



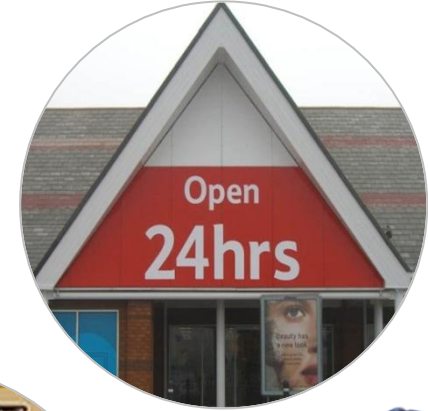
26 June 2015

ANNUAL GENERAL MEETING

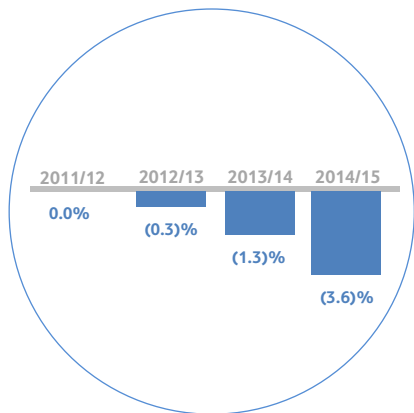
Dave Lewis – Group CEO

TESCO

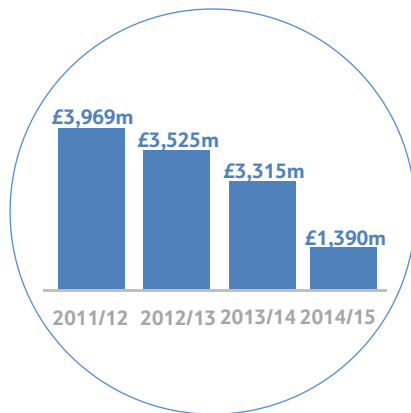
The customer's champion



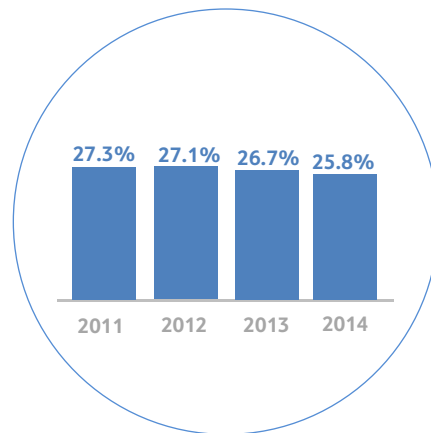
Recent challenges



**UK like-for-like
sales growth**



**Group trading
profit**



**UK market
share**



Financial consequences

Property impairment and onerous lease charges	£(4,727)m
Goodwill and other impairments	£(878)m
Stock	£(570)m
Restructuring	£(416)m
Commercial income adjustment (prior years)	£(208)m
Other	£(223)m
Total one-off items	£(7,022)m



