

SPHERE

19

Ad Value

How 3 spreads its message to the world



S P H E R E

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NUMBER 19 JUNE 2007

A Few Words from the Editor

ON THE OCCASION of the 10th anniversary of the HKSAR, Chairman Li Ka-shing shares his thoughts with colleagues in *SPHERE*, the Hutchison in-house magazine.

In addition, our cover story looks at how 3 uses a variety of strategies to spread its message in different markets, focusing particularly on Austria, Australia, Italy and the UK.

Then, we take you on an exotic journey to the Bahamas, the island paradise in the Caribbean, and also visit the ancient university town of Cambridge in England, where some of the finest scientific minds on the planet are seeking a cure for cancer.

There is an interview with a fitness trainer who shares his secrets about how to keep celebrities in shape and we also take a look at the booming beverage market in Mainland China.

This is your journal so please let us know what you think. Feedback and ideas for future stories can be sent to info@hutchison-whampoa.com.

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Published by Hutchison Whampoa Limited, 22/F Hutchison House, 10 Harcourt Road, Central, Hong Kong. Available on www.hutchison-whampoa.com. In-house editorial team: Laura Cheung, Jeremy Lau, Hans Leung, Daisy Wong and Wendy Luk. Editorial, design and production: Greg Crandall, Jon Marsh, Ron Legault, Samson Tong, Kelly Cheung and Waimann Lee – splash)), a division of the Asia City Publishing Group. Tel: 2850 5500. Colour separation and printing by bigboXX.com Limited. Copyright 2007 by Hutchison Whampoa Limited. All rights reserved. No part of this magazine may be reproduced without the written permission of Hutchison Whampoa Limited. Opinions expressed herein are those of the writers and do not necessarily reflect the opinion of Hutchison Whampoa Limited. All currency conversions are approximations.

Hutchison Whampoa Limited 

Newsbites



MARIONNAUD CONCEPT STORE

FRANCE Marionnaud has unveiled an elegant test concept store in Rungis, France. Designed by French architect Philippe Kauffmann, the store conceptualises beauty, well being, elegance and pleasure, using a new logo and modern colour codes. Marionnaud also sponsored the famous French trotting race Prix d'Amérique-Marionnaud. **R**



First for Cite

TAIWAN Cite Publishing, TOM Group's publishing arm, is expanding its business to include an electronic platform. The company is developing a digital Chinese language book content search engine with Google Book Search, the first of its kind in the market.

TOM Group has also acquired a leading social networking Website, Pixnet Digital Media, which offers blogging, photo and online community services in Taiwan. **I**

Absolutely Dental

HONG KONG As part of its festive programmes, Wonderful Worlds of Whampoa invited one of "China's 10 Most Extraordinary Men", Guo Guozhi from Chongqing, to make his debut performance in Hong Kong. His spectacular act of using his teeth to lift 12 benches weighing more than 30 kilogrammes stunned the audience. **H**



ROYAL VOTE OF THANKS

NETHERLANDS Queen Beatrix of the Netherlands thanks A S Watson Group Managing Director Dominic Lai for drugstore Kruidvat's EUR2.25 million (HKD23.4 million) donation to the Groningen Expert Center for Kids with Obesity. One out of 10 children in the Netherlands is overweight. **R**

Irish Victory

IRELAND 3 scored a PR victory over O₂ by ambushing its rival's sponsorship of the rugby union international between Ireland and England in Dublin. Guerilla tactics included beaming a massive projection of the 3 logo on buildings, using clean graffiti logos all over town and providing 3 merchandise for Irish rugby supporters.

Rachel Channing, Head of PR for 3 Ireland, said, "3 was behind the Irish team all the way whilst O₂ hedged their bets with sponsorship of both Ireland and England. 3 made great inroads into winning Irish hearts and minds on the day and also generated some great publicity and word of mouth." **T**



Taking the Initiative

HONG KONG Hutchison Port Holdings (HPH) has endorsed the Global Initiative to Combat Nuclear Terrorism. Co-chaired by the governments of the United States and Russia, the initiative leverages public-private partnerships to deter the shipment of nuclear materials and weapons through the global transportation supply chain, especially the maritime shipping network.

"The Global Initiative is a perfect example of how public-private partnerships can make the world's supply chain more safe from the threat of nuclear terrorism," said John Meredith, Group Managing Director of HPH. "The fact that 13 countries, including Russia, China, the United Kingdom and the United States, are actively working together in this initiative is a testament to its importance." **P**

SPORTING CHANCE

HONG KONG The A.S.

Watson Group Hong Kong Student Sports Awards recognised a

total of 768 talented student athletes who will be offered the chance to attend two leadership-training workshops; 30 outstanding students will be selected for an exchange tour to Beijing to learn more about the 2008 Olympics. **R**



METRO CELEBRATES

HONG KONG Metro Finance celebrated its sixth anniversary by staging a brand award presentation ceremony to recognise leading brands in different industry sectors. Metro Finance also announced that it was teaming up with Shanghai CBN Radio to broadcast a new financial programme called HK-SH Market Update. **I**



Spirit of 3



The Spirit of 3

AUSTRALIA 3 Australia has launched its new community programme, "Spirit of 3", to help staff make a difference to four charities – Cystic Fibrosis, Youth off the Streets, SANE Australia and the Royal Institute for Deaf and Blind Children. Staff can volunteer to help, donate money straight from their pay packets or put spare change into Priscilla the Pig. **T**



CONGRATULATIONS!

3 UK's Window's Live Messenger™ service won the Best Mobile Messaging Service award at the prestigious 3GSM Awards.



BUSINESS BOOST

HONG KONG The Kowloon Hotel has completed the renovation and upgrading of its business centre. Computers with new LCD monitors,

wireless broadband Internet access with full VPN support, interpretation, translation and secretarial services are now available. The hotel is also offering a popular 10 pm to midnight supper buffet to better serve the late crowd. **H**

WHITE ROSE BLOOMS

CANADA Husky Energy is increasing production at the White Rose oil field, 350 kilometres southeast of St John's, Newfoundland and Labrador. The company has received regulatory approval for production rate increases at the oil field from the current reservoir capacity of 125,000 barrels per day to 140,000 barrels per day.

In another development, Husky has reached an agreement to pay Valero Energy USD1.9 billion for a refinery in Lima, Ohio. Marking Husky's expansion into the US, the refinery will help it process oil-sands crude. **I**



Great Gifts

HONG KONG Nuance-Watson (HK) has introduced an innovative promotion concept, The Gift Avenue, at Hong Kong International Airport (HKIA). The concept was introduced to promote the revamped food and souvenir section at its mega department store, The Plaza.



Meanwhile, Nuance-Watson (HK) and La Prairie officially unveiled the brand's travel retail flagship counter at HKIA's premier beauty megastore, Temptation Duty Free. An elegant treatment cabin allows travellers to pamper themselves with a range of complimentary travel treatments. Hans Roth, the Consul General of Switzerland, attended the opening. **R**



Indonesia Debut

INDONESIA Hutchison Telecommunications International Limited (HTIL) has launched its mobile operation in Indonesia. PT Hutchison CP Telecom, a partnership with the Charoen Pokphand Group, provides mobile services under the 3 brand in Indonesia. **T**

Done Deal

INDIA HTIL has completed the sale of Hutchison Essar to Vodafone. The pre-tax gain from the sale is expected to be approximately USD9 billion (HKD70 billion) and the board has declared a special dividend of HKD6.75 per share.

