



A.S. Watson Group Announces Acceleration of Global Expansion Plan

(Shanghai, 24 November 2009) A.S. Watson Group (ASW) today celebrated the opening of its 500th Watsons store in Mainland China, marking an important milestone of the Company's plan to reach 1,000 stores in the Mainland and to exceed 10,000 stores worldwide within the coming two years.

ASW is the world's largest international health and beauty retailer, currently with a portfolio of 8,600 stores across 34 markets in Asia and Europe. Its luxury perfumeries and cosmetics retail division is also the leading operator in Europe.

Speaking at the opening ceremony of the symbolic store located at Mall 818 in Shanghai, Group Managing Director Mr Dominic Lai said, "Despite the global economic recession, we managed to maintain our growth momentum while having tight control on costs. In the first six months of this year, we achieved a like-for-like positive sales growth of 4% in a market context which remains challenging, especially in some parts of Europe. I am pleased to see that in many places, our growth rate exceeds that of the market."

"Our global expansion plan is to exceed 10,000 stores by 2011. Next year alone we will accelerate growth by opening 67% more new stores than this year, representing two new stores a day throughout the year," Mr Lai said.

"Store opening aside, our game plan is to deliver sales growth by focusing on building customer loyalty and growing basket size. We are investing significantly in building our customer relationship management platforms and our loyalty programmes in more and more markets. Currently we have 28 million customers in our database. 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. Increasing our own brand product offers is also high on the agenda."

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In Mainland China, Watsons is the leading retailer in the fragmented RMB500 billion health and beauty market*. Every week, over 3 million customers shop at Watsons which currently has presence in 80 cities, that is 60% of the cities in the Mainland.

*Euromonitor Report, May 29, 2009

Notes to Editor

About A.S. Watson Group

Around the world, 25 million customers a week enjoy shopping at A.S. Watson Group's retail stores across its 34 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 87,000 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 54 countries.

A.S. Watson Group is ...

- the world's largest health & beauty retailer with over 8,600 stores in 34 markets worldwide, and is one of the top three market leaders in 26 of them
- the largest health & beauty retailer in Asia, with Watsons Your Personal Store currently operating over 1,700 stores and 1,242 pharmacies in 10 Asia markets, including Mainland China, Hong Kong, Taiwan, Macau, Singapore, Thailand, Malaysia, the Philippines, South Korea and Indonesia
- the largest perfumeries & cosmetics retailer in Europe, with over 1,600 stores under three retail chains, including Marionnaud, operating in 15 markets among which 10 holding market leader position; ICI Paris XL in the Benelux; and The Perfume Shop in UK

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

About Watsons Your Personal Store

Watsons Your Personal Store, one of ASW's retail brands, is the largest health & beauty retailer in Asia, currently operating over 1,700 stores and 1,242 pharmacies in 10 Asia markets including Mainland China, Hong Kong, Taiwan, Macau, Singapore, Thailand, Malaysia, the Philippines, Turkey, South Korea and Indonesia.

In 2009, Watsons Your Personal Store was voted No. 1 in "Asia's Top 1000 Brands 2009" in the "Retail – Chemist/Personal Healthcare Store" category, in a survey funded by the Media magazine and conducted by TNS*.

*Media/TNS "Asia's Top 1000 Brands Survey 2009" of 1,500 Asian respondents

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ASW Group has just opened its 500th Watsons store in China, which is also its 8,600th retail store worldwide. Dominic Lai, Group Managing Director, A.S. Watson Group (centre of the photo) and his China management team officiate the store opening in Shanghai, China



Dominic Lai, Group Managing Director, (far right) and Malina Ngai, Director of Group Operations, Investments and Communications (centre), A.S. Watson Group officiate the 500th Watsons store opening in Shanghai, China



The loyalty card of Watsons China launched in February this year has now reached 5 million members. Christian Nothhaft, Managing Director of Watsons China (left) announces the good news to Dominic Lai, Group Managing Director, A.S. Watson Group (right)



Mall 818 store in Shanghai, China