

Issued: 7 July 2015

Press Release

Marks and Spencer Group Plc Quarter 1 2015/16 Trading Statement 13 weeks to 27 June 2015

'Continued progress at M&S'

1) Food sales strong in a highly competitive market

- Sales +3.2%; LFL +0.3%: specialist strategy continues to deliver results
- Store opening programme on track with new stores performing well

2) General Merchandise gross margin improvement

- On track to deliver full year guidance of +150 to +200bps
- Ongoing sourcing initiatives driving gross margin improvement

3) General Merchandise sales broadly level in a challenging quarter

- Sales +0.2%, LFL -0.4%: continued focus on quality and style
- M&S.com¹ growth +38.7%: improvement in customer metrics

4) Strong cash generation

- Good progress to date
- £150m share buyback programme to commence 8 July 2015

Marc Bolland, Chief Executive, said:

"We continue to make progress against our key priorities. Our Food business did very well in a difficult market. In General Merchandise, sales were broadly level on last year and we are on track to deliver the planned increase in gross margin. M&S.com performance was very strong, with customers appreciating all the improvements to our website."

Trading summary

Our Food business delivered another excellent quarter, outperforming the market. We launched 700 new lines including the new Taste of the British Isles range. We are on track to open c.90 Simply Food stores this year, and continue to see good performance from stores opened to date.

General Merchandise sales were broadly level on the year. In a challenging and promotional quarter, we continued to focus on improving product quality and style. We remain on track to deliver the improvement in gross margin previously guided.

M&S.com sales were very strong, albeit against a soft post-launch comparative. The improvements made in both our new website and distribution centre are delivering results, with key customer metrics including traffic, conversion and customer satisfaction, all up on the year.

International business showed modest growth on constant currency basis, notwithstanding the ongoing challenging macro-economic environment, with key priority markets such as India and Hong Kong performing well.

All full year guidance remains unchanged.

Marks and Spencer Group plc will report its half year results on 4 November 2015.

First quarter sales	13 weeks to 27 June 2015
Food	+3.2%
- Like-for-like	+0.3%
General Merchandise	+0.2%
- Like-for-like	-0.4%
M&S.com sales ¹	+38.7%
Total UK sales	+1.9%
- Like-for-like	0.0%
International sales ²	+0.7%
Group sales ²	+1.8%

¹ Memo only. Includes General Merchandise, Food and International, consistent with prior years.

² Stated on ex-VAT and constant currency basis. International sales on reported currency were -3.9% and Group sales were +1.3%.

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.

- 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

Investors & Analysts Conference Call:

This will be hosted by Marc Bolland at 8.15am on Tuesday 7 July 2015:

Dial in number: +44 (0)20 3427 1908

Access Code: 3655228

A recording of this call will be available until Friday 17 July 2015:

Dial in number: (0)20 3427 0598

Access Code: 3655228