

The Directors of Anglia Regional Co-operative Society are pleased to present their Interim Trading Update for the 24 week period ended 19 February 2011.

The Autumn and Winter season was once again a difficult climate, as the recession continued and consumer spends remained tightly bound.

Despite this the Society continued to enjoy like for like growth in all areas:

Non Food	0.5%
Food Group	2.6%
Funerals	7.1%

Within the Non Food Group, the continuing core Non Food trading categories of AHF and Specialist Retail had good growth of 5.7%, with the Department Stores (soon to be transferred to JE Beales PLC), showing an interim decline of 2.9%.

Specialist Retail had a very positive first six months with good performances particularly in foreign exchange. This is despite the general nervousness surrounding overseas travel due to both the economic climate at home and political unrest in popular destinations abroad.

AHF continued to improve upon its strong offer, resulting in above average performances when compared to other competitors.

Food Group remained highly competitive, with each trading category reporting good growth. This is attributable to good local offers, via membership activities and strong customer service throughout.

Funeral Turnover growth was entirely driven by the average cost of a funeral as volumes remained static to the previous year, although the growth in funeral bonds was extremely strong with 48% increase to last year.

New store openings in both Bourne and Littleport occurred during the Autumn of 2010 with both Food stores reporting sales above expectations. In terms of future growth opportunities in the Food Group we have commenced with the development of the Glatton Road site at Sawtry and are actively seeking further growth opportunities.

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We continue to grow our Specialist Retail portfolio to improve the profitability of the group and have recently been successful in securing two new Co-operative Travel high street locations in Bourne and March.

The Society also managed to acquire the goodwill and property of a funeral home in Crowland which is also performing extremely well.

Anglia continues to offer exclusive events and promotions to its Members and welcomed over 23,500 new Members during the period. With a focus on improving our service, a new website 'Members Online' was launched in December, allowing Members to manage their accounts online. The Society also introduced a new method for Members to receive their dividend via their Membership card, making it easier to use in store.

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The Anglia Co-operative Community Fund (ACCF) is going from strength to strength and has been launched online to good effect, providing improved access for local communities to engage with the Society's charitable funding committee.

During the period the Society has again significantly reduced borrowings to levels below £30m. This has been achieved through the sale of assets that were performing below expected levels.

The Society's contribution reduced by £1.5m when compared to last year, £1.0m of which was driven by the Department Stores business. The remaining £0.5m was due to incremental rental costs within the Food Group.

The sale of 19 Westgate Department Stores to JE Beales PLC will be effective from the close of business on 21st May 2011, reflecting a strategic decision taken after a review of this difficult market sector and the demands it would place on Society resources to compete effectively long term.

The Directors extend their thanks to all staff, members and customers for their loyal support during the period and going forward.