

AROUND THE WORLD





A.S. Watson Group Opens its

12,000

Store Worldwide in Hong Kong













A.S. Watson Group reached a new milestone on 11 Aug with the opening of its flagship Watsons store on Yun Ping Road in Causeway Bay, marking ASW's 12,000th retail store in the world. Spanning over 3 storeys and covering an area of over 8,000 sq. ft., this new flagship store is the largest Watsons store in Hong Kong.

As an all-rounded health and beauty store, the flagship store provides customers with over 8,300 unique products, including 840 healthcare and beauty brands of which 250 are Watsons exclusives.

The wide selection of products are categorised into different themes, such as organic skincare products, derma cosmetics, baby care area, men's care area, and health checks, etc. Pharmaceutical and beauty consulting services, in-store nursery room and mobile charging stations are also available to provide comprehensive customer services.













■ Wats○N 04



Superdrug



Dominic Lai, A.S. Watson Group Managing Director (4th from right), Malina Ngai, A.S. Watson Group Chief Operating Officer (5th from right), Peter Macnab, Superdrug Managing Director (4th from left) and management team jointly host ASW 100 Millionth loyalty club member celebration



On 23 November, A.S. Watson Group (ASW) reached a significant milestone in its global retail business, with the worldwide 100 million loyalty members recruited in its health & beauty brand Superdrug in U.K.

Superdrug's Lakeside store hosted celebrations to mark such remarkable milestone in ASW's history. Dominic Lai, ASW Group Managing Director travelled to the U.K. to join the celebrations and congratulate the 100 millionth customer in person.

Health & Beauty Card
Beauty Card

Wats 0 1 0 6

HAPPY 40 Years!

Kruidvat, the most indispensable drugstore in the Netherlands, recently celebrated its 40th anniversary with a "Festival for Advantage Fans", offering spectacular daily deals to customers. More than 5,000 customers shared why they are fans of Kruidvat on Facebook and 14 customers were selected to be the models of the campaign. The social media campaign succesfully brought 13,000 new Facebook fans to Kruidvat.

Kruidvat







Collect & SAVE

Trekpleister launched a fun loyalty campaign, "Collect & Save". For every 10€ that members spent, they received a coin, and after collecting 10 coins, they could enjoy a discount on their next purchase. A piggy bank was used as the key visual of the campaign, emphasising its image as a neighbourhood drugstore which helps customers to save money.



Drogas **ENCYCLOPEDIA**

As part of the Build Drogas Yourself programme,

Drogas has launched the online health and beauty
encyclopedia since September. On the web page,
customers can learn about the components of the
health and beauty products which are offered in
Drogas stores. Customers are also welcome to request
explanations of terms that are not yet listed in the
encyclopedia.

Future smells **SWEET**

YouTube star Zoella broke sales records at **Superdrug** when her first-ever beauty collection, Zoella Beauty, was launched in September last year. Now, her latest range cements her reputation as one of the most popular beauty brands in the United Kingdom. To promote her new range, Zoella met hundreds of fans who snapped up the new collection in Superdrug store.

Superdrugt











EXCLUSIVELY for you

Superdrug has launched its first-ever app which offers members all the benefits they currently get from their Health & Beautycard on their phone. It provides a truly interactive shopping experience, notifying members of special offers and promotions when they walk into a store and allowing them check their points balance. Superdrug is also offering international shipping to savvy shoppers in Republic of Ireland.

Superdrug



CHRISTMAS is coming!

In October, **The Perfume Shop** hosted its ever-popular Christmas press show in central London, decorated with lots of lights and bright colours. Over 100 journalists and bloggers were taken on a scentsational journey through an array of gifts.

From designer brands to exclusive brands, guests were left inspired for Christmas gift guides and features.

THE PERFUME SHOP













BOLD beauty

Adventurous beauty fans around the world have loved the innovative Urban Decay cosmetics brand from the USA. When pink, red and beige enslaved the prestige beauty market 20 years ago, the brand took a bold step to introduce purple and green nails.

Now, **ICI PARIS XL** is delighted to announce that the Urban Decay range is available at its stores. If you are the kind of person who craves new stuff and dares to wear colourful makeup, you are sure to love Urban Decay!











is the annual Health, Wellness & Beauty (HWB) Awards ceremony. This year's glittering events around the region strengthened relationships and recognised the outstanding performance of our trade partners.







With the theme "Royal Garden", guests at **Watsons Hong Kong**'s HWB Awards gala were surprised by the stunning flowers at the venue. During the evening, over 200 awards were presented to the outstanding health and beauty products and brands, and spokesperson Pakho Chan and famous local singer Andy Hui entertained the appreciative guests.

"Beauty Goes Digital" was the theme for **Watsons China**'s HWB Awards ceremony. The event perfectly integrated artistic performances and digital elements as news and images of the most exciting moments were shared live via social media channels.

A sparkling night was enjoyed by all guests at the HWB Awards gala, hosted by Watsons Taiwan. The décor, the trophies, the certificates, the giveaways and even a magic-mirror touchscreen – everything created the perfect ambience to match the "Twinkle Star" theme. A jazzy, soulful singer also added an extra touch of elegance to the party.

At Watsons Singapore's HWB Awards ceremony, guests enjoyed a fun, outrageously wonderful night of glitter and sparkle, while a record number of 246 awards were

presented to deserving winners. In line with the "Sparkle & Shine" theme, arriving guests were wowed as they strolled through a corridor lit by fairy lights.

Inspired by the ancient Roman empire, **Watsons Malaysia**'s HWB gala was "Watsons Empire – Conquering the World". Highlights of the evening included spectacular performances by popular singers. The winner of a new award, "Most Wanted Brand by Members", was selected based on votes by Watsons VIP Card members.

