

Marks & Spencer profits slump

LONDON: Prestigious British retailer Marks & Spencer said Tuesday, 19 May 2009, that annual net profit slumped nearly 40% in 2008-2009 and cut its dividend by a third due to an "uncertain economic outlook".

M&S, an icon of the high street, said its net profit tumbled 38% to £508 million (€460 million, US\$620 million) in its year to March 2009.

Pre-tax profits dived 37% from the previous year to £706 million while group sales grew by just 0.4% to £9.1 billion.

The clothes-to-food chain also cut its annual shareholder dividend to 9.5 pence per share. That was the first dividend cut since 2000.

"During the year we acted decisively to meet the challenges of the economic downturn, responding quickly to the changing needs of our customers, managing costs tightly and protecting our balance sheet," said chairman Stuart Rose.

"We sharpened our values without compromising on quality. We believe this, together with our investment programme, is creating stronger foundations for long-term growth."

He added: "Given an uncertain economic outlook and in order to provide a stronger foundation for moving forward, the board has taken the decision to rebase the group's dividend payment."

Earlier this year, M&S, a key barometer of consumer sentiment on the high street, said it would cut up to 1,230 jobs and shut 27 stores as the group battles recession in Britain.

Source: AFP

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