



News release....

Thursday 13 January 2011

CHRISTMAS & NEW YEAR TRADING STATEMENT

TESCO DELIVERS A GREAT CHRISTMAS FOR CUSTOMERS

Terry Leahy, Chief Executive, commented:

“The Group has continued to make good progress, helped by strong growth across our international businesses, which delivered over half of the Group’s growth. Our performance remains solid but was hindered in the run up to the important Christmas trading period in the UK by the disruptive effects of the severe winter weather conditions. Our staff and suppliers did a fantastic job in delivering a great shopping trip for customers in difficult circumstances.”

Group Sales

Group sales in the six weeks to 8 January 2011 increased by 7.6%.

Good progress in international markets

Total international sales over the period grew at 14.2%, with strong performances in all three regions: Asia, Europe and the United States.

In Asia, total sales grew by 24.2%, with good like-for-like sales growth driven by particularly encouraging performances from Thailand and China.

In Europe, total sales grew by 5.6% (9.1% at constant exchange rates). Like-for-like sales growth was once again positive in every country and similar overall to our third quarter performance.

In the United States, Fresh & Easy continues to perform well helped by another successful Christmas and New Year period. Total sales grew by 36.9% and like-for-like sales growth remained strong, continuing the good progress made in the third quarter.

Steady UK Performance

In the UK, we are growing market share, with total sales growth increasing by 4.2%. Like-for-like sales increased by 0.6% and sales from new space grew by 3.6%, reflecting a strong contribution from some excellent recent new store openings.

Customers enjoyed a great Christmas with Tesco. We delivered a strong like-for-like sales performance in food, helped by double-digit growth in our *Finest* range, which was driven by a particularly strong seasonal offer.

In non-food, weather disruption for customers travelling to our larger stores was unhelpful and this, combined with demanding comparisons against last year's very good performance, meant that growth was subdued. Nevertheless, we saw strong category growth in toys, books and gaming. Tesco Mobile reached a significant new milestone over Christmas, growing to more than 2.5 million customers.

Online sales were strong in both food and non-food with double-digit total online sales growth. Tesco Direct had sales growth of 18%, with a strong performance in toys, gaming and small domestic appliances, building on growth of more than 50% last Christmas.

Segmental Sales Growth Rates

	Christmas Period 2010/11 Sales Growth			
	Actual rates		Constant rates	
	Inc. Petrol	Exc. Petrol	Inc. Petrol	Exc. Petrol
Group	7.5%	7.6%	6.2%	6.2%
International	13.8%	14.2%	9.9%	10.1%
Asia	24.2%	24.2%	10.8%	10.8%
Europe	5.2%	5.6%	8.7%	9.1%
United States	36.9%	36.9%	30.0%	30.0%
UK*	4.5%	4.2%	4.5%	4.2%
Tesco Bank	1.6%	1.6%	1.6%	1.6%

* The UK segment excludes Tesco Bank, which is reported separately in accordance with IFRS8 'Operating Segments'.

Notes:

1. All figures quoted are at actual exchange rates and excluding petrol unless otherwise stated.
2. These results are for 6 weeks for both the current year and the previous year comparison, with the exception of Japan and Tesco Bank, whose results are for the month of December and one additional week i.e. 38 days for both the current and the prior year. For UK, ROI and USA, these results are for the period ended 8 January 2011 and the previous year comparison is made with the period ended 9 January 2010. For all other International countries and the Bank, these results are for the period ended 9 January 2011 and the previous year comparison is made with the period ended 10 January 2010.
3. Our Preliminary Results for 2010/11 will be released on 19 April 2011.

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