The HWB Awards ceremony by **Watsons Philippines** was all about "Glitz, Glam & Glory". It was a night full of glitz and glamour, with everyone dressed in their most sparkling outfits and glorious recognition of the outstanding suppliers that have been exemplary in the quality and sales of their products.

Watsons Thailand celebrated the year's best performing products in its HWB Awards ceremony. This year's theme was the glittering Great Gatsby era. Famous singer Peter Corp Dyrendal gave a surprise performance, treating guests to a live concert of some of his best-known songs.





HERO product

Watsons China re-launched its Watsons Collagen Yellow Range of products which moisturise and nourish a woman's skin, making it firmer and look younger. At the official re-launch ceremony, Watsons China proudly announced that the new spokesperson for the range is the popular Cantopop singer and actress Fiona Sit. Known for her healthy, trendy and elegant image, Fiona shared her skincare tips.





Strategic PARTNERSHIP

Watsons China announced a partnership with Tencent to launch the most comprehensive, convenient and innovative mobile membership card, making it the first retail chain to launch such multifunction card on smartphones. Leveraging on the Wechat platform, the new mobile membership card integrates online and offline member services and it will better meet the needs of young customers. The cooperation of Watsons China and Tencent unleashes the boundless potential of mobile membership card in China.

EGG-CITING!

The popular Japanese cartoon character Gudetama, an egg, was the star of a recent redemption scheme run by **Watsons Hong Kong**. Customers could use their MoneyBack card to collect Gudetama stamps upon spending in physical stores and eStore, and then redeem cute limited-edition Gudetama premiums, including suitcases, mugs, umbrellas and shopping bags. Customers loved Gudetama and the premiums, and the scheme was a great success!





Getting in **LINE** for gifts

In October, **Watsons Taiwan** launched a fun new way for customers to send selected Watsons products as gifts to friends, using the popular messaging app Line. When a customer visits the Watsons Line gift shop and chooses an item on mobile, the lucky recipient gets a barcode, and then can redeem the gift at physical store.



Celebrating **SINGAPORE**

Watsons Singapore repackaged its iconic green bottled distilled water, with two new limited-edition designs created to celebrate 50th anniversary of Singapore's independence. The two designs are the brainchild of Watsons Singapore and were conceived based on the theme "Home" and "History" respectively to reflect the iconic milestones of Singapore. The two bottled waters are available at Watsons stores and eStore.





SAVE more!

Watsons Thailand recently ran its Bank of Beauty campaign, offering customers the opportunity to earn Wink coupons. Customers could then visit Watsons stores and use the coupons to purchase products with Wink stickers on them. Popular local celebrities helped to launch the campaign by giving away Wink coupons to customers in Bangkok's central business district.





All things **GIRL**

Watsons Malaysia recently treated nearly 500 guests, media and screaming fans to a special up-close gathering with Hong Kong superstars at the Sunway Pyramid shopping mall in Kuala Lumpur, marking the launch of the "All Things Girl" infotainment programme. The beauty-inspired TV series, which began airing in September, was sponsored by Pure Beauty.





We love LIPSTICK

A bright red lipstick can boost a woman's confidence and lift her spirits. In July, **Watsons Philippines**' beauty-lovers flocked to its store in SM Makati to celebrate International Lipstick Day. Top cosmetic brands offered lip makeup services, plus discounts up to 50%, and customers learnt about the latest trends in lipstick colours and were advised about the best shades that fit their personalities and mood.

Go GREEN!

To reward Watsons Water's fans, customers who purchased bottled water stood a chance to win the admission tickets of "Watsons Water Presents: Metro Go Green Concert" featuring local pop singers and the K POP N-Sonic band. During the concert, educational messages about the responsible disposal of the bottles was conveyed to the audience.





Smart phone, SMART service!

Renowned sports anchor Vince Ng Ka-him recently starred in an action-packed micro-movie and viral video for **FORTRESS**. In the micro-movie, Vince sprinted athletically and fought hard to safeguard his smart phone, showcasing FORTRESS' new smart phones. The viral video promoted FORTRESS' popular trade-in and smart phone data transfer services, which had the added benefit of putting customers' minds at ease.

豐澤 🏋 FORTRESS

Halloween **HAPPINESS**

To celebrate Halloween, **Mr. Juicy** teamed up with the famous online illustrator Ah Tao to create a range of eye-catching Halloween packaging and witty taglines for its core flavours. Customers were invited to participate in its Halloween Facebook mini game - the challenge was to suggest funny sentences that could follow on from the taglines.



REMARKABLE SUCCESS

Congratulations to A.S. Watson Group and its brands!

BRAND IMAGF





watsons

Hong Kong, Malaysia, Philippines Retail Asia-Pacific Top 500 2015 -**Top 10 Retailers** (by Retail Asia Publishing)



PARK SHOP

China

Meritorious Retail Enterprise (by Nan Fang Metropolis Daily)



watsons

Asia's No.1 Pharmacy/ Drugstore brand Campaign Asia-Pacific Asia's Top 1,000 Brands Survey 2014 (by Campaign Asia-Pacific)



watsons

Singapore

Asia's Top Influential Brands 2015 -Personal Care Store and Retail Loyalty Card (by Brand Alliance)







Hona Kona

Learning Enterprise Award

(by Professional Validation Council of Hong Kong Industries)

watsons

Philippines

PANAta Awards Brand-Integrated Programme (Brand Building)

(by Philippine Association for National Advertisers)

watsons

Thailand

Superbrands

(by Thailand Superbrands Council)

watsons

Ukraine

No.3 HR - Brand 2015

(by HeadHunter)



