

First Quarter Trading Statement for the 12 weeks to 8 June 2013

Solid sales performance in a challenging market

- **Total sales for first quarter up 3.6 per cent (3.3 per cent excluding fuel)**
- **Like-for-like sales for first quarter up 0.7 per cent (0.8 per cent excluding fuel)**
- **Market share up 0.2 percent to 16.8 per cent**
- **Winner of the prestigious Grocer 33 Customer Service and Availability Awards**

Justin King, Chief Executive, said, "This has been a solid performance in what continues to be a tough consumer environment. During the quarter we lapped some of our strongest performance of last year, culminating in the Queen's Diamond Jubilee, and have extended our track record to 34 quarters of like-for-like growth. We are the only major grocer growing market share, up 0.2 per cent to 16.8 per cent. This performance is driven by the hard work of our colleagues, whose outstanding performance in serving 23 million customers per week has been recognised by the prestigious Grocer 33 Customer Service Award.

With the re-launch complete, *by Sainsbury's* sales are up nearly seven per cent, driving own-brand penetration. Notable successes include the re-launch of Sainsbury's Little Ones nappies to coincide with the withdrawal of the Huggies brand from the UK, offering customers an equivalent quality product for a significant saving. *Taste the Difference* is growing at over ten per cent, and has now reached £1 billion of sales.

We continue to make good progress on our *20x20 Sustainability Plan* commitments. In line with our value of 'sourcing with integrity', the vast majority of our new season British lamb will be sourced from our supplier's state-of-the-art facility in Wales, which has secured 600 jobs in the rural community. This follows the extensive support we provided to the Sainsbury's Lamb Development Group farmers during the tough winter months. We also reached a major milestone as we helped our 2,000th disabled colleague into a job with us through our partnership with Remploy.

Our strategy of focusing on general merchandise categories which are complementary to our great food offer is helping us gain market share. Non-food continues to grow at over twice the rate of food. We have seen particularly strong sales in homeware, with kitchen electricals growing at over 34 per cent year-on-year and cookware growing at nearly 23 per cent year-on-year.

Convenience remains a strong driver for growth, with sales up nearly 20 per cent year-on-year, underpinned by strong like-for-like sales. Our groceries online business is growing at over 16 per cent year-on-year.

Over the quarter we have opened 19 convenience stores, refurbished a further 13, and are on track to deliver around two new stores per week for the year. We have also opened one new supermarket and refurbished a further six. Overall this has added nearly 82,000 square feet to the estate. The contribution to like-for-like sales from extensions is 0.2 per cent.

We expect the challenging economic environment to continue through this financial 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."

Enquiries:

Investor Relations
Adam Wilson Katsibas
+44 (0) 20 7695 7991

Media
Alex Cole / Trevor Datson
+44 (0) 20 7695 7295

Notes

1. Kantar 52 week data ending 12th May 2013
2. All sales figures contained in this trading statement are stated including VAT and in accordance with IFRIC 13.
3. Like-for-like sales include the impact of extensions as follows:

| | 2012/13 FY | Q1 |
|--|------------|------------|
| Sales growth including fuel (%) | | |
| Total | 4.6 | 3.6 |
| Like-for-like | 2.1 | 0.7 |
| Sales growth excluding fuel (%) | | |
| Total | 4.3 | 3.3 |
| Like-for-like | 1.8 | 0.8 |
| Included in like-for-like sales (%) | | |
| Net contribution from extensions | 0.7 | 0.2 |

4. Store investment programme 2013/14:

| 2013/14 | Q1 |
|---------------------|-----|
| Supermarkets | |
| New | 1 |
| Replacements | - |
| Extensions | - |
| Refurbishments | 6 |
| Convenience | |
| New | 19 |
| Closures | (1) |
| Refurbishments | 13 |

5. 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.
6. Sainsbury's also released today its First Quarter Corporate Responsibility update. This is available at www.j-sainsbury.co.uk/investor-centre/results-and-presentations/
7. 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.
8. Sainsbury's will announce its 2013/14 Second Quarter Results on 2 October 2013.