

Andrew Boucher
Tesco Stores Limited
1 Portland Street
Piccadilly
Manchester
M1 3BE

29th November 2007

Dear Mr Boucher,

Re: Kirkby

I refer to your development proposals for Kirkby which I have been discussing with Geoff Phillips of Morgan Williams.

As discussed with Geoff, Kirkby does not currently feature on any of Marks and Spencer's requirement lists for new stores. The town's existing retail provision is value orientated and as such it is not a suitable location for us to invest in.

If M&S are to commit to Kirkby then a significant development will be required in order to transform the trading potential of the town.

Having reviewed your initial development proposals, I can confirm that the proposed size of the scheme and the level of investment intended will deliver a significant step change and attract both new retailers and new shoppers to the town.

Marks and Spencer look forward to working with Tesco to deliver what should be an exciting development for the town and a new store for Marks and Spencer.

Yours Sincerely,



John Handy
Head of Acquisitions – North

Cc: Geoff Phillips – Morgan Williams