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Watson



A.S. Watson Quarterly Family Magazine
Quarter 2 • 2010



Watsons:
The tonic for savvy Singapore shoppers

Watsons continues to be No.1 in Asia

Thumbs up for the World Cup!

A culture of caring



A Hutchison Whampoa Company

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Around the World



Turkey: A rising star of beauty

A.S. Watson Group Managing Director Dominic Lai visited Turkey in mid-July to show his support to the local team as **Watsons Turkey** celebrates its 5th anniversary this year following A.S. Watson's entry in 2004 with the acquisition of six Cosmo stores. The stores were re-branded the following year under the Watsons brand. Today, there are 35 stores offering customers in Istanbul and nine other cities of Turkey unique health & beauty contemporary shopping experience. The Group is committed to expand the network to 300 stores in six years' time.



watsons

Stop Press!



A.S. Watson Group Managing Director Dominic Lai visits the Watsons City's, Watsons Cevahir, Watsons Capitol and Watsons Optimum stores to meet with store staff. He also spends time with the office team who will be moving into a new office later this year



Watsons Taiwan opens 400th store

Reflecting the popularity of the Watsons brand, **Watsons Taiwan** opened four new stores in Taiyuan and Taichung during April, bringing the total number of stores to 400.

Watsons



27th store marks 5th birthday

Watsons Korea opened its 27th store in April in the University area. The trendy new outlet stocks a full range of items for the younger generation and offered fantastic opening gifts and promotions to attract new customers.

Watsons Korea also celebrated its 5th anniversary this year. Stores were decorated with birthday posters and there were several events and promotions, including a "Write birthday message to Watsons" where customer get prizes for selected messages, and a scratch card game to win a gold Watsons badge!

Watsons



Steven Yang (right), General Manager of Watsons Korea, presents the gold Watsons badge to the winner of the scratch card lucky draw





Find us on Facebook!

Facebook is the world's most popular social media channel where news can be shared with just a click. **Superdrug** was one of the pioneers among A.S. Watson brands to start up facebook pages in 2007. In 2009, further integration with Superdrug's blog (superdrugloves), Twitter and YouTube with the e-commerce enabled brand website has prompted Superdrug's success in social media strategy, with more than 4,500 Facebook fans getting daily information on activities, promotions, competitions, product reviews from bloggers and comments by fans. The online sales have doubled over the course of last year, proving these new media as effective target customer marketing tools.

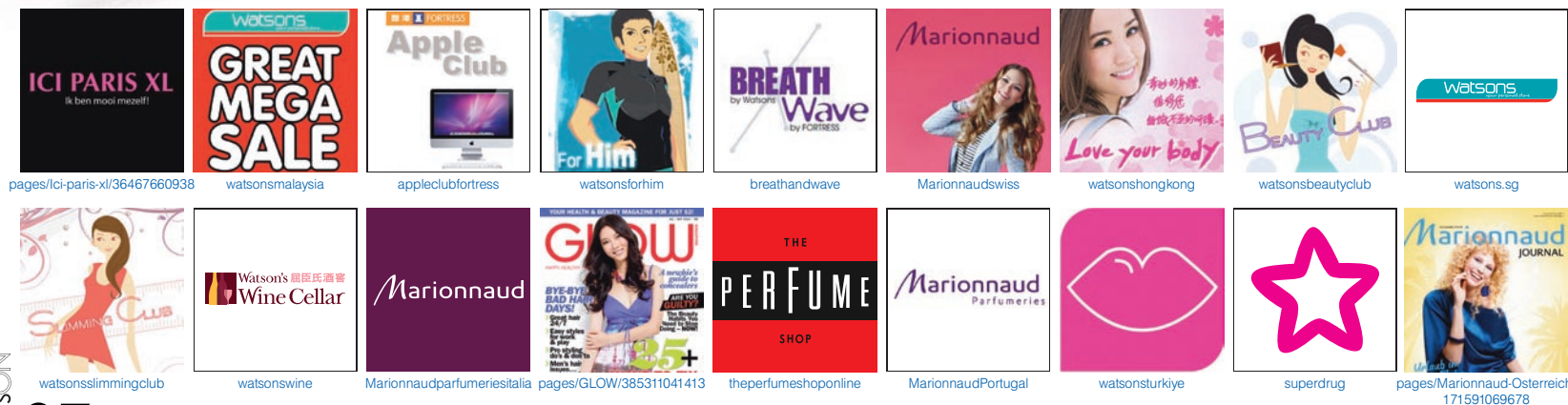
To better connect with customers, **Watsons Hong Kong** has also just launched its official facebook sites "Slimming Club", "Beauty Club", "Watsons HK" and "For Him". The sites feature the latest products, health tips, discounts and games. Free product samples will also be distributed to registered members, with more experiential activities to come.

To encourage interaction with the Watsons brand, **Watsons Taiwan** has also launched its "Watsons my personal healthcare centre" mini-site, which includes health information, health tests, a pharmacy Q & A section and games.

Superdrug

Watsons

A.S. Watson brands on Facebook:



Living the dream

In April, **Watsons China** hosted its 2nd YOU Awards in Beijing in cooperation with the movie "Dulala". The movie character Dulala is a smart and successful career woman who shows charm and confidence in her working life, matching the theme of the YOU Awards "Celebrate Your Fashionable Career Dream". The awards aim to encourage ordinary office ladies to be transformed into extraordinary, stylish women. To participate, customers were invited to upload their stylish photos to the official website. Shortlisted candidates could then show their charm and confidence to the judges on the Awards night. One of the prizes was to be a magazine model, living the "Dulala" dream.



