

News Release

Release date: 10th January 2012

Record customer numbers at Christmas for Morrisons

Wm Morrison Supermarkets PLC provides a pre close update ahead of its financial year end on 29 January 2012

Trading

In the 6 weeks to 1 January total sales* excluding fuel were up by 2.9% (5.6% including fuel). Like for like sales* grew by 0.7% (3.7% including fuel). In a challenging Christmas period for the consumer the Group has delivered sales growth in line with the market.

We have continued to focus on providing a winning combination of outstanding quality, sharp prices and innovative promotional offers, which resulted in an extra 800,000 customers per week shopping with Morrisons during the period. As expected, Christmas trading came late this year with a greater emphasis on fresh food playing to Morrisons traditional strengths.

Despite the pressures that the increased level of trading over the period brings, store standards, service levels and availability were excellent throughout, reflecting the robustness of our supply chain and the professionalism of our colleagues.

At our preliminary results announcement in March 2011 we announced a programme to retire £1 billion of equity over the next two years. The programme is ongoing and to date we have acquired 108.3m shares at a total investment of £316.6m. The Group's financial position remains strong and we expect full year net debt to be in the range of £1.4bn - £1.5bn.

Outlook

We had anticipated that 2011 would be challenging for the consumer and that we would be operating in a low growth sales environment. We planned our business on that basis and accordingly, the Board's expectations for the full year remain in line with its original assumptions.

In 2012 the UK consumer environment will remain cautious despite an anticipated reduction in inflationary pressures. Against this backdrop, our fresh, quality and value credentials continue to appeal to a growing customer base and we are well positioned to make further progress.

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

“I am pleased that in a difficult trading environment we have continued to grow our business and have delivered another good performance in a very tough market. At Christmas, when customers are even more focused on great quality food at outstanding

value, we really need to serve our customers well. We've done that and I thank all our 130,000 colleagues for their outstanding efforts.”

*exc. VAT and reported in accordance with IFRIC 13