



Supplementary Prospectus Dated 16 July 2012

Wm Morrison Supermarkets Plc
(Incorporated with limited liability in the United Kingdom)
as Issuer

Safeway Limited
(incorporated with limited liability in the United Kingdom)
as Guarantor of Notes issued by Wm Morrison Supermarkets Plc

£3,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") to the base prospectus of Wm Morrison Supermarkets Plc (the "**Issuer**") and Safeway Limited (the "**Guarantor**") dated 30 September 2011, (the "**Base Prospectus**"), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the £3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by the Issuer and the Guarantor.

The purpose of this Supplement is to incorporate by reference the Issuer's financial statements in respect of the year ended 29 January 2012 (the "**Financial Statements**") which are set out in the Issuer's annual report and financial statements 2011/12 (the "**Annual Report**") and to supplement the Base Prospectus with the following information relating to the Issuer: the announcement of the resignation of the Issuer's Group Finance Director and changes to the principal activities outside the Group of certain other Directors; developments relating to the Issuer's Equity Retirement Programme; new financing arrangements of the Issuer; and, recent acquisitions made by the Issuer.

The Financial Statements

The Financial Statements (including notes to the Financial Statements and the Independent Auditor's Report) are set out on pages 60 to 108 of the Annual Report. A copy of the Annual Report has been filed with the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/NSM and, by virtue of this Supplement, the Financial Statements (as set out on pages 60 to 108 of the Annual Report) shall be deemed to be incorporated into, and form part of, the Base Prospectus. Any parts of the Annual Report which are not incorporated by reference into this Supplement are either not relevant for the investor or are covered elsewhere in the Base Prospectus.

Directors of the Issuer

On 25 June 2012 the Issuer announced that Richard Pennycook, Group Finance Director, had informed the Issuer that he intends to step down from the Board and leave the Issuer at the end of June 2013 to concentrate on building a portfolio career. Mr Pennycook will carry out an appropriate transition of his responsibilities prior to leaving the Issuer in June 2013. In the meantime, he will retain his responsibilities for Finance, IT, Online and Strategy.

Since the publication of the Base Prospectus there have been the following changes to the principal activities outside the Group of the following Directors of the Issuer:

- Sir Ian Gibson has stepped down from the Board of Trinity Mirror Plc; and,

- Johanna Waterous has been appointed as a Non-Executive Director, and Senior Independent Director, of Rexam plc and as a Non-Executive Director of Shoppers Drug Mart Corporation, a Canadian company whose stock is listed on the Toronto Stock Exchange.

Equity Retirement Programme

In its Q1 Interim Management Statement on 3 May 2012, the Issuer confirmed that it had then acquired and cancelled 168m shares at a total investment of £491m pursuant to its programme of purchasing £1 billion of its ordinary shares per annum during the period of two years to March 2013.

Financings

In December 2011, and pursuant to the Programme, the Issuer issued £400m of sterling bonds at a fixed rate of 4.625%, due December 2023.

On 22 May 2012, the Issuer entered into a four year £150m sterling revolving credit facility agreement with Svenska Handelsbanken AB

Acquisitions

In January 2012, the Issuer agreed to acquire a retail meat packing facility in Winsford, Cheshire from Vion Group for a total consideration of £20m. This 105,000 square foot site enables the Group to gain greater control over the quality and provenance of its packed meat products by bringing more production in-house.

In March 2012, the Issuer announced its intention to establish a seafood processing capability by the end of the year, in order to further expand its vertically integrated business model into fish.

In March 2012, the Issuer acquired from Cranswick plc for £14.5m the outstanding 49% shareholding in Farmers Boy (Deeside) Limited which it did not already own. This business had already been accounted for as a subsidiary due to the existence of option arrangements between the Issuer and Cranswick plc.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and to the best of the knowledge of each of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

In accordance with section 87Q(4) of the FSMA, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published have the right, exercisable within two working days following the date of publication of this Supplement, to withdraw their acceptances, which right shall expire at the close of business on 18 July 2012.

This Supplement is supplemental to, and should be read and construed together with, the Base Prospectus.

To the extent that there is any inconsistency between any statement contained in this Supplement or in any information or in any of the documents incorporated by reference into, and forming part of, this Supplement and any other statement contained in the Base Prospectus or any information or any of the documents incorporated by reference into, and forming part of, the Base Prospectus, the statements contained in this Supplement or in any information or in any of the documents incorporated by reference into, and forming part of, this Supplement will prevail.

If documents which are incorporated by reference into this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purpose of the Prospectus Directive (2003/71/EC) except where such information or other documents are specifically incorporated by reference into this Supplement.

Save as disclosed in this Supplement or in any document incorporated by reference into, and forming part of, this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.