

180<sup>th</sup> Anniversary

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A . S . W a t s o n   q u a r t e r l y   f a m i l y   m a g a z i n e

Rewarding loyal customers

2008 interim results

Teamwork wins Championship

Fresh look, fresh taste

Go fast with Fast Track

Tree planting to save the world

Quarter 3 & 4 • 2008

watson



A Hutchison Whampoa Company

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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 8,200 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 87,000 staff and is a member of the world renowned Hong Kong-based conglomerate Hutchison Whampoa Limited, which has five core businesses - ports and related services; property and hotels; retail; energy, infrastructure, investments and others; and telecommunications in 57 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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 Retail Hong Kong – **Winnie Chow, Mary Yau**

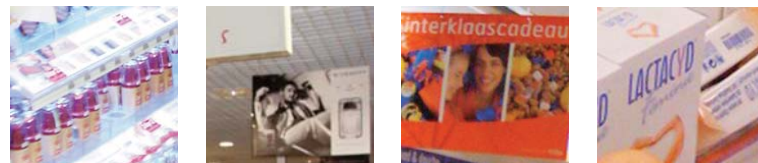
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# Stop Press!



A. S. Watson Group Managing Director Dominic Lai took the chance to visit some of our operations in Europe just before Christmas. He was pleased to see that our stores were well prepared for the festive season.



1. The Perfume Shop, Wesfield Mall (UK)  
4. Trekpleister, Hoofddorp (Netherlands)

2. Marionnaud, La Defense Puteaux (France)  
5. ICI Paris XL, Hoofddorp (Netherlands)

3. Marionnaud, 3 Quartiers la Madeleine (France)





6. Marionnaud, Bagnolet (France)

7. Superdrug, Westfield Mall (UK)

8. Kruidvat, Hoofddorp (Netherlands)

9. Savers, Hammersmith (UK)



# Around the world

2008 interim results • Celebration time again • For men only • Looking good, feeling great • It's Christmas in July in UK • Teamwork wins Championship • Watsons Thailand spearheads new campaign • Autumn and winter beauty care • Generation Next grand opening • New concept in China • King&Queen easy shopping guide • In praise of YOU! • eNrich guide for easy travel • Watsons Beauty Life debuts • Keeping up the Olympic spirit • GREAT German Food Festival • Supportive suppliers' tribute • Health & Beauty Oscars • Fresh look, fresh taste • Favourite for generations • Award winning moments





## 2008 interim results

For year ending 30 June 2008, Hutchison Whampoa Limited reported total revenue of HK\$176,219 million, up 25% on last year. Profit attributable to shareholders (excluding profits on property revaluation and disposal of investments and others) amounted to HK\$10,688 million, a 199% improvement.

Total revenue for A.S. Watson Group increased by 14% to HK\$58,465 million, with increased sales from Health & Beauty operations in Europe, including Rossmann, retail operations in Asia, and luxury perfumeries and cosmetics operations in Benelux and UK. Earnings before interest expense and taxation (EBIT) grew to HK\$1,237 million, up 54% on the same period last year.

(For full results, see: <http://www.hutchison-whampoa.com/eng/investor/interim/interim.htm>)



## Celebration time again

In June, Watson's Wine Cellar (WWC) celebrated its 10<sup>th</sup> year serving wine lovers since the opening of its first store on Queen's Road Central, Hong Kong. WWC is very proud of its numerous achievements: all staff are WSET qualified meaning they participate in an internationally recognised wine training programme, the Watson's Wine Club now boasts over 23,000 active members, it has launched its first online wine store, and was voted "Best Retailer" in Hong Kong by Wine Business International in 2007.

Nuance-Watson also celebrated their 10<sup>th</sup> anniversary partnership with Hong Kong International Airport in August. An exclusive commemorative postcard set was sold to celebrate the 2008 Beijing Olympics, together with a wide selection of Beijing Olympic merchandise.



Alessandra Piovesana (left), Regional Managing Director of Nuance-Watson (HK), celebrates the occasion with Eva Tsang, General Manager of HKIA Retail and Advertising.



## For men only

How do you mix health and beauty with fun?

For Father's Day this year, Marionnaud France offered a fashionable poker set for every purchase of €75 or more, so that customers could offer their fathers a fun-gift on top of a beauty gift.

In the Netherlands, fathers were honoured by Kruidvat in a "Father of the Year" election organised in collaboration with Papa! magazine. Customers were asked to nominate their fathers or husbands for the award and to vote for their famous Dutch father. The celebrity fathers and the finalist Kruidvat fathers competed in a nappy race held in the Kruidvat stores much to the delight of their families, friends and customers. Our special fathers were featured in the national news, TV and newspapers and all had lots of fun!

It's not only fathers that count, as proved by Superdrug with their recent launch of Taxi brand guy-liner and mascara exclusively for men. The media launch saw every UK TV and national newspaper covering the story, with reporters visiting the stores to get their own male make-over. Product sales exceeded all expectations with initial orders doubled due to customer demand.

Who says beauty is exclusive to ladies? / Marionnaud Kruidvat Superdrug







Ken Tse (left), Managing Director of Nuance-Watson Singapore, unveils the product image together with Mark Ayer, Global Operations Director of SK-II.

Ken Tse (right) at the "Plant-a-tree" ceremony with guests-of-honour.

# Looking good, feeling great

Nuance-Watson Singapore (NWS) keeps building its range of quality cosmetics and beauty brands! In July, NWS was the first in the world to launch the SK-II's all-new Signs Wrinkle Serum, the latest breakthrough in anti-aging for SK-II. An exclusive event was held at Changi Airport to introduce the product to SK-II Crystal Club members. The new product is in line with the brand's mission to beautify aging, helping women to address wrinkles effectively.

In August, NWS held an official opening ceremony for Kiehl's new stand-alone store at Changi Airport. In line with Kiehl's principle to provide products with naturally-derived formulas for skin and hair, a collaboration with the Singapore Environment Council echoed Kiehl's commitment to awareness in environmental matters. A "Plant-a-tree" ceremony was staged to celebrate the successful partnership.