HTIL Chairman Canning Fok thanked the management and staff at Hutchison Essar and other partners in India for their contribution over the years to building the company into a world-class enterprise. **T**



OMAN CELEBRATION

OMAN Oman International Container Terminal (OICT) celebrated the opening of its Terminal B, Phase I at the Port of Sohar, Oman. OICT is a joint venture between **Hutchison Port Holdings**, the Government of Oman, Steinweg of the Netherlands and three other Omani investors. Terminal B, Phase I has a total quay length of 285 metres and a depth alongside of 16.5 metres. **P**



Health Tonic

NETHERLANDS Kruidvat, the first chain in the Netherlands to offer health insurance products, has taken the concept a stage further by introducing a Standard Health Insurance policy and supplementary packages. **R**



TECH HEAVEN IN VEGAS

UNITED STATES The 2007 International CES Exhibition in Las Vegas is the world's largest consumer technology tradeshow, attracting more than 140,000 people and 2,700 exhibitors. i.Tech, the technology division of **Hutchison Harbour Ring**, took the opportunity to showcase its new models of user-friendly Bluetooth headsets, such as Clip D (a headset with OLED display) and Clip Radio (a Bluetooth stereo headset with built-in FM radio function). **I**



Going Global

HONG KONG PARKnSHOP International, a new concept designed to celebrate the international flavours of everyday life, has opened in Happy Valley. The one-stop store is packed with items from every corner of the world, offering the very best from East and West and everywhere in between. The store offers more than 1,000 environmentally friendly and organic products, including breakfast cereals, vegetables and snacks. **R**



VIPs' Delight

CHINA Chongqing Cape Coral, a new residential project featuring Italian landscapes, held a party called "Italo Fiesta" that attracted about 1,000 VIP guests. The event included a fashion show featuring leading brands DKNY, Swarovski and Alexandre, and a talk show with famous models and former Miss Hong Kong Ada Choi. **H**

GOING WELL

CHINA The Greenwich, Xian has received a warm response from property buyers during its VIP launch. Phase one of the Hutchison Whampoa Property Group's flagship project in the city comprises medium-rise apartments and deluxe townhouses. **H**



NEW STORES

AUSTRIA Customers helped to celebrate the opening of two new 3Stores in Austria, one in Vienna and the other in Villach. **T**



Network Online

UNITED KINGDOM 3 UK has announced a groundbreaking partnership with social networking gateway provider Inter-casting that allows users access to a selection of well-known online communities from their mobile handsets.

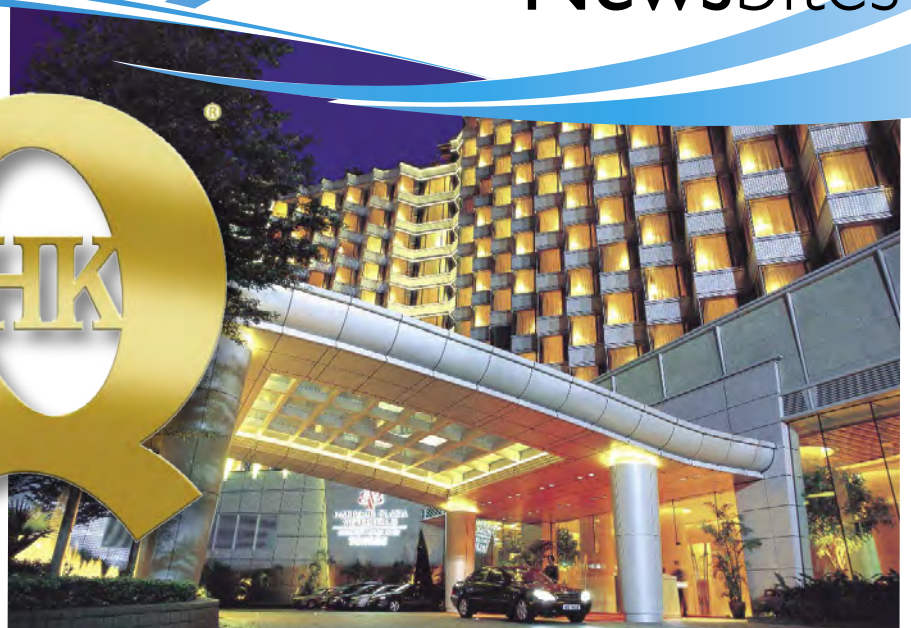
3 UK has also launched a range of free-to-access content for customers on its Planet 3 portal. The new service is supported by personalised advertising from major brands and free video content includes a selection of news, comedy, celebrity gossip, animations and film. **T**



QUALITY EXCELLENCE

HONG KONG Harbour

Plaza Metropolis has been certified under the Hong Kong Q-Mark Service Scheme by the Federation of Hong Kong Industries in recognition of its high service standards and management systems that comply with international standards. 




APPLAUSE!


Fortress and Watsons Your Personal Store have received the Hong Kong Merchants of Integrity Award from the *Guangzhou Daily* for the fourth and fifth consecutive year, respectively.



Tennis Aces

HONG KONG Top-class tennis was again on display in Hong Kong at the **Watsons Water** Champions Challenge. The biggest names in world tennis – including Maria Sharapova, Kim Clijsters, Svetlana Kuznetsova, Nicole Pietrangeli, Elena Dementieva, Patty Schnyder, Caroline Wozniacki, Zheng Jie and Yan Zi – thrilled the crowds at Victoria Park. Ms Clijsters dethroned Ms Sharapova in the Gold Group while Ms Wozniacki defeated Ms Yan in the Silver Group. 

SUPERDRUG VISIT


UNITED KINGDOM **Superdrug** welcomed Andy Burnham MP, UK Minister of State for Delivery and Quality at the Department of Health, to its Oxford Street store. Mr Burnham was briefed on the new Healthy Heart computer check programme and enjoyed a complimentary high-tech mole check. Mole clinics currently operate in three London stores. The minister was also updated on Superdrug's campaign to cut VAT on children's sun-care products. 

Caring Campaign

HONG KONG **Hongkong Electric** volunteers hosted a special Chinese Lantern Festival party for members of the Hong Kong Single Parents Association. The event was part of the company's "Caring, Always" programme to care for the needy, particularly during major festivals. 



VIETNAM DEAL

VIETNAM **Hutchison Port Holdings** has agreed to construct and operate a new container terminal in southern Vietnam. The new container project, 100 kilometres from Ho Chi Minh City, is expected to come on stream in 2011 and will have a quay length of 730 metres, with depth alongside of 14 metres. 



HIT Helps Out

HONG KONG Hongkong International Terminals donated HKD1 million to the Hong Kong Cancer Fund to help establish the newly-opened Cancer Patient Resource Centre at Princess Margaret Hospital. **P**



POWER PLAY

CHINA Cheung Kong Infrastructure's new RMB6 billion (HKD6 billion) extension to the Zhuhai Power Plant joint venture is now operational, making it one of the largest coal-fired power plants in Mainland China. **I**

X Marks the Spot

WORLDWIDE The X-Series, the service that brings the best of the Internet to the mobile phone for a flat fee, made a successful launch in Australia, Austria, Denmark, Hong Kong, Italy and Sweden, subsequent to its global debut in the UK in late 2006. The exciting new product received a positive reception from both the public and the media in various markets. **T**



YEAH!

HWL was 176th in the latest *Forbes* Global 2000 corporate rankings.



SMALL IS BEAUTIFUL

ITALY 3 Italia has launched the lightweight 3 Pocket TV, the first DVB-H product of its kind in the world. It allows customers to watch 12 digital mobile DVB-H channels on the 4.3-inch (10.7-centimetre) wide screen.

To promote the brand, 3 Italia also teamed up with the Honda Gresini motorcycling team for the MotoGP world championships. A customised 3 logo has appeared on star rider Marco Melandri's bike throughout the championships. **T**

Dear colleagues,

Changing Times, Unchanging Promise

The last 10 years have certainly been eventful.

With the recent volumes of respected reminiscences about Hong Kong's last 10 years in each and every media channel, it is certainly hard not to reflect on the past and think about the future. Good times, bad times, our dedication to our beloved home will never change.

Hong Kong's 1997 handover rode on our nation's thoughtful leader Deng Xiaoping's foresight to create stability through his "50 years unchanged" policy. Understood as a paradigm, this policy calms the fear of uncertainty and sustains hope for the future. However, maintained as a dogma, it might be seized as the perfect plebian pretext to entrench past mistakes, exploit differences and to limit progress.

As a company that embraces the spirit of innovation and progress, we know and fear the limitations that inertia of the mind and creativity can bring.

When innovation stops and resolves wane, prejudices and misrepresentations reign and the selective use of power follows.

Spanning 55 countries, with almost 250,000 colleagues, united in our diversity, our dynamism is established upon our principle and practice to think and rethink – position and reposition – our quest to embrace impactful and effective technological advances and policies. Our commitment is to a true and fair environment where the appreciation of merit and the encouragement to reason is paramount. This is key to our continuous and prodigious success. And the same for any society.

