

## press release

23 March 2011

### SAINSBURYS POOR PERFORMANCE COULD SPELL TROUBLE FOR SECTOR

- Like for like sales rose by only 1% - well below expectations
- Sector weakness provides attractive trading opportunities for investors
- The Share Centre currently list Sainsbury's as a 'HOLD' for investors

**Nick Raynor, investment adviser at The Share Centre explains why a poor trading statement from Sainsbury's makes the supermarket a 'HOLD' for investors.**

"The supermarket's trading statement reveals disappointing results. Sainsbury's announced lower than expected sales figures during the fourth quarter following a widely-predicted slowdown in the months following the Christmas rush. The like-for-like sales (excluding fuel) including VAT, rose 1% in the 10 weeks to 19 March compared with 3.6% in the third quarter.

"Whilst overall sales figures are lower than expected, fuel sales have been a main driver in increasing its like-for-like sales in this area by 4.2%, giving a full-year increase of 4.7%.

"What is more important however is the impact this has had on the retail sector as a whole. Early morning trading saw Sainsbury's share price fall 5% and Tesco's fell 4% in sympathy. As analysts review the sector, investors may wish to take advantage of price weakness. In the long term we see attractiveness in the supermarkets- especially Tesco."

---Ends---

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**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

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In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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