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Online update

Online partners Morrisons and Ocado have agreed that Ocado will have sole use of the new Erith customer fulfilment centre (CFC) until January 2021. This enables extra capacity for Ocado following the recent fire at the new Andover CFC.

Morrisons will return to the Erith CFC in February 2021, at the pre-agreed proportion of Erith's capacity. During the intervening period, Morrisons will not incur either the start-up or running costs of the new Erith CFC. On Morrisons return in 2021, the CFC is expected to be operating at a higher capacity, and Morrisons will then be able to ramp-up its online offer more quickly and cost effectively.

During 2019 and 2020, Morrisons.com will still be able to grow for customers, both by accelerating new store pick capacity and through the Dordon CFC.

In addition, both companies have agreed that Ocado will no longer be Morrisons exclusive digital partner, thereby potentially enabling other significant opportunities, more strategic flexibility, and more profitable growth for Morrisons. Certain exclusivity provisions for Ocado will also be relaxed.

David Potts, Chief Executive, said:

"We are pleased to be helping our partner in times of need after the recent fire. We will keep growing Morrisons.com for our customers and save some cost, returning to the Erith CFC when it is more mature.

"Our new agreement allows us to have more than one digital partner, and opens the way for significant potential opportunities and partnerships in this important growth area for Morrisons."

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Enquiries:

Wm Morrison Supermarkets plc

Trevor Strain – Group Chief Finance and Commercial Officer
Andrew Kasoulis – Investor Relations Director

0845 611 5000
0778 534 3515

Media Relations

Wm Morrison Supermarkets plc:
Citigate Dewe Rogerson:

Julian Bailey
Simon Rigby
Kevin Smith

0796 906 1092
0207 282 2847
0207 282 1054