

press release

31 March 2009

M&S sales fall despite cutting prices to win back shoppers

- M&S said like-for-like sales in the UK were down 4.2%
- Shareholders may want to reconsider their position says The Share Centre

Marks & Spencer shares rose 9.6 per cent this morning following a better than expected sales performance in the last quarter. **Nick Raynor, investment adviser at retail stockbroker The Share Centre** explains why despite an increase in overall group sales, shareholders should reconsider their position and why new investors should avoid the retail sector for the time being.

“Despite Marks & Spencer’s best efforts to attract customers during the recession by cutting prices on food and clothing, the retailer only just managed to increase its overall group sales by 1.9 per cent. And although it has enjoyed a 23 per cent rise in International sales, it will be interesting to see how Marks & Spencer copes with the weakness of the sterling against the US dollar and the euro, which will bring further challenges for its buying teams.

“These challenges coupled with concerns over maintenance of Marks & Spencer’s dividend policy post March, means shareholders may want to reconsider their position.

“It is possible some shareholders may still hold an emotional tie to the retailer, once symbolic of the UK high street. However, investors looking for income and growth could do better elsewhere. We believe the retail sector is going to remain under continuing pressure during 2009, with growing unemployment set to cause a decrease in spending. This will bring short term volatility for retail sales and makes forecasting hard for retailers.”

--- Ends ---

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Investing in general, and the products and services mentioned above, may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

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 SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors and individual shares, including all of the post-privatisation/demutualization companies, 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](#).

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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