Teaming up with Watsons Singapore, Bio-Essence held their 5<sup>th</sup> Anniversary of 100-Volunteer "Face Lift in 10 Minutes" Challenge. Winners of the Challenge were presented with an award.

And finally in Hong Kong, Marionnaud Paris keeps customers up-to-date with the latest summer make-up trends by bringing renowned make-up artists to the store. Professionals share tips on using the newest products, and discovered the Nude Look effects up-close on models.



(Starting from 2<sup>nd</sup> left) Dr Tor Lam-huat from Bio-essence, celebrity ambassador Gigi Lai and Cathy Yeap, Managing Director of Watsons Singapore celebrates 5<sup>th</sup> anniversary of Bio-essence's "Face lift in 10 minutes" challenge.







## It's Christmas in July in UK

On 10 July, The Perfume Shop held "Christmas In July!" for the second year running. Top suppliers such as Dior, Coty, Procter & Gamble, Prestige & Collections, Fragrance Factory and Kenneth Green Associates supported the event with product samples, press releases and visuals. Over 100 national journalists attended the event with two expert store managers giving them fragrance make-overs based on their personalities. Jo Walker, Chief Operating Officer, was on hand all day to answer fragrance queries from journalists.



## Teamwork wins Championship

Drogas Latvia participated in Latvia Trade Association's first ever Latvian Cashier Championship on 30 May. Each participant team consisted of six members and was judged in a five round competition on their teamwork and on the individual skills of each participant. The teams competed by registering purchases in cash register, counting cash and demonstrating communication skills and knowledge of consumer rights. Drogas Latvia team proved its professionalism and team spirit and won an honourable silver medal!



New carrier bag and uniform modeled by staff.

## Watsons Thailand spearheads new campaign

Watsons Thailand is revamping its image with its largest promotional campaign in 12 years, "What's In Your Watsons", which will be promoted through TV commercials, new staff uniforms, product displays and new in-store equipment. Launched in Thailand due to it being an ideal multi-cultural market with trendy customers, this new campaign builds on Watsons' efforts to cater for consumers' everyday needs and aspirations. It also gives consumers the opportunity to express themselves and indulge in a wide variety of products and services. The campaign will be adapted and rolled out in other Asian markets.



Mini-fashion show by celebrity models representing our best offering of products in Hair, Health, Skin and Cosmetics.



## Autumn and winter beauty care

Watsons China held the "Discover Perfect Match for Your Hair" and "Men's Grooming" promotional events this summer in partnership with brands such as Pantene and Mentholatum. Celebrities shared the latest trends in hair care, and tips on special care for men's skin with the media, and customers were advised on maintaining beautiful hair and skin for the upcoming autumn and winter months. Both events succeeded in enhancing Watsons' position as leading health and beauty specialist.





Krish Iyer (4<sup>th</sup> from left), Managing Director of Watsons Taiwan, at the grand opening ceremony.



## Generation Next grand opening

In late May, Watsons Taiwan introduced the Generation Next concept store in eastern Taipei featuring a trendy up-to-date shopping environment to promote international brands, skin care and cosmetics play area, with professional pharmacists and beauty advisors in-store to offer customers unbiased advice. Customers can freely experiment with products in a friendly and comfortable environment, enriching the fun element in shopping.

A press luncheon with retail and business journalists and an in-store opening ceremony for TV and entertainment journalists was held to officially celebrate the birth of Generation Next concept store in Taiwan.



## New concept in China

With intense competition and increasing expectations of customers in the China market, Watsons China launched a new store concept in August giving customers a new and unique shopping experience in surroundings featuring minimalist white walls, ceilings, shelvings and counters highlighted by Watsons' green signature colour. Rack space is optimised to ensure customers tour around the aisles at ease and product display is organised to provide simple and clear information for easy shopping. The first Watsons Own Label counter was also launched at the store, together with the first Men's Centre offering our best quality and tailor-made services.



## King&Queen easy shopping guide

Watsons Taiwan launched a "King&Queen" monthly list of top products to help customers choose among the wide variety of products available. "King" products are picked from the top 3% in sales volume, and "Queens" are potentially new products. "King&Queen" will become an easy shopping guide with central displays and tagged as best-buys. In-store information also echoes with what customers read in magazines and on websites. From August, Watsons Taiwan co-operates with Fashion Guide, the fashion forum website to add endorsement from professionals, net-pals and billboards.



Cathy Yeap (5<sup>th</sup> from left), Managing Director of Watsons Singapore at the Recruitment Launch with sponsors.



Beautiful winners at the YOU Awards prize giving ceremony.

## In praise of YOU!

Watsons Singapore adopted the "YOU Awards" programme from Thailand and from 14 July to 10 August, received a total of 615 entries across eight categories focusing on different parts of the body. Five finalists per category were selected for public voting from 21 August to 3 September. A prize giving ceremony was held on 10 September and each proud winner walked away with S\$3,000 cash and a year's supply of sponsors' products to pamper their beautiful faces and bodies!







## eNrich guide for easy travel

To commemorate its 10<sup>th</sup> Anniversary, Nuance-Watson (HK) (NWL) launched the **eNrich** travel magazine aspiring to improve the travel experience of business partners and customers with "the flavour of NWL".

Free for departing travellers, **eNrich** is a reader-friendly magazine with information on exciting destinations, topical feature stories, handy flying tips, shopping guides, plus irresistible special offers from NWL at Hong Kong International Airport.

Four issues will be released in 2008, with the Anniversary issue in July unveiling Beijing's amazing makeover for the summer Olympics.

Nuance-Watson (HK)  
WORLD CLASS BETTER FINE

## Watsons Beauty Life debuts

Watsons China pioneers in the China market with own label products. Well-loved by customers, more than 600 products take pride in excellent quality at affordable prices, covering skin and personal care, home and health categories. To keep customers updated with the latest information, Watsons China launched their own trendy magazine, "Watsons Beauty Life", offering personal care tips using our own label product range. The magazine was snatched up by enthusiastic customers and the stores ran out of copies soon after release! Another issue will be available by the end of the year.



