



next

NEXT PLC RESULTS

YEAR ENDED
JANUARY 2008

Income Statement

next

| £m | 2008 | 2007 | |
|-------------------|----------------|----------------|------|
| Revenue | <u>3,329.1</u> | <u>3,283.8</u> | 1.4% |
| Operating profit | 537.1 | 507.5 | 5.8% |
| Interest | <u>(39.0)</u> | <u>(29.1)</u> | |
| Profit before tax | 498.1 | 478.4 | 4.1% |
| Taxation | <u>(144.2)</u> | <u>(146.9)</u> | |
| Profit after tax | <u>353.9</u> | <u>331.5</u> | |
| EPS | 168.7 | 146.1 | |

Income Statement

next

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| Operating profit | 537.1 | 507.5 |
| Interest | | |
| Profit before tax | Tax rate 28.9% | Tax rate 30.7% |
| Taxation | <u>(144.2)</u> | <u>(146.9)</u> |
| Profit after tax | <u>353.9</u> | <u>331.5</u> |
| EPS | 168.7 | 146.1 |

Income Statement

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| EPS | 168.7 | 146.1 | 15.5% |

Balance Sheet

next

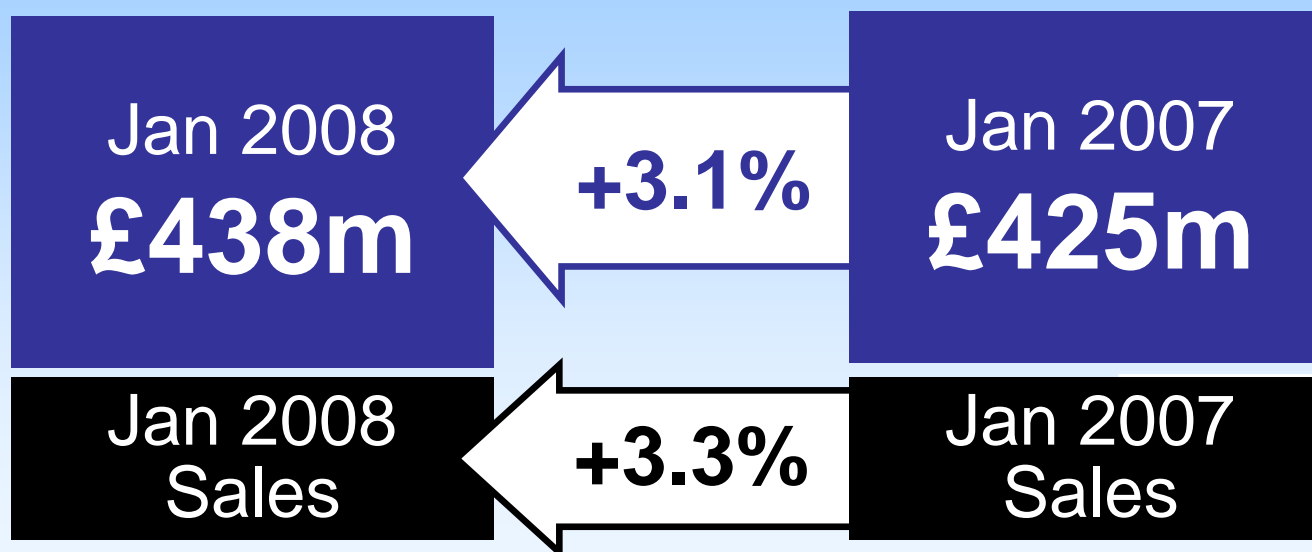
| £m | 2008 | 2007 | |
|--------------------------|-------------|------------|-----|
| Fixed assets | 615 | 548 | |
| Goodwill | 36 | 36 | |
| Stocks | 319 | 282 | 13% |
| Debtors | 605 | 581 | 4% |
| Creditors | (814) | (767) | |
| Pension fund deficit | (46) | (47) | |
| Contingent buybacks | (54) | 0 | |
| Net borrowings | (740) | (444) | |
| Net (liabilities)/assets | <u>(79)</u> | <u>189</u> | |

