

FINAL TERMS

2 December 2011

MARKS AND SPENCER plc
Issue of £300,000,000 6.125 per cent. Notes due 2021
under the £3,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 11 November 2011 (the **Offering Circular**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at, and copies may be obtained from, Waterside House, 35 North Wharf Road, London W2 1NW.

- | | |
|--|--|
| 1. Issuer: | Marks and Spencer plc |
| 2. (a) Series Number: | 128 |
| (b) Tranche Number: | 1 |
| 3. Specified Currency or Currencies: | GBP (£) |
| 4. Aggregate Nominal Amount: | |
| (a) Series: | £300,000,000 |
| (b) Tranche: | £300,000,000 |
| 5. Issue Price: | 98.914 per cent. of the Aggregate Nominal Amount |
| 6. (a) Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000. |
| (b) Calculation Amount: | £1,000 |
| 7. (a) Issue Date: | 6 December 2011 |
| (b) Interest Commencement Date: | Issue Date |
| 8. Maturity Date: | 6 December 2021 |
| 9. Interest Basis: | 6.125 per cent. Fixed Rate subject to the Step Up Margin (as defined, and further particulars thereon specified, in paragraph 1 of the Schedule hereto) |
| 10. Redemption/Payment Basis: | Redemption at par |
| 11. Change of Interest Basis or Redemption/Payment Basis: | Step Up and Step Down provisions for changes in the Rate of Interest are set out in paragraph 1 of the Schedule hereto |
| 12. Put/Call Options: | Investor Put
(further particulars specified in paragraph 2 of the attached Schedule below) |
| 13. (a) Status of the Notes: | Senior |
| (b) Date of Board approval for issuance of Notes obtained: | 7 November 2011 |

14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions Applicable
- (a) Rate(s) of Interest: 6.125 per cent. per annum payable annually in arrear (the **Initial Rate of Interest**) adjusted, if applicable, in accordance with paragraph 1 of the Schedule hereto resulting in the application of the Step Up Margin in respect of any Interest Period to the Initial Rate of Interest (the **Adjusted Rate of Interest**), in any case payable annually in arrear. For the avoidance of doubt, notwithstanding any adjustment in accordance with the provisions in paragraph 1 of the Schedule hereto, the Rate of Interest in respect of any Interest Period shall never be lower than the Initial Rate of Interest nor higher than the Adjusted Rate of Interest
- (b) Interest Payment Date(s): 6 December in each year commencing on 6 December 2012 up to and including the Maturity Date
- Fixed Coupon Amount(s): £61.25 per Calculation Amount
- Broken Amount(s): Not Applicable
- (c) Day Count Fraction: Actual/Actual (ICMA)
- (d) Determination Date(s): 6 December in each year
- (e) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
16. Floating Rate Note Provisions Not Applicable
17. Zero Coupon Note Provisions Not Applicable
18. Index Linked Interest Note Provisions Not Applicable
19. Dual Currency Interest Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: Not Applicable
21. Investor Put: Applicable (see paragraph 2 of the attached Schedule)
- (a) Optional Redemption Date(s): See paragraph 2 of the attached Schedule
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): £1,000 per Calculation Amount
- (c) Notice period (if other than as set out in the Conditions): See paragraph 2 of the attached Schedule
22. Final Redemption Amount of each Note: £1,000 per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5): £1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Bearer:
- Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is

- | | |
|--|---|
| | exchangeable for Definitive Notes only upon an Exchange Event |
| 25. Additional Financial Centre(s) or other special provisions relating to Payment Days: | Not Applicable |
| 26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 28. Details relating to Instalment Notes: | |
| (a) Instalment Amount(s): | Not Applicable |
| (b) Instalment Date(s): | Not Applicable |
| 29. Redenomination applicable: | Not Applicable |
| 30. Other final terms: | See the Schedule hereto |

DISTRIBUTION

- | | |
|---|--|
| 31. (a) If syndicated, names of Managers: | Citigroup Global Markets Limited
HSBC Bank plc
Lloyds TSB Bank plc
The Royal Bank of Scotland plc |
| (b) Date of Subscription Agreement: | 2 December 2011 |
| (c) Stabilising Manager (if any): | Citigroup Global Markets Limited |
| 32. If non-syndicated, name of relevant Dealer: | Not Applicable |
| 33. U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |
| 34. Additional selling restrictions: | Netherlands |

The Notes (or any interest therein) have not been and will not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, at any time, nor any other document in relation to any offering of the Notes (or any interest therein) has been or will be distributed or circulated in the Netherlands, other than to professional market parties (“PMPs”) within the meaning of the Dutch Financial Supervision Act (Wet op het financieel toezicht) (which includes, *inter alia*, qualified investors as defined in the Prospectus Directive such as banks, insurance companies, securities firms, collective investment undertakings and pension funds). This restriction does not apply in respect of Notes having a denomination of at least €50,000 (or equivalent).