## Keeping up the Olympic spirit

In the heart of the Olympic country, PARKNSHOP (PNS) China and its customers celebrated with non-stop games ranging from scratch cards for lucky draws to win Olympic commemorative torches and mascots, quizzes to win commemorative gold medals, and a "Shop in PNS, Win Olympic ticket-set" campaign which took 36 lucky winners on a three-day trip to Beijing during the Olympic Games to watch selected matches.

PARKNSHOP



## GREAT German Food Festival

GREAT Food Hall unveiled yet another food festival from 16 May to 5 June, this time honouring Germany's extraordinary culinary array. This was Hong Kong's largest German Food Festival featuring over 400 specialty and gourmet products, including various home baked products, snacks, beer, sausages, organic juices, etc. A kick-off ceremony took place in-store, bringing together celebrity model Rosemary Vandenbroucke and lovely German children for some fun in German cake baking!

great  
FOOD HALL





Krish Iyer (3<sup>rd</sup> from right, front row), Managing Director of Watsons Taiwan, celebrates a year of successes with suppliers.

## Supportive suppliers' tribute

Watsons Taiwan held the 2008 "Health, Wellness and Beauty Awards" on 15 July paying tribute to supportive suppliers. 285 enthusiastic guests attended the ceremony reaping 281 award-winning certificates and 41 trophies for outstanding performance in product sales. Our suppliers were very proud to receive the awards and incentive is strong to boost sales in 2009.

The suppliers were entertained with spectacular performances including drum playing, creative tunes and singing accompanied by delicious food, leaving everyone with an unforgettable memory. NT\$680,000 was also raised for the Children's Welfare League Foundation.

Watsons



Christian Nothhaft (right), Managing Director of Watsons China kicking off the evening with Harriet Chong, Trading Director.

## Health & Beauty Oscars

The 2008 "Health, Wellness and Beauty Award" was hosted by Watsons China in early September in Guangzhou and was attended by nearly 400 elegantly dressed guests from the health and beauty industries. 55 outstanding products were awarded in this year's ceremony based on the superb product quality and results. The Most Popular Product of the Year Award was presented to "Watsons Bird's Nest Facial Mask", a new innovative face mask.

Watsons



## Fresh look, fresh taste

Freshly made everyday in Hong Kong, Mr. Juicy launched its new look this summer. The new packaging design spotlights tempting fresh fruit and a vibrant water splash to reinforce the "Fresh & Tasty" image of Mr. Juicy. A new series of outdoor and print advertising has also been released to further boost Mr. Juicy's new image.

Mr. Juicy has always done its best to make the brand striking. No wonder it is and has been the dominant market leader in the Hong Kong chilled juice market for over 30 years!

Mr. Juicy

www.aswatson.com

Around the world

## Favourite for generations

How did we get to be on the tip of everyone's tongue (literally and physically!) way back in 1977? See this advertisement and you can imagine how popular Watson's soft drinks already were more than 30 years ago! In late May, the Television Broadcasting Limited produced a programme reminding Hong Kong people of their way of life in this vibrant city through interesting advertisements. Our very own Watson's soft drinks advertisement was featured and brought many a good memory to viewers!

Watson's



提起屈臣大家讚!



www.aswatson.com



# Awards and accomplishments



## Best Chain in Perfumery Award

Amidst the scent of fragrance, there is an air of excitement at ICI Paris XL these days! In the yearly election for "De Beste winkelketen" in the Netherlands, 775,000 consumers voted ICI Paris XL to be the winner of the best chain in the drug/perfumery category! Meanwhile in Belgium, ICI Paris XL was again being elected by consumers as the Best Perfumery in 2008! We are proud to receive this award for third time in a row.



## Quality Seal of Excellence

The Philippines' Bureau of Food and Drugs (BFAD) has awarded the Quality Seal of Excellence to six Watsons Philippines stores in recognition of their continued top quality pharmaceutical services. Selection criteria included store cleanliness, working processes, legal compliance, staff competence, customer relations and pricing. Watsons met and exceeded the expectations of the judges for each criterion. Attaining the BFAD's Quality Seal is proof that Watsons is successful in offering quality, safe, efficacious and affordable pharmaceutical products to safeguard public health.



## Acclaimed choice of store

Good news from Ukraine! Congratulations to DC for receiving the "Choice of the Year Award" in the Beauty and Health Shop category from the International Festival-competition "Choice of the year in Ukraine" awards on 29 November. The award was chosen based on marketing research of consumer preferences. The award's slogan "Choose the best – confidently buy!" reflects DC's success in being Ukraine consumers' favourite shop.



## Achieving indispensable popularity

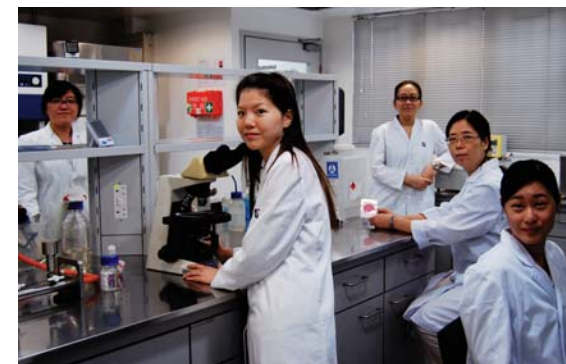
Dutch consumers cannot miss Kruidvat in their every day life! The European Institute for Brand Management conducted a survey among 1,049 consumers on 1,327 brands and found out that, 74% of the consumers indicated that it would be a pity should Kruidvat disappear from the Dutch retail market. In particular, 82% of the interviewed Dutch women (82%) nominated Kruidvat as an indispensable shop in daily life.



Angie Lee (left), Head of Marketing of PNS receiving the Yahoo! Emotive Brand Award. Szuwina Lee (right), Customer Services Manager of PNS, receiving the Next Magazine's Top Service Award.

## Service winning people's hearts

PARKN SHOP (PNS) Hong Kong has won the "Yahoo! Emotive Brand Awards 2007-2008" in retail chain category, and Next Magazine's "Top Service Award", the latter being for our fifteenth time! PNS benefits from very strong customer support in Hong Kong and has an unrivalled reputation for giving customers outstanding value for money, high quality fresh food, unmatched varieties of products and top-class service. Winning these two awards rewards the commitment of staff and confirms the popularity of PNS.