Gold POPAI Awards

(by Point of Purchase Association International)



Netherlands

Best Retailer of the Netherlands

Best Retailer of The Year 2015-2016 in the Category of Perfumery

Luxembourg

Best Retailer of The Year 2015-2016

(by Q&A Research & Consultancy)

CRM



watsons

Malaysia

- Loyalty & Engagement Award 2015 Best Use of Integrated Marketing Campaign -Gold Award
- Loyalty & Engagement Award 2015 Best Card Experience - Bronze Award
- Loyalty & Engagement Award 2015
 Best Card based Loyalty Programme Bronze Award
- Marketing Excellence Awards 2015 Excellence in Customer Loyalty -Silver Award

(by MARKETING Magazine)

watsons

Taiwan

No.1 Lifestyle living category 2015 Digital Life Investigation (by Common Wealth Magazine)

eCOMMERCE



GOLDEN CIRCLE



A.S. Watson Group

Hong Kong

ECR Golden Circle Awards 2015 (by GS1 HK)





Hong Kong

Yahoo Emotive Brand Awards 2014-2015 – Celebrity and Spokesperson Category (by Yahoo Hong Kong)



ICI PARIS XL

Belgium

Netherlands

Best Perfumery Webshop of The Year 2015-2016 (by Q&A Research & Consultancy)

MARKETING



watsons

Malaysia

- Marketing Excellence Awards 2015 Excellence in Shopper Marketing -Gold Award
- Marketing Excellence Awards 2015
 Excellence in Customer Engagement Gold Award
- Marketing Excellence Awards 2015 Excellence in Marketing to a Female Audience - Bronze Award

(by MARKETING Magazine)



watsons

Hong Kong

Marketing & Online Campaign of the Year - Bronze Award 2015 International Business Awards

(by The Stevie® Awards)

watsons

Malaysia

Best Innovative Idea or Concept - Silver Award Dragons of Asia Awards 2015 (by Promotion Marketing Awards of Asia)

PRODUCTS



watsons

Malaysia

- Cosmopolitan Editor's Pick Best CC Cream - Pure Beauty CC Cream
- Cosmopolitan Editor's Pick Best Shampoo & Conditioner - Hair Pro Heat Active Shampoo & Treatment

(by Cosmopolitan)



watsons

Malaysia

- CLEO Whitening Award Best Whitening Body Wash - Naturals by Watsons Blood Orange Shower Gel
- CLEO Beauty Hall of Fame Best Make Up Remover Wipes - Pure Beauty
 Pomegranate Cleansing Facial Wipes
- CLEO Beauty Hall of Fame Best Anti Ageing Body Serum - H Bella Strawberry & Cinnamon Body Serum
- CLEO Beauty Hall of Fame Best Heat-Protector - Hair Pro Heat Active Serum



Singapore

CLEO Beauty Hall of Fame 2015 Award -Best Day Cream under \$50



Thailand

- CLEO Beauty Hall of Fame (Best At Home Hair Coloring) - OZAWAKEI by Watsons (2015)
- CLEO Beauty Hall of Fame (Best Cleansing Water) - Dermaction Plus Extra Sensitive Cleansing Water (2015)
- CLEO Beauty Hall of Fame (Best Conditioner for Damage Hair) - Hair Pro by Watsons Heat Active Treatment (2015)
- CLEO Beauty Hall of Fame (Best For Medium Hold) - Hair Pro Hair Pro by Watsons Heat Active Hair Mist (2015)

(by CLEO Magazine)



Superdrug

- Best New Hair Colouring Product (Gold) -Superdrug Hair Chalk Sprays
- Best New Private Label/Retailer's Own Product (Bronze) - Superdrug Clearly Youthful Range

(by Pure Beauty Awards 2015)

watsons

Singapore

Best of Beauty Buys 2015 - Naturals by Watsons Rosehip Oil Hand Cream (by Style Magazine)

watsons

Malaysia

- EH! Beauty Awards Best Body Scrub Naturals by Watsons Blood Orange Body Scrub
- EH! Beauty Awards Best Eye Cream Pure Beauty Youth Restore Eye Cream

(by EH! Magazine)

watsons

Malaysia

- FEMALE Beauty Awards Best Brightening Lotion -Pure Beauty White & Bright Day Lotion
- FEMALE Beauty Awards Best Mild Toner For Sensitive Skin -Skin Advanced Jelly Toner
- FEMALE Beauty Awards Best Body Scrub -Naturals by Watsons Blood Orange Body Scrub

(by **FEMALE** Magazine)

CSR Awards

A.S. Watson Group and its brands' collective efforts in CSR have been widely recognized.







Outstanding CSR Leader in Asia

The award presentation ceremony of the 5th Asia Responsible Entrepreneurship Awards was held in Macau to recognise the best Corporate Social Responsibility practitioners across Asia. A.S. Watson Group won in the Social Empowerment Category while PARKnSHOP Hong Kong won in the Green Leadership Category, and Watsons Philippines as the winnier in the Health Promotion Category. It showed A.S. Watson Group and its business units' passion and collective efforts to bring more to the community today, and tomorrow.