Three priorities



Regaining
competitiveness
in our UK business



Protecting
and strengthening
the balance sheet



Rebuilding
trust and
transparency



Regaining competitiveness in our UK business



Service



Availability



Price



Simple, agile, lower cost

£250m_{p.a.}
savings



£400m_{p.a.}
savings

8 January

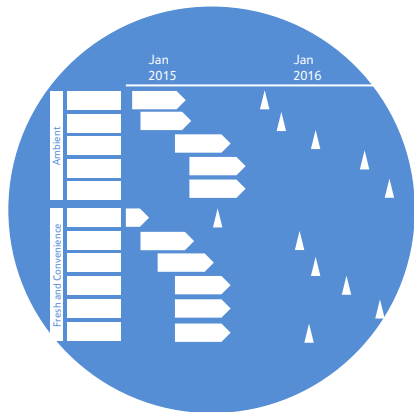
22 April



Welwyn Garden City



New commercial approach



Range review



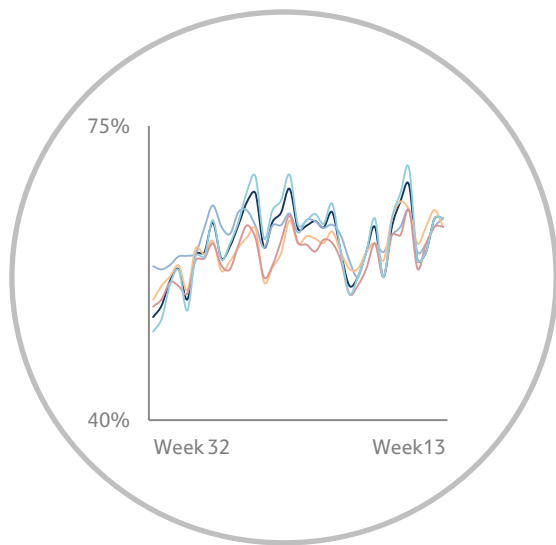
Clearer, lower,
stable prices



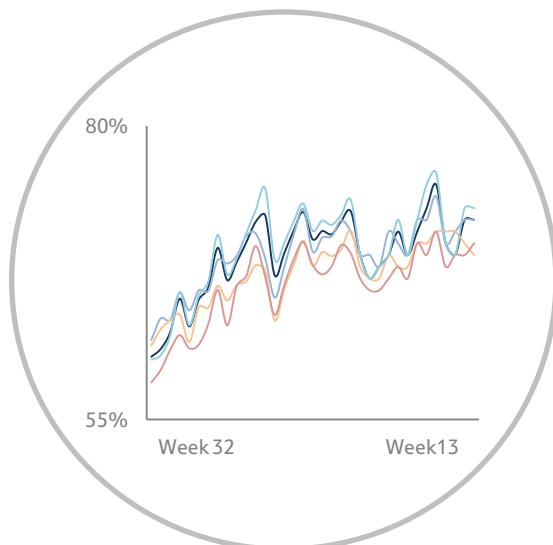
Market leading
choice



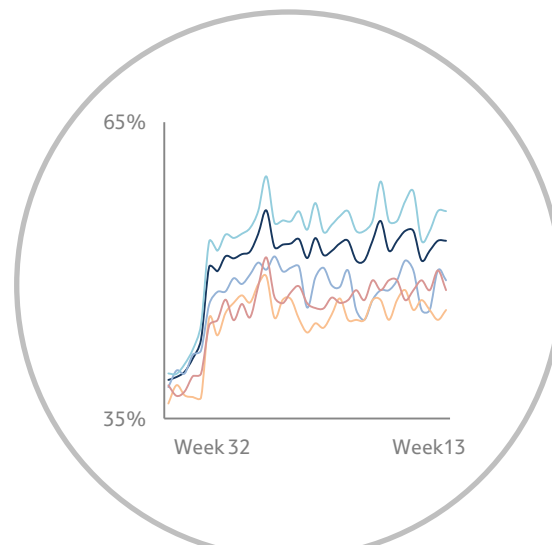
Customers responding



Service



Availability



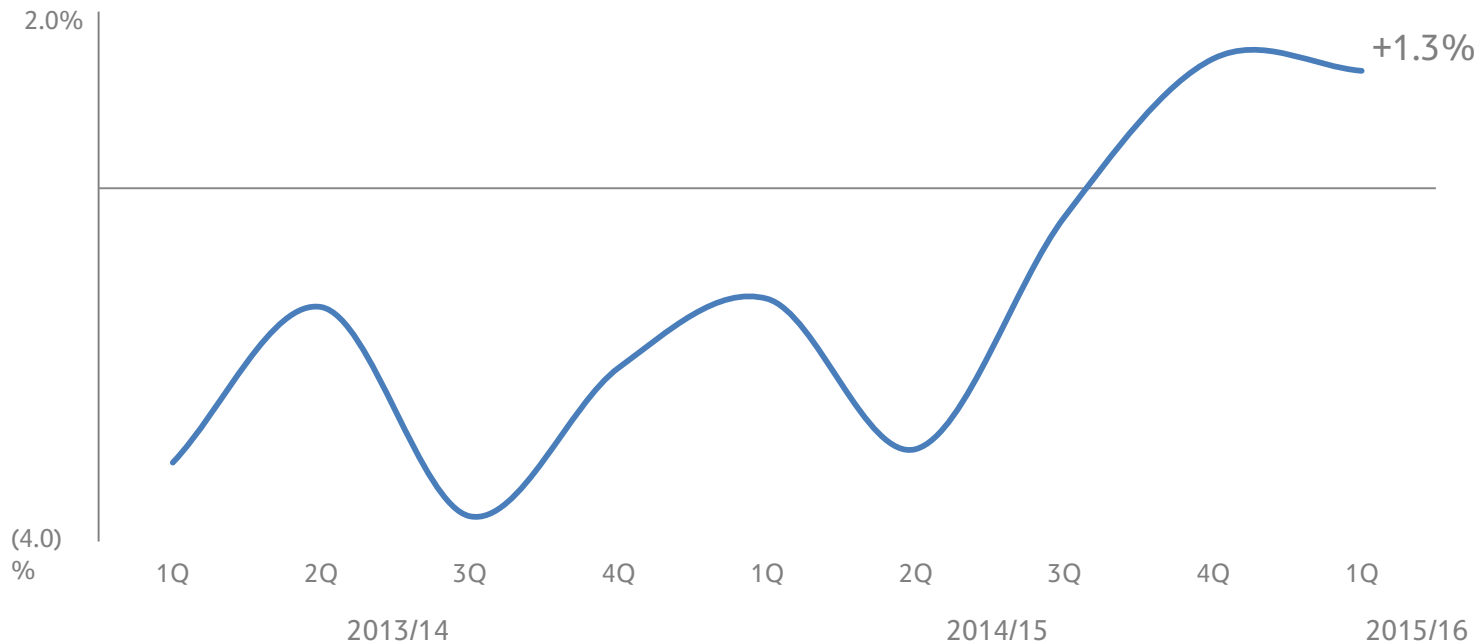
Price

Source: Customer viewpoint survey

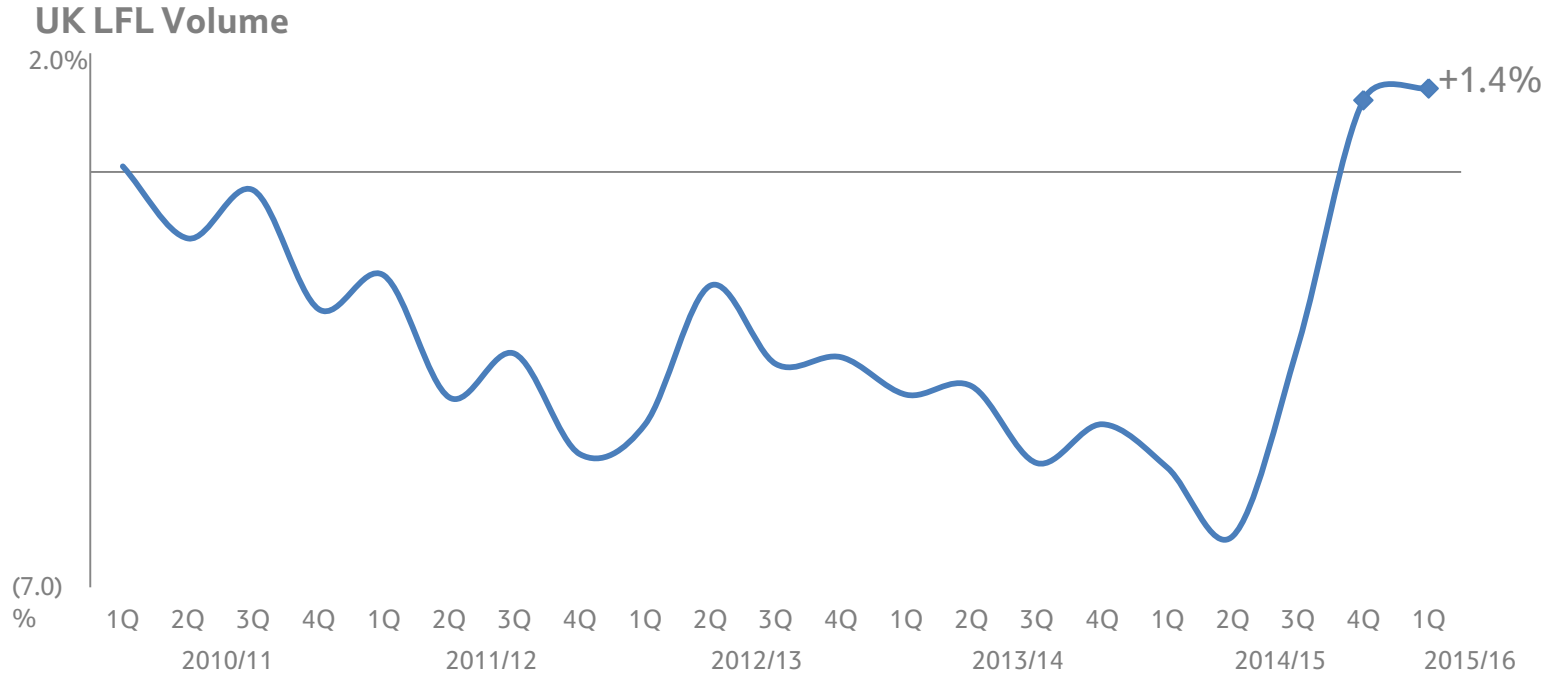
