

Our key performance indicators

Financial performance

Group revenue

£9,062.1m
+0.4%



£m	05/06	06/07	07/08	08/09
UK	7,275.0	7,977.5	8,309.1	8,164.3
International	522.7	610.6	712.9	897.8
Total	7,797.7	8,588.1	9,022.0	9,062.1

Adjusted Group operating profit*

£768.9m
-29.4%



£m	05/06	06/07	07/08	08/09
UK	790.1	956.5	972.9	652.8
International	65.7	87.5	116.4	116.1
Total	855.8	1,044.0	1,089.3	768.9

Performance against Our Plan

1 Grow our core UK business

UK Market share Clothing and footwear

Analysis: During the year we held our volume market share, but value share was down. See page 26 for full details.

Source: Fashiontrak

Value market share
10.7%

2008/09	10.7%
2007/08	11.0%
2006/07	11.1%
2005/06	10.4%

Volume market share
11.2%

2008/09	11.2%
2007/08	11.2%
2006/07	10.7%
2005/06	10.1%

UK Market share Food

Analysis: Our market share was marginally down reflecting the impact of the downturn, and our position in the market as the UK's premium food retailer. See page 32 for our clear plan for improving our performance in Food.

Source: TNS Worldpanel data.

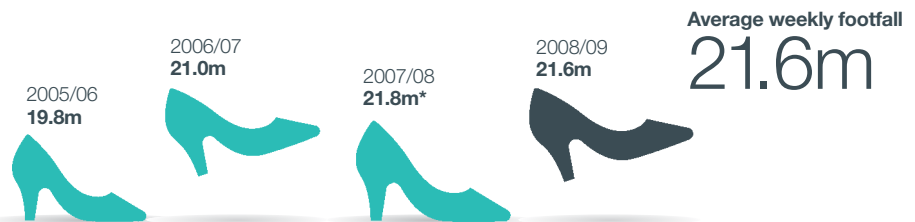
3.9%

2008/09	3.9%
2007/08	4.3%
2006/07	4.2%
2005/06	4.1%

Average weekly UK footfall

Analysis: Approximately half of our UK stores are fitted with entrance cameras that record customer visits. This known footfall is analysed so that we can establish the ratios between the visits and sales, and then apply this to stores without cameras. A total average footfall figure can then be calculated.

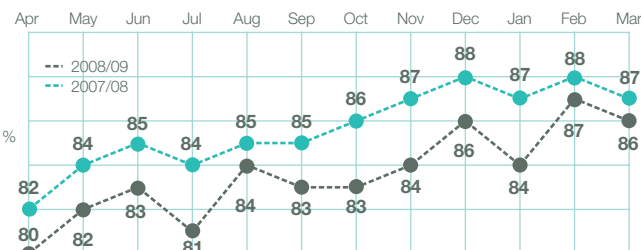
*2007/08 adjusted to 21.8m from 21.4m as a result of more accurate data.



UK mystery shopping programme

Analysis: Each of our stores is anonymously visited once a month – twice in the case of our larger flagship stores – by a mystery shopper who evaluates service quality. In 2008/09 this was the equivalent of approximately 6,326 visits. Scores for each question are validated through an online customer survey.

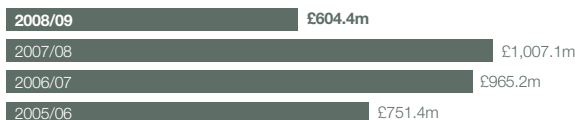
*Reduced average score reflects a review of the mystery shopping programme to further challenge staff with a more robust questioning and scoring system. New areas of focus included the way store staff greeted customers, managed tidiness in-store and guided customers to fitting rooms etc.



Visits completed
6,326
average score **84%***

Adjusted Group profit before tax*

£604.4m
-40.0%



Group gross margin

37.2%

2008/09	37.2%
2007/08	38.6%
2006/07	38.9%
2005/06	38.3%

Adjusted earnings per share*

28.0p

2008/09	28.0p
2007/08	43.6p
2006/07	40.4p
2005/06	31.4p

*The adjusted profit measures are stated before property disposals and exceptional items.

2 Build our M&S Direct business

M&S Direct sales

Analysis: We are building M&S Direct as part of our commitment to become a multi-channel retailer and to reach our target of £500m annual sales by 2010/11.

£324m
+19%

3 Expand our International business

International revenue as proportion of Group revenue

Analysis: We are broadening our revenue base in some of the world's most exciting markets, with a view of our International business contributing between 15% and 20% of Group revenues by 2010/11.

9.9%
+2.0% pts

4 Strengthen our UK property portfolio

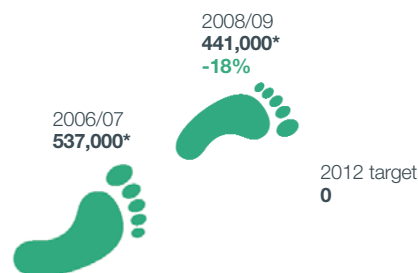
Analysis: We have recently undertaken one of the UK's biggest store investment programmes – modernising and expanding our existing footage, with 80% now complete, and increasing the number of stores we have to 668. Although we will continue to invest in our property portfolio and continue the refurbishment over the next few years, the bulk of capital expenditure in 2009/10 will now be focused on the IT and logistics programmes. We will continue to review our KPI in this area.

5 Integrate Plan A across the business

Become carbon neutral CO₂ emissions tonnes

Analysis: We calculate carbon emissions from our UK and Republic of Ireland stores, offices, warehouses, business travel and logistics so we can monitor our progress towards becoming carbon neutral.

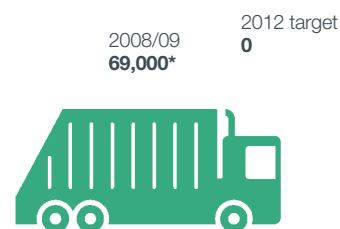
*This year, figures were recalculated using Defra's 2008 conversion factors and benefited from the inclusion of green electricity tariffs.



Send no operational waste sent to landfill tonnes

Analysis: We are aiming to ensure that M&S operations in the UK and Republic of Ireland (stores, offices and warehouses) will send no waste to landfill by 2012.

*The 2008/09 figures have been rebased using a more accurate calculation of store bin weight.



Improve energy efficiency (stores) kWh/sq ft

Analysis: We are monitoring the amount of energy used in our stores with a view of reducing by 25% per square foot of floor space by 2012. Gas usage included in this year's figure has been adjusted using standard degree days, to reflect the cold winter of 2008/09.

