

News Release

Release date: 6 November 2018

Wm Morrison Supermarkets Plc Q3 Trading Statement - 13 weeks to 4 November 2018

For the 13 weeks to 4 November, Group like-for-like* (LFL) sales excluding fuel were up 5.6%, comprising contributions from retail of 1.3% and wholesale of 4.3%. Group LFL including fuel was up 6.0%. As expected, retail LFL sales growth eased slightly quarter on quarter without the impact of the favourable weather and World Cup which benefitted Q2. Total sales* were up 6.0% excluding fuel (6.4% including fuel).

Sales growth was again strong, with a better and broader offer for customers across the whole store. Morrisons now has almost 1,000 year-round *'Best'* products, and over 250 exclusively for Christmas. Our *'Naturally Wonky'* range continues to trade strongly across 30 seasonal Fruit & Veg items. We have also introduced more loose local produce in stores, which is proving popular with customers and removes unnecessary plastic. In addition, we are expanding our offer for vegan shoppers with a new range launching next week, and now have vegan logos on over 300 products to make them easier to identify. *'Little Kitchen'*, our new children's brand, also launches next week.

We continue to improve both our digital and online offers for customers. During the period, we launched the Morrisons More app, allowing customers to collect and redeem Morrisons loyalty points digitally. The app is easy to use, avoids paper coupons and plastic loyalty cards, and allows customers to receive personalised offers and useful recipes direct to their mobile phones. In addition, we started to fulfil Morrisons.com home deliveries from a second customer fulfilment centre (CFC) at Erith, and launched our store-pick online service from a further six stores taking the total to 20.

Other new developments continued at pace during the period. Our third new store this year opened in Acocks Green, Birmingham, and is trading well. The Fresh Look programme for the 2018/19 year is already virtually complete, with a further 60 stores now improved in time for Christmas. In addition, we will shortly begin wholesale supply to our new partner MPK Garages which, together with Rontec, Sandpiper, McColl's, and our own petrol forecourt shops, means we will soon supply over 1,700 convenience stores with both branded and own-brand product.

Our exceptional team of food makers and shopkeepers were again recognised during the period, winning the prestigious accolade of *'Supermarket of the Year'* at the Retail Industry Awards. We are now looking forward to a busy festive period, and have already achieved some success for the quality and innovation of our Christmas products. Our *'Best'* All Butter Deep Filled Mince Pies, *'Free From'* Mince Pies and *'Best'* Poinsettia Hand Decorated Christmas Cake all recently won both the Good Housekeeping and BBC Good Food taste tests.

David Potts, Chief Executive, said:

"After another period of strong growth, and with more customers enjoying shopping at Morrisons, we have now completed three years of positive like for like.

"Our exceptional team of food makers and shopkeepers are providing good quality food at great prices, and building a broader offer in store, online and for our wholesale customers."

* Reported ex-VAT and in accordance with IFRS 15

Figure 1 - LFL sales performance (ex-VAT)

	2017/18				2018/19		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Retail contribution to LFL ¹	3.0%	2.1%	2.1%	2.0%	1.8%	2.5%	1.3%
Wholesale contribution to LFL ²	0.4%	0.5%	0.4%	0.8%	1.8%	3.8%	4.3%
Group LFL ex-fuel	3.4%	2.6%	2.5%	2.8%	3.6%	6.3%	5.6%
Group LFL inc-fuel	6.3%	4.1%	3.4%	2.8%	1.9%	6.4%	6.0%

Reported in accordance with IFRS 15

¹ Includes supermarkets and Morrisons.com sales. Morrisons.com sales through CFCs contributed 0.3% in Q3 2018/19

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

Figure 2 - Summary of Retail operational key performance indicators³

	2017/18				2018/19		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
LFL Number of transactions	4.6%	3.2%	2.1%	2.0%	0.7%	2.6%	0.2%
LFL Items per basket	-6.9%	-5.5%	-3.6%	-3.9%	-1.1%	-1.4%	-1.5%

³ Excludes Morrisons.com sales through CFCs

Notes:

This announcement includes inside information.

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There will be an analyst conference call at 8.00 a.m. today, the details of which are as follows:

Dial-in number: 033 3300 0804

Access Pin: 19510012#

Password: Morrisons

Replay facility available for 7 days:

Replay dial-in number: 033 3300 0819

Access Pin: 301250083#