Further, bearer zero coupon Notes in definitive form and other bearer securities in definitive form on which interest does not become due and payable during their term but only at maturity (savings certificates or spaarbewijzen as defined in the Dutch Savings Certificates Act or Wet inzake

spaarbewijzen, the “SCA”) have only been or will only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such securities to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such securities if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange's regulated market and admission to the Official List of the UK Listing Authority of the Notes described herein pursuant to the £3,000,000,000 Euro Medium Term Note Programme of Marks and Spencer plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By
Duly authorised

MIKE WALLACE

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market with effect from 6 December 2011
- (ii) Estimate of total expenses related to admission to trading: Not Applicable

2. RATINGS

- Ratings: The Notes to be issued have been rated:
Standard and Poor's Credit Market Services Europe Limited (**S&P**): BBB-
Moody's Investors Service, Ltd. (**Moody's**): Baa3
- Each of S&P and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD (*Fixed Rate Notes Only*)

- Indication of yield: 6.274 per cent.
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

6. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable

7. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0715454079
- (ii) Common Code: 071545407
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

- | | | |
|------|--|--------------------------|
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional
Paying Agent(s) (if any): | Not Applicable |

SCHEDULE

1. PROVISIONS RELATING TO INTEREST

For the purposes of paragraph 15(a) of the Final Terms dated 2 December 2011 (to which this Schedule is attached), the following terms relating to the Rate of Interest for the Notes shall apply:

- (i) The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or Step Down Rating Change, as the case may be.
- (ii) Subject to paragraphs (iv) and (vii) below, from and including the first Interest Payment Date following the date of a Step Up Rating Change, if any, the Rate of Interest payable on the Notes shall be increased by 1.25 per cent. per annum (the **Step Up Margin**).
- (iii) Subject to paragraphs (iv) and (vii) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date following the date of such Step Down Rating Change, the Rate of Interest payable on the Notes shall be decreased by the Step Up Margin back to the Initial Rate of Interest.
- (iv) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period, the Rate of Interest payable on the Notes shall be neither increased nor decreased as a result of either such event.
- (v) The Issuer shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from both Rating Agencies. If, notwithstanding such reasonable efforts, either Rating Agency fails to or ceases to assign a credit rating to the Issuer's senior unsecured long-term debt, the Issuer shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a substitute rating agency that shall be a Statistical Rating Agency, and references in this Schedule to Moody's or S&P, as the case may be, or the credit ratings thereof, shall be to such substitute rating agency or, as the case may be, the equivalent credit ratings thereof.
- (vi) The Issuer will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change giving rise to an adjustment to the Rate of Interest payable on the Notes pursuant to this Schedule to be notified to the Trustee and the Principal Paying Agent and notice thereof to be published in accordance with Condition 14 as soon as reasonably practicable after the occurrence of such Step Up Rating Change or Step Down Rating Change, but in no event later than the fifth London Business Day thereafter.
- (vii) A Step Up Rating Change (if any) and a Step Down Rating Change (if any), may only occur once each during the term of the Notes and shall give rise to an adjustment to the Rate of Interest payable on the Notes.
- (viii) If the rating designations employed by Moody's or S&P are changed from those which are described in these Final Terms, or if a rating is procured from a Statistical Rating Agency, the Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed) the rating designations of Moody's or S&P or such Statistical Rating Agency as are most equivalent to the prior rating designations of Moody's or S&P or such Statistical Rating Agency, as the case may be.

Where:

Moody's means Moody's Investors Service, Ltd., or its successor, established in the European Union and registered under Regulation (EC) No. 1060/2009;

Rating Agency means either Moody's or S&P and **Rating Agencies** means both of them;

S&P means Standard and Poor's Credit Market Services Europe Limited, or its successor, established in the European Union and registered under Regulation (EC) No. 1060/2009;

Statistical Rating Agency means Fitch Ratings Ltd. or its successor or such other rating agency as may be proposed by the Issuer and approved by the Trustee, such approval not to be unreasonably withheld or delayed;

Step Down Rating Change means the first public announcement by both Rating Agencies, after a Step Up Rating Change, that the credit rating of the Issuer's senior unsecured long-term debt is at least Baa3 in the case of Moody's and is at least BBB- in the case of S&P. For the avoidance of doubt, any further increase in the credit rating of the Issuer's senior unsecured long-term debt above Baa3 in the case of Moody's or above BBB- in the case of S&P shall not constitute a Step Down Rating Change; and

Step Up Rating Change means the first public announcement by either Rating Agency or both Rating Agencies of a decrease in the credit rating of the Issuer's senior unsecured long-term debt to below Baa3 in the case of Moody's or below BBB- in the case of S&P. For the avoidance of doubt, any further decrease in the credit rating of the Issuer's senior unsecured long-term debt from below Baa3 in the case of Moody's or from below BBB- in the case of S&P shall not constitute a Step Up Rating Change.

