

Trading Statement – 4 May 2017

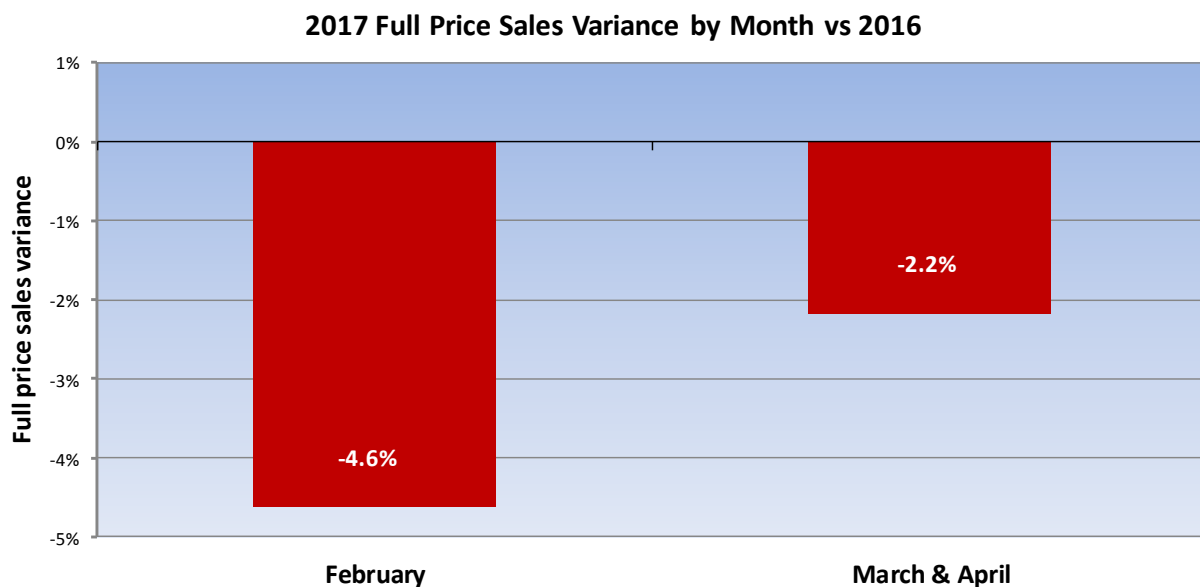
FIRST QUARTER SALES PERFORMANCE TO 29 APRIL 2017

At our full year results announcement in March we said that we expected full price sales in the first quarter to be towards the lower end of our full year guidance range of +2.5% to -3.5%. In line with this guidance, full price sales for the thirteen weeks to Saturday 29 April were down -3.0%. Total sales, including markdown sales, were down -2.5%.

The table below sets out full price sales growth for Retail and Directory.

Full Price Sales (VAT exclusive)	Full Price
NEXT Retail	- 8.1%
NEXT Directory	+3.3%
NEXT Total	- 3.0%
<i>Of which sales from new space</i>	<i>1.6%</i>

The chart below sets out the full price sales variance to last year by month, with March and April added together to account for the change in the timing of Easter (last year Easter fell in March, this year it was in April). The combined performance of March and April is better than February, which we believe has been assisted by the later, warmer Easter.



FULL PRICE SALES AND PROFIT GUIDANCE FOR THE YEAR AHEAD

The UK consumer environment remains challenging, particularly in the clothing and homeware markets, and real wage growth is now close to zero.

In our full year results announcement in March we talked about omissions in some of our product ranges. We said that we expected some improvements from May onwards, but that our ranges would not be where we wanted them to be until the Autumn season in September. We still believe this to be the case.

With the first quarter of the year complete, we are now able to narrow our profit guidance range. We have maintained the lower end of the range and reduced the upper end. Our new guidance ranges are set out in the table below alongside the ranges we gave in March.

Full Year Estimate Year to January 2018	New Guidance		Previous Guidance	
	Lower	Upper	Lower	Upper
Total full price sales vs 2016/17 (inc currency gain)	- 3.5%	+0.5%	- 3.5%	+2.5%
Group profit before tax	£680m	£740m	£680m	£780m
Change in profit before tax versus 2016/17	- 13.9%	- 6.4%	- 13.9%	- 1.3%

CASH FLOW AND RETURNS TO SHAREHOLDERS

Our cash flow remains strong and at the lower end of our guidance range, we expect to generate £255m of surplus cash after deducting interest, tax, capital expenditure and ordinary dividends in the current year. In our January 2017 trading statement we advised that we intended to distribute this surplus cash to shareholders by way of four quarterly special dividends of 45p each. We paid our first special dividend of 45p per share on 2 May. The Board has decided to declare a second special dividend of 45p per share to be paid on 1 August 2017 to shareholders registered at the close of business on 7 July 2017. Shares will trade ex-dividend from 6 July 2017.

NEXT TRADING STATEMENT

Our next sales update will cover the first 26 weeks of the year, to 29 July 2017, and is provisionally scheduled for Thursday 3 August 2017.

Forward Looking Statements

Certain statements in this Trading Update are forward looking statements. These statements may contain the words “anticipate”, “believe”, “intend”, “aim”, “expects”, “will”, or words of similar meaning. By their nature, forward looking statements involve risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. As such, undue reliance should not be placed on forward looking statements. Except as required by applicable law or regulation, NEXT plc disclaims any obligation or undertaking to update these statements to reflect events occurring after the date these statements were published.