

McNaught, Jonathan

From: Mark Beattie Personal information redacted by the RHI Inquiry
Sent: 30 September 2015 20:28
To: Crawford, Andrew
Subject: Re: Sainsbury's Q2 Trading Statement and CR update

Did u see the UFU stuff on renewables

Sent from my iPhone

On 30 Sep 2015, at 20:08, Crawford, Andrew <Andrew.Crawford@dfpni.gov.uk> wrote:

Sent from my BlackBerry 10 smartphone.

From: Damien Drumm <Damien.Drumm@sainsburys.co.uk>
Sent: Wednesday, 30 September 2015 18:44
To: Crawford, Andrew
Subject: Sainsbury's Q2 Trading Statement and CR update

Dear Andrew

This morning we announced our results for the second quarter of our financial year and I thought you may be interested in some of the detail behind the headlines. We have also published our quarterly Corporate Responsibility and Sustainability update.

Trading conditions continue to be challenging, with food deflation impacting many categories, but we are making good progress on delivering against our strategy and we seeing an improvement in our key trading metrics. Total Retail sales for the second quarter increased by 0.3 per cent (excluding fuel) although Life-for-Like Retail sales fell by 1.1 per cent. Over the quarter, both volume and transactions grew as the decline in average basket spend in supermarkets continued to stabilise.

Some of the highlights in our financial update include:

- Our programme to enhance the quality of over 3,000 own-brand products is on track. *Taste the Difference* volume grew by over 4% in the quarter and was voted the best supermarket range by Good Housekeeping for the third year running.
- We continue to reduce our promotional activity in favour of lower regular prices and we are improving the accuracy of our demand forecasting. This is driving better availability as well as lowering waste levels.
- Groceries online orders grew at over 15 per cent and we have increased our number of Click and Collect sites to 52. We have also launched our *Tu* clothing website nationwide and the first six weeks have seen trading significantly exceed our expectations.
- Sainsbury's Bank opened its 200th Travel Money bureau and saw its best ever month for travel money in July, with a 35 per cent ear on year increase in transactions volumes.

Year-to-date, we have traded well with both sales and cost savings ahead of expectations. Going forward, should current market trends continue, we expect our full year underlying profit before tax to be moderately ahead of our published consensus. Further information on our trading statement is available at: <http://www.j-sainsbury.co.uk/media/latest-stories/2015/0930-second-quarter-trading-statement/>

In addition, highlights from our **Corporate Responsibility and Sustainability update** include;

- We've increased our pay for 137,000 retail colleagues by four per cent. This is the highest pay increase we have awarded for a decade and, coupled with our attractive benefits package, which includes paid breaks, a discount card, generous pension contribution and an annual bonus, means Sainsbury's colleagues are among the best rewarded in the industry.

- We have continued to support our milk farmers since 2007 through the [Sainsbury's Dairy Development Group \(SDDG\)](#)
- We continue to reformulate our products, supporting our commitment to be the best retailer for food and health. In August we reformulated 16 *by* Sainsbury's yoghurts, saving 37 tonnes of sugar (equivalent to over 147 million calories from customers' yearly baskets). We have also removed 34 tonnes of sugar from our own-brand juices and juice drinks as we improve their quality. This will save over 137 million calories from our customers' baskets each year
- We announced plans to invest £10 million in helping our customers reduce household food waste through our 'Waste Less, Save More initiative'. This exciting initiative has started with the search for a town to receive £1m of investment to test some of the most innovative ideas to reduce household food waste.
- We've launched two new Fish and Bakery apprenticeship programmes, developing specific craft skills. Over 200 colleagues have enrolled to date.

Our full quarterly CR update can be found at: <http://www.j-sainsbury.co.uk/media/latest-stories/2015/0930-second-quarter-corporate-responsibility-society-update/>

If you have any questions, please do let me know.

Kind regards

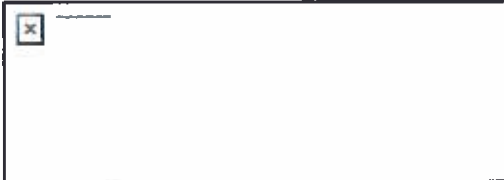
Damien

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Personal information redacted
by the RHI Inquiry



You can live well for less than you thought at Sainsbury's based on price perception data

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