Thank you for being part of Hutchison.

Our group is a monument to your dedication.

Your efforts make possible not only a global family that provides opportunities for millions, but also allow a continuous effort to enhance human capacity and empowerment through education and the building of a caring society through medical and healthcare services throughout the world.

12 June 2007



Ad Value

How 3 spreads its message to the world

By Jon Marsh



WHAT DO PARIS Hilton, string puppets, the Australian cricket team, lovers entwined in silk and a walking television set have in common? No, this is not the opening line of a corny joke by a stand-up comedian or a general knowledge question in a TV game show. The answer is that they have all appeared in advertisements promoting the 3 brand's telecom services.

The disparity of these images underlines the size and diversity of 3's markets around the world, where marketing and communications teams are building relationships with customers, deciding whom to target, what to say to them, and when and where to say it. It is a huge challenge. As of March 2007, Hutchison Whampoa's 3 brand had nearly 15 million subscribers in nine markets - Australia,

Austria, Denmark, Hong Kong, Ireland, Israel, Italy, Sweden and the UK.

Different markets and different types of media - print, television, outdoor, online - need different strategies to promote a variety of messages - lifestyle, products or value; but the essence of the brand has to be retained otherwise the message can become lost or muddled.

The man with his hand on the rudder navigating the correct course of 3's brand personality around the globe is Keith Kirby, Director of Branding and Culture at WHAM, a Hutchison Whampoa (Europe) company in London that manages the 3 brand.

"There are some important principles that underpin the 3 brand which are shared by all of the operating companies," he says. "This is the international glue binding the elements of the brand together. The 3 brand is built on what's real, what's important right now. It is not

about promises of the future. It is optimistic about the future but its focus is now. 'Now, not never', as we put it, bringing together things that are useful with things that are enjoyable."

For example, the Silk creative used in 3

UK's West meets East campaign features two lovers entwined in streams of coloured silk connecting them across vast distances. The emotion is almost



tangible but at the same time the ad effectively delivers a simple message about the "now, useful and enjoyable" theme.

Another key element that has to be factored in is change. Telecom consumers are increasingly sophisticated and their tastes have evolved rapidly; what was a "young" market when 3G services were first launched four years ago can be quite different in marketing terms in a surprisingly short space of time.



“In Australia in 2003 the target market was young, tech savvy and primarily attracted the 18-24 years old,” says



Jo Trapnell, 3’s General Manager, Marketing Planning and Communication in Australia.

“After a couple of years it started to look as if we were trying too hard to be different and focusing too much on value.”

“Our ads using string puppets, while creative and appealing to that younger demographic, were at odds with the sleekness of our brand, our tie in to cricket through our sponsorship of the Australian team and our stylish shops. We repositioned the brand by focusing on targeting a mindset, not an age, with the ‘It’s good to be 3’ campaign which launched in March last year.”

The campaign focused on the benefits

of being with 3 – the great services like mobile TV or music, the superb value or the attractive handsets.

A key feature of the campaign was the Australian cricket team, which beat traditional rivals England 5-0 in the Ashes series, a focal point of the Australian summer and a significant opportunity for brand exposure and consumer education. 3’s customers were able to watch live telecasts of every match on their mobiles for a fixed monthly fee. The campaign was a huge success.

For 3 Australia, 2007 is witnessing the further development of the “It’s good to be 3” campaign. “It’s evolved to focus on 3 liberating the emotional benefits that 3 can bring you, underpinned by the rational benefits of why it’s good to be 3,” explains Ms Trapnell. “For example, having the news on your phone is rational,

brought to life in advertising by dramatising the ‘need to know’. This theme will be used in everything we do, from how we dress our shops to our Website.”

The campaign strategy has also evolved significantly in Italy. The first 3 Italia campaign used the message “You, with the strength of 3”, with the focus on the company values (creativity, openness, humanity, positiveness, passion and simplicity) rather than individual products. The second phase put the emphasis on the main video products to show that

3 Italia was the market leader.



In 2004, 3 Italia launched a new campaign: “You can see if you have 3.” It was a clever play on the idea that a phone helps you see (everything you want to watch) and at the same time be seen (people can see that you



Clockwise from facing page: Television commercials and advertising posters cover a diverse range of creative themes for 3 companies in the UK, Australia, Hong Kong and Italy.

have a videophone), appealing to product and lifestyle aspirations simultaneously. The ads used real life situations to compare 3 customers who enjoy all the benefits of new technology with those who have to do without. Building brand awareness was the main thrust.

Then a “fathers and sons” format was introduced, with the younger generation explaining to their parents all the advantages of having a 3 phone. The focus was very much on the huge difference between the old (GSM) and new (UMTS) generation of phones, with the sons symbolising today’s state of the art mobile communications.

As a variation on the theme, Italian movie star Claudio Amendola then appeared with his daughters, who explained the new world of 3 Italia products and services to their modern dad

who is open to new ideas.

To underscore the desirability of high visibility and to strengthen the bond with the youth market, another ad shows Paris Hilton riding on the back of a scooter being driven through by Amendola. There can be few people on the planet with a higher media profile in that particular demographic than the American hotel heiress.

As the market changes, so do the products as technology continues to break down barriers at extraordinary speed. The X-Series – described as a glimpse into the future of telecom and a mobile revolution unleashing the true power of the Internet over the mobile phone – is a classic example.

Hutchison made headlines around the world last year by announcing a landmark package of services that al-

ONE STEP AHEAD

THE 3 brand has a shared idea at its core called the Natural Next Step.

“The idea is to always be one step ahead and to bring customers with us one step at a time,” explains 3 brand guru Keith Kirby. “For example, bringing broadband media to the mobile environment is a step on from the old world of 2G. But for customers it’s critical that it feels natural. If it doesn’t they won’t come. Even if in reality it is 10 times more complicated than the old technology, for customers we must make it seem natural.

“The idea of the Natural Next Step should not be mistaken for something 3 does once and sit back. The Natural Next Step is relentless as we bring new products and services to our customers.”

There are three components:

- The first is to at least match the level of experience customers are used to in the market.
- The second is to bring new and better experiences that are fulfilling, liberating, relevant and immediate, so people get what they want whenever, wherever they want it because 3 aims to deliver what’s important and real, now.
- The third component is really the outcome of the first two. “It is to set the standard, to continually raise the bar,” says Mr Kirby. “3 wants customers to say ‘Why didn’t anyone think of doing that before’. We want competitors to say ‘You can’t do that’ and our response to be, ‘We just did’. Our brand is about being real, delivering what’s wanted, now, in a way that is human and emotional.”



lows people to communicate, find information and be entertained in ways they have never been able to do before using a mobile handset. The X-Series provides mobile phones with a constant broadband connection that lets users to make unlimited calls using Skype, access their own televisions and personal computers from handsets and use the best of Internet and messaging services from Yahoo!, Windows Live Messenger and Google.

The X-Series is being rolled out market by market accompanied by advertising campaigns extolling the virtues of the landmark new product.

In Hong Kong, one of the most sophisticated and penetrated mobile markets in the world, 3 takes the lead in making the PC, TV and the Internet available

Marketing is now often more about compelling stories and unique experiences. The secret of success is surprising people.



on mobile at broadband speed.

The campaign, “3 Leads the Mobile Broadband Life”, promoted two different service packs, the 3HomePC and 3HomeTV. Customers can “Watch your Home TV wherever you are, whenever you want” on your mobile and “Bring your PC world with you on your mobile”.

In one television ad, a smart young man goes for a jog while being followed by a television set. The message is clear - it does not matter where you are, you can watch your home television with your 3 mobile. Another ad shows all the icons of the Internet applications, with a message that with 3HomePC, you can bring your PC with you anywhere. The television campaign was supported by printed ads, billboards, magazine advertorials and on-line advertising.

Austria, meanwhile, is another example of a changing market. Up to the second half of 2006, the campaign was concentrated on educating consumers – explaining what 3G can do for people on a daily basis. This approach has changed dramatically and now has a distinctly innovative, edgy feel.

“Our campaigns are now less focused on explaining a product or an offer. Those features are not the hero of our campaigns anymore. It is only the hook,” explains Nicole Prop, Head of Marketing Communications at Hutchison 3G Austria.

