Slide 1: Sir Ian Gibson

Good morning everyone and welcome to our Interim results announcement for the six months ended 4 August 2013.

Slide 2: Overview

It has, again, been a difficult period for the UK economy and for the consumer. Against that backdrop we have started to make progress in gaining sales momentum in our stores, with clearly more to do. Underlying profits were down by 10% in the period, a reflection of the challenging environment in which we're trading. But with the benefits of the recent buyback programme coming through, that translated into a 2% fall in underlying earnings per share.

In line with our previous commitments, and the Board's confidence in the strength of our business, we have again raised our dividend by 10%.

This morning, we have a slightly changed running order.

We'll start as usual with the detail of our first half performance, from Trevor. Dalton will take you through our operational performance and bring you up to date on the considerable progress we've been making in delivering our strategic initiatives. Trevor will then outline the framework of the financial strategy we're implementing in support of our business agenda and Dalton will summarise. At the end of we'll take your questions as usual.

Whilst early indications of a recovery in the UK economy are encouraging, we are yet to see this impact on consumers' pockets. We have therefore developed our financial and operational plans on the basis that there will be no significant change to the challenging economic environment in the near future.

We anticipate an improvement in our sales performance during the second half and accordingly the Board believes the Group's performance for the full year will be broadly in line with its previous expectations. Our strategic initiatives are laying the foundations for good progress in the year to January 2015, and beyond.

And now let me hand you over to Trevor.

Slide 3: Trevor Strain

Thank you Ian and good morning everyone.

In this part of the presentation I will be reviewing our financial performance in the period and providing some updated guidance for the current year.

Slide 4: Financial summary

I will start with our usual financial summary.

Sales of £8.9bn were flat year on year, with the growth in store turnover being offset by lower fuel sales. Operating profit and PBT were both down by around 20% much of which can be attributed to the investment we are making in developing our new business channels. In deriving underlying profit, which was down 10%, we exclude the cost of these new business channels. I will provide some more colour around this decline in a moment.

Underlying EPS was down by 2%. This includes the benefit of a reduced rate of corporation tax in the period and the impact of the equity retirement programme that we completed in March. In 2011 we set out a policy to deliver annual double digit dividend growth for three years and in line with that commitment, we have increased our interim dividend for the current year by 10%.

Slide 5: Turnover bridge

Moving into the detail of the results I will start with our turnover bridge, with which you will be familiar.

Moving left to right, we saw a good contribution of £167m from new stores, which now includes the growing contribution from an accelerating convenience store rollout. In all, new stores contributed 2.5% to sales in the period and we expect this figure to increase to around 3.0% for the full year. Sales from our like-for-like stores fell by £113m, down by 1.6%.

Moving to fuel – volumes were down 7%, primarily as a result of switching our promotions in the first half away from fuel.

Slide 6: Turnover bridge - store sales by channel

The next slide breaks out the drivers of growth in our total store sales, excluding fuel.

As you would expect, the core supermarkets business contributed the majority of this growth. However, we were pleased to see the increased impact of sales from our convenience stores, which contributed over 20% of the sales increase in the period. We now have 33 M locals open, compared to just five a year ago. In future, we will show the impact of food online sales on this slide as well.

Slide 7: Sales performance

This slide sets out the components of our LFL performance. Our first half like-for-like sales were down 1.6%. In Q1, we reported negative like-for-like sales of 1.8%, a significant improvement on Q4 last year, and we continued to make steady progress in Q2.

Whilst our like-for-like customer numbers were down 1.3% in the period, it is pleasing to note that this is a significant improvement over the previous full year. Our Q2 performance, whilst still in negative territory, reflected marked progress. Overall on sales, we are moving in the right direction, but clearly still have more to do.

Slide 8: Underlying profit bridge

This new slide breaks out the key drivers of the reduction in underlying earnings in the period. So moving from left to right, and starting at underlying profit of £445m in the first half last year. There is a positive impact from new stores of £11m. This has helped to offset the impact of the negative like-for-like growth in stores of £19m.