## Commitment to food safety

PARKN SHOP Hong Kong's Food Safety Laboratory is the first supermarket laboratory to be awarded the ISO 17025 under the programme of the Hong Kong Laboratory Accreditation Scheme (HOKLAS) operated by the Hong Kong Accreditation Service. Through mutual recognition agreements, our HOKLAS endorsed test reports are accepted by a number of overseas laboratory accreditation schemes such as UKAS (UK), ACLASS (USA), NATA (Australia), SINGLAS (Singapore). The accreditation demonstrates that our laboratory has become an officially recognised laboratory that meets top level international standards.



## Rewarding **loyal** Customers and More...

Nearly every customer nowadays carries a number of loyalty cards in their wallets for different but good reasons – be it for straight discounts at the cashier or for special VIP services.

For retailer, loyalty card is not only about rewarding loyalty. It is a starting point for us to better understand our customers so that we can give customers more of the right offer. At A.S. Watson (ASW), many of our retail operations have established their loyalty programmes. *Wats On* checked out on a few of these to get a better grip of the wisdom behind...



## Good for customers, good for business

At ASW, we see ourselves as more than a retailer. We continuously strive to exceed customers' expectations through a diverse range of retail concepts and consumer products. With this in mind, our retail marketing departments work towards understanding more about our customers through information collected from loyalty card programmes, so that we can provide a more pleasant and successful shopping experience for customers.

As Jessica To, Marketing Director of PARKNSHOP explains, "Each transaction with the loyalty card is recorded, and the information collected enables our Customer Relations Management (CRM) team to analyse customer purchasing behaviour, thereby enhancing customer knowledge. Through transaction interaction, customers' consumption pattern can be analysed, which helps us plan better services to customers. In today's fast-paced, competitive business environment, it is essential to create and maintain long-lasting business relationships."

Customers are sorted into segments based on spending and lifestyle, giving organised information on their spending power, frequency and interests. Individual relationship strategies that maximize growth value are created for each segment, allowing our business units to propose customer driven offers, targeted mailings and specific promotions, enticing cardholders back to the stores with exciting offers. "Customer receives just the right amount of information to encourage purchase and obtain rewards," remarks To.

## Better consumer insights for suppliers

Suppliers who work with ASW also benefit from our CRM. As one supplier comments, "Customer insights collected from the CRM system provides valuable intelligence for tailor-making promotions to targeted customer segments." The benefit of direct marketing has proven to generate more effective results and better return on investment.

## France: The Marionnaud heritage

Marionnaud, Europe's leading luxury perfumeries and cosmetics chain, was one of the first retailers in France to launch loyalty card to customers, dating way back to the mid-90s.





Consumers in France carry on average three loyalty cards each, and very likely that one of these is Marionnaud's. Its loyalty programme now has 8.5 million customers in the database and more than 80% of sales are made by cardholders.

The whole idea of a loyalty card is centred on strengthening the customers' proximity to the brand. The card is offered to customers for free, has unlimited validity and a wide range of advantages for cardholders, in particular the famous loyalty cheque of €7.5 for 150 points (equivalent to €150 spending). Another advantage of the loyalty card is that customers can use it across all Marionnaud stores in Europe, including France, Italy, Spain, Portugal, Austria and Switzerland.

The programme has since been improved and Marionnaud France launched a new loyalty programme in May 2007, realising the different desires of our customers with three different types of cards:



**M beaucoup** is the first level card to offer to all new customers.



**M passionné** is a programme dedicated to Marionnaud's top VIP customers, giving them more exclusive offers and loyalty advantages. This card is available to customers earning over 800 points per year.



**M beaucoup plus** is the business-to-business dedicated programme with special discount days during the year.

Marionnaud has also developed **collector cards** - specific limited edition cards for special moments in the year. The first card was created for Mother's Day in 2007 to encourage customers on the close mother-daughter relationship.

Marionnaud loyalty cardholders feel good about being "in the club". "I feel cared for as a customer, as the beauty advisor knows what I need, and can advise me on the right products. On top of that, each time I spend, I earn points towards a loyalty cheque so that I can return to the store and buy more to save more!"



## Hong Kong: All about rewarding a family with PARKNSHOP MoneyBack

MoneyBack is a customer driven loyalty programme launched by PARKNSHOP in early 2007, and the first supermarket loyalty card introduced in Hong Kong. Jessica To, Marketing Director and team leader of the programme points out the unique characteristics of this programme: "The beauty of MoneyBack is that it can be shared among all members of the family."

The account comes with one main card and three mini cards, so that members of the same family can accumulate benefits both when they shop together or on their own. Rewards include cash coupons, gift redemptions, point boosters for purchase of selected items and more. Members can easily check their point balance and special discount offers through kiosks at store entrances.

Since inception, 1.2 million customers have joined the programme and there are now more than four million cards in circulation.

"MoneyBack is an excellent platform for us to build customer relationship – targeting the right customer with the right offer via the right communication channel. We can do segmentation on customers based on their actual purchase behaviour, and tailor-made promotion packages to encourage customer spending. MoneyBack helps us all make customer-centric decisions."

Recently, MoneyBack has partnered with one of the largest banks, HSBC. Customers swipe their HSBC credit card in the MoneyBack kiosk and instantly convert their HSBC credit card points into MoneyBack points to use for shopping.

By early December 2008, Watsons & Fortress will also join MoneyBack, allowing customers to enjoy the same privileges beyond PARKNSHOP. "MoneyBack points will become a currency in the Hong Kong retail, and customers will get rewards across a wide network of retail partners," To predicts.







# 請當我永遠的VIP

\$50成為屈臣氏寵卡會員

## Taiwan: The long awaited Watsons VIP card

Watsons Taiwan launched their VIP card in July 2008, rewarding customers with points for daily purchases, and extra point offers on Saturdays.

The loyalty programme improved on a more personalised service. With an upgraded point of sales system, cashiers can address the customer by name, and engage in friendly conversation with the customer.

Watsons Taiwan launched the VIP card with famous celebrity, Show Lo endorsing the card; Lo is also featured in a TV commercial film asking every woman to "be my VIP for ever". Lo's charisma stirred emotions and within two months, half a million applications have been attracted, and incremental sales are noticeable.

