

press release

10 September 2009

Morrison's profits rise and dividend is increased as the supermarket continues to attract value-seeking shoppers

- Morrison's pre-tax profits rose 45% to £449m in the six months to August
- Morrison's offers investors growth potential, but Tesco offers investors stability

Wm Morrison has announced a rise in first-half profits and increased its dividend as it continues to attract value-seeking shoppers. Nick Raynor, investment adviser at The Share Centre comments on today's results and why despite good results, Tesco remains the stockbroker's preferred supermarket group.

"This morning Morrison posted a 45 per cent rise in first-half profits and raised its dividend by 35 per cent to 1.08 pence a share. Morrison has benefitted from its value-for-money groceries and food, which continue to attract those looking to cut costs on their weekly shop.

"Since the recession began consumers have been less loyal to big brands and their once favourite stores, opting instead to shop around for a bargain. Although, Morrison is the smaller of the big four supermarkets, it's fairing well in the battle to win price conscious consumers.

"The British supermarket also offers investors good growth potential and a reasonable dividend. As such we currently list Morrison as a hold for shareholders. However, for investors looking for more stability during the downturn we prefer rival Tesco, as its portfolio is far more diverse and it continues to perform well both at home and away."

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