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Who We Are

Our Mission
To be Britain’s best value retailer exceeding customer needs, every day

Our Purpose
To save everyone money, every day

Our Values
We put our customers first, every day
We care for our colleagues, every day
We strive to be the best we can be, every day
Asda’s Roots
ASDA can trace its roots back to a group of Yorkshire farmers who formed Hindell’s Dairies in the 1920s. The first Asda supermarket opened under the ‘Queens’ name in Castleford in the early 1960s.

The Acquisition Trail
During this period, Associated Dairies embarked upon a programme of diversification; the business now sold everything from baked beans... to motor cars!

The Norman Conquest
Archie Norman arrived at Asda in December 1991 and quickly installed the Asda Way of Working. It provided a framework for a new organisation structure making stores the ‘heroes’ and promoting colleague involvement. It was a new dawn for Asda. Asda rediscovered its core values and customers returned to a revitalised Asda that had gone back to its roots.

Flexible Channels
Meeting our customers’ needs through the opening of Asda Livings and introduction of ASDA.com, financial services and new own label brands.

The Digital Age
The end of the decade has seen the growth of Asda to over 370 stores, and the rapid expansion of Asda Home Shopping. 2008 saw the launch of the non-food online business Asda Direct which is now supported by a Collect In-Store service at over 300 stores.

And today...
- Over 170,000 dedicated Asda colleagues in more than 370 stores, 23 depots, 8 recycling centres, George House and Asda House
- Around half of total food sales at Asda are own brand
- Over 18 million weekly shoppers
- The Asda Home Shopping business has over 97% coverage in the UK
- We now sell over one million products across Asda Direct and George.com

All about Asda 2010
In 1999 Asda became part of the Walmart family. Walmart is committed to serving its 200 million customers each week and keeping the promise of its founder, Sam Walton, “Saving people money to help them live better”. This promise is delivered through the Every Day Low Cost, Every Day Low Price (EDLC=EDLP) strategy that underpins everything that Walmart does.

Based in Bentonville, Arkansas, the Wal-Mart Stores, Inc. group has grown significantly over the last 20 years. International expansion has been at the core of this growth, and now accounts for almost 25% of Walmart total sales. Walmart International net sales topped $100 billion for the first time in 2009. Asda is an integral part of the international portfolio, contributing 31% of sales.

Over the last ten years the positive impact of Walmart’s acquisition of Asda has been felt on both sides of the Atlantic.

At Asda we are successfully extending our price leadership thanks to the global sourcing capability of our parent Walmart. Walmart’s focus on leveraging its global scale is also helping Asda achieve an even lower cost to operate and taking our sustainability programme to a new level.

In return we have helped enhance Walmart’s expertise in both food and fashion and provided a new pool of leaders including David Cheesewright, former Asda COO who is now Walmart Canada’s CEO.
About Wal-Mart Stores, Inc.

- Walmart serves more than 200 million customers per week
- Operates over 8,400 retail units under 58 different banners in 15 countries
- In 2009 Walmart had fiscal year sales of $405 billion
- Employs more than 2 million associates worldwide
- Leader in sustainability, corporate philanthropy and employment opportunity
What We Love About Asda

Our purpose at Asda is simple - to save our customers money every day. But at Asda it’s not just what we do, it’s how we do it. In the way we treat our colleagues, trade with our suppliers and serve our customers.

Our customers
At Asda we put the customer at the heart of everything we do. As well as keeping prices low, our aim is to actively involve customers in every aspect of our business. Our customers help us to make decisions that have an impact on what we sell and how we sell it.

Our Pulse of the Nation panel, TellAsda survey and interactive websites YourAsda and Aisle Spy encourage customer interaction and participation, helping us shape and refine our customer offer before it hits store. Being close to our customers in this way has opened up a new chapter at Asda and led to our five customer pledges in 2010.

Every Day Low Price (EDLP)
We’re lowering prices to always deliver great quality products at market-beating prices. But don’t just take our word for it, in 2009 Asda was named the lowest priced supermarket for the 12th consecutive year in the Grocer 33 awards.