“Marketing communication right now is all about compelling stories and creating unique experiences. We are moving to a more flexible campaign architecture. Because the secret of suc-

cess at the moment is about surprising people and the wow factor. We strongly believe that this will be the way forward in the future.”

For example, the campaign for a new tariff system which offers a “call me” bonus features self-made, hand-written ads posted in urban landscapes that have wild and crazy calls for action covering everything from Elvis to the national lottery.

For B2B, 3 Austria moves beyond clichéd business imagery and shows how liberating mobile communication can be for the workforce.

Since it lets you work wherever you want, why not move somewhere pleasant like outdoors – a theme reflected in the ads. And how about this for radical thinking – a special promotion that gives women 25 per cent more calls be-



cause they are better at talking!

“People are realising that they no longer need a TV or fixed line Internet for a great experience, because amazing things happen right where they are as long as they have their 3 mobile with them,” says Ms Prop.

Advertising is far more complex than it was a decade ago thanks to technology, the Internet and the increased sophistication of consumers. Today, customers prefer to be wooed rather than given instructions.


As Shelly Lazarus, chief executive of advertising giant Ogilvy & Mather, told *The Economist* recently: “We have gone from intrusion into consumers’ lives to extending an invitation to them.”

But however much advertising has changed, every brand still needs great ideas and to keep an eye on the future.

Which brings us back where we began, to Keith Kirby, who, like any good navigator, is always looking at what lies ahead.

“There is still work to do in how we sell, in customer care and in actually under-

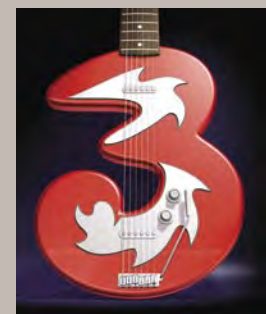
standing our own brand,” he says. “But with the tools of our brand in the right hands we are journeying to a great place.”

That journey is already well underway and 3’s future looks very bright indeed. 

THE LOGO FOR EVERY OCCASION

ANOTHER constant theme in 3 advertising campaigns is the iconic logo. As 3 is a global brand, the logo was designed to be simple, strong and cross language and cultural barriers.

The logo can appear in any colour and is extremely versatile, taking on different personalities as required in specific categories of communications. Today, four years after 3 was launched, the logo can be transformed into everything from a dragon to a football, depending on the occasion. For example, music downloads are a popular 3 service so a guitar logo is used to show that 3 is into music as much as its customers.





The BAHAMAS BOOM

Hutchison boosts investment in island paradise

By Neil Hartnell



ASK A FRIEND or colleague to paint a mental picture of the Bahamas and most will conjure up images of crystal clear waters lapping against island beaches of white baby powder sand. Children splash in the shallows while their parents sip fruit cocktails underneath sun umbrellas; a speed boat pulls a water skier through the water, snorkellers explore the abundant coral and five-star hotels dot the coastline.

In short, a tourist paradise; but there is more than sea and sand to the Bahamas story and it has a fascinating history that is worth

sharing with a wider audience. When Christopher Columbus left Europe in 1492, the first land he set foot on in the Western Hemisphere was the Bahamian isle of San Salvador.

The late 1600s saw British settlement and the construction of a small town on the island of New Providence that became the Bahamian capital, Nassau, and home to one of the New World's oldest parliamentary democracies. The pink-coloured House of Assembly, together with the Senate and court buildings, still dominates Parliament Square today.



The idyllic Our Lucaya Beach & Golf Resort on Grand Bahama reflects HWL's commitment to investing in one of the world's leading tourist destinations.

The colonial heritage is everywhere, from Fort Montagu in the east to the imposing Fort Charlotte that overlooks Nassau Harbour, both constructed to discourage enemy forces from landing. But it is Bay Street where Nassau comes alive. Luxury stores and restaurants compete for space with international banks and law firms while the Pirates of Nassau museum is a reminder of days when more unscrupulous forces held sway in these parts.

Outside the capital lies a stunning variety of island destinations offering visitors every imaginable activity, from scuba diving and sailing

to banana boat rides, beauty salons and palm-fringed golf courses.

The Bahamas gained independence from Britain in 1973 and has since emerged as one of the world's leading tourist destinations. This quiet paradise with a population of little more than 300,000 may at first glance seem an unlikely investment environment for a conglomerate like Hutchison Whampoa Limited (HWL). Look a little closer, however, and the mutual attraction becomes as clear as the waters that lap the 700-island archipelago's famous beaches.

While the Bahamas attracts five million visitors a year, it has also



created a niche as an international financial services centre specialising in private wealth management, estate planning and asset protection. What's more, its proximity to the United States opens up a whole range of trade, economic and investment opportunities.

HWL stands poised on the threshold of further business development in the Bahamas, having steadily increased its presence there since the company was first attracted to its sun-drenched shores just over a decade ago. It has already ploughed USD1 billion into a container port, an airport and real estate, and there is more to come.

"We've invested collectively about USD1 billion in cash," says Jon Markoulis, chief executive officer of Hutchison Development (Bahamas). "We're probably the largest cash investor in the country. Our medium- and long-term plans are to get a decent rate of return on the money we've invested. Once Hutchison gets that rate of return, we get into another level. There'll be spin-offs and a lot of additional economic activity."

Much of that activity may take place in the city of Freeport on the country's second largest island, Grand Bahama. It was here that a 230-square-mile (595-square-kilometre) duty-free zone was created courtesy of the 1955 Hawksbill Creek Agreement between the Bahamian government and Grand Bahama Port Authority (GBPA), an entity that was granted quasi-governmental powers to run and govern Freeport.

It was Edward St George, the GBPA's late co-chairman, who

saw the potential of a container port in Freeport as a logistics/transshipment/distribution hub for the Americas region. His vision persuaded Hutchison Port Holdings to develop a facility in 1996 that now employs 900 people.

Chris Gray, Hutchison Port Holdings (Bahamas) chief executive, and the man responsible for overseeing Freeport Container Port's day-to-day operations, acknowledges that the business-friendly environment created by the Hawksbill Creek Agreement "played a part" in encouraging the company to come to Freeport but cites the country's economic and political stability as other key factors. "It's a stable government, it's a stable environment, and it has an attractive fiscal environment," he says.

Mr Markoulis agrees, adding that Hutchison's real estate division has established a presence in the Bahamas partly "because of the opportunity provided by the land bank in Freeport to develop a lot of upscale real estate."

Situated some 55 miles east of Palm Beach, Florida, Grand Bahama Island is in the same time zone as the east coast of the US and is also adjacent to the world's major shipping lanes, creating advantages for both commercial shipping and cruises lines. Non-US flagged ships cannot move from port to port – they must call at a foreign port after leaving the US – making Bahamian ports such as Freeport and the capital Nassau ideally placed to capture the lion's share of Caribbean cruises from Florida. A multitude of island destinations, each with

Another huge plus for the Bahamas is that most beach-front property in Florida has already been built on



their own flavour and experience, has helped the Bahamas to attract 3.5 million cruise visitors per year, accounting for two-thirds of annual arrivals.

Freeport Container Port processed more than 1.4 million containers in 2006, enjoying double digit year-on-year growth, and Hutchison Port Holdings (Bahamas) is in the advanced stages of planning the next USD250 million phase of its expansion, Phase V. Mr Gray believes there is room for two or three more phases after Phase V. “If we go ahead with Phase V, that will take us to roughly

about 40 per cent of potential future capacity,” he says.

Mr Gray also oversees the operations of Freeport Harbour Company, a cruise terminal operator in which Hutchison holds a 50 per cent stake. The remaining equity is held by Port Group Ltd, an affiliate of the GBPA. The cruise ship terminal attracts 300,000 round-trip passengers per year. Hutchison

HWL's assets in the Bahamas range from luxury resorts and ports to Grand Bahama International Airport.

HOMING INSTINCT

AS THE “BABY BOOM” generation in the United States approaches retirement, the demand for holiday homes in places such as the Bahamas is increasing dramatically.

Jon Markoulis, the man who looks after Hutchison’s extensive property interests in the Bahamas, describes the baby boomers as “the largest group of people entering retirement age anywhere in the world.”