Balance Sheet

next

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|--------------|------|------|----|
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Directory Debtors



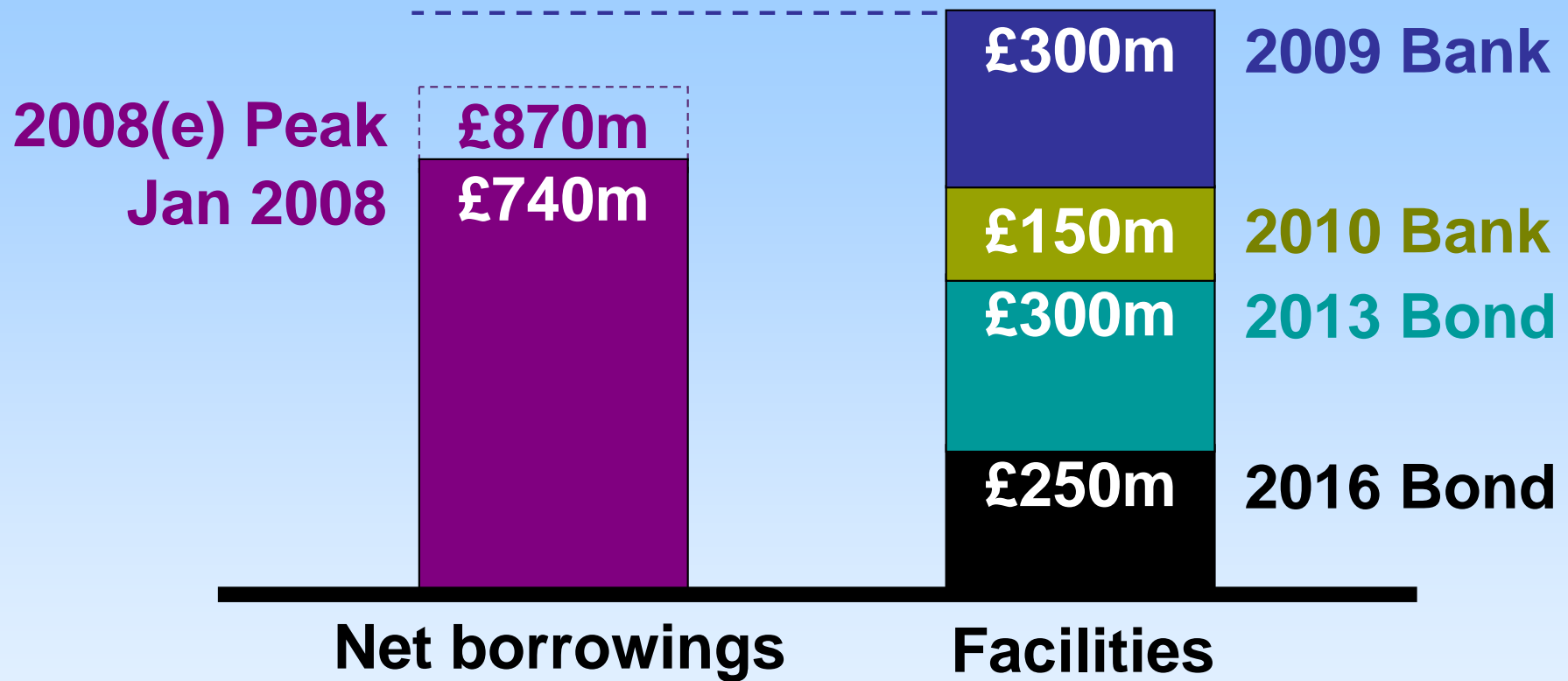
Balance Sheet

next

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| Goodwill | 36 | 36 | |
| Stocks | 319 | 282 | |
| Debtors | 605 | 581 | |
| Creditors | (814) | (767) | 6% |
| | | | |
| | Capital contributions | (32) | |
| | Tax | (36) | |
| | FX derivatives | 22 | |
| | Other | (1) | |
| | | <u>(814)</u> | |