Quality You Can Trust
At Asda we’re continuously improving product quality. We provide quality you can trust and in 2009 we won hundreds of awards for our products. To further demonstrate our confidence in our product quality we have introduced a 100 day guarantee on George clothing in 2010.

Best For New
We’re committed to making the customer offer new and relevant, with the latest new products and great events encouraging shoppers to travel across town to visit our stores.

Always Available
We know there’s nothing worse for our customers than not being able to complete their weekly shop, so we’ve invested in availability this year to help ensure there are no wasted trips.

Happy To Help
Our people make the difference. We recruit for attitude and train for skill, resulting in Asda having some of the friendliest colleagues in the industry.

Every day low cost to deliver every day low prices
We are the lowest cost to operate supermarket in the UK - that is how we can afford to have the lowest prices.
Our community
From fundraising to volunteering, our colleagues are an integral part of the communities where they live and work and make a real difference. Store and depot colleagues spent almost 50,000 hours working with and supporting their local community in 2009.

As well as giving their time Asda colleagues and customers also raised over £9 million in 2009, through fundraising events for charities including Children in Need, Tickled Pink, Tommy’s and Pedal Power.

Our colleagues
At Asda we take our work seriously but not ourselves, going above and beyond the call of duty to get the job done.

Asda’s Everyone Matters approach demonstrates that our colleagues are our most vital resource. Our world-class rewards package, including the all-colleague bonus which has paid out more than £129 million to Asda colleagues since it was launched in 1999, flexible working practices and the renowned fun and vibrant culture all add up to Asda being a great place to work.

And at an average of over five years service our colleagues stay with us for longer than those of any other supermarket, proof that our stores, depots and offices are some of the best places to work in the UK.

Our suppliers
Asda partners with thousands of suppliers all over the UK and around the world to bring great products at low prices.

By forging supplier relationships in the communities we serve we are able to bring unique, quality goods to our customers in a sustainable manner, reducing our impact on the environment.

In 2002 we were inspired to start our own hub network to provide an opportunity for small suppliers who wanted to supply Asda but sat outside our UK-wide depot infrastructure. Today, over 500 specialist suppliers provide Asda with over 6,000 great value local products to stores across the UK.

Award Winning Asda

• During 2009 we won over 320 quality awards in food, including 19 cheese awards at the prestigious Nantwich International Cheese Show, more than any other retailer

• Asda won 100 wine medals in 2009 for own label wines which are now being sold at Walmart stores in Japan

• Asda holds the ‘Gold Star for Retailer of the Year’ in the annual Mother & Baby Awards

• We won 4 awards at the Prima Baby Fashion Awards 2010 including best kids’ supermarket range

• We were recognised as Britain’s most parent friendly supermarket 2010 by Tommy’s
A Sustainable Business

Sustainability is perfectly aligned with our commitment to be the lowest cost retailer in the UK.

Over the past two years Asda has reduced its direct carbon emissions output by 83,000 tonnes.

Overall for every £1 million sales in 2009 we emit 66 tonnes of Carbon compared to 83 tonnes in 2007, a 20% reduction.

Sustainable Initiatives

A range of energy saving initiatives means our stores are now 20% more efficient than in 2008.

usage rate by 53% over the past three years and changed the bags themselves by increasing their recycled content. Our “Bags for Life” were a great success in 2009.

In July 2009, we opened the Asda ‘eco-depot’ in Didcot, Oxfordshire, constructed using eco-friendly sustainable timber, reclaimed brick and on a previously brown field site.

To meet our target to cut our fleet emissions by 40% by the end of 2009 we introduced a range of measures including the introduction of double-decked trailers.

Using rail is an even better alternative to road freight, each train saves 26 return truck journeys for each run that it makes.

Since 2008 we have reduced our own brand packaging by 27%.

