

Glossary

Carbon footprint

A measure of the impact human activities have on the environment in terms of the amount of greenhouse gases produced, measured in units of carbon dioxide.

Competition Commission

This is an independent public body which conducts in-depth inquiries into mergers, markets and the regulation of major regulated industries.

Contingent liabilities

A possible obligation arising from events not wholly within the control of the Group. The liability is not recognised if the outcome is uncertain or cannot be reliably measured.

Corporate Social Responsibility (CSR)

The understanding and management of the relationship between the Group and the economy, environment and communities within which we operate.

Defra

Department for Environment, Food and Rural Affairs. The UK Government department tasked with issues such as the environment, food rural development, the countryside, wildlife, animal welfare and sustainable development.

Derivatives

Financial instruments that derive their value from an underlying price or index, such as an interest rate, a foreign exchange rate, an index of prices/rates or a commodity price.

Distribution miles

This is the distance used to transport goods from distribution centres to stores.

Direct manufacturing sales

These are external sales from manufacturing sites either entirely owned by the Group.

Dividend cover

Underlying profit after tax from continuing operations attributable to equity shareholders divided by total value of dividends declared during the year.

'Eat Smart'

The range of calorie, fat, sugar and salt controlled foods, which have been specifically designed to help maintain a controlled diet without compromising on taste.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

EPoS

Electronic Point of Sale.

FAO

Food and Agriculture Organisation of the United Nations is a specialised agency that leads international efforts to improve agricultural productivity and better the lives of rural populations.

Finance lease

A lease that transfers substantially all the risks and rewards of ownership from the lessor to the lessee.

FTSE100

The 100 largest companies, by market capitalisation, listed on the London Stock Exchange.

Footfall

The number of people who visit our stores.

GAAP

Generally accepted accounting principles (and practices).

GfK NOP

Leading market research agency providing business insight through quantitative and qualitative research surveys.

Hedging

Reducing the exposure to risk of loss resulting from fluctuations in exchange rates, commodity prices, interest rates, etc. Typical tools include forward foreign exchange contracts and interest rate swaps.

International Financial Reporting Standards (IFRS)

IFRS are standards, interpretations and the framework for the preparation and presentation of financial statements adopted by the International Accounting Standards Board.

IGD

Institute of Grocery Distribution. A membership service that provides research, information, and education for the food and grocery industry.

Interest rate swap

A financial instrument where two parties agree to exchange an interest rate obligation for a predetermined amount of time. These are used by the Group to convert floating rate debt to fixed rates.

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KPIs

Key Performance Indicators. Measures used by the Board of Directors to monitor the performance and development of the Group.

LIBOR

(London Interbank Offered Rate) This is the rate that banks can borrow funds from other banks in the London interbank market and is fixed on a daily basis, and is the world's most widely used benchmark for short term interest rates.

Like-for-like sales

Measuring sales on the same basis as the previous year, excluding the impact of new store openings or store disposals. Also excluded is the impact of major refurbishments and extensions.

Litreage

The number of litres of fuel sold.

Long Term Incentive Plans (LTIPs)

Incentive schemes available to certain employees to encourage a mutual financial goal.

Market share

The percentage of the market or market segment that is being serviced by Morrisons.

'Market Street'

Our unique range of fresh food counters that bring a personal service into the supermarket.

MIS

Management Information Systems covers the application of people, technologies and procedures, collectively the information systems, to business problems.

Moody's

Moody's Investors Service is among the world's most respected and widely utilised sources for credit ratings, research and risk analysis.

(The) Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and media information.

OFT

Office of Fair Trading. A government body which is the UK's consumer and competition authority.

Onerous lease

An unavoidable lease commitment for a property that is no longer in use by the business. The lease commitment is reduced by the expected future rental income where the Group has sublet the property.

Optimisation Plan

Our tactical recovery programme between 2007 and 2010.

'Organic'

A range of genuine organic products that don't cost the earth. Organic farming prohibits the use of artificial fertilisers, pesticides, growth regulators and additives in livestock feed. The International Federation of Organic Agriculture Movements (IFOAM) accredits national organic certifying bodies.

Safeway business

The assets and business of Safeway Plc which were acquired on 8 March 2004.

Sales densities

The level of sales generated per square foot of selling space.

Sensitivities

Indicates how certain balances would shift should a key assumption move while others remain constant. In effect, shows how dependent the balances are on certain factors.

SoRIE

Statement of recognised income and expense.

'The Best'

Premium products that are prepared from the very best ingredients.

TNS (Taylor Nelson Sofres)

Global retail market information group who have a panel of some 25,000 homes in the UK.

UK GAAP

UK Generally Accepted Accounting Principles (and practices).

Vertical integration

The extent to which the upstream suppliers and downstream buyers are owned by the Group.