He says that while there are just 10 miles of undeveloped private beachfront on the whole coastline of eastern Florida, Grand Bahama alone has 15 miles but adds with caution, “We don’t want to become too crowded, we want to maintain a reasonable lifestyle.”

Hutchison is planning a wholly owned real estate development at Grand Bahama’s Silver Point featuring 118 luxury condominiums, single family homes and townhouse apartments, each able to moor a private yacht up to 75 feet in length.

The Silver Point – Our Lucaya project is just 54 miles east of Palm Beach, Florida, and is being designed by the world-renowned architectural firm RTKL based in Dallas, Texas.

The 18-acre site is on the beautiful Lucaya Beach and has extensive ocean frontage. Homeowners will have access to services at the nearby Hutchison property Our Lucaya Resort, including two 18-hole championship golf courses.



BAHAMAS FACT BOX

Full name: Commonwealth of the Bahamas

Population: 321,000

Area: 5,382 square miles

Capital and largest city: Nassau

Major language: English

Major religion: Christianity

GDP growth rate: 4%


GDP per capita: USD21,300



plus for the Bahamas is that most beach-front property in Florida has already been built on, so developers are now turning to the Bahamas. Hutchison is planning its own real estate development at Grand Bahama's Silver Point, located just west of another Hutchison property, the luxurious 1,271-room Our Lucaya Beach & Golf Resort.

But despite all that has already taken place, "potential" remains the buzz word for Freeport, Grand Bahama and Hutchison; all three may have only scratched

A multitude of island destinations has helped the Bahamas attract 3.5 million cruise visitors per year

the surface of what they could achieve. "We don't even have to be day-dreaming about it," says Mr Markoulis. "Many kinds of economic investment and activity have already taken place in Freeport but we know it can be a far more productive economic engine." 

Port Holdings, again through a 50/50 joint venture with Port Group Ltd, has invested USD50 million in Grand Bahama International Airport since 2002, including a new US pre-clearance facility that meets the latest US government regulations.

One of the largest privately owned airports in the world, its 11,000-foot runway receives 165 private, charter and commercial flights per day; some 420,000 round-trip passengers pass through it every year. Then there is the Sea Air Business Centre located between Grand Bahama International Airport and the container port, which is being developed as a light manufacturing, assembly, distribution and import/export hub. The Sea Air Business Centre will take up approximately 740 acres and is expected to be of similar scale to the duty-free zones in Dubai and Colon in Panama.

Hutchison also has its eyes on Grand Bahama's untapped real estate potential through the Grand Bahama Development Company, which owns 70,000 acres of land on Grand Bahama and is responsible for planning the land zoned for tourist, commercial and residential use in Freeport.

Apart from its climate and proximity to the US, another huge

CHINA THE NEXT TARGET

THE BAHAMAS is working hard to increase the numbers of visitors from Mainland China to its shores and the early signs are promising – the Ministry of Tourism's new Chinese website is already receiving 7,000 hits per month.

The Bahamas has traditionally been heavily reliant on the US but the Chinese market is an obvious place to turn, given that China is expected to become the world's largest supplier of outbound tourists over the next 10-20 years.

In March 2006 Chinese travel agents, tour operators and media visited the Bahamas and the first tourists from the Mainland have started to arrive. The Ministry of Tourism has also launched a media marketing campaign.

The CANCER QUEST

Tracing the roots of a killer disease

By Mark Graham



Chairman Li Ka-shing makes a presentation to Her Majesty Queen Elizabeth II at the opening of the Li Ka Shing Centre in Cambridge.

The seeds of the project were sown when Mr Li read a magazine article

THE SCALE and the scope of the operation are simply breathtaking... purpose-built research centres, the involvement of a region's entire health service and a crack squadron of highly-qualified specialist scientists.

The reason for the size of the multi-million-dollar project becomes clear when its purpose is revealed: to try to find the causes of cancer, the dreaded disease that strikes indiscriminately at all ages, races and social classes.

Scientists at Cambridge, where some of the planet's top scientific brains make their academic home, are thrilled to be able to start a new kind of cancer research programme, aided by the Li Ka Shing Foundation, whose funding has allowed purpose-built centres to be constructed, equipped and staffed. The Cambridge operation is the envy of Europe and has already lured highly-rated specialists from the other side of the Atlantic.

The seeds of the project were sown when Mr Li Ka-shing read a magazine story focusing on the work being carried out at Cambridge University, the small city in eastern England with a big academic and scientific reputation. Further inquiries piqued his interest even more: the idea of helping such a groundbreaking project appealed hugely to Mr Li and the result is the creation of the Hutchison/MRC Research Centre and the Li Ka Shing Centre through a total donation of GBP22 million (HKD341 million).

It is difficult to capture the scale of project without massive oversimplification but in essence it aims to find out how cancer works by studying the genetics of the disease, how faulty genes make cells go awry, and how risks of developing different cancers can be inherited. All parties involved – patient, doctor, researcher, administrator, drug companies – are locked into one giant system and the interaction resulted from having all these different elements and resources in one geographical region should increase the chances of success.

“The aim is to develop Cambridge as a centre for cancer research and in particular as a centre which will be of practical benefit to patients,” says Professor Bruce Ponder, director of the Cancer Research UK Cambridge Research Institute.

“We now have a far stronger service for patients than we had five years ago and one that integrates surgery, pathology, radiology and cancer medicine through new multidisciplinary teams. These deliver first-class care and are the foundation for our research.”

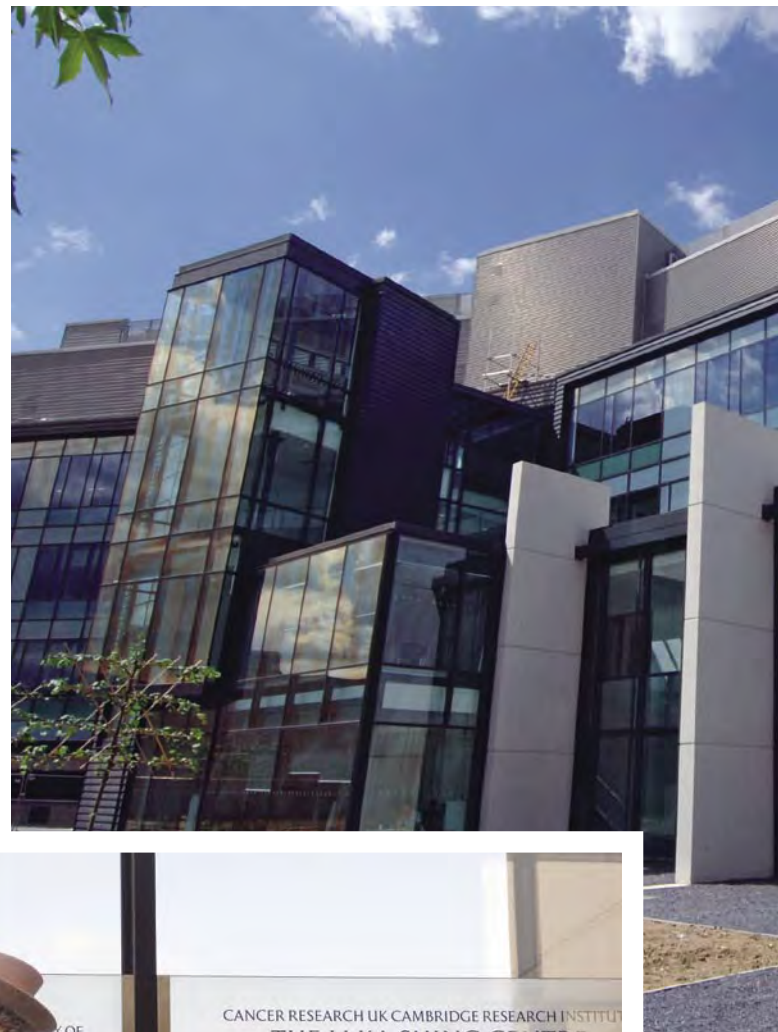
Key to the project's success is Professor Ponder himself, who made the decision to step slightly back from his front-line research to take on more of an administrative role. He realised

The Cambridge operation is the envy of Europe.

that for the grand scheme to work – of ensuring a smooth channel between all interested and relevant parties – it would need someone

who was familiar with all disciplines. It was a selfless call, made because he is convinced that the project is new, exciting and likely to lead to major breakthroughs.

