Thursday 8 March 2018

Gross sales growth 2%, Profit before exceptionals down 21.9%,
Bonus of 5% to 85,500 Partners

Financial summary

<table>
<thead>
<tr>
<th></th>
<th>Waitrose</th>
<th>YoY change</th>
<th>John Lewis</th>
<th>YoY change</th>
<th>Partnership</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross sales(1)</td>
<td>6,753.7</td>
<td>1.8%</td>
<td>4,844.0</td>
<td>2.2%</td>
<td>11,597.7</td>
<td>2.0%</td>
</tr>
<tr>
<td>LFL sales(2)</td>
<td>0.9%</td>
<td></td>
<td>0.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>6,354.7</td>
<td>1.7%</td>
<td>3,849.3</td>
<td>1.8%</td>
<td>10,204.0</td>
<td>1.8%</td>
</tr>
<tr>
<td>Operating profit before PB and exceptional items(3)(4)</td>
<td>172.0</td>
<td>(32.1)%</td>
<td>254.2</td>
<td>4.5%</td>
<td>360.8</td>
<td>(24.6)%</td>
</tr>
<tr>
<td>Operating profit before PB(4)</td>
<td>119.8</td>
<td>(41.9)%</td>
<td>232.9</td>
<td>0.6%</td>
<td>249.5</td>
<td>(61.6)%</td>
</tr>
<tr>
<td>Profit before PB, tax and exceptional items(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>289.2</td>
<td>(21.9)%</td>
</tr>
<tr>
<td>Profit before PB and tax(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>177.9</td>
<td>(67.2)%</td>
</tr>
<tr>
<td>Profit before tax(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>103.9</td>
<td>(77.0)%</td>
</tr>
<tr>
<td>Net debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>216.5</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

Financial key points

- Gross sales up 2.0% and increased customer numbers across both brands
- Profit before Partnership Bonus, tax and exceptional items down 21.9% to £289.2m, largely due to lower gross margins in Waitrose driven by the weaker exchange rate and commitment to competitive pricing
- An adverse movement in exceptional items of £282.5m led to profit before Partnership Bonus and tax reducing by 67.2%. This year there was an exceptional charge of £111.3m, mainly for restructuring and redundancy costs of £72.8m and Waitrose branch impairments of £38.9m. By comparison, in 2016/17 there was exceptional income of £171.2m mainly due to changes made to annual discretionary increases for pension benefits built up before 1997
- Net debt of £216.5m, £34.1m (13.6%) lower than January 2017 and positive progress made in reducing our pension deficit and increasing our total liquidity. However, our Debt ratio(6) increased from 4.0 times in 2016/17 to 4.3 times this year principally due to reduction in profits
- Accounting pension deficit, net of deferred tax, of £623.1m, £234.4m (27.3%) lower than January 2017, including benefit from change in discount rate methodology. See page 6 for further details. The estimated actuarial pension deficit is £211m at January 2018, £187m (47.0%) lower than last year
- Partnership Bonus of £74.0m; 5% of salary

(1) Gross sales includes sale or return sales and VAT
(2) Waitrose like-for-like sales excludes fuel
(3) Partnership Bonus
John Lewis Partnership plc
Unaudited results for 52 weeks ended 27 January 2018

(4) Includes property profits of £2.9m in Waitrose (2016/17: £0.8m) and £10.5m in John Lewis (2016/17: £1.7m)
(5) Exceptional items are those which are both material and non-recurring. Exceptional charges totalling £111.3m (2016/17: income of £171.2m) with £52.2m in Waitrose (2016/17: £47.3m), £21.3m in John Lewis (2016/17: £11.8m) and £37.8m in Group (2016/17: income of £230.3m)
(6) The Debt ratio is a measure of the Partnership’s total net debts (including post-tax accounting pension deficit and a discounted measure for operating lease commitments) relative to its cash flow. For definition see page 9 of our 2017 Annual Report and Accounts.

Sir Charlie Mayfield, Chairman of John Lewis Partnership, commented: “As we anticipated, 2017 was a challenging year. Consumer demand was subdued and we made significant changes to operations across the Partnership which affected many Partners. However, their hard work throughout the year was key to delivering gross sales of £11.60bn, up 2.0%, with like-for-like increases in both Waitrose and John Lewis. However, profit before Partnership Bonus, tax and exceptional items was down 21.9% mainly as a result of intensifying margin pressure in Waitrose.

