

## press release

10 March 2011

### MORRISONS DO WELL IN 2010 BUT REMAINS A 'HOLD' FOR THE SHARE CENTRE

- Morrisons remain cautious for 2011
- Morrisons announce share buy back scheme and a target for long term dividend growth
- The Share Centre currently list Morrisons as a 'hold' and prefer Tesco in the sector

**As Morrisons beat expectations for 2010 by announcing pre-tax profits of £874m, Graham Spooner, investment adviser at The Share Centre, explains why he prefers Tesco in the sector.**

"2010 was a good year for Morrisons as its reputation for value encouraged shoppers through its doors. Last year saw pre-tax profits increase by 13% to £874m, ahead of estimates and up from £767m the previous year.

"Investors will be interested by the supermarkets pledge to carry out a £1bn share buy back scheme over the next two years and increase its dividend by a double-digit percentage over the next three years.

"The company is widening its reach to rival the like of Tesco with plans to move into the convenience store and online arena - the first trial convenience store will open in July. Recent news of the acquisition of baby care online retailer kiddicare.com for £70m and the £32m investment in FreshDirect, an online grocer serving New York are also signs of Morrisons' expansion.

“Despite these results, the supermarket remains cautious about 2011 and we think there is little to excite investors in the medium term and view the stock as no more than a hold. The shares are likely to remain stuck in a fairly narrow trading range.

“Our preferred supermarket is Tesco due to its attractive international earnings, good cash flow and the potential for sustainable growth.”

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**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 SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://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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