

TRADE PROFILE



Overview:

The award-winning John Lewis Partnership is one of the UK's top ten retail businesses and the largest department store retailer in the country, selling a wide range of high quality products including fashion, furnishings, flowers and household goods.

The Partnership is a multi-channel retailer, operating through 43 John Lewis department stores, the John Lewis website (www.johnlewis.com), 336 Waitrose supermarkets, and John Lewis Insurance – formerly named Greenbee. Less well known are the Partnership's textiles production unit and 4,000 acre farm estate, which produce goods for the business.



The John Lewis Partnership employs 93,800 staff, all of whom are 'Partners' in the business; entitled to a share of the company's profits and able to influence the decisions made by the company's Executive Chairman. The company's unique structure is the largest example of employee co-ownership in the UK.

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www.johnlewis.com

www.waitrose.com

Overview continued...

Unusually, the John Lewis Partnership has a written constitution that outlines its principles, rules and system of governance which relates to the company's founder – John Spedan Lewis – who started the business as an 'experiment in industrial democracy'. Lewis compiled the constitution to ensure that the values and principles upon which he founded the company would be adhered to by generations of Partners to come. Although created in a very different world than the one in which the John Lewis Partnership operates today, this same constitution has enabled the business to develop and compete successfully since its conception.



With over 17.4million customers, the John Lewis Partnership operates its John Lewis and Waitrose stores nationwide. In addition, the John Lewis transactional website (johnlewis.com) offers a comprehensive delivery service to over 30 countries worldwide.

In terms of origin, the John Lewis Partnership can be traced back to 1864 when John Lewis opened his first retail outlet – a drapery shop – on London's Oxford Street. His son, John Spedan Lewis, proceeded to follow his father into the retail business, founding the John Lewis Partnership.

Other key milestones in the company's history include:

- 1905:** John Lewis buys London department store, Peter Jones
- 1914:** John Spedan Lewis is given full control of Peter Jones store establishing a staff committee as one of his first management acts
- 1919:** Staff council and Donations Committee put in place – predecessors to the Partnership Council and Committee for Claims
- 1925:** Peter Jones store adopts 'Never Knowingly Undersold' slogan
- 1928:** John Lewis passes away leaving both stores to John Spedan Lewis, who changes the business into a public company: John Lewis and Company Ltd. This year also sees the publication of the first constitution and the purchase of the 4,000 acre Leckford Estate – a farm which produces crops, milk, meat, fruit and vegetables for sale in Waitrose
- 1929:** First Trust Settlement is created, giving John Spedan Lewis control over the business while allowing profits to be distributed to Partners
- 1933:** Nottingham's 'Jessop & Son' store is bought continuing to trade under its original name until 2002 - the first John Lewis-owned store outside of London
- 1937:** Waitrose's 10 stores are acquired by the John Lewis Partnership
- 1940:** The Selfridge Provincial Stores Group is purchased doubling the size of the Partnership
- 1950:** Second Trust Settlement established; John Spedan Lewis transfers his shares and provides the Trustees with control of the business
- 1955:** John Spedan Lewis retires as Chairman, succeeded by Bernard Miller
- 1972:** Bernard Miller retires; succeeded by John Spedan Lewis' nephew – Peter Lewis
- 1992:** 100th Waitrose opens
- 1993:** Peter Lewis retires; Stuart Hampson takes on role of Chairman.
- 2000:** Waitrose online home delivery service launches under the name Ocado (part owned by the Partnership)
- 2001:** Johnlewis.com launches
- 2006:** Greenbee launches – providing direct services including insurance
- 2007:** Sir Stuart Hampson retires - current Chairman Charlie Mayfield takes over
- 2009:** First John Lewis 'at home' branch opens in Poole. Partnership Services division is established to enhance operations at JLP
- 2011:** Waitrose opens branches in the Channel Islands on Jersey and Guernsey
- 2014:** John Lewis celebrates its 150th Anniversary
- 2015:** Waitrose opens new Couldson fulfilment centre. John Lewis opens new £35million store in Birmingham

Overview continued...