We said in January 2017 that we were preparing for tougher trading conditions with weakness in Sterling feeding through into cost prices, putting pressure on margin, and much higher exceptional costs as a result of an acceleration of planned changes. This was why we chose to reduce the proportion of profits paid as Partnership Bonus last year so as to absorb these impacts while continuing to invest in the future and in strengthening our balance sheet. We did both and I am pleased to say that despite lower profits, strong cash flow has enabled us to reduce our total net debts.

Partnership Bonus has been awarded at 5%. We also remain committed to increasing pay rates for non-management Partners, and in October we increased pay outside the annual pay review cycle for 17,000 Partners. As at January 2018, the average hourly rate of pay for a non-management Partner was £8.91.”

Outlook 2018/19
For the first five weeks of the year, Partnership gross sales were up 0.6% on last year. Waitrose gross sales were up 2.7% (up 2.4% like-for-like, excluding fuel) and John Lewis gross sales were down 2.8% (down 3.4% like-for-like). Sales were significantly impacted, particularly in John Lewis, by the heavy snow last week.

We expect trading to be volatile in 2018/19, with continuing economic uncertainty and no let up in competitive intensity. We therefore anticipate further pressure on profits. However, the Partnership will see benefits this year from the many changes we implemented in 2017/18, and the faster delivery of key innovations. Together these will strengthen our competitive position in 2018.

Waitrose
Waitrose achieved gross sales of £6.75bn, up 1.8%, with like-for-like sales, excluding fuel, up by 0.9%. Like-for-like sales growth accelerated in the second half, increasing from 0.7% in H1 to 1.1% in H2. This improvement was driven by better like-for-like volumes, as we improved our competitiveness by lowering the prices of hundreds of essential Waitrose products. Operating profit before exceptional items was £172.0m, down 32.1%, held back primarily by lower margins due to our decision not to pass on all cost price inflation to our customers, and by investments in customer experience.

This was a challenging year. We reset gross margin in response to the weaker Sterling exchange rate and our commitment to competitive pricing. The resulting lower rate of gross margin was equivalent to more than 80% of the shortfall in operating profit before exceptional items, and it has also led to an exceptional branch impairment charge of £38.9m. The remaining operating profit shortfall in the year was from a combination of different factors, including some short-term operational impacts from significant changes to our branch management structures and the introduction of more flexible working models in our shops. These new ways of working take time to bed in, but the changes will enable us to have the right Partners in the right place at the right time to give customers the best possible service.
To enhance customers’ shopping experience we continued to invest in our existing estate and online. In this first year of our three-year programme we completed projects of varying scale at 127 branches. There are now, for example, 73 sushi counters in our shops, with 49 opening in the year. We also opened seven shops and closed six in the year. Following investment in our website, making it easier to navigate, our online grocery operation achieved strong profitable sales growth of 10.9%, with a marked acceleration in the second half.

Our customers look to us for food inspiration. We developed more than 2,500 products in the year. We announced plans for a new food innovation centre, due to open in summer 2018, at our head office in Bracknell.

Other initiatives to enhance our customers’ experience of shopping at Waitrose included, over the Christmas period, more in-branch tastings than ever before and attractive one-day offers. We also launched self-service check-in iPads for John Lewis Click & Collect orders in 140 of our shops in time for Black Friday.

Over the last couple of years we have been upgrading capabilities in a number of areas. Our 2018/19 programmes include upgrading our stock management, ordering and replenishment systems as well as a new transport management system to plan and schedule deliveries more efficiently. To support Partners in giving great service based on easy access to up to date information, we are rolling out multi-functional devices in our shops.

**John Lewis**

John Lewis had a strong year, with sales outperforming the BRC market by 1.4% and market share increasing in Fashion, Home and Electricals & Home Technology (EHT). Gross sales were up 2.2% to £4.84bn, with like-for-like sales growth of 0.4%. Operating profit before exceptional items was £254.2m up 4.5%. We continued to improve productivity across the business and leveraged investments made in recent years in our distribution network. Operating profit also reflected a strong performance in our John Lewis Finance products as well as property profits, mainly from a freehold property disposal.

