

Issued: 11 January 2011

MARKS AND SPENCER GROUP PLC
QUARTER 3 2010/11 – INTERIM MANAGEMENT STATEMENT
13 WEEKS TO 1 JANUARY 2011

- Group sales +4.0%
- Total UK sales +4.0%: General Merchandise +4.4% (Clothing +4.7%; Home +2.7%); Food +3.5%
- Like for like UK sales +2.8%: General Merchandise +3.8%; Food +1.8%

Marc Bolland, Chief Executive said:

“Marks & Spencer traded well through the important Christmas period despite the severe weather as customers continued to return to M&S quality.

“We delivered a great Christmas for our customers, from our stylish occasionwear to our innovative festive food. I would like to thank all our employees, in particular the store and operations teams, for doing a wonderful job in very difficult conditions to minimise the disruption to our customers.”

Trading summary

Clothing market share was up 70bps to 11.8%¹ (Kantar: 12 weeks ending 1 November 2010) with growth across all areas. We delivered better styling and choice at great quality and value across our ranges with products to suit every budget. Customers responded well to our interpretation of the season’s key trends such as Fair Isle knitwear and accessories. As they continued to manage their budgets carefully, customers also came to us for wardrobe staples, with sales of underwear, sleepwear and footwear performing strongly.

In Food, market share was up 10bps to 3.9%² (Kantar: 12 weeks ending 28 November 2010) as we continued to offer unrivalled quality and great value. Customers were delighted with our level of innovation, which saw us launch more than 600 new products during the quarter, including our Christmas desserts and party foods. We ran bigger, more impactful promotions, such as our Deals of the Week and half price champagne, which proved to be extremely popular. We are also pleased to record our biggest ever day in Food on Thursday 23 December with sales of more than £50m.

M&S Direct sales were up 25% in the quarter, as we came up against the anniversary of the launch of our popular Shop Your Way service. International sales were up 4.5%, reflecting a good performance across most of our markets offset by difficult trading conditions in Ireland and Greece.

We estimate that the adverse weather conditions had a c.1% impact on reported Food sales, and c.3% on General Merchandise sales, offset by a c.3% positive impact to General Merchandise due to the inclusion of the first five days of the Sale in the third quarter.

Outlook

We continue to expect the trading conditions ahead to be more challenging as consumers' disposable incomes come under pressure from increased VAT rates and the impact of public spending cuts. In addition, we are facing increased commodity prices and significantly tougher comparatives. As a result we remain cautious about the outlook but are confident that we are well positioned to meet the changing needs of our customers.

Guidance

Existing guidance for the financial year 2010/11 remains unchanged.

Marks and Spencer Group plc will report its fourth quarter trading statement for 13 weeks ending 2 April 2011 on 6 April 2011.

¹ Kantar Worldpanel Total Clothing, Footwear and Accessories value share for the 12 weeks ending 1 November 2010.

