



Neighborhood Market

PRESS RELEASE

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FRESH & EASY NEIGHBORHOOD MARKET ANNOUNCES DATE FOR FIRST STORE OPENINGS

GROCER SET TO OPEN FIRST SIX STORES IN SOUTHERN CALIFORNIA

EL SEGUNDO, Calif. – Tesco, one of the top three retailers in the world, announced the grand opening date for its U.S. venture, Fresh & Easy Neighborhood Market. Six grocery stores in Los Angeles, Orange, Riverside and San Bernardino counties are scheduled to open on Thursday, November 8, 2007.

The store openings mark a major milestone for the company, which has spent years researching and planning the Fresh & Easy Neighborhood Market format. This innovative format is the result of extensive customer research in local U.S. markets where Fresh & Easy researchers spent time in the homes of consumers looking at shopping and cooking patterns.

“After great anticipation, we are thrilled to open our doors to neighborhoods in Southern California and offer them fresh, wholesome food at affordable prices,” said Tim Mason, Fresh & Easy’s CEO. “We are also excited to demonstrate our strong commitment to being a good neighbor and a great place to work.”

At roughly 10,000 square feet, these neighborhood markets will be smaller than the typical supermarket to give customers a faster, easier shopping experience. In addition to offering a range of Fresh & Easy private label and national brand name products at low prices, Fresh & Easy will also offer customers a selection of fresh, prepared meals.

Fresh & Easy has gone to great lengths to ensure all its private label products contain no added trans fats, artificial colors or flavors, and have limited amounts of preservatives. Deliveries will be made daily to each store to ensure all products are as fresh as possible.

Each Fresh & Easy store will employ approximately 20 to 30 people. The company interviews on-site at each store location, aiming to hire from the local neighborhood. Fresh & Easy intends all store employees will work 20 hours a week or more, and be eligible for comprehensive health care and other benefits. Entry-level positions will pay

well over the minimum wage, starting at \$10 an hour in California, and offer a potential bonus of up to 10% on top.

As part of the company's promise to be a good neighbor and steward of the environment, Fresh & Easy has committed to build LEED (Leadership in Energy and Environmental Design) certified buildings, recycle or reuse all shipping and display materials and use environmentally friendly trailers to transport food. The company also invested in California's largest solar roof installation on its distribution center in Riverside.

In addition to these six locations, Fresh & Easy will also open stores in San Diego, Phoenix and Las Vegas by the end of the year.

About Fresh & Easy Neighborhood Market

Fresh & Easy Neighborhood Market is a local, neighborhood store committed to providing customers with fresh, wholesome food at affordable prices.

Fresh & Easy is a company of Tesco, the UK's largest retailer and one of the world's leading international retailers. Tesco operates over 3,200 stores across 12 countries and employing more than 400,000 people.

Tesco's success is due in part to delivering a consistently strong customer offering on every visit and every transaction, and by focusing on the company's core purpose: to create value for customers to earn their lifetime loyalty.

More information regarding Fresh & Easy Neighborhood Market can be found at www.freshandeasy.com.

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