



One-stop shopping



Technology – making things easier



Good value, competitive prices

“We achieved strong growth by remaining focused on our customers, by the determination of our people and by investing in our business”



chief executive's review

This has been a year of significant progress for Tesco.

We have continued to grow the business profitably in the UK, in trading conditions which have been challenging for the industry. Tightened consumer spending and low inflation have meant that we have had to work even harder to drive sales ahead of the sector and manage our costs to ensure that good sales growth has delivered good profits growth. We have achieved this by remaining focused on our customers, through the drive and determination of our people and by investing in our other strategic assets, like our stores.

We have also grown the business further internationally.

Four years ago we became the leader in a market of 59 million people – the UK. We now operate in eight countries with a combined population of nearly 250 million, providing a large base for additional sales and profit growth in the future.

In my review last year, I introduced the core purpose of the Tesco business: ‘continually increasing value for customers, to earn their lifetime loyalty’. This remains the focus of everything we do, in improving the shopping experience, running our operations better for customers, simpler for staff and cheaper for Tesco, enabling us to grow profits and dividends for shareholders and to reward our people for a job well done. The remainder of this year's Annual Review looks at the progress we have made on these objectives.

In the rest of my review, I will focus on our three key strategic assets: our customers, our people and our stores.

Our customers

We now serve over two million customers every day and are constantly striving to improve the shopping trip for them. In the UK, Clubcard remains important for all our 10 million members and, during the year, customers received over £260m-worth in vouchers and product-specific coupons. Clubcard has also been successfully launched in our Irish stores.

We have continued to give customers lower prices. Having reduced prices last summer, we launched a further price