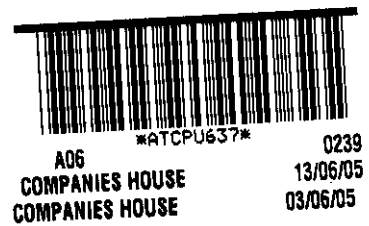


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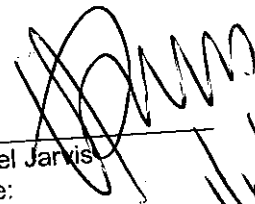
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Company Number FC 244 74

J SAINSBURY FINANCE LLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2004



Certified as a true copy


Hazel Jarvis
Date: 11/6/05

**J Sainsbury Finance LLC
Report of the Directors
for the period ended 28 February 2004**

Principal activities and review of business

The company was incorporated on 21 February 2003 under the laws of the state of Delaware. The principal activity of the Company is to act as an intermediate holding Company on behalf of its ultimate parent undertaking, J Sainsbury plc. The company owns 100% of the issued shares of Shaw's Finance LLC, a company incorporated under the laws of the state of Delaware.

J Sainsbury Finance LLC
Profit and loss account
for the period ended 28 February 2004

	Note	2004 US\$
Net interest payable and similar items	2	34,969,011
Operating loss on ordinary activities before tax		34,969,011
Tax on loss on ordinary activities		-
Loss on ordinary activities after tax		34,969,011
Loss for the financial period		34,969,011

J Sainsbury Finance LLC
Balance sheet
as at 28 February 2004

	Note	2004 US\$
Fixed assets		
Investment in subsidiary undertaking	3	2,014,885,500
Current assets		
Advances to subsidiary undertaking due within one year		45,974
Cash		91,448
		<u>137,422</u>
Creditors		
Interest due to fellow subsidiary undertaking		(123,210)
Loan from fellow subsidiary undertaking due after more than one year		(1,286,840,000)
		<u>(1,286,963,210)</u>
Net current liabilities		(1,286,825,788)
Total assets less current liabilities		728,059,712
Capital and reserves		
Share capital - Common shares		1,001,000
Share capital - Class A shares		34,982,723
Share premium		727,045,000
Profit and loss account		(34,969,011)
Shareholders' funds		728,059,712

J Sainsbury Finance LLC
Notes to the financial statements
for the period ended 28 February 2004

1 Accounting policies and estimates

The significant accounting policies and estimates adopted by the company are as follows:

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and the accounting policies set out below. The financial period represents the period from incorporation to 28 February 2004.

Consolidation

The company does not prepare consolidated financial statements as it is a wholly owned subsidiary and its ultimate holding company prepares consolidated financial statements incorporating the financial statements of the company.

Shares in subsidiary undertakings

Shares in subsidiary undertakings are valued at the lower of cost less impairment.

Interest expense

Interest expense has been charged to the profit and loss account on an accruals basis.

2 Net interest payable and similar items

	2004 US\$
Interest payable to fellow subsidiary undertaking	34,969,990
Bank interest receivable	(979)
	<u>34,949,011</u>

3 Investment in subsidiary undertaking

	2004 US\$
Investment in shares of Shaw's Finance LLC at cost	<u>2,014,885,500</u>

4 Ultimate parent company

At 28 February 2004, the company was a subsidiary of J Sainsbury USA Holdings Inc. The ultimate parent company is J Sainsbury plc, a company incorporated in the United Kingdom. On 14 April 2004, the company became a direct subsidiary of J Sainsbury plc.