



AS Watson Group

AS Watson Group rebrands its retail network in Ukraine to Watsons

**Global retailer announces US\$37 million investment into
the network expansion over the next 5 years**

(Hong Kong, 11 March 2011) AS Watson Group yesterday announced the rebranding of its 212-store retail network in Ukraine from DC to Watsons.

Watsons is one of the world's leading names in health and beauty retail currently with 2,200 stores in 11 markets, and from 10 March onwards it will be bringing its promise of quality products, great value and superior customer service to consumers in Ukraine.

The rebranding decision follows a successful expansion of DC in the market since AS Watson Group acquired the business in 2006, and will bring three main benefits to Ukrainian customers: 1) new space organisation to give a more rewarding and convenient shopping experience; 2) expansion of product assortment through international sourcing to bring more high quality products at great value; and 3) Watsons Club to be replacing the DC Club discount scheme in Ukraine, giving shoppers better value on items that appeal most to them.

"We have been listening to what Ukrainian customers want. They told us they would like more choice of products at great value, and an aspirational shopping environment. This is why we decided to bring the international Watsons brand to Ukraine, not only to provide a contemporary one-stop-shop health and beauty shopping experience, but also to bring more exclusive international products imported worldwide especially from Western Europe," said AS Watson Group Managing Director Dominic Lai, in Kiev for the rebranding announcement.

"This is more than just a change of name," said Mr Lai. "It signals the start of an evolutionary shift in the way people shop for health and beauty products, and it is great news for customers. We will be investing

AS Watson Group

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in more stores to provide convenience to more customers, introducing more international products, and improving what we offer based on a deep understanding of what consumers want.

“Our central strategy is, to think global and yet act local. We will introduce the international standards and practices of sourcing, quality and efficiency while tailoring the shopping experience to customers' specific needs locally.”

Watsons is highly regarded by international consumers, in a large part, due to Watsons' market leading loyalty programme. The programme tailors bonuses, exclusive offers and great value to serve individual customers' needs and preferences. Watsons Club will replace the DC Club discount scheme from April, giving shoppers better value on the items that most appeal to them.

AS Watson Group has had a controlling interest in DC Ukraine since 2006, and since then has invested US\$13 million in expanding the DC network, building its IT infrastructure and improving its warehouse capabilities. The chain has grown from 112 stores to 212 during that time, while continuous work is being done to improve the store environment and customer experience. AS Watson bought the remaining shares in DC Ukraine in late 2010, and the rebranding of the wholly-owned network with its flagship global brand becomes the logical next step.

AS Watson has a bold plan for expansion in Ukraine, with 60 new Watsons stores set to open across the country this year alone, and to further invest US\$37 million to reach 500 stores within five years.

Notes to Editor

About AS Watson Group

Around the world, 25 million customers a week enjoy shopping at AS Watson Group's retail stores across its 33 markets. The Group has one of the world's largest portfolio of retail formats, retail brands and geographical presence. Proudly supported by a global family of 98,000 staff, the Group is also a member of the world renowned Hong Kong-based conglomerate Hutchison Whampoa Limited, which has major interests in ports and related services; property and hotels; retail; energy, infrastructure, investments and others; and telecommunications in 53 countries.

AS Watson Group is ...

- the world's leading international health, beauty & lifestyle retailer with over 9,300 stores in 33 markets worldwide, and is one of the top three market leaders in 25 of them
- the leading health & beauty retailer in Asia, with Watsons Your Personal Store currently operating over 2,200 stores and more than 900 pharmacies in 12 Asian and European markets, including China (Mainland, Hong Kong, Taiwan and Macau), Singapore, Thailand, Malaysia, the Philippines, Korea, Indonesia, Turkey and Ukraine
- Europe's leading luxury perfumeries & cosmetics retailer, with over 1,600 stores in 16 markets among which 10 holding market leader position, under three retail chains, including Marionnaud; ICI Paris XL in the Benelux; and The Perfume Shop in the UK

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Please visit www.aswatson.com for more in-depth information about AS Watson Group and its brands.

About Watsons Your Personal Store

Watsons Your Personal Store is a leading chain of health and beauty stores and pharmacies operating across Europe and Asia. The network includes more than 2,200 stores and over 900 pharmacies in 12 markets, including China (Mainland, Hong Kong, Taiwan and Macau), Malaysia, Singapore, Thailand, the Philippines, Korea, Indonesia, Turkey and most recently in Ukraine. In both 2009 and 2010, Watsons was No. 1 in the "Retail – Pharmacy/Drugstore" category in Asia's Top 1,000 Brands, published by *Media* magazine based on customer surveys by independent researcher TNS*.

**Media/TNS Asia's Top 1,000 Brands Survey 2010 of over 3,000 Asian respondents*

About Watsons Ukraine

Watsons is the new name for the network of health and beauty stores that have been trading as DC Ukraine, which pioneered the drugstore format in Ukraine. The chain now has 212 stores and 29 pharmacies in 64 cities. Its 3,000 employees serve about 2.5 million customers every month. The DC Club loyalty scheme, soon to be replaced by the Watsons Club, has 4 million members. In 2008, 2009 and 2010 DC network was awarded with "The number 1 choice in Ukraine" in the category "Health and beauty store" (due to the customer preferences research results of "#1 Choice of the year" international festival-contest).

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