

**SUPPLEMENT DATED 27 JUNE 2019 TO THE OFFERING CIRCULAR DATED 14 NOVEMBER 2018**

**MARKS AND SPENCER PLC**

*(incorporated with limited liability in England and Wales with registered number 214436)*

**£3,000,000,000**

**Euro Medium Term Note Programme**

This Supplement (the "**Supplement**") to the Offering Circular dated 14 November 2018 (the "**Offering Circular**"), which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the £3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Marks and Spencer plc (the "**Issuer**").

Terms defined in the Offering Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Purpose of the Supplement**

The purpose of this Supplement is to (a) incorporate by reference Marks & Spencer Group plc's RNS announcement relating to the creation of a new 50/50 Joint Venture with Ocado Group Plc dated 27 February 2019 (the "**JV Announcement**"); (b) insert an additional risk factor; (c) incorporate by reference the Group's audited consolidated annual financial statements for the financial year ended 30 March 2019, together with the audit report prepared in connection therewith set out on pages 81 to 141 of the Group's 2019 Annual Report (the "**2019 Financial Statements**"); (d) incorporate by reference the Group's Financial Record set out on page 142 of the Group's 2019 Annual Report (the "**Group Financial Record**"); (e) incorporate by reference the section of the Group's strategic report set out on pages 2 to 26 of the Group's 2019 Annual Report (the "**Strategic Report**"); (f) incorporate by reference Marks & Spencer Group plc's two RNS announcements relating to the results of its rights issue and results of rump placing, each dated 13 June 2019 (the "**Rights Issue Announcements**"); (g) amend the definition of "EBITDA" in the section of the Offering Circular headed "Alternative Performance Measures"; (h) include some additional disclosure on the Group's financial performance; and (i) update the material adverse change statement and the significant change statement set out in the Offering Circular.

**Incorporation of Information by Reference**

On 27 February 2019, Marks & Spencer Group plc published via the Regulatory News Service operated by the London Stock Exchange the JV Announcement which contains details of the joint venture, under which M&S is acquiring a 50 per cent. share of Ocado's UK retail business, which will be supported by Ocado Smart Platform ("**OSP**"), for a total consideration of up to £750 million, including a deferred consideration of up to £187.5 million, plus interest. A copy of the JV Announcement has been filed with the Financial Conduct Authority and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Offering Circular.

On 23 May 2019, the Group published the 2019 Financial Statements, the Group Financial Record and the Strategic Report. Copies of the 2019 Financial Statements, the Group Financial Record and the Strategic Report have been filed with the Financial Conduct Authority and, by virtue of this Supplement, the 2019

Financial Statements, the Group Financial Record and the Strategic Report are incorporated by reference in, and form part of, the Offering Circular.

On 13 June 2019, Marks & Spencer Group plc published via the Regulatory News Service operated by the London Stock Exchange the Rights Issue Announcements which contains details of the results of the 1 for 5 rights issue of 325,009,968 new ordinary shares at 185 pence per new ordinary share announced on 22 May 2019. Copies of the Rights Issue Announcements have been filed with the Financial Conduct Authority and, by virtue of this Supplement, are incorporated by reference in, and form part of, the Offering Circular.

Copies of documents incorporated by reference in the Offering Circular by virtue of this Supplement can be obtained from the registered office of the Issuer at Waterside House, 35 North Wharf Road, London W2 1NW and the offices of Citibank, N.A., London Branch at 13th Floor, Citigroup Centre, Canada Square, London E14 5LB and are available for viewing at <http://www.hemscott.com/nsm.do> and on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer.

If documents which are incorporated by reference themselves incorporate any information or other documents by reference therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are stated within this Supplement as specifically being incorporated by reference.

### **Amendments to the Offering Circular**

On page 5 of the Offering Circular, the definition of "EBITDA" shall be deleted and replaced with the following:

"“EBITDA” means earnings before interest and tax, adding back depreciation, amortisation and asset impairments and write-offs, before adjusting items."

On page 15 of the Offering Circular, the following information shall be added before the section entitled "**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**":

#### ***"The Group might not acquire and integrate companies effectively or successfully***

As part of its growth strategy, the Group may acquire businesses, products and technologies or enter into joint ventures. For example, in 2019 the Group announced the creation of a new 50/50 Joint Venture with Ocado Group Plc ("Ocado"), pursuant to which the Group will acquire a 50 per cent. share of Ocado's UK retail business. The negotiation of potential acquisitions and alliances and the integration of acquired businesses, products and/or technologies demands time, focus and resources of both management and workforce, and may expose the Group to unpredictable operational difficulties.

Any acquisition or joint venture entered into by the Group exposes the Group to a range of risks, including:

- disruption of the Group's ongoing business and diversion of its management's attention by acquisition, transition or integration activities;
- incorrect assumptions made during the due diligence process for the acquisition or joint venture which could result in an acquisition or joint venture not furthering the Group's business strategy as expected, integration of an acquired company or technology not being as successful as expected, the acquired business or joint venture otherwise being negatively impacted or mean that the Group overpays for, or otherwise fails to realise the expected return on, the investment;

- the failure to successfully integrate (i) acquired technologies or solutions into the Group's solution portfolio and strategy, (ii) acquired operations, cultures or languages, all within the constraints of applicable local laws and (iii) the Group's internal controls and other systems, procedures and policies within acquired companies, which could result in higher costs or lower revenue than anticipated and could cause customer confusion;
- the loss of the acquired company's key employees, customers and partners, which could reduce the anticipated revenue to be derived from the acquisition;
- the Group's operating results or financial condition being adversely impacted by (i) claims or liabilities that the Group assumes from an acquired company or technology or that are otherwise related to an acquisition, including, among others, claims from government agencies, terminated employees, current or former customers, former shareholders or other third parties; (ii) pre-existing contractual relationships of an acquired company that the Group would not have otherwise entered into, the termination or modification of which may be costly or disruptive to the Group's business; (iii) unfavourable revenue recognition or other accounting treatment as a result of an acquired company's practices; and (iv) intellectual property claims or disputes;
- the failure to coordinate the acquired company's research and development, sales and marketing activities with those of the Group thereby losing anticipated synergistic benefits from the acquisition;
- the incurrence of significant debt to make the acquisition or significant unexpected cash expenditures; and
- impairment of goodwill and other intangible assets acquired in business combinations.

Any one or more of these events could have a material adverse effect on the Group."

On page 58 of the Offering Circular, the following information shall be added at the end of the final paragraph:

"The Group's EBITDA for the financial year ending 30 March 2019 was £1,145.9 million, with net debt of £1,545.1 million, deriving a net debt/EBITDA ratio of 1.35x."

### **General Information**

There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 March 2019 and no material adverse change in the prospects of the Issuer or Group since 30 March 2019.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen or been noted, as the case may be, since the publication of the Offering Circular.