

News Release

Release date: 4 May 2017

Wm Morrison Supermarkets Plc Q1 Trading Statement – 13 weeks to 30 April 2017

In the 13 weeks to 30 April, Group like-for-like* (LFL) sales excluding fuel were up 3.4%, comprising contributions from Retail of 3.0% and Wholesale of 0.4%. Group LFL including fuel was up 6.3%. Total sales* excluding fuel were up 2.8% (up 5.8% including fuel) after the impact of last year's store closures.

LFL volume was again positive, with more customers shopping more often at Morrisons. There was some inflation during the period, as imported food prices were affected by lower sterling. Irrespective of these external pressures, we remain focussed on the journey towards a Morrisons price list and becoming more competitive for customers, and we introduced another wave of *'Price Crunch'* lower prices just this week.

We performed well throughout the quarter, especially during the key events of Valentine's Day, Mother's Day and Easter. We continue to serve our customers better, with satisfaction levels again improved, shorter queues during the busiest periods such as Easter, and our new ordering system successfully introduced across more of our range.

During the period, we further expanded our *'Best'* range and introduced a healthy eating *'Eat Smart'* range. Our new Nutmeg clothing Womenswear offer was introduced into over 50 stores, and the Nutmeg brand was extended into baby and child accessories. We launched a new website, flowerworld.co.uk, offering a range of fresh bouquets for free next day delivery to customers anywhere in Britain, and we introduced a new online and in-store *'Food to Order'* offer for Spring/Summer allowing customers to pre-order for parties or other special events all year round. In addition, *'Morrisons at Amazon'* continues to grow, with the same-day and one-hour delivery service recently extended into more London postcodes.

David Potts, Chief Executive, said:

"Our new financial year has started well, thanks once again to the dedication of our team of food makers and shopkeepers. We are improving the shopping trip in many different ways, which is making Morrisons more popular and accessible for customers. These new initiatives in-store, online, in wholesale and services are beginning to build a broader, stronger Morrisons.

"We are confident we will continue to turnaround and grow Morrisons. Our expectations and guidance for 2017/18 are unchanged, including year-end net debt of less than £1bn."

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

LFL sales performance (ex-VAT)

	2016/17							2017/18
	Q1	Q2	H1	Q3	Q4	H2	FY	Q1
Retail contribution to LFL ¹	0.7%	2.0%	1.4%	1.6%	2.5%	2.1%	1.7%	3.0%
Wholesale contribution to LFL ²	0.0%	0.1%	0.0%	0.2%	0.4%	0.3%	0.2%	0.4%
Group LFL ex-fuel	0.7%	2.1%	1.4%	1.8%	2.9%	2.4%	1.9%	3.4%
Group LFL inc-fuel	1.2%	2.4%	1.8%	3.5%	4.8%	4.2%	3.0%	6.3%

Reported in accordance with IFRIC 13.

¹ Retail includes supermarkets and Morrisons.com sales. Morrisons.com sales contributed 0.5% in Q1 2017/18

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

Summary of Retail operational key performance indicators³

	2016/17							2017/18
	Q1	Q2	H1	Q3	Q4	H2	FY	Q1
LFL Number of transactions	3.1%	4.3%	3.7%	4.1%	4.6%	4.3%	4.0%	4.6%
LFL Items per basket	-2.8%	-5.0%	-3.9%	-5.5%	-5.3%	-5.4%	-4.6%	-6.9%

³ Excludes Morrisons.com sales

Notes:

This announcement includes inside information.

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