Like all retailers, we are faced with structural cost increases, a headwind which added £61m in the period. But, we were able to mitigate these headwinds through the continuing good progress of our self-help productivity and procurement initiatives. These initiatives, together with our systems improvement savings, delivered savings of £66m in the period. Dalton will update you on our progress in these areas later.

The final, and most significant component of the bridge is our decision to invest £41m at the gross margin level, in order to support our top line momentum. This comprised two main initiatives.

Firstly, an improvement in our base pricing and secondly, we also invested in strengthening the communication of our brand messages, which resulted in an increase in marketing spend. We expect an improving profile in H2 as our sales position continues to improve, and we benefit from a further acceleration of our cost reduction activities.

Slide 9: PBT bridge

Building from the previous slide, this shows the drivers of the reduction at PBT level. As previously indicated, we are investing in building a multi-channel business. New business development includes the costs of food online, our new Kiddicare stores, and the convenience channel. Overall this investment was £30m in the period, and we expect the full year outturn to be in line with our existing guidance of £65m. The final building block is the £27m write off of costs incurred in the development of our own potential, in-house, online food channel.

As we have now concluded a 25 year arrangement with Ocado to provide the infrastructure and operating platform we need for this new business, it is appropriate to fully write off these costs.

Slide 10: Underlying earnings

Our calculation of underlying earnings is set out here in the usual format. I talked earlier about the key factors contributing to the 10% decline year on year. At an underlying EPS level this translates to a fall of 2%, which reflects the positive impact of the buyback programme we completed in March, and a reduction in the statutory rate of corporation tax.

Slide 11: Operating profit

We've extended this familiar slide in order to show operating profit at an underlying level, stripping out the impact of our investment in new business development.

At a headline level, operating margin fell by 100 basis points to 4.3%. After adjusting for all new business costs, including the write off of our investment in the development of our own online business, we saw 40 basis points of dilution year on year, driven by our investment in gross margin, as I explained earlier. Allowing for the beneficial impact of the fuel mix in the period, the margin dilution would be around 50 bps.

Slide 12: Cash flow

Turning now to the cash flow statement.

Cash flow from operations fell by £210m. This reflects the reduction in profit I set out earlier, and also the absence this year of the significant £100m working capital timing difference benefit we saw in the previous period. As previously discussed, this is our peak year for capital expenditure. The total capex and acquisition investment of £561m in the first half, includes £171m relating to the completion of our arrangement with Ocado. We remain on track for full year capex as previously guided. The period also included the final tranche of £33m of our two year equity retirement programme, which concluded in March.

Slide 13: Balance sheet

We have extended our normal balance sheet summary to include our key metrics. We will include this data in future presentations. To highlight a few points:

Pensions – in line with our stated policy we continue to have strong, well-funded schemes, with a broadly neutral position. Overall our net debt increased by £348m to £2.5bn. This is expected to peak at £2.7bn at the end of the year, in line with previous guidance.

During the period, we extended the average maturity of our debt profile with the completion of a seven year bond of 700 million in Euros, or £603m in Sterling.

And, as planned, our gearing increased but we still have relatively conservative leverage ratios, and we continue to maintain a strong cover position.

The decline in ROCE is a function of the reduced levels of profit and the peak in our capital expenditure programme. This is a key metric for us and we are focused on delivering improved returns.

Slide 14: Changes to reporting metrics

Before I hand over to Dalton, I would like to outline some changes we will be making to our reporting metrics, which will bring us more into line with sector peers. Whilst these changes will not take effect until next year, we believe it's appropriate that we give the market advance notice of what we plan to do.

Investing in new business development is an essential factor in delivering our objective of profitable growth. In one form or another it will always be an ongoing activity for us and part of our underlying business. Accordingly, we are going to amend our definition of underlying profit to include new business development costs. In future, the only items to be excluded from this definition will be IAS19 pensions interest and property disposals.

