



A Hutchison Whampoa Company

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Quarter 3 & 4 • 2007

A.S. Watson quarterly family magazine

Superdurg thinks pink

Fresh look ■ innovative
concept

On tour with Marionnaud

PARKNSHOP shares Olympic
spirit

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Watsons

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About A.S. Watson Group

With a history dating back to 1828, the A.S. Watson Group (ASW) has evolved into an international retail and manufacturing business with operations in 36 markets worldwide. Today, the Group owns more than 7,800 retail stores running the gamut from health & beauty chains, luxury perfumeries & cosmetics to food, electronics, fine wine and airport retail arms. An established player in the beverage industry, ASW provides a full range of beverages from bottled water, fruit juices, soft drinks and tea products to the world's finest wine labels via its international wine wholesaler and distributor.

ASW employs over 98,000 staff and is a member of the world renowned Hong Kong-based conglomerate Hutchison Whampoa Limited, which has five core businesses - ports and related services; property and hotels; retail; energy, infrastructure, investments and others; and telecommunications in 55 countries.

Wats On is the quarterly family magazine of the A.S. Watson Group. Materials from this publication may only be reprinted with full accreditation to "Wats On".

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Editorial committee

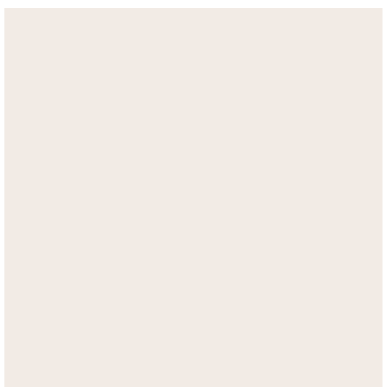
- Adviser : **Dominic Lai**
- Editor : **Malina Ngai**

• Members :

- Group Office – **Anna Tam, Jenny Cabrol, Anthea Chau**
- Health & Beauty – **Nuanphan Pat Jayanama, Rita Wong, Jessin Yeung**
- Luxury Europe – **Julia Bolsom**
- Manufacturing – **Dora Poon, Lilian Au**
- Retail Hong Kong – **Winnie Chow, Ivy Yeung, Mary Yau**

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Around the world

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In the Netherlands, **Trekpleister** unveiled three new concept stores in Hilversum, Den Haag and Sneek in June. The stores have a refreshing new brand identity and store designs that incorporate the elements of knowledge, pleasure, relaxation and enjoyment.

Kruidvat meanwhile opened its first Next Generation Store in Uithoorn in the Netherlands on 30 August, offering a modern and more accessible shop layout.



Fresh look - innovative concept

Several of the A.S. Watson Group's retail brands have recently changed their store concept to provide even better shopping environments for customers.

Marionnaud opened a new concept store in Switzerland on 6 July following the launch of its first new concept store in France.

After extensive renovations, Marionnaud opened in the heart of a busy shopping centre at Zurich Airport, resulting in a 20% sales increase just six weeks after opening.





Watsons Philippines unveiled the new layout of its 759-sqm flagship outlet at SM Mall of Asia.

The shopping paradise promotes a steady stream of brand-new international products while beauty consultants provide dedicated one-to-one customer service, including makeovers, hair and beauty tips, medical consultations, body fat analysis, blood pressure reading and skin screening services with instant results.

In Hong Kong, Watsons inaugurated its first health concept store at Pacific Place on 20 September.

With a refreshing milky-white layout design, the 1,200-sq-ft store focuses on all-round health. About 2,000 products are offered, ranging from personal healthcare to nutraceutical and medical beauty care ranges. More than half of the product offerings are exclusive, such as famous French brand Uriage Eau Thermale.



September saw the opening of **Superdrug's** first stand-alone Health store in Brighton, UK.

The pharmacy store offers complete health solutions and advice as well as new services that include teeth whitening and cosmetic treatments like Botox and lip plumping. Other health services on offer include mole checks from the Mole Clinic, a healthy heart check, and clinics for smoking cessation and weight management.

22 June marked the opening of **Living Ideas**, in Heung Fa Chuen, Hong Kong Island. Labelled as a lifestyle and quality store, it offers a wide range of globally-sourced home products and accessories.



Living Ideas keeps up with the increasingly sophisticated design trends of Hong Kong consumers by adding a global aspect to the product range. The store provides a fantastic selection of shopping choices, including items from the most sought-after international designers.

Whether shopping in the Dinnerware, Bedding, or Kitchenware sections, customers can be sure of an enjoyable and classy shopping experience.





The Atrium enters bold new era

Nuance-Watson (HK) has opened "The Atrium" at The Venetian Macao-Resort-Hotel, Asia's largest integrated resort complex, marking its entry into a bold new era by expanding its travel retail portfolio beyond the airport environment.

The Atrium, based on a long-established counterpart at Hong Kong International Airport, was recreated as the single-largest retail outlet in The Venetian's mega-shopping mall The Grand Canal Shoppes.

Positioned as "A New Destination of Choice", the 20,000-sq-ft new store stocks top-quality products from over 100 world-known brands.