Our performance reflects the continued focus on putting customers at the heart of what we do. Customer numbers increased by 2.5% to 12.6m and our Net Promoter Score – which indicates customers’ willingness to recommend us to others - increased. As part of our drive to improve customer experience we introduced a number of initiatives including two hour delivery slots, online order tracking and the ability to see more detailed product information and branch stock availability online. In addition and continuing our plans to reinvent the department store, we launched Experience Desks in four shops providing customers with ‘concierge style’ services to help them make the most of John Lewis.

Fashion sales were up 3.2%, boosted by a particularly strong performance in womenswear, up 5.0%, especially buoyed by own brand womenswear, up 14.9%. We launched our first in-house denim lifestyle brand for women – AND/OR in March 2017 and built on the success of our luxury own label, modern rarity, including a collaboration with Eudon Choi. Our additional investment to extend our premium brand offer in beauty contributed to beauty sales increasing 8.8%.

Against a backdrop of a challenging market, Home sales were down 0.8%. This was predominantly driven by soft demand in more considered categories such as Fitted Furniture, Fitted Flooring and Upholstery. Conversely, Outdoor Furniture performed well.

EHT sales were up 2.6%, with connected home and wearable technology as key themes. Voice controlled technology also saw a significant increase. We hosted a number of industry-leading launches, including Microsoft Surface Laptop, the HP Spectre Laptop and the Apple iPhone X and secured product exclusives with brands including Dyson, Samsung and LG. We also
reached our own-brand large electricals range with features specifically designed to make customers' lives easier.

(7) BRC market for Fashion and EHT. GfK Homewares market for Home, as this covers a greater proportion of the total Home market
Demand for our range of financial services has grown, as we evolve our offer in response to our customers’ needs and lifestyles such as launching Personal Loans from John Lewis Finance. The business also saw strong sales in Foreign Currency and the Partnership Card is now available on ApplePay.

Looking ahead, as part of our ambition for 50% of our products to be own brand or exclusive, we will strengthen our design credentials to offer customers truly unique products by investing in Partners across our Design, Technology and Buying teams. Partners are the driving force behind our particular brand of customer service and technology now gives us the opportunity to differentiate further - in 2018 we will launch a number of “test and learn” innovations to help us deliver on this opportunity. We will conclude our programme to move online content to a single platform, providing customers with a more seamless shopping journey optimised for whichever device they use. Shop openings in White City and Cheltenham will further demonstrate how we are evolving our strategy of reinventing the department store.

**Group**

Group includes the net operating costs for our Group offices and shared services, pan-Partnership initiatives and transformation programmes, our JLP Ventures operations which develops new customer propositions, and certain pension operating costs. Overall Group net costs (before exceptional items) increased by £46.9m to £65.4m, with more than two-thirds of the increase due to pension operating costs, and the remainder including net costs relating to JLP Ventures and increased expenditure on pan-Partnership initiatives.

**Stronger together**

During 2017 we have also placed a much greater focus on being ‘stronger together’, unlocking the benefits of working in a more coordinated way in the Partnership across both brands. There have been three main elements to this.

First has been a major reorganisation to create single pan-Partnership functions to support both brands in IT, Personnel, Property, Legal and Finance. These changes have been significant and, along with major reorganisations in John Lewis and Waitrose retail operations, have led to around 1,440 Partners leaving the business through redundancy in the last year.

Secondly, and in large part enabled by the creation of a pan-Partnership Personnel function, we are stepping up our focus on Partner development in anticipation of greater changes in the workplace in years to come from automation and other trends. In support of this we launched a simplified system of performance management which has saved managers much time and allowed them to complete a record number of annual reviews of Partners’ performance. We are also embracing apprenticeships as the primary focus for development. We now have nine apprenticeship schemes for Partners with more than 350 apprentices currently enrolled and a further 500 expected to enrol in 2018. We have also developed an in-house Interview Bank run by Partners to support preparation for job interviews, along with an accredited in-house coaching team of more than 80 Partners who offer one-to-one coaching to other Partners.

Thirdly, we have built on moves already taken to draw on both brands to improve customer service and experience. Click & Collect is the most obvious example of this where we are installing self service kiosks, and increasing capacity. We added to that with more shared marketing last year, and will extend this collaboration across our physical space, online and marketing as 2018 progresses.

A major aim of our focus on being ‘stronger together’ is to improve our productivity. We made good progress on that in 2017/18 in terms of gross sales per average FTE\(^{(8)}\) Partner, which grew 6.5% to £191,300. However, lower gross margin led to a reduction in profit per average FTE Partner\(^{(9)}\) of £1,000 to £4,800.

