



John Rogers
Chief Financial Officer

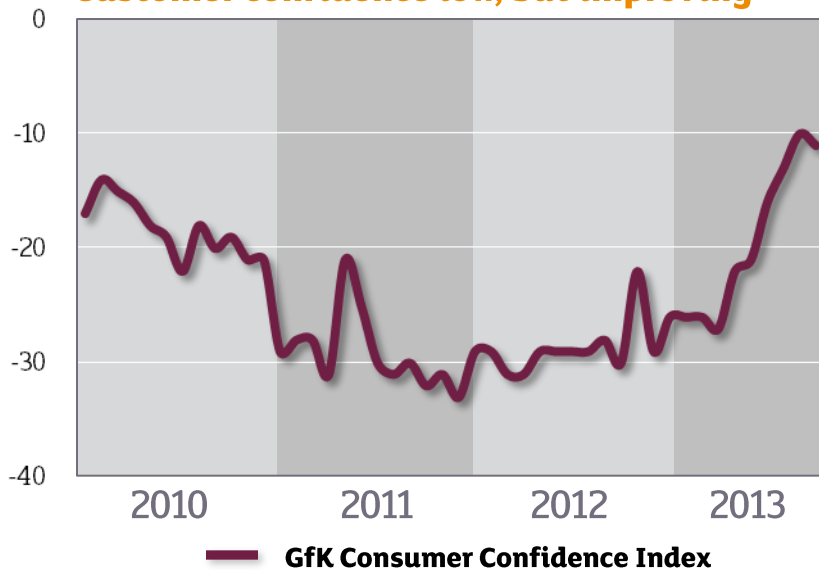
J Sainsbury plc

Market backdrop

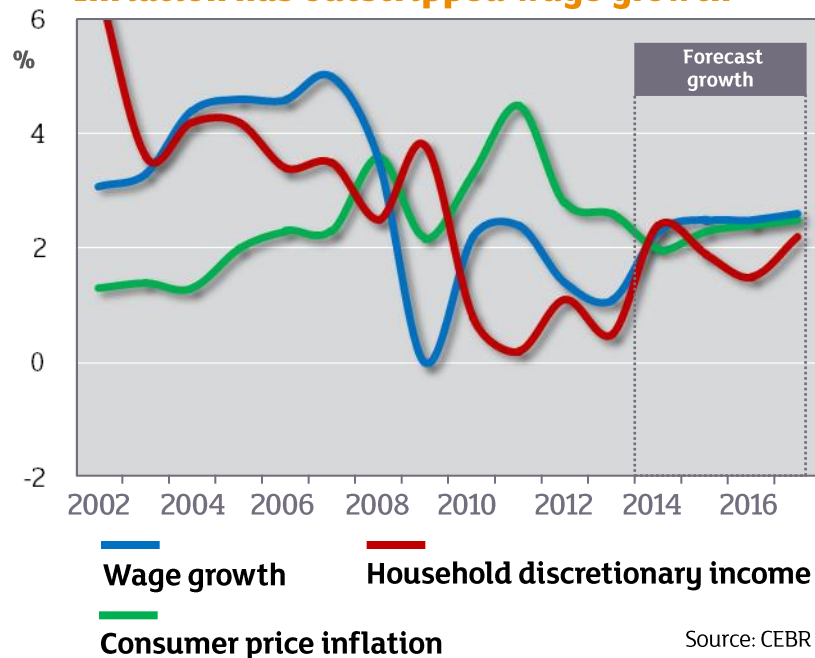
The economic environment has changed significantly