Note: Service chart reflects % customer rating overall service and colleague helpfulness as excellent; Availability chart reflects % customers who were strongly satisfied with overall availability; Price chart reflects % customers very satisfied with prices paid.

Transactions

Year-on-year change in UK transactions by quarter %



Volume-based recovery



Protecting and strengthening the balance sheet



Better trading



Portfolio review
ongoing



Continue to review
full-value options



Rebuilding trust and transparency

22nd
September

Commercial
income issue



Investment case



Brand



Rebuilding trust and transparency

**Supplier
Network**
2,500
members

**Supplier
Helpline**
205 calls

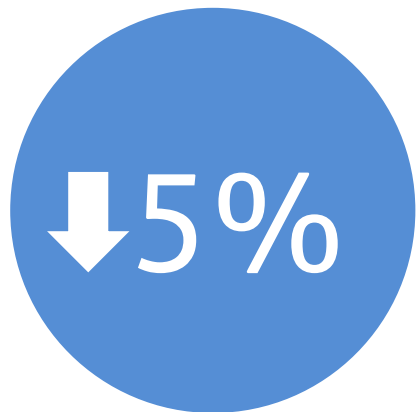
**Supplier
Protector Line**
12 issues

**Supplier
Training**
628
attendees

**Payment
Terms**
<£100K
14 days



Small actions, bigger impact



Reducing own-label sugar



Tackling food waste



Local communities



What's next?



Regaining
competitiveness
in our UK business



Protecting
and strengthening
the balance sheet



Rebuilding
trust and
transparency



A woman with reddish-brown hair and a patterned scarf is smiling at a cashier in a supermarket. The cashier is seen from the back, wearing a dark blue uniform. The background shows shelves with various products, including Christmas decorations on the left and promotional signs for 'Save 25%' on the right. A computer monitor and a blue container are on the checkout counter.

**Serving Britain's shoppers
a little better every day.**