

press release

12 March 2009

Morrisons brings good news to the high street

- Home Retail Group and Standard Life pre-tax profits meet expectations
- Morrisons and Standard Life shareholders advised to 'hold' shares

The retail sector is back in the spotlight today as Home Retail Group and Morrisons announce their pre-tax profits. **Nick Raynor, investment adviser at retail stockbroker The Share Centre,** comments on the results and what action shareholders should take:

"Morrisons has brought some good news to the high street today by beating market expectations, both revenue and pre-tax profit figures have improved whilst Morrisons look set to continue gaining market share from both Tesco and Sainsbury. 2009 figures may feel the effect of the opening of new stores and of the purchase of a further 38 stores from the Co-op.

"As such we are suggesting that existing Morrisons shareholders to hold onto their shares but new investors to approach with caution, as it is possible current price wars with other supermarkets could have a significant impact on performance.

"Another retailer to issue news today, The Home Retail Group, also delivered no surprises. The fall in sales at Homebase was disappointing. However, the sales at Argos have not fallen as much as predicted. This could be due to gaining customers from Woolworths after the company's recent demise; sales have increased in both the gaming and toys market.

"Home Retail Group is in a sturdy financial position with £270m in cash and a further £700m of undrawn lending capabilities, reducing the need to tap shareholders for further funds in the short-term future. Despite today's trading statement showing some positive signs we still remain sellers of the stock."

thesharecentre:

The insurance sector also saw final results released from Standard Life. Raynor continues, "Today's announcement is broadly in line with expectations, but will provide little cheer for investors, as the shares have fallen 40%. Analysts were hoping today's figures would add some stability to the sector, however a downgrade for Aviva from Citigroup has taken away any of the gloss there may have been in the results. Shareholders with a short term view should consider their position as we expect there to be plenty of volatility in the sector. Investors with a long term view should continue to hold."

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Risk Warnings:

Investing in general, and the products and services mentioned above, may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment.

The bases and levels of taxation relating to ISAs, CTFs and SIPPs are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors and individual shares, including all of the post-privatisation/demutualization companies, on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#).

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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