Membership of Watsons Taiwan loyalty programme has now reached one million with a target of 40% increase in 2009. 1.6 million members will represent a 6.9% penetration of Taiwan's total population and 13.9% of the total women population.



## Creating positive energies through bonding

ASW believes that with careful application of CRM, positive energies and emotions are infused into our relationship with our customers, making us a trustworthy and reliable retailer. In reciprocity, the customer grows to become committed and loyal to us. A lasting bond is created on an emotional level: the company wins a share of the customer's heart.

ASW will continue to strengthen this bond, as we pledge to serve and delight our customers, providing a quality and pleasurable shopping experience for all. 88





100% organic,  
100% efficient

Marionnaud France created Bio par Marionnaud, a range of 100% organic face and skin care products. Combining virgin plum oil for its excellent virtues in cell regeneration and acerola extract, and enriching with vitamin C bringing excellent anti-fatigue and skin brightening effects, Bio par Marionnaud offers a natural, efficient and high quality range of skin care products at reasonable prices. All products have obtained the Bio certification. /Marionnaud



Conny van Ditmarsch (Buyer), Kees Buur (Buying Director) and Eva Rooijmans (Senior Buyer, Private Label) of Health and Beauty Benelux celebrate the successful new sun care range.

One order,  
One success

This summer Kruidvat collaborated with Rossmann to harmonize their sun care products. Using the quality formulations of the Rossmann Sun Ozon range, Kruidvat and Trekpleister improved their Solait sun care product range to the delight of customers. Sales have doubled since introduction! Kruidvat was honoured as the "Best Buy" Award following a survey made by the Dutch consumer organisation, Consumentenbond.



Asparkling  
new flavour!

Mainland cities partied their way to welcome the launch of the new Vanilla Soda this summer. Slightly sweet and flavoured with herbs, this soda brings life to a drink when mixed with liquor! Mini parties were staged in discos and bars in Guangzhou, Shanghai, Shenyang and Tianjin and sensations were heightened with outer-space themes and adrenaline rushing dances, games and prizes, enough to excite any party-goer. **Watson's**





# Sun and fun despite the rain

More than 400 Drogas employees from all three Baltic States (Estonia, Latvia and Lithuania) met again in July for the annual Sun & Fun Day. Staged in the beautiful countryside of Rakshi, the amazing natural environment and atmosphere boosted the overall excitement.

Colleagues participated in painting, circus, salsa dancing and photography activities, and could attend soap, jewelry and delicious cocktail making classes. Besides learning new skills in a relaxed setting, more action was packed in with rock climbing, trampoline, volleyball playing, bicycle riding and hiking with lamas. This was a fun-packed day for all but most importantly, the overall feeling was that Drogas staff is a great team, and even a sudden rain shower could not dampen high spirits!

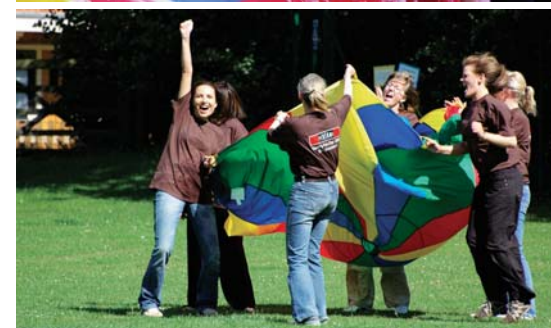
Drogas

## The Perfume Shop family fun

On 19 July, The Perfume Shop (TPS) held its 2<sup>nd</sup> Annual Family Day near Windsor.

The day was attended by over 300 staff and family members. As well as fun fair rides, a BBQ and a Pimms tent, there was a grand "It's a Knockout Challenge", where different departments from High Wycombe went head-to-head in various games including an inflatable obstacle course covered in foam! In the evening, there was a Mexican meal for everyone, karaoke and a disco!

Pimms



## Relaxing by the fire with Lifestyle Club

Lifestyle Club took care of the many staff supporting our retail business on a daily basis and organised two weekday evening BBQ gatherings, offering a relaxed and restful evening for its members. On 27 and 28 May, the Club hosted the event at the India Club, Kowloon, where 376 staff and family members joined in for some fireside pleasure in the early summer evenings, with fun in bingo, drinks competition and lucky draw. These are well-earned precious moments of relaxation in this busy city!

Lifestyle Club





Agnes Chan (5<sup>th</sup> from right, back row), Director of Group Human Resources (Asia) presented prizes to riddle quiz winners.

# Can you guess...

Lifestyle Club organised a Lantern Riddle Quiz for staff to celebrate the Mid-autumn Festival from 30 August to 9 September. An overwhelming response of 760 staff members participated in the competition. Everyone enjoyed such a fun and challenging game, especially for the winner who received the Grand Prize of One Night's complimentary stay at the Hong Kong Disney's Hollywood Hotel with park admission tickets for two!

Want to know how riddle-smart are you? Try and have a guess at the following ones:

1. In "CHOCOLATE", there are three things to drink. What are they?
2. What travels round the world but always stays in the same corner?

Answers to riddles:  
1. Cola, tea, ale, cocoa 2. Stamp

# Christmas is coming at Savers

Savers held their annual Christmas Road Show in October. Both Store and Assistant Managers were presented best practices in preparation for the busy Christmas period and recent sales successes were celebrated. This was the first ever Assistant Managers Road Show where the management team had the opportunity to share their experiences and ideas with future Store Managers.

Store Manager of the Year Awards ceremony was also held, with continued focus on the fantastic success of the Gold Standard initiative, a key driver in helping Make Savers Great Again.



Joey Wat (second from right), Managing Director of Savers, presented the Store Manager of the Year Award to Leanne Highnet (middle) from the Bootle Store.



# Do you have the best smile?



"You Smile, I Smile" – let's spread it around!

Watsons China strives to provide quality service to their customers, but how is that achieved with such intense competition in the mainland retail market? A "Watsons China Service Standards" manual was recently released to all staff providing information on the servicing concepts, the methods to enhance service standards and improve brand image, and professionalism towards personal care services. Posters and videos were also distributed to strengthen staff's understanding of the quality service ideas in the manual.

