

Issued: 10 April 2014

MARKS AND SPENCER GROUP PLC  
QUARTER 4 2013/14 TRADING STATEMENT  
13 WEEKS TO 29 MARCH 2014

**'Improved Performance In Clothing'**

- Group sales<sup>1</sup> +1.9%
- UK: total sales +1.5%, like-for-like –0.2%
- Food<sup>2</sup>: total sales +2.5%, like-for-like +0.1%
- GM: total sales +0.2%, like-for-like –0.6%
- Clothing: total sales +1.3%, like-for-like +0.6%
- M&S.com +12.5%
- International sales<sup>1</sup> +4.7%

<sup>1</sup> Stated on ex-VAT and constant currency basis. International sales at actual currency were +2.1% on year for the quarter.

<sup>2</sup> Adjusting for impact of later Easter timing, total Food sales were +4.2%, like-for like +1.8%

**Marc Bolland, Chief Executive said:**

"We delivered another quarter of improvement in General Merchandise. Clothing sales were up 1.3% in total, up 0.6% on a like-for-like basis. We are encouraged by Womenswear, which is showing clear signs of improvement and performed ahead of Clothing.

"Our Food business had another great quarter, especially considering the later timing of Easter. This marks our 18<sup>th</sup> consecutive quarter of growth. We continued to outperform the market with record sales around key events including Valentine's Day and Mother's Day."

## Trading summary

In General Merchandise, we delivered another improved performance against a backdrop of high levels of discounting in the market. In Clothing, following a better performance over Christmas, our Womenswear business continued to strengthen, delivering a good like-for-like sales performance during the quarter. Customers are responding well to our re-focus on quality and style. Sales of M&S Collection in Womenswear, which was re-launched last Autumn, were notably up on last year. Our new Spring/Summer collection has been well received, with customers noticing the improving style credentials.

Our Food business had a great quarter, against tough comparatives. We outperformed the market once again. Customers continued to recognise our unrivalled quality and provenance and also turn to us for special events, such as Valentine's Day, with a record number of Dine In deals sold, and Mother's Day, which produced a record day on chocolates and flowers. We are well set up for the coming Easter season, a third of the range is new this year and we have more choice than ever before.

This quarter we successfully completed the migration of our website from Amazon onto our new platform. Despite this major change, M&S.com delivered a good performance with total sales up 12.5%. We managed the transition cautiously, reducing our usual level of marketing activity in order to ensure a smooth migration. In May we will launch a new external marketing campaign to promote the site.

The International business continues to perform well. Our priority markets delivered a strong performance with strong growth in India, in our flagship stores in China and in the Gulf. We are pleased with the performance in Western Europe, with good improvement in Greece and Czech.

## Guidance

We expect the full year gross margin in Food to be slightly ahead of previous guidance. As a result of a highly promotional market, we now expect the second half General Merchandise gross margin to be down, in line with the first half of the year. As a result, we expect the full year UK gross margin to be down c. 20 bps.

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Registered No. 4256886  
(England and Wales)

## Outlook

Despite some improvement in consumer confidence, we remain cautious about the outlook. Our focus is on continuing to transform Marks & Spencer into an international, multi-channel retailer.

Marks and Spencer Group plc will report its full year results 20 May 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 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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