

News release
16th March 2007

SUPERDRUG SENDS GORDON 2,000 RED NOSES **- to celebrate Comic Relief Superdrug delivers red noses to HM Treasury -**

To celebrate Comic Relief this morning (16th March) Superdrug has donated £2,000 and is delivered 2,000 red noses to The Chancellor in support of its ongoing campaign to see the VAT cut on children's sun care.

2,000 represents the number of Britons who have died of melanoma since the last budget. 90,000 Britons are diagnosed with new cases of skin cancer each year.

The use of high factor sun protection is the best way to ensure that British children do not get red noses in the sun this summer.

Superdrug has finally received a reply to its letters to Mr Brown asking him if he thought that children's sun care should be classed as a luxury item. Unfortunately this letter did not answer Superdrug's question, leaving the retailer wondering what the Government's position is on this important issue.

Superdrug also wrote to Prime Minister, who replied saying that it was a matter for the Treasury, the retailer is waiting for a response from Patricia Hewitt.

This week Superdrug has again written to Gordon Brown and the Paymaster General Dawn Primarolo advising them that in the next seven days to the Budget around 40 people will die of melanoma.

Jeff Wemyss, Superdrug Beauty Director, said: "Cutting the VAT on children's sun care will make a real difference to the nation's health this summer. We are delighted to make a donation to Comic Relief, and if these red noses help The Chancellor take notice of this important issue then that will make me smile."

The campaign which launched in July 2006, already has the support of 70 MPs and over 4,000 Superdrug customers who have signed an online petition. An epetition on the Number 10 website was launched this February (<http://petitions.pm.gov.uk/SUNTAXCUT/>).

Since the campaign launched Superdrug has been paying the VAT on its own range of children's sun care so customers don't have to.



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

9 March 2007

Mr Jeff Wemyss Esq
Beauty Category Director
Superdrug Stores plc
118 Beddington Lane
Croydon
CR0 4TB

Dear Mr Wemyss,

Thank you for your letter to the Chancellor of the Exchequer about VAT and children's sun protection products. I have been asked to reply.

I can assure you that your representations on this issue have been noted and will be considered as part of the normal Budget process.

As you will appreciate, the Chancellor receives a large number of letters and it is not possible for him to reply to them all personally. The Paymaster General is the Treasury Minister responsible for VAT matters, which is why the Chancellor asked her to reply to your earlier letters.

Yours sincerely,

LEWIS NEAL
Private Secretary

- ends -

For further information please contact:

Zaria Pinchbeck or Jenny Hill at ZPR on 020 7896 3404 / 07971 117265 or email jenny@z-pr.com

Notes to editors:

- **Your readers and listeners can join the campaign by signing up at the Number 10 website; <http://petitions.pm.gov.uk/SUNTAXCUT/>**

THE VAT CONUNDRUM

Since the VAT rules were introduced in the 1970s the definition of essential and luxury items has become increasingly confused. Until today condoms were classed as a luxury item and liable for the full VAT rate, while caviar was classed as essential and is therefore VAT free. Under the rules Britain signed when entering the EU in 1973, the British Government was given a certain amount of flexibility to reduce specific VAT rates to 5 per cent.

Zero VAT rated:

VAT charged at 17.5%:

Toffee apples
Marshmallow teacakes
chocolate body paint
Child's swimsuit
Teen bra 34b
Dried prunes
Chocolate chips to decorate cakes
culinary rosewater
Horse meat or live animals bred for
human consumption)
Roasted or salted nuts in their shells
Vegetable oils
Funeral packages
Baking powder
Sandwiches
Flapjacks
Beetroot crisps
Baked Alaska
Cream gateaux
Mousse
Ginger preserved in syrup

Toothbrushes and dental floss
Toothpaste
Shower gel
Child's sun care
Maternity bra
Toilet roll
Chocolate buttons
Razors
Live horses

Shelled nuts, roasted or salted
Massage oils
Coffins
Bicarbonate of soda
A sandwich platter
Cereal bar with honey
Potato crisps
Arctic roll
Ice cream gateaux
Hair mousse
Crystallised ginger

- Superdrug is the United Kingdom's most fashion conscious beauty and health retailer with over 780 stores in the UK and Eire
- 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 34markets worldwide
- A.S. Watson has a network of over 7,100 retail stores globally with store in over 1,800 cities, with over 90,000 employees and serves over 25 million customers a week
- Superdrug has been working with the Institute of Cancer Research on SAFE @ Superdrug, a campaign focused on raising awareness for shoppers and funds for research
- Although cases of child sun cancer are rare, it is accepted that the treatment of the skin while in childhood has a real affect on chances of being diagnosed later in life. In particular, blistering sunburns in childhood and adolescence significantly increase the risk of developing malignant melanoma in adulthood. The use of high factor sun protection from infancy is a vital part of skin cancer prevention.