Balance Sheet

next



Cash Flow

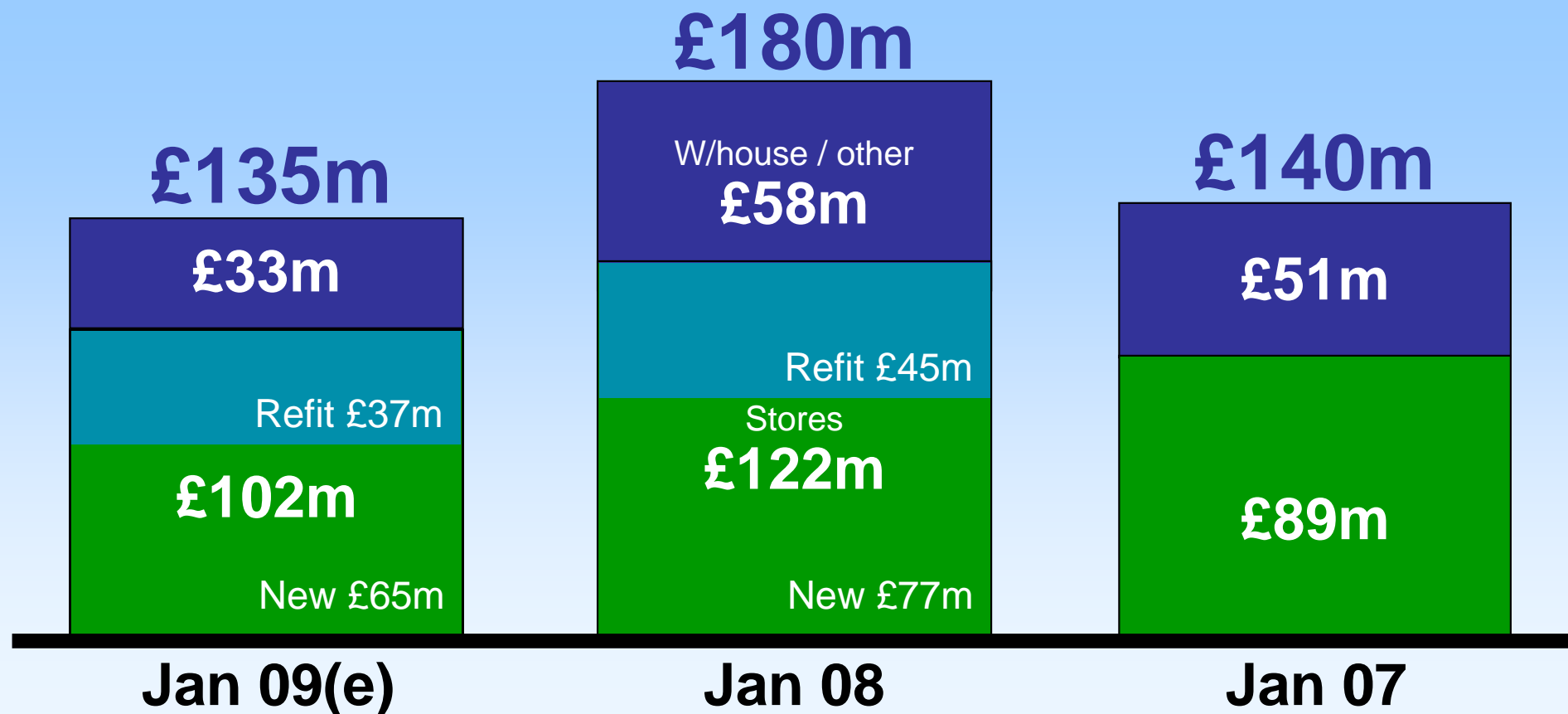
next

| £m | 2008 | 2007 |
|---------------------------------|--------------|-------|
| Profit before tax | 498 | 478 |
| Depreciation / Disposals | 114 | 109 |
| Capital expenditure | (180) | (140) |
| Working capital / Other | 13 | 8 |
| Dividends paid | (109) | (104) |
| Tax paid | (119) | (114) |
| Share buybacks | (513) | (316) |
| Net cash flow | (296) | (79) |

Cash Flow

next

| £m | 2008 | 2007 |
|--------------------------|-------|-------|
| Profit before tax | 498 | 478 |
| Depreciation / Disposals | 114 | 109 |
| Capital expenditure | (180) | (140) |



Cash Flow

next

| £m | 2008 | 2007 |
|--------------------------|--------------|-------------|
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| Capital expenditure | (180) | (140) |
| Working capital / Other | 13 | 8 |
| Dividends paid | (109) | (104) |
| Tax paid | (119) | (114) |
| Share buybacks | (513) | 0 |
| | 0 | (316) |
| Net cash flow | <u>(296)</u> | <u>(79)</u> |
| Operational cash flow | 217 | 237 |

Share buybacks

next

| | Shares m | | £m |
|--------------------------|--------------|--|-----|
| Shares January 2007 | 227.0 | | |
| Purchased Year to Jan 08 | (26.0) 11.5% | | 514 |
| Shares January 2008 | 201.0 | | |
| Committed (contingent) | (3.9) 1.7% | | 54 |
| Reduced Share Capital | 197.1 13.2% | | 568 |

10 yrs: 174m shares @ £11.25 = 46%

Total EPS enhancement ~ 45%

next

DIVISIONAL PERFORMANCE

YEAR ENDED JANUARY 2008

next

Retail



Retail : Sales Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

2,255.1

2,255.0

0.0%

Operating profit

319.9

316.6

