

J Sainsbury PLC

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Sainsbury's and Walmart-owned Asda in talks to create UK's biggest supermarket group.

J Sainsbury PLC (LON:SBRY) and Asda, owned by Walmart Inc (NYSE:WMT), are in talks to create the UK's biggest supermarket group.

A combination of the second and third biggest UK food retailers would surpass market leader Tesco PLC's (LON:TSCO) grocery market share and be worth up to £15bn (US\$20.7bn).

READ: Sainsbury's to cut thousands of jobs as supermarkets tackle industry-wide challenges

In a statement on Saturday, Sainsbury's confirmed it is in advanced discussions regarding a combination with Asda, and said a further announcement would be made at 06:00 GMT on Monday.

Sainsbury's gave no details of the deal's structure but a source with knowledge of the situation told Reuters the holding company of the combined group would retain the Sainsbury's name.

Sainsbury's chief executive Mike Coupe, who used to work for Asda, would lead the enlarged group, the source added, and Wal-Mart would be the biggest stake in the combined business with a holding of around 40%, Reuters said.

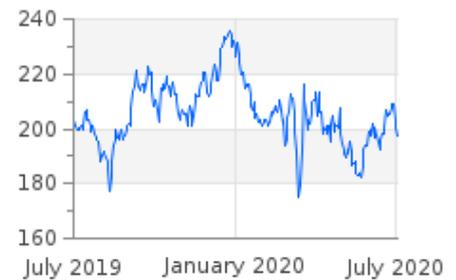
The Qatar Investment Authority, which has tried to buy Sainsbury's in the past, is currently the UK supermarket group's biggest shareholder with a 22% stake.

Britain's big grocers, including No. 4 player Wm Morrison Supermarkets PLC (LON:MRW) - which issues a trading update in the coming week - have been losing share to German discounters Aldi and Lidl and must also deal with growing demand for internet grocery shopping and the march of Amazon.com Inc (NASDAQ:AMZN) which last year acquired US food retail chain Whole foods.

Price: 195.7

Market Cap: £4.35 billion

1 Year Share Price Graph



Share Information

Code: SBRY

Listing: LSE

52 week High Low
236.7 171.189

Sector: Retail

Website: www.sainsburys.co.uk

Company Synopsis:

J Sainsbury PLC is a United Kingdom-based company principally engaged in grocery and related retailing, and financial services.

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