A.S. Watson Group Hong Kong Green Office and Better World Company Label (by World Green Organisation & United

Nations Millennium Development Goals)



WOLSONS Hong Kong
ERB Manpower Developer Award
(by Employees Retraining Board)





Taiwar

- Outstanding Enterprise in Energy Saving (by Ministry of Economic Affairs)
- The Best Service in Taiwan Award 3rd Place in Pharmacy/Health & Beauty Retailer Category

(by Commercial Times)



WOLSONS Singapore
SRA Service SuperStar Award
(by Singapore Retail Association)



Superdrug^M
In Store Customer Service Initiative of

the Year
(by Retail Week Customer Experience Awards)



watsons

Malaysia

Marketing Events Awards 2015 Best Event for Community Service - Bronze Award (by MARKETING magazine)

NEW **STORE** OPENINGS





Superdrug unveils a brand-new 1,575 sq. ft. store at Bristol Airport. Offering the very best mix of health and beauty products at affordable prices, the new airside store is the perfect choice for stocking up on last minute travel essentials. The new modern and stylish store accommodates the 6.3 million passengers that pass through the airport annually















Watsons Ukraine Watsons Ukraine opens its 400th store

which is located in the King Cross
Leopolis shopping centre in the city of
Lviv. The store offers not only the usual
range of products but also master classes
by stylists and product testing.
The innovative design of the store features
four animated zones: a nail-bar, where
customers can test new nail polishes; a
styling zone, where they can get advice
about hairdos and make-up products; a

care area, and a children's area





NEW **STORE** OPENINGS







FORTRESS

A futuristic new FORTRESS flagship store opens in Times Square, bringing Hong Kong consumers the latest technologies from new and trusted brands in a high-tech hub where they can try, buy and browse. Its dedication to innovation is behind this pioneering new store format, which includes more than 2,300 fantastic products and provides Hong Kong's most digital-savvy shoppers with a destination for discovery









175 YEARS AND MORE

As the A.S. Watson Group celebrates its 175th birthday,
WatsOn interviews Dominic Lai,
the leader of this company with such longevity and outstanding success.

Group Managing Director **Dominic Lai**Reflects on History and Looks Ahead
to the **Future of Retailing**

■ 175 years is a long time to be in business - a lot of other retailers have come and gone in that time. How has A. S. Watson Group (ASW) achieved such longevity?

You are right, it is a long time, and the retailing landscape we find ourselves in now is very different to the one the company began with. If we look right back at how ASW started, you can see just how much has changed.

Our very first store opened in 1841. There were wooden shelves with glass bottles on them, and every customer was served from behind the counter. Self-service shopping did not come along until much, much later, and these early stores were only pharmacies, rather than the sort of wellness and wellbeing destinations that our stores are today.

What has given us such longevity is the ability to **adapt to changing conditions**, and a determination to stay ahead of customers' habits and demands for quality, value and service.

This means that, as we have grown from a single store into a global network, we have adjusted our strategy and our offering to meet, and exceed, the expectations of the customers of the day. We have extended into new markets and new sectors over the years – first with pharmacy, and later into beverages and other specialty stores – health





and beauty, wine, electronics, gourmet food as well as luxury perfumeries and cosmetics.

Personally, I am so proud to be leading ASW at such an exciting time. Every decade – and every year, in fact – brings its own challenges and opportunities. Now, though, feels like a particularly special time to be in retailing. We are at the crossroads of physical and digital retail, and this means that 'business as usual' is just not good enough. We need to think differently about everything we do.

Technology is changing every aspect of our daily lives, and this means that stores must be more than simply places in which we make a sale. After the home and the workplace, the "Third Space" is where people spend their leisure time, interacting with others in a welcoming, accessible place. The role of retailers in the **Third Space is to provide customers with a unique, personal experience** that goes far beyond range and price in an enjoyable environment. We are redesigning physical spaces to be more inviting and engaging; to establish places where shoppers feel they want to stay, interact with our staff, and they want to come back.

So, if you were to ask me what our business will look like in a century – or even a decade or two from now – I can only say that it will be very different to today, but it will always be at the cutting edge of world-class retailing and outstanding customer service.

Obviously a lot has changed in the business over the years; what would you say ASW of today has in common with that very first store?

In a way, what has stayed the same is what has helped make the company the success it is today. It is that determination to **put customers first**, and the rest of the business has always been built around that customer-centric vision.



In the old days, great customer service meant a welcoming smile from behind the counter, really listening to what people needed, and recommending the right products. Now, the power of a simple smile is just as strong as ever, but we have to listen and respond to customers in entirely new ways as well. Who would have imagined even 20 years ago that we would be sending personalised special offers to people's mobile phones, and that answering a query could be as convenient for customers as a tweet from the comfort of their homes?

Alexander Skirving Watson, a pharmacist, joined the business in 1858. He was our first store manager and the company took his name as it grew from there. He was an inspirational business leader, and he put service and interaction with customers right at the heart of ASW. That is something that lives on in the business today.

Of course, we can talk about great service here at head office, but the people who are putting that vision into practice every day of the week are our amazing staff. It is their smiles, their product knowledge, their caring manner and their attention to details that

makes the difference between a sale and a truly satisfied customer. And there are all the wonderful staff working so hard behind the scenes, who all help to make the business run smoothly for our customers.

Staff are vital to our business, and that is especially the case in retail, where success is not just about range and price, quality and reliability, but all those little things that make such a difference to an individual customer's experience in every one of our stores.

Over the years, many thousands of staff from around the world have played their role in our growth story. Together, we have worked extremely hard, and I would like to take this opportunity to say a huge thank you to all of our staff, both past and present.

Our 175th anniversary campaign in 2016, "One MORE One Less", is inspired by our ASW motto, "We Bring More To Life", and it shows in a very simple, visual way how we are changing people's lives for the better. The campaign celebrates what we bring to our customers, our business partners, our staff and the communities in which we operate, in often small but very significant ways. "One more smile, One less stranger", for example, underlines our service commitment. "One more discovery, One less compromise" highlights the choice we present to customers, and "One more partnership, One less barrier" emphasises our broader connections.



