

News Release

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Wm Morrison Supermarkets PLC

Pre close statement and Christmas sales update

Best Christmas value delivers record sales for Morrisons

Wm Morrison Supermarkets PLC reports a pre close update ahead of its financial year end of 1 February 2009.

Trading

The Group continued to trade well through the Christmas period.

In the 6 weeks to 4 January 2009 total sales excluding fuel were up by 9.4% (7.7% including fuel), of which 1.2% was a contribution from new space.

Like for like sales excluding fuel increased by 8.2%* (6.6% including fuel).

At the time of our interim results in September, we signalled that we would be continuing our focus on fresh food and maintaining our competitive positioning through industry leading price crunching deals and promotional offers**. These initiatives brought more customers than ever into our stores over the six week Christmas period. We had excellent availability throughout and saw record levels of trade across the 382 stores in our estate.

Commenting on the trading performance, Marc Bolland, CEO, said: "I am pleased with Morrisons excellent Christmas trading, having attracted 2.2 million extra customers with great fresh foods and industry leading value."

These results confirm the ongoing progress we are making in the delivery of our three year Optimisation Plan, albeit we still have much work to do throughout the business.

Outlook

We are still awaiting certain approvals to complete the acquisition of 38 stores from the Co-operative Group, which we announced last month, in our Q3 interim management statement. The transaction and associated payments are now expected to complete early in the next financial year. The handover of stores will take place on a phased basis commencing Q1 2009 and will take up to six months to complete. This will have no impact on our projected sales contribution from the new stores although our guidance for 2008/09 year end debt is now c£650m.

In a difficult economic environment we have continued to invest in value for the benefit of our customers and are pleased with our sales performance, which has continued the positive momentum established last year. The Board's expectations for the full year profit outturn for 2008/09 remain unchanged.

We remain cautious on the outlook for consumer spending and we expect the market to remain challenging. In this environment we believe Morrisons value credentials will serve us and our customers well.

** Adjusted for the impact of the November VAT reduction, like for like sales, excluding fuel, would have been 9.2%*

*** The Grocer, 13 December 2008 – G33 survey, "Morrisons is Christmas Champion"*