

Steve Murrells' colleague briefing on 2017 interim results – transcript

Steve Murrells, Co-op Group Chief Executive

I think the first thing I would want to say is a big thank you.

You made my job relatively easy this morning in terms of an outstanding six months. Everybody comes to work to do a really good job. Things get in the way sometimes but actually what you've enabled us to be able to say to the city, the market, our members is that actually the Co-op continues to be back; continues to perform really well; and we're doing it our way rather than the typical way of other bigger businesses like PLC's.

There was a subtle change in the way that we've pitched the interim results this time which has been all about 'these numbers are as a consequence of how we do business differently' rather than measure us in the same way that you would measure a PLC.

And that hopefully, that framing, starts to set a different agenda for us in the coming years that says 'we need to be commercially successful but we want to be socially responsible as well.'

Now if you looked into our numbers: profit before tax up 47%. Our underlying profit numbers are down - don't worry about that. That's because we've chosen to put £35m into the pockets of members. That's a decision we made and it's absolutely right that we did it as part of the 5+1 scheme.

And there's lots of conversation about 'is 5+1 working?' At the end of the day if our businesses are all growing, it is doing something for us and we shouldn't lose sight of that.

And then if you start to think about the things we're doing differently that gives me a platform and a voice when I talk to the journalists the stakeholders the media that this is starting to work and we have to keep on believing that this is a better way of doing business.

The first six months is a set of numbers as you can see on the screen I think are very very good. We know that the last two months trading in all of our businesses has been very tough. And this is not about effort, this is not about will. If we are going to have a good end of year result we're going to have to keep on digging deep... keep on challenging our thinking... keeping being more relevant for what people need and want because we're now getting into the tough part of this year.

The second half, I think, is going to be very difficult for the 65 million people in this country as they get to grips with Brexit. That means we need to keep true to fair prices, great service, and great products.

Our competition in every market is now stronger than it was a year ago. And you can see how people are making choices about where they go. We have got to be on our game working as hard as we already are to make sure that we don't have a year of two halves. Because you've started the first half off brilliantly well.

So dig deep. If you aren't getting the support and the help you need to do a great job put your hand up.

And as I said at the beginning, thank you very much. We would not be here talking about another great set of figures if it wasn't for your hard work and the frontline teams who face customers and members every day.

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