John Lewis

John Lewis department stores have wide appeal, typically offering over 350,000 product lines ranging from home furnishings and furniture to clothing and electrical goods.

More recently, the company has introduced a new smaller format store type, of around a third of the size of traditional John Lewis department stores. These smaller branches branded 'John Lewis at home' focus on the sale of home, electrical and home technology goods.

In larger stores such as the Oxford Street and Bluewater shopping centre branches, John Lewis also offers a Foodhall, stocked with Waitrose products. John Lewis' newest store in Birmingham is the most innovative shop to date in the portfolio having been chosen to debut several brand new services and concepts including fashion and lifestyle concept 'loved & found' and the first John Lewis branded Spa & Beauty.

Other subsidiaries:

Waitrose

Waitrose joined the John Lewis Partnership in 1937 when it was taken over as a chain of 10 specialist food shops. The first Waitrose supermarket opened in 1955. There are now 336 stores in the network, renowned for their fresh, high quality produce, offered in conjunction with the expertise and service of a specialist retailer. Today Waitrose completes over 6million customer transactions per week.

The supermarket has won numerous retail awards, including Which? annual supermarket satisfaction survey, and the Best Supermarket in the prestigious Good Housekeeping Food Awards amongst many others.

The Waitrose 'Price Commitment' is the supermarket's promise to give customers quality food that is honestly priced and representing excellent value. Waitrose works with producers and growers to pioneer local and organic products and champion sustainable sourcing.

Online ordering and delivery is offered by the supermarket, which was the first in the UK to abolish delivery charges for customers. Deliveries are made from many of the Waitrose branches across the country, as well as via

John Lewis



Waitrose



Overview continued...

a partnership with Ocado: an online supermarket and delivery service which stocks Waitrose own label and other branded goods.

Additional services offered by Waitrose include Click & Collect for John Lewis' online customers, which allows for the collection of goods the next working day. The system has been rolled out in selected Waitrose branches so far with plans to extend further due to its popularity.



Last year, Waitrose extended its Essentials range which now features over 2,100 lines, accounting for 18% of total sales. Waitrose price match Tesco on 8,000 branded products and, as a result, have recently lowered prices on over 1,600 own-label products.

Leckford Estate

The Leckford Estate is a 4,000 acre site in Hampshire, bought by John Spedan Lewis back in 1928. The site includes a farm, the Longstock Park Nursery plant and the Longstock Park Water Gardens. The farm produces crops, milk, meat, fruit and vegetables which are sold in Waitrose and the nursery sells a wide range of shrubs and plants available for purchase online. The Leckford Estate is also home to a vineyard which produced its first harvest in October 2011, to be made into sparkling wine for sale in Waitrose stores from 2014.



John Lewis Insurance

Formerly known as Greenbee Insurance, John Lewis Insurance works with a panel of carefully selected insurers to offer a full range of insurance products and services. The name was changed to avoid confusion and to ensure that customers were aware that the service would be of the same standard that they could expect to receive at any John Lewis or Waitrose branch. Services on offer include: Home Insurance, Specialist Home Insurance, Car Insurance, Pet Insurance, Wedding Insurance, Travel Insurance, Event Insurance and Life Cover.

Key Personnel

Sir Charlie Mayfield - Partnership Chairman

Andy Street - Managing Director, John Lewis

Mark Price - Managing Director, Waitrose

Patrick Lewis - Managing Director, Partnership Services

Craig Inglis - Customer Director

Paula Nickolds - Commercial Director

Mark Lewis - Retail Director

Dino Rocos - Operations Director

Andrew Moys - Communications Director

Paul Coby - IT Director

Tracey Killen - Personnel Director

Andrew Murphy - Group Productivity Director

Lorraine Woodhouse - Acting Group Finance Director

Trading Strategy

The co-ownership structure adopted by the Partnership provides the business with distinct advantages, particularly in terms of Partner interest in ongoing development, innovation and improvement, both for the business and employees alike.

