

Third Quarter and Christmas Trading Statement – 14 January 2016

Full video transcript

Dave Lewis discusses Tesco's Q3 and Christmas trading performance with members of his executive team: Matt Davies (UK and ROI CEO), Trevor Masters (International CEO) and Alan Stewart (Group Finance Director).

Dave: Good morning everybody and welcome to the Christmas and Q3 Trading Update. What we're going to do in this short video is give you an insight into the results that we've announced today. Normally I ask a colleague from around the business to come and ask Alan and myself some questions. Today I get to ask the questions myself and I'm joined by Matt, Trevor and Alan, so and I'm going to ask some questions on your behalf. Alan, I'm going to start with you, this is a strong set of results that we're announcing today. What are the three key things that they should take out of these results?

Alan: The real take out that I would have are that customer transactions are up, volumes are up and our like-for-like is up. These are strong results and certainly when we look at others in the market they are good results.

Dave: Matt, your first Christmas in Tesco, Congratulations on a very good set of results. What has been the most impactful thing for you of your first Christmas here?

Matt: For me I just loved going around stores, distribution centres, customer engagement centres, the support offices and just feeling the vibe right across the business, so I felt we were in a really good place and I was progressively more and more confident as you go around and you feel the atmosphere and you talk to colleagues and talk to customers and all that comes through in the results that we're talking about today.

Dave: Not your first Christmas in Tesco Trevor, you've got a few, but you have got a situation in International which is actually not just this quarter has been a successful quarter but two or three quarters of improved performance, so how are you and the team managing to do that?

Trevor: Well in Asia they've done some good work in terms of identifying what really matters to the customer and it does revolve really around food, and they've done a good job as I said finding out what really matters and investing in that. Although it started slow in quarter one, in quarter two and quarter three we've really seen the impact of customers, new customers and existing customers, spending more, really making a difference. In Central Europe, we've started on the programme of One Europe, we can see the economies of scale coming through and I think Dave and the team have done a really good job of investing again in what really matters to the customer.

Dave: You talk about transformation in Central Europe, that's a programme that you and the guys have kicked off during the course of this year, how is that going?

Trevor: I think the first bit was just trying to settle, so we worked out the ways of working for countries into one and I think we've done a good job on that, still a little bit more to do. And now we're looking at the transformational stuff, the stuff that's really going to make a difference, not just for this year and next year but the next three or four years.

Dave: So the last question for the two of you actually, based on the strong performance in

Q3 and Christmas, what message do you have given that we've got six weeks left of this year and the plans for next year?

Trevor: I think certainly for Asia, Chinese New Year is a big time for Asia, Thailand Malaysia, so good luck with the planning, I know they've got some good plans and they're really optimistic so I think for Central Europe, had a good Christmas, we're hoping for a good end of year, it looks very promising since Christmas in terms of the like-for-like, and obviously Turkey again had a good Christmas and New Year and they've also got some big trading times coming up so good luck with the plans on that.

Dave: Fantastic, what about the UK and Ireland, Matt?

Matt: I'm absolutely delighted with the performance across the UK and Ireland that we're reporting on today. For me now it's a question of staying really focused, we're pursuing the right strategy, we're doing the right things and they're all coming together to serve Britain's shoppers a little better every day, so more of the same, that's my message.

Dave: Today is the first time for more than four years that we announce for the group a positive like-for-like so that should be something that we're all very proud of. A combination of lower prices on things that matter most to customers at Christmas coupled with an outstanding range and an absolutely unbelievable operational efficiency which has led to an improvement in customer service is what underpins everything that the guys have been talking about, it just leaves me to say thank you very much for the energy, commitment and the passion of all colleagues around the business, you've done a fantastic job through the year but particularly in Q3 and the Christmas period, thank you very much.