To further promote friendly service at our stores, Watsons China held a "Best Smile Competition" for all staff via the internet. Within one and a half month, 250 staff represented their stores in the competition, with an overwhelming 7,600 votes received. In the first round competition, two staff members from each region were voted as "Best Smile Stars", among which three were chosen in the final round to be "Best Smile Ambassadors".







## Strictly Perfume

On 17 September, The Perfume Shop (TPS) held the Annual Managers Conference, attended by over 200 store managers, Head Office staff and guests, including Jeremy Seigal, CEO of A.S. Watson (UK). The theme for this year's Conference was "Strictly Perfume". Sponsored by Prestige & Collections, new perfume Ralph Lauren Notorious and Emporio Armani Diamonds were presented.

Celebrity guests attended and presented the Annual Awards to TPS staff, including Tina Pearce for the winning Store Manager of the Year, Tina Ives for the Runner-up of the Store Manager of the Year, and Tina Redmond who joined TPS in 1994 for the Lifetime Contribution Award.

## Go with Fast Track

Watsons China rolled out the "Watsons Fast Track Programme" in December 2007, a comprehensive in-service training programme to raise the professional knowledge and managerial skills of our store managers and assistant managers. From May 2008 onwards, the programme was launched to staff nationwide, with the aim of promoting talented store personnel after the three-month training course. The programme gathered input from the National Watsons Academy and other related operational departments to ensure its relevance and practicality to support the career development of store management staff.

## Improving your skills

Watsons Philippines Human Resources and Organisational Development Division (HROD) launched various learning development programmes together in partnership with other departments, covering Discipline Management, Computer Proficiency, 5S : Practical Housekeeping, Back to Basics, Power Within and Category Management.

The HROD also co-operated with the Health Trading Division to bring "Parental Guidance", a children's health care and learning programme to staff. Topics ranged from child nutrition, disease prevention, primary complex to responsible parenthood. The Health Network is planning two more programmes for the year to increase employee health awareness.



## Grape knowledge

Sponsored by Watson's Wine Cellar's (WWC) New Zealand wine suppliers, eight WWC staff travelled to New Zealand last May for an educational tour to discover the country's key wine producing regions. Visits included touring of vineyards, winery and wine tasting and active learning sessions, and all knowledge was passed on to staff upon return to Hong Kong.

From June to July, 12 WWC staff also attended the internationally recognised Wine and Spirit Education Trust (WSET) Intermediate training course. Participants sat for a post-training exam, earning distinctions that enhance the quality services WWC offer to their customers.





# Contributing to the Community

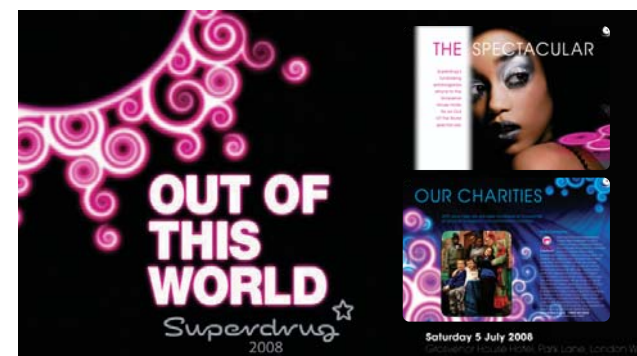


## Embracing sensible femininity

"Toutes à l'école", an association created in 2006, defends young girls' education in the world and has built a school in Cambodia. Many girls benefit from the education provided by this organisation. Marionnaud France supported the association through the sale of an exclusive eco-diary for high school students just in time for the start of the new school year. The entire proceeds of the sales are redeemed to the association. It is a practical, playful and clever way to learn daily about environmental and human issues, and it even gives tips on how to make the world greener.

As a partner of womens' beauty, Marionnaud has renewed its association with "Le Cancer du Sein, parlons-en" to promote "Pink October" to raise awareness of women in fighting breast cancer. A pretty make-up brush in a retractable pink holder (the colour of the breast cancer cause) is on offer to help raise funds for the association, which promotes early diagnosis and supports medical research.

Marionnaud



### It's "Out of this world"

The biennial Superdrug fundraising ball was held on 5 July. Supporting the Kids Company, The Prince's Trust and Teenage Cancer Trust, the ball attracted a long list of supporting companies, making the night a complete sold-out. Fantastic food and wine plus avant-garde entertainment, fashion and glamour sizzled the night, bringing over £100,000 to each of the three chosen charities. Superdrug



### A Bag for Life

The Perfume Shop (TPS) launched the "Bag for Life" in August, encouraging customers to shop greener. Priced at just £2, the eco-friendly jute bag bears the statement 'Makes Scents' and 25% of the proceeds from every bag sold will be donated to the charity "Look Good... Feel Better" – the nationwide support service to women undergoing cancer treatment. The project demonstrated TPS' commitment as a socially responsible retailer and care for customers who are shifting towards ethical and cause-related shopping. PERFORMA



### Fairy Tale Festival

Mid-autumn Festival is one of the most important festivals for Chinese. Gourmet celebrated this year with the Hans Andersen Club and donated gifts, including mooncakes, lanterns, chocolates, Disney folders and notebooks, and staff spared time to play with children. The Club advocates well-being for youngsters and children, and a great time was had by all. GOURMET



# Continued relief for disaster victims



## Raising funds to ebb the tide

Western Ukraine has recently been hit by violent rain storms causing river banks to subside, flooding the villages in the Ivano- Frankivsk, Vynnytska, Zakarpattia regions. The Khust DC store escaped narrowly thanks to the courage of the staff who responded to a midnight appeal from the store manager to help move the products to higher shelves. DC Ukraine also raised US\$15,000 which was donated to the suffering regions.



## Moon cake Charity Sale

From 22 August to 10 September, for every box of moon cakes purchased, PARKNSHOP (South China & Chengdu region) asked customers to buy a second box and to write a message on a greeting card to be donated to Mianzhu Charity Society for the Sichuan earthquake victims. This campaign unites quake-hit area victims and PNS people closely and has aroused much media attention encouraging even more consumers to participate.



