

News Release

Release date: 2 November 2017

Wm Morrison Supermarkets Plc Q3 Trading Statement – 13 weeks to 29 October 2017

In the 13 weeks to 29 October, Group like-for-like* (LFL) sales excluding fuel were up 2.5%, comprising contributions from Retail of 2.1% and Wholesale of 0.4%. Group LFL including fuel was up 3.4%. Total sales* excluding fuel were up 2.3% (up 3.2% including fuel).

LFL volume was again positive, and LFL transactions were up 2.1% as more customers continued to buy more from Morrisons. We again worked hard during the quarter to limit the impact of lower sterling on imported food prices, and made good progress on becoming more competitive. *'Price Crunch'* is popular with customers, and our new *'Way Down'* campaign is holding prices lower for longer, delivering great value for money at Morrisons.

Our new automated ordering system is now fully operational in all stores across all food categories, and we expect it to continue to improve availability and save time for colleagues in the important period ahead over Christmas and New Year. We were pleased the new system was named Supply Chain Innovation of the Year at the recent IGD Awards. Our own label innovation continues to win recognition too, including our Nutmeg brand, with the Nutmeg Ultra Dry Active Nappy winning best disposable nappy at the recent 2017 Mumii awards.

During the period, we further developed our offer for customers. Several new and improved ranges were introduced including, just last week, an almost entirely new Home & Leisure range, bringing a more contemporary design and improved quality at great value prices. We are growing our Best premium own label range to almost a thousand items, and will have double last year's offer in time for Christmas. In addition, we are extending our store pick home delivery catchment area in North East England, meaning more and more households will soon be able to access Morrisons.com.

David Potts, Chief Executive, said:

"We are pleased with a further step up in our competitiveness and another period of positive like for like sales growth. I am confident our plans to keep serving customers better will enable us to continue the strong momentum of the year so far, into the important fourth quarter.

"As we work towards becoming a broader, stronger business, a new Morrisons is taking shape, built by our colleagues on firm balance sheet foundations."

* Reported ex-VAT and in accordance with IFRIC 13.

Figure 1 - LFL sales performance (ex-VAT)

	2016/17				2017/18		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Retail contribution to LFL ¹	0.7%	2.0%	1.6%	2.5%	3.0%	2.1%	2.1%
Wholesale contribution to LFL ²	0.0%	0.1%	0.2%	0.4%	0.4%	0.5%	0.4%
Group LFL ex-fuel	0.7%	2.1%	1.8%	2.9%	3.4%	2.6%	2.5%
Group LFL inc-fuel	1.2%	2.4%	3.5%	4.8%	6.3%	4.1%	3.4%

Reported in accordance with IFRIC 13.

¹ Includes supermarkets and Morrisons.com sales. Morrisons.com sales through Dordon CFC contributed 0.4% in Q3 2017

² Wholesale comprises sales to third parties, including those via our manufacturing business

Figure 2 - Summary of Retail operational key performance indicators³

	2016/17				2017/18		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
LFL Number of transactions	3.1%	4.3%	4.1%	4.6%	4.6%	3.2%	2.1%
LFL Items per basket	-2.8%	-5.0%	-5.5%	-5.3%	-6.9%	-5.5%	-3.6%

³ Excludes Morrisons.com sales through Dordon CFC

Notes:

This announcement includes inside information.

We will report trading for the first ten weeks of Q4 on 9 January 2018

- ENDS-

Enquiries:

Wm Morrison Supermarkets plc

Trevor Strain – Chief Financial Officer 0845 611 5000
 Andrew Kasoulis – Investor Relations Director 0778 534 3515

Media Relations

Wm Morrison Supermarkets plc: Julian Bailey 0796 906 1092
 Citigate Dewe Rogerson: Simon Rigby 0207 282 2847
 Kevin Smith 0207 282 1054

There will be an analyst conference call at 8:30 a.m. today, the details of which are as follows:

Dial-in number: +44 (0) 333 300 0804
 Participant pin: 62584452#
 Password: Morrisons

Replay facility available for 7 days:

Replay dial-in number: +44 (0) 333 300 0819
 Access Pin: 301206857#