

News Release

Release date: 6th May 2010

Continuing to win customers

Wm Morrison Supermarkets PLC Q1 Interim Management Statement

The Group has continued to grow share in the first quarter, although the new financial year has seen the anticipated slowdown in the market.

In a challenging environment for the consumer we have continued to invest for the benefit of our customers. Our keen pricing, supported by eye-catching and innovative promotional offers, has again proved successful as consumers have continued to search for value. We welcomed record numbers of customers into our stores, confirming the continuing appeal of Morrisons as the Food Specialist for Everyone.

As expected, commodity prices have continued to ease, resulting in the virtual elimination of food inflation and lower market growth. We are satisfied with our sales performance, which has continued to outpace the market despite facing tough prior year comparative numbers.

In the 13 weeks to 2 May total sales* excluding fuel were up by 5.9% (9.5% including fuel). Like for like sales* grew by 0.8% (5.2% including fuel), building further on the strong like for like growth reported in the previous three years.

The Group's net debt position remains in line with expectations.

During the quarter the Board welcomed Dalton Philips as CEO. He is currently familiarising himself with the Group's operations.

Outlook

Although we remain cautious on the economic environment and consumer spending, our expectations for the current year remain unchanged.

**exc. VAT and reported in accordance with IFRIC 13*