David Inglis (left), General Manager of Watsons North China, together with Joseph To (right), Marketing Director of Watsons China, present the Watsons' membership card to the leading lady of "Dulala"





Calvin Leung (left), Warehouse Operations Manager, Eric Desgouttes (center), Senior Manager - Fine Wine, and James Hepple (right), Operations and Marketing Controller, all of Watson's Wine Cellar celebrate the opening of the wine warehouse

Protecting liquid assets

Watson's Wine Cellar has built a HK\$8 million state-of-the-art wine warehouse capable of storing over one million bottles of wine. The new facility features 24-hour air-conditioning, humidity and ambient light control, all-hours security surveillance and is separated into two zones: fine wine kept at a temperature of 15°C and commercial wine maintained at a temperature of 20°C. For added peace-of-mind, the new warehouse is maintained by 18 separate refrigeration units, ensuring wine is kept under stable temperature conditions.



"En Primeur" goes online

Buying wines "En Primeur" is the process of buying wines a few years before they are released to the retail market – the advantage being that buyers can usually buy at a lower price this way. **Watson's Wine Cellar** has offered En Primeur to its customers for years. In this year, the process has been further simplified by taking "En Primeur" to the Internet with a fully automated online ordering and payment system, making life much easier for both customers and sales staff.

See: www.watsonswine.com/WebShop/EnPrimeurProducts.do





A Grande Bordeaux Tasting event was organised by **Watson's Wine Cellar** (WWC) in May which also proved to be an unforgettable experience for WWC members. More than 80 chateaux owners and representatives were invited to host, serving over 120 wines to more than 700 participants. It was the biggest-ever Bordeaux wine tasting gathering in town, and an excellent platform for wine lovers to meet and network with the masters behind fine wines. Attendees also had the opportunity to place orders at special prices.





STAPELKORTING TOT WEL 40% KORTING!

Duimen voor Oranje

Bij aankoop van 1 product
20% KORTING
+ 1 GRATIS DUIM

Bij aankoop van 2 producten
30% KORTING
+ 2 GRATIS DUIMEN

Bij aankoop van 3 producten
40% KORTING
+ 3 GRATIS DUIMEN

Bij al deze producten krijg je gratis een gigantische 'Duimen Voor Oranje' duim. Scoor er één voor het hele gezin en duim Oranje naar het Wereldkampioenschap!

Kijk voor de schermschotten en extra informatie op www.kruidvat.nl. Duimen voor oranje en maak tomorrow's best op onder maar één prijs! Alle combinaties mogelijk.

Thumbs up for the World Cup!

Riding on the fever of the Soccer World Cup, **Kruidvat** offered shoppers a giant inflatable "thumb" when purchasing selected products during May and June. Customers were also invited to submit photos and videos to the Kruidvat website showing how they support their favourite national teams and the best entry was rewarded with a trip for two to South Africa to see the World Cup.



Super prizes for "Super Dads"

In May, **Kruidvat** once again organised the "Daddy of the Year Contest" in the Netherlands and Belgium. Children and moms nominated their dads through submitting a short written description and a picture to the Kruidvat website, and nearly 2,000 entries were received. At a later stage, online voting took place for the "Best Daddy", boosting website traffic. The winning dad from each province received an electric razor from his local Kruidvat store.



Local knowledge

Spain is a country filled with local festivities, and during these celebrations potential customers swell up on the streets. Catching onto these specific local events, **Marionnaud Spain** packages many promotions around such festivals. In late April, during the Saint George's Day festival in Catalonia, when traditionally men give a rose to women as a present, Marionnaud cooperated with Lancôme and offered roses on a gift-with-purchase promotion for the men's convenience.

/Marionnaud



Royal occasion

On 30 April, **ICI PARIS XL** celebrated the Queen's birthday in the Netherlands with a special BOSS promotion at shops in The Hague, Amsterdam and Rotterdam. Promotion teams wore royal orange jackets and handed out more than 15,000 BOSS Orange ribbons to attract consumers. Sales of the fragrance were significantly boosted on the day!

ICI PARIS XL





Season for moms and dads

In May, **Marionnaud France** celebrated Mother's Day by offering customers free necklace and bracelet with selected purchases to thank mothers. Special fragrance offers and many gift sets were available for customers to choose from. Father's Day in late June was celebrated with offering of a lip gloss at just €1 for each purchase of a men's fragrance.

To remind Belgian and Luxembourg customers on these special days, **ICI PARIS XL** tailor-made poster messages to create a warm-hearted ambience for inspirational shopping, making it easy to pick up just the right gift for moms and dads.

Marionnaud ICI PARIS XL



Glammies a glittering success

ICI PARIS XL held 2nd Glammies on June 8 in The Netherlands. This year, 150.000 consumers voted online for their “Favourite Beauty Product”, “Favourite Male and Female Fragrances”, “Favourite Make-up Product” and “Beauty of the Year - Male and Female”. The event was a big success, generating publicity for the brand, boosting sales and offering a platform for acknowledging suppliers in the beauty industry.

ICI PARIS XL

New look for West End store

Customers in Hungary can now enjoy a newly opened and refitted **Marionnaud** West End store. It is the biggest Marionnaud store in Hungary and is luxuriously spacious and attractive, offering an expanded assortment of recently arrived exclusive products. Marionnaud is also fast becoming Hungary's perfumery of choice. At the opening-day party, Marionnaud loyalty card holders enjoyed a 20% discount when purchasing their favourite products.

Marionnaud



Fragrance of the decade

In the fragrance equivalent of the Oscars, **The Perfume Shop** sponsored and announced the "Fragrance of the Decade" winners at the annual FIFI Fragrance Awards Gala Dinner in April. The "Female Fragrance of the Decade" was awarded to Chanel's COCO MADEMOISELLE, while the "Male Fragrance of the Decade" went to Paco Rabanne's best-selling fragrance 1 MILLION.



Jo Walker (left), Managing Director of The Perfume Shop, presents the Male Fragrance of the Decade to Olivier Marret (right), Managing Director of Puig



Jo Walker (left) and Peter Norman (right), Chairman of the Fragrance Foundation, co-present the Female Fragrance of the Decade to Ian Jepson (2nd from right), Managing Director of Chanel





Tour de fruit

Since the opening of the first **TASTE** in China in February, the gourmet's favourite food store has hosted food festivals from time to time, featuring cuisine of different countries. During May, TASTE China hosted a two-week Thailand Fruit Festival offering 30 different kinds of rare and exotic fruits. A "Thailand Ambassador" and two Thai dancers spiced up proceedings during the festival while enthusiastic customers were treated to free fruit tastings.

