

9 January 2013

Third Quarter Trading Statement for 14 weeks to 5 January 2013

Good sales, outperforming in a tough market

- **Total sales for third quarter up 3.9 per cent (3.3 per cent excluding fuel)**
- **Like-for-like sales for third quarter up 1.5 per cent (0.9 per cent excluding fuel)**
- **Record breaking Christmas, reflecting 32 consecutive quarters of like-for-like growth**
- **Multi-channel strategy continues to deliver strongly**

Justin King, Chief Executive, said, "This Christmas we have helped more customers than ever to *Live Well for Less*, delivering another quarter of good sales in a challenging retail environment, increasing market share. Like-for-like sales excluding fuel were up 0.9 per cent, which was on top of a very strong Christmas last year, giving a two year like-for-like growth figure of 2.9 per cent.

Our colleagues did an outstanding job this Christmas, serving a record number of customers and maintaining excellent levels of customer service and availability. The week before Christmas was our strongest trading week ever, with customer transactions exceeding 27 million. We saw a record breaking £16 million of sales in one hour between 12pm and 1pm on Sunday 23rd December and experienced our best ever Christmas Eve, at both our supermarket and convenience stores, with over £100 million of sales.

It has been a very strong quarter for our own-brand products, with sales growing at three times the rate of brands and 3,000 products available this Christmas either new or improved this year. *by Sainsbury's*, the core of our offer, is growing at nearly five per cent year-on-year, reflecting the investment we have made in further improving the quality and taste of our products. Sales of own-brand champagne and prosecco have grown at over 15 per cent year-on-year and our Christmas food ordering service was even more popular this year with orders up 25 per cent year-on-year.

Christmas is a key time that customers choose to spend their Nectar points, and this year saw a record 22 billion points worth over £110 million redeemed. Strong Nectar point redemption combined with industry leading own-brand growth, helped our customers' budgets go even further this Christmas.

Sainsbury's multi-channel offer enables our customers to shop how they choose, when they choose. Convenience continues to perform strongly with growth of over 17 per cent, and our online business grew at over 15 per cent. During our busiest week we delivered a record 200,000 food orders, with our best-ever customer service and availability levels. Customers took advantage of Click & Collect facilities available in around 1,000 of our stores, with 60 per cent of general merchandise orders being collected in this way.

Customers are increasingly attracted into store by our complementary general merchandise and clothing offer and sales have continued to grow at a faster rate than food, increasing market share across non-food. Clothing has performed particularly well, growing at over 10% year-on-year, driven by investment in core ranges across women, mens and kids and a number of profitable promotions. We also saw strong sales growth in small electricals, such as toasters and kettles, growing at over 24 per cent year-on-year, and cookware, growing at nearly 15 per cent year-on-year.

This quarter we added 496,000 square feet of new space, comprised of six supermarkets, five extensions, and 19 new convenience stores, including our 500th convenience store in Southsea. This brings us to 846,000 square feet year-to-date, on track to deliver our target of one million square feet of new space by the end of the financial year.

We expect the challenging economic backdrop to persist, with customers looking to re-balance their household budget after the festivities and so spending cautiously in the first few months of 2013. By continuing to help our customers to *Live Well for Less* through our ongoing commitment to great food, Brand Match, competitive pricing and targeted promotions via Nectar and coupon-at-till we are positioned to perform well over the next quarter."

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Notes

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

	Q1	Q2	H1	Q3
Sales growth including fuel (%)				
Total	3.6%	4.3%	4.0%	3.9%
Like-for-like	1.4%	1.9%	1.7%	1.5%
Sales growth excluding fuel (%)				
Total	3.8%	4.4%	4.1%	3.3%
Like-for-like	1.4%	1.9%	1.7%	0.9%
Included in like-for-like sales (%)				
Net contribution from extensions	0.7%	1.0%	0.8%	0.5%

3. Store investment programme 2012/13:

2012/13	Q1	Q2	H1	Q3
Supermarkets				
New	0	5	5	6
Replacements	0	(1)	(1)	(1)
Extensions	1	2	3	5
Refurbishments	8	7	15	6
Convenience				
New	21	28	49	19
Closures	0	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 Third 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 third quarter trading statement section.
7. Sainsbury's will announce its Fourth Quarter Trading Statement on Tuesday 19 March 2013.