MARKS & SPENCER

Waterside House
35 North Wharf Road
London W2 1NW
marksandspencer.com

22 May 2009

Dear shareholder

I wanted to write to you personally to let you know about the reasons behind our decision to reduce the Marks & Spencer dividend by 33%. It was a difficult decision for the Board to make, but one that we believe is both necessary and prudent.

We believe that we are doing the right thing for two reasons:

- global economic conditions remain uncertain. We think there is a little more clarity than uncertainty compared with the start of the year but, even so, we believe that caution is advisable; and
- we need to ensure that M&S retains its financial strength and the flexibility to invest and drive the business as times change so that we will emerge stronger from the recession.

M&S has not been immune to the impacts of the global economic downturn but we have taken steps to manage costs, protect our balance sheet and respond quickly to the needs of our customers. We have had to take some short-term pain in order to create stronger foundations for longer-term growth. However, I believe we have reached the low point and that, barring major accidents, consumer confidence will gradually begin to return as the rest of this year unfolds.

Our 125th anniversary this year reaffirms our unrivalled reputation for Quality, Value, Service, Innovation and Trust – core values as important today as they have ever been and ones that we are convinced will ensure your Company's success for many years to come. This has been underlined by M&S being voted Britain's most trusted retailer by a recent YouGov survey.

Recognising our high percentage of private investors and as a sign of our good faith and long-term commitment to you, we will be mailing an additional set of shareholder vouchers with your dividend in July. I hope you will enjoy using them and I look forward to seeing as many of you as possible at our Annual General Meeting at 2pm on Wednesday, 8 July 2009 at the Royal Festival Hall in London.

Yours sincerely,

Sir Stuart Rose
Chairman

<u>Dividend Payments</u>
Shareholders can read the Final Results 2008/09 which we announced on 19 May 2009 online at www.marksandspencer.com/thecompany

This included the dividend payments for July 2009 and January 2010 as set out below.

Interim dividend paid 9 Jan 2009	Final dividend to be paid 10 July 2009	Total for 2008/09	Interim dividend to be paid 8 Jan 2010
8.3p	**9.5p**	17.8p	**5.5p**

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