\(^{(8)}\) Full-time equivalent
(9) Profit per average FTE Partner is Profit before Partnership Bonus, tax and exceptional items divided by the average number of full-time equivalent Partners.
### Exceptional items

<table>
<thead>
<tr>
<th></th>
<th>2017/18</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring and redundancy (a)</td>
<td>(72.8)</td>
<td>(20.7)</td>
</tr>
<tr>
<td>Branch impairments (b)</td>
<td>(38.9)</td>
<td>-</td>
</tr>
<tr>
<td>Profit on disposal of items previously recognised as exceptional (c)</td>
<td>2.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Strategic review (d)</td>
<td>(2.3)</td>
<td>(42.9)</td>
</tr>
<tr>
<td>Reduction in pension obligation (e)</td>
<td>-</td>
<td>270.0</td>
</tr>
<tr>
<td>Pay provision (f)</td>
<td>-</td>
<td>(36.0)</td>
</tr>
<tr>
<td></td>
<td>(111.3)</td>
<td>171.2</td>
</tr>
</tbody>
</table>

a) Charge of £72.8m for restructuring and redundancy costs, principally in relation to our branch, distribution and retail operations as well as functional restructurings in Finance, Personnel and IT, as we move from divisional to Partnership functions. In 2016/17, the restructuring and redundancy charge of £20.7m was principally in relation to distribution and contact centres and head office operations.

b) Continuing uncertainty with respect to Brexit outcomes and change to the grocery market have led us to review our approach and assumptions with respect to the possible impairment of Waitrose stores, where margins have trended significantly lower. This has resulted in an impairment charge of £38.9m in 2017/18, which given the nature of the exercise this year and the size of the charge, we have included within exceptional items. The 2016/17 exercise, conducted on a less pessimistic basis, resulted in a charge of £4.9m, which was not material and charged against operating profit.

c) Income of £2.7m was recognised on finalisation of a property disposal which was previously recorded as exceptional (2016/17: £0.8m income).

d) Net charge of £2.3m in Waitrose relating to the further write-down of property, other assets and related costs that were no longer intending to be developed or were being exited, following the strategic review carried out in the prior year. In 2016/17 an exceptional charge of £42.9m was recognised in Waitrose.

e) In 2016/17, income of £270.0m in relation to an exceptional past service credit following the change to annual discretionary increases for pension in retirement built up before 6 April 1997.

f) In 2016/17, we made a £36.0m provision as an exceptional charge to cover the potential costs of complying with the National Minimum Wage Regulations. Since then we have been working with HMRC regarding our pay arrangements and compliance with the Regulations, which are complex in nature. These discussions with HMRC are ongoing, and as we work through this we continue to hold a provision. The ultimate resolution of the liability may result in an amount that is different from that provided.

### Capital investment

Capital investment in 2017/18 was £398.3m, a decrease of £21.0m (5.0%) on the previous year. This includes £33.9m for the acquisition of the freehold for two of our trading branches, and excluding this, our operating capital investment was £364.4m, a decrease of £54.9m (13.1%).

Investment in Waitrose was £161.9m, up £0.4m (0.2%) on the previous year. In John Lewis, as we completed the significant investments in our distribution network last year, it was down £59.5m (25.8%) to £171.2m.
Pensions

The pension operating cost (before exceptional items) was £215.6m, an increase of £27.7m or 14.7% on the prior year costs, mainly reflecting the substantial decline in the real discount rate used to determine the cost to -0.50% at the beginning of the year from 0.70% at the beginning of the previous year. Pension finance costs were £25.3m, a decrease of £4.3m or 14.5% on the prior year, reflecting a reduction in the nominal discount rate used to determine the finance cost at the beginning of the year from the beginning of the previous year. As a result, total pension costs (before exceptional items) were £240.9m, an increase of £23.4m or 10.8% on the prior year.

Following the conclusion of the triennial actuarial valuation of our defined benefit pension scheme at 31 March 2016, we agreed the ongoing contribution rate for the defined benefit pension of 10.4% of members’ gross taxable pay, down from 16.4%, and put in place a plan to eliminate the deficit of £479m over a 10 year period. As a result, in the year, we made deficit reduction contributions of £89.8m, and our total cash contributions to the pension scheme totalled £204.2m, a decrease of £45.0m or 18.1% on the previous year. At 27 January 2018, the estimated actuarial pension deficit has reduced to £211m.

