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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "TAKEOVER CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE TAKEOVER CODE AND THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER WILL BE MADE EVEN IF THE PRE-CONDITIONS ARE SATISFIED OR WAIVED

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

19 June 2021

Wm Morrison Supermarkets plc

Statement re. rejection of conditional non-binding proposal

The Board of Wm Morrison Supermarkets plc ("Morrisons" or the "Company") notes the recent announcement by Clayton, Dubilier & Rice, LLC as manager of Clayton, Dubilier & Rice Funds XI ("CD&R") and confirms that on 14 June 2021 it received an unsolicited highly conditional non-binding proposal from CD&R in relation to a proposed cash offer of 230 pence per Morrisons share for the entire issued, and to be issued, share capital of the Company to be made by funds managed or advised by CD&R (the "Conditional Proposal").

The Conditional Proposal was subject to the satisfaction or waiver by CD&R of a number of pre-conditions including the completion of detailed due diligence and the arrangement of debt financing. The Conditional Proposal provided that Morrisons shareholders would also still receive the final ordinary dividend of 5.11 pence per Morrisons share announced on 11 March 2021.

The Board of Morrisons evaluated the Conditional Proposal together with its financial adviser, Rothschild & Co, and unanimously concluded that the Conditional Proposal significantly undervalued Morrisons and its future prospects. Accordingly, the Board rejected the Conditional Proposal on 17 June 2021.

The person responsible for arranging the release of this announcement on behalf of Morrisons is Jonathan Burke, Company Secretary.

Important Takeover Code notes

There can be no certainty either that an offer will be made nor as to the terms of any offer, if made, even if the pre-conditions referred to above are satisfied or waived.

In accordance with Rule 2.6(a) of the Takeover Code, CD&R is required, by no later than 5.00 p.m. on 17 July 2021, to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer for the Company, in which case the announcement will be treated as a statement to which Rule 2.8 of the Takeover Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with Rule 2.6(c) of the Takeover Code.

This announcement has been made without the consent of CD&R.

Enquiries

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Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 26.1 disclosure

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.morrisons-corporate.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 information

In accordance with Rule 2.9 of the Takeover Code, Morrisons confirms that as at the close of business on 18 June 2021 its issued share capital consisted of 2,409,758,564 ordinary shares of 10 pence each. The International Securities Identification Number for Morrisons ordinary shares is GB0006043169.

Additional Information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted. The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of Morrisons who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders of Morrisons who are not resident in the United Kingdom will need to inform themselves about, and observe any applicable requirements.