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

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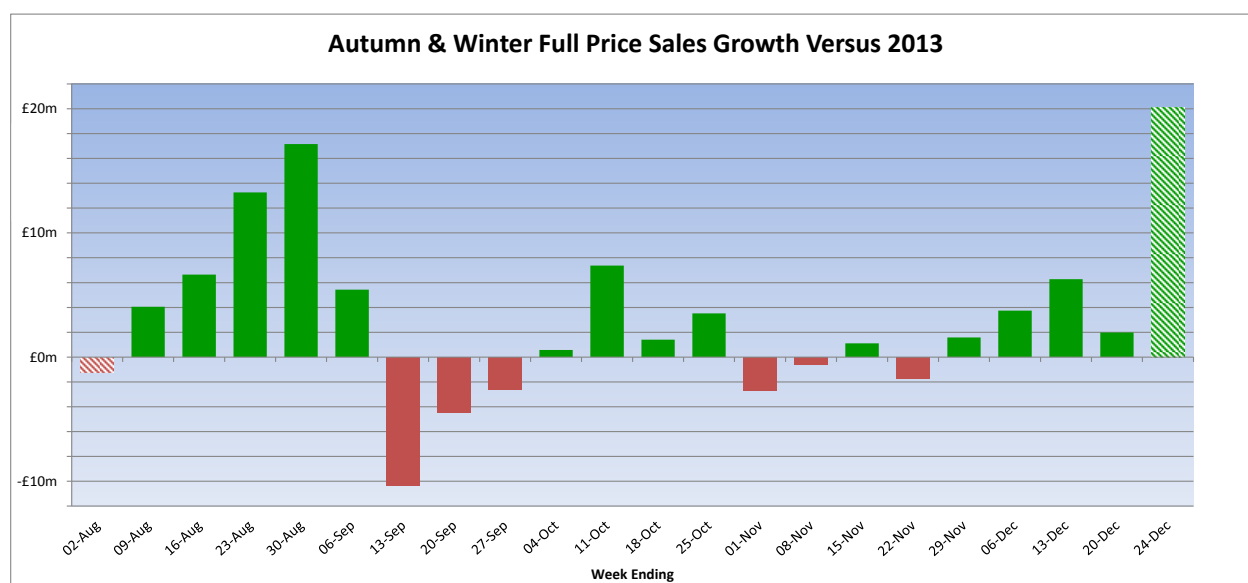
December 2014 Trading Statement

Sales Performance to 24 December 2014

Full Price Sales in the 58 days from Tuesday 28 October to Wednesday 24 December were up 2.9%, towards the upper end of the fourth quarter sales guidance range we issued in our October Statement. Total sales for the year to 24 December are up 7.7%.

Sales (Vat ex)	28 October to 24 December	Year to date
NEXT Retail	+0.5%	+4.6%
NEXT Directory	+7.5%	+12.9%
NEXT Brand Total	+2.9%	+7.7%
Of which net sales from new space		+2.2%

The graph below shows full price sales growth by week. The last and first weeks on the chart are distorted by the fact that Christmas fell a day later this year, on a Thursday. So week commencing 21 December benefits from an extra day and to compensate we have excluded the first day from week commencing 27 July.



Profit and EPS Guidance for the Full Year to 24 January 2015

As expected, we went into the End of Season Sale with significantly more stock than last year. Clearance rates, so far, have been in line with our expectations and we now expect full year profits to be within £10m either side of £775m, which is £5m ahead of the midpoint profit guidance we issued in October.

Full Year Estimates Year to January 2015	Central Guidance
Profit before tax	£775m
Profit before tax growth on last year	+11.5%
Earnings per share growth (vs last year 366.1p)	+13.5%

Outlook for the Year Ahead

The economic outlook for the UK consumer looks relatively benign. Low inflation, an end to real wage decline, healthy credit markets and strong employment all paint a somewhat more positive picture than recent years.

However we remain very cautious in our sales budgets for the year ahead. In Spring and Summer the Company will face very tough comparative numbers. As we pointed out in our September Interim Announcement, during the first half of 2014 sales were significantly assisted by unusually warm weather. There is potential upside in the second half as our sales comparisons weaken, although uncertainty in the UK political outlook and turbulence in the international economy present potential downside risks.

We are currently budgeting for Full Price sales growth in 2015/16 to be between +2.5% and +7.5%, with the first half expected to perform at the lower end of the range. Profits are expected to grow in line with sales.

Share Buybacks and Special Dividends

In the year to date we have purchased 2.2m shares at a cost of £138m. In addition we have paid three special dividends, each of 50p and £223m in total. We have therefore returned £361m of surplus cash to shareholders this year in addition to ordinary dividends. We expect net debt at the end of January will be in the region of £550m compared with £517m last January.

We have not bought any shares for cancellation since 16 October, as our share price has generally traded above our £64.25 upper limit for buybacks. The Board has therefore decided to declare a further special dividend of 50p per share. This will be paid on 2 February 2015 with an ex-dividend date of 15 January to shareholders on the register at 16 January.

Taking the bottom end of the sales and profit guidance for the year to January 2016 (given above), a 2.5% growth in profit would result in profit of £795m next year. Using an 8% Equivalent Rate of Return this level of profit gives a buyback share price limit of £67.00. Our March statement will include more detailed sales and profit ranges for the year to January 2016 and we will then recalculate our buyback price limit.

Our results for the full year to January 2015 are scheduled to be announced on Thursday 19 March 2015.

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