

News release

2nd March 2007

SUPERDRUG STAMPS ON TREASURY

- as HM Treasury continues to ignore Superdrug's letters the retailer sends a supply of stamps -

The recent sun care delivery to HM Treasury saw Gordon Brown himself skipping through the piles of sun cream piled on the steps of his offices. The Chancellor chose not to take the postcard giving details of the petition as his ministerial parking space was taken up by the Superdrug lorry and he was forced to walk through the boxes.

Today Superdrug has delivered a supply of first class stamps to the Ministers office. Superdrug has not received a response from Gordon Brown to the last three letters sent since October 2006, in contravention to the Government's aim to reply to all letters within 15 days.

Superdrug is at a loss to understand why the Chancellor cannot reply to its letters asking whether as a parent he considers sun care an essential item. The only conclusion can be that The Chancellor is controlling the use of stamps – well as a prudent man he will be aware of the possibility of an increase in the price of postal services.

This week Superdrug has delivered to Mr Brown:

- 21 cages of children's sun care, representing a cage for every day remaining to the budget
- A copy of every letter received in support of the campaign
- Copies of the online petitions held in support of the campaign
- A child's beach essentials kit comprising paddling pool, beach towel, sunglasses – but no sun cream, because obviously that's not an essential

The campaign which launched in July 2006, already has the support of 70 MPs and 3,500 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/>).

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:

Toffee apples
Marshmallow teacakes
chocolate body paint
Child's swimsuit
Teen bra 34b
Dried prunes
Chocolate chips to decorate cakes
culinary rosewater

VAT charged at 17.5%:

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

Horse meat or live animals bred for human consumption)	Live horses
Roasted or salted nuts in their shells	Shelled nuts, roasted or salted
Vegetable oils	Massage oils
Funeral packages	Coffins
Baking powder	Bicarbonate of soda
Sandwiches	A sandwich platter
Flapjacks	Cereal bar with honey
Beetroot crisps	Potato crisps
Baked Alaska	Arctic roll
Cream gateaux	Ice cream gateaux
Mousse	Hair mousse
Ginger preserved in syrup	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.