

Fourth Quarter Trading Statement for 10 weeks to 17 March 2012

Strong finish to a good year

- **Total sales for fourth quarter up 4.6 per cent (5.1 per cent excluding fuel¹)**
- **Like-for-like sales² for fourth quarter up 2.5 per cent (2.6 per cent excluding fuel¹)**
- **Like-for-like sales² for the year up 4.5 per cent (2.1 per cent excluding fuel¹)**
- **Achieved target 7.3 per cent gross space growth in the year**
- **Convenience, online and non-food all growing ahead of market**

Justin King, Chief Executive, said, "We delivered like-for-like sales of 2.6 per cent excluding fuel this quarter, completing a good performance for the year against a challenging backdrop. Our strategy of delivering universal customer appeal is succeeding in the current economic climate. Our unique own label ranges enable customers to save money when they need to and to treat themselves, their friends and families on special occasions. Through Brand Match, customers are increasingly aware of the great value Sainsbury's offers. They are inspired by Live Well for Less, which helps them find ways to make their money go further without compromising on quality. Our Nectar loyalty programme is a key source of customer insight, and we have signed a new long-term contract ensuring we retain this competitive advantage. We continue to outperform the market and gain market share.

Underpinning our performance is our quality food offer. We have invested over £85 million this year to make our fresh food better than ever, and this is delivering real results. Customers rate Sainsbury's best for great tasting food³. Our own label participation continues to lead the market⁴, reflecting Sainsbury's reputation for great quality at fair prices. Sales of *basics* grew by 10 per cent and Taste the Difference grew by almost 20 per cent. In the past year we have trained 18,000 of our colleagues in our Bakery and Food colleges, and their fantastic service, skills and expertise have resulted in sales from our counters growing faster than at any other retailer⁵.

We remain focused on ensuring our values make us different and are making good progress against the commitments we set out in our 20 by 20 sustainability plan. As the largest Fairtrade retailer in the world, we sold over £12 million of Fairtrade goods during Fairtrade Fortnight, 11 per cent more than last year. In the quarter we also announced our investment in Tamar Energy, a company set up to produce energy from organic waste. For the second year running Business in the Community has awarded Sainsbury's Platinum Plus status in its Corporate Responsibility Index, the top accolade.

Convenience, online and non-food are all growing ahead of the market, as our multi-channel offer means customers can do more of their shopping with Sainsbury's. Against difficult market conditions we are gaining market share in clothing and general merchandise. Our convenience business is growing at over 20 per cent, driven by a combination of new space and strong like-for-like sales growth. We are also the fastest growing online grocer. Sales continue to grow at over 20 per cent, with both basket size and order numbers increasing, and we now serve on average 165,000 customers a week. 'Click & Collect' is now in nearly 900 stores, with over half of customers choosing to pick up their online general merchandise orders in store.

In the quarter we added 170,000 square feet of gross new space, including two new supermarkets, three extensions, and 15 new convenience stores. This brings our total gross new space in the year to 1.4 million square feet, opening 19 new stores at an average size of just over 39,000 square feet, extending 28 stores by an average of 15,000 square feet, and opening 73 new convenience stores.

We have demonstrated that delivering quality and value is a compelling offer for customers. The economic climate is likely to remain challenging, and we are committed to helping customers make their money go as far as possible. Nonetheless, the Diamond Jubilee, Olympics and Paralympics are wonderful opportunities this year for the country to join together and celebrate, and we expect these to underpin our continued growth as customers trust Sainsbury's to make their celebrations really special. "

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Notes

- Total and like-for-like sales including fuel have been impacted in the quarter by a reduced level of petrol price inflation and lower volumes year-on-year.
- Like-for-like sales include the impact of changes in underlying VAT rate and extensions as follows:

2011/12	Q1	Q2	H1	Q3	Q4	H2	FY
Sales growth including fuel (%)							
Total	7.3	7.8	7.6	7.0	4.6	6.0	6.8
Like-for-like	4.8	5.4	5.1	4.8	2.5	3.8	4.5
Sales growth excluding fuel (%)							
Total	4.3	4.4	4.3	4.5	5.1	4.7	4.5
Like-for-like	1.9	1.9	1.9	2.1	2.6	2.3	2.1
Included in like-for-like sales (%)							
<i>Net contribution from extensions</i>	<i>1.0</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>0.8</i>	<i>1.0</i>	<i>1.0</i>
<i>Impact from change in VAT rate</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>-</i>	<i>0.5</i>	<i>0.7</i>

- Ipsos MORI 8 week rolling data. Fieldwork conducted between 21st December and 22nd February with a sample of N=600 grocery shoppers. In answer to the question "Which supermarkets do you think have great tasting food?" Compared against Tesco, Asda and Morrisons.
- Kantar Worldpanel Total Grocery 52 week ended data to 19 Feb 12.
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- 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.
- All sales figures contained in this trading statement are stated including VAT and in accordance with IFRIC 13.
- Sainsbury's also released today its Fourth Quarter Corporate Responsibility update. This is available at www.j-sainsbury.co.uk/investor-centre/results-and-presentations/
- A conference call will take place at 8:45am. 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 fourth quarter trading statement section.
- Sainsbury's will announce 2011/12 Preliminary Results on 9 May 2012.
- Store investment programme 2011/12:

2011/12	Q1	Q2	Q3	Q4	Total
Supermarkets					
New	3	4	10	2	19
Replacements	(1)	(1)	(2)		(4)
Extensions	3	12	10	3	28
Convenience					
New	13	24	21	15	73
Closures	0	0	0	(4)	(4)