



Sainsbury's Sharesave 2012

**A great way to save that
could make you a profit**

Don't miss out

Apply by 5th December 2012

We are Sainsbury's 

Why do over 25,000 colleagues participate in Sharesave?

Thousands of colleagues already take part in Sharesave. Not only does it offer a chance to make a profit on your savings if the share price is high enough, but it is also a simple, convenient way of saving.

How Sharesave works

You save a fixed amount each pay period for 3 or 5 years. At the end of the plan (known as 'maturity') you can take your savings as cash, or use it to buy Sainsbury's shares at a price discounted by 20% and fixed at the start of the plan (the 'option price').

Even if you don't buy shares your savings soon build up and here's how you could use them:

3-year plan			5-year plan		
Saving per period	Total savings	This could buy you...	Saving per period	Total savings	This could buy you...
£5	£180	A camera	£5	£300	A laptop computer
£50	£1,800	A new bathroom	£50	£3,000	Payment to student loan
£100	£3,600	A holiday	£100	£6,000	A wedding
£250	£9,000	A new car	£250	£15,000	Deposit for a home

And if the share price is higher than your option price, you could sell your shares immediately to make a profit.

Here's how recent plans performed and the profit you would have made in addition to your savings if you had sold your shares on the maturity date:					
Maturity date	Plan year and term	Option price	Market price at maturity	% increase	Profit if saving £50 each pay period
March 2012	2008 (3 Yr)	£2.24	£2.96	32%	£576
March 2012	2006 (5 Yr)	£3.28	£2.96	0	£0*
March 2011	2007 (3 Yr)	£3.31	£3.71	12%	£216
March 2011	2005 (5 Yr)	£2.31	£3.71	61%	£1,830
March 2010	2006 (3 Yr)	£3.28	£3.38	3%	£54
March 2010	2004 (5 Yr)	£2.17	£3.38	56%	£1,680

*Our share price in March 2012 was lower than the £3.28 option price so the best option would be to take your savings

Don't forget though that share prices can go down as well as up.

Your choices now

Decide how much you want to save between £5 and £250 each pay period

You won't need to worry about setting up an account or organising the payments because all that's done for you, with deductions being taken straight from your pay. Not sure how much to save? Why not take a look at the savings calculator on the Sharesave pages at www.mysainsburys.co.uk or the Connect site?

Decide if you want to save for 3 or 5 years

Apply online, by text message or by post

Key dates

Invitation opens

19th November 2012

Invitation closes

5th December 2012
(Wednesday 5.30pm)

Option certificates dispatched via email or post

4th January 2013

1st payment

22nd February 2013

Start date

1st March 2013

Maturity dates

1st March 2016 for the
3 year Sharesave

1st March 2018 for the
5 year Sharesave

JOIN TODAY!

All you need is your **Shareholder Reference Number (SRN)**, found on the enclosed letter, and **PIN** to join. Visit www.computershare.co.uk/sainsburys, text **07537 404838** or complete the application form enclosed. Full details on how to apply can be found on the reverse of your invitation letter.

If you need access to your savings, even before the plan finishes, you can get your money back at any time without losing a penny. This is also true if you leave Sainsbury's for any reason.



"Why I joined Sharesave..."

I joined Sharesave when I was fresh out of university as a way of putting money away so I didn't spend it all. The scheme will end at an ideal time for me as I hope the savings and any profit can go towards a house deposit."

Lizzie Harris

Your choices in three or five years time

Take all your savings as cash

or

Use the money you've saved to buy Sainsbury's shares at the 20% discounted share price fixed at the start



"How I've benefited from Sharesave..."

Honestly it makes me feel more involved in Sainsbury's... and knowing that I'll make some money if the share price rises but knowing my investment is protected makes it worry free. Plus the last scheme I cashed in helped me buy my new home!"

Simon Tisdall

You can keep your shares

As a shareholder you would benefit from our future profits by receiving dividends. You would also receive the Sainsbury's Annual Report and be able to vote at the Annual General Meeting.

or

Sell them straight away for the market price. If the market price is higher than your option price, you'll make a profit.

We do all this for you

Your questions answered

Getting started

Q. How do I apply to join Sharesave?

A. Please see the back of your invitation letter, sent with this booklet. Once you join, you cannot change your per period savings amount or the length of plan.

Q. Will I always be able to save the amount I want to?

A. In most cases yes, however the maximum number of shares available for Sharesave this year is 20 million. If the total applications exceed this number of shares, the amount you have applied to save each pay period may be reduced - this is known as a scale down. If we think we'll

have to do this we'll let you know at the start of the plan, not at the end. It's likely that only those saving the higher amounts would have to be scaled down.

Making payments

Q. When do I make my first payment and how many will I make?

A. Payments start in Period 13 (22nd February 2013 payslip). So it will be a little while before you'll spot them on your payslip and you certainly won't be affected over Christmas. For the 3-year plan you will make 36 payments in total and 60 payments if you're in the 5-year plan.

Q. How are the payments made?

A. They are taken directly from your pay after tax, you don't have to do a thing. Your payslip will show a deduction called SAYE 2012.

Q. Can I miss payments?

A. You can miss up to six payments and still continue with your Sharesave plan. However, if you miss a seventh, HMRC rules state that your contract will lapse and you'll no longer be able to buy shares. You can ask Computershare to return your savings by calling their helpline on **0844 472 6110** or email sainsburyssharesave@computershare.co.uk. If you miss six or less you can make them up at the end of your normal savings term by saving for further periods but your maturity date will be delayed. Please email shareholder.services@sainsburys.co.uk for more information.