TASTE
HONG KONG



Ken Ng (right), Merchandise Director of FORTRESS, together with Kent Poon (left), Consultant of "Design w Sound", introduce the CAS system to the media

Another first from FORTRESS

Music and computers are part of everyday life nowadays, and people are constantly on the lookout for higher levels of entertainment. That's why **FORTRESS** joined hands with "Design w Sound" to introduce Computer Audio Source (CAS), with digital media players, Digital to Analog Converter (DAC) and other equipments. A CAS zone has been set up in the Tsim Sha Tsui Hankow Road store in Hong Kong where fans can experience professional-quality digital music.

豐澤 FORTRESS



Professional makeover workshops

Watsons Thailand recently kicked off an exclusive series of workshops that will be available to Watsons card members throughout the year. Named "Make a New You", the workshops will help members transform their looks through coaching by professionals in make-up, hair-styling and fashion design. The workshops will be held in four major provinces across Thailand throughout the year.



The bare facts

Summer is a great time to enjoy sunbathing and outdoor activities. In April and May, **Watsons Philippines** provided timely summer tips and activities in five shopping malls. Special booths displayed a wide range of products and customers were invited to participate in talks about skin and sun protection. Fitness demonstrations and a hand massage service were also offered to help customers prepare their bodies for the skin-baring season.



After-Sun Soothers

While the sun makes for the perfect summer accessory—sexy tan lines—it is also the cause of premature aging, painful burnt skin and, worse, skin cancer. Pump up your skin back to its prime with Aloe Vera-rich products. Here's how and why it works:

Aloe-ize your skin. The gel inside the natural cooling and soothing effects of aloe vera that is a cool for new burns. Other patients with water to soothe the skin, it soothes the burning sensation on the skin and soothes the healing process. Because of its high water content, it also reduces irritation, redness, and soothes the skin of itching, when applied to open burns, their skin can penetrate moisture back to reach its cells.

NATURAL HEALTHY HEALER

So much aloe vera is in the gel that it can be used for many purposes. The skin's natural barrier is broken down by the sun, and the skin is left vulnerable to bacteria and other infections. Aloe vera is a natural healer and can help the skin heal itself. It also soothes the skin and reduces the risk of infection.

The real deal. When applied naturally, Aloe vera leaves you feeling cool and hydrated. It is a natural product, it is recommended for skin problem like eczema and other skin diseases. It also soothes the skin and reduces the risk of infection.

Spot-on Skin SOS

It's a quick and easy way to soothe your skin. It's a natural product, it is recommended for skin problem like eczema and other skin diseases. It also soothes the skin and reduces the risk of infection.

SUN UP TO SUN DOWN ESSENTIALS AT WATSONS

Summer is a time to enjoy the sun, but it's also a time to protect your skin. Watsons has a wide range of products to help you stay cool and hydrated. Here are some of the essentials you need for a sunny day:

- Sunscreen:** Protect your skin from harmful UV rays.
- After-sun soothers:** Soothe your skin after a long day in the sun.
- Moisturizers:** Keep your skin hydrated and healthy.
- Spot-on Skin SOS:** A quick and easy way to soothe your skin.

SUMMER MUST-HAVES ONLY FROM WATSONS

Watsons has a wide range of products to help you stay cool and hydrated. Here are some of the essentials you need for a sunny day:



Bringing Expo frenzy to Hong Kong

Nuance-Watson (HK) is proud to be a Bronze Sponsor of Hong Kong's participation in Expo 2010 in Shanghai, China. A mini-Hong Kong Pavilion featuring videos and fun facts has been staged outside Nuance-Watson's store at the Hong Kong International Airport where visitors can take photos of the Expo's official mascot, "Haibao". Additionally, each shopper receives a Hong Kong Pavilion pin as a memento and has a chance to win a free trip to visit the Expo.

Nuance-Watson HK
WORLD CLASS HAPPY PLACE



Rod Routley, Regional Managing Director of Watsons Eastern China, being interviewed by media after the event



All smiles in Shanghai

Watsons China organised the "2010 Smile to the World" campaign in June to welcome overseas Expo guests to Shanghai. The campaign collected happy smiles photos of local people and posted them on the "Smiley Face Wall" to show Shanghai's cheerful side. To help foreign visitors, Watsons focused on offering English in-store assistance and also published an "Enjoy Amazing Shanghai" information card with shopping and tourism tips for visitors' convenience.

Watsons



Retail diploma breaks new ground

Nuance-Watson (HK) was invited to contribute to devising a specialised diploma programme in retailing, which aims to help nurture a new generation of retail professionals for Hong Kong and raise the status and professionalism of retailing through education. In April, the first Professional Diploma in Retail Management got under way with 40 students admitted to the pioneer programme, including 10 selected Nuance-Watson staff.



Alessandra Piovesana (standing), Regional Managing Director of Nuance-Watson (HK), shares her experiences with students



Look what's brewing at FORTRESS

Nuance-Watson (HK) has broadened its "Intelligent Living" electronic statement in the **FORTRESS** store at the Hong Kong International Airport. In the spirit of inspiring and enriching people's lives with state-of-the-art modern gadgets, the Nespresso coffee concept made its premier launch at the store, which featured a knowledgeable coffee specialist in-store to provide shoppers with expert coffee information and made-to-measure advice on Nespresso coffee varieties, machines and accessories.



Accolades and applause...