Anniversary celebrates "girl power"

Watsons Thailand celebrated its 11th anniversary with the catchy theme, "Come On Girls! Let's Paint the World".

Celebrities and special guests were invited to attend a ceremony in a fetchingly decorated venue painted in pink and white to symbolise youth and health, where they were entertained by a "Percussion Band and Hula Girls Show".

Watsons also shared the joy with customers by offering more than 150 prizes including gold necklaces, Yamaha Fino motorcycles and 1,000-baht Watsons gift vouchers.



On tour with Marionnaud

During August, Marionnaud France partnered with RTL2 Radio to organise the "Marionnaud Beauty Tour", dedicated to beauty & wellbeing.

The tour included seven stopovers in popular tourist cities around France. At each venue a huge "village" of over 300sqm was erected incorporating diversified stalls that included a Flash Make-up Stall, an Expert Advice Stall providing free skin diagnoses and advice, and the Marionnaud Eyebrow Bar.

More than 10,000 visitors attended and, in cooperation with famous brands, 5,000 beauty sessions were carried out.

Meanwhile, to coincide with the Rugby World Cup taking place in France in September and October, the "M Rugby Team", composed of seven players, toured 45 stores presenting an entertaining interpretation of rugby through exciting choreography that included the famous New Zealanders' Haka. During the tour, the team promoted fragrances and introduced skincare products.



Festive fragrances

The Perfume Shop Christmas Bus hit the road to stage the first-ever "Christmas in July" fragrance showcase.

The iconic red routemaster (top) visited key publishing houses in London where beauty journalists from top magazine titles were invited on board the bus to look, sample and smell the very best Christmas fragrances for 2007.

The bus was split into different sections to help journalists target specific areas, including celebrity fragrances, new fragrances, classic brands and gifting ideas.



The Perfume Shop's marketing team with Father Christmas on board the bus



Peter Johnston (right), General Manager - Quality, Food Safety & Regulatory Affairs of Retail HK, represents PARKNSHOP Hong Kong to receive the certificate of "Accredited Quality Seawater Supplier"

Always fresher at PARKNSHOP

PARKNSHOP Hong Kong has been named "Accredited Quality Seawater Supplier" under the Quality Seawater Assurance Scheme (QSAS), initiated by the Food and Health Bureau in Hong Kong.

The QSAS objective is to enhance the quality of seawater to minimise the risk of contamination of seafood. It assists seafood traders in controlling the quality of fish-tank water for compliance with legal standards.

In China, PARKNSHOP's continuous efforts to ensure the highest-quality food were recognised on 24 September when Cao Jianliao (bottom), the Deputy Mayor of Guangzhou, together with government officials and media, inspected PARKNSHOP's Fresh Check Lab, Fresh Check Information Bulletin and Quality Standard symbol on food packaging.



FORTRESS is first choice for footballers

During Liverpool's visit to Hong Kong to participate in the Barclays Asia Trophy soccer tournament, FORTRESS invited the red-hot soccer team to enjoy great shopping at its FORTRESS World in Central on 25 July.

Within an hour of shopping, team members had filled up their baskets with digital handheld products and laptops.

The other two soccer teams, Fulham and Portsmouth also enjoyed shopping for trendy digital products at the FORTRESS store in Causeway Bay.



The "Vegetable ID Card" shows names and addresses of farms where vegetables were grown, dates vegetables were produced, and to which store they were delivered for sale

Pioneering PARKNSHOP

PARKNSHOP Hong Kong recently pioneered a barcode tracing system that gives customers unparalleled confidence in the traceability, safety, quality and freshness of all Mainland China vegetables on sale at local stores.

As part of its continuous quality assurance programme, PARKNSHOP in October launched Fishipedia, an easy-to-use bilingual database that helps local shoppers identify what kind of fish they are buying, where it is from, and how best to cook it.

The online database (www.parknshop.com/fishipedia) covers more than a hundred fish species available at PARKNSHOP, providing the common names, scientific name, photos, nutritional information and cooking suggestions.



Irresistible attraction

In Thailand, Watsons found an innovative way to launch its own-label product – Water 360. Khun Nuanphan Jayanama (top, right), Marketing Controller of Watsons Thailand, created a stir amongst the media by diving into the tank at downtown aquarium Siam Ocean World.

In the manufacturing division, Mr. Juicy Mix recently launched a new TV commercial featuring a cute bunny wearing a purple cloak to introduce its exotic flavoured juice, Purple Carrot Veg. Mix + Aloe Vera.

Originating in Turkey and the Middle East, Purple Carrot contains strong anti-oxidant properties 18 times higher than Vitamin C and 50 times higher than Vitamin E, helps protect skin from sun damage and prevents degeneration of collagen.





Look what's on the Web!

Nuance-Watson (HK) has launched its new bilingual website (www.nuancewatson.com.hk) to introduce customers to the company's operations in Hong Kong and Macau.

The user-friendly site offers comprehensive store details and informative product, service and promotion updates, as well as instant access to Nuance-Watson news and career opportunities.