J Sainsbury plc

Customer confidence low, but improving



Inflation has outstripped wage growth



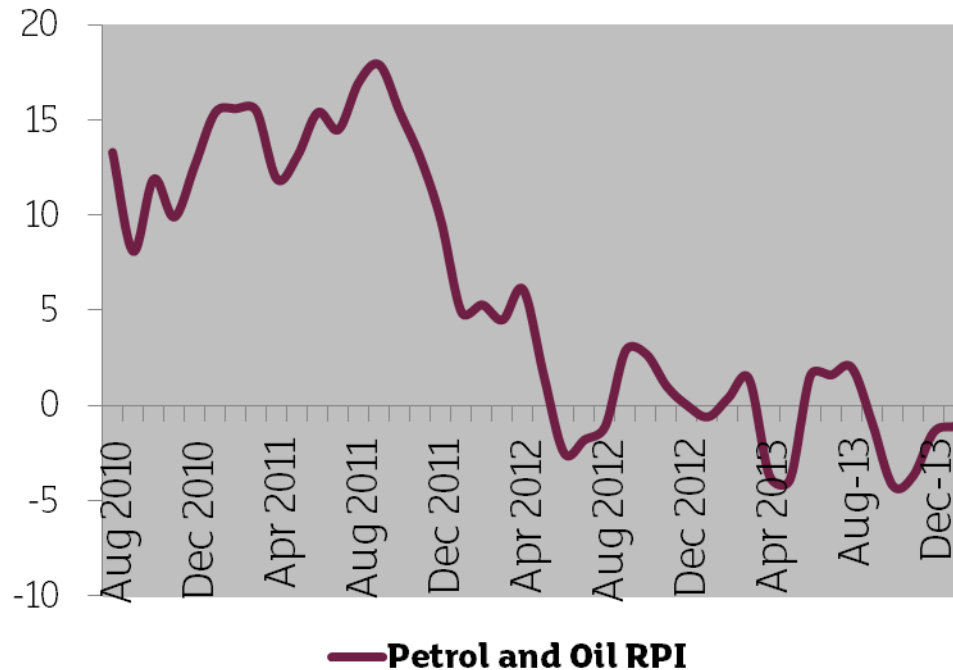
Source: CEBR

Market backdrop

The economic environment has changed significantly

J Sainsbury plc

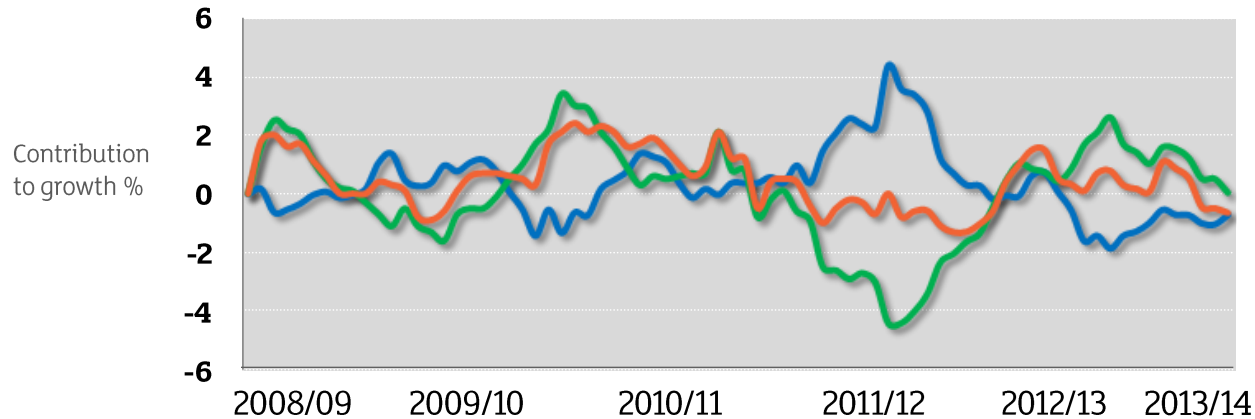
Petrol prices have stabilised



Market backdrop

Leading to a significant change in shopping behaviour

J Sainsbury plc



- More frequent, local shopping trips

Frequency contribution
Items per basket contribution
Overall volume contribution

Market growth

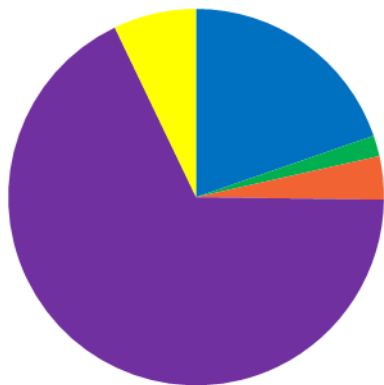
... and where and how customers shop