“The overall aim is to bring world class research to bear on medical problems,” says Professor Ponder. “We can make earlier



focusing on the work being carried out at Cambridge University



diagnoses which will in turn mean better treatment. It is a huge investment and will make this a major regional cancer centre. We have put all the foundations in place.”

News of what is happening in Cambridge has made its way down the international scientific grapevine; researchers from the United States, a nation that has the funds to attract the brightest and best, are following developments with keen interest. So far a total of 28 senior cancer researchers have signed up for the programme, all with heavyweight qualifications and years of experience.

“It is an expensive and ambitious project which will enable cutting-edge academic research to be translated most effectively into the clinical setting,” says Professor Ponder. “Cambridge’s broad-based but integrated cancer research community will be uniquely well placed to take this forward in the future.

“We intend to create a ‘virtual National Health Service laboratory’ in which the framework of the health service can be used to evaluate the practical applications of our research towards early detection and prevention of cancer and towards the early choice of the most appropriate treatment.”

In practice, that means that a young Cambridge woman unfortunate enough to discover she has breast cancer can take some small comfort from the knowledge that her case will be receiving attention from her local physician and, in the background, be part of a far bigger project. Researchers will be able to track for genetic patterns, information that, when processed, will lead to better assessment for treatment and narrow down the causes. In essence, it will make it way easier to determine who, exactly, is at most risk of developing the dreaded disease.

The project will largely focus on the common cancers... breast, prostate, colon, lung, oesophagus and ovary. Already there have

SYMBOL OF HEALTH

PEOPLE visiting Cambridge University’s state-of-the-art cancer research centre will pass by a striking modern work by Chinese sculptor Ju Ming.

The Taichi Arch – Gate of Health, a large bronze sculpture, was commissioned by Mr Li Ka-shing in order to give the grounds a strong artistic component. Mr Li believes this magnificent sculpture is in synch with the work at the institute and cites Albert Einstein’s inspirational thoughts on the links between art and science.

“All religions, arts and sciences are branches of the same tree,” Einstein said. “All these aspirations are directed



toward ennobling man’s life, lifting it from the sphere of mere physical existence and leading the individual towards freedom.”

The sculptor, who is known for his bold outdoor works, grew up in a poor family with 11 other siblings. His artistic talent was revealed when he began carving images for a Buddhist temple as a teenager.

Mr Ju worked and studied in China before heading to Taiwan, Japan and Italy to further his knowledge. The master is renowned for massive polished-steel sculptures that can be found in France, Singapore, Japan and Hong Kong.

The more science knows about a particular cancer – the way it

been breakthroughs: Professor Ponder and his team have refined a system of genetic profiling that will allow women at higher risk of developing breast cancer to be identified, and screened, earlier.

“Our team at Cambridge has created a bit of a stir internationally,” says Professor Ponder. “Our potential has been recognised and people are looking at what we are doing with great interest. Such a large investment has given us a great sense of responsibility. We are very conscious of doing the best we can.”

Project scientists are now working in a purpose-built, fully-equipped facility that is the envy of the world. The GBP50 million Li Ka Shing Centre on the Cambridge Biomedical Campus was funded jointly by Cambridge University, Hutchison Whampoa Limited and Cancer Research UK, plus a range of other donors, and was opened by Queen Elizabeth II. It will augment the Hutchison/MRC Research Centre, which is already up and running.

The first holder of the Li Ka Shing Professorship of Oncology, worth GBP2 million, is Professor Ponder. “The generosity of Mr Li has inspired and made possible in Cambridge a new, internationally excellent centre for cancer research,” he says. “My colleagues and I are truly grateful for this further demonstration of his support.”

Mr Li has been a strong supporter of Cambridge University for some time. He contributed to the new wing of the Churchill Archive – built to house the papers of Baroness Thatcher, the former prime minister – and in 2000 established the Li Ka Shing Programme for Cambridge Scholars, funding a series of lectures and research visits to China by Cambridge academics.


It will be future generations who benefit from what is happening now in the labs of Cambridge under the supervision of Professor Ponder and his team. The more science knows about a particular cancer – the way it develops, the people more susceptible to it, the way it mutates – the better doctors are equipped to deal with its effects.

“If we can find out which people are high risk, we can begin to understand what makes them high risk and why they are at risk,” says Professor Ponder.

In other words, if the root cause can be established, the easier it is to examine how that can be dealt with and, ultimately, if not in this generation then the next, find a way of curing the disease that is the scourge of the modern world. There can be few more noble callings, working long hours often in isolation with the goal of helping alleviate human suffering and misery.

It was admiration for such dedicated professionals that led Mr Li to support the project. It was, he says, a deserving cause that fulfilled a lifetime ambition of wanting to help fellow citizens.

“It has always been my dream that knowledge and caring can

help to make the world a better place,” he says. “Building this institute is part of that dream. I have seen, at first hand, how the benefits of healthcare research have translated into improvements in the quality of life to the sick and infirm. Cambridge University is one of the world’s beacons of learning, and I have great faith that the research conducted in the centre will prove to be invaluable medical advancement to the world.” 

TOP TEAM

A FORMIDABLY TALENTED team of top scientists, headed by much-respected Bruce Ponder, work at the Cambridge research centres.

Professor Ponder, 63, has had a long and distinguished career in cancer research and treatment; the many awards and honours on his CV testify to the high regard in which he is held by fellow scientists.

Having such a world-renowned figure in charge, taking on administrative and managerial duties that are a step

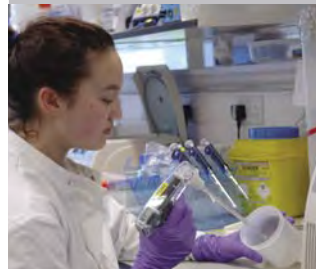
away from his first love – research – was a major coup for the project. The boss also acted as a magnet for other talented and ambitious scientists; they reasoned that if Bruce Ponder was on board, there must be something rather special happening.

“My research was going pretty well when

I took this job,” says Professor Ponder, whose wife is a trained nurse. “It is a big administrative responsibility, but our potential here has been recognised and there is a great deal of interest. A lot of people have invested here and we are very conscious of the responsibility.”

The professor remains head of oncology at Cambridge University in addition to being a director of the Cancer Research Institute, co-director of the Hutchison/MRC Research Centre and head of a research team looking into the genetic predisposition to cancer.