Over the past few months, our businesses were recognised by various awards in the industry. Let's give them a round of applause...



watsons
your personal store

No. 1 in Asia

In July, Watsons Your Personal Store is No. 1 in "Asia's Top 1,000 Brands Survey 2010" for the second year in the "Retail – Pharmacy/Drugstore" category according to Media/TNS' survey based on more than 3,000 Asian respondents. In "Hong Kong's Top 20 Brands" from the same survey, Watsons Hong Kong ranks 11th as the highest ranked Pharmacy/Drugstore in Hong Kong.



China



Strategic Cooperative Partner
(by Southern Metropolis Daily)



China



**Excellent Retailer -
30 Years of Shenzhen**
(30 Years of Shenzhen,
Retailing Achievement Campaign,
by Southern Metropolis Daily and
Shenzhen Retail Business Association)



China



Tian Zhenquan, Store Manager of
PARKnSHOP China (Store 993)

**Nationwide
Outstanding Store Manager**
(by China General Chamber Commerce
and China Finance Light Textile and
Tobacco Trade Union)



China



Ye Yanhua, Store Manager of
PARKnSHOP China (Store 982)

**Nationwide Top 10
Outstanding Store Manager**
(by China General Chamber Commerce
and China Finance Light Textile and
Tobacco Trade Union)



Trusted Brand Award – Platinum
(by Reader's Digest)



Best Label Award
(by Marie Claire Magazine)

www.aswatson.com



Latvia



The Most Praised Retail Customer Service
(Praise Good Service Month Campaign 2010,
by Good Service.lv)



Holly Manley, Store Manager of
Savers (Erith store)
Apprentice of the Year 2010
(The Apprenticeship Awards by
National Apprenticeship Service, UK)



- **Airport Travel Retailer of the Year (2010)**
(DFNI Global Awards 2010, by DFNI)
- **Best Travel Retailer Operating in a Single Country in Asia/Pacific**
- **Best Fragrances & Cosmetics Travel Retailer in Asia/Pacific**
- **Best New Shop Opening in Asia/Pacific**
(DFNI Asia/Pacific Awards 2010, by DFNI)



- **Asia/Pacific Travel Retailer of the Year**
- **Best Fashion, Leathergoods & Accessories Travel Retailer in Asia/Pacific**
- **Best Food & Confectionery Travel Retailer in Asia/Pacific**
- **Best Gifts Travel Retailer in Asia/Pacific**
(DFNI Asia/Pacific Awards 2010, by DFNI)

Around the World



Watsons • The tonic for savvy Singapore shoppers



Watsons has long been on a mission to help consumers across Asia “look good, feel great and have fun”. This is particularly true in the sophisticated and highly competitive Singapore market, where Watsons Singapore has been trading since 1988.

With a retail-space-to-population ratio that is even higher than Hong Kong and Taiwan, the “City State’s” almost five million residents – as well as some 12 million visitors each year – really are spoiled for choice with shopping options.

Orchard Road and its malls are at the epicentre of Singapore’s retail offering, and unsurprisingly Watsons Singapore’s flagship store is located at Ngee Ann City, right in the heart of Orchard Road.



Watsons Singapore has excelled at meeting and exceeding the ever-changing demands of Singaporean consumers who are sophisticated, affluent, educated and well-travelled. Over the years, they have grown to be more discerning – demanding greater choices, service, quality, convenience and variety. They spend their shopping dollars at outlets that deliver a good experience and offer good value.

The typical Singaporean consumer profile has changed significantly in recent years. For example, the proportion of women earning an independent income has greatly increased, enabling them to be more fashion- and beauty-conscious. Additionally, dual income households and smaller families have resulted in more disposable income, while the rise of the fashion-conscious, sophisticated and culture-savvy urban “metrosexual” male has also created a whole new market. Women in the 15- to 45-year-old age group are Watsons’ main customers but men also constitute a sizeable percentage of footfall.

Since launching 22 years ago, Watsons Singapore has built a strong brand trust, wide customer base and leadership

www.aswatson.com

position in self-select beauty categories. Today, with 101 stores located conveniently all over the island, Watsons Singapore serves approximately 1.2 million customers a month, or 25% of Singapore’s population. They have distinctly different formats, ranging from airport “health” stores to small but intensive HDB (government housing estates) stores and “mall” stores which offer an extensive range of health & beauty products. The store size varies greatly, 40% are 60 sq-m, while the flagship is a generous 700 sq-m. Despite the differences in size and location, these outlets all have one thing in common: customers know they will get great products, exceptional value and superior service.

Evolutionary

Watsons has evolved into more than just a personal care store offering basic toiletries at good value. Today, 21 stores offer pharmacy services, and the health range in all the stores is also very comprehensive. Watsons Singapore is no longer just meeting consumers’ beauty needs, but also their health needs. This extends to products for skin health, including brands recommended by dermatologists and those which are based on natural ingredients. Having said that, Watsons Singapore



101 stores

1.2 million
customers a month

25% of
Singapore’s
population



remains the retailer where shoppers can discover the latest trends and innovative products. The Watsons experience is customer-friendly with a culture that is all about "having fun, looking good and feeling great" to complete the shopping experience. As one customer put it, "I have a great liking for Watsons; all the cool stuff you bring in (especially during Christmas) is pretty awesome. And you always strive for improvement."

What sets Watsons Singapore apart from the competition is its consumer-centric approach and its proven ability to adapt to changing tastes and be relevant to customers year-on-year. Watsons understands consumers' preferences and is always on the lookout for products and trends they desire. The customer is the top priority in everything Watsons does, from store displays and marketing ideas to monthly promotions and, especially, products. The exciting selection of brands on offer continues to increase as Watsons evolves and grows.

In recent years, Watsons has accelerated store refits to continually refresh and modernise its image, eradicating clutter and improving the atmosphere to greatly enhance the entire shopping experience. Watsons' stores nowadays are shopper-friendly, even to the male customers who are otherwise normally lost in the malls. "My husband and I now refer to Watsons as 'our favourite store' – and that's so true in many senses of the word. If we get separated in the mall, he always knows he can begin the search at Watsons." says one satisfied housewife.