This set of posters reflect some of the **KEY SUCCESS FACTORS** that have carried ASW in **CREATING A SUCCESSFUL HISTORY**, and these principles continue to be good reminder in taking us forward.

































ASW is now in 24 markets around the world. Can you explain a bit about how that expansion happened, and how ASW adapts a successful model from one market so it is just as relevant in another?

We have gone from one store to 12,000 stores, and from a local to a global company. We started in Hong Kong, which is still the beating heart of ASW. In 1981, ASW became a wholly-owned subsidiary of Hutchison Whampoa Limited. In the late 1980s, we invested in significant expansion around the region, so with flagship brand Watsons we are now Asia's leading health and beauty retailer.

In 2000, we entered the European retail market when we acquired the Savers health and beauty chain in the UK. We now have a strong presence in Eastern and Western European markets with our health and beauty, luxury perfumeries and cosmetics businesses. Combining our rapid expansion in both Asia and Europe, we have become a truly international business, and we have been able to achieve economies of scale that bring value to our customers. But we have also been careful to ensure that when people see us on the street and shop with us, we feel very much like a local store.

To achieve this, we focus on operational excellence and put a **great deal of trust in our local management teams**. Our global network of management includes people representing more than 100 nationalities; they understand the local markets in which they operate, the nuanced needs of their customers, and we give them the freedom to meet those needs.

What is consistent across stores, brands and markets, though, is our company DNA. "We Bring More to Life" is a simple but powerful expression of that DNA. It defines our purpose and is our promise to every one of our stakeholders – customers, colleagues, communities and shareholders. By "more", we mean more innovation, passion, commitment, teamwork and science – five winning qualities of ASW that we must foster as we continue to grow. The refreshed purpose of the Group – "To put a smile on customers' faces" is a perfect statement to remind us the importance to embrace the qualities to win customers' hearts.

Helping us deliver more as we look to the future is the strategic alliance between the international investor Temasek and ASW, which gives Temasek an indirect equity stake of 24.95% of ASW. This investment is a huge expression of confidence in ASW, demonstrating Temasek's belief in the long-term growth opportunities for our retail business that are still to be explored.

ASW MILESTONES



1841
• Founded in Hong Kong



1903
Watsons Water is established

1871
Registered as
A.S. Watson & Co. Ltd





1981
Joins Hutchison
Whampoa Limited



1990 • FORTRESS joins ASW



2015
12,000th store worldwide is opened in Hong Kong

1972
• Acquires PARKnSHOP supermarkets



1987
Expands outside of Hong Kong



2000
Expands footprints to Europe





■ It is a competitive world out there, and people are more value-conscious than ever. How does ASW retain a customer in that environment?

We know that it is a real privilege to be called someone's favourite store, and we never take anyone's loyalty for granted. We make sure our prices are competitive, product quality is consistently high, and that we have the range and service they expect from us. All of that is a given at ASW.

But part of encouraging customers to keep coming back is to convince them that there will be something new to see, and that we are always changing with the times. Our customers know that they will find new products, new offers and a more interesting and relevant store environment each time they shop with us. We invest heavily in ensuring we source fantastic brands and products from around the world which meet our high standards for quality, reliability and good value for money. **Customers trust us to stock only the best**.

We have also been expanding our eCommerce and mCommerce offerings, to make it quicker and easier for customers to get their favourite products and discover something new. A year ago, we announced the **acceleration of our digital and customer relationship management strategy** to meet the needs of today's customers.

To support that business development, we have launched a global in-house digital team called eLab, which will work alongside each business unit to help build their eCommerce offers and help each of our retail brands develop their eCommerce. This is a fantastic opportunity not just to reach out to our customers in a more relevant and personalised way but also to create innovative and efficient approach when it comes to working with some of our biggest global suppliers.

Back to customer loyalty, we believe that it is so important not just to build loyalty but also to acknowledge it and reward it. We need to show our customers that we value their business and our continued relationship with them.

In 2011 we launched a global customer relationship management strategy and many of our brands have developed successful loyalty programmes over the years. We now have **more than 100 million loyalty members around the world**. It is an amazing achievement and we should all be incredibly proud of that.

What that means for customers is that we can provide personalised offers, gifts we know they will appreciate, and make exclusive invitations to events we are sure they will love. We do this in a highly efficient way, linking what we know about the way people shop with the technology we now all have at our fingertips.

■ What is ASW's everyday mission? How does ASW put all this theory from head office into practice around the world day to day?

Ours is a people business, and to give our customers the best possible experience, we must have the most talented people focused on bringing our company DNA to life each day in every store. We have more than 120,000 employees around the world, and to make sure they are all giving their best, we work hard to make sure they have rewarding work that they enjoy and which they feel helps them develop their own abilities.

We offer a broad range of training programmes for staff that are tailor-made according to the retail brand or department that people work for. As well as helping cultivate skills that have a practical application in the jobs that people do, we encourage staff to challenge themselves in other ways, developing personal skills and inner strengths that help them feel fulfilled, for example, through some of our community projects and interest courses.

And, to come back to the point I was making earlier about innovation, we are making a special effort this year to encourage all of our staff to be innovative. We are encouraging them to think differently about the way they work, to collaborate with their colleagues and work a little smarter and a little better every day.

Market competition is keen, and we know we can never stand still. This is no longer an industry in which you come up with just the right thing and expect it to succeed forever. The best stores today need to adapt if they are to be the best stores tomorrow.

■ Apart from bringing more to our customers, how does ASW bring more to the communities in which it operates?

We know that when the communities in which we work are thriving, we are determined that our presence serves a greater good, wherever we are. In many of the markets in which we operate, we are the market leader, and with that leadership role comes responsibility.

