

7 July 2010

**MARKS AND SPENCER GROUP PLC
QUARTER 1 2010/11 – INTERIM MANAGEMENT STATEMENT
13 weeks to 3 July 2010**

- Group sales +4.4%
- Total UK sales +4.8%*: General Merchandise +7.0% (Clothing +7.4%; Home +4.1%); Food +2.9%
- Like for like UK sales +3.6%*: General Merchandise +6.0%; Food +1.5%

* The reported quarter this year excludes the benefit of Easter timing. Adjusting for this would have added c. 0.4% to General Merchandise total and like for like sales and c. 1.4% to Food total and like for like sales.

Trading summary

M&S delivered a strong performance in General Merchandise. Market share was up 50bps to 10.7%¹ with growth in share across all areas of clothing. Our customers responded well to improved styling, stronger fashions and great value, with sales of summer knitwear and holiday ranges particularly good.

In Food we have continued to outperform the market on a like for like basis, as customers continued to return to quality. We stepped up our emphasis on innovation launching 570 new products including our Grill and summer dessert ranges. We offered our customers great value and ran several successful promotions.

M&S Direct had a strong quarter with sales up 49%. We have now extended 'Shop Your Way', our multi-channel ordering service, to over 400 stores, and launched a fully mobile enabled website.

International sales were up 0.9%, with an adverse impact from currency translation and continued difficult trading conditions in certain markets.

Marc Bolland, Chief Executive said:

"Marks & Spencer has delivered another good sales performance in the first quarter, continuing the progress made by the team over the previous year. We have continued to grow market share across all parts of the business as customers recognised the strength of the Marks & Spencer brand and the great quality and value it represents."

Outlook

We have made a good start to the financial year, but following the recent Budget and the actions proposed to reduce the national deficit, including the increase in VAT, we are cautious about the outlook for consumer confidence and spending and continue to manage the business accordingly.

Marks and Spencer Group plc will report its second quarter trading statement for 13 weeks ending 2 October 2010 on 7 October 2010.

¹ Kantar TNS Total Clothing and Footwear 12 weeks ending 23 May 2010 10.7% v 10.2% 12 weeks ending 24 May 2009.

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.

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Investors & Analysts Conference Call:

This will be hosted by Marc Bolland at 8am on Wednesday 7 July 2010:

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

A recording of this call will be available until Friday 16 July 2010:

Dial in number: +44 (0) 207 959 6720

Access Code: 143084#

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