All these innovations are proving to be the winning formula, delivering growth for Watsons Singapore which out-paced the market (source: AC Nielsen Retail Index, May 2010).

Product perfect

Watsons is the strongest in self-select cosmetics and skin care products. Women and men alike are paying more attention to their appearance, and are very discerning about what they are seeking in a product line, be it natural ingredients or value for money.

Watsons' strategy has been to expand from personal care and toiletries into exclusive new beauty brands from all over the world, including Japan, Korea and Australia. Accordingly, beauty and health product lines have grown tremendously, now accounting for 90% of the business.





Watsons has observed a strong growth in demand for Japanese beauty products designed for Asian skin types. Taking the demand for Japanese cosmetics one step further, Watsons has incorporated the “Kawaii” beauty area in 32 stores, a “playground” for women who love make-up and skin care.

Taking one step further, Watsons has secured the exclusive distributorship for DHC, Japan's No. 1 mail-order skin care brand, and handles all the marketing in Singapore. This is the first business arrangement of its kind and offers a more seamless approach and control of the brand's touchpoints – from communications to the store experience.

Shoppers have come to understand that Watsons branded products are synonymous with exceptional quality and value, so Watsons' Own Brand is emerging as a top brand in its own right.

Customer engagement

In March 2009, Watsons launched *GLOW* magazine, reaching out to customers with relevant articles on health & beauty and fashion. *GLOW* has been very well received. The first edition sold 30,000 copies, easily beating some newsstand titles, and circulation has since doubled to 60,000. The official *GLOW* fan page was launched in April and has since attracted almost a thousand fans.





In May, a "Member-get-Member Programme" is launched for existing card members to share the card's benefits with their friends with attractive lucky draw prizes



2009 YOU Awards winners



The Watsons' Membership Card, launched in July 2009, allows Watsons to keep in touch actively with members via SMS or emails, notifying them of the latest events and promotions. Through this loyalty programme, customers build up a more intimate relationship with Watsons. "As a loyal fan of Watsons, it makes me feel privileged to have access to special offers and events," says one regular customer. "Now I find myself less price-sensitive and choose Watsons as my first choice for personal care!"

The card attracted 168,000 customers in just three months and there are now more than 250,000 members. In the near future, Watsons will introduce targeted marketing, taking consumer-centric retail to a whole new level by offering customers only what they want and need, rather than bombarding them with irrelevant offers.

Watsons hosted a "Gigantic Super Sale Member Preview" in May which proved very interesting and successful. Just by sending an electronic direct mailing and sms blast to the member base, the event became the talk of the town,

attracting more than 10,000 members in three hours, with long queues two hours prior to the opening. Five selected stores participated – Watsons Ngee Ann City, Jurong Point, Tampines Mall, Toa Payoh HDB Hub and Compasspoint – generating sales of S\$350,000.

Watsons Singapore will continue to stage the annual YOU Awards, which celebrate the uniqueness and beauty of Watsons' customers with interesting categories like "Asian eyes" and "short bobs". Watsons plans to host more consumer engagement events and will also be running more beauty and health workshops for customers in conjunction with GLOW and the Watsons Membership Card.

As part of 22nd anniversary celebration, and to strengthen its branding on a mass scale, Watsons has been reaching out to millions of viewers with its first-ever info-tainment show – "Watsons Beauty Unveiled", which screens every Friday night prime time on Channel 8. The show features various make-up, skin care and health tips, reinforcing Watsons' image as the leading health & beauty specialist.



Launch PR event in malls for "Watsons Beauty Unveiled"

Watsons is the first in its category to use a TV show concept to establish consumer engagement. With supplier collaboration and support, the show makes a realistic connection with viewers that other mediums simply cannot match.

The show's success as a marketing strategy is underscored by a ratings survey conducted by Kantar Media between June 2009 and April 2010, which shows that "Watsons Beauty Unveiled" significantly outperformed other beauty commissioned programmes on Channel 8 with stronger ratings among target audiences.

All these customer engagement activities drove Watsons' Singapore Store Equity Index to an all-time high in the most recent shoppers' research conducted by an renowned consumer research agency. This research is conducted annually to measure shoppers' emotive loyalty and store preference. Not only is Watsons ahead of its direct competitors, it has also beaten the supermarket which has been leading the market for many years.

Being relevant and consumer-centric is what gives Watsons its competitive edge. Watsons' plans for the future will always be based on the proposition that the consumer comes first – be it the brands on offer, the shopping experience, or members' benefits.

Never before have so many Singaporeans looked so good, felt so great and had so much fun!

Winning ways

Watsons Singapore's friendly and professional staff members consistently provide outstanding service to customers, as shown in the numerous industry awards they have won in the past year. Accolades included:



21 Silver Awards in the "Excellent Service Award" category organised by Spring Singapore, an agency under the Singapore Ministry of Trade and Industry that fosters growth of competitive and innovative enterprises



Four Watsons Singapore pharmacists were among the Top 10 Contributors in the Health Ambassador Programme organised by the Health Promotion Board Singapore



Introducing “dermaroma” therapy and Sun Care

Watsons Thailand launched its newest skin care range “Watsons H Bella” infused with the perfect combination of fruit and herb extracts. The range offers two different lines – “Blackberry & Black Tea” and “Strawberry & Cinnamon”. The new products bring together the latest developments in dermatological science and aromatherapy to offer “dermaroma” therapy, with carefully formulated ingredients that both nurture the skin and relax the senses at the same time.

Meanwhile, “Watsons Sun Care” products is also introduced in time for the summer season. Suitable for all skin types, with both high quality sun protection and after-sun products, the range will keep customers’ skin feeling pampered and protected. The range has also been dermatologically tested in Germany in order to meet strict European Union Standards, upkeeping Watsons’ commitment to providing quality products at affordable prices.

Watsons





Academy fine-tunes ASW Supply Chain

In May, Keith Bartlett (front row, 6th from left), Director of Group IT and Logistics, led 10 business units from eight countries to gather and exchange ideas and experiences on key topics such as stock holding, slow-moving stocks and promotion stock management, plus benchmarked against each other for further improvements.



