

Wm Morrison Supermarkets PLC

Pre close statement and Christmas sales update – 22 January 2008

A strong Christmas for Morrisons

Wm Morrison Supermarkets PLC reports a pre close update ahead of its financial year end of 3 February 2008.

Trading

Like for like sales in the 6 weeks to 6 January 2008 were up by 9.5% excluding fuel (11.3% including fuel). During this period total sales increased by 11.6% (13.6% including fuel). These results were boosted by the introduction of our new discount scheme for colleagues in November, which contributed approximately 1.5% to the ex fuel sales figures.

At the time of our interim results in September, we signalled that in the second half we would be launching our new advertising campaign with its focus on fresh food, sharpening our prices and offering great promotional deals in the run-up to Christmas. These initiatives brought more customers into our stores, with over 4.0m extra customer visits over the six week Christmas period. We had excellent availability throughout and saw record levels of trade across the 375 stores in our estate.

Commenting on the results, Marc Bolland, CEO, said: "I am delighted with our Christmas performance. We welcomed significantly more customers to our stores, and they were well served with attractive offers and great fresh food. These strong results are further evidence that our rigorous focus on freshness, service and value is striking a chord with shoppers."

These results confirm steady progress in the delivery of our three year Optimisation Plan, albeit we are still at a relatively early stage with much to do throughout the business. We believe we are well on track to deliver our vision of being the food specialist for everyone.

Outlook

We are encouraged by our sales performance, which has built momentum steadily through the second half of the year. This is reflected in the Board's confidence that the full year profit outturn for 2007/08 is likely to be at the top end of its expectations. This is also due to a deferral of costs of approximately £30m relating to the implementation of the Optimisation Plan, originally assumed for this year, but which will now fall into the new financial year.

We expect the market to remain competitive and we are cautious on the outlook for consumer spending. However, we believe that our strong value credentials will serve us well in these conditions.

Enquiries:

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