committee

Adviser : Dominic Lai

Editor : Malina Ngai

Members :

• **Group Office** : Clare Forrester, Teresa Pang, Joanna Wong, Hanks Lee, 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

This magazine is printed on environmentally friendly paper