The future goal is to integrate the site with sophisticated data-management capabilities of the POS Customer Relationship Management Programme, thereby opening up opportunities for enhanced services, sales and promotion activities.



A "Top Star" is born

Watsons Taiwan recently hosted the "Health & Beauty Top Star Competition". The competition attracted over 4,000 entries and the event's website click rate recorded a record-breaking million-plus hits.

After a series of fierce preliminary contests, 11 finalists were selected to perform at the 2007 Watsons Health, Wellness & Beauty Award night. Approximately 250 guests voted for nine sponsor-title and two special-award winners. Talented 17-year-old Huang Yu-ting emerged as the winner of The Watsons Health & Beauty Top Star grand prize.



PARKnSHOP shares Olympic spirit

To share the spirit of the upcoming Beijing Olympics, PARKnSHOP China arranged for the "Beijing Olympic Torch" to tour its stores in Shenzhen and Guangzhou during 19-21 July, and Dongguan on 15 August.

The activity allowed customers to see and touch the torch and take photos together. Participants also had the chance to take part in the torch-bearer selection campaign and play the role of conveyors of the Olympic ideals.



FORTRESS ushers in HD era

To help the public learn more about High Definition (HD) digital broadcasting, which will be implemented in Hong Kong at the end of 2007, FORTRESS Hong Kong and Television Broadcasts Limited teamed up to showcase the amazing quality of HD digital television by offering high-definition promotional clips in ten dedicated HD Playback Zones across Hong Kong.

The promotion also included a series of talks on HD technology, free information booklets and exclusive gifts related to HD.



Philippines

Krish Iyer (white clothes; red scarf), Managing Director of Watsons Philippines presents a cheque of 500,000 pesos to Tahananag Walang Hagdanan, which was raised through the sale of 2007 calendars partnered with suppliers



Taiwan



Singapore

Watsons Singapore's General Manager Cathy Yeap (middle; pink clothes) and Merchandising Director Lum Kwai Yeow (3rd left) congratulate one of the award winners, the "BioEssence" Team

Awards

events honour
top
suppliers

This year, Watsons' equivalent of the "Oscars", the Health & Beauty Awards, added "Wellness" as a new category, reflecting that Watsons is not only a health & beauty store but also a place that promotes holistic beauty and a healthy lifestyle.

Watsons Philippines' "Health, Wellness and Beauty Awards" (HWB) ceremony incorporated an exciting night of fashion and music with 26 awards given out. "Unilever Philippines" was named International Partner of the Year for the third consecutive time, receiving the magnificent fine glass trophy designed by world renowned glass sculptor Ramon Orlina.

Watsons Taiwan held its HWB Awards in July, giving out 226 certificates and 42 trophies. The Best Channel Management Award went to first-time winner Lisa Lin from "L'Oreal Paris".

The gala event featured a variety of entertaining shows that included a belly dance by Kerry Lee, Merchandising Director of Watsons Taiwan, African drums and singing performances. The event raised NT\$630,000 for the Children's Welfare League Foundation.

HWB

In Mainland China, more than 500 suppliers and 50 major media representatives joined the glamorous award ceremony, themed "Ocean Wellbeing", where 107 awards were given to top brands.

Watsons Singapore celebrated its awards ceremony with a "midsummer" theme. For the first time, shoppers voted for favourite products and 150 awards were presented. Three top awards, Best Achievement, Best Innovation and Best of the Best were presented for the first time. "L'Oreal Singapore" walked away with a total of 24 awards.

In Hong Kong, Watsons held its HWB Awards on 18 October with the theme "Night in a Pearly White Garden". More than 100 awards were presented with "Squina" winning the Most Outstanding Achievement Grand Prize of Health, Wellness & Beauty Award 2007.



Mainland China

Christian Nothhaft, Managing Director of Watsons China leads the merchandising team dressed as chefs to serve the first dish to honoured guests



Hong Kong

Alessandra Piovesana (left), Executive Director of Watsons Hong Kong presents the cheque of HK\$1 million to Prof. Patrick Wong (right), representative of Sheen Hok charity campaign



Mainland China



Singapore



Taiwan



Hong Kong



Philippines



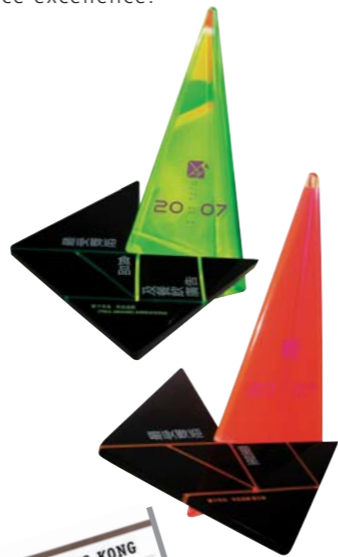
Winning recognition all around

The A.S. Watson family continues to excel in many areas, as our array of inspiring awards shows below. These sustained achievements would not be possible without our talented and dedicated staff, who share a commitment to brand innovation and service excellence.



