

press release

24 May 2011

Marks & Spencer disappoint investors

- Marks & Spencer announce a 13.3% increase in its full year dividend
 - The Share Centre remain cautious of the retail sector
- The Share Centre currently list Marks and Spencer as a 'hold' but suggests investors take advantage of any increase in share price

As Marks & Spencer announce figures in line with expectations Nick Raynor, investment adviser at The Share Centre, explains why this may disappoint investors.

"Results released this morning by British high street name Marks & Spencer were in line with expectations and therefore somewhat disappointing for investors.

"Despite announcing an increase in market share by 50 percentage points in clothing to 11.7% and underlying pre-tax profits of £714.3m, early morning trading saw the share price fall by 1.3%. Many were hopeful of more from the retailer – especially after positive figures from Next earlier this month.

"The rise in the final dividend to 10.8p was better than expected and may be of interest to income seekers. The full year dividend stood at 17p – a 13.3% increase from the previous year.

"Consumers remain under pressure, and with a rise in interest rates looming, Marks & Spencer could suffer in these tough trading conditions. Spending is likely to fall and it will be the high-end stores like Marks & Spencer that we expect to suffer the most.

“We currently view Marks & Spencer as a weak ‘hold’ and remain cautious of the retail sector as a whole. In these uncertain times for the British high street we recommend investors should see any increase in the share price as an opportunity to sell.”

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About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment ‘wrappers’ including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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