

## FINAL TERMS

25 July 2012

**Wm Morrison Supermarkets Plc**  
**Issue of GBP 400,000,000 3.50 per cent. Notes due 27 July 2026**  
**Guaranteed by Safeway Limited**  
**under the £3,000,000,000**  
**Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 30 September 2011 and the supplementary prospectus dated 16 July 2012, which, together, constitute a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Final Terms are available for viewing on the website of the London Stock Exchange: [www.londonstockexchange.com](http://www.londonstockexchange.com).

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|----|-----|-----------------------------------|--|
| 1. | (a) | Issuer:                           | Wm Morrison Supermarkets Plc   |
|    | (b) | Guarantor                         | Safeway Limited  |
| 2. | (a) | Series Number:                    | 2  |
|    | (b) | Tranche Number:                   | 1  |
| 3. |     | Specified Currency or Currencies: | Sterling ( <b>GBP or £</b> )   |
| 4. |     | Aggregate Nominal Amount:         |  |
|    | (a) | Series:                           | £400,000,000   |
|    | (b) | Tranche:                          | £400,000,000   |
| 5. |     | Issue Price:                      | 99.310 per cent. of the Aggregate Nominal Amount   |
| 6. | (a) | Specified Denominations:          | GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No Notes in definitive form will be issued with a denomination above GBP 199,000. |
|    | (b) | Calculation Amount:               | GBP 1,000  |

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|-----|-----|--|--|
| 7.  | (a) | Issue Date:  | 27 July 2012   |
|     | (b) | Interest Commencement Date:  | Issue Date   |
| 8.  |     | Maturity Date:   | 27 July 2026   |
| 9.  |     | Interest Basis:  | 3.50 per cent. Fixed Rate<br>(further particulars specified below)                           |
| 10. |     | Redemption/Payment Basis:  | Redemption at par  |
| 11. |     | Change of Interest Basis or<br>Redemption/Payment Basis:                         | Not Applicable   |
| 12. |     | Put/Call Options:  | Issuer Call and Investor Put on a Change of Control<br>(further particulars specified below) |
| 13. | (a) | Status of the Notes:   | Senior   |
|     | (b) | Status of the Notes Guarantee:   | Senior   |
|     | (c) | Date of Board approval for<br>issuance of Notes and Notes<br>Guarantee obtained: | 12 July 2012 and 14 July 2011, respectively  |
| 14. |     | Method of distribution:  | Syndicated   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-----|-----|---|---|
| 15. |     | Fixed Rate Note Provisions  | Applicable  |
|     | (a) | Rate(s) of Interest:  | 3.50 per cent. per annum payable semi-annually in<br>arrear   |
|     | (b) | Interest Payment Date(s):   | 27 January and 27 July in each year up to and<br>including the Maturity Date, commencing 27<br>January 2013 |
|     | (c) | Fixed Coupon Amount(s):<br><i>(Applicable to Notes in definitive<br/>form.)</i> | £17.50 per Calculation Amount   |
|     | (d) | Day Count Fraction:   | Actual/Actual (ICMA)  |
|     | (e) | Determination Date(s):  | 27 January and 27 July in each year   |

(f) Other terms relating to the method of calculating interest for Fixed Rate Notes: None

16. Floating Rate Note Provisions Not Applicable

17. Zero Coupon Note Provisions Not Applicable

18. Index Linked Interest Note Provisions Not Applicable

19. Dual Currency Interest Note Provisions Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: Applicable

(a) Optional Redemption Date(s): On any date (subject to the provision of Notice specified herein) 30 days prior to the Maturity Date

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): Adjusted Redemption Price as calculated in accordance with Condition 6.3

Where:

(a) **Reference Bond** means the 5.00 per cent UK Treasury Stock due July 2025 (or where the Financial Adviser advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other UK government stock as the Financial Adviser may, with the advice of three brokers of gilts and/or gilt edged market makers selected by the Financial Adviser in consultation with the Issuer, consider appropriate); and

(b) **Gross Redemption Yield** means a yield calculated in accordance with the generally accepted market practice at such time as advised in writing to the Issuer and the Trustee by the Financial Adviser.