- **Most Popular TV Commercial Awards (Food & Beverage)**
– Television Broadcasts Limited

- **The Most Adorable Kid**
– Television Broadcasts Limited



- **Best Retailer & Best Wholesaler**
– Wine Business International



- **Best Branded Shopping Mall**
– Shenzhen Retail Business Association



- **Top Ten Big News**
– Information Office of the People's Government of Yunnan Province, Hong Kong Economic and Trade Office in Chengdu, Hong Kong Wen Wei Po



- **Yahoo! Emotive Brand Awards 2006-2007 (Retail Chain Category)**
– Yahoo! Hong Kong



- **HK Brands Election 2007**
 - Retail Category Winner - Judging Panel Selection
 - Retail Category Winner - Consumers Selection
 - Corporate Brand - Silver Award
 - Ming Pao, The Chinese University of Hong Kong

- **ECR Hong Kong Awards 2007**
 - Supply Chain Operation Excellence Award
 - GS1 Hong Kong & ECR Hong Kong



Around the world



- **2007 Frontier Awards Best Partnership Initiative of the Year (for introducing the first in Asia La Prairie beauty counter at Hong Kong International Airport)**
– Frontier Awards



- **Cube de Bronze**
– Relationship Marketing and eCommerce Professionals



- **No.3 Retailer in Latvia in Reputation Top**
– Diena & Porter Novelli



- **Biggest Investor in Lithuania**
– Latvia's Chamber of Commerce in Lithuania



Store Openings (June to November 2007)



Hong Kong

– Supermarket

- Kwong Yuen Estate, Shatin
- Loon Kee Building, Sheung Wan



Mainland China

- Xinglida Department Store, Mianyang
- Kaimi Plaza, Xi'an
- Jiachunqiu, Xi'an
- Yishida, Xi'an
- Shanghai City, Zhengzhou
- Liqun Changjiang Plaza, Qingdao
- Shengli Plaza, Dalian
- Longhu Plaza, Handan
- Fuzhuo Plaza, Beijing
- Metro City, Beijing
- Shengkai Department Store, Jinan
- China Central Mall, Beijing
- Jinghai Department Store, Baoding
- Xihuan Plaza, Beijing
- Tian Yuan Gang, Beijing
- Beiyuan Shidai Shopping Mall, Beijing

- Baiguang Road, Beijing
- Central Department Store, Zibo
- Huanqiu Department Store, Anshan
- Tongzhou New Sunshine Shopping Mall, Beijing
- Bailian Shopping Mall, Shengyang
- Guihe Department Store, Jinan
- Hua Rui, Shengyang
- Laimeng, Hangzhou
- Danlu, Wenzhou
- New Century Plaza, Nanjing
- Chengshan, Shanghai
- Meilong Daduhui, Shanghai
- Tangqiao, Shanghai
- Ruijing Square, Xiamen
- Chenzhou Xinhongyue, Chenzhou
- International New World, Zhaoqing
- Gome, Hengyang
- Guanya Mall, Fuzhou
- Shawan Renrenle, Chengdu
- Kehua Road, Chengdu
- Youyicheng, Guangzhou
- 328 Plaza, Guangzhou
- Fengdu City Plaza, Shaoguan

Singapore

- Kallang Leisure Park
- Airport Terminal 3 (Land Store)

Philippines

- Star J Mall, Malabon, Metro Manila

Turkey

- Izmir



Hong Kong

- Elements, Kowloon Station
- Metropolis Plaza, Sheung Shui
- East Point City, Tseung Kwan O (relocation)



Hong Kong

- Ocean Terminal, Tsim Sha Tsui



Macau

- The Atrium, The Venetian Macao-Resort-Hotel



The Netherlands

- Draaiweg 61, Utrecht
- Stationsweg 38 C, Grou
- Markt 38-40, Wijk en Aalburg
- Klapperdijk 28, Wapenveld
- Het Kleine Loo 416, Den Haag
- Amstelplein 99B, Uithoorn
- Stationsplein 214-218, Leiden
- Zuiderparkweg 67, Den Bosch
- Ambachtsgaarde 182, Den Haag
- Stationsplein 45, Heiloo

Belgium

- Willy Vandersteenplein 2, Kalmthout
- Neerstraat 34-36, Brakel
- Stationstraat 8, Liedekerke



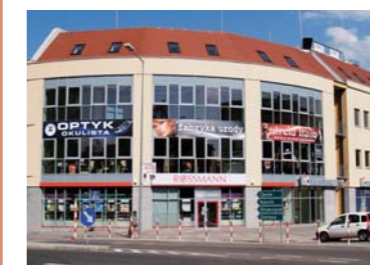
Poland

- Łyskowskiego 29/35, Toruń
- Lipowa 13, "Plaza", Lublin Plaza
- Mieczkowskiego 23, Ostrów Mazowiecka
- Rzeszowska 114, "Raj", Dębica
- Mickiewicza 18, Racibórz
- 11 Listopada 11, Jędrzejów
- Floriańska 32, Kraków
- Al. Piłsudskiego 25, Jastrzęgie Zdrój
- Grunwaldzka 1-1A, Świnoujście
- Górne Przedmieście 6, Żory



The Netherlands

- Hilvertsweg 80, Hilversum
- Thomsonlaan 92, Den Haag
- Schaapmarktplein 11, Sneek



Openings (June to November 2007)

Store Openings



Superdrug[★] thinks pink

Researchers at Newcastle University in England recently issued research results showing that when faced with more than 250 different colour choices, women clearly veer towards pinks and lilacs as opposed to blues. Apparently, women are just genetically wired that way. The findings prove that when it comes to thinking pink, Superdrug's Next Generation stores are bang on target.



