

Only at Boots

Why shop at Boots? We want to give our customers as many compelling reasons as possible, in the form of an ever expanding range of exciting high quality Boots branded and exclusive products. Successful relaunches of our biggest brands and some innovative new arrivals strengthened our 'Only at Boots' offering still further in 2005/06...

Achieved in 2005/06:

N°7: now an even bigger success story

In February 2005, we relaunched N°7, our biggest own-brand and the nation's favourite cosmetics range. With over 60% of the products reformulated, the changes weren't only skin deep (if you'll forgive us the pun); and our customers certainly appreciated the improvements we made, with sales up by over 13% in the first year post relaunch.

We relaunched our 17 range, too, with similar success – giving us an even stronger position as providers of both premium and more accessible cosmetics ranges for Britain's beauty-conscious women.

Boots brand medicines, a great year

Offering high quality at down to earth prices, our own-brand medicines performed exceptionally well in 2005/06, with our Pharmacy Plus range a particular success – which helped further reinforce Boots' position as a major player in the OTC medicines market.

Helping our customers buy with a clear conscience

These days, an increasing number of people want the reassurance of knowing that the products they buy have been manufactured ethically.

Another good reason to shop at Boots. We've audited our suppliers' performance on environmental issues for many years. But three years ago, we began an enormous project aimed at further ensuring that all our 600 plus own-brand product suppliers treat their workers fairly, as well as showing a responsible attitude towards the environment. One by one, we've assessed them against our own updated Code of Conduct for Ethical Trading and, where necessary, worked with them to help improve their performance – in many cases, helping them save money at the same time.

During 2005/06, we virtually completed this Supplier Verification Programme. And our efforts were rewarded with a prestigious Business in The Community National Big Tick Award for Excellence. Better still, our customers can shop at Boots with greater peace of mind than ever.





Mike and Steve work in our Nottingham laboratory as Scientific Advisers in Suncare and Skincare. It is their level of expertise that gives us confidence in the great quality of our products.

Soltan: No 1 in its market

After another year of double digit growth, Soltan remains Britain's leading suncare brand. And it defines what we mean by 'Only at Boots', being unique in offering 5* UVA protection across the whole range. More than that, Soltan has moved on, shifting its emphasis from simple tanning to sun-related skincare, an area in which Boots specialist expertise is, in our view, second to none.

Not only do we have 260 suncare consultants working in our stores, behind the scenes, we're also working closely with leading charities, such as Cancer Research UK, to raise awareness in the community at large about the importance of protecting skin against the harmful effects of the sun.

A very happy own-brand Christmas

For the fourth consecutive year, we turned in record sales over the Christmas period. And what made us feel particularly festive was that in the area of beauty gifts, Boots own-brand and exclusive products accounted for 79% of sales.

Measuring our performance

The key measure we use to monitor our performance here is the volume of Boots brand and exclusive products sold as a proportion of our total sales. In 2005/06, this measure increased slightly and showed good growth in Health and Cosmetics.



The right ingredients – for our customers and the planet

Just as we take great care over how our products are manufactured, we show the closest interest in what goes into them. Our concern is to ensure that the ingredients we use provide the performance our customers want, but are not obtained at a cost in terms of the earth's biodiversity.

For example, across the world, palm oil is increasingly being used in all kinds of products, from confectionery to cosmetics. But, unsustainable growing practices in some parts of the world are resulting in the destruction of vast areas of rainforest.

We want to be certain that all the palm oil used in Boots products has come from well managed and sustainable plantations. It won't be easy, since this key ingredient is bought in bulk commodity markets, where origins can be hard to trace. But in January we took an important step, when we became one of the first UK retailers to join the Roundtable on Sustainable Palm Oil, an alliance of producers and manufacturers working together to find the best way forward.

To do:

Own-brand sales increased slightly in 2005/06. In order to keep driving this business, our plans for 2006/07 are:

- > Further innovative own-brand launches, including new ranges designed to make it easier for customers to get the very best from Boots;
- > Building on key brands such as Soltan, which will shortly be extended with a new once-a-day application;
- > Conducting trials to develop new ways of merchandising Boots brand and exclusive products more effectively.