We are **passionate about making a positive difference to people's lives** – to improving communities, the environment, the workplace and the marketplace – giving people a helping hand when they need it, and more reason to smile.

Our commitment to social responsibility is enshrined in everything we do. We set up a Global CSR Committee four years ago, creating group-wide CSR priorities and setting up a reporting framework to ensure that we are delivering our promises. Now, we have local CSR committees and ambassadors in 24 international markets.

We have also created our first Group CSR Roadmap, listing five key priorities,

including employee engagement, developing more sustainable products, customer satisfaction, and energy saving.

Global Volunteer Day has been a really special annual occasion for five years when we all pull together to do great work for the environment, for patients in healthcare, for the elderly, for children and for disadvantaged people wherever they are. Last year, more than 30 business units took part, more than 15,000 members of our staff joined in, and we served over 30,000 people through more than 150 activities. All in one campaign! It was a truly incredible achievement, and one that we should all be very proud of.

To mark our 175th anniversary we are using the occasion to draw attention to good causes, linking the mission of our company's founders with the scale of the business today. We are launching the Project LOL Philanthropy Programme, helping people in need through three areas of service that are related to our business: Health, Education, and Caring Community. This programme will give our anniversary celebrations a greater depth of meaning; it will directly benefit local people in the communities in which we operate, and help make the world a better place.

Finally, I would like to thank all of our staff members for their dedication to our work in the community.

Again, it is our people that bring our

principles to life, and who make sure

that every day, we bring more to life.







Together we have built:

•24 markets •13 brands

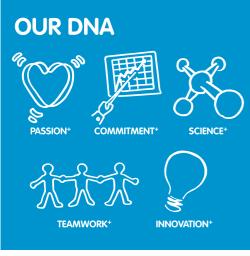
·120,000 employees And More+ ·12,000

·100 million loyalty members

And More

·1.5 billion customers

•3,000 cities





2016 marks the 175th Anniversary of A.S. Watson Group and this year, we are revitalising our DNA by adding INNOVATION to the 4 core values - PASSION, **COMMITMENT, TEAMWORK** and **SCIENCE**. These are the winning qualities of ASW, and moving forward, we must continue embracing them to grow our leadership as the world's largest health and beauty retailers. We also refreshed purpose of the Group - "To put a smile on our customers' faces" - a perfect statement to remind us the importance to provide a pleasurable and enjoyable shopping experience to our customers.







45 Years of Service to ASW

In It for the LONG HAUL

May Ling Celia Mounger is ASW's longest-serving member of staff. She joined the company in 1970 and is now Project Director of our International Buying department.

When May Ling joined the company 45 years ago, she was starting out in her first job after university. It all started, she recalls, when she went looking for a good job close to home. "The Watsons office was just five minutes' walk from where I lived in North Point, but the funny thing was that after I accepted the job, it turned out that my training was at the Watsons Factory in To Kwa Wan, which was over an hour away by bus, ferry and then on foot!"

In the early days, Watsons soft drinks were the company's main profit driver, along with distilled water and ice-cream sales. "I wasn't religious, but I do remember praying every night for good weather! The weather was crucial, and could make or break the P&L for a year."

SUPERMARKET Sweep

In the early 1970s, ASW took over three small supermarkets and two drugstores which became PARKnSHOP and Watsons we know today. There were a couple of competing supermarkets too, but this handful of stores were the only supermarkets in Hong Kong and they were only used by very high-end householders and expatriates, while locals mainly used provision stores, small grocers, rice shops and wet markets.

May Ling was fascinated by this new way of shopping and asked for a transfer to PARKnSHOP. "The Retail Director was at first most skeptical, if not horrified, as the only females working in supermarkets were cashiers," she says. "As a trial, I was given the task to build a new purchasing department from scratch. It was a great challenge for a female in her 20s in those days to establish a foothold amongst experienced and well-connected men."

May Ling has seen significant change to office life, and remembers the first computer being installed – a huge machine kept locked in a secure room. Since then, May Ling has seen the roll-out of computers among staff from the 1980s onwards, and the internationalisation of the business.

FIRM Friends

May Ling has lost count of the number of colleagues she has worked with in the past 45 years. "I have made many good friends whom I am most grateful to for having supported me over the years, and I am still in touch with a lot of former colleagues."

She says she never set out to spend so many years with one company, but it has just felt like the natural thing to do. "It is a bit like a personal relationship – if you are happy and finding fulfilment, then when would you consider leaving? It has been like that for me here, and ASW has been a second family to me. Actually, I spend more time with my colleagues than I do at home! These days in ASW are the happiest in my life."



ASW HISTORY





























Ready, Set,



The role of innovation in the successful business of the future will be absolutely essential, and ASW has been working for two years on a programme to put creativity and fresh ideas at the heart of what it does.

In preparation for the launch of a Group-wide "Innovation DNA" project, the brightest people from around the world have been honing their innovation skills as members of the Group Innovation Team (GIT).

Representing diverse geographical markets and spanning the breadth of our retailing brands, these members have come together at different locations for a range of challenging exercises designed to help ASW establish a culture of innovation.

Their meetings have been a forum for establishing ways to inspire and incentivise people to think differently. Some activities have been carried out in regional groups, and others involving the whole group coming together to share ideas and experiences.

Ann Lau, Group Human Resources Director (Asia), says the GIT is designed to recognise and further develop high-potential colleagues in our business. "The aim is to develop a pool of high-performing managers who can share their skills and ideas throughout the company. GIT members have the opportunity to better understand the strategic direction of the business, enhance their networks and are exposed to leading-edge thinking that will enable us to define tomorrow's solutions."