Beauty[★] revolution

Over the past few years, Superdrug has established itself as the most fashion-conscious beauty retailer in the UK, offering the latest cosmetics, beauty products and fragrances, and the best deals. Now British shoppers are seeing a new-style Superdrug store on the high street – and it's pink!

In October 2006 Superdrug opened its first Next Generation "pink" store in Uxbridge. This store was a test bed for a host of ideas regarding store layout and the retail environment, and was an instant success with customers.

Armed with the lessons learned from the initial design of the Uxbridge store, Next Generation stores have been rolled out across the country in 2007. Complete with pink facades, digital media, an explosion of new and exclusive beauty brands and increased browsing space for customers, the Next Generation concept has delivered well beyond its expectations with massive growth across key beauty categories: in particular fragrance, cosmetics, nail care and skin care.

Feedback from customers and suppliers has been very positive. The wider aisles and department-store feel of the outlets has encouraged customers to browse the beauty aisles, resulting in a rise in the average basket value and an increase in customer traffic.

Superdrug has worked closely with suppliers to create exclusive units for the Next Generation stores, in some cases moving from traditional structures to new table-top beauty displays, and even including television screens and light effects within stands. The Next Generation concept has been key in showing suppliers how the Superdrug brand is changing – among the exclusive new cosmetics launches this year are sought-after brands FAMOUS by Sue Moxley, Elite Models, TAXI London and Outdoor Girl.

By the end of this year there will be 12 Next Generation "pink" stores across the country; at Uxbridge, High Street Kensington in London, Bromley, Gateshead, Norwich, Meadowhall, Glasgow, Edinburgh, Thurrock, Brighton and Milton Keynes. Next year, a Next Generation store will open in every major city across Britain.

Besides the ongoing Next Generation "pink" transformation, Superdrug has also given 440 stores a beauty facelift in a project called Beauty Max, which has increased cosmetics space by more than 70 per cent in these outlets.



Deliver professionalism

As part of its efforts to be the beauty retailer of choice on the High Street, Superdrug has realised the need for a major investment in the quality of its people. Its Retail Academy concept is delivering well-trained beauty experts in every Beauty Max and Next Generation store who are confident to advise, recommend and sell premium products. The staff at the pioneering Uxbridge store were all trained at the London College of Fashion, in an educational model that forms the backbone of the Next Generation concept. Superdrug now takes its beauty staff out of stores every quarter for dedicated training from key suppliers to ensure they always know how to recommend what's new, which is the key driver of growth for Superdrug in the beauty market.



This training is paying off, reflected in increased customer loyalty and increased sales as customers ask by name for beauty specialists who have advised them previously. The stores are also seen as a key place to work on the high street: the Uxbridge store receives on average 300 CVs a week from job applicants!

Leah Jenkins, Uxbridge Store Manager, says of her training; "We spent a week at the London College of Fashion and it was fantastic to learn more about skin care and make up. We were trained by skin experts and make-up artists who talked us through which colours suit which skin tones, how to make the most of different eye shapes, how to change your look from day to night and how to look after your skin."

Superdrug

“People come to us for the knowledge we have as well as the products, I'm always getting customers coming in asking by name for the beauty specialists and our sales reflect our knowledge.”



Watsons China staff salute during the official launch of the Retail Academy in South China



Participants from the Watsons Indonesia office receive their handbooks



The launch event of the Retail Academy at Watsons Malaysia



Watsons Hong Kong staff are glad to receive their certificates



A Watsons Philippines staff member gives his thumbprint to mark his commitment to customers

Watsons invests in people

Watsons has successfully launched a new learning and development programme, the "Retail Academy", in all stores in nine countries across Asia, strengthening its commitment to attracting, retaining and developing the best people while offering customers the best service.

This programme addresses challenges retailers face today, such as how to reduce staff turnover and increase customer spend. Very few retailers in Asia have similar programmes, which are designed to fit the daily demands of a store.

The "Retail Academy" (RA) focuses on customer service and selling skills, product knowledge and store operations. The programme is structured to give everyone the opportunity to excel and enables the best people to progress. Training is completed on the job through self learning and coaching from store managers. Successful completion of the programme depends on employees being able to demonstrate knowledge and skills learned in their daily job.

The Level 1 module is designed for store assistants while the Level 2 programme targets senior store assistants. Specialist

modules for Beauty Advisors and Healthcare Advisors will be launched soon.