The Challenge Ahead

Mike Duke, Wal-Mart Stores, Inc. President and CEO, recently announced Walmart’s goal to eliminate 20 million metric tons of Greenhouse gas from its global supply chain by 2015, the equivalent of taking 3.8million cars off the road for a year!

Walmart has pledged to work with high carbon producing suppliers to reduce carbon output, making the supply chain more efficient and taking cost out of products.

We plan to be at the forefront of these savings within Walmart.
Asda’s strategy is centred on our mission, purpose and values, which guide us as we work to make our business even better. Our strategic framework is structured in four quadrants, focused on benefiting our customers, our operating model, our colleagues and our shareholder.

**Customer**
“Britain’s favourite”

**Operating Model**
“Britain’s lowest cost to operate supermarket”

**Colleague**
“Great place to work”

**Shareholder**
“Profitable growth with increasing ROI”

- Comp sales growth of 6.0% in 2009
- 2.5 million new customers through our doors since 2005
- Through to December 2009 Asda sales had grown at a faster rate than the market for 15 quarters in succession
- We opened a further 570,000 sq. ft of selling space in 2009

The Asda Way of Working remains core to how we do things: working with and through others, willingly and well.

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“Thanks to the strategic framework we put in place we have made tremendous progress, achieving our highest ever market share in 2009 and growing our profit ahead of sales. I’m also delighted that last November George regained the top spot for volume ahead of M&S, Primark and Debenhams.”

Andy Bond
Chairman
Our Food

At Asda you get great quality food at low prices. Asda was named the lowest priced supermarket for the 12th consecutive year in 2009. The Grocer 33 award was confirmation yet again that we deliver against our promise to save customers money every day.

In 2009 we won more than 320 quality awards across our own label food ranges - making it our best ever year for accolades.

Many of our suppliers are award winners too, with over 80 of our local producers gaining external recognition for products ranging from Cornish Pasties to Scottish Smoked Salmon.

No artificial colours or flavours
Our entire range of own label food and drink is free from artificial colourings and flavours, hydrogenated vegetable oil and flavour enhancers.

Local products
Customer demand for local products and specialities continues to grow. At Asda we currently stock over 6,000 local lines.

World foods
We also offer an extensive range of Asian, Polish, Caribbean, Halal and Oriental products in many of our stores, catering for the specific needs of local communities.

Free From
For customers with food intolerances, especially wheat and egg, we offer “Free From” products in all our stores.

Sustainable sourcing
Whether it’s sourcing sustainably caught fish or low carbon free range eggs, we’re committed to selling products that protect our natural resources.

Fairtrade and the Rainforest Alliance
We work closely with a number of leading organisations such as The Fairtrade Foundation and The Rainforest Alliance to promote their licensed products to our customers.
Our Brands

Around half of Asda’s food sales are own label products. Our portfolio of Asda brands means there is something to suit everyone and every occasion.

**ASDA Smart Price** (580 products)
Food and general merchandise essentials, all offered at our unbeatable opening price point, with no compromise on quality.

**ASDA Asda Brand** (5,500 products)
Our core range of food and general merchandise products, which offers a better value alternative to the leading brands or the solution where no brand equivalent exists.

**Extra Special** (610 products)
Our premium brand offers the best food and drink around made from authentic, top quality ingredients. The brand celebrates provenance and the unique way the product has been made. Customers can enjoy great food that costs less.

**Good For You!** (110 products)
Great tasting meals and products with a lower fat content than our standard Asda brand range.

**ASDA Asda Organics** (140 products)
Our range of affordable, accessible organic food and drink from a brand our customers know they can trust.

**Asda Great Stuff** (100 products)
Our healthy range of kids’ favourite meals, snacks and drinks.

All about Asda 2010
Our Home & Leisure

Everything under one roof – that’s what we’re able to offer our customers. As with our food products, our shoppers have the widest choice of great quality general merchandise items – all offered at low Asda prices.

Lowering prices when our customers need it the most

At Asda, value speaks volumes.

Over the last two years we’ve driven down prices and sold unprecedented quantities of a wide range of Home and Leisure products. This has only been possible thanks to Asda’s unique sourcing capability with Walmart and our superior operating model.

