

Right stores, right place

Along with value, convenience is what our customers most want these days. So we're making a major effort to ensure that, wherever they are in the UK, they are within easy reach of a Boots store which not only meets their needs, but also provides the kind of shopping experience they want...

Achieved in 2005/06:

Putting new stores where our customers want them

Last year, we opened 24 new stores – seven in EoT locations, where our customers increasingly like to do their major shopping. This brings our current EoT total to 119 stores, around 50 of which have opened in the last three years. And we'll be aiming for a further 50 new stores over the next three years.

Taking advantage of deregulation, we also opened 43 new pharmacies in stores. And generally, our new stores are proving popular with customers, meeting sales performance targets.

Renewing our commitment to the UK's High Streets

Throughout Boots history, the High Street has been our home. And while our new stores in retail parks offer customers another option, we remain 100% committed to meeting the needs of those who find it more convenient to do their shopping while they are in town. Hence our decision in 2005/06 to invest £70m on refurbishing 600 of our community chemist stores and 100 Boots Opticians practices.

Sedley Place: the best of Boots

In April, we opened our new Sedley Place store in London's Oxford Street. It's not just one of our biggest stores, but a showcase for everything that's best about Boots. We believe there isn't a better Health and Beauty store in the world. In just over a year, the store has picked up several awards.

Stores as diverse as the communities they serve

Being conveniently located isn't enough, we want our customers to feel that our stores are genuinely part of the community they serve – and, to achieve that, we need to ensure that our people reflect the ethnic diversity of modern Britain.

Currently, around 10% of all our people come from ethnic minority backgrounds, but not many of these individuals have so far progressed to more senior positions within the company. Similarly, while women make up around 80% of our total workforce, there are relatively few higher up our management structure.

In 2005/06, we took the first steps towards a more diverse workforce, securing a commitment

from the executive to focus on ethnic diversity and women in management. We'll be reporting on our progress.



Open till midnight

Over the last two years, we've made big progress in terms of extended opening hours. We want our customers to be able to shop when it's most convenient for them.

Now, we're taking the next step. To enable customers to get prescriptions, we're keeping an increasing number of pharmacies open until midnight. Our aim is to ensure that by the end of 2006, the majority of the population are within a 30 minute drive of a late night Boots.

Making our stores more enjoyable and easier to shop

Throughout the year, and all over the country, we continued to make improvements to our stores, working on new formats and making better use of space wherever we felt we could deliver a better shopping experience.

By converting space recovered from discontinued healthcare services such as dentistry to retail, we were able to introduce impressive new destination Health and Beauty halls.

We also launched initiatives designed to improve our displays and merchandising in certain product categories, such as skincare, with the aim of making it easier for customers to find what they are looking for.

A better deal for disabled customers

Stage III of the Disability Discrimination Act (DDA) came into force in October 2004, and we have continued working hard to ensure that all our stores comply with its requirements, in terms of offering disabled customers easy access and an enjoyable shopping experience.

Having carried out access audits on all Boots stores, we've been addressing the issues which arose; and we have now almost completed our programme of remedial works designed to improve disabled access.

In addition, all our store people have undergone disability awareness training, which is reviewed each year. And we are also working with organisations such as the Royal National Institute for the Blind to find ways to make our stores more welcoming for disabled customers.

Measuring our performance

During 2006/07, our target is for sales from new space to contribute between 0.5% and 1.5% to sales growth.

	2005/06	2004/05
Increase in sales from new space	1.8%	1.5%

To do:

Our urgent priority in 2006/07 is to start the long overdue refurbishment of our smaller community chemist stores, investing around £70m in providing them with new formats and much needed new facilities, such as consultation rooms and improved dispensaries. Our plans in brief:

- > Invest in community chemists;
- > Open 20 new stores – around half in EoT locations;
- > Increase our presence in Health centres, with 10 openings planned this year;
- > Continue work on delivering an outstanding Health and Beauty shopping experience in all our stores.

This is Gill and Amy. Their store is situated right in the heart of Edenbridge in Kent giving the local community convenient and accessible healthcare.

