



News Release

3rd January 2006

SUPERDRUG ANNOUNCES IT'S IN BEAUTIFUL SHAPE FOR THE NEW YEAR – IF YOU COULD BOTTLE IT YOU WOULD

- Superdrug, the UK's most fashion led beauty and health retailer owned by the A.S. Watson group, today (3 January 2007) announces it had its best Christmas ever with record days on 23 and 24 December. Fragrance sales were one of the big winners; in those two days customers bought over a quarter of a million bottles of fragrance from the high street home of celebrity fragrance with chart toppers including Kylie's Darling and Victoria Beckham's Intimately Her.
- And it wasn't just on the high street, Superdrug.com which launched on 1 December, saw its on line sales treble expectations in the run up to Christmas peaking at midday on Saturday 16 December with fragrance and beauty gifts stealing the show.
- This beautiful end to 2006 marks a record year for Superdrug's beauty category, which has taken market share from competitors all year in fragrance, premium skincare, cosmetics, sun care and bronzing.
- Post Christmas sales have also started with a boost with customers eager to bag beauty bargains from beauty electricals to New Year spa pampering kits at up to 70 per cent off. Sales have been strong and exceeded expectations so far.
- From January and throughout the year, Superdrug will continue to bring new and exclusive beauty ranges to the high street from a brand new specialist ethnic make up range, Sleek to Hugh Hefner's Playboy cosmetics range.
- As if that was not enough to nail on its reputation as Britain's most fashion conscious beauty business, Superdrug is currently experiencing year on year growth of 25 per cent in the nail care market and has expansion plans for 2007 including exclusive new nail brands and increasing space in store by over 30 per cent. Superdrug has negotiated an exclusive deal with the leaders in the British nail bar phenomenon, Nails Inc. The new product range 'Nail Bar' Designed by Nails Inc will start at just £1.95 for a Super shine buffer, and products will be in 400 stores from mid January 2007.
- Euan Sutherland, chief executive officer for AS Watson Health and Beauty UK says; "We're starting 2007 just as we ended 2006; in beautiful shape. The support of our parent company, the A.S Watson group means that we can continue to take the UK



beauty and health market by storm, bringing the latest beauty must-haves to our customers on every high street and on line at the best prices day in and day out.”

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Editor's notes:

- Superdrug is the United Kingdom's second-largest Health & Beauty retail chain, attracting more than seven million customers to its stores during the Christmas season alone. Superdrug currently operates 745 stores in England, Scotland, Wales, Northern and Southern Ireland.
- Superdrug is one of the health & beauty retail brands from the A.S. Watson Group (ASW) family – the world's largest health & beauty retailer and the largest perfumeries & cosmetics retailer. With a history dating back to 1828, ASW has evolved into an international retail and manufacturing business with operations in 36 markets worldwide.
- AS Watson has a network of over 7,400 retail stores globally with store in over 1,800 cities. AS Watson currently has over 98,000 employees and serves over 25 million customers a week