In 2009 we were proud to be awarded “Toy retailer of the year” and “Video retailer of the year”, and we achieved number 1 market share for bedding and bathrooms.

There’s always something new in-store, whether it is in our Superstores, Supercentres, Supermarkets or Asda Living, where we’ve become famous for events such as Halloween and The Big Read, not forgetting success with big releases such as Harry Potter and Call of Duty 2.

Our ranges are more accessible than ever with over a million items available through ASDA.com.
At George we listen to our customers and constantly strive to exceed their expectations. They are demanding greater value for money, higher quality, more innovation and clear ethical standards.

Quality you can trust
We are so confident in the quality of our clothing that we have launched a market leading permanent 100 day quality guarantee on all our clothing. Anything returned to store will be recycled with the proceeds going to the Newlife Foundation, a charity which helps terminally ill and disabled children in the UK.

Style and innovation
George is renowned for both style and innovation. In the last 12 months Asda has launched an Asian range of clothing, control underwear for men dubbed the ‘Moob Tube’, a dress with built in secret support, quickly named the ‘Tummy Tamer’ and a £60 wedding dress.

Value with values
In 2009 we worked in partnership with GTZ, a German government overseas agency, to launch an innovative 12 month pilot project in Bangladesh to improve worker skills, pay and factory productivity, while decreasing working hours and increasing the quality of clothing. The four factory trial was a success and will be rolled out to a further 15 factories in 2010. We’ve also installed two webcams in Bangladesh factories as part of our effort to increase the transparency of the business and show customers where their products come from.

George is a global brand stocked in more than 3,000 stores in seven different countries and will be key driver of Asda’s growth in 2010 and beyond.

Since its launch in 2008 George.com has exceeded all expectations, bringing George to a whole new audience.
Our Format Portfolio

We are flexible in our approach, from standalone non-food Asda Living stores, to a range of food store formats.

**Our store formats:**

**Asda Supercentres**
Supercentres bring together the best of Walmart and all of the things Asda is famous for – the widest range, best value and friendliest service in the business. It acts as a local shop but also attracts customers from further afield.
- **Average 85,000 sq ft sales area**
- **40,000 products in store**
- **29 stores***

**Asda Supermarkets**
Our supermarket stores are perfect for the needs of shoppers living in smaller towns and suburban areas. This format has proven particularly successful in recent years and has enabled us to bring much needed choice to towns that previously missed out on our products, services and low prices.
- **Average 17,000 sq ft sales area (range 8,500 to 25,000 sq ft)**
- **24,000 products in store**
- **25 stores***

**Asda Living**
Dedicated to stylish clothing and general merchandise products at affordable prices, customers can buy from our entire non food range.
- **Average 28,000 sq ft sales area**
- **23,000 products in store**
- **24 stores***

* As at 1st April 2010

Urban Regeneration

We have years of experience in store development with an impressive track record of regenerating sites at the edge of and in town centres.

We have shown our commitment to physical and social regeneration from engaging in mixed-use schemes incorporating affordable housing and public services, to opening our second eco-store this year.
Our Digital Business

**Asda Home Shopping**
Millions of people can buy their groceries online at ASDA.com, delivered through 1,100 vans, from over 160 stores nationwide and one dedicated home shopping centre, providing coverage to over 97% of the UK population. 2009 growth was around 40%.

**Asda Direct**
Launched at the end of 2008 Asda Direct enables customers to choose from over one million individual items online or over the phone.

**Collect In-Store**
Allows customers to order online from Asda Direct but choose to collect from a local store at a time to suit them. It is available at more than 300 locations nationwide.

**Financial Services**
Asda sells a comprehensive range of financial services including general insurance, personal loans, credit cards and life insurance. Our no nonsense approach aims to take the hassle out of financial planning and insurance, and offers Asda’s famously low prices.