For like-for-like sales, we will adopt the industry standard. We will treat a new store as like-for-like once it has been trading for 12 months, rather than from the beginning of the financial year after it has annualised. This facilitates market comparisons but in reality makes no significant difference to the reported numbers. In addition our like-for-like numbers will include our online food sales from inception. We will break out the contribution from this channel in the stores sales performance bridge.

And finally to ROCE. From 14/15 we will apply a multiplier of 14 times to lease costs, in order to better reflect the valuation of our commitments. This is a reduction when compared to the 20 times multiple that we have used previously, but is still a very conservative assumption.

All of these changes will be implemented from the start of 2014/15, our next financial year. In advance of the change we will provide updated comparatives.

And now I will hand you over to Dalton.

Slide 15: Dalton Philips

Thank you Trevor. Good morning to you all.

Slide 16: Agenda

As Trevor has shown, this has been a challenging first half.

The fact remains that our underlying profitability is down because we've been investing to regain momentum. The good news is we're now seeing signs of the difference this is making. With our sales now moving in the right direction, we are acting with real purpose and clarity to accelerate this momentum and deliver our strategy. So, this morning, I want to focus on three main areas.

Firstly, how we're addressing the challenges in the core business, which is clearly the engine room of our profitability, Secondly, I want to update you on our progress with the changes we're making to ensure our business is truly fit for the future, be it overhauling our systems infrastructure or having the ability to access new growth channels.

And finally both Trevor and I will talk to you about how our plans flow through to our thinking on the balance sheet.

Slide 17: From strategy to execution

With the Ocado partnership, the final pillar of our growth strategy is in place. So we're moving into a different phase for Morrisons. A phase of relentless execution of our strategy and the convictions that underpin it, and all the time remaining relevant to our customers.

Slide 18: Consumer outlook

Despite economic sentiment improving, life remains hard for the consumer. The recent uptick in spending, somewhat boosted by the warm summer weather, has been more a result of dipping into savings, or of increased borrowing. With real pay set to continue falling into 2014, economic growth is yet to filter through to consumers' pockets. For the significant majority of our customers, inflation, and particularly food inflation, while reduced, is still well above wage increases, and is a major concern.

Slide 19: Consumer behaviour

With tight family budgets, the focus on price has never been stronger. However, since 'Horsegate', there's been renewed concern from consumers over product quality and assurance. Consumers have an increased desire to understand where a product has come from, and how it's been made. So, value– both price and quality, is the main game and this can be seen in consumers being ready and willing to move, more than ever before, between formats and channels in search of this value which is why the sector has seen such growth in the non-supermarket channels.

Slide 20: Addressing our headwinds

It's within this context that we've been executing our strategy, to address the headwinds we've been facing for some time, both in the core and from these new channels. We've significantly strengthened our team, bringing in new skills and expertise to complement the breadth and depth of existing Morrisons expertise. A team that has the capability to operate in this new environment and the team is building on the huge strengths in our core because fresh food can be sourced ethically, taste great and be affordable.

- We've upped our focus on value,
- we're communicating our points of difference on an entirely new level,
- we're bang on schedule to complete our re-launch of over 10,000 Own Brand products,
- We've added more Fresh Format stores,
- We've improved our efficiency,

- And we're tackling significant legacy weaknesses in the business,
- We've made real progress with our systems,
- We've ramped-up our M local openings,
- And we're now ready to hit the fast lane in food online.

All actions which ensure we can compete and succeed both today, and tomorrow.

Slide 21: Core business

In March, at the Prelims, I outlined what we were going to do to address our weak performance. Even without a significant presence in convenience, or online food the actions we've taken since then are having an impact. Our sales growth is moving steadily back into the 'big four' pack. Clearly this can't be the end game, when we see the march the discounters have made on us all. However, whilst there's a lot of work still to be done, the direction of travel is encouraging.

