

News Release

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Wm Morrison Supermarkets PLC

2008 AGM and Q1 Interim Management Statement

At Morrisons AGM today the Board will provide the following trading update.

The Group has made a good start to its new financial year, with continuing strong sales momentum despite a noticeably tougher economic backdrop.

Trading

In the 13 weeks to 4 May total sales excluding fuel were up by 8.6% (12.6% including fuel) of which 1.6% was a contribution from new space. The 7.0% increase in like for like sales (10.8% including fuel) compares with 4.6% (5.0% including fuel) for the year ended 3 February 2008.

During the period Morrisons has continued to benefit from improving customer numbers and has again grown like for like sales ahead of the grocery market.

After a long period of deflation in supermarket prices, the return of inflation has been widely reported. Much of this has been caused by the undersupply of commodities globally, exacerbated by poor harvests last year. We manage all our costs carefully so that our customers continue to get the great value that they expect from Morrisons in their shopping basket.

We have now completed the second contribution of £100 million into our pension schemes and under our buy back programme have repurchased 2.7 million shares, which have since been cancelled, for £7.3million. Our balance sheet funding position remains strong as evidenced by Moody's rating upgrade to Baa1 in March.

Optimisation plan

We continue to deliver the key components of our Optimisation Plan on schedule. The roll out of our new branding, the revised Market Street presentation across the entire estate and the associated rebranding of our vehicle fleet, will be completed by the end of July 2008.

Our programme of product innovation and development continues apace. A further 3,000 products were launched or refreshed in the period, in addition to 8,000 lines that were similarly updated last year. We are proud to be the only major UK supermarket group to source all its fresh pork, beef, lamb and poultry from British farmers. We have achieved this whilst still offering great value to our customers through our integrated supply chain.

Outlook

Whilst the market backdrop remains challenging with ongoing pressure on commodity and energy costs and weak consumer confidence, the Board is encouraged by the performance of the business to date. Performance in the first quarter has been in line with our expectations and our financial outlook for the current year remains unchanged.