The total accounting pension deficit at 27 January 2018 was £731.3m, a decrease of £282.4m (27.9%) since 28 January 2017. Net of deferred tax, the deficit was £623.1m, a decrease of £234.4m (27.3%). During the year, the methodology for deriving the nominal discount rate assumption used in valuing the pension obligation has been revised as the Directors believe this more appropriately reflects expected yields on high quality corporate bonds over the duration of the Partnership’s pension scheme, as required by IAS 19. The previous estimation methodology incorporated adjustments that were informed by both corporate and government bond yields. The new methodology is a yield curve approach, based on corporate bonds within the iBoxx AA corporate bond index. At very long durations, where there are no high quality corporate bonds of appropriate durations to reference, the yield curve is extrapolated based on observable corporate bond yields of mid to long durations. This change in the estimation methodology of the nominal discount rate model has resulted in a £210m reduction (£174m net of deferred tax) in the pension fund liabilities. Despite this, the accounting valuation of pension fund liabilities increased by £165.0m (2.7%) to £6,224.0m, while pension fund assets increased by £447.4m (8.9%) to £5,492.7m.

Financing

At 27 January 2018, net debt was £216.5m, a decrease of £34.1m (13.6%) in the year, reflecting our focus on cash generation and the reduction in capital investment. During the year we have also further improved our liquidity position by increasing our committed credit facilities by £50m, and these now total £500m.

In addition to the reduction in net debt we have made positive progress in reducing our total net debts, which also includes our post-tax accounting pension deficit and a discounted measure of our operating lease commitments. During the year we have made £89.8m in pension deficit repair payments and bought two of our leasehold properties for £33.9m. Despite this, principally due to the reduction in our profits, our Debt ratio has increased from 4.0 times in 2016/17 to 4.3 times this year. We continue to target a long-term Debt ratio of around three times.

Net finance costs on borrowings and investments decreased by £10.4m (17.9%) to £47.8m, mainly reflecting the capitalisation of borrowing costs for qualifying assets which relate to a number of our significant multi-year capital projects. After including the financing elements of pensions and long service leave and non-cash fair value adjustments, net finance costs decreased by £36.2m (33.6%) to £71.6m, benefiting from lower long leave financing costs arising from volatility in market driven assumptions and favourable fair value adjustments on embedded derivatives.
Sustainability
This year we made good progress across our three strategic corporate responsibility aims. To source and sell with integrity we released our second Human Rights and Modern Slavery report and John Lewis released its factory list in support of retailer transparency. Waitrose extended its commitment to Fairtrade by switching all own-label tea to Fairtrade and became the first supermarket to ensure 100 per cent of all canned tuna is responsibly sourced.

For community wellbeing Waitrose made a £500,000 donation to the Marine Conservation Society to support beach and river clean ups through its carrier bag fund. John Lewis supported the Marie Curie Blooming Great Tea Party, Barnardo’s and Breast Cancer Awareness as well as continuing its free Bringing Skills to Life schools programme, with a focus on innovation skills. We also joined up with the Samaritans for the first time, providing 20 Partner secondments through the Partnership’s Golden Jubilee Trust.

To deliver more for less, we are making progress to reduce emissions through 35 new biomethane Waitrose delivery trucks. Over the next year we aim to further improve our resource efficiency, with a particular focus on plastic packaging. Waitrose has also committed to removing all black plastics from own-label packaging, in every product by the end of 2019 which is the earliest any UK retailer has pledged to achieve this.

Enquiries
For further information please contact:

John Lewis Partnership
Simon Fowler, Director of Communications, 07710 398460
Sarah Henderson, Group Senior External Communications Manager, 07764 676036

Citigate Dewe Rogerson
Simon Rigby / Jos Bieneman, 020 7638 9571

John Lewis
Gillian Taylor, Head of External Communications, 07919 057931
Katie Robson, Senior External Communications Manager, 07764 675608

Waitrose
Christine Watts, Communications Director, 07764 676414
Graeme Buck, Head of Communications, 07703 379561

Debt investors
Alan Drew, Head of Treasury and Corporate Finance, 07525 582955
Lynn Lochhead, Deputy Head of Treasury, 07834 770684
Notes to editors

The John Lewis Partnership operates 49 John Lewis shops across the UK, johnlewis.com, 353 Waitrose shops, waitrose.com and business to business contracts in the UK and abroad. The business has annual gross sales of over £11.5bn. It is the UK's largest example of an employee-owned business where all 85,500 staff are Partners in the business.

