



Tesco in Asia

November 2008



International Sourcing - HK

Jo Hartley, Finance Director



Agenda

- Introduction to International Sourcing
 - Business overview
 - How we add value to the Group
 - Our long term strategy and growth plans
- The future of global non-food sourcing
 - Changing sourcing landscape
 - Changing role of the sourcing office



Introduction to International Sourcing

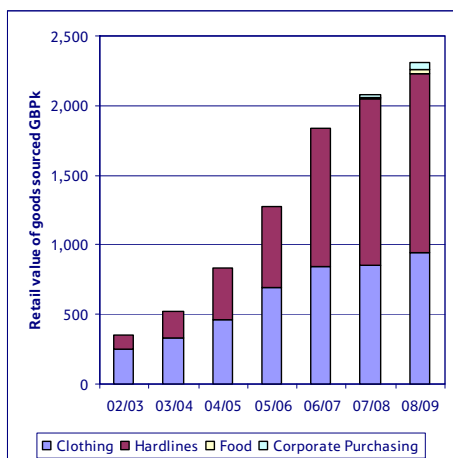


International Sourcing manages the end-to-end procurement process



TESCO | Every little helps

We are now a business of true scale that has seen phenomenal growth



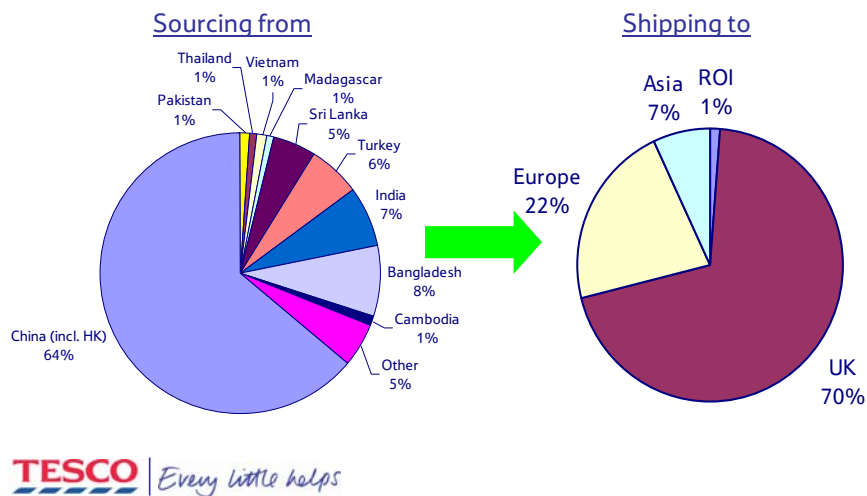
TESCO | Every little helps

Established in HK in 1970
 12 countries supplied
 60% of UK clothing
 41% of UK hardlines
 44 countries sourced from
 50,000 sku's
 58 shipping ports
 72,000 containers
 533 staff
 No 1 UK retailer buying office

We source hardlines, softlines, produce, and goods not for re-sale



...from 9 Hubs and 44 countries across the world, for the whole Tesco Group



Our core purpose is to create value for customers to earn their lifetime loyalty

The prices are good

- Source direct
- Logistics costs
- Value engineering
- Supplier efficiency

I can get what I want

- Design and innovation
- Ethical sourcing
- Safe products
- Environmental impact
- On time delivery



We have a long-term growth strategy that ties to the Group Strategy

- To keep the UK core strong
- To be as strong in International as we are in UK
- To be as strong in food and goods not for re-sale as we are in non-food
- To be the most responsible source of products to grow customers trust in Tesco



And plans in place across the Steering Wheel to help us deliver

- We will focus on people and make International Sourcing a great place to work
- We will focus on the way we work to make International Sourcing better, simpler and consequently cheaper
- We will focus on Tesco customers by delivering safe, fairly traded, quality products at the right price and on time
- We will partner with suppliers who share our values

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