(c) If redeemable in part: Applicable

(i) Minimum Redemption Amount: Not Applicable

(ii) Maximum Redemption Amount: Not Applicable

(d) Notice period (if other than as set out in the Conditions): As per Condition 6.3

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|-----|---|--|
| 21. | Investor Put:   | Applicable – Investor Put on a Change of Control                 |
|     | (a) Optional Redemption Date(s):  | Any Optional Redemption Date (Put) as specified in Condition 6.5 |
|     | (b) Optional Redemption Amount and method, if any, of calculation of such amount(s):  | GBP 1,000 per Calculation Amount                                 |
|     | (c) Notice period (if other than as set out in the Conditions):   | As set out in the Conditions                                     |
|     | (d) On a Change of Control:   | Applicable   |
| 22. | Final Redemption Amount:  | GBP 1,000 per Calculation Amount                                 |
| 23. | Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6.6): | GBP 1,000 per Calculation Amount                                 |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |  |   |
|-----|--|---|
| 24. | Form of Notes:   |   |
|     | (a) Form:  | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
|     | (b) New Global Note:   | No  |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Days:   | Not Applicable  |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):  | No  |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable  |
| 28. | Details relating to Instalment Notes:  | Not Applicable  |
| 29. | Redenomination applicable:   | Redenomination not applicable   |

30. Other final terms: Not Applicable

### DISTRIBUTION

31. (a) If syndicated, names of Managers: Banco Santander, S.A.  
BNP Paribas  
Lloyds TSB Bank plc  
(the **Joint Lead Managers**)
- Barclays Bank PLC  
HSBC Bank plc  
Mitsubishi UFJ Securities International plc  
The Royal Bank of Scotland plc  
(the **Co-Managers** and, together with the Joint Lead Managers, the **Managers**)
- (b) Date of Subscription Agreement: 25 July 2012
- (c) Stabilising Manager(s) (if any): Banco Santander, S.A.
32. If non-syndicated, name of relevant Dealer: Not Applicable
33. U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
34. Additional selling restrictions: Not Applicable

### PURPOSE OF FINAL TERMS

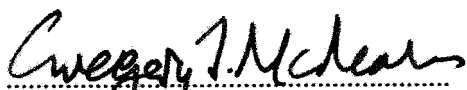

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange regulated market and listing on the Official List of the UK Listing Authority of the Notes described herein pursuant to the £3,000,000,000 Euro Medium Term Note Programme of Wm Morrison Supermarkets Plc.

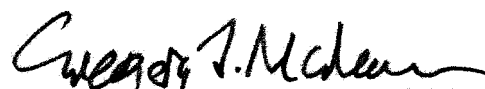
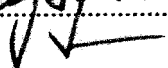
### RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of Wm Morrison Supermarkets Plc:

Signed on behalf of Safeway Limited:

By:   
Duly authorised 

By:   
Duly authorised 

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- |      |   |   |
|------|---|---|
| (i)  | Listing and Admission to trading:                           | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority on or about 27 July 2012. |
| (ii) | Estimate of total expenses related to admission to trading: | £3,600  |

### 2. RATINGS

- |          |   |
|----------|---|
| Ratings: | The Notes to be issued have been rated:<br>Moody's France SAS: A3   |
|          | Moody's France SAS is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). |

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

### 4. YIELD (*Fixed Rate Notes only*)

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|----------------------|---|
| Indication of yield: | 3.563 per cent. per annum   |
|                      | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

### 5. OPERATIONAL INFORMATION

- |       |  |                          |
|-------|--|--------------------------|
| (i)   | ISIN Code:   | XS0808629389             |
| (ii)  | Common Code:   | 080862938                |
| (iii) | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable           |
| (iv)  | Delivery:  | Delivery against payment |

(v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

(vi) Intended to be held in a manner which would allow Eurosystem eligibility: No