

Primark's sales leap despite squeeze on high street spending



Value fashion chain's underlying operating profit likely to beat Marks & Spencer as it boosts its slice of the womenswear market

Value fashion chain Primark continues to win new customers from rivals and has unveiled sales growth of more than 6%.

Strong sales of homeware, children's wear, beauty products and licensed merchandise such as Beauty & the Beast and Harry Potter branded items all helped the cut-price chain put on a strong 10performance over the summer.

Operating profit climbed by 7% to £735m for the year - £150m more than the profit Marks & Spencer is expected to achieve this year.

The performance comes amid fears of a tough festive season looming on the high street after the British Retail Consortium revealed a 1% fall in like-for-like sales in October. John Lewis, Next and 15New Look have all recently reported poor trading.

Primark said it had taken a bigger slice of the womenswear market in the UK despite a fall in sales in that category. George Weston, the chief executive of the chain's owner, Associated British Foods, said the entire womenswear market had shrunk¹. "Women's fashion has been the most difficult area for the whole market but it looks like we have done better than most," he said.

20Weston said October had been "quiet" as warmer weather had affected sales. Primark still has no plans to sell online as it has increased market share across 10 different countries without doing so. Primark's strong growth was reported as New Look revealed an 8.4% fall in sales at its established UK stores. The company fell to an underlying operating loss of £10.4m in the six months to 23 September, compared with a profit of £59.3m a year.

25McGeorge said warm October weather and the uncertainty around Brexit were also not helping high street chains. He predicted the fashion chain's performance would not pick up until next year.

"There are not that many people doing a great job for 30- and 40-year-old fashion-conscious women and there's nothing to say we can't get that sweet spot back again," he said.

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By Sarah Butler (356 mots)

¹ Shrunk : diminué, rétréci