The John Lewis Partnership's over-riding strategy is common to both John Lewis and Waitrose as well as to the Partnership Services Group which supports both Divisions. The Partnership's focus is to ensure a balance between "Partners, Customers and Profit", as outlined below:

"Partners should gain personal satisfaction by being members of a co-owned enterprise in which they have worthwhile, secure and fulfilling employment and confidence in the way the Partnership conducts its business.

The Partnership should recruit and retain loyal *customers* through their continued trust and confidence in our reputation for value, choice, service and honesty and for behaving as good citizens.

The Partnership should make sufficient *profit* to sustain our commercial vitality and distinctive character, allow continued development and distribute a share of profits each year consistent with Partners' reasonable expectations."

This focus has been instrumental in ensuring the growth of the business, and the Partnership has been able to maintain momentum in terms of investment in staff, property and technology, despite the turbulent economic trading conditions pre- and post-recession.

Underpinning the overall Partnership strategy are three Partnership Aims - to increase Partner advantage, to realise market potential and to grow efficiently. John Lewis and Waitrose have individual divisional trading strategies which support these aims.

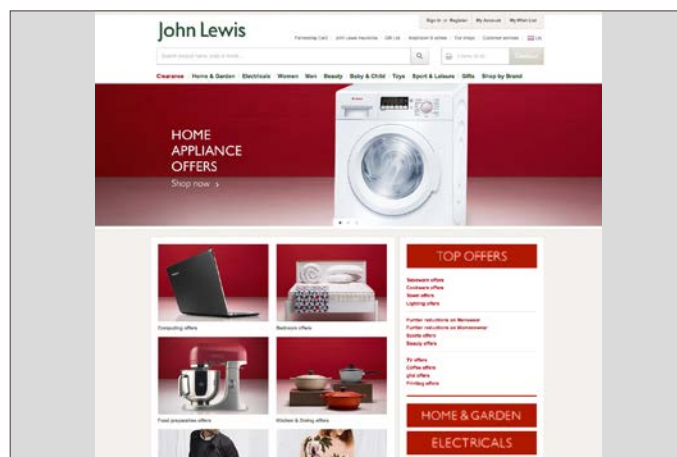
The key divisional trading strategies focus on:

- Further development of multi-channel retailing
- Continued investment in store growth and development programme.
- Significant investment in distribution

- Nurturing long-term supplier relationships
- Delivering sustainability and corporate responsibility

Further development of multi-channel Retailing:

The John Lewis Partnership has invested considerably in multi-channel retailing to ensure that shopping either of its brands is as easy and convenient as possible. The John Lewis website stocks hundreds of thousands of products, offering customers a wide selection of popular fashion, beauty, home, giftware and electrical items. The site is frequently ranked as one of the top online shopping destinations in the UK and now accounts for 33% of total John Lewis sales.



The Click & Collect service is now understood to account for approximately 54% of all johnlewis.com orders, and the expansion into Waitrose stores has been welcomed as a significant opportunity to provide additional convenience to John Lewis shoppers.

Online operations have seen strong growth. Over 50% of johnlewis.com traffic now comes from mobile devices as customers increasingly embrace the multi-channel shopping experience. John Lewis has confirmed it will continue to invest in this approach further to enable customers to interact with the business in the most convenient way possible at all times whilst Waitrose is determined to build online presence, broaden its convenience offer and develop compelling reasons to visit its stores.

Trading Strategy continued...

Continued investment in store growth and development programme:

The John Lewis Partnership has achieved impressive expansion and is committed to continuing to grow its business, both in terms of traditional 'bricks and mortar' John Lewis and Waitrose stores as well as online.

Over the last decade, store refurbishments have proven successful for John Lewis stores in particular, with notable sales uplift upon re-opening of stores which have seen refurbishment activity. The company has an ongoing refurbishment programme and is actively incorporating innovative retail concepts and ideas into the existing store portfolio, most recently with the opening of its Birmingham store.

Several new John Lewis department stores - with an average selling space of 132,000 square feet – are soon to be opened in Leeds, Oxford and Westfield London and eight more stores are in the expansion pipeline.

