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Press Release

Marks and Spencer Group Plc Quarter 3 2016/17 Trading Statement 13 Weeks to 31 December 2016*

Third quarter sales	Total	Like-for-like ¹
Food	5.6%	0.6%
Clothing & Home	3.1%	2.3%
Total UK	4.5%	1.3%
International (reported)	18.9%	
International (constant currency)	2.9%	
Group (reported)	5.9%	
Group (constant currency)	4.3%	
<i>M&S.com (constant currency, memo only)</i>	<i>9.4%</i>	

**Third quarter sales are for 13 weeks to 31 December 2016 compared with 13 weeks to 26 December 2015, owing to last year's 53 week financial year. We estimate this had a positive effect of c.1.5% on Clothing & Home sales and c.0.3% on Food sales*

Steve Rowe, Chief Executive, said:

"I am pleased with the customer response we have seen to the changes we are making in line with our plan for the business. I would like to thank the whole team for their hard work over this busy period.

"In Clothing & Home, better ranges, better availability and better prices helped to improve our performance in a difficult marketplace. We also continued to substantially reduce discounting, including over Black Friday.

"Our Food business continues to grow market share with customers recognising our product as special and different. Our Simply Food store pipeline remains strong.

"As we look forward, our Q4 reported numbers will be adversely affected by sale timing and a later Easter. Against the background of uncertain consumer confidence the business remains focused on delivering the strategic actions announced last year."

Group sales were up 5.9% on a reported basis in the 13 weeks to 31 December.

Clothing & Home sales rose by 3.1% of which c.1.5% was due to the shift in reporting period, which led to the inclusion of five additional days of the December sale. Clothing & Home LFL sales were up by 2.3%. We substantially reduced sales on promotion in the period, with many fewer category promotions particularly over Black Friday. Stock into sale during the quarter declined by c.7% with one fewer clearance event than last year. As a result of these actions, we saw a further improvement in full price sales.

Food sales rose by 5.6%, with LFL sales up by 0.6%. The quarter was characterised by a slightly later build to peak, as a result of Christmas Day falling on a Sunday. We continue to grow market share, with customers appreciating the quality, innovation and newness that distinguish our food. New Simply Food stores continue to perform well.

International sales were up 2.9% at constant currency benefiting from earlier shipments of spring ranges to our franchise partners.

Full year guidance remains unchanged. We continue to manage the business for the uncertain consumer outlook.

We will report our Full Year 2016/17 results on 24 May 2017.

¹Like-for-like is the movement in sales from stores which have been trading, or where there has been no significant change in footage, for at least 52 weeks; includes online sales

- Ends -

Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences and prospects are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect Marks & Spencer's current expectations concerning future events and actual results may differ materially from current expectations or historical results. Any such forward-looking statements are subject to various risks and uncertainties, including failure by Marks & Spencer to predict accurately customer preferences; decline in the demand for products offered by Marks & Spencer; competitive influences; changes in levels of store traffic or consumer spending habits; effectiveness of Marks & Spencer's brand awareness and marketing programmes; general economic conditions or a downturn in the retail or financial services industries; acts of war or terrorism worldwide; work stoppages, slowdowns or strikes; and changes in financial and equity markets.

For further information, please contact:

Investor Relations:

Fraser Ramzan +44 (0)20 8718 4625

Helen Cox +44 (0)20 8718 8491

Corporate Press Office: +44 (0)20 8718 1919

Out of hours calls: +44 (0)20 8718 2000

Investors & Analysts Conference Call:

The call will be hosted by Steve Rowe and Helen Weir at 8.15am on Thursday 12 January 2017:

Dial in number: +44 (0)330 336 9411

Confirmation Code: 6848912

A recording of this call will be available until 22 January 2017:

Dial in number: +44 (0)20 7984 7568