

Issued: 10 July 2012

**MARKS AND SPENCER GROUP PLC
QUARTER 1 2012/13 INTERIM MANAGEMENT STATEMENT
13 WEEKS TO 30 JUNE 2012**

- Group sales -0.7% *
- Total UK sales -0.9%:Food +2.9%; GM -5.1%
- Like for like UK sales -2.8%:Food +0.6%; GM -6.8%
- Multi-channel sales +14.9%
- International sales +0.9% *

* Stated on constant currency basis. International sales at actual currency were -3.5% as a result of the weakening Euro exchange rate.

Marc Bolland, Chief Executive said:

“Our Food business has again performed strongly. General Merchandise underperformed in a difficult trading season. We are confident we are taking the necessary steps to address this.

“We are pleased with the performance in Multi-channel and our key International businesses, which are continuing to make good progress.”

Trading summary

Our Food business performed well, despite a tough market and challenging comparatives. We maintained our focus on freshness, speciality and convenience. We continued to lead the way with high quality, first to market products, launching over 700 new products, including over 200 British inspired lines. Customers once again placed their trust in us at special times of the year, celebrating the Jubilee weekend in style with M&S products. At a time when value is front of mind for our customers, we launched ‘Simply M&S’, a range of c. 800 lines highlighting the great value we offer on everyday basics, without compromising on quality.

Clothing sales continued to be impacted by the merchandising issues in our Spring/Summer collections reported in April, but we have taken steps to strengthen the team, improve our buying and merchandising, and bring stock back on target for the Autumn/Winter season, which launches in stores later this month. The clothing market continued to be highly promotional throughout the quarter, especially in womenswear, in part due to unseasonal weather conditions. This affected categories such as casual tops, which, given our high market share, are key performance drivers at this time of year. The strongest performing categories in the last few weeks included Coats, Jackets and Hosiery, and we also saw a good performance in Indigo and Schoolwear. We offered customers better value, and more choice at the 'Good' end of the product range which traded well.

In Home our key departments of kitchens, bedrooms and bathrooms delivered a positive performance. Other sales continue to be impacted by our decision to withdraw from technology as well as weak demand for big ticket items.

We continue to make good progress with the roll-out of our new store concept, which is being delivered on plan and on budget.

Multi-channel performed well with sales up 14.9%, ahead of the market. We launched a number of new initiatives aimed at improving our customers' shopping experience, including the re-launch of our mobile website.

Our key International markets in India and China continued to trade strongly with double digit growth. However, sales were impacted by currency translation of Euro denominated countries as well as continued macro-economic weakness in the Republic of Ireland and Greece and on-going restructuring of our Central European business.

Guidance

Existing guidance for the financial year 2012/13 remains unchanged.

Outlook

While we expect the short term trading outlook to continue to be challenging, we are making strong progress against our goal of becoming an international, multi-channel retailer.

Marks and Spencer Group plc will report its half year results for the 26 weeks ending 29 September 2012, on 6 November 2012.

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.

- Ends -

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Investors & Analysts Conference Call:

This will be hosted by Marc Bolland at 08:00am on Tuesday 10 July 2012:

Dial in number: +44 (0)20 8515 2334

A recording of this call will be available until 21 July 2012:

Dial in number: +44 (0)20 7959 6720

Access Code: 4548548#

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