

**Date:** Embargoed until 07.00hrs, Tuesday 28 July 2015

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**Photographs:** <http://press.next.co.uk/media/company-images/campaignimages.aspx>

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## Trading Statement

### 28 July 2015

#### SALES FOR THE 26 WEEKS TO 25 JULY 2015

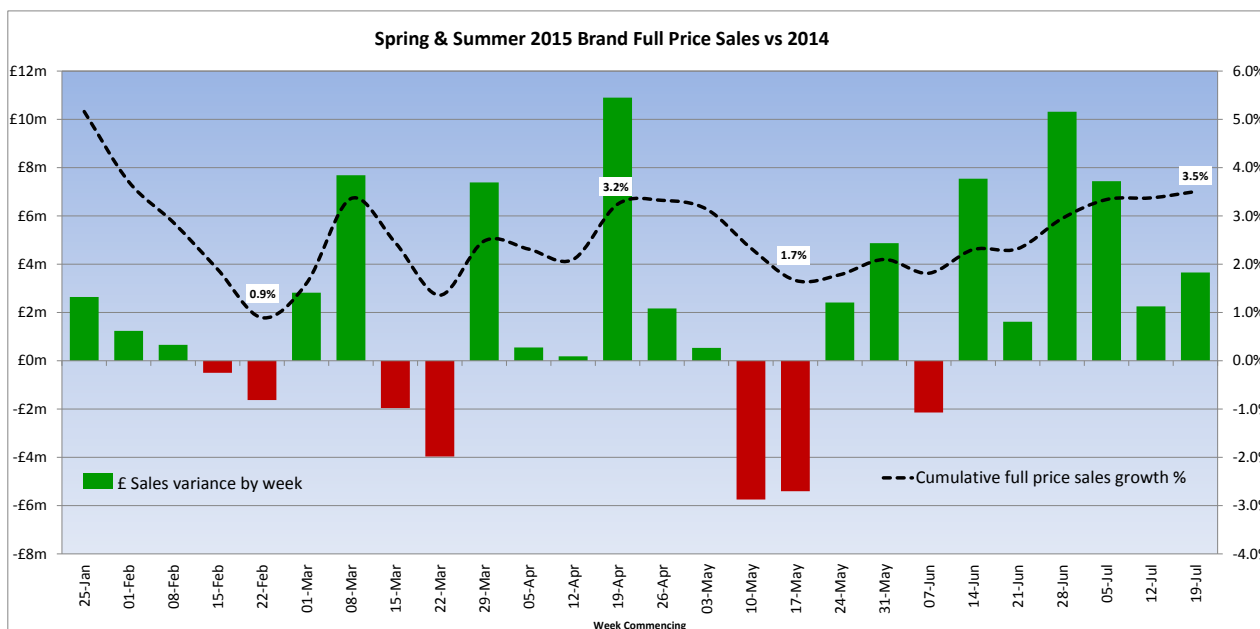
NEXT Brand full price sales for the first half of our financial year were up +3.5%, of which +1.7% came from the opening of profitable new space. Full price sales for NEXT Retail were up +0.8% and NEXT Directory was up +7.5%. Total sales including markdown sales were up +3.3%.

Total stock for the end-of-season Sale was up +4.8% on last year. Clearance rates were lower than last year but in line with our internal forecasts.

The table below sets out full price sales growth for the first half of this year.

26 weeks to 25 July 2015	
Sales (VAT exclusive)	Full price sales
NEXT Retail	+0.8%
NEXT Directory	+7.5%
<b>Total NEXT Brand</b>	<b>+3.5%</b>

Sales were better than expected and marginally ahead of the 0% to +3% guidance range we gave in March. The graph below shows full price sales growth by week and demonstrates the continued volatility of consumer demand. We believe the improvements experienced at the end of the season were mainly driven by warmer weather.



## SALES AND PROFIT GUIDANCE FOR THE FULL YEAR

Our revised sales and profit guidance for the full year is set out in the table below. The mid-point of our full year profit guidance has increased by 1.9% from £810m to £825m. Our full year sales guidance range has been increased and is now +3.5% to +6%. This increase is as a result of the better sales achieved in the first half of the year, we have not made any change to our second half sales forecast. The mid-point of our profit guidance is very close to the current market consensus.

Guidance Estimates	New Guidance		Previous Guidance	
	Lower	Upper	Lower	Upper
Full Year to January 2016 (52 week basis)				
Total full price NEXT Brand sales growth	+3.5%	+6.0%	+1.5%	+5.5%
Group profit before tax	£805m	£845m	£785m	£835m
<b>Group profit before tax growth</b>	<b>+2.9%</b>	<b>+8.0%</b>	<b>+0.4%</b>	<b>+6.7%</b>
Ordinary dividend yield *	+2.1%	+2.1%	+2.1%	+2.1%
Special dividend yield *	+3.3%	+3.3%	+3.3%	+3.3%
<b>Total Shareholder Returns</b>	<b>+8.3%</b>	<b>+13.4%</b>	<b>+5.8%</b>	<b>+12.1%</b>

The guidance is based on 52 weeks for the years ending January 2015 and 2016. The current financial year will actually be the 53 weeks to 30 January 2016. Our interim accounts will be for the comparable 26 weeks to 25 July 2015.

## SPECIAL DIVIDENDS AND SHARE BUYBACKS

During the first half our share price has remained above our buyback price limit of £68.27, so we have not used surplus cash to retire any shares in the period. We intend therefore to pay a further special dividend of 60 pence per share on 2 November 2015 to shareholders registered at close of business on 9 October. Shares will trade ex-dividend from 8 October.

For the year to January 2016, the mid-point of our new profit guidance is £825m. On this basis an 8% Equivalent Rate of Return gives a new upper limit for share buybacks of £69.62.

## CLOSE PERIOD AND INTERIM RESULTS

We are in a close period until release of our Interim Results for the 26 weeks to 25 July, scheduled for Thursday 10 September.

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\* Dividend yield is based on dividends expected to be declared in the current year. Special dividends assume no further share buybacks. Yields are expressed as a percentage of our average share price during the first month of this financial year, which was £72.33.