

News Release

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Fresh, value and quality deliver another good Christmas for Morrisons

Wm Morrison Supermarkets PLC provides a pre close update ahead of its financial year end on 30 January 2011.

Trading

In the 6 weeks to 2 January total sales* excluding fuel were up by 3.1% (4.7% including fuel). Like for like sales* grew by 1.0% (4.0% including fuel), building on the industry leading growth reported over the past four years.

Morrisons served an average of 2 million more customers each week over the Christmas period than five years ago, and in that time has grown total sales excluding fuel by 47%.

The Morrisons Christmas offer once again provided our customers with high quality food at outstanding value, supported by a strong service proposition. In store we used our own craft skills to deliver innovative fresh-made products, such as panettone, baked fresh every day by our own bakers, turkey crowns stuffed with sage and onion by our own butchers and fresh salmon crackers with lemon, created by our own fishmongers.

The combination of high quality food at fantastic prices was seen throughout the store, with our exciting range of deals being supplemented by our Christmas collector card. This once again proved very popular with over 1m customers, who will continue to benefit from the scheme into the New Year.

Morrisons colleagues are at their best when challenged. Once again their professionalism and “can do” approach were evident during the difficult weather conditions, making sure that our stores and forecourts remained open and safe and that our customers were well served throughout the Christmas period. Availability was good right up to closing time on Christmas Eve, ensuring that we did not let our customers down.

Outlook

The Board's expectations for the full year remain unchanged. Looking ahead, we remain well positioned to make progress whilst recognising that in 2011 the economic background for the UK consumer will be challenging with disposable incomes coming under increasing pressure, through a combination of the recent VAT increase and public service spending cuts. Against this backdrop our fresh, quality and value credentials will continue to serve our growing base of customers well.

Commenting on Morrisons Christmas trading, Chief Executive Officer Dalton Philips said;

“This has been another good performance in a tough market. At Christmas, when customers are even more focused on great quality food at outstanding value, the Morrisons differences really stand out. I'm very pleased with the way the whole business has risen to the twin challenges of a difficult consumer environment and a prolonged spell of adverse weather and really want to thank all our 130,000 colleagues for going above and beyond the call of duty again this year, to ensure we served our customers well during this critical time.”

*exc. VAT and reported in accordance with IFRIC 13