

# News Release

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## **Wm Morrison Supermarkets PLC Q3 Interim Management Statement – 13 weeks to 28 October 2012**

With consumer confidence still fragile and high levels of promotional activity a persistent feature of the market, the trading environment has remained challenging through the period and sales were lower than anticipated. In the quarter to 28 October 2012, total sales\* excluding fuel were down by 0.4% (up 0.2% including fuel) and like for like sales\* were down 2.1% (down 1.3% including fuel).

The business is making good progress in delivering the strategic initiatives which will provide a solid foundation for our future growth. During the period we have introduced our market leading Fresh Format into a further 35 stores and are on track to meet our target of extending this to 100 stores by the end of this fiscal year. We remain pleased with their progress both in terms of sales performance and customer feedback. Our Own Brand relaunch which will extend to 10,000 products is progressing well and we have made significant progress in the delivery of Evolve, our IT infrastructure project, with the introduction of the crucial supply chain management system. We have also launched Morrisons Cellar, our online wine operation.

Whilst we are encouraged by the progress of these strategic initiatives we recognise the ongoing importance of improving our performance, particularly in the communication of Morrisons key points of difference to our customers and in improving the effectiveness of our promotional activity. We have put in place a number of measures to enable us to achieve this.

We are well advanced on our programme to retire £1bn of equity over the two years to March 2013. To date we have acquired 299m shares at a total investment of £852m. The financial position of the Group remains strong.

### **Outlook**

We expect the market to remain challenging for the remainder of the year. However we continue to manage the business tightly and anticipate that our full year financial performance will be broadly in line with our expectations.

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