J Sainsbury plc

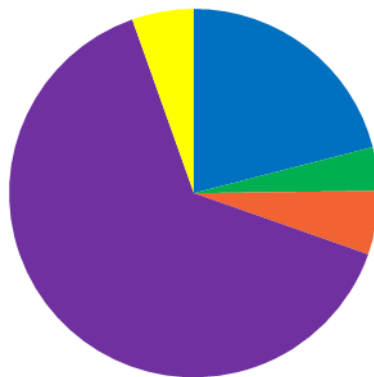
UK Grocery Market

Total sales by channel

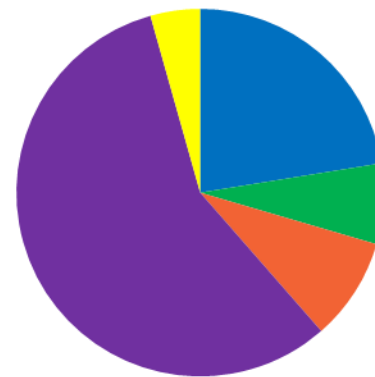
2008



2013



2018 Forecast



Source: IGD

Convenience
Online

Discounters
Supermarkets and Hypermarkets

Other

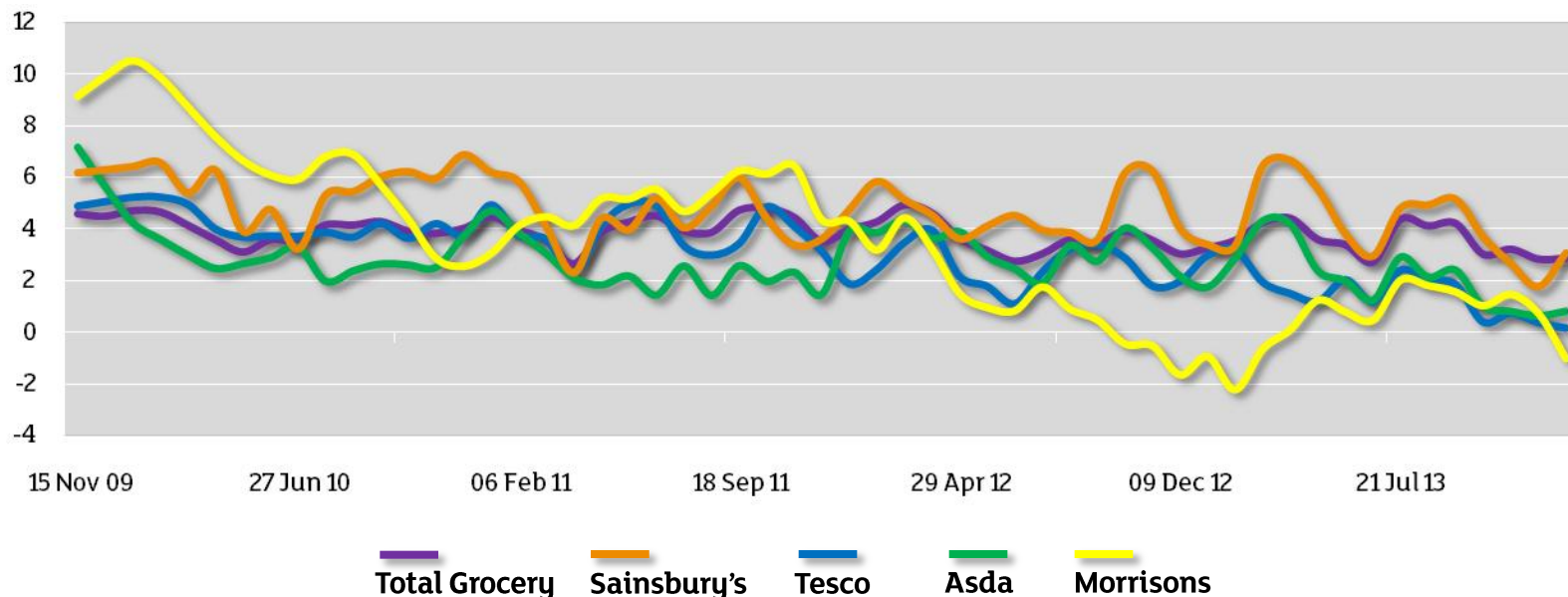
Strong trading performance

Against this backdrop, Sainsbury's has performed well

J Sainsbury plc

Sainsbury's sales growth is strong in a tough market

Total sales growth¹



¹Kantar Total Till Roll 12 w/e

A long-term vision for growth

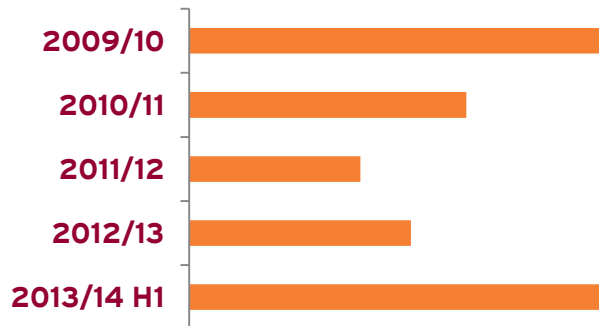
Performance is driven by a consistent strategy