Some years back, the company confirmed its interest in smaller stores of around 40,000 square feet, such as the John Lewis 'at home' format. The first 'at home' was opened in Poole in 2009 and since then many more have opened. The Partnership is understood to have identified yet further potential locations for John Lewis at home branches, all of which will focus exclusively on the home products.



Significant investment in distribution:

John Lewis announced its plan to open a new distribution centre in Milton Keynes in 2016, to support the growth of its omni-channel business in both shops and online, signing a 25-year lease on the 638,000 sq feet warehouse. This new centre will support the retailer's existing distribution centre at Magna Park which opened in 2009, and the adjacent Magna Park 2, with its £95m investment, which will soon be fully operational.

The move is part of the retailer's plans for improvements in productivity, availability and customer service as well as supporting its expansion plans. Giving shoppers more choices than ever before, the John Lewis Partnership is strengthening its distribution network to ensure it continues to deliver a coordinated and convenient shopping experience to its customers.

Dino Rocos, Operations Director at John Lewis, said: 'As customers shopping habits evolve so too does our operational business model. The new DC will enable us to better respond, react and fulfil omni-channel shopping experiences be it via phone, tablet, desktop or visiting a shop'.

Nurturing long-term supplier relationships:

The John Lewis Partnership prides itself on building strong long-term relationships with suppliers, placing emphasis on fairness, integrity and respect at all times.

The Partnership believes that good working relationships will enable the business to provide customers with the high standards of service and quality items they have come to expect from John Lewis and Waitrose, irrespective of the store or channel in which they are shopping.

John Lewis department stores offer in excess of 350,000 product lines, while Waitrose sells around 18,000 high-quality food lines. The Partnership's buying teams work with over 5,000 trusted worldwide suppliers, adhering to strict ethical and environmental standards and policies to ensure that they are paid fairly, and can re-invest in their businesses, for the long term benefit of both parties, their employees and the environment.

In November 2011, the Partnership announced a push towards UK manufactured products, marking all

Trading Strategy continued...

domestically-sourced products from over 130 British manufacturers with a “Made in UK” stamp. Today 11% of John Lewis sales are UK sourced products whilst 100% of Waitrose’s fresh beef, pork, chicken, milk and eggs are British.



Sustainability & Corporate Responsibility:

The John Lewis Partnership has always placed strong emphasis on acting responsibly, following the beliefs of John Spedan Lewis, who believed that commercial success was directly linked to being a good corporate citizen. Lewis’ ideals continue to influence the Partnership’s corporate social responsibility approach today.

Since 2001, the John Lewis Partnership has publicly reported on its corporate social responsibility performance. The yearly reports clarify the Partnership’s policies and principles, and include a comprehensive explanation as to how the business is managing its environmental impact and how it works with suppliers and within communities. The John Lewis Foundation was launched for the benefit of suppliers in early 2010, and the company is currently identifying opportunities for suitable educational or employment-based community projects that will support and service the communities where John Lewis products are sourced.

From a trading perspective, the John Lewis Partnership continues to set itself high targets including, amongst many others, delivering 15% absolute reduction in operational carbon dioxide equivalent emissions by 2020/21, sourcing all electricity from green sources whilst also considering renewable energy for shops and head office buildings, delivering a 15% reduction in energy related transport

CO2(e) emissions, reducing transport emissions by 15% by 2020 and diverting 98% of operational waste from landfill by year end 2015/2016.

Other Trading Strategies

Technology/Online presence

At the start of 2015, John Lewis announced some impressive year on year sales figures, along with the revelation that more than three quarters of its site traffic on Christmas Day came from mobile devices. Profits continue to look very healthy, and mobile is an ever growing proportion of its sales

There are two key elements that have enabled John Lewis to compete successfully in the digital arena. The first is mixing bricks with clicks - consumers increasingly expect seamlessness between mobile, desktop and offline and retail is moving away from being only ‘online’ or ‘offline’. Consumers no longer make the differentiation between app, site or high street store. They’re just dealing simply with the retailer and expect a consistent experience. Click & Collect is a great example of this, joining up the online and offline experiences to make purchases more convenient for customers. The John Lewis app also features a barcode scanner, allowing users to check online stock levels of items they’ve seen in store. This way John Lewis is connecting online with offline experience, and vice versa.