Key business measures are included in the programme to ensure that the impact of this training is tracked. These include average transaction value and labour turnover.

People are the key to Watsons' success, and RA plays a vital role in achieving this. Through RA, teams receive fantastic on-going development opportunities that will drive excellent customer service and ultimately grow the business while at the same time enhancing people's job satisfaction.

Watsons Philippines staff member NepoDagupan said, "This teaches us how customers are really important and we must prioritise them. Retail Academy will really change the way we work and make us the best that we can be."



Reaching the 300th milestone

The year 2007 is providing a rich harvest for Watsons China, with the opening of its 300th store in Nanjing. The strengthening of Watsons' retail network in China is thanks to the great effort of all staff, and several innovative activities were designed to celebrate this milestone nationwide.

Staff members were excited to join the "300th store celebration logo design competition" and the "300th cake-cutting ceremony". Lots of excellent logo design works were received and, for the cake-cutting ceremony, more than 300 delicious cakes were delivered to each store with 6,000 staff members sharing them.



Sharing mid-Autumn joy

During the mid-Autumn Festival, FORTRESS and Watsons Hong Kong held staff celebration activities to share the festive joy.

FORTRESS organised a barbecue party at Tai Po, with 150 colleagues joining in to enjoy tasty food and take part in various funny games.

To express thanks to frontline staff, the Watsons management team sent out mooncakes and festive wishes to staff at all stores in Hong Kong and Macau. Staff were delighted to receive their festive surprise, saying they appreciated the company's caring attitude.



One of the difficult games - putting the pencil into the bottle

An interesting cracker-eating competition



Steven Yang (far right), General Manager of Watsons Indonesia, presents the trophy to the Group Winner

Raising the spirits

Watsons Indonesia has followed its historical tradition of celebrating Independence Day in August by holding a sports and traditional games day for the staff.

The aim of the celebration is to bond relationships and facilitate close cooperation among employees, particularly between Head Office and store staff who probably do not know each other well due to their busy work schedules.





Team play wins the day

Some 70 members from the A.S. Watson family took part in the annual 10 miles (16.2 km) Dam-tot-Damloop (Dam-to-Dam Run), from Amsterdam to Zaandam on 23 September.

Participating staff were trained by Anne van Schuppen who competed in the 1996 Olympic Games in Atlanta and is a two-time Dutch marathon champion and winner of the Rotterdam marathon.

ICI PARIS XL and its business partners also sponsored "SOS Kinderdorpen" (a foundation for Orphans) in the run.

The Dam-tot-Damloop is one of the largest and most popular "business runs" in the Netherlands. The 2007 event attracted about 600 participating companies, 35,000 athletes and 250,000 spectators with many bands and musicians providing musical inspiration and entertainment along the course.

In the meantime, the A.S. Watson Group despatched eight teams to compete in the energy-sapping Iron Man triathlon competition held in Switzerland recently.

Participants were selected from the International Buying division, the Group Office in Zurich, Marionnaud Switzerland and the International division and each team combined strong and less strong participants. Inspired by fantastic team spirit, they successfully completed the daunting challenge of swimming 1.5 km, cycling 40 km and running 10 km.

All the participants agreed that team play was the key to their persistence.



Beautiful people

The beauty advisors of ICI PARIS XL Netherlands were invited to render their expertise during the "Miss Nederlands 2007" pageant on 7 October by providing professional make-up services to the contestants.

All the contenders were individually prepared by ICI PARIS XL staff and Solsiree Marcha (top, left), beauty advisor in the ICI PARIS XL store in Laren was delighted to do the make-up for newly crowned Miss Nederlands, Melissa Sneekes (top, right).



Drogas introduces excellence award

To compliment store staff on their excellent performance, Drogas has introduced a monthly award that recognises the best store in each region.

Starting from August, the monthly winners receive an attractive floating trophy – a tree of gold and silver made by internationally known Latvian artist Maruta Raude (bottom).


Commenting on the design of the trophy, Andrej Jernev (top), Managing Director of Drogas said "We searched for strong images and symbols with a philosophical meaning matching the company's function and achievements."





A day in the countryside

Drogas recently held its annual Sun and Fun Day with about 400 colleagues from Latvia, Lithuania and Estonia enjoying the beautiful Latvian countryside.

Staff participated in rock climbing, trampoline jumping, foot massage, dancing at the "Drogas Rock Star Studio", pottery, and hat and kite making. Activities with Asian characteristics included a sushi school and the "Hong Kong Daily Dozen" event was also organised to give staff a better understanding of their Chinese mother company, A.S. Watson Group. 



The fabulous team that makes The Perfume Shop such a success




Jeremy Seigal (right), Managing Director of The Perfume Shop greets Pauline Stephenson (left), the winner of The Store Manager of the Year Award

Our home

vivaLas Perfume Shop

The Perfume Shop held its 15th annual managers' conference in London in September.