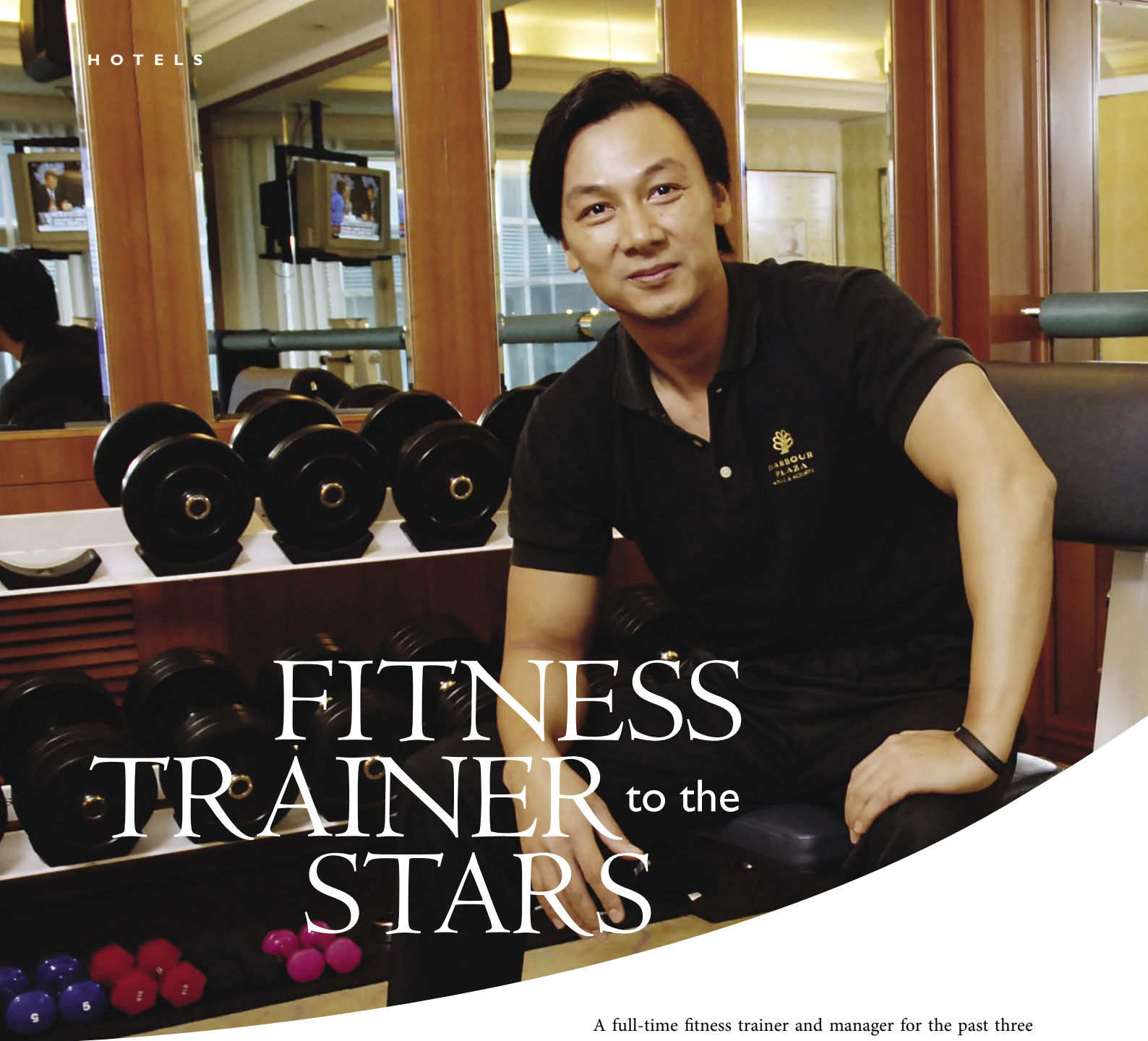
Other people working with Professor Ponder are established specialists in their own fields. They include Professor Ron Laskey (DNA replication and early detection of cancer), Professor Ashok Venkitaraman (cell cycle control and cancer drug resistance), Dr James Brenton (ovarian cancer genomics), Professor Kevin Brindle (imaging tumour responses to therapy), Professor Carlos Caldas (breast cancer genomics), Dr Nick Coleman (early diagnosis of cancer), Dr John Griffiths (preclinical and clinical imaging), Professor David Neal (androgen resistance in prostate cancer), Professor Fiona Watt (stem cells and epithelial biology), Dr David Tuveson (pancreatic cancer) and Professor Simon Tavaré (biomolecular computing).



develops, the people more susceptible to it, the way it mutates
– the better doctors are equipped to deal with its effects



Mr Li with Professor Bruce Ponder (top left) who leads a team of talented scientists at Cambridge. “We are very conscious of doing the best we can,” Professor Ponder says.



FITNESS TRAINER to the STARS

*How Michael Chan
keeps celebrities in shape*

By Scott Murphy



HIGH PROFILE pop stars like Kylie Minogue and South Korean sensation Rain, not to mention a host of Cantopop entertainers, are no strangers to the Harbour Plaza Hong Kong on the Hung Hom waterfront. But when celebrities visit the hotel's fitness centre for a work-out, trainer Michael Chan doesn't get intimidated. He gets physical.

A full-time fitness trainer and manager for the past three years, Michael is the rarest of breeds: well versed in dietary science and fitness techniques, he is also familiar with the latest music and entertainment trends, courtesy of his time spent with major record companies through much of the 1990s. But sensing a dead end in the industry due to declining record sales, he turned to his next great love, fitness and weight training.

"I was working with Cantopop star Ekin Cheng before a concert," says Michael. "We came here to join the club and work out together. We met the manager and asked if I could train Ekin here. So I did. Word got out and now I know many artistes and celebrities who want me to train them."

With over 100 members and growing, one of the fitness centre's selling points is the breathtaking harbour view that has been described as the best in the city. The club contains all of the latest weight training and cardiovascular equipment



*Michael admits
that losing a lot of
weight in a short time is
a serious business*

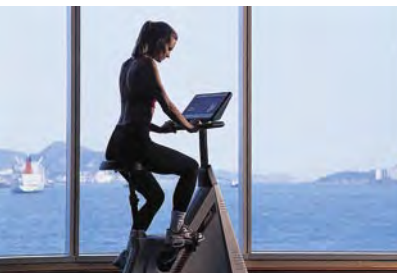
and another bonus is the sense of being in a private oasis, far from the stresses of everyday Hong Kong life. And, in terms of privacy, Michael values his famous clients so much that he is reluctant to divulge names without a bit of friendly arm-twisting. “Hong Kong male artistes like to show a lot of muscle,” he

“I train a maximum of four people a day to maintain the quality,” he says. “The people I train here often become good friends. Some executives will tell me about their tough day. They like to talk to me. It’s more personal. Some people need to be pushed. When I am working with them, I convince them that exercise is good.”

The club is open from 6 am to 10 pm every day but Michael also has other duties in addition to training. He oversees two full-time lifeguards at the hotel’s unique glass pool as well as four other recreational officers. Collectively, they maintain the immaculate state of the fitness centre and try to ensure that customer satisfaction is guaranteed. “I like helping people. If I can help someone, I am already happy,” says the genial trainer.

When it comes to personal training sessions, Michael does his best to educate celebrities and regulars alike about what it takes to become fit. “I tell them to eat breakfast,” he says. “That’s hard for a lot of people. They say ‘I drink coffee in the morning’, but it’s not breakfast.

“They say ‘I can’t eat early in the morning,’ I tell them that eating wheat toast and bread is good. The second thing is to eat well. A diet of just dim sum and kimchi isn’t good – there must be balance. I tell them not to drink beer at night because they can’t get to sleep. And weight training is essential for most people. The average person should train for at least 30 minutes, three times a week.”



says. “So I’ll get people like Leo Ku who came to train before his last concert. Actor Chapman To has trained with me. Producer and radio personality Lawrence Cheng trained here too, until he told me he had no time. One female talk show host even came to me with the idea of getting one of her staff to lose weight. I made him lose 38 lbs (16.3 kg) in six weeks. When I get results, they tell their friends.”

Michael admits that losing a lot of weight in a short time is a serious business and he applies firm rules based on the many years he has spent weight training, dating back to his UK student days when he was bullied for being skinny. Nearly two decades later, he’s not only in great shape but knows how to get his clients in shape too.

On a daily basis, 200 to 300 hotel guests are paying attention to what he says. That includes his high-profile celebrity clients who usually end up becoming members, such is the sophisticated, private nature of the club. But even though Michael has become a trainer to the stars, it seems that he still keeps an ear to the ground when it comes to his roots. The self-proclaimed Pearl Jam, Black Eyed Peas and Justin Timberlake fan doesn’t have many members who love his choice of in-house music though. “So, to please them, I turn it off,” he says with a smile.

One of the fitness centre’s selling points is the breathtaking harbour view.



LIQUID ASSETS

*A S Watson's brands appeal
to sophisticated Mainland tastes*

By Mark Graham



**Watsons Water is the prime local brand
that discerning consumers ask for by name.
Right: Mr. Juicy continues to be a market leader.**



AFFLUENT CONSUMERS in the world's fastest growing economy are beginning to demand a brand-name product when they order juice for the home, a mixer with their nightclub drink or a bottle of water from the local convenience store.

It is a trend that is benefiting A S Watson enormously: China's upper middle classes recognise the name as one that is synonymous with quality, yet with a price that is more affordable than imported drinks. Watsons Water, for example, is considered to be the prime local product that discerning consumers specifically ask for by name.

Lifestyle products in general have enjoyed an unprecedented surge during the past decade of astounding growth in China. When A S Watson ventured into the newly opened-up country more than two decades ago there was only a niche market for products perceived as high-end; state controls meant that all imported goods had to be sold in designated stores.