The second key element is added value user experience. The smallest of touches really adds value in terms of user experience - John Lewis’ apps and mobile site all offer a satisfying, unified and simple user experience eg. message overlays -‘double tap to zoom’, ‘swipe to view more images’ which pop up on product images – small things, but ones that help users enhance their experience.

2014 was the first year when the John Lewis website received more traffic to its website from mobile than from desktop. To recognise customers’ changing shopping needs, the retailer has recently expanded and enhanced its delivery options with the launch of Collect+ and the ‘Click & Commute’ shop in St Pancras, examples of a retailer becoming more flexible and embracing the need for convenience.

Other Trading Strategies continued...



However, this summer, reports highlight that John Lewis is preparing to charge for small click & collect orders, in a move that suggests it is failing to persuade shoppers to spend enough on additional purchases in store to offset fulfilment costs. The report suggests that a £2 charge will apply for collection of orders less than £30.

The key driver for offering free Click & Collect is to benefit from the additional footfall, encouraging those customers who collect to buy something additional in store. The problem is that as more people adopt the service, the average additional spend is falling, to just £17.81 in March 2015, from £21.37 a year earlier.

Waitrose meanwhile, launched its new specialist wine website – Waitrose Cellar – in May 2014 and introduced the Click & Collect service for wine orders in October of the same year.

Marketing/Advertising

John Lewis has received numerous awards over the years, including 'Britain's Favourite Retailer' and 'Retailer of the Year' many times over. In February 2010 John Lewis was awarded the accolade of 'Official Department Store Provider to London 2012', and in September 2011 a new store was opened on the Olympic site at Stratford in London. In 2014 alone, John Lewis won more than 30 awards including "Best Overall Retailer" at the Verdict customer satisfaction awards.

In terms of customer focus, marketing activity has been strong, recently rewarding customers through the introduction of myJohn Lewis and myWaitrose loyalty

schemes. These schemes also provide the retailer with a far greater understanding of their customer than ever before enabling John Lewis and Waitrose to target promotions and personalise customer offers.

myJohn Lewis has more than 1.4 million members and offers customers new and tailored rewards including exclusive events in selected stores whilst mywaitrose now has 5.4 million members, up 32% on prior year with 68% of sales going to cardholders.



Above-the-line, both John Lewis and Waitrose have been highly successful with their award winning TV advertising campaigns and Christmas 2014 was no exception for John Lewis with the much-talked-about Monty the Penguin advertisement which received 29 million views across all social media channels.

Understandably social media plays a big part across both John Lewis and Waitrose's marketing communication strategy and both retailers have high levels of presence and following on facebook, twitter, pinterest and Youtube.

Over and above TV advertising, Waitrose has also been involved in supporting the future of cricket as part of a three year sponsorship deal with The England and Wales Cricket Board (ECB), pledging £100 for every four or six scored during the entire 2014 home international summer across all sectors of the sport, enabling more clubs to benefit from grants to help improve facilities.



Other Trading Strategies continued...

From both a marketing and sales aspect, 2014 was an important year as John Lewis celebrated its 150th anniversary. As well as celebrating with Partners, John Lewis produced some historic collaborative lines with favourite brands and rejuvenated prints from their archives to create John Lewis 150th anniversary products.

Stores & Employees

The John Lewis Partnership has achieved impressive expansion and is committed to continuing to grow its business, both in terms of traditional 'bricks and mortar' John Lewis and Waitrose stores as well as online.

During its 2014/2015 trading year, the John Lewis Partnership opened 33 Waitrose and 3 John Lewis stores. Eight more new stores are in the pipeline.

In terms of format, the John Lewis stores now total 31 department stores, 10 at home stores and 2 convenience driven stores whilst Waitrose boasts 276 stores, 60 little Waitrose shops and 28 shops at service stations.