Sponsored by Procter & Gamble, the theme was "Fabulous Vegas". Several celebrities attended, including Caprice, Fran Cosgrove, Lee Ryan, Brendan Cole and Gok Wan. Christina Aguilera delivered a pre-recorded message in advance of the launch of her first fragrance.

The Store Manager of the Year Award went to Pauline Stephenson and the Deputy Manager award went to Neeha Patel, both from the Broadgate store, London. Omer Der from Walthamstow was Best New Manager. 



A.S. Watson Group Sports Fest



ASW's winning ways

Since its establishment in 2005, the ASW Corporate Sports team in Hong Kong has demonstrated great talent in different sports events and competitions. Recently, the badminton team participated in the HWL Group Badminton Tournament 2007 and achieved outstanding results.

A.S. Watson Group shared the Group Overall Championship with Hutchison Port Holdings. Lo Ka-ho from Manufacturing and Lily Leam from Group Office were crowned Champion in Men's Singles and 1st runner-up in Women's Singles respectively. Ng Ting-fai & Yim Ting-yan was the 2nd runner-up in the Men's Doubles and Chau Fung-ping & Doris Kwok from Manufacturing and Wong Chau-sim & Pang Fei-ang from PARKNSHOP Hong Kong were the champion and 1st runner-up in Ladies' Doubles.

During summer, the Lifestyle Club organised the A.S. Watson Group Sports Fest at Shatin Pui Kui College, with a series of sporting and fun programmes arranged for staff and their families. Activities included soccer, basketball, badminton, table tennis, kids' fun games, health exercise lessons such as Tai Chi, Xin Yi Musculo-Skeletal Training Programme, a sports fair and a sports stars demonstration.

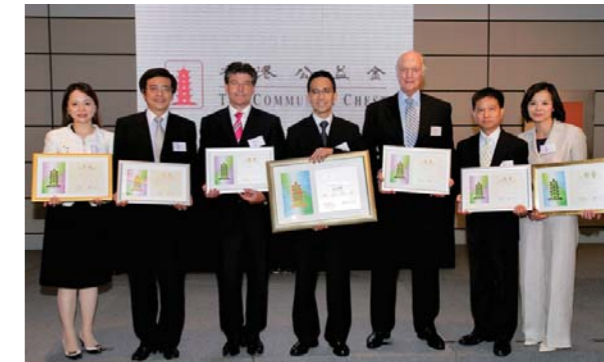


Small bears for big benefits

On its 6th birthday on 22 November, Marionnaud Austria held its annual charity sale of Christmas bears.

The bear costs €7.9 countrywide with €4 per sale flowing into a charity fund that supports "Licht ins Dunkel", "SOS Kinderdorf" and projects that especially help women and children. Last year the perfumery chain raised €120,000 during the sale.

The activity is part of the project "Petits Marionnaud" that was founded in 2002. The company has already collected more than €600,000 through different activities. /Marionnaud



Victor Li (centre), Managing Director and Deputy Chairman of Cheung Kong (Holdings) Limited, leads the representatives of member companies including A.S. Watson Group Finance Director Martin So (2nd left), to attend the Community Chest award ceremony

Building a caring society

A.S. Watson Group has again been recognised for its contributions to the Community Chest in 2006/07 in Hong Kong.

The charity organisation bestowed the Award of Distinction upon A.S. Watson Group, its parent company Hutchison Whampoa Limited and Cheung Kong (Holdings) Limited, and sister company Cheung Kong Infrastructure Holdings Limited, while Hutchison Telecommunications International Limited received the Award of Excellence and Hongkong Electric Holdings Limited received the President's Award.

Cheung Kong Group also ranked second in the Top Donor category.





Fighting cancer together

On 16 September, ICI PARIS XL dispatched 115 ladies dressed in striking pink outfits to participate in the Leontiens Ladies Ride, a 70-km cycling tour organised by Pink Ribbon to raise funds and awareness for breast cancer.

The event attracted more than 7,000 participants and ICI PARIS XL won the Best Business Team trophy!

Meanwhile, Hollywood star Mischa Barton (bottom) has joined Superdrug and the Institute of Cancer Research in raising awareness of the SAFE (Skin Awareness For Everyone) Campaign. She is modelling a £1 charity wristband that changes colour in the sun.



A passion for fashion

During summer, The Perfume Shop sponsored TV show "LK Today The Perfume Shop High Street Fashion Awards 2007" in support of the UK's fashion and beauty industries.

The Perfume Shop presented an award for "Best Dressed Female Star in High Street Fashion" to Coleen McLoughlin who was voted for by the public through a nationwide store ballot and via the GMTV website. Other awards included "Best Shoe collection"; "Best Accessories"; "Best Value" and "Best Department Store".



Educational outings fun for all

To provide more opportunities for underprivileged children to learn about the outside world, the A.S. Watson (ASW) Volunteer team arranged several outings for children from different backgrounds and enjoyed fun-filled days with them.

In June, New Arrival Children from St Christopher's Home visited PARKNSHOP Superstore at Tsuen Wan to learn English through interesting activities at the fresh food, frozen food, beverages and dry food sections. The children were excited to participate in the activities and went home with improved English vocabularies.

