

**EXECUTION VERSION**

**FINAL TERMS**

28 March 2007

**MARKS AND SPENCER plc**

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

**Issue of £400,000,000 5.875 per cent. Notes due 2012**

**under the £3,000,000,000**

**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 13 November 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at, and copies may be obtained from, Waterside House, 35 North Wharf Road, London W2 1NW.

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|-----|-----------------------------------|---|
| 1.  | Issuer:                           | Marks and Spencer plc   |
| 2.  | (a) Series Number:                | 125   |
|     | (b) Tranche Number:               | 1   |
| 3.  | Specified Currency or Currencies: | GBP (£)   |
| 4.  | Aggregate Nominal Amount:         |   |
|     | (a) Series:                       | £400,000,000  |
|     | (b) Tranche:                      | £400,000,000  |
| 5.  | Issue Price:                      | 99.572 per cent. of the Aggregate Nominal Amount  |
| 6.  | Specified Denominations:          | £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Notes in definitive form will be issued with a denomination above £99,000. |
| 7.  | (a) Issue Date:                   | 29 March 2007   |
|     | (b) Interest Commencement Date:   | 29 March 2007   |
| 8.  | Maturity Date:                    | 29 May 2012   |
| 9.  | Interest Basis:                   | 5.875 per cent. Fixed Rate<br>(further particulars specified below)   |
| 10. | Redemption/Payment Basis:         | Redemption at par   |

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|-----|---|---|
| 11. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable  |
| 12. | Put/Call Options:                                     | Investor Put<br>(further particulars specified below) |
| 13. | (a) Status of the Notes:                              | Senior  |
| 14. | Method of distribution:                               | Syndicated  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-----|--|---|
| 15. | Fixed Rate Note Provisions   | Applicable  |
|     | (a) Rate(s) of Interest:   | 5.875 per cent. per annum payable annually in arrear  |
|     | (b) Interest Payment Date(s):  | Starting on 29 May 2008 and 29 May in each year up to and including the Maturity Date (Long first coupon) |
|     | (c) Fixed Coupon Amount(s):  | £58.75 per £ 1,000 in Nominal Amount of each Note   |
|     | (d) Broken Amount(s):  | For the first Interest Period, the Broken Amount will be £68.57 per £1,000 of Nominal Amount              |
|     | (e) Day Count Fraction:  | Actual/Actual (ICMA)  |
|     | (f) Determination Date(s):   | 29 May in each year   |
|     | (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: | None  |
| 16. | Floating Rate Note Provisions  | Not Applicable  |
| 17. | Zero Coupon Note Provisions  | Not Applicable  |
| 18. | Index Linked Interest Note Provisions  | Not Applicable  |
| 19. | Dual Currency Interest Note Provisions   | Not Applicable  |

**PROVISIONS RELATING TO REDEMPTION**

- |     |   |                |
|-----|---|----------------|
| 20. | Issuer Call:  | Not Applicable |
| 21. | Investor Put:   | Applicable     |
|     | (a) Optional Redemption Date(s):  | See Schedule   |
|     | (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): | See Schedule   |

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|-----|--|--|
| (c) | Notice period (if other than as set out in the Conditions):  | See Schedule   |
| 22. | Final Redemption Amount of each Note:  | In respect of each Note, £1,000 per £1,000 in Nominal Amount of each Note. |
| 23. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5): | Condition 7.5 applies.   |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

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|-----|--|---|
| 24. | Form of Notes:   | Bearer:<br><br>Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Days:   | Not Applicable  |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):  | No  |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable  |
| 28. | Details relating to Instalment Notes:  | Not Applicable  |
| 29. | Redenomination applicable:   | Redenomination not applicable   |
| 30. | Other final terms:   | Condition 7.4 shall be deleted and replaced with the Schedule attached to the Final Terms.  |

#### DISTRIBUTION

- |     |                                       |  |
|-----|---------------------------------------|--|
| 31. | (a) If syndicated, names of Managers: | Citigroup Global Markets Limited, HSBC Bank plc and Morgan Stanley & Co. International Limited |
|     | (b) Stabilising Manager (if any):     | Citigroup Global Markets Limited   |

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|-----|--|----------------|
| 32. | If non-syndicated, name of relevant Dealer:                                | Not Applicable |
| 33. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D        |
| 34. | Additional selling restrictions:   | Not Applicable |
| 35. | Tradeable Amount:  | Not Applicable |

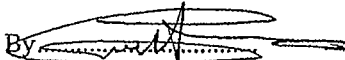
#### LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the £3,000,000,000 Euro Medium Term Note Programme of Marks and Spencer plc.

