

News Release

Release date: 9 May 2013

Wm Morrison Supermarkets PLC Q1 Interim Management Statement – 13 weeks to 5 May 2013

Morrisons has made a solid start to the new financial year.

Total sales* excluding fuel were up by 0.6% (down 0.3% including fuel) and like for like sales* were down 1.8% (2.6% including fuel). This performance (excluding fuel) reflects a steady improvement from the previous quarter and is in line with our expectations.

Throughout the quarter the industry has remained very competitive with couponing again a significant factor. We have continued to focus on communicating our points of difference more clearly and sharpening our promotional programme.

Our 'More of What Matters' campaign has helped us communicate the benefits of Morrisons vertically integrated business, craft skills and affordable fresh food offer. These points of difference particularly resonated with customers during the recent horsemeat scandal - the Food Standards Agency's rigorous testing programme found no adulteration of Morrisons products with horsemeat. Customers now understand our unique approach to sourcing meat through our own livestock buyers and abattoirs.

We have also invested in price where it matters most to our customers. Our *Pick of the Street* offers provide outstanding value on fresh products, while our *Payday Bonus* introduced a simple and effective reward for loyalty at the end of the month.

We also continued to make good progress in the delivery of our strategic and operating initiatives, which will enable us to drive our topline, increase efficiency and capture growth.

During the quarter we opened a further six stores, including two *Morrisons M locals* and also acquired over 80 stores to add to our convenience pipeline. We are on track to meet our target of having 100 convenience stores open by the end of the year, with 20 opening in the first half.

Our Fresh Format concept continues to be tailored to new and existing stores and will have been implemented in over 40% of the estate by the end of the current financial

year. Customer feedback continues to be extremely positive. *Nutmeg*, our affordable and easy-to-shop children's clothing range is now available in over 100 stores.

Our plans to launch our first online food operation by January 2014 are progressing. Discussions with Ocado, previously announced, continue and a further announcement will be made as appropriate.

A detailed update on all these initiatives will be provided at our Interim Results in September.

Our net debt of £2.3bn is in line with expectations and the financial position of the Group remains strong.

Dalton Philips, Chief Executive, said:

“We have made a solid start to the year, with our sales performance improving since the last quarter. Our promotions have been more innovative and we are explaining Morrisons points of difference more effectively. These efforts were further reinforced by the horsemeat scandal which helped drive increasing customer recognition of Morrisons unique supply chain and approach to meat sourcing. They now understand that Morrisons is best placed to sell food that is what it says it is.

Strategically, our ambition of building a genuinely multi-format, multi-channel Morrisons is right on track.”

Outlook

Although we remain cautious on the economic environment and consumer spending, our full year expectations remain unchanged.

*exc. VAT and reported in accordance with IFRIC 13

Enquiries:

Wm Morrison Supermarkets plc

Trevor Strain – Group Finance Director	0845 611 5000
Niall Addison – Investor Relations Director	07764 624701

Media Relations

Wm Morrison Supermarkets plc	Richard Taylor	0845 611 6912
Citigate Dewe Rogerson:	Simon Rigby	020 7282 2847
	Kevin Smith	020 7282 1054

There will be an analyst conference call at 9 a.m. today, the details of which are as follows:

Dial in number: 020 3003 2666
Passcode: 9759871

Replay facility available for 7 days
Replay access number: 020 8196 1998
Replay access code: 9759871