J Sainsbury plc



- Own-brand sales have grown faster than branded sales
 - Total own-brand sales up nearly 5% year-on-year
- Completed our re-launch of *by Sainsbury's*
 - Over 6,500 lines, many new or improved
 - Winner of Own-Label Range of the Year
- Our values are a long term, strategic point of difference
 - Invested in our supply chain and sourcing credentials
 - DNA testing for over 10 years

Own-brand penetration

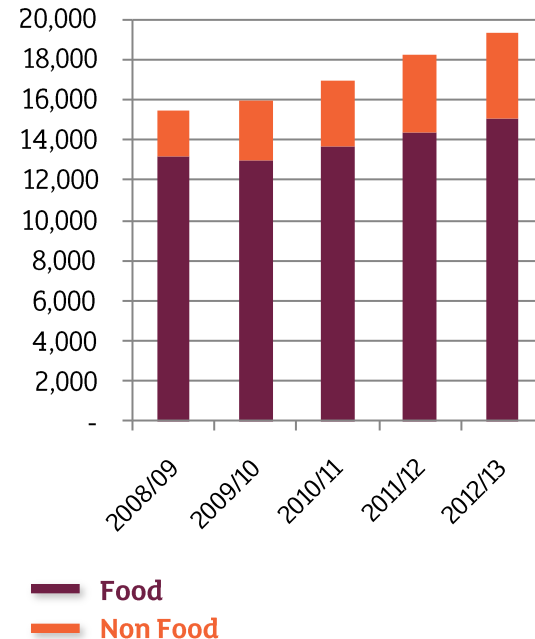


Compelling General Merchandise and Clothing

J Sainsbury plc

- GM and Clothing has grown at over twice the rate of food over the year
- Strong clothing sales growth has continued
 - 11th largest UK clothing retailer by value
- Achieved the milestone of £1bn annual GM sales
 - 7th largest UK retailer for homeware by value
- Held biggest ever Back to School event, selling over 1 million polo shirts and more than half million trousers

Significant Non Food space expansion Supermarket space split

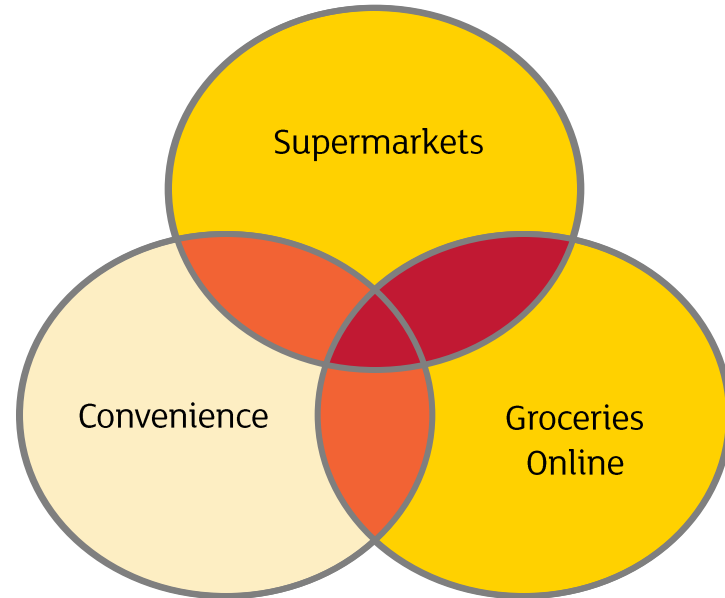
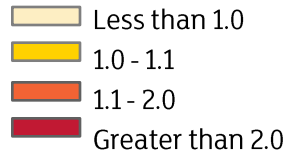


Complementary Channels and Services

J Sainsbury plc

- Nectar data key to understanding the developing customer behaviour
- New channels incrementalise spend
- When customers shop all three channels, total spend more than doubles
- Bank ownership will further enhance loyalty