Slide 22: Focusing on the metrics that matter to customers

And when we look at the key customer indicators, we're also encouraged. The four key metrics that are the drumbeat of our organisation are all moving in the right direction.

- Service is up,
- Freshness is up,
- Value is up
- and the Overall Shopping Experience is up.

We're not out of the woods yet but definitely going the right way.

Slide 23: Relevant promotions and great value pricing

In a market where over a third of all products are on promotion, and customers are extremely focused on value I said to you back in March that we needed promotions which resonated better. We've made good progress, with more relevant promotions, complemented by sharper pricing.

New national promotional leaflets are targeting different customer groups with the products most relevant to them. 50p produce, and 3 for £10 deals on meat and fish, help customers cook great meals from scratch, well within their budget.

We've been driving our new Pick of the Street programme, backed by our 100% availability promise so that our customers are actually guaranteed to get the key items for a great price across Market Street. And our Pay Day Bonus has acted as a strong loyalty mechanic giving customers a meaningful boost as they manage their monthly household budget.

Slide 24: Points of difference are making a difference

We're really proud of what we do, and what makes us different. We're a food-focused business and as you know, we make much of what we sell either in our manufacturing facilities or in store by experts in their field, be they butchers, bakers, fishmongers, cheesemongers, florists or greengrocers.

In the half we've upped the ante in communicating that Morrisons difference to a very discerning consumer base. That's why we're highlighting our academy-trained craftspeople, why our specialists offer preparation and recipe tips, and why our British-sourced products are prominent on our counters. That's why, throughout Market Street, we've new colleague uniforms, clearer name badges and chalkboard signs, so customers can see who's on duty. And that's why we use our colleagues, not actors, in our adverts.

Last year we weren't talking enough about these points of difference. This year we're so serious about it, we've rebalanced our marketing budget to triple our investment on branding.

Slide 25: Fresh Formats

We've upped our Fresh Format rollout, to showcase the fresh food we make, and the skills of our colleagues across our stores. We now have 169 Fresh Format stores in the estate representing 43% of our weekly sales. We're on track to convert 100 this year- up to four stores every week- taking our total to over 200 stores. The fact is customers prefer shopping in this environment. Sales growth and customer transactions continue to outperform the rest of the estate.

Slide 26: Strengthening our Own Brand

With squeezed household budgets, consumers increasingly recognise the ability to manage their food inflation through own brand whilst also getting the reassurance they seek over quality and provenance. Own brand can be a reason to switch supermarkets a core differentiator in our proposition.

In 2011, we started investing significantly in the quality and range of our own brand offer. We've improved product formulations and where there have been gaps introduced new ranges. We've enhanced the look and feel, and made it easier for customers to see what they're buying, with real product pictures, not illustrations. By the time we finish in November, we'll have launched around 10,000 products in only two years – and right on schedule. Again, the results are promising, with our own brand participation increasing by over 100 bps year on year.

And one year on, our value range, M savers, is still growing ahead of the market.

Our new Nutmeg clothing range has also landed strongly. With the re-launch phase of our programme drawing to a close, we're introducing an automated system to help us track the end-to-end process of our ongoing product development cycle. We've also created a dedicated sourcing team, to look at the product flow right across the supply chain to ensure we're maximising the profit stream in this significant area.

Slide 27: Vertical integration

One of the greatest assets of our business is our unique vertically integrated food supply chain. It's central to what makes us different and that's why we've continued to invest strongly in this capability. So far this year, we've put in a new melon cutting room in Thrapston and we've invested in a new banana ripening facility, to ensure the quality of our top selling line.

We're now processing almost 60 fresh fish and seafood lines at Grimsby, and skin-wrapping fresh fish to lock in the freshness for our pre-packed lines, we've doubled the bakery capacity in Wakefield and at our Colne abbatoir, we've expanded our pork processing capacity by 60%. With extra capacity, we can respond to changing demand almost instantly, giving customers what they want, when they want it. And we're so confident in the quality of what we make, we've launched a 100% satisfaction guarantee, to refund or replace our Market Street products if they're not up to scratch.

