



News Release

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Wm Morrison Supermarkets PLC Q3 Trading Statement – 13 weeks to 1 November 2015

In the 13 weeks to 1 November, total sales* excluding fuel were down 2.0% (down 4.6% including fuel) and like-for-like* (LFL) sales were down 2.6% (down 5.1% including fuel).

We are improving the shopping trip and serving our customers better. There was good progress during the quarter against many aspects of our plan. Our customer satisfaction scores were again materially ahead of last year.

We continue to invest in lower prices. As a result, deflation excluding fuel was 2.2% for the period and is now 5.3% on a two year basis. We again reduced the number of vouchers, which impacted year-on-year Q3 sales by 2.4% and by more towards the end of the quarter.

The financial position of the Group is strong and improving. Net debt was £2.1bn at the end of Q3. We now expect net debt at 2015/16 year-end to be lower than our previous guidance of £1.9bn-£2.1bn.

David Potts, Chief Executive, said:

“The business is moving at pace on the long journey towards improving the shopping trip for customers. Our priorities for the rest of the year are unchanged - to stabilise trading, reduce costs and further improve the capability of the leadership team. We are making good progress in many areas and customers are noticing improvements.”

Outlook

As previously guided, we expect that underlying profit before tax will be higher in the second half of 2015/16 than the first.

After the recently announced closure of 11 supermarkets and sale of 140 M local stores, we confirm 2015/16 net new space sales growth of around 0.5%. Depreciation is now expected to be c.£390m for the year.

*For supermarkets, online and convenience stores, reported ex-VAT and in accordance with IFRIC 13.

Sales performance (ex-VAT)

	2014/15			2015/16			
	H1	Q3	Q4	Q1	Q2	H1	Q3
Group LFL:							
Sales ex-fuel*	-7.4%	-6.3%	-2.6%	-2.9%	-2.4%	-2.7%	-2.6%
Sales inc-fuel*	-7.9%	-8.0%	-5.1%	-6.6%	-5.4%	-6.0%	-5.1%

* For supermarkets, online and convenience stores, reported ex-VAT and in accordance with IFRIC 13.
Online contributed 1.0% to LFL for Q3 2015/16.

Summary of operational key performance indicators (KPIs)

	2014/15			2015/16			
	H1	Q3	Q4	Q1	Q2	H1	Q3
LFL Items per Basket y-on-y change*	-4.6%	-2.4%	-0.1%	-0.1%	-1.1%	-0.6%	-1.9%
LFL Number of Transactions y-on-y change*	-4.4%	-3.3%	-1.9%	-3.2%	-2.6%	-2.9%	-2.0%

* Excludes online and convenience

We will report trading for the first nine weeks of Q4 on 12 January 2016.

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