Waitrose has 353 shops in England, Scotland, Wales and the Channel Islands, including 66 convenience branches, and another 27 shops at Welcome Break locations. It combines the convenience of a supermarket with the expertise and service of a specialist shop - dedicated to offering quality food that has been responsibly sourced, combined with high standards of customer service. Waitrose also exports products to 58 countries worldwide and has eight shops which operate under licence in the Middle East. Waitrose's omnichannel business includes the online grocery service, waitrose.com, as well as specialist online shops including waitrosecellar.com for wine and waitroseflorist.com for plants and flowers and waitrosegifts.com for gifts. In recent months, Waitrose has been awarded the much-coveted European-wide Compassion in World Farming 'Best Retailer Award', Soil Association's 'Best Organic Supermarket Award 2017' and The Drinks Business' 'Retail Buying Team of the Year Award'.

John Lewis operates 49 John Lewis shops across the UK (35 department stores, 12 John Lewis at home and shops at St Pancras International and Heathrow Terminal 2) as well as johnlewis.com. John Lewis, 'Best In-Store Experience 2017', 'Best Furniture Retailer 2017', 'Best Homewares Retailer 2017'*, stocks around 350,000 separate lines in its department stores and johnlewis.com across fashion, home and technology. Johnlewis.com is consistently ranked one of the top online shopping destinations in the UK. John Lewis Insurance offers a range of comprehensive insurance products - home, car, wedding and event, travel and pet insurance and life cover - delivering the values of expertise, trust and customer service expected from the John Lewis brand.

* GlobalData Retail Consumer Satisfaction Awards 2017

You can follow John Lewis on the following social media channels:

www.johnlewis.com/twitter
www.johnlewis.com/facebook
www.johnlewis.com/youtube
### UNAUDITED RESULTS FOR THE 52 WEEKS ENDED 27 JANUARY 2018

<table>
<thead>
<tr>
<th></th>
<th>2017/18</th>
<th>2016/17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td><strong>GROSS SALES (including VAT)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waitrose</td>
<td>6,753.7</td>
<td>6,633.2</td>
<td>1.8</td>
</tr>
<tr>
<td>John Lewis</td>
<td>4,844.0</td>
<td>4,741.0</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Gross sales (including VAT)</strong></td>
<td>11,597.7</td>
<td>11,374.2</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waitrose</td>
<td>6,354.7</td>
<td>6,245.5</td>
<td>1.7</td>
</tr>
<tr>
<td>John Lewis</td>
<td>3,849.3</td>
<td>3,780.7</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>10,204.0</td>
<td>10,026.2</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT (before PB(^2) and exceptional items)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waitrose</td>
<td>172.0</td>
<td>253.5</td>
<td>(32.1)</td>
</tr>
<tr>
<td>John Lewis</td>
<td>254.2</td>
<td>243.2</td>
<td>4.5</td>
</tr>
<tr>
<td>Group</td>
<td>(65.4)</td>
<td>(18.5)</td>
<td>(253.5)</td>
</tr>
<tr>
<td><strong>Operating profit before PB and exceptional items</strong></td>
<td>360.8</td>
<td>478.2</td>
<td>(24.6)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(111.3)</td>
<td>171.2</td>
<td>(165.0)</td>
</tr>
<tr>
<td><strong>Operating profit before PB</strong></td>
<td>249.5</td>
<td>649.4</td>
<td>(61.6)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(71.6)</td>
<td>(107.8)</td>
<td>33.6</td>
</tr>
<tr>
<td><strong>Profit before PB and tax</strong></td>
<td>177.9</td>
<td>541.6</td>
<td>(67.2)</td>
</tr>
<tr>
<td>Partnership Bonus</td>
<td>(74.0)</td>
<td>(89.4)</td>
<td>17.2</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>103.9</td>
<td>452.2</td>
<td>(77.0)</td>
</tr>
<tr>
<td><strong>Profit before PB, tax and exceptional items</strong></td>
<td>289.2</td>
<td>370.4</td>
<td>(21.9)</td>
</tr>
</tbody>
</table>

**Notes**

1. These results are subject to audit. The Annual Report & Accounts for 2017/18 will be published in April 2018.
2. Partnership Bonus