Slide 2: Broadening our self-help.

Alongside strengthening our core offer, we've made significant progress improving the efficiency of our business.

During the half year, we rolled out electronic order pads which talk directly with our supply chain, into 25% of stores. Today they're in almost 50% of stores, replacing a laborious and inefficient paper process and instead of cash being counted by hand every night in every store, we've introduced electronic cash counting to all our stores.

These changes mean we're on track for our three-year savings target of £100 million by the end of this financial year. Looking further across our business, there are still more opportunities to improve how we operate that we can go after.

Slide 29: Working towards top class systems

Such changes are necessary to meet the increasing demands of a multi-format, multi-channel business. This includes tackling historic systems weaknesses.

Over the last three years, we've been investing in our IT infrastructure, expanding our scope to meet our business needs now and for the future. By 2015, we'll have completed the move from legacy systems to those which will successfully support this business for years to come. We've already transformed the systems in our meat manufacturing business, and continue to improve those in our supply chain.

Now we're reaching a point where critical changes to our commercial and retail capabilities are being introduced. These include the introduction of a central data platform. Store, product and sales information will be housed together. Manual overrides will be eliminated, and by centralising basic tasks we'll dramatically improve the efficiency of our core processes.

Today, for example, our buyers spend on average one day a week just doing admin. Soon they will be able to focus purely on supplier relationships and proposition development. Ranging and promotional planning will be transformed - from store specific offers to multiple promotions on the same product and, with individual store planograms for the first time, we'll be able to easily tailor our ranges to suit local needs, in both our core supermarket business and our convenience stores.

Slide 30: Huge market opportunity

With new capability from the changes we're landing, we're now at an inflection point in our business. We can grow with pace and conviction in convenience and online. By entering these new channels, our market becomes 40% bigger.

Slide 31: Evolving infrastructure

It allows us to take a fresh approach to entering new markets. Take the example of Oxfordshire, where we currently have only one supermarket. In the past, we would have built five more supermarkets, at a cost of £125m, to get our fair share of the market. Now, as a result of being a multi-channel retailer, we can approach Oxfordshire in an entirely different manner. We still need core stores, but fewer. They're complemented by convenience stores and overlaid by an online offer.

A multi-layered catchment of supermarkets, convenience, and online, giving customers the opportunity to shop with Morrisons, whatever their needs. We get the same market share, but 40% quicker, with 30% less capex. Across the UK, there are still over 6m households without access to Morrisons but in areas already awash with competitors, we are only going to succeed if we play to our strengths and deliver something different. With our focus on affordable fresh foods, craft skills and vertical integration; we certainly do.

Slide 32: Advancing convenience- A compelling proposition

A fundamental part of this future is our convenience store network. By leveraging Morrisons core strengths in quality affordable fresh food, and our great shop keeping, we're bringing something new to this sector. Whether you're eating on the move, or doing a small shop on the way home, we've a compelling proposition we've tested and refined over the last two years.

A bacon roll and coffee for £2 to start the day, hot soup or the salad bar for lunch or topping up at the end of the day with in-store baked bread, meat cut by our butchers or 70 different types of fresh fruit and vegetables, all delivered daily and all offered at fantastic value. Our aim is to be the undisputed leader in the area on price.

Each store has a locally tailored range, something that our improved systems will allow us to do with even greater flexibility. We've also designed the stores around how customers shop, to be less cluttered, better lit, and easier to navigate.

Slide 33: Advancing convenience- rolling out at pace

In the first half, we more than doubled the number of stores we had at the beginning of the year and this month, we'll double it again. By the end of the year, we will have 100 stores, with half in the south, and we plan to double our store numbers again in 2014. In parallel, we've been laying down the infrastructure to support our growth ambitions. Our Feltham CDC is now up and running and building towards scale and our second CDC in Bury will be open by the end of the year to support our northern stores.

