MARKS & SPENCER

press release

Issued: 11 April 2013

MARKS AND SPENCER GROUP PLC
QUARTER 4 2012/13 TRADING STATEMENT
13 WEEKS TO 30 MARCH 2013

M&S delivers strongest quarterly sales growth in the last two years

- Group sales +3.1% *
- Total UK sales +2.6%:Food +6.3%; GM –2.2%
- Like for like UK sales +0.6%:Food +4.0%; GM –3.8%
- Multi-channel sales +22.9%
- International sales +7.0% *

Marc Bolland, Chief Executive said:

"We are working hard on improving our performance in General Merchandise and, despite difficult trading conditions, we made progress in our operational execution.

"We delivered an excellent result in Food, with performance well ahead of the market, as customers continued to trust us for provenance and quality. We are increasingly seen as the destination shop for special occasions.

"Multi-channel sales growth accelerated and our International business also performed well during the quarter."

Trading summary

In General Merchandise we faced difficult trading conditions. We held our full price trading stance for much of the quarter but, as the promotional activity in the marketplace intensified in March, we reacted with selected tactical offers. Customers are responding well to better editing of our Spring/Summer product ranges particularly our recent 'Perfectly' campaign. The new team has started to deliver operational improvements, with both availability and stock management ahead of last year.

Marks and Spencer Group plc
Registered Office:
Waterside House
35 North Wharf Road
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Registered No. 4256886
(England and Wales)

Food had an excellent quarter. We have now delivered over three years of consistent positive LFL sales growth. Our continued focus on improving our product ranges means that we have become a destination of choice for customers looking for quality and innovation, particularly for special occasions in the year. This helped us deliver our biggest ever Easter week. Good food starts with good ingredients. We are extremely proud of our long-term relationships with farmers and suppliers, which are based on trust, provenance and market leading quality at all times. As a result we were pleased to be unaffected by the recent issues affecting the food industry. The investment we have made in our operational execution, from new systems to better customer service, has helped us deliver further improvement in product availability.

Multi-channel growth accelerated in the quarter as a result of the increased participation in our click and collect offer, 'Shop Your Way', as well as increased traffic to our website. Mobile sales grew by over 70% on last year as we continue to improve the mobile shopping experience for our customers including a recent upgrade of our mobile app. Our new e-commerce distribution centre starts operating later this month and our new web platform is on track to launch in Spring 2014.

The International business continues to perform well. Our franchise business in the Middle East delivered a good performance and, in Asia, our key markets in India and China continued to trade strongly. Despite the macro-economic issues in some of the legacy markets, our performance in Europe improved in the quarter.

** Stated on constant currency basis. International sales at actual currency were +6.7%.*

Outlook

In January we said we expect the pressure on consumers' disposable incomes to continue throughout 2013. As a result we were cautious about the outlook for the year ahead and this view remains unchanged. We continue to make good progress in transforming Marks & Spencer from a traditional UK retailer to an international multi-channel retailer.

Marks and Spencer Group plc will report its full year results on 21 May 2013.

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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.

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- Ends -

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