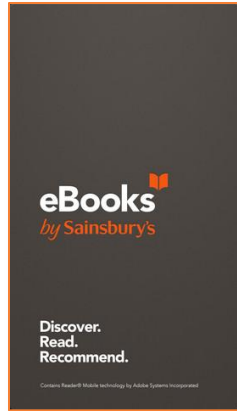
Multiples of supermarket spend



Developing new business

J Sainsbury plc

- Launched *Mobile by Sainsbury's* : JV with Vodafone
- Insight 2 Communication: JV with Aimia that allows suppliers to deliver targeted offers to our customers
- Launched a number of digital businesses:
 - Sainsbury's Entertainment
 - eBooks *by* Sainsbury's



Growing space and creating property value

J Sainsbury plc

Supermarkets

- Opening stores in select locations where Sainsbury's does not currently have a presence – there are 35% of postcodes where Sainsbury's market share <5%

New supermarkets opened over the last 3 years



Growing space and creating property value

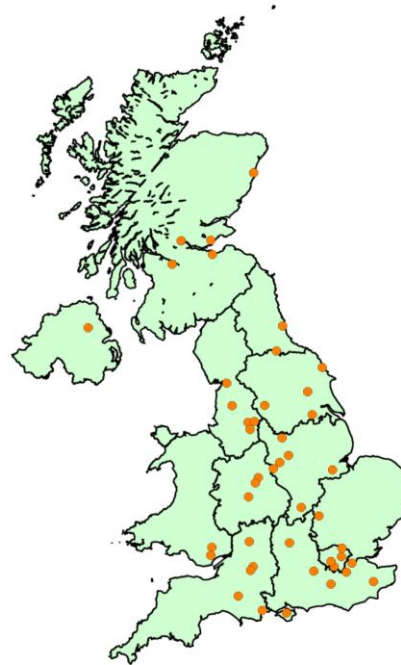
J Sainsbury plc

Extensions

- Increasing the proportion of customers with access to a full non-food offer – from 11% to 33% over the last 5 years



New extensions opened over the last 3 years



Growing space and creating property value

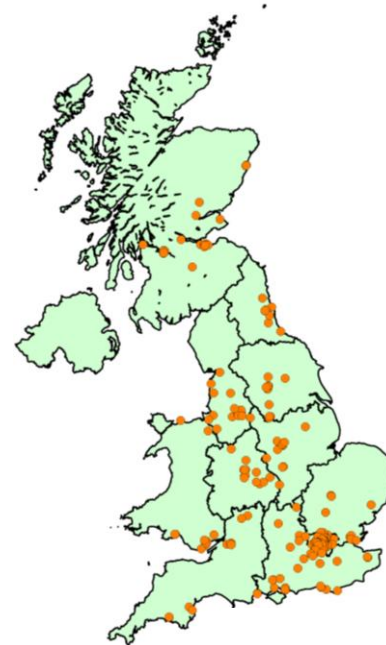
J Sainsbury plc

Convenience

- Increasing the proportion of convenience space, reflecting the change in consumer shopping habits
- Highly accretive investments, generating strong returns



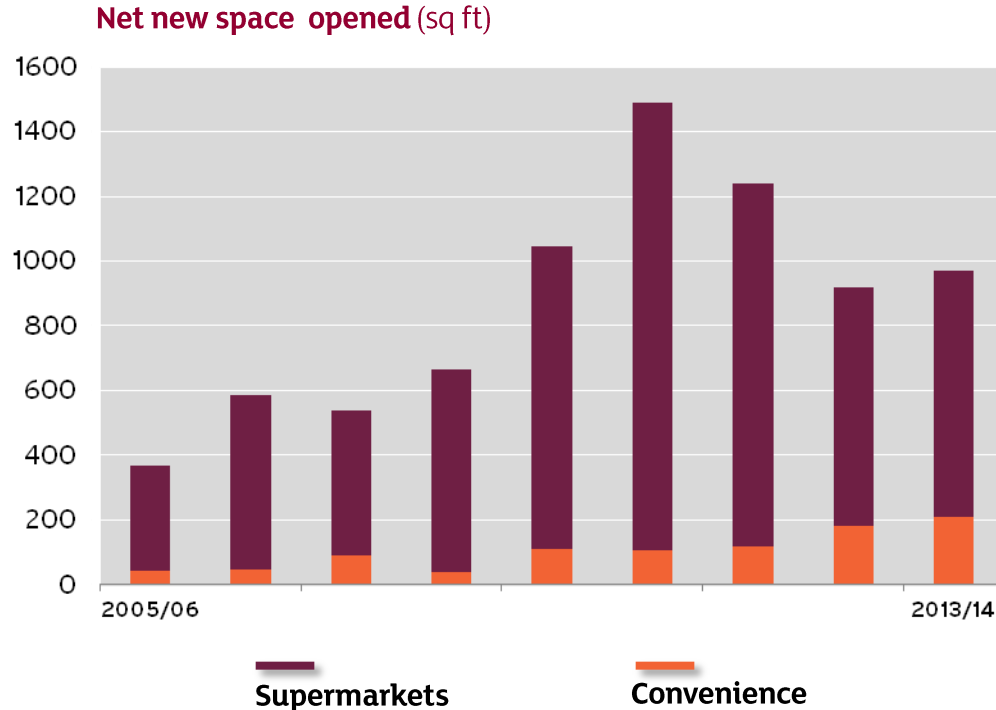
New convenience stores opened over the last 3 years