Slide 34: Food online- compelling proposition

We're also moving our food online offer right into the fast lane. In March we said this channel was too large to ignore. In May we secured a unique partnership with Ocado. By the end of this financial year, customers will be able to order Morrisons food using the best technology in the industry delivered by an award winning service solution right to their doorstep.

Multi-device access, importing favourites, 1 hr. delivery slots, named drivers and order tracking are but some of the features customers will have at their fingertips. We'll be bringing something really distinctive too. Our over-trade in fresh products highlights the strength of our unique Market Street offer. Customers shopping online, however, buy fewer fresh products than when they shop in store. By applying our craft skills, and manufacturing expertise, with the best technology and logistics in the sector, through our partnership with Ocado, we are confident we can change that. The proof of the pudding will be in the eating, and I believe we will have a truly differentiated proposition.

Slide 35: Food online - rolling out at pace

Ahead of our launch date in January, we've been making rapid progress. The team is in place, the range is being finalized, the capability for customers to order their steak cut to a specific thickness or their fish filleted in a particular manner, just as they can in our supermarkets, is being developed. With 20 different teams in place, we're working meticulously with Ocado from developing the new website to the physical changes in the Dordon CFC to the integration of the Ocado and Morrisons IT systems.

There's a lot to do however we're right on track and we're miles further ahead than had we decided to go it alone.

Slide 36: Financial Strategy

The investments we have made in these relatively capital-light channels of online and convenience are a key part of our future growth. We will become for the first time a genuine multi-channel, multi-format retailer. This different business model gives us the opportunity to revisit our financial strategy. We will do this in a way that maintains Morrisons prudent approach. We'll continue to invest for future growth while generating cash, and enhancing value for shareholders, so what I'd like to do now is hand you back to Trevor. He'll take you through our thinking in further detail, before I sum up and we take your questions.

Slide 37: Trevor Strain

Thanks Dalton. In this section I'm going to set out our thinking on five key aspects of our financial strategy:

- Our financial objectives,
- Our balance sheet principles,
- Our areas of opportunity,
- An update on our future dividend policy,
- And the framework we use to think through the allocation of capital.

Slide 38: Financial strategy – maximising shareholder value

Our principal objective is to maximise shareholder value, and we see three pillars to delivering this:

- Growing underlying earnings, which we will do by investing in profitable growth opportunities, and by rigorously controlling our cost base;
- Generating cash;
- And optimising the returns from our assets.

Slide 39: Financial strategy - Reaffirming our balance sheet principles

Morrisons has a longstanding reputation for being consistent in maintaining a conservative and prudent approach to financial strategy. The balance sheet principles that have long underpinned this are equally true today, and will continue to guide us in the future. These are:

- Prudent accounting policies
- Well funded pension schemes
- A predominantly freehold store estate
- And a strong balance sheet, with a strong investment grade credit rating.

Slide 40: Our opportunities – Reducing capital expenditure

As Dalton set out earlier, creating a truly multichannel business increases the size of our accessible market by circa 40%. We have an opportunity to deliver future growth in a disciplined way. Optimising our access opportunity means our future growth will be rebalanced and weighted towards the new channels, convenience and online. Convenience and online have a very different capital profile to our core supermarkets.

Convenience stores are typically leasehold, and future online food capacity will also be predominantly leasehold. Future growth in capacity will be highly productive in terms of its sales to capex ratio. We therefore intend to further reduce our annual space target for the core business, to around 350,000 square feet annually from 2014/15 onwards. We envisage that an increasing proportion of this new space will be leased. We will issue specific guidance on this at the start of each financial year. We will obviously continue to invest in our estate and our infrastructure, and to reduce cost. However as the bulk of the catch-up investment we needed to make in developing our infrastructure is now complete, going forward we plan to maintain this element of our capital spend in line with depreciation.