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By   
*Duly authorised*

## PART B - OTHER INFORMATION

### 1. LISTING

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Gilt Edged and Fixed Interest Market of the London Stock Exchange with effect from 29 March 2007.
- (iii) Estimate of total expenses related to admission to trading: £4,200

### 2. RATINGS

Ratings: The Notes to be issued have been rated:  
S & P: BBB  
Moody's: Baa2

### 3. NOTIFICATION

Not Applicable

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, no person involved in the issue of the Notes has an interest material to the offer.

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable

### 6. YIELD (*Fixed Rate Notes only*) 5.966 per cent. per annum Indication of yield:

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes only*)

Not Applicable

### 8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

Not Applicable

### 9. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0293893813
- (ii) Common Code: 029389381

- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

## SCHEDULE

In relation to the Final Terms dated 28 March 2007 of which this forms the attached Schedule, Condition 7.4 shall be deleted and replaced with the following:-

If during the period from 29 March 2007 to 29 May 2012 there occurs a Restructuring Event and within the Restructuring Period (i) (if at the time that Restructuring Event occurs there are Rated Securities) a Rating Downgrade in respect of that Restructuring Event occurs or (ii) (if at such time there are no Rated Securities), a Negative Rating Event in respect of that Restructuring Event occurs (that Restructuring Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period together called a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice under Condition 7.2) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its nominal amount (the **Optional Redemption Amount**) together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon, and in any event within 21 days after, the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7.4.

To exercise the option to require redemption of a Note under this Condition 7.4, the holder of the Note, if it is in definitive form, must deliver such Note, on any Business Day (as defined below) falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 7.4.

If the Notes are represented by a Global Note, such option may be exercised by the holder of the Global Note by giving notice to the Agent of the nominal amount of Notes in respect of which the option is exercised and presenting such Global Note for endorsement of exercise within the time limits specified in this Condition 7.4.

**Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note is delivered.

The Definitive Notes should be delivered together with all Coupons appertaining thereto maturing after the date (the **Optional Redemption Date**) seven days after the expiry of the Put Period, failing which the Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 6 against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11) any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specifies a bank account in the Put Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, on or after the Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of Condition 6 and certain other purposes specified in the Trust Deed,

receipts issued pursuant to this Condition 7.4 shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to the foregoing provisions of this Condition 7.4, the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Optional Redemption Date, redeem, at its option, the remaining notes as a whole at a redemption price of the nominal amount thereof plus interest accrued to but excluding the date of such redemption.

For the purpose of these Conditions:

A **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer (or any Subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more (**Rateable Debt**) from a Rating Agency or (ii) if it does so seek and use such endeavours, it is unable, as a result of such Restructuring Event to obtain such a rating of at least investment grade BBB- (in the case of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**)), Baa3 (in the case of Moody's Investors Service Limited (**Moody's**)) or BBB- (in the case of Fitch Ratings Ltd. (**Fitch Ratings**)), or their respective equivalents for the time being), provided that a Negative Rating Event shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency declining to assign a rating of at least investment grade (as defined above) does not announce or publicly confirm or inform the Trustee in writing at its request that its declining to assign a rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such investment grade rating is declined);

**Rated Securities** means the Notes so long as they shall have an effective rating from any Rating Agency and otherwise any unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more which is rated by one of the Rating Agencies;

**Rating Agency** means S&P and its successors or Moody's and its successors or Fitch Ratings and its successors or any other rating agency of equivalent standing specified by the Issuer from time to time and agreed in writing by the Trustee;

A **Rating Downgrade** shall be deemed to have occurred in respect of a Restructuring Event if the current rating whether provided by a Rating Agency at the invitation of the Issuer or by its own volition assigned to the Rated Securities by any Rating Agency (i) is withdrawn and is not within the Restructuring Period replaced by a rating of another Rating Agency at least equivalent to that which was current immediately before the occurrence of the Restructuring Event or (ii) is reduced from an investment grade rating BBB-/Baa3/BBB- (or their respective equivalents for the time being) or better to a non-investment grade rating BB+/Ba1/BB+ (or their respective equivalents for the time being) or worse; provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

A **Restructuring Event** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 736 of the Companies Act 1985 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, or any person or persons acting on behalf of any such person(s), at any

time is/are or become(s) interested (within the meaning of Part VI of the Companies Act 1985) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; and

**Restructuring Period** means the period ending 90 days after the public announcement of the Restructuring Event having occurred (or such longer period in which the Rated Securities or Rateable Debt, as the case may be, is or are under consideration (announced publicly within the first mentioned period) for rating review or, as the case may be, rating by a Rating Agency).

If the rating designations employed by any of S&P, Moody's or Fitch Ratings are changed from those which are described in paragraph (ii) of the definition of "Negative Rating Event" above, or if a rating is procured from another Rating Agency, the Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of S&P, Moody's, Fitch Ratings or such other Rating Agency (as appropriate) as one most equivalent to the prior rating designations of S&P, Moody's or Fitch Ratings, and this Condition 7.4 shall be construed accordingly.