## FUWA sale in TASTE

TASTE launched a wide variety of Fuwa souvenirs from 13 June in celebration of the Beijing Olympic Games. Five jumbo Fuwa figures were also showcased in Festival Walk and Citygate stores. In an effort to raise funds for Sichuan, customers were encouraged to donate HK\$50 for a snapshot with Fuwa. All proceeds went to the Hong Kong Red Cross for earthquake relief funds.



## Tree planting to save the world

Watsons Philippines cares not only for their customers' health and beauty but also for the environment. Together with partners Charantia, Theraherb VCO, Kankunis, Kankura, Enduranz, Ampalaya Plus, Slenda, Lucida Grapeseed, Arthro, HeartVit, and Kidneycare, donations from sales were made to Bantay Kalikasan to rehabilitate and protect the La Mesa Watershed, a favourite ecopark for students and families. A seed planting ceremony was organised on 25 June and Watsons' donation of a Kamagong seedling, more commonly known as an "Iron Tree", represented our commitment to environmental preservation.



## Green Poster Design Competition!

Nuance-Watson (HK) pioneered its first eco-friendly "Save & Preserve" campaign in 2007 with rebates for shoppers declining plastic bags and selling of environmentally friendly bags, cutting weekly plastic bag consumption by 20%. In 2008, the campaign is enhanced with a Green Poster Design Competition opened to Hong Kong tertiary design students. Winning students will become "Green Ambassadors" by sharing their creative environmental ideas with passengers at the Hong Kong International Airport (HKIA). All posters were exhibited at The Plaza store and the winning design was adapted for publicity materials in Nuance-Watson (HK) stores at HKIA.







Victor Li (centre), Managing Director and Deputy Chairman of Cheung Kong Holdings and representatives of member companies of the Cheung Kong Group in a celebrative moment for our charitable efforts!

## Concerted efforts in charity

On 13 June, A.S. Watson Group (ASW) was being awarded at the Community Chest Corporate and Employee Contribution Programme (CECP) Award Presentation Ceremony for the CECP Gold Award, 7<sup>th</sup> Top Fund-raiser of the Employee Contribution Programme and being 2<sup>nd</sup> Top Fund-raiser for the Skip Lunch Day.

On 25 June, the Community Chest's annual awards presentation ceremony honoured ASW once again with the Award of Merit. Parent company Cheung Kong Group was named Second Top Donor for 9<sup>th</sup> consecutive year, while five members of Cheung Kong Group also received recognition for their contributions, namely Hutchison Whampoa Limited and Hongkong Electric Holdings Limited receiving the President's Award, Cheung Kong (Holdings) Limited and Cheung Kong Infrastructure Holdings Limited being presented with the Award of Distinction. Congratulations for the concerted efforts in charity !



## Blood for Life

On 15 and 16 July, Lifestyle Club brought the Blood Donation Days to Fo Tan and Tai Po offices in Hong Kong. With the kind assistance of the Hong Kong Red Cross, colleagues bravely kept smiling whilst donating their blood. 113 colleagues' volunteered to donate their blood which was successfully collected to be redistributed to the sick and needy. Our staff has once again proved that although this is a busy hardworking office, time can also be taken for a good cause to help the community.



From school sports to



## Olympic Sports

From 30 June to 4 July, 30 lucky winners of the A.S. Watson Group Hong Kong Student Sports Awards (SSA) got on the fast lane to the Beijing Olympics coming into zero distance of the Bird's Nest, the Water Cube and the National Sports Training Centre. This Beijing Sports Exchange Tour Delegation was the luckiest group since the inception of the programme three years ago, as they discovered the numerous Olympic stadiums in the beautiful Beijing city scenery in completion.

The delegation also met with National Team athletes who encouraged them to work even harder in their own favourite sport. Cultural and historical visits were also packed into the five-day trip.

The SSA provides recognition and encouragement to students nominated by their schools for their outstanding performance or great potential in sports. The programme helps to build a more passionate sports culture in schools around Hong Kong and encourages healthy living for all. The 2008-2009 school year has already begun and another several hundred students will be receiving the awards in February 2009.





# Happy 180<sup>th</sup> Anniversary to A. S. Watson



Do you know... how colleagues from different parts of the world celebrated 180<sup>th</sup> Anniversary for A.S. Watson Group? Be it partying all night, cutting a delicious cake, dropping work for a brief joyous moment of team photo or having fun making interesting photo collages, it goes without saying that we exhibit a vibrant, cheerful and active spirit that is sure to bring on many more prosperous years for the Group to come.

So here's a glimpse of what we all endeavour to celebrate for this jubilant year...

Drogas







Ukraine

DC



НИКОЛАЕВ - ОДЕССА - ХЕРСОН



180<sup>th</sup> Anniversary

China

Manufacturing China







Netherlands  
Belgium  
Luxembourg

## Kruidvat and Trekpleister



*Van harte gefeliciteerd met 180 jaar A.S. Watson Group!*



180<sup>th</sup> Anniversary

Malaysia

## Watsons Malaysia



*Sharing our joy with needy in the community*



Happy Birthday! สุขสันต์วันเกิด La mulți ani Parabéns Feliz aniversário Vse najboljše

З днем народження joyeux anniversaire ¡feliz cumpleaños! Boldog születésnapot





Hong Kong  
Macau



Zurich



Hong Kong

International Buying



壽

is a Chinese word  
Pronunciation: *Shou*  
Meaning: Longevity

Group Public Relations



Selamat ulang tahun Alles Gute zum Geburtstag gefeliciteerd met je verjaardag

З днем народження Lá breithe shona duit ¡feliz cumpleaños! 生日快乐!





180<sup>th</sup> Anniversary

Group Office (Zurich)

Superdrug

Food Retail Hong Kong



Marionnaud Austria



Nuance-Watson (HK)

Lifestyle Club







Hong Kong

Philippines

## Watson's Wine Cellar



Watsons Hong Kong



Watsons Philippines

Happy Birthday! สุขสันต์วันเกิด La mulți ani Parabéns Feliz aniversário Vse najboljše

www.aswatson.com

180<sup>th</sup> Anniversary

A. S. Watson Group

celebrating

180 years of proud heritage and history..

