

News Release

Release date: 3 November 2016

Wm Morrison Supermarkets PLC Q3 Trading Statement – 13 weeks to 30 October 2016

In the 13 weeks to 30 October, like-for-like* (LFL) sales excluding fuel were up 1.6% (up 3.4% including fuel). Total sales* excluding fuel were down 1.2% (up 1.1% including fuel), reflecting the continuing impact of supermarket closures and the exit of M local.

We continue to improve the shopping trip which is attracting more customers, with LFL transactions again strong (up 4.1%). Investing in becoming more competitive for customers meant prices fell during the quarter, with deflation of 1.0%. It also means we are becoming better food makers and shopkeepers, and we were delighted to win two prestigious industry awards recently: In-store Bakery Retailer of the Year at the Baking Industry Awards and National Café Chain of the Year at the Café Quality Food Awards.

During the period we introduced ‘*The Best*’, a premium range that our customers told us they wanted to complement their everyday shopping. The launch of hundreds of products has been successful and we will be introducing more of ‘*The Best*’ products in the run-up to Christmas.

By listening to customers, Morrisons is becoming more relevant around key seasons and events. This year’s Halloween was our biggest ever, with our great value offer proving popular with customers and seasonal Halloween sales up around 20% year-on-year.

Our financial position is strong, and we are committed to further strengthening our balance sheet and lowering debt. Our net debt target remains c.£1.2bn by year end.

David Potts, Chief Executive, said:

“Our like-for-like sales have now been positive for a year, which is thanks to the hard work and dedication of the whole Morrisons team. There is a lot more we plan to do. We will keep investing in becoming more competitive and improving the shopping trip, and I am confident we will serve our customers even better during the important trading period ahead.”

* For supermarkets and online, reported ex-VAT and in accordance with IFRIC 13. Total sales for 2015/16 included M local.

Sales performance (ex-VAT)

	2015/16				2016/17		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Group LFL:							
Sales ex-fuel*	-2.9%	-2.4%	-2.6%	0.1%	0.7%	2.0%	1.6%
Sales inc-fuel*	-6.6%	-5.4%	-5.1%	-0.2%	1.2%	2.4%	3.4%

* For supermarkets, online and convenience stores, reported ex-VAT and in accordance with IFRIC 13.
Online contributed 0.9% to LFL for Q3 2016/17.

Summary of operational key performance indicators (KPIs)

	2015/16				2016/17		
LFL y-on-y change	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of Transactions*	-3.2%	-2.6%	-2.0%	1.6%	3.1%	4.3%	4.1%
Items per Basket*	-0.1%	-1.1%	-1.9%	-3.4%	-2.8%	-5.0%	-5.5%

* Excludes online and convenience

We will report trading for the first nine weeks of Q4 on 10 January 2017.

This announcement includes inside information.

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There will be an analyst conference call at 9 a.m. today, the details of which are as follows:

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Replay facilities – available for 7 days

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