



**MORRISONS**

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**20 September 2007**

**Interim results for the 25 weeks ended 29 July 2007**

**Profit recovery on track**

**Financial summary**

- Turnover up 2.8% to £6.0bn(2006: £5.9bn)
- Like for like sales (ex fuel) increased by 2.7% (2006: 4.6%)
- Operating profit before property gains and tax up 57% to £247m (2006: £158m)
- Net debt reduced to £566m (2006: £881m)
- Interim dividend of 0.675 pence per share, an increase of 8% (2006: 0.625p)

**Optimisation Plan**

- All initiatives progressing well
- Good progress on improving margin and management of cost base
- New branding, products and store changes well received by customers
- Senior management team recruitment complete
- New distribution depot serving South West opened in July

**New Smaller Concept Store**

- 25,000 sq. ft Morrisons opened in Erskine, with the full, fresh food Market Street offer.

Commenting on the results, Sir Ken Morrison, Chairman, said: “Our first half results build on the improvement we made last year and I am pleased with the progress we have made in the early stages of the three year Optimisation Plan.

“I am delighted to welcome Sir Ian Gibson to the Board, and look forward to working closely with him in the coming months to ensure a smooth handover of the Chairmanship of the Group.”

Marc Bolland, Chief Executive, said “Morrisons Optimisation Plan is on track and delivering significantly improved profits through margin gains and management of our cost base. We have made a strong start to our objective of becoming the food specialist for everyone with a positive customer response to our rebranding and the many developments in store. We will continue to focus on strongly improving operating margins whilst at the same time shaping Morrisons for future growth.”

**Enquiries**

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