And, in any event, locals had neither the income, nor the brand-awareness, to contemplate spending their hard-earned yuan on luxury items. But come the late 1990s and demand went through the roof, particularly in the southeastern part of the vast nation, leading A S Watson to invest in three separate production facilities.

In Guangdong province, a factory produces various A S Watson beverages, while in the capital Beijing and the city of Shanghai plants are dedicated to water production. The plants altogether employ around 1,600 staff in China and have a production capacity of 650 million litres of beverages.

As the company celebrates 12 years of resuming production in modern China after a hiatus of half a century, the market looks very healthy indeed. Annual growth in the country as a whole is more than 10 per cent - significantly more in the coastal regions where much of the wealth is concentrated.

"From our current expansion mode and with fast economic development in China, we believe A S Watson will be one of the key players in the categories of water, professional mixer drinks and chilled juice," says Ricky Cheung, managing director, A S Watson Industries, Beverages.

With water, the company is targeting the segment known as mass premium, essentially white-collar and upper middle class



professionals who want a quality brand that has cachet. That is the area where there is most profit margin; while the lower-end brands sell huge volumes, competition is fierce and margins low.

Watsons Water provides its products in various sizes, from portable bottles to coolers that are suitable for offices and homes. That distinctive green logo is seen as the sign of a discerning customer.

It is a similar story in nightclubs, where managements like to offer Watson's Mixer and Water, rather than poorly-packaged local brands, as a sign of their commitment to high-end products. Tastes are also changing rapidly in the nation of 1.3 billion people, with most younger clubbers now opting for whisky combined with a mixer, instead of simply beer or the traditional cognac.

To target those free-spending drinkers, the company has hooked up with various liquor companies to ensure that when they order their gin tonics and whisky sodas they ask for the brand by name.

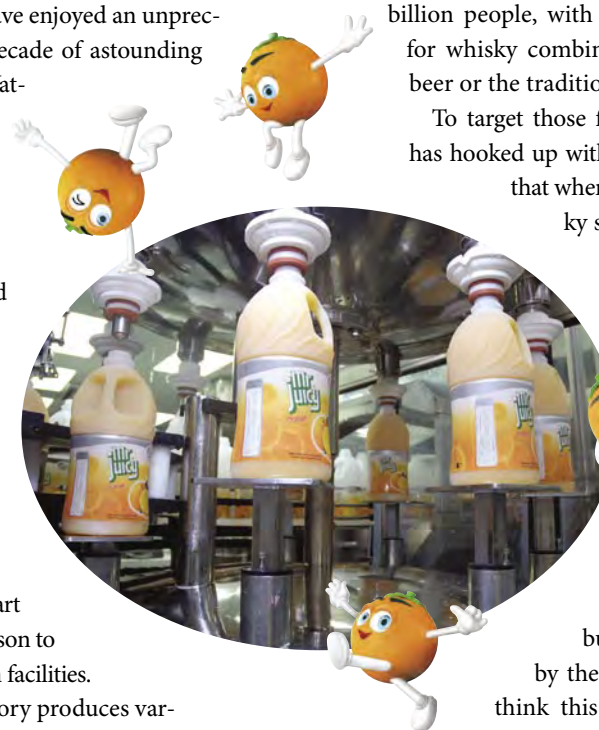
It is the custom in China to order an entire bottle for a table, with drinkers diluting their drinks with mixers.

"Our Watson's Mixer range will definitely be the market leader in the professional mixer category with western spirits," says Mr Cheung. "The price is less sensitive in the entertainment business. If you put Watsons Water by the side of imported water then people think this is the most premium local brand.

We are half the price of foreign bottled water but double that of other local brands.

"We are the only brand investing heavily at night spots and entertainment outlets on brand building with imported spirits. We are offering innovative marketing services and already have night-channel representatives in nearly all the major cities in China that serve both mixers and water. We will expand our service team to more secondary cities and towns."

With juices, A S Watson is, once again, targeting the upper middle classes who have plenty of cash to spend and are becoming avid consumers, keen to pursue the lifestyle they see on their travels abroad or observe on television. Initially, the company went into the market with ambient juice - the term used for juice with a long shelf life - but increasingly there is a demand for high-quality fruit juices that are stored in refrigerated conditions and have a more limited shelf life.





Affluent consumers in China are demanding a brand-name product when they order juice, a mixer or a bottle of water.



A S Watson emerged from humble origins on the Mainland

“The logistics and handling of chilled products are quite complicated and sophisticated,” says Mr Cheung. “But the competition will not be too intensive so we have room to grow our Mr. Juicy business region by region following our success in the south, where we are already a key player in the chilled category.

“We plan to extend juice manufacturing to Beijing and Shanghai in the next couple of years and later to the middle and western region. The idea is to establish more satellite plants outside the core regions.”

As well as the hugely popular orange juice, the Mr. Juicy range now includes more exotic mixtures of fruits such as Korean citron or purple carrot with aloe vera which are well received in Hong Kong and are being considered for the China market. Further down the road, A S Watson is exploring opportunities to introduce fresh juice corners and health water in the Mainland market.

The multi-million-dollar business of juice and distilled water is all a far cry from the first incarnation of Watsons. It came about when the founder Dr Watson, practising medicine in China in the 19th century, could not be guaranteed a regular supply of

quality distilled water. The medic’s solution was to start producing his own pure water, a commodity that was in such demand that commercial production became feasible in the 20th century.

From those humble beginnings, A S Watson emerged. The doctor could scarcely have imagined that a century later that China would be enjoying boom times, with Watsons as a brand-name that is associated with an affluent 21st century lifestyle.

One of the problems that A S Watson is now facing – an unwanted compliment – is copycat products. The packaging in some instances is almost identical to the distinctive Watsons bottles and cans.

“It is a big headache, and we are trying to eliminate it,” says Mr Cheung. “There are a lot of small players and it is difficult to clamp down on each and every one of them.”

The issue of intellectual property rights is just one of the many challenges to be faced in A S Watson’s China adventure. All in all, it looks like a busy few years for the A S Watson team on the Mainland, especially if the economy continues growing at its current average rate of 10 per cent.



The Watson’s Mixer range is a big hit.



to become a multi-million-dollar beverage business

MR. JUICY SHOWERED WITH AWARDS

AWARDS have been arriving at a fast and furious pace for the Mr. Juicy brand in its home market this year.

For the fifth consecutive year Mr. Juicy was voted as a Platinum Trusted Brand in the Reader's Digest Trusted Brands Survey. Respondents have to vote (unprompted) for their single most preferred brand based on trustworthiness, credible image, quality, value, understanding of customer needs and innovation. Platinum status is an extraordinary recognition of Mr. Juicy's market dominance: no other competitor came close in the Hong Kong juice category.

In addition, a recent Mr. Juicy television commercial won several awards in the 13th Annual Most Popular TV Commercial Awards organised by Asia Television and the Hong Kong Advertisers Association. It picked up the Most Honourable TV Commercial Award, the Top Ten Most Popular TV Commercial Award and, for its young star, The Most Adorable Kid Award.

The award is based totally on public voting and the Mr. Juicy television commercial received the highest number of votes among the top ten nominees.



From backwater to boom town

IF YOU WANTED to identify a place that epitomises the export-led economic success story that has taken place in southern China, look no further than Yantian. This booming port town, situated just east of Hong Kong, provides importers and exporters with a convenient trading gateway and satisfies the ever-increasing needs of shipping lines and shippers.



Then... Back in the early 1990s, Yantian was a quiet coastal backwater of Shenzhen with few commercial prospects. That all changed with the creation of Yantian International Container Terminals Limited (YICT), a joint venture between Hutchison Port Holdings and the Shenzhen Yantian Port Group. The first ocean-going ship called at YICT on 20 July 1994, marking the start of an extraordinary period of growth that has seen Yantian Port become a world-class facility.

Now... Today, YICT operates and manages Phases I, II and III at Yantian and has 12 deep-water berths servicing 36 leading shipping lines. Looking ahead, the YICT Expansion Project will add a further six container berths by 2010.

But it is the numbers that tell the real story. In 2006, YICT handled 8,865,000 twenty-foot equivalent units (TEUs), helping to make Shenzhen the fourth largest deepwater container terminal in the world. In 1994, the figure was just 13,000! 