1828

The Canton Dispensary, the forerunner of **A.S. Watson**, opened in China.

1841

Operations extended to Hong Kong, founded the Hong Kong Dispensary.

1858

Dr Alexander Skirling Watson (**A.S. Watson**) joined the Hong Kong Dispensary as Manager.

1869

Hong Kong Dispensary being appointed as the Hong Kong Governor's and the Duke of Edinburgh's chemist.

1871

The Hong Kong Dispensary registered as **A.S. Watson & Co., Limited**.

1883

Expanded overseas to the Philippines and China.

1903

**ASW** established the first soda-water factory in China.

1981

**ASW** joined **Hutchison Whampoa Limited**.

1983

Watson House in Fo Tan, Hong Kong opened as **ASW** headquarter.

1987

The first **Watson's The Chemist** is opened outside of Hong Kong in Taiwan.

2000

Expanded retail footprint to Europe through acquisition of **Savers** in the UK.

2002

Acquired **Kruidvat** Group in Europe, adding 1,900 stores to **ASW**.

2004

Expanded footprint to Eastern Europe through acquisition of **Drogas** in Latvia and Lithuania.

2005

Acquired **Marionnaud** perfumaries in France; **ASW** becomes the world's largest health and beauty retailer by store number.

2006

Acquired **The Perfume Shop** in the UK, **Spektr** in Russia, **DC** in Ukraine.

2008

A.S. Watson Group celebrates **180th anniversary** with over 8,200 stores in 36 markets.

www.aswatson.com

Watson



# Super Quiz

Answers

to Issue no. 75:

- 1) Professionalism, attention, respect, initiative, service
- 2) 15 April 2008
- 3) Stanford University in Spring 2010

Issue no. 76

## Super Prize ( Sisley Flower Hydrating Mask Set )

Name	Company & Department
1. Geng Qian	ASWW Beijing

## Gold Prize ( Mr. P premium set )

Name	Company & Department
1. Marie Yeung	ASW – Group HR
2. Anthony Hui	ASWW Guangzhou – Finance
3. Yang Wai	ASWW Beijing – Production
4. Susan Lee	Watsons Taiwan – HR
5. Daisy Mapanao	Watsons Philippines – Trading & Supply Chain
6. Nattanicha Suwannasaksin	Watsons Thailand – Finance
7. Daphnie Eng	Nuance-Watson Singapore – HR
8. Engle Balsiene	Drogas Lithuania
9. Saskia Rombaut	Kruidvat Netherlands
10. Alison Williams	Superdrug

## Silver Prize ( MG facial mask )

Name	Company & Department
1. Emma Yeung	ASW – GIT
2. Sonia So	ASW – FSSC
3. Yannie Chan	ASW – IB
4. Yip Tung-hoi	PARKNSHOP HK – Garage
5. Kwok Yee-man	PARKNSHOP HK – QA Dept
6. Wan Yuen-ting	PARKNSHOP HK – QA Dept

7. Sammy Lam	FORTRESS – Merchandising
8. Man Wai-yan	ASWI HK – Finance
9. Wong Ka-yan	ASWI HK – Finance
10. Yeng Chau-han	ASWI HK – Finance
11. Liang Jing-xian	ASWW Guangzhou
12. Dong Lei	ASWI Beijing – Merchandising
13. Gao Xiang	ASWI Beijing – IT
14. Huang Shan	ASWI Beijing – Finance
15. Kiki Han	Watsons Shanghai – Finance
16. Perry Hsu	Watsons Taiwan – Store
17. Rebecca Chou	Watsons Taiwan – HR
18. Charmaine Zeng	Watsons Singapore – Finance
19. Mylene Keng	Watsons Philippines – Space Planning
20. Saifullizan Hussain	Watsons Malaysia
21. Siti Hasnah Abd Karim	Watsons Malaysia
22. Daniel Ng	Watsons Malaysia – MIS
23. Jelena Volkova	Drogas Latvia
24. Ausra Stravinskaite	Drogas Lithuania
25. Jurgita Kupetyte	Drogas Lithuania
26. Corné Verschuuren	Kruidvat
27. Elisa Van Aerschot	ICI PARIS XL Belgium
28. Lahfa Siham	ICI PARIS XL Belgium
29. Louise Reid	The Perfume Shop
30. Ch van der Veecken	Trekpleister

### Super Prize (1)



Wine and accessories set

Sponsored by Watson's WineCellar

### Gold Prize (20)



Baby Champagne and perfume bottle gift set

Sponsored by Marionnaud

### Silver Prize (20)



Travel pass pouch

Sponsored by Advance-Watson

## Questions:

- 1) When did ASW join Hutchison Whampoa Limited?
- 2) When was the first acquisition in Europe?
- 3) When did Watson's The Chemist first expanded outside of Hong Kong?

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](mailto:WatsOn@asw.com.hk)

Deadline: 31 January 2009



Li Ka-shing



## officiates at the Shantou University commencement ceremony

On 26 June, Mr Li Ka-shing, Honorary Chairman of the Shantou University (STU) Council, officiated at the university's Commencement Ceremony. Sharing the prestigious moment with Mr Li were Mr Song Hai, Vice Governor of the Guangdong Province and Chairman of the STU Council, and space hero Mr Yang Liwei.

In his speech, Mr Li shared a life guiding secret of his with the students: the path leading a person beyond the ordinary to become heroic. Quoting the Greeks' concept of balance between arte (which is goodness, excellence and virtue) and hubris (which is pride bordering on arrogance), he urged the students to strike a balance between both – through an internal and on-going process of weighing and measuring the size and affect of our ego – a process he regarded as the hubris index. He encouraged students to keep a humble heart, which will lead them to a life of joy with enlightenment and spiritual growth.

Mr Li said, "...For those who can only gain and not give is but a hollow shadow, only those who can master the essence of giving are the true heros." With university education as a solid foundation, Mr Li hoped that the students can reach apex after apex, and become the pride of STU.





FORTRESS Service No. \_\_\_\_\_



A member of A.S. Watson Group  
A Hutchison Whampoa Company

豐澤



FORTRESS