

News release

1st March 2007

21 DAYS TO THE BUDGET SEES A DELIVERY OF SUNSHINE

- Superdrug deliver 21 cases of children's sun care to The Chancellor as a pre-budget reminder -

This lunchtime (Thursday 1st March) Superdrug will deliver 21 large cages of children's sun care to The Treasury as a pre-budget reminder to The Chancellor of its campaign to get the VAT cut from children's sun care.

This delivery represents one cage for every day before the budget. Superdrug has not received a response from Gordon Brown to the last three letters sent to The Chancellor since October 2006, in contravention to the Government's aim to reply to all letters within 15 days.

This is the latest move in Superdrug's Sun Tax campaign to have children's sun care reclassified as an essential health care item, saving parents almost £2 on a large bottle. Earlier this year Superdrug delivered The Chancellor 25 life size cut out figures of himself, each complete with an in-store petition as well as birthday gift of all the essentials of everyday life which are currently rated as a luxury for VAT purposes, including toothpaste and toilet rolls.

This week Superdrug has written to Tony Blair, Patricia Hewitt and Gordon Brown advising them that cutting the VAT on children's sun care on 21st March would make a real difference to the nation's health in the sun this summer. This issue is an important one, 2,000 people die each year from melanoma, and 70,000 new cases of skin cancer are diagnosed each year. It is estimated that we receive 80 per cent of our exposure to the sun before the age of 21 meaning that protecting a child's delicate skin is vital in the fight against skin cancer.

February has seen the country's biggest sun care brands joining the Sun Tax campaign. L'Oreal, Nivea, Ambre Solaire and Banana Boat have all confirmed that they will join Superdrug in paying the VAT for customers this summer on children's ranges.

Euan Sutherland, CEO of AS Watson Health & Beauty UK which owns Superdrug is speaking today to the rest of the retail industry at the Retail Week conference. In his speech he will be asking the retail industry to follow Superdrug's lead; "The Treasury has to understand that as skin cancer cases increase each year this issue is not going to go away. Since last summer we have paid the VAT on all baby and children's Solait so our customers don't have to, and will continue to do so until VAT legislation is changed.

"Keeping our kids safe in the sun is not a luxury. The major sun care brands have already followed our lead and we want the rest of the retail industry to sign up to the campaign and tell Gordon that customers are browned off with the sun tax."

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/>).

- ends -

For further information please contact:

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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
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

VAT charged at 17.5%:

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.