Thinking **BIG**

Chris Lindsay, Group Human Resources Director (Europe), says the diversity of activities in the GIT course gives participants a whole new perspective on their work. "All of the personal learning gained on their GIT journey will help them develop a wider strategic understanding of the business, and build into a robust development plan for innovation in 2016 and beyond."

Through the programme, members have the opportunity to meet people with the most amazing passion, commitment and energy. They work together on projects that address real-life business challenges, and then present their recommendations and prototype ideas to the management at the Make meeting.

Being a member of the GIT is being PROUD you're influencing and BUILDING THE FUTURE OF ASW. 77

Nurturing **CREATIVITY**

The GIT programme is the precursor to 2016's Group-wide global innovation push under the new "Innovation DNA". This new approach to innovation and business development will see significant amounts of funding and staff time dedicated to experimentation and the development of new ideas.

There will be changes in the way the company hires new staff, with the creativity of potential recruits assessed when appointing people at all levels. Staff will be encouraged and incentivised to generate and share ideas, to work across business units and to 'be your own competitor' – anticipating challenges and responding before they become threats.

Staff training, which for some years has become a blend of both traditional 'classroom' learning and on-line or digital learning, will diversify further to develop the whole person, rather than the skills they need to do their job today. ASW has been evaluating its current development activities and come up with its own approach. Ms. Lau said, "At ASW, we believe that learning is not merely mixing classroom and virtual training events. Instead, it is a combination of learning combined with workplace-based or "informal" learning opportunities in a joined up development experience. We need to think differently about staff development if we are to be ready to face the business challenges of the future. We are ready."



BEAUTIFUL

This winter, B. by **Superdrug** takes the contouring trend to the next level with the launch of a new blush & highlight stick. The handy dual blush highlighter in one creates a beautiful flush of colour to cheeks and highlights cheekbones in one slick sweep.

B. has also launched new makeup brush cleansing wipes which help make it easier for everyone to keep their brushes hygienic and clean. The wipes effectively remove oil, product residue and pigments from makeup brushes and tools quickly and easily. Like everything in B. range, the new products are cruelty free and vegan.

Superdrug









GLOWING Skin

Watsons Thailand has launched H Bella by Watsons, a series of skincare products with natural antioxidants that boost skin hydration and activate repair. The series is available in four formulas: Verbena & Malted Barley, Rose & Mixed Berry, Strawberry & Cinnamon, and Caviar Lime. The range consists of a shower cream, a body polish, a body lotion, a hand cream and a special body serum for all skin types.



RELAXING expereince

Time for some pampering! **Kruidvat** has launched Spa Secrets, a luxury line of spa & wellness products inspired by authentic, traditional bathing rituals from mystical destinations around the world. The "Treasures of Morocco", "Traditions from Japan" and "Miracles of Bali" collections reveal the ancient skincare rituals of Moroccan beauties, Japanese geishas and Balinese princesses. Nourishing and aromatic ingredients will make you feel like you are at a five-star spa.







Being SPLENDID

Beauty aficionados and professional makeup artists celebrated the launch of this Autumn's mesmerising BE SPLENDID collection, now available exclusively at all **ICI PARIS XL** stores.

The collection is inspired by the ornate decadence of antique gold and baroque splendour. Every item in the range exudes an irresistible touch of class, supreme flexibility and effortless chic. The collection of key must-have products for eyes, cheeks and lips are created to offer silky-smooth textures, intense, buildable metallic pigment and flattering shades that bring out the best in everyone.





DRINK

In line with the latest trends in beverages,

Watsons Beverage Hong Kong has launched several new healthy, refreshing products. iF 100% Coconut Water, sourced from and produced in Thailand, is 100% natural. iF Spanish Red Grape contains 30% red grape juice plus aloe vera pulp. And from Taiwan come two sugar-free teas with benefits including blocking fat and relieving oily feeling after meals.

PINKISH glow

Watsons has launched PINK by PURE BEAUTY which is the answer to every girl who desires a natural glowy pinkish fair skin tone. Thanks to the unique Korea formulation combining Pink Flower Complex power, Alps Rose and other active natural whitening ingredients, the range not only brightens the complexion but also boosts moisture levels.







Lots of Laugh, Lots of Love

Established in 1841, A.S. Watson Group has a long and proud heritage in supporting corporate social responsibility. Our desire to give back to society dates back to our humble origins as a small dispensary providing free medicine to the needy.

On the occasion of our 175th anniversary, we have launched Project LOL, a philanthropy programme that aims to bring "Lots Of Laugh, Lots Of Love" to the people of Hong Kong. To widen the reach of this project, we have grouped our corporate social responsibility initiatives under three main areas of service:

Health

We are mobilising our professional team of pharmacists, dietitians and Chinese medicine practitioners to offer free health seminars, health checks and consultations to the needy.

Education

We believe in youth education and sports development as a means to inspire the future generation to embrace a healthy lifestyle with a positive attitude. We also support environmentally sustainable practices and continually promote environmental awareness amongst our employees and customers.

Caring Community

We encourage our business units to develop programmes with organisations that are relevant to local community needs, and we support our employees' efforts in getting involved through volunteering and other contributions.

No. of Beneficiaries (People Served) TOTAL



Volunteer Service Hour



TOTAL 1,200,000+

www.aswatson.com



EYE-OPENING opportunities

30 awardees of **A.S. Watson Group** Hong Kong Student Sports Awards were given a once-in-a-lifetime opportunity to join the sports exchange tour in Qingdao and Shangdong. They visited the training facilities and witnessed the national athletes training. The tour not only broadened their horizons but also helped make new friends and improve their inter-personal communication skills. All of them left with unforgettable memories.







