



EST. 1884

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## Press Release

### MARKS AND SPENCER GROUP PLC QUARTER 1 2016/17 TRADING STATEMENT 13 WEEKS TO 2 JULY 2016\*

| First quarter  | Total | Like-for-like |
|--|-------|---------------|
| Food sales <sup>1</sup>                              | +4.0% | -0.9%         |
| Clothing & Home sales <sup>1</sup>                   | -8.3% | -8.9%         |
| M&S.com sales (memo only)                            | +0.5% |               |
| Total UK sales                                       | -1.1% | -4.3%         |
| International sales (constant currency) <sup>2</sup> | +0.7% |               |
| Group sales (reported)                               | -0.4% |               |
| Group sales (constant currency)                      | -0.9% |               |

<sup>1</sup>Timing of Easter had an adverse effect of 0.5% on Food and 0.8% on Clothing & Home sales growth.

<sup>2</sup>International sales at reported currency were up 6.1%.

Steve Rowe, Chief Executive, said:

“A key part of our recovery plan for Clothing & Home is lowering prices and reducing promotions. As a result, we ran fewer price promotions while continuing to lower prices to deliver real value to our customers, and moved the summer sale to July. We knew our actions would reduce total sales but we are seeing some encouraging early signs. Our Food business continues to strongly outperform a deflationary market, with LFL sales slightly down when adjusted for Easter timing.

“As highlighted in May, consumer confidence weakened in the run up to the EU referendum. While it is too early to quantify the implications of Brexit, we are confident that our strategic priorities and the actions we are taking remain the right ones to deliver results for our customers and our business.”

\*First quarter sales in the current year are from 3 April 2016 to 2 July 2016 and are compared with 29 March 2015 to 27 June 2015, owing to last year's 53 week financial year.

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

Group sales were down 0.4% in the 13 weeks to 2<sup>nd</sup> July.

Food sales rose by 4.0% with LFL sales down 0.9% of which 0.5% was due to Easter timing. We strongly outperformed the food market and continue to leverage our volume growth to reinvest in price. New Simply Food stores continue to perform ahead of our expectations.

Clothing & Home sales were down by 8.3% with LFL sales down by 8.9% in a weak market. As planned, the summer sale began on 5<sup>th</sup> July, two weeks later than last year. We continued to reduce the number of promotional events during the quarter, including just one 'cyber day' compared with six last year. We have repriced c.1,000 lines since January and are pleased with early results. For lines repriced in Q4 we have seen strong sales growth.

International sales were up 0.7% at constant currency and rose 6.1% on a reported basis.

Full year guidance remains unchanged. We continue to manage the business for the challenging market environment. We will update the market on strategy at our Interim results in November.

- 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 7 July 2016:

Dial in number: +44 (0)20 3427 1903

Access Code: 8243108

A recording of this call will be available until 17 July 2016:

Dial in number: +44 (0)20 3427 0598