Watsons Turkey hosts party

In late March, **Watsons Turkey** held its annual party, in which Ahmet Yanikoglu (photo on right, 2nd from right), General Manager of Watsons Turkey, presented various awards were presented to honour the hard work of colleagues in the past year, including store and loyalty awards, and shared news on success in international and internal awards.



Meeting of minds

Marionnaud Poland held the Store Managers' meeting in February to discuss results, development and future direction, providing motivation for the store managers. After the meeting, all were treated to a surprise horse sleigh ride to the dinner venue!

Marionnaud





Sharing views

Ten Watsons' Asia markets' Marketing teams participated in the Health & Beauty Asia Marketing Conference in Thailand in March, of which the main topics included marketing direction, customer relationship management, Global Own Brand and Exclusives, digital media and PR. Martin So (2nd row, 5th from left), CEO of Health & Beauty Asia, was pleased to see the level of interaction and experience sharing across the different country teams.

Watsons



ASW athletes set the pace

In May, six **A.S. Watson Corporate Sports Team** members took part in the Cheung Chau Bun Carnival 2010 Corporate Invitation Relay and won 2nd runner-up!

Earlier in February, two Distance Running Teams had captured the 2010 Standard Chartered Hong Kong Marathon 10km Corporate Team Challenge Champion & 1st runner-up respectively! Martin So, CEO of Health & Beauty Asia, was also one of the champion team members. Cheng Hin of Watsons Water was also crowned as individual 1st runner-up (Men's Master).



Our Home



Reputable employer is attractive

In April, **Watsons Turkey** participated in 4th Annual Career Fair by the Turkish Personnel Management Association, an organisation promoting reputable employers. Talents flocked to the Watsons counter!

Watsons



K.T Ting (1st from left), Senior Manager of Market and Technology HKQAA, and Meico Cheong (2nd from left), Auditor of HKQAA, present the certificate to Emily Kan (2nd from right), Senior Manager of A.S. Watson Group Strategy Planning and Development, and James Hepple (1st from right), Operations and Marketing Controller of Watson's Wine Cellar

Toasts best practices certification

Hong Kong Quality Assurance agency (HKQAA) awarded **Watson's Wine Cellar** in the world's first Wine Storage Management Systems Certification Scheme. The management thanks William Mak, Depot Manager of PARKnSHOP, Eric Mui, Maintenance Services Manager of PARKnSHOP from the Warehouse operation team, and Emily Kan, Senior Manager of **A.S. Watson Group** Strategy Planning and Development, who contributed greatly to the success of this certification.





Lifestyle Club promotes good health and fun

In April, **Lifestyle Club** organised an Easter egg photo hunt to share the festival fun. A Chinese Astrology course was also held with enthusiastic response from colleagues.

In May, a free health check was staged for Hong Kong staff. A Geopark day trip later took staff and their families to admire the natural wonders of Hong Kong's countryside.



Superior training with Superdrug & Savers

Superdrug and **Savers** deliver national vocational qualifications (Levels 2 and 3) through the Apprenticeship Team. Office for Standards in Education (Ofsted), the government regulatory body, gave an inspection in February and highly commended on Superdrug's Apprenticeship programme for all rating points.



35. A culture of caring • Recognition for charitable endeavours 36. Skin cancer campaign to top £1 million • Continuing support for women 37. Support for budding students • Bringing world-class sport to town 38. Encouragement and advice for kids 39. Revive Phuket Sea • Green theme 40. Raising cash for the community • “Tree-mendous” effort by green team



Our Community



A culture of caring

On 25 March, **A.S. Watson Group** (ASW) was named a "Caring Company" by the Hong Kong Council of Social Services for 8th consecutive year.

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

Of the 92 awarded member companies, 25 also received the "5 Year Plus Caring Company" logo, including ASW, FORTRESS, Watsons, PARKnSHOP, GREAT, Watson's Wine Cellar and Watsons Water. Five member companies, including TASTE and GOURMET earned the "5 Consecutive Years Caring Company" logo while Nuance-Watson (HK), Citrus Growers International and A.S. Watson Industries were awarded "Caring Company" logo.



Franda Cheung, Human Resources Manager of ASW, presents the donation cheque to Jeffrey Lam, Co-Chairman of CECP Organising Committee 2009/10 of The Community Chest of Hong Kong

Recognition for charitable endeavours

A.S. Watson Group received the Corporate and Employee Contribution Programme (CECP) Gold Award, 7th Top Fund-raiser Award (Employee Contribution Programme) and 3rd Highest Donation Award for Skip Lunch Day at the CECP Award Presentation Ceremony held on 25 May.

In June, the Community Chest's annual awards presentation ceremony honoured ASW with the Award of Merit. Parent company **Cheung Kong Group** was named 3rd Top Donor of the Year, maintaining its mantle as a Top Three Donor for 11th consecutive year. The other four members of the Cheung Kong Group also received recognition for their contributions. **Hutchison Whampoa Limited** and Hongkong Electric Holdings Limited were each presented with the President's Award; Cheung Kong (Holdings) Limited and Cheung Kong Infrastructure Holdings Limited were each presented with the Award of Distinction.



Skin cancer campaign to top £1 million

Superdrug has been running skin cancer campaign for five years to raise money for charities and inform customers on the correct use of sun protection products. In 2010, Superdrug will reach the £1 million mark in its fundraising campaign, which raises awareness of the dangers of sunburn and to encourage people to get to know which products are safest for them.

Superdrug



Continuing support for women

On International Women's Day, **Marionnaud France** renewed its support of the National Federation for Women's Solidarity (FNSF) for the fifth year running. FNSF assists women exposed to domestic violence. In March, €2 were redeemed on every purchase at Marionnaud France on three selective days, raising a total of €144,430. This donation will help the organisation to pursue its awareness campaign on domestic issues, bringing financial and moral support to women in need.