In July, children from Project Care visited the "New Life Organic Farm" where they learned about organic farming and communed with nature.

The ASW Volunteer team also recently organised a visit for New Arrival Children to Tree Top Cottage in Tai Po. The children were amazed by the cottage and enthusiastically took part in various physically challenging games.



- 1) 9 May
- 2) Validated the première of the Biotherm and Shu Uemura brands in an "outpost" exhibition at HKIA / Opened the first multi-brands luxury watch boutique – Master of Time / Introduced the world's first Kiehl's airport boutique worldwide première / Launched the first "Calvin Klein Jeans" airport boutique / Unveiled La Prairie's Asia-first travel retail flagship counter (Any one)
- 3) HK\$100,000

Super Prize (Superdrug "Beauty Set")

Name	Company & Department
1. Ching Kwok-sing	ASWI HK – Finance
2. Sapungan Brenda m	Watsons Singapore – Store

Gold Prize (Watsons Water@Marathon 101 Limited track suit)

Name	Company & Department
1. Chan Ka-lok	H&B Asia – Regional Marketing
2. Dong Haiying	ASWW Beijing – Sale
3. Jolita Kovaliovcė	Drogas Lithuania

Silver Prize (Hip T-shirt)

Name	Company & Department
1. Wong Wai-yiu	ASW – OSD
2. Jayce Cheung	ASW – IB
3. Iris Ng	ASW – FSSC
4. Flora Chan	Watsons HK –Store
5. Leung Yuk-chun	PARKNSHOP HK – Trading
6. Tang Wai-ying	Nuance-Watson (HK) – Finance
7. Alex Wong	Nuance-Watson (HK) – Finance

8. Janice Chu	Nuance-Watson (HK) – Security
9. Sammy Lam	FORTRESS – Merchandising
10. Ng Kam-ha	ASWI HK – Finance
11. Cheung Kwai-chun	ASWW HK – Business Information
12. Bill Hong	ASWW HK – Sales
13. Wing Qiu	PARKNSHOP China – Replenishment
14. Mo Jinshu	ASWW Guangzhou – Engineering
15. Jacob U	Watsons Macau – Merchandising
16. Hao Yiqian	Watsons Beijing – Finance
17. Zulkarnain Bin Sabtu	Watsons Malaysia – Human Resources
18. Marielle Snijders	Kruidvat Netherlands
19. Laimonas Sarkus	Drogas Lithuania
20. Sabina Jusel	Drogas Lithuania
21. Ausra Stravinskaite	Drogas Lithuania
22. Gens M-C	ICI PARIS XL Belgium
23. Mirjana Stefanovic	ICI PARIS XL Netherlands
24. Danielle Houldsworth	The Perfume Shop UK
25. Karen M. Bird	Superdrug UK

Super Prize (1)



MP3 Player
Sponsored by

Gold Prize (20)



USB gift set
Sponsored by

Silver Prize (20)



Watsons Own-label gift set
Sponsored by

Questions:

- 1) Which colour did Superdrug employ to furnish the new concept store?
- 2) Name one of the prizes Mr. Juicy recently received.
- 3) What kind of charity sale Marionnaud Austria launched in November?

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

Company & Department: _____

Address: _____

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

A1: _____ A2: _____ A3: _____

Send your **completed** entry form to:

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

or Email to WatsOn@asw.com.hk

Deadline: 31 January 2008



Li's donation a tribute to those who choose to serve

On 4 September, Dr Li Ka-shing unveiled the Li Ka-shing Building at the Lee Kuan Yew School of Public Policy (LKYSPP) together with Minister Mentor Lee Kuan Yew. Dr Li, who donated S\$100 million to the School, said it was a tribute to all those who choose to serve the people.

Professor Shih Choon Fong, President of the National University of Singapore (NUS), said Dr Li's generous gift enhanced LKYSPP's capacity to nurture future generations of policy makers and leaders.

Dr Li's donation will create an endowment fund offering more than 40 post-graduate scholarships annually and establishing chair professorships. The scholarships will continue in perpetuity and, over time, create a distinguished alumni group of policy makers throughout Asia.

"To choose to serve your people as their best friend and devoted servant is a most noble and conscious choice. It

requires the very best of what you have to give," Dr Li said.

The gift of S\$100 million from the Li Ka Shing Foundation (50%) and Dr Li's group of companies, Cheung Kong (Holdings) Limited (25%) and Hutchison Whampoa Limited (25%), will be complemented by a matching dollar-for-dollar grant from the Singapore Government.

The Li Ka Shing Scholarships will benefit students from across Asia. This academic year, five LKYSPP students received scholarships.

Elsewhere, the Li Ka Shing (Canada) Foundation in June donated C\$3 million to the University of Calgary's Schulich School of Engineering, which will create an endowment Chair to lead the development and implementation of applied learning initiatives to nurture innovation among the next generation of engineers. The University of Calgary will match the donation bringing the total to C\$6 million.