2. PROVISIONS RELATING TO REDEMPTION

In relation to the Final Terms dated 2 December 2011 of which this forms the attached Schedule, Condition 7.4 shall be supplemented by a new Condition 7.4A in the following terms:-

7.4A Redemption at the Option of the Noteholders (Investor Put)

If during the period from, and including, 6 December 2011 to, but excluding, 6 December 2021 there occurs a Restructuring Event and within the Restructuring Period (i) (if at the time that Restructuring Event occurs there are Rated Securities) a Rating Downgrade in respect of that Restructuring Event occurs or (ii) (if at such time there are no Rated Securities), a Negative Rating Event in respect of that Restructuring Event occurs (that Restructuring Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period are together called a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice under Condition 7.2) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its nominal amount (the **Optional Redemption Amount**) together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon, and in any event within 21 days after, the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7.4A.

To exercise the option to require redemption of a Note under this Condition 7.4A, the holder of the Note, if it is in definitive form, must deliver such Note, on any Business Day (as defined below) falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current)

obtainable from the specified office of any Paying Agent (a **Put Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 7.4A.

If the Notes are represented by a Global Note, such option may be exercised by the holder of the Global Note by giving notice to the Agent of the nominal amount of Notes in respect of which the option is exercised and presenting such Global Note for endorsement of exercise within the time limits specified in this Condition 7.4A.

Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note is delivered.

The Definitive Notes should be delivered together with all Coupons appertaining thereto maturing after the date (the **Optional Redemption Date**) seven days after the expiry of the Put Period, failing which the Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 6 against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11) any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specifies a bank account in the Put Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, on or after the Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of Condition 6 and certain other purposes specified in the Trust Deed, receipts issued pursuant to this Condition 7.4A shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to the foregoing provisions of this Condition 7.4A, the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Optional Redemption Date, redeem, at its option, the remaining Notes as a whole at a redemption price of the nominal amount thereof plus interest accrued to but excluding the date of such redemption.

For the purpose of these Conditions:

A **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer (or any Subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more (**Rateable Debt**) from a Rating Agency or (ii) if it does so seek and use such endeavours, it is unable, as a result of such Restructuring Event to obtain such a rating of at least investment grade BBB- (in the case of Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**)), Baa3 (in the case of Moody's Investors Service, Inc. (**Moody's**)) or BBB- (in the case of Fitch Ratings Ltd. (**Fitch Ratings**)), or their respective equivalents for the time being), provided that a Negative Rating Event shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency declining to assign a rating of at least investment grade (as defined above) does not announce or publicly confirm or inform the Trustee in writing at its request that its declining to assign a rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such investment grade rating is declined);

Rated Securities means the Notes so long as they shall have an effective rating from any Rating Agency and otherwise any unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more which is rated by one of the Rating Agencies;

Rating Agency means S&P and its successors or Moody's and its successors or Fitch Ratings and its successors or any other rating agency of equivalent standing specified by the Issuer from time to time and agreed in writing by the Trustee;

A **Rating Downgrade** shall be deemed to have occurred in respect of a Restructuring Event if the current rating whether provided by a Rating Agency at the invitation of the Issuer or by its own volition assigned to the Rated Securities by any Rating Agency (i) is withdrawn and is not within the Restructuring Period replaced by a rating of another Rating Agency at least equivalent to that which was current immediately before the occurrence of the Restructuring Event or (ii) is reduced from an investment grade rating BBB- (in the case of S&P) /Baa3 (in the case of Moody's) /BBB- (in the case of Fitch) (or their respective equivalents for the time being) or better to a non-investment grade rating BB+ (in the case of S&P) /Ba1 (in the case of Moody's) /BB+ (in the case of Fitch) (or their respective equivalents for the time being) or worse; provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

A **Restructuring Event** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 736 of the Companies Act 1985 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, or any person or persons acting on behalf of any such person(s), at any time is/are or become(s) interested (within the meaning of Part VI of the Companies Act 1985) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; and

Restructuring Period means the period ending 90 days after the public announcement of the Restructuring Event having occurred (or such longer period in which the Rated Securities or Rateable Debt, as the case may be, is or are under consideration (announced publicly within the first mentioned period) for rating review or, as the case may be, rating by a Rating Agency).

If the rating designations employed by any of S&P, Moody's or Fitch Ratings are changed from those which are described in paragraph (ii) of the definition of "Negative Rating Event" above, or if a rating is procured from another Rating Agency, the Issuer shall determine, with the agreement of an independent financial advisor, selected by the Issuer and to whom the Trustee does not reasonably object, the rating designations of S&P, Moody's, Fitch Ratings or such other Rating Agency (as appropriate) as one most equivalent to the prior rating designations of S&P, Moody's or Fitch Ratings, and this Condition 7.4A shall be construed accordingly.