



Watsons Reaching 4,000 Stores Milestone

(Hong Kong, 27 January 2014) A.S. Watson Group (ASW) celebrated another corporate milestone following its flagship retail brand Watsons reaching 4,000 stores at the end of 2013. Growing rapidly across Asia and Eastern Europe, in the past 3 years Watsons has been organically expanding its store portfolio, to bring quality Health & Beauty products and professional services to customers.

Extending the model of success

Watsons' store expansion accelerated in 2012-2013 with over 1,000 openings at the pace of more than 1 new store per day, a record of store openings for ASW with all markets increasing their store numbers lead by Mainland China which now operates 1,700 stores, and this momentum is expected to carry on in 2014, "Our global expansion plan for A.S. Watson is to exceed 13,000 stores in 2015.

Watsons is one of the Group's flagship retail brands. This year alone we plan to open 1,200 new stores amongst which 700 will be under the Watsons brand. This represents an average of over 3 new stores a day throughout the year," said Dominic Lai, A.S. Watson Group Managing Director.

"Store opening aside, our game plan is to deliver sales growth through an increasingly customer centric approach. Currently we have over 80 million members in our loyalty programme worldwide. We have invested significantly in building our customer relationship management technology which will allow us to better understand our customer purchase behaviours and product preferences so we can improve personalization of offers. And to drive differentiation, we will increase collaboration with strategic suppliers to improve category management and bring more innovative products to our customers at great value."

Brand Development as Key Driver

As a pioneer in the Health & Beauty business in the market, Watsons has put tremendous efforts in providing the best shopping experience to our customers. The brand refresh exercise brought a vibrant image to WOW customers in its 12 operating markets with friendly, caring and professional service, contributing the success of Watsons as No.1 Pharmacy/ Drugstore brand in Asia* for 5 consecutive years.

**Campaign Asia-Pacific "Asia's Top 1,000 Brands" survey 2013 of over 6,000 respondents*

Opportunities on Digital – The Future of Retail

Watsons expands not only through its store openings, the brand is also winning impressive battles in the digital world. By doubling its business on Yahoo! online platform, Watsons

Taiwan ranked top in the e-shopping channel in 2013 and was given the “Super Golden Store Award” and “Most Popular Store Award”. Watsons China has won the title of “Best eCommerce Platform” in 2013 Cosmopolitan Beauty Awards, which the brand is currently one of the top beauty merchants in Tmall, a popular online shopping platform in China, with more than 17 million visitors and an impressive sales growth at over 120% in 2013 (vs. 2012).

ASW has been advocating e-Commerce for its 15 retail brands with e-Commerce infrastructure investments and Watsons enjoys the benefits from it, realised by the introduction of 8 e-Commerce-enabled websites in 2013-2014, covering Mainland China, Hong Kong, Taiwan, Singapore, Malaysia, Thailand, Turkey and Ukraine.

Capturing the opportunities in digital world, Watsons believes that it could leverage business potentials in the untapped areas without store penetration. Social media is an integral part of the Watsons brand image building and we get in touch with over 7 million fans from different social networks, contributing to the holistic customer experience of Watsons.

By reaching our customers online and offline, the dual-channel development of Watsons is expected to bring the brand to further success and consolidate leading position with unparalleled competitive edge in the market.

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About Watsons

Watsons is Asia’s leading health and beauty retailer, currently operating over 4,000 stores and amongst which over 1,000 pharmacies are serving in 12 Asian and European markets, including China (Mainland China, Hong Kong, Taiwan and Macau), Singapore, Thailand, Malaysia, the Philippines, Korea, Indonesia, Turkey and Ukraine.

Watsons operates over 200 stores in Hong Kong and Macau, of which over 50 have in-store pharmacies, making Watsons the No. 1 Pharmacy Network in Hong Kong. Watsons has a professional team of pharmacists, Health & Fitness Advisors, together with dietitians, beauty consultants and nurses devotedly serving customers with the longest pharmacy operating hours in Hong Kong.

Watsons continually sets the standards in the health, wellness and beauty market, providing personalised advice and counseling in health, beauty and personal care on top of its market-leading product range, making customers LOOK GOOD, FEEL GREAT every day. Since 2009, Watsons has been the No. 1 Pharmacy/ Drugstore brand in Asia*. In Europe, Watsons is also the leading Health & Beauty retailer in Ukraine.

About A.S. Watson Group

A.S. Watson Group is the world's largest international health, beauty & lifestyle retailer with over 11,000 retail stores, serving more than 27 million customers a week in 33 markets. The Group has the largest brand portfolios and geographical footprints in the retailing world, offering everything from health & beauty, food and electronics to perfume. It is also Asia's largest health & beauty retailer and Europe's largest luxury perfumeries & cosmetics retailer.

Proudly supported by a global family of over 110,000 staff, the Group is also a member of the world renowned multinational conglomerate Hutchison Whampoa Limited, which has six core businesses - ports and related services, property and hotels, retail, infrastructure, energy and telecommunications in 52 countries.

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

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