**Take Home Today**
Take Home Today is a new development in the Asda multichannel proposition that allows customers to order and purchase from a supercentre range of products at their local store, regardless of its size. The format is currently on trial at our Bradford store and we are excited about the future growth potential.

The Digital team’s job is to develop new channels and find innovative ways of reaching customers whether they are at home, on the move or in-store.
Our Openings & Extensions

### 2009

**Store Openings**
- 9 Asda Superstores (Including 2 Re-sites)
- 3 Asda Supermarkets
- 3 Asda Living Stores

**Extensions**
- 10 Superstores

<table>
<thead>
<tr>
<th>Stores opened in 2009</th>
<th>Asda Superstores</th>
<th>Asda Supermarkets</th>
<th>Asda Living Stores</th>
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<tbody>
<tr>
<td>Ashington Lintonville (Re-site)</td>
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### 2010

**Store Openings**
- 5 Asda Superstores
- 5 Asda Supermarkets
- 1 Asda Living Stores

**Extensions**
- 10 Superstores

<table>
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<th>*Stores opened in 2010 so far</th>
<th>Asda Supermarkets</th>
<th>Asda Supermarkets</th>
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<tr>
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</tbody>
</table>

### Coming Soon...

Stores due to open in 2010
- Asda Superstores
  - Antrim
  - Gorseinon
  - Hastings
  - Langley Mill
  - Workington
- Asda Supermarkets
  - Hazel Grove
  - Larne
  - Asda Living
  - Telford

* As at 1st April 2010

16 All about Asda 2010
## Our Five Year Summary

<table>
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<tr>
<th>Five year summary</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tr>
<td>Sales (excluding VAT) (£m)</td>
<td>14,865</td>
<td>15,759</td>
<td>16,896</td>
<td>18,604</td>
<td>19,862</td>
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<tr>
<td>Number of stores</td>
<td>315</td>
<td>335</td>
<td>352</td>
<td>358</td>
<td>371</td>
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<tr>
<td>Asda Supercentre</td>
<td>21</td>
<td>23</td>
<td>26</td>
<td>29</td>
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<td>Asda Superstore</td>
<td>267</td>
<td>275</td>
<td>282</td>
<td>289</td>
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<td>21</td>
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<td>George</td>
<td>10</td>
<td>12</td>
<td>12</td>
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<td>Essentials</td>
<td>0</td>
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<td>New stores (Net)</td>
<td>37</td>
<td>20</td>
<td>17</td>
<td>6</td>
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<td>Extensions</td>
<td>16</td>
<td>8</td>
<td>13</td>
<td>11</td>
<td>10</td>
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<tr>
<td>Total sales area (000s sq ft)</td>
<td>14,352</td>
<td>15,132</td>
<td>16,877</td>
<td>16,663</td>
<td>17,235</td>
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<tr>
<td>Added sales area (000s sq ft)</td>
<td>1,231</td>
<td>780</td>
<td>745</td>
<td>786</td>
<td>572</td>
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<td>Weekly average sales per sq ft</td>
<td>19.92</td>
<td>20.03</td>
<td>20.47</td>
<td>21.47</td>
<td>22.16</td>
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<tr>
<td>Average number of colleagues</td>
<td>145,089</td>
<td>153,580</td>
<td>156,780</td>
<td>162,115</td>
<td>169,847</td>
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<td>Average transactions per week (000s)</td>
<td>13,882</td>
<td>14,803</td>
<td>15,625</td>
<td>16,300</td>
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<td>Average spend per transaction (£)</td>
<td>20.6</td>
<td>20.5</td>
<td>20.8</td>
<td>21.9</td>
<td>22.3</td>
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<td>Comp sales growth (ex-petrol)(^1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.5%</td>
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<td>Market Share(^2)</td>
<td>16.5%</td>
<td>16.5%</td>
<td>16.8%</td>
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<td>17.1%</td>
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Source: Asda Company data for the year ended 31 December 2009

\(^1\) Comp sales growth disclosed from 2008

\(^2\) TNS data: (52-week to December)
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www.George.com
www.twitter.com/asda