Marionnaud



Rod Routely (right), Regional Managing Director of Watsons Eastern China, visits a Spring Bud school in Anhui



Support for budding students

Watsons China cares deeply about educational development in China, believing that good education is a vital ingredient for a happy and successful community. Since 2004, Watsons China has provided financial assistance for the establishment of two Spring Bud Schools in Guangdong and Anhui Provinces, through the Spring Bud Programme.

To make an even bigger impact on society, Watsons China has now set up the "Watsons Spring Bud Scholarship", an award to help hardworking students with financial difficulties. The scholarships will enable many children in rural areas to continue their studies. Besides providing financial support, Watsons staff has also visited the schools to support the students.

Watsons



Accompanied by Sun Yue (middle), Former Player of China Women's National Volleyball Team, Victor Hui (left), SBS, JP, President of Volleyball Association of Hong Kong, and Gary Ng (right), Managing Director of Watsons Your Personal Store, sign on a volleyball, symbolising Watsons' full support to the FIVB World Grand Prix



Bringing world-class sport to town

Watsons Hong Kong promotes health awareness with the recent commitment to support the "2010 FIVB World Grand Prix - Hong Kong" as title sponsor, fronted by the theme "Be Healthy, Be Active" to increase public awareness of healthy lifestyles.

To enable youngsters to enjoy the world-class volleyball event, the **ASW Volunteer Team** invites more than 1,200 youths and underprivileged children and their families to watch the games in August for an unforgettable summer!

Watsons





Brenda Kou (2nd from left), Marketing Communication Director of Watsons Taiwan, together with the Watsons celebrity ambassador (4th from left), and Alicia Wang (3rd from right), Chief of the Child Welfare League Foundation, support the event



Encouragement and advice for kids

Watsons Taiwan regards children's health as its long-term social responsibility. The cooperation with the Child Welfare League Foundation in 2009 continues this year with the hosting of nine "It Must Be Good Friends" campus events in Taipei, with 3,300 children attending. To arouse interest, children's performance experts were invited to stage an educational drama for attending teenagers. Watsons pharmacists shared information on youth's growth issues, helping children to respect, share, love and encourage each other.

Later in May, a cooperation with the Centre of Disease Control was set up to focus on sanitation and disease prevention for children. "Beat the bad virus" direct-mailing educational material featuring pharmacists' professional input was made available to consumers free-of-charge at in-stores' health consultation areas. The publication is designed to help children understand the importance of sanitation to prevent all kinds of contagious diseases.

Watsons

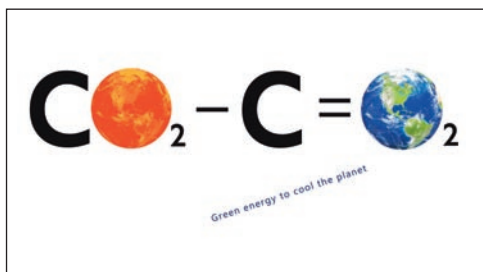




Revive Phuket Sea

In April, **Watsons Thailand** organised the "Watsons volunteers revive clear Phuket sea", inviting Watsons members to mould and throw "EMballs" into the sea, which helps nurture seaweed in areas that serve as a key food source for sea cows and also create water-treating benefits. The activity was part of the "Make a New You" exclusive workshops with an effort to engage customers in caring for the environment.

watsons



Winning poster designs from the Open Group (top) and Student Group (left)



Green theme

Nuance-Watson (HK) organised 2nd Green Poster Competition, open to Hong Kong's tertiary design students and global travellers, to foster environmental awareness. Shoppers at Hong Kong International Airport who do not use plastic bags are rewarded with a memo pad made of 100% tree-free paper. They can also purchase a reusable bag designed by world-renowned illustrator. Net proceeds from the bag sale will be donated to ORBIS to support their sight-saving missions.

Nuance-Watson HK
WORLD CLASS BETT FREE



Raising cash for the community

In March, MoneyBack organised the "Cheung Kong Group & Moneyback - Give from the heart" campaign and invited customers to make points or cash donation at all **PARKnSHOP**, **INTERNATIONAL**, **TASTE**, **GOURMET**, **FUSION** and **GREAT** stores, with proceeds going to The Community Chest of Hong Kong to support educational services for underprivileged children. **Cheung Kong Group** initiated the ballrolling with HK\$100,000 and further matched customers' donations on a dollar-for-dollar basis.

Later in April, to support earthquake relief work in Qinghai Province in China, PARKnSHOP, INTERNATIONAL, TASTE, GOURMET, FUSION and GREAT organised customer donation and raised over HK\$500,000 to fund UNICEF relief operations.



Jessica To, Marketing Director of PARKnSHOP Greater China (left), together with Lawrence Yu, BBS, MBE, JP (right), Campaign Co-chairman of The Community Chest, at the kick-off ceremony



Philippe Giard (right), Regional Managing Director of Greater China (Food Retail), presents the donation cheque to Irene Chan, Chief Executive of Hong Kong Committee for UNICEF

"Tree-mendous" effort by green team

A.S. Watson Group sent eight representatives to join the "Tree Planting Challenge" held by Friends of the Earth on 25 April. The team had to walk uphill for 13km to plant the seedlings. Although it was a tough challenge the participants managed to break the record they set last year, planting 101 trees in three hours. Congratulations on the green effort!



Super Quiz

Answers to Issue 80

- | | | |
|-----------|--|---|
| 1) 10,000 | 2) Best of the Best Supplier of the Year
Best of the Best Marketing Event
Best of the Best Operational Excellence
Best of the Best Exclusives of the year | Best of the Best Category Partners
Best of the Best Innovations
Best Products of the Year |
|-----------|--|---|

Questions:

- 1) How many Watsons stores are there in Singapore?
- 2) How much did it cost to build Watson's Wine Cellar's new wine warehouse?
- 3) For how many years have A.S. Watson Group been named as a "Caring Company"?