Q. What happens if I go on maternity/long term sick leave?

A. Provided that you are receiving sufficient salary to cover your chosen contribution amount, your payments will continue to be taken as normal. If you are worried that your pay will not cover your contributions, you are able to miss up to six payments (see above question) or you can close your plan and take your savings.

Leaving before the end of the Sharesave term

Q. What happens if I need to leave Sharesave early?

A. Don't worry, the most important thing is that you'll always get back what you put in. If you need to close your account, you can do so online by visiting www.computershare.co.uk/sainsburys and following the onscreen instructions (log in details are on the back of your invitation letter). Alternatively you can call the Computershare helpline on **0844 472 6110**.

Q. What happens if I leave Sainsbury's?

A. If you leave due to redundancy, retirement aged 60 and over, TUPE transfer or medical dismissal you can:

- continue saving for a maximum of six further payments from your leave date (or until all payments have been made if this is earlier)

then use your savings to buy shares at the discounted option price; or

- take the savings at any time.

You will have six months from your date of leaving to decide what to do and we'll write to you within two weeks of your leave date to explain your choices.

If you leave for any other reason you will not be able to buy shares at the option price but you can take back all the money you have saved.

At the end of the fixed savings term

Q. What happens at the end of the savings term?

A. Before the maturity date, you'll receive an information pack explaining the choices available to you (around mid February) and the action you need to take. You'll then be able to buy shares at the option price (on the maturity date or within six months of this) or take your savings in cash at any time.

Q. If I choose to buy shares, how will I receive them?

A. You can either request a paper certificate which will be sent to your home address, or you can choose to hold them in a VSA (Vested Share Account). The VSA is an online account that is set up to hold your shares electronically on your behalf. The VSA allows you to hold your shares safely and securely without the need for paper certificates, and gives you access to an online share dealing service. You'll still receive your dividends in cash.

Q. Do I have to buy J Sainsbury plc shares when I've finished saving?

A. Absolutely not, because we all know that share prices can go down as well as up. But we'll inform you of all your choices when you've finished saving.

Q. What tax will I pay?

A. If you buy the shares then sell them, you may have to pay Capital Gains Tax on any profit you make (the difference between the option price and the sale price) if your total capital gains in the year exceed the annual allowance (the allowance is currently £10,600 for 2012/2013).

There may be an income tax liability if a share option is exercised within three years under certain leaving circumstances. For advice you should consult a qualified Independent Financial Advisor.

Miscellaneous

Q. How is the option price calculated?

A. The option price is a 20% discount of the Sainsbury's share price on 15th November 2012. This is the maximum discount that HMRC allow us to apply.

Q. What notification will I get when I join?

A. You'll get an option certificate either by post or email in January. The certificate has all the details of your Sharesave plan.

Q. How do I keep track of my savings?

A. You can access your online account at any time, at www.computershare.co.uk/sainsburys and see your savings to date, maturity date and option price for each plan you are in (log in details are on the back of your invitation letter). We'll also send you an annual statement.

Q. What if my contact details change?

A. If your home address changes, please contact Sainsbury's HRS Direct who will update your record and this will be passed to Computershare to update your Sharesave plan. You can update your email address online at www.computershare.co.uk/sainsburys

Q. How much is the HM Revenue & Customs ('HMRC') tax free bonus?

A. Unfortunately, HMRC has maintained the Bonus Rate on this year's Sharesave plans at zero. In addition, no interest will be paid on balances held in a Sharesave 2012 plan which are closed before the end of the savings term.

If you have any other questions about Sharesave 2012 please call the Computershare helpline on: **0844 472 6110 (+44 (0) 117 378 8308 if overseas)*** or email sainsburyssharesave@computershare.co.uk

*Call charges will vary depending on the service provider

About Computershare Plan Managers

The Sainsbury's Sharesave Scheme will be administered by Computershare Plan Managers.

This booklet explains how the Sharesave Scheme and your Sharesave account work. It does not include any conditions. The savings are held by Bank of Scotland PLC and their most recent Sharesave Scheme Prospectus ('Prospectus'), which is available on request, has been approved by HMRC. In the event of any conflict between the information contained in this documentation and the plan rules and relevant legislation, the Scheme rules and relevant legislation will take precedence.

This booklet is designed to give a clear understanding of Sharesave and does not constitute the full legal rules, or give any financial advice. If you are in any doubt as to the implications of this Sharesave plan you should consult a qualified Independent Financial Advisor. In the event of a dispute the rules will apply.

Receipt of this booklet does not in itself mean that you are eligible to participate in Sharesave. Employment conditions must be satisfied. If you have any questions regarding your eligibility, please contact your HR representative.

Computershare Plan Managers is a trading name of:

1. Computershare Investor Services PLC (registered in England, Company No. 3498808); and 2. a group of entities comprising amongst others EES Corporate Trustees Limited (registered in England, Company No. 2045938), EES Capital Trustees Limited (registered in England, Company No. 3275677), EES Trustees Limited (registered in England, Company No. 576832) and EES Services (UK) Limited (registered in England, Company No. 4075753). The registered office of each of the companies is: The Pavilions, Bridgwater Road, Bristol BS13 8AE. Computershare Investor Services PLC and EES Capital Trustees Limited are both authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.