The first John Lewis opticians opened this year within both the Stratford and Cardiff stores, with customers taking advantage of the very latest in diagnostic eye care and wear from brands including Giorgio Armani, Prada and Ray-Ban. John Lewis has also expanded its third-party catering in a number of stores.

A second Waitrose Cookery School opened this year as part of the Salisbury store redevelopment, 167 gardening pods, 144 welcome desks and 123 dry cleaning services

were also integrated across the estate. Over the next 12 months Waitrose also plans to open 7 new core stores and a further 7 convenience stores as well as adding additional features such as outdoor seating to 70 existing branches.

In October 2015 it was announced that a new John Lewis department store is to open in Cheltenham in 2017. With a combined investment of over £30m from John Lewis, BlackRock and Cheltenham Borough Council, the proposal will see the Beechwood shopping centre in Cheltenham transformed into a John Lewis department store.



Creating up to 250 jobs and offering more than 115,000 square feet of selling space across two floors, the shop will showcase fashion, home and consumer electronics concepts in a contemporary setting.

John Lewis has announced plans to further its international footprint by opening shop-in-shops within 11 branches of SM department stores and Our Home stores in the Philippines.

The shop-in-shop departments, due to open late 2015, will build on the success of John Lewis existing outlets in seven branches of South Korean department store Shinsegae, and follows John Lewis's recent announcement to open shop-in-shop departments in three branches of Singapore department store Robinsons.

The move is part of John Lewis's strategy to seed its brand with international customers, which includes international delivery to 33 countries through johnlewis.com and a shop in Heathrow's Terminal 2.

Stores & Employees continued...

Year	Store Numbers	Partner Numbers
2011 – 2012 (as reported in May 2012 annual report)	John Lewis: 35 (6 At Home) Waitrose : 272	81,000
2012 – 2013 (as reported in May 2013 annual report)	John Lewis: 39 (9 At Home) Waitrose : 290	84,700
2013 – 2014 (as reported in April 2014 annual report)	John Lewis: 40 (10 At Home) Waitrose : 305	91,000
2014 – 2015 (as reported in April 2015 annual report)	John Lewis: 43 (10 At Home) Waitrose : 336	93,800
2015 – 2016 (as of October 2015)	John Lewis: 45 (11 At Home) Waitrose : 340	88,700

Andy Street, managing director at John Lewis, said:

“The success of our partnership with Shinsegae has given us the confidence to continue our expansion in the international market. SM Retail and Robinsons are the perfect partners to help bring the John Lewis brand to a new Asian customer base. We are actively looking for more international partnerships, and expect to make more announcements about our international plans in the next year.”

In terms of partner training, Waitrose has committed to 12,000 days of training for store managers – its biggest ever training programme in a 12 month period – and has invested in 4,000 ipads for management teams to support productivity. In the past 12 months, 1,300 John Lewis partners received external qualifications and a further 365 partners celebrated as part of the retailer’s recognition programme.



Financials

The John Lewis Partnership's financial year ends on the last Saturday in January, with yearly results announced in March, and interim results in September.

The Partnership openly shares its financial data, providing weekly sales updates on the John Lewis Partnership corporate website for both the John Lewis and Waitrose brands.



John Lewis Partnership PLC Financials – 2012-2016

Year	Gross Sales £m	Partnership Operating Profit (inc exceptionals) £m	Profit (before bonus, tax & exceptionals) £m	Gross Sales Growth %	Notes
2012	8,279.5	393.3	353.8	6.4%	Year ending 28th January 2012
2013	9,541.3	453.4	343.3	9.3%	Year ending 26th January 2013
2014	10,171.5	423.6	376.4	6.6%	Year ending 25th January 2014
2015	10,942.6	450.2	342.7	7.6%	53 weeks ended 31st January 2015
2016*	5,116.6	272.9	224.0	2.1%	*Half year ending August 2015

Note: All data taken from John Lewis Partnership PLC documents. All figures refer to the Partnership as a whole (John Lewis, Waitrose, Insurance and Partnership services).

