



Understanding Shares

B shares Preference B shares issued on 12 July 2004 as part of the Return of Capital scheme in 2004/05.

Bear market When the prices of shares on the stock market are, in general, falling.

Bid price The price at which shares are sold to brokers.

Bull market When the price of shares on the stock market are, in general, on the increase.

CMBS Commercial Mortgage Backed Securities.

Contract note The 'receipt' from a broker showing the details of a purchase or sales.

CREST The system of electronic settlement used by investors on the London Stock Exchange featuring paperless transactions.

Dividend cover Underlying profit after tax from continuing operations attributable to equity shareholders divided by total value of dividends declared during the year.

DRIP Dividend Reinvestment Plan - Allows shareholders to reinvest their cash dividend in shares of the Company through a specially arranged share dealing service.

EBITDAR Earnings before interest, tax, depreciation, amortisation and rent.

EPS Earnings per share - Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year, excluding those held by ESOP trusts, which are treated as cancelled.

ESOP trusts Employee Share Ownership Plan trusts.

Gearing Net debt divided by total equity.

Group The Company and its subsidiaries.

IFRIC International Financial Reporting Interpretations Committee.

IFRSs International Financial Reporting Standard(s).

Income statement Formerly known as the profit and loss account under UK GAAP

ISA Individual Savings Account.

JV - Joint venture A business jointly owned by two or more parties.

Like-for-like sales The measure of year on year same store sales growth.

LTIP Long-Term Incentive Plan.

Offer price The price at which shares are bought by brokers.

ROCE Return on Capital Employed.

RPI Retail Price Index.

Spread The difference between the bid price and the offer price.

The share price The Company's share price shown on this site is the current trading price (with a 15-minute delay). It gives an indication of the buying and selling prices for J Sainsbury plc shares, although it may not reflect the exact price you are quoted if you ask your stockbroker or bank to buy or sell shares for you.

Similarly, the price you see quoted in the national newspapers will reflect trading prices at the end of the previous day. A company's share price is the price at which people buy and sell its shares. So J Sainsbury plc has no direct influence over the day-to-day share price.

However, the strategy and performance of the Company is something that shareholders or potential investors will take into account, especially results announcements or statements by the directors. To these can be added outside influences, such as the state of the national and global economies or political developments. The workings of the market are closely regulated by the Financial Services Authority.

TSR - Total Shareholder Return The growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional units of the stock.

Underlying basic earnings per share Profit after tax from continuing operations attributable to equity holders before any profit or loss on the sale of properties, investment property fair value movements, impairment of goodwill, financing fair value movements, IAS 19 pension financing element and one-off items that are material and infrequent in nature, divided by the weighted average number of ordinary shares in issue during the year, excluding those held by the ESOP trusts, which are treated as cancelled.

Underlying profit before tax Profit before tax from continuing operations before any profit or loss on the sale of properties, investment property fair value movements, impairment of goodwill, financing fair value movements, IAS 19 pension financing element and one-off items that are material and infrequent in nature.

Underlying operating profit/(loss) Underlying profit before tax from continuing operations before underlying net finance costs and underlying share of post-tax profit or loss from joint ventures.