

Issued: 13 July 2011

MARKS AND SPENCER GROUP PLC
QUARTER 1 2011/12 – INTERIM MANAGEMENT STATEMENT
13 weeks to 2 July 2011

GOOD PERFORMANCE IN A CHALLENGING MARKET

- Group sales ex VAT +3.2%
- Total UK sales ex VAT +2.7%: General Merchandise +0.3%; Food +5.0%
- Like for like UK sales ex VAT +1.7%: General Merchandise 0.0%; Food +3.3%

Marc Bolland, Chief Executive said:

“Marks & Spencer continued to grow market share in both Clothing and Food by offering our customers more choice, great value for money and leading innovation.

“Against the uncertain economic backdrop, we are focused on trading through the short term, while building for the long term growth of the business.”

Trading summary

Clothing market share was up 20bps to 11.7%¹, marking 17 consecutive months of gains. Our customers continue to turn to Marks & Spencer quality for their everyday essentials including tailoring and underwear. We responded well to the season’s key fashion trends, with ranges including Fashion Brights, launched in six weeks from sketch to store. We delivered more choice and great quality especially in our better and best ranges.

Food market share was up 10bps to 3.8%², as we continued to outperform the market on a like for like basis. We continued our focus on innovation launching more than 500 new products during the quarter, including a broader choice of healthy eating options for the summer. Customers came to us for the perfect solution to their celebrations over Easter and the Royal Wedding holiday. We were well placed to benefit from customers seeking better value alternatives to eating out, with our original ‘Dine In’ promotions allowing them to enjoy Marks & Spencer quality at home.

M&S Direct sales were up 13% in the quarter, with customers responding well to the convenience of our Shop Your Way multi-channel service. International sales were up 7.8%, reflecting a good performance across most of our markets.

Outlook

We expect trading conditions to remain challenging due to pressure on consumers' disposable incomes and higher commodity prices. As a result we remain cautious about the outlook. Our focus will be on remaining competitive, and offering our customers great value and quality at a time when they are managing their budgets carefully.

Guidance

Existing guidance for the financial year 2011/12 remains unchanged.

Marks and Spencer Group plc will report its half year results for 26 weeks ending 1 October 2011, including Q2 trading, on 8 November 2011.

¹ Kantar Worldpanel Total Clothing, Footwear and Accessories value share for the 12 weeks ending 15 May 2011.

² Kantar Worldpanel Total Food & Drink share for the 12 weeks ending 12 June 2011.

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

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This will be hosted by Marc Bolland at 8am on Wednesday 13 July 2011:

Dial in number: +44(0)20 7190 1530

A recording of this call will be available until Friday 22 July 2011:

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

Access Code: 4455212#

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