

next plc

Trading Statement – 4 May 2016

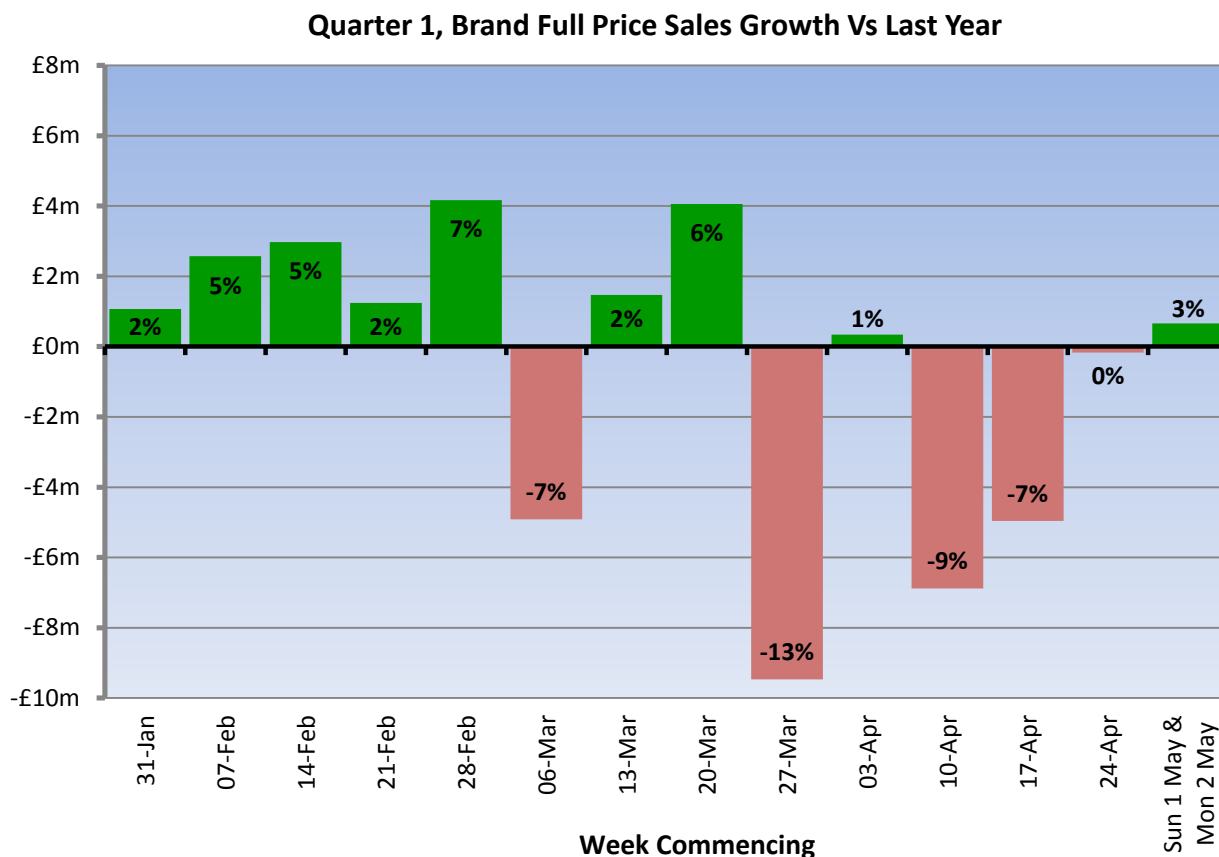
SALES PERFORMANCE TO 2 MAY 2016

Total Sales for the period from 31 January to Monday 2 May were down -0.2% with full price sales down -0.9%, which is at the lower end of our sales guidance for the full year of -1.0% to +4.0%.

The table below sets out full price sales growth by division. Directory's performance, which had suffered towards the back end of last year, improved relative to our retail stores, mainly as a result of better stock availability.

Sales (Vat exclusive)	Full Price
NEXT Retail	- 4.7%
NEXT Directory	+4.2%
NEXT Brand Total	- 0.9%
<i>Of which sales from new space</i>	<i>+1.6%</i>

The graph below sets out the full price sales variance to last year by week.



This year Good Friday fell on 25 March which was one week earlier than last year. This accounts for the large swing in performance between weeks commencing 20 March and 27 March.

FULL PRICE SALES AND PROFIT GUIDANCE FOR THE YEAR

Much colder weather in March and April reduced demand for clothing, particularly over the Easter holiday period, which was unusually warm last year. In the same period our Home and furniture full price sales, which are much less weather dependant, were up +7%.

We believe it is unlikely (but possible) that sales will deteriorate further, and we have seen a significant improvement over the last few days as temperatures have risen. However, the poor performance of the last six weeks may be indicative of weaker underlying demand for clothing and a potentially wider slow-down in consumer spending. Given this uncertainty, we think it is prudent to widen and lower our full price sales guidance range to -3.5% to +3.5%. The lower end of this range is based on sales for the rest of the year continuing to run at the rate of the last six weeks.

The table below sets out our latest guidance range for sales and profits for the full year.

Guidance Estimates Full Year to January 2017 (52 v 52 week basis)	New Guidance	
	Lower	Upper
Total full price NEXT Brand sales v LY	- 3.5%	+3.5%
Group profit before tax	£748m	£852m
Group profit before tax v LY	- 8.9%	+3.7%
Earnings per share v LY¹	- 6.6%	+6.4%

CASHFLOW, SHARE BUYBACKS AND SPECIAL DIVIDENDS

Our cash flow remains strong and we still expect to generate £350m of surplus cash after deducting interest, tax, capital expenditure and ordinary dividends in the current year. Of the £350m, we have returned to shareholders through share buybacks £181m (including £151m at the end of the last financial year) and we paid a special dividend in February which amounted to £88m.

NEXT TRADING STATEMENT

Our next sales update will cover the first 26 weeks of the year, to 30 July 2016, and is provisionally scheduled for Wednesday 3 August 2016.

END

¹ The EPS calculation assumes further share buybacks with the remaining £80m of surplus cash