

19 March 2013

Fourth Quarter Trading Statement for 10 weeks to 16 March 2013**Strong sales, reflecting continued market outperformance**

- **Total sales for fourth quarter up 7.1 per cent (6.3 per cent excluding fuel)**
- **Like-for-like sales for fourth quarter up 4.2 per cent (3.6 per cent excluding fuel)**
- **Like-for-like sales for year up 2.1 per cent (1.8 per cent excluding fuel)**
- **Weekly customer transactions increased by over 800,000 year-on-year**
- **Achieved target of c.5% gross space growth for the year**

Justin King, Chief Executive, said, "We have delivered strong sales in the fourth quarter, increasing market share and outperforming in what remains a tough retail environment. Over the quarter, we grew customer transactions to 22.9m per week, serving more customers than ever. Valentine's Day and Mother's Day were both particularly strong this year, and we closed the quarter with a very successful Red Nose Day, presenting a record cheque for £10.5m on behalf of customers and colleagues.

Our focus on quality is an important reason why customers choose to shop with us, and why we are seeing strong growth in our own-brand products. With the re-launch of the *by Sainsbury's* range almost complete, sales have grown by around 9 per cent year-on-year. Our differentiated own-brand offer is complemented by the price reassurance of *Brand Match* on branded products.

We have invested heavily in our supply chain and sourcing credentials over many years, including initiatives such as our Farmer Development Groups. Our fresh chicken has been 100 per cent British since 2003, all of our fresh beef is sourced from the UK and Ireland and we have routinely carried out DNA testing on our products for over ten years. Our values are a long-term, strategic point of difference. The issues experienced by the industry over the last quarter underscore the importance of our detailed understanding of our supply chain.

Our multi-channel strategy continues to enable customers to shop when and how they want. Our convenience business is growing at over 18 per cent year-on-year, driven by a combination of new space and strong like-for-like sales growth. Groceries online increased sales by nearly 20 per cent year-on-year⁸. We now regularly serve over 190,000 customers a week with customer service and availability scores at an all time high. We were particularly proud of our performance and the dedication of our colleagues during the periods of heavy snow in January.

Our general merchandise and clothing business is growing at nearly three times the rate of food. In February, we reached the milestone of £1bn annual sales from general merchandise, reflecting the investment we have made in the quality of our offer. Nearly 33 per cent of our customers are now within a 15 minute drive of a full non-food offer, up from 29 per cent this time last year. We saw our best ever January sale, with sales up 19 per cent year-on-year, and we have continued to see strong growth in clothing at nearly 20 per cent year-on-year, and home accessories nearly 25 per cent year-on-year.

In the quarter, we added 163,000 square feet of new space, comprising three supermarkets and 19 convenience stores. Over the full year, we have added 14 supermarkets, eight extensions and 87 convenience stores, bringing our total gross new space to just over 1 million square feet, an increase of approximately 5 per cent, in line with our target. We also opened a new depot in Thameside, dedicated solely for our growing convenience business in London and the South East.

We expect the challenging economic environment to continue through the coming year. By helping our customers to *Live Well for Less* through our ongoing commitment to great quality own-brand products, *Brand Match*, competitive pricing and targeted promotions via Nectar and coupon-at-till, we are well positioned to continue to outperform the market."

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

	Q1	Q2	H1	Q3	Q4	H2	FY
Sales growth including fuel (%)							
Total	3.6%	4.3%	4.0%	3.9%	7.1%	5.2%	4.6%
Like-for-like	1.4%	1.9%	1.7%	1.5%	4.2%	2.6%	2.1%
Sales growth excluding fuel (%)							
Total	3.8%	4.4%	4.1%	3.3%	6.3%	4.5%	4.3%
Like-for-like	1.4%	1.9%	1.7%	0.9%	3.6%	1.9%	1.8%
Included in like-for-like sales (%)							
Net contribution from extensions	0.7%	1.0%	0.8%	0.5%	0.5%	0.5%	0.7%

3. Store investment programme 2012/13:

	Q1	Q2	H1	Q3	Q4	H2	FY
Supermarkets							
New	0	5	5	6	3	9	14
Closures	0	0	0	0	(1)	(1)	(1)
Replacements	0	(1)	(1)	(1)	0	(1)	(2)
Extensions	1	2	3	5	0	5	8
Refurbishments	8	6	14	6	0	6	20
Convenience							
New	21	28	49	19	19	38	87
Closures	0	(2)	(2)	0	(2)	(2)	(4)

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 Fourth 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 fourth quarter trading statement section.
7. Sainsbury's will announce its Preliminary results for 2012/13 on 8 May 2013, and the First Quarter Trading Statement on 12 June 2013.
8. The online growth figure of over 15 per cent reported in the Quarter 3 trading statement was understated and should have been stated as over 20 per cent year-on-year for the third quarter.