Growing space and creating property value

J Sainsbury plc

- Reducing the amount of new space opened, with increased focus on convenience stores

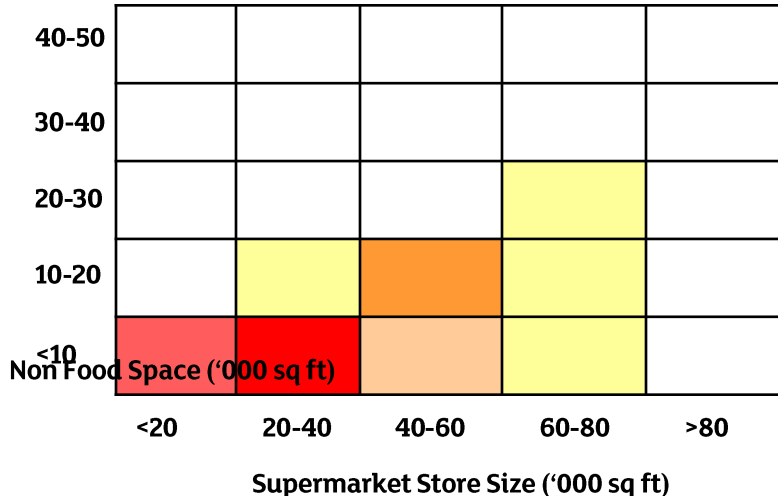


Growing space and creating property value

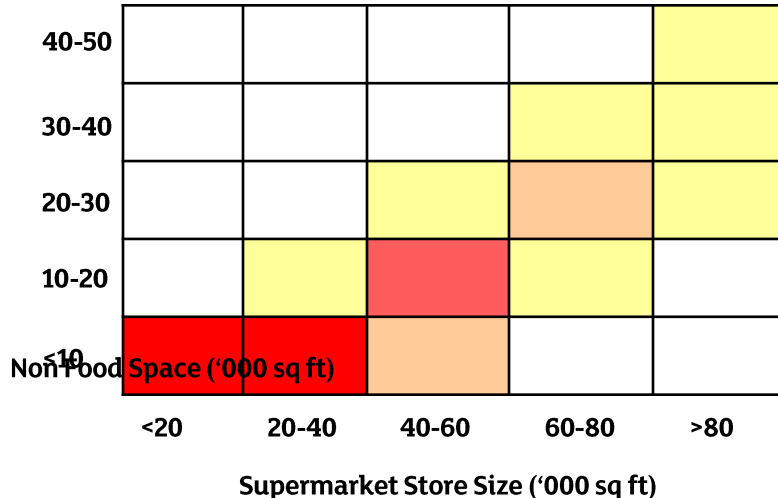
J Sainsbury plc

- Expanding our Non Food space

2008



2013



Growing space and creating property value

J Sainsbury plc

- Significant property portfolio, valued at £11.5bn
 - £0.5bn added due to investment and development of assets
 - £0.2bn of cash proceeds from sale and leasebacks
- Property profits of £66m have been realised (nearly £350m over the last 5 years)

Market value of properties (£bn)



Over the last 5 years

Valuation Gains	£4.0bn
Property Proceeds	£1.3bn
	<hr/>
	£5.3bn
Land & Buildings Capex (£2.5bn)	
	<hr/>
Increase	£2.8bn

Q & A