

Second Quarter Trading Statement for the 16 weeks to 29 September 2012

Good sales delivering continued outperformance

- **Total sales for second quarter up 4.3 per cent (4.4 per cent excluding fuel)**
- **Like-for-like sales for second quarter up 1.9 per cent (1.9 per cent excluding fuel)**
- **Total sales for the first half up 4.0 per cent (4.1 per cent excluding fuel) and like-for-like sales up 1.7 per cent (1.7 per cent excluding fuel)**

Justin King, Chief Executive, said, "This has been a unique and special summer, during which we have delivered another quarter of good sales, outperforming the market in what remains a challenging retail environment. Our total sales are up 4.3 per cent, and like-for-like sales up 1.9 per cent.

The quarter began with the period immediately following the Jubilee celebrations, and was characterised by unseasonal weather. The quarter ended with the Olympic and Paralympic Games, which united and inspired the nation. We were delighted to play our part in helping customers celebrate this summer like no other, and are particularly proud of Sainsbury's association with the Paralympic Games.

We are seeing the benefit of our ongoing investment in our own-label ranges, particularly *by Sainsbury's*, which is growing at its strongest rate in recent years, and our *Taste The Difference* range, which is seeing near double-digit growth. Our own label penetration is increasing at a faster rate than any of the major supermarkets; a testament to the investment we have made in the quality of our products.

As we approach Brand Match's first anniversary, it continues to reinforce the competitiveness of our price position. Our customers tell us that they believe it to be the simplest price guarantee in the market. We have also celebrated the tenth anniversary of our partnership with Nectar which, when uniquely combined with our coupon-at-till technology, helps to ensure that we reward customers with great offers on relevant products.

Non-food has increased its pace of growth to around three times that of food. Following the successful launch of our Denim Shop format, sales of jeans have almost doubled year-on-year, and the quarter also saw our biggest ever Schoolwear season, consolidating our number four market position.

Convenience stores continue their strong growth. We have opened 49 convenience stores in the half, and are delivering our target of one to two per week. Our online business continues to perform strongly, with growth of over 20 per cent year-on-year.

Over the quarter we grew space in line with our plans, opening 5 supermarkets, 28 convenience stores and 2 extensions, adding 267,000 square feet to our estate. This brings the year-to-date total to 330,000 square feet.

At the recent Retail Industry Awards we won Supermarket of the Year for the fifth time in seven years, Convenience Store of the Year for the third year in a row, and a further three awards. We are proud that the hard work invested by our colleagues across the country has been so consistently recognised by our peers.

We expect the challenging economic backdrop to persist, but by helping our customers to *Live Well For Less* through competitive pricing, targeted promotions, quality own label products, and outstanding customer service, we are positioned to perform well coming into the important Christmas period."

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Notes

1. All sales figures contained in this trading statement are stated including VAT and in accordance with IFRIC 13.
2. Like-for-like sales include the impact of changes in underlying VAT rate and extensions as follows:

	Q1	Q2	H1
Sales growth including fuel (%)			
Total	3.6%	4.3%	4.0%
Like-for-like	1.4%	1.9%	1.7%
Sales growth excluding fuel (%)			
Total	3.8%	4.4%	4.1%
Like-for-like	1.4%	1.9%	1.7%
Included in like-for-like sales (%)			
Net contribution from extensions	0.7%	1.0%	0.8%
Impact from change in VAT rate	0%	0%	0%

3. Store investment programme 2012/13:

2012/13	Q1	Q2	H1
Supermarkets			
New	0	5	5
Replacements	0	(1)	(1)
Extensions	1	2	3
Refurbishments	8	7	15
Convenience			
New	21	28	49
Closures	0	0	0

4. Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.
5. Sainsbury's also released today its Second Quarter Corporate Responsibility update. This is available at www.j-sainsbury.co.uk/investor-centre/results-and-presentations/
6. A conference call will take place at 8:30am. To listen to the audio webcast we recommend that you register in advance. To do so please visit www.j-sainsbury.co.uk prior to the event and follow the on-screen instructions. To view the transcript of the conference call go to www.j-sainsbury.co.uk and follow the on-screen instructions in the first quarter trading statement section.
7. Sainsbury's will announce its 2012/13 Interim Results on 14 November 2012.