In 2014/15 the Partnership delivered good sales growth. Both Waitrose and John Lewis grew sales well ahead of their respective markets, increasing market share. Partnership gross sales (including VAT) were £10.94bn, an increase of £771.1m, or 7.6%, on last year (5.7% on a 52 week basis). Revenue, which is adjusted for sale or return sales and excludes VAT, was £9.70bn, up by £673.2m or 7.5% (5.6% on a 52 week basis).

Partnership operating profit, including exceptional items, was £450.2m, up £26.6m, or 6.3% on last year (4.7% on a 52 week basis). Profit before Partnership Bonus, tax and exceptional item was £342.7m, down by £33.7m or 9.0% on last year (down 10.5% on a 52 week basis).

Partners, as co-owners, each receive the same percentage of pay as Partnership Bonus, which changes from year to year reflecting the performance of the business. Partners, who had been with the business more than a year, shared £156.2m in profit, which represented 11% of pay.

Capital investment in 2014/15 was £670.9m, an increase of £175.9m (35.5%) on the previous year - this includes £143.2m invested in freehold properties. Total investment in Waitrose was £388.5m, up



Financials continued...

£100.8m (35.0%) on the previous year, and investment in John Lewis was £231.9m, up £67.1m (40.7%).

Conversely, half year interim results for 2015 published early September have been disappointing, with pre-tax profits down 26%. This has been blamed on the supermarket price war, higher pension costs and redundancy payments to staff in distribution centres.

The retailer's revenue rose 1.9%, with like-for-like sales rising 3% for John Lewis as a 17.1% increase in online sales offset a 1.8% drop in sales completed in stores. Waitrose sales were dragged down by the grocer investing in price cuts, with sales volumes growing 1.8% thanks to the number of customer transactions increasing by 280,000 a week on average compared with last year.

Despite Waitrose suffering a fall in like-for-like sales, its operating profits rose by 0.6% to £136m.

"We are pleased with the trajectory we are on," said Mark Price, managing director of Waitrose. "We want to move on from where we are, but in this market that won't be easy."

Andy Street, managing director of John Lewis, said the performance of the department store chain was "stable". Clothing sales rose 7.5% and home sales 4.9%, but electrical sales dropped 0.7%. Street said the year-on-year comparison of John Lewis sales had been distorted by a boost in sales last summer from the football World Cup and the retailer's 150th anniversary celebrations. The general election also weighed on the sale of big-ticket items in the run up to May.

Sir Charlie Mayfield, chairman, said that trading conditions would remain difficult and that there was little sign of any price inflation in the grocery market as supermarkets cut prices.

"However, I expect sales in both Waitrose and John Lewis to perform comparatively well against the market, helped by promising new ranges and online capability," he said.

Interim Financial Statement – September 2015

On Thursday 10th September the Partnership published unaudited condensed Interim Financial Statements for the half year ended 1 August 2015.

Sir Charlie Mayfield, Chairman of John Lewis Partnership, commented:

"This has been a solid first half for the Partnership in a difficult market. Both Waitrose and John Lewis are growing sales and increasing market share. Profit before tax and exceptionals was down by £33.8m to £96.0m, predominantly driven by higher pension charges arising from volatility in the market driven assumptions and last year's property profits. Excluding these, at a trading level our profits were broadly level with last year, despite the turmoil in the grocery market. That reflects tight management of costs and the steps we have taken to strengthen the appeal of our trading brands, where we have seen an encouraging increase in the number of customers shopping with us."

Financial highlights

- Operating profit before property profits up £0.8m (0.6%) in Waitrose and down £9.2m (16.3%) in John Lewis; both impacted by incremental holiday pay costs and a higher share of central costs as well as restructuring costs in John Lewis
- Waitrose total volume growth of 1.8%; LFL sales decline of 1.3% reflecting tough grocery market conditions, with price deflation, and strong prior year comparative through promotion-driven online performance last year
- Johnlewis.com gross sales (7) up 17.1% to £647m.
- Sales transacted in shops decreased 1.8%, partly due to comparison to 150 Year anniversary celebrations last year, but were up 1.7% over a two year period

The John Lewis Partnership will reveal full year results in March 2016.

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