As a result of reducing our space growth, returning to a more normalised level of maintenance and infrastructure investment, and the completion of the significant phase of our investment in online, we will reduce our capital expenditure. This reduction will be around 30%, to £850m in 2014/15. We expect to continue at an annual rate of around £650m thereafter, just over half its current level.

In addition, as our IT systems improvements are deployed, they will enable us to manage our stock levels more effectively. These changes will facilitate an improvement in our supply chain, delivering significant opportunities for improved working capital management. I will come back to these in March.

Slide 41: Our opportunities – Unlocking value from property

In addition to capex and working capital we also have a third area of potential opportunity, our property portfolio. At our last valuation, which was conducted on a vacant possession basis, the portfolio was valued at some £9 billion. This reflected a surplus to book value of around 25%.

Our property metrics are very strong. The freehold element is above 90% and at 4%, our rent to EBITDAR ratio is very low. We are therefore reviewing opportunities to realise value from the current portfolio. This review will include our trading assets, and the investment properties.

However, the review is being conducted within the parameters of the principles I set out earlier - a strong balance sheet, a strong investment grade credit rating, and a commitment to freehold ownership. These principles will not change. We will maintain our conservative approach. We will not be fundamentally reshaping the risk profile of the business. We will provide an update on the outcome of this review, and our future plans, at the Prelims in March 2014.

Slide 42: Dividends

In 2011 we established a dividend policy that grew our dividend in line with underlying earnings. This was underpinned by a guarantee of a minimum of 10% increase annually for each of the three years to 2013/14. This is, therefore, the last year of that commitment. From 2014/15 onwards we will maintain a progressive policy, and will target around 2x cover in the medium term.

Slide 43: Capital allocation framework

So, we have set out our balance sheet principles, our capital plans and highlighted areas of opportunity but before I hand back to Dalton I would like to bring this financial strategy section together, by summarising how we think about the allocation of capital.

- Our first priority is to invest in our estate and to reduce our cost base.
- Secondly, we will manage our capital priorities to maintain debt ratios which support a strong investment grade credit rating.
- Thirdly, we will invest in profitable growth.
- Fourth, we will pay dividends in line with the policy I outlined earlier.
- And finally any surplus capital will then be returned to shareholders.

Now, let me hand you back to Dalton.

Slide 44: Dalton Philips

Thanks Trevor.

Slide 45: In summary

As you can see, we have a financial strategy to support our future business. It underlines where our priorities are. We will focus on profitable growth, cash generation and delivering superior shareholder returns. We will deliver working capital efficiencies, and are actively reviewing opportunities to unlock value from our property portfolio. Where there is a compelling case to build a new large store, we will do so but the future for us, and indeed for the sector, is no longer in building more and more big supermarkets.

The space race is well and truly over. The changes we're making are designed to ensure our business not only can compete on equal terms, but can thrive. It has required investment, which is one of the reasons why our profits – although still healthy – are lower and, while the results we are announcing today confirm that that this has been a tough six months, in a tough environment there are clear signs that this effort and investment is beginning to pay off.

Looking forward, we believe the trading environment will remain competitive and whilst the improvement in our performance won't run in a straight line, it's these efforts, and this investment, which underpin our belief that the Group's performance for the full year will be broadly in line with our previous expectations. The changes we are making in the core of our business, our supermarkets, are starting to deliver. We are also positioning ourselves to take advantage of growth areas, bringing our offer into convenience and online and all will be supported by completely over-hauled and modernised systems, which means we will no longer be competing with one-hand tied behind our back.

The strategy is clear. We've laid the enabling foundations. It's now all about delivery. So we're moving into a new phase. A phase of flawless execution, at real pace and I'm confident we've got the right team in place to deliver that. There is, of course, still more to do. By the time these initiatives are fully up and running in 2015, we will be, for the first time, a genuine multi-format, multi-channel retailer. Morrisons will be fit for the future and that's a really exciting prospect.

Thank you.