

Second Quarter Trading Statement for the 16 weeks to 28 September 2013

Strong sales delivering continued outperformance

- **Total sales for second quarter up 5.0 per cent (4.6 per cent excluding fuel)**
- **Like-for-like sales for second quarter up 2.1 per cent (2.0 per cent excluding fuel)**
- **Total sales for the first half up 4.4 per cent (4.0 per cent excluding fuel) and like-for-like sales up 1.5 per cent (1.4 per cent excluding fuel)**

Justin King, Chief Executive, said "We have delivered strong sales over the quarter, continuing to outperform the market in what remains a tough retail environment. We are the only major supermarket to be growing market share. This comes during a quarter in which we also lapped some of our strongest performance during the Paralympic Games last year.

As part of our commitment to provide long-term support for British Athletics' Paralympic programme, we were proud to sponsor the Sainsbury's Summer Series. Our legacy programme has already seen £2 million of funding for schools, clubs and organisations, to ensure that the next generation of Paralympic athletes receive the support and coaching they need.

Our own-brand offer continues to grow at over twice the rate of branded goods, with *Taste the Difference* growing particularly strongly and *by Sainsbury's* performing well following its re-launch. We recently announced that all our fresh pork is now sourced from British farmers, just as our fresh chicken has been for over 10 years. We also sold over 200 million British apples and pears over the year, making us the number one retailer of home grown fruits for the fifth year running.

Our groceries online business grew by over 15 per cent in the quarter and is now worth over £1 billion in annual sales. Our convenience business grew 20 per cent year-on-year as customers topped up more frequently during the warm summer weather.

Our general merchandise and clothing business continues to grow at over twice the rate of food. We recently re-launched our Tu clothing brand, unveiling a high quality, design-led collection which is now available in nearly 400 stores, and we have invested in more eye-catching displays and easier to navigate floor layouts. We also held our biggest ever Back to School event, selling over a million polo shirts and more than half a million pairs of school trousers.

We continue to focus on delivering great service and availability to our customers. At the Retail Industry Awards last week, the hard work of our colleagues was recognised by our being awarded Supermarket of the Year for the sixth time in eight years and Convenience Retailer of the Year for the fourth year in a row. We were also delighted to win the Grocer 33 Mystery Shopper Award for 10 of the 16 weeks in the quarter.

Developing new business remains an important part of our strategy. During the quarter we launched *Mobile by Sainsbury's*, a joint venture with Vodafone, offering great quality, value-for-money mobile services through clear and simple tariffs.

Over the quarter we opened 31 convenience stores and five new supermarkets, adding 307,000 square feet to the estate. We remain on track to deliver our target of around one million square feet for the year.

Although we are starting to see encouraging signs in key economic indicators, our customers' approach to savvy shopping, which started at the beginning of the downturn, has persisted and continues to help them to *Live Well for Less*. By continuing to focus on high quality, unique and innovative own-brand products we are ideally placed to perform well coming into the key 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 extensions as follows:

	Q1	Q2	H1
Sales growth including fuel (%)			
Total	3.6%	5.0%	4.4%
Like-for-like	0.7%	2.1%	1.5%

Sales growth excluding fuel (%)			
Total	3.3%	4.6%	4.0%
Like-for-like	0.8%	2.0%	1.4%

Included in like-for-like sales (%)			
Net contribution from extensions	0.2%	0.3%	0.3%

3. Store investment programme 2013/14:

2013/14	Q1	Q2	H1
Supermarkets			
New	1	5	6
Replacements	-	-	-
Extensions	-	2	2
Refurbishments	6	2	8
Convenience			
New	19	31	50
Closures	(1)	(1)	(2)
Refurbishments	10	12	22

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 8:15am. 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 second quarter trading statement section.
7. Sainsbury's will announce its 2013/14 Interim Results on 13 November 2013.