

Issued: 8 July 2014

MARKS AND SPENCER GROUP PLC  
QUARTER 1 2014/15 TRADING STATEMENT  
13 WEEKS TO 28 JUNE 2014

**'Womenswear in growth'**

- Group sales<sup>1</sup> +2.3%
- UK: total sales +2.0%, like-for-like +0.3%
- GM: total sales -0.8%, like-for-like -1.5%
- Clothing: total sales +0.1%, like-for-like -0.6%
- Food<sup>2</sup>: total sales +4.2%, like-for-like +1.7%
- M&S.com -8.1%
- International sales<sup>1</sup> +4.7%

<sup>1</sup> Stated on ex-VAT and constant currency basis. International sales at actual currency were +0.1% on the year for the quarter.

<sup>2</sup> Adjusting for impact of later Easter timing, total Food sales were +2.6%, like-for like +0.1%

**Marc Bolland, Chief Executive said:**

"We have seen a continued improvement in Clothing, although as anticipated the settling in of the new M&S.com site has had an impact on sales. We are pleased that the Womenswear business was in growth, driven by full price sales, in line with our increased focus on margin. Our Food business had another great quarter, continuing to outperform the market, through our focus on differentiation through quality and innovation."

**Trading summary**

Womenswear sales were up as a result of stronger full price sales and uplift from seasonal and fashionable products. In General Merchandise, we are continuing to see progress in our Clothing business with customers increasingly buying into the improvements

Marks and Spencer Group plc  
Registered Office:  
Waterside House  
35 North Wharf Road  
London W2 1NW  
Registered No. 4256886  
(England and Wales)

we have made to quality and style. In line with our increased focus on margin, we were less promotional, both online and in stores.

While this has affected the sales performance, particularly online, we are on track to deliver our full year gross margin guidance.

As anticipated, General Merchandise sales were impacted by the settling in of the new .com site. The new web platform has been technically resilient and we have received positive customer feedback on the website's enhanced fashion and style content. As previously indicated, we are now focussed on optimising the website commercially, with updates made on a regular basis. We have recently seen a gradual improvement in sales performance, despite a lower level of promotional activity. We expect to return to growth ahead of our peak trading period.

Our Food business had a great quarter with our strategy to be more specialist setting us apart from the competition. We continue to outperform the market as customers continue to come to us for unrivalled quality and innovation, whether for their special events or great everyday value. With value top of mind for customers, we remained price competitive while protecting our gross margin. We launched some 700 new products giving customers more choice than ever. We are on track with the pipeline of 150 new Simply Food stores opening over the next three years.

Our International business continued to perform well, with particularly strong performance in our priority markets. Trading conditions in the Republic of Ireland continue to be challenging. Sales performance in the Middle East was impacted by the timing of shipments to our franchise partners.

#### **Guidance and outlook**

Our full year guidance remains unchanged. Despite some improvement in consumer confidence, market conditions remain challenging. Our focus is on delivery in order to make M&S a stronger and more profitable business.

Marks and Spencer Group plc will report its second quarter trading and half year results on 5 November 2014.

*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*

Marks and Spencer Group plc  
Registered Office:  
Waterside House  
35 North Wharf Road  
London W2 1NW  
Registered No. 4256886  
(England and Wales)

*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 customer 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.*

- Ends -

For further information, please contact:

Investor Relations:

Majda Rainer +44 (0)20 8718 1563

Helen Cox +44 (0)20 8718 8491

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

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

Marks and Spencer Group plc  
Registered Office:  
Waterside House  
35 North Wharf Road  
London W2 1NW  
Registered No. 4256886  
(England and Wales)