

Hugh Cousins

Chief Human Resources Officer

Mock Store/Training Center, Hawthorne 27 November 2007

A great place to work

- Treating people with respect
- Embedding our values
- Attracting the right people





Treating our people with respect

- Best practice communication and consultation
- "Viewpoint" staff satisfaction survey
- We value our relationship with all our employees
- Supported by universal Tesco values



Attracting the right people

- Mass-recruitment campaign
- Experienced HR managers
- Telephone screening
- Up to 50% of employees within three miles of stores





Kewards

- Base pay and bonus:
 - Competitive base rate –
 \$10 hour in California
 - Quarterly bonus linked to performance
 - Annual bonus and share options for managers
- Competitive retirement plan





Rewards

- Healthcare affordable for our people and affordable for the business
 - Preventative approach
 - Access for all employees from \$10 per week
- Paid time off for all employees
 - Additional day off for volunteering



Developing our people

- · Leadership training for all our people
- Core skills training
- Operational training:
 - Job specific
 - 5 week programs, 3 locations, 30 trainees
 - Moving to 'shoulder to shoulder' training







what our people think







Tesco in the united states 2007

Certain sections of the presentations by Tesco PLC ("Tesco") and Fresh & Easy Neighborhood Market Inc. ("Fresh & Easy"), a wholly owned subsidiary of Tesco, contain forward-looking statements that are based on management's expectations about our future operating or financial performance. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates," "will," "may," "continuing," "ongoing" and variations of these words and similar expressions are intended to identify forward-looking statements.

These statements are based on our current expectations and involve certain risks and uncertainties, which are difficult to predict and may be beyond our control, as well as assumptions. If assumptions prove to be incorrect or if known or unknown risks and uncertainties materialize into actual events or circumstances, actual results may differ materially from what is forecast due to a variety of factors.

All forward-looking statements speak only as of the date of our presentations. Neither Tesco nor Fresh & Easy undertake any obligation to update or distribute any revisions in forward-looking statements to reflect events, circumstances or changes in expectations after the date of these presentations.