Supporting **CHARITY**

Watsons Hong Kong became an active partner of Médecins Sans Frontières (MSF) this year. In the Watsons Loving Charity programme 2014-15, Watsons assisted MSF to solicit donations by organising staff charity sales, placing in-store donation boxes, conducting a charity Octopus card sale, bear sale and MSF Day salary donations. More than HKD390,000 was raised to support MSF's important medical relief work.







ELDERLY shopping day

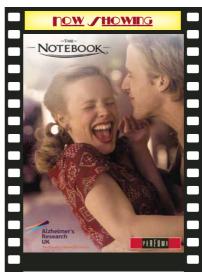
PARKnSHOP Hong Kong volunteer team co-organised again the "Free Food Coupon – Elderly Shopping Day" with Hong Kong Young Women's Christian Association. The event was held at PARKnSHOP Superstore in Cheung Fat Estate, Tsing Yi. Around 20 volunteers played games with the elders and helped them to redeem food items and daily necessities with the food coupons, bringing them loads of joy and love.

PARKISHOP

Fvocative SCENTS

The loss of the ability to connect scent and memory is a devastating early symptom of Alzheimer's disease. That is why **The Perfume Shop**, in partnership with Alzheimer's Research UK, hosted the first-ever multi-sensory cinema screening of the touching film "The Notebook" in London. At the exclusive fund-raising event, specially–formulated scents were emitted into the auditorium at key moments to bring audience a captivating experience.

THE PERFUME SHOP





About A.S. Watson Group

With a history dating back to 1841, the A.S. Watson Group (ASW) has evolved into the world's largest international retail and manufacturing business with operations in 24 markets worldwide.

Today, the Group operates over 12,000 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electrical & electronics and fine wine.

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 who

ASW employs over 120,000 staff and is a member of the renowned multinational conglomerate CK Hutchison Holdings Limited, which has five core businesses - ports and related services, retail, infrastructure, energy and telecommunications in over 50 countries.

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SUPER QUIZ

Questions

- 1) When was A.S. Watson Group established?
- 2) What is the location of A.S. Watson Group's 12,000th store?
- 3) What is the new CSR project launched by A.S. Watson Group?

Super Prize (1) Fitbit Surge

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A.S. Watson Group



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Silver Prize (2)

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Answers to Issue

- 1) Wijchen, Netherlands
- 2) PakHo Chau
- 3) Walk for Millions, Give our Smiles

Super Prize (Speedo Aquashot)

Company & Department 1. Cheng Kwok Sing Watsons Water - Finance

Gold Prize (SONY MP3)

Name Company & Department 1. Rainbow Chan Watsons Taiwan - Store 0512 2. Laura Duijf ICI PARIS XL Netherlands - Store 7123

Silver Prize (Blood Pressure Monitor)

Name Company & Department Cissy Li Watsons China - National Operation Development 2. Catwina Cheung FORTRESS - Customer Care Department

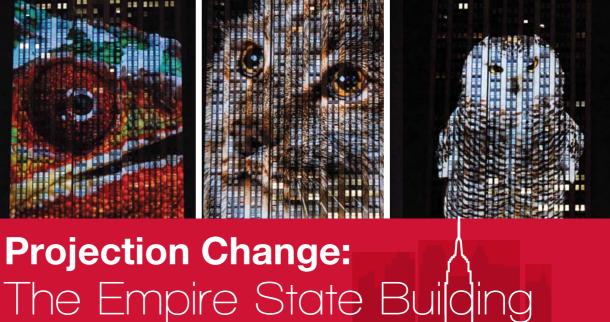
Superquiz goes digital! Deadline: 30 April, 2016

WatsOn@aswatson.com

Or you may send the completed entry form in print to:

Name of Staff Member:		(ENG)	(CH
Company and Department:			_
Address:			_
Employee No.:	Contact Tel No.:	Signature:	
A1:	A2:	A3:	





On Saturday, 1 August 2015, Oscar-winning director and Oceanic Preservation Society founder Louis Psihoyos and team, in collaboration with Obscura Digital and the Li Ka Shing Foundation illuminated the Empire State Building in a first-of-its kind live video projection that showed beautiful, inspiring imagery of endangered species to the world as never seen before.

For the first time in New York City history, this stand-alone, architectural projection art event featured towering images of endangered species – more than 350 feet tall and 186 feet wide, and covering 33 floors – on the south façade of The Empire State Building in an art event meant to draw attention to the creatures' plight against mass extinction. The night was illuminated with live video projections, showing a Noah's ark of animals including Cecil the Lion, a snow leopard, a golden lion tamarin and manta rays, along with snakes, birds and various mammals and sea creatures choreographed to *Racing Extinction*'s original songs. Throughout, the LED lights atop the building were coordinated with the projection, by the building's lighting designer.

Hundreds of socially conscious guests gathered on the rooftop of 230 Fifth Avenue while many viewed online via livestream, as these incredible images were projected, urging people to join the movement against species extinction. The global conversation will continue this fall with the upcoming theatrical release of Psihoyos' documentary film *Racing Extinction* which aims at raising public awareness about saving endangered species and reducing carbon emissions. The documentary will also have its international broadcast premiere on the Discovery Channel in over 220 countries and territories within 24 hours on 2 December 2015.

Projecting Change: The Empire State Building was produced by Obscura Digital, a leading creative technology studio specialising in the design and execution of immersive, interactive and multi-sensory experiences worldwide, in collaboration with Empire State Realty Trust. The digital company is the creative and technical collaborator with Oceanic Preservation Society, having a specific role in developing new strategic techniques for large-scale environmental campaigning. It has worked closely with Li Ka Shing Foundation, designing the 360 degree projection system featured at Shantou University's commencement ceremony.

LI KA SHING FOUNDATION