

## press release

14 June 2011

Tesco's slight sales growth indicates things are still tough in the UK

- Tesco reports 0.1% rise in like-for-like sales
- Strong growth in Asia and Europe continues to attract investors
- Tesco remains The Share Centre's preferred play in the sector

**As Tesco reports results that show difficulty remains in the UK Graham Spooner, investment adviser at The Share Centre, explains what this means for investors.**

"The supermarket giant reported a 0.1% growth in UK like-for-like sales, excluding petrol and the impact of the VAT increase, for the 13 week period to 28 May. Although this is an improvement from the previous quarter, the minimal increase emphasises the continued difficulty in the UK. We expect this situation to remain for the short to medium term as there is no sign of a catalyst for significant improvement.

"The company's 'Finest' range saw an increase of almost 10% in like-for-like sales indicating consumers feeling the squeeze are treating themselves at home rather than dining out. Overall food sales were promising with good growth in fresh prepared foods, meat, fish and poultry.

"Investors seeking overseas exposure will be pleased to see strong growth in Asia and Europe. Business in Thailand performed well and this, along with expansion, saw sales in Asia rise by 8.6%. Weakness in Ireland offset the stronger growth in Central Europe and Turkey meaning like-for-like sales in the region rose by just 2%.

"There are still uncertainties in the sector and other retailers have noted the continued challenges faced as a result of a cut in consumer spending. Although Tesco's core business is in the UK, international earnings is a key factor to the company's strength and is attractive for investors. Tesco

remains our preferred play and we continue to recommend investors 'buy' into any weakness in the share price for the long term."

---Ends---

**Note to editors:**

The Share Centre is now on Facebook and Twitter.



Join us on Facebook



Follow us on Twitter

**For further information please contact:**

The Share Centre

Rebecca Kempzell

PR Executive

01296 439 426

[Rebecca.kempzell@share.co.uk](mailto:Rebecca.kempzell@share.co.uk)

Stephanie Reynolds

PR Manager

01296 439 256

[Stephanie.reynolds@share.co.uk](mailto:Stephanie.reynolds@share.co.uk)

Lansons Communications

Inez de Koning / Lisa Grando / Sarah Waterson

0207 294 3623 / 0207 294 3669 / 0207 294 3649

[inezd@lansons.com](mailto:inezd@lansons.com) / [Lisag@lansons.com](mailto:Lisag@lansons.com) / [SarahW@lansons.com](mailto:SarahW@lansons.com)

To view all our press releases and more from our investment advisers please go to [blog.share.com](http://blog.share.com)

**Risk Warnings:**

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration

is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.