Super Prize (2) Electronic toothbrush



Sponsored by



A.S. Watson Group

Gold Prize (5) Plush polar bear & skin care set



Sponsored by



International Buying
Global Buying Services



France

Silver Prize (10) Summer beach premium set



Sponsored by



Super Prize (Digital Photo Frame)

Name	Company & Department
1. Elsa Tsoi	H & B Asia (HK)
2. Rose Tang	ASWI GZ - HR

Gold Prize (Bath Range)

Name	Company & Department
1. Kathleen Ho	ASW - IB
2. Luk Wing-keung	ASW - Store Development
3. Cheung Ka-chi	ASWI HK - Credit Control
4. Chung Wing-yi	ASWI HK - CCD
5. Lee Chun-hung	PARKnSHOP HK - QA
6. Daisy Huang	ASWW Guangzhou - Buying
7. Raymond Lei	PARKnSHOP China - Engineering
8. Theresa Calumag	Watsons Philippines - Finance

Silver Prize (Sun Umbrella and Bracelet)

Name	Company & Department
1. Chan Yim-ling	ASW - FSFC
2. Choi Wing-kuen	ASW - CCD
3. Sammie Liang	ASWI HK - QA
4. Leung Pik-ye	PARKnSHOP HK - Trading
5. Alex Wong	Nuance-Watson (HK) - Finance
6. Zhou Xin	Watsons Beijing - Finance
7. Ramil G. Santiago	Watsons Philippines - Finance
8. Erin Huang	Watsons Taiwan - IT
9. James Fan	Watsons Taiwan - HR
10. Susan Harvey	Superdrug - Store 1217

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

Company and Department: _____

Address: _____

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

A1: _____ A2: _____ A3: _____

Send your **completed** entry form to:

Deadline: 30 September 2010

Group Public Relations, A.S. Watson Group
11/F, Watson House, 1-5 Wo Liu Hang Road, Fo Tan, Shatin, New Territories, Hong Kong
or email to: WatsON@asw.com.hk

Sir Ka-shing Li donates £5 million to Oxford University to consolidate partnerships for global health programmes

Sir Ka-shing Li, Chairman of Hong Kong's **Cheung Kong (Holdings) Limited** and **Hutchison Whampoa Limited**, is to donate £5 million to the University of Oxford to extend and strengthen the University's global health research networks with Asia, and, in particular, China.

The donation from the Li Ka Shing Foundation (LKSF) will fund a series of partnerships, teaching and research projects that will see Shantou University (STU) in Guangdong, China become a full partner in Oxford University's Asia Research Network along with centres in Vietnam and Thailand.

Infectious diseases, such as influenza, dengue, malaria, tuberculosis and HIV, remain a very real threat across much of the developing world and account for almost half of all deaths. The emergence of new diseases and the rise of drug resistance are increasing problems, and Asia is a hotspot for both. The Li Ka Shing - University of Oxford Global Health Programme will help in developing the best responses to these global health challenges.

A training programme in infectious disease research at STU will be funded, and a number of medical students from STU will be able to travel to Oxford for further medical training. There will also be opportunities for clinical scientists to undertake graduate degrees with the University of Oxford.

This work builds on the success of the Li Ka Shing - University of Oxford Global Health Programme, which was set up following a £2 million donation in 2007 from LKSF. The programme has resulted in new collaborations between researchers in Asia and Oxford, scholarships for Asian students to study for an MSc in Global Health Sciences, and teaching programmes in infectious disease at STU.

Work supported by this programme has helped identify the emergence in Cambodia of malaria resistant to our most effective antimalarial drug artemisinin (originally developed from Chinese traditional medicine by Chinese scientists), a drug which is crucial in combating malaria worldwide. Efforts are now being made to respond to this threat. Work in China, Vietnam and Thailand funded by LKSF has been important in responding to the swine flu pandemic.

The programmes are administered by a board of senior Oxford University health scientists led by Professor Jeremy Farrar, an expert on infectious diseases.

Welcoming Sir Ka-shing Li's donation, Professor Farrar said, "The University of Oxford has been delighted to work closely with the Li Ka Shing Foundation to develop our joint programme in global health. But there is plenty more that needs to be done, and this new and very generous donation will allow the creation of a true network of excellence in education and research that links research groups from China and across Asia to Oxford and the UK. We anticipate that this will make a significant impact on health issues important throughout the region."

Professor Andrew Hamilton, Vice-Chancellor of the University of Oxford, said, "We welcome Sir Ka-shing Li's very generous donation to Oxford's global health programmes. Sir Ka-shing Li has demonstrated a huge commitment to improving health worldwide, and we hope this new funding for research and teaching will lead to improvements in combating many infectious diseases, from emerging infectious diseases, influenza, malaria and dengue to tuberculosis and HIV."

Speaking on his latest donation, Sir Ka-shing Li said, "It is encouraging to see that the global health programme has facilitated so many partnerships between Oxford and Asia, and has achieved significant developments over the past few years. New diseases emerge and evolve all the time and only by global collaboration can we respond promptly to these health threats. It is on such partnerships that our future depends."

"The extension of this programme will pool together a group of leading medical health professionals from world-class institutes to work closely on new research in the fields of prevention and cure, and to nurture talented people studying health sciences. My hope is that all these efforts will help to lead to a better future for human beings."



Vice-Chancellor of the University of Oxford Professor Andrew Hamilton presents Sir Ka-shing Li with two recent publications from Oxford University Press - Oxford Dictionary of Quotations and China's Thirty Years - recognising the extraordinary achievements of China over the past years as well as demonstrating the University's commitment to increased partnership with the country

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 34 markets worldwide.

Today, the Group operates over 8,900 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electronics, fine wine and airport retail arms. Also an established player in the beverage industry, ASW provides a full range of beverages from bottled water, fruit juices, soft drinks and tea products to the world's finest wine labels via its international wine wholesaler and distributor.

ASW employs 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 54 countries.

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