

MARKS AND SPENCER GROUP PLC
QUARTER 3 2009/10 – INTERIM MANAGEMENT STATEMENT
13 weeks to 26 December 2009

- Group sales +2.6%
- UK sales* +2.3%: General Merchandise +3.2% (Clothing +4.0%; Home -0.7%); Food +1.3%
- UK like for like sales* +0.8%: General Merchandise +1.2%; Food +0.4%
- Online sales +32%
- International sales +6.0%

* The reported quarter this year excludes the first day of the Christmas sale which was held on 27 December. Adjusting for this would have added c. 1% to UK and c. 2% to General Merchandise total and like for like sales.

Marks & Spencer traded successfully through the important Christmas period. After adjusting for the timing of the sale, total UK sales were up over 3% and like for like sales were up nearly 2%, continuing the improving trend seen over the last four quarters. Customers responded positively to our quality and value in both Food and General Merchandise.

In General Merchandise we maintained our full price stance as planned, successfully trading through last year's two One Day Christmas Spectaculars. Like for like sales were up over 3% after adjusting for the timing of the sale. Stock levels were better controlled with less stock going into the sale than last year, which is expected to clear by the end of this week. Clothing market share was up 20 bps¹. In Food, investment in innovation and better value for our customers continued to drive improved sales performance. Food sales have now returned to positive like for like growth. M&S Direct had another strong quarter with online sales up 32%.

Guidance on gross margin, operating costs and capital expenditure for the current financial year remains unchanged. As a result of the debt tender offer announced on 25 November 2009, we expect to report a one-off finance charge of approximately £14 million in the current financial year.

Sir Stuart Rose, Chairman said:

"We had a good Christmas, continuing the improvements seen throughout 2009.

"In Food, we had our biggest ever Christmas fortnight, with record one day sales of over £50m on 23 December. In General Merchandise, sales of knitwear, sleepwear and footwear were particularly strong. Over Christmas, customers bought more than 36 million mince pies, a million bottles of champagne and over 8 million jumpers and cardigans.

More...

"Despite the difficult weather conditions, our staff delivered a great Christmas for our customers. I would like to take this opportunity to thank them all for their hard work.

"We expect the trading conditions over the coming year to remain challenging as a result of continuing economic uncertainty. We believe however, that customers will continue to seek out real value and quality for which we are justly famous."

Marks and Spencer Group plc will report its trading for the 13 weeks to 27 March on 8 April 2010.

¹ TNS Total Clothing and Footwear 12 weeks ending 8 November 2009 10.6% v 10.4% 12 weeks ending 9 November 2008.

Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences and prospects are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect Marks & Spencer's current expectations concerning future events and actual results may differ materially from current expectations or historical results. Any such forward-looking statements are subject to various risks and uncertainties, including failure by Marks & Spencer to predict accurately customer preferences; decline in the demand for products offered by Marks & Spencer; competitive influences; changes in levels of store traffic or consumer spending habits; effectiveness of Marks & Spencer's brand awareness and marketing programmes; general economic conditions or a downturn in the retail or financial services industries; acts of war or terrorism worldwide; work stoppages, slowdowns or strikes; and changes in financial and equity markets.

Contacts:

Investor Relations:

Majda Rainer +44 (0)20 8718 1563

Corporate Press Office: +44 (0)20 8718 1919

Out of hours calls: +44 (0)20 8718 2000

Investors & Analysts Conference Call:

This will be hosted by Stuart Rose at 08.45 on Wednesday 6 January 2010:

Dial in number: +44 (0) 208 515 2302

A recording of this call will be available until Friday 15 January 2010:

Dial in number: +44 (0) 207 190 5901

Access Code: 142494#