+ 1.0%

% to revenue

14.2%

14.0%

Retail Sales Analysis

- Net sales from new space + 3.8%
- Underlying mainline LFL - 3.2%
- Next Clearance impact - 0.6%

Total Sales

0.0%



Retail : Sales Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

2,255.1

2,255.0

0.0%

Operating profit

319.9

316.6

+ 1.0%

% to revenue

14.2%

14.0%

▪ Next Clearance impact

- 0.6%

Average Stock

-19%

LFL sales

-15%



Retail : Profit Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

2,255.1

2,255.0

0.0%

Operating profit

319.9

316.6

+ 1.0%

% to revenue

14.2%

14.0%

Retail Margin Movement

| | |
|-------------------------|--------|
| ▪ Achieved gross margin | + 1.8% |
| Bought in margin | + 1.4% |
| VAT provision release | + 0.2% |
| Fabric stock provision | + 0.2% |
| Markdowns | 0.0% |



Retail : Profit Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

2,255.1

2,255.0

0.0%

Operating profit

319.9

316.6

+ 1.0%

% to revenue

14.2%

14.0%

Retail Margin Movement

- Achieved gross margin + 1.8%
- Branch payroll - 0.2%
- Occupancy - 1.0%
- Warehouse & distribution 0.0%
- Marketing - 0.4%



Retail : Space Expansion

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

| | Stores | Sq Ft (000's) | |
|---------------|--------|---------------|--------|
| January 2007 | 480 | 4,823 | |
| New | 30 | 295 | |
| Re-sites (13) | | 126 | |
| Closed | (8) | (43) | |
| January 2008 | 502 | 5,201 | + 7.8% |

Forecast

- Net Branch Contribution 16.5%
- Payback 18.6 months
- Sales vs Target - 2.1%
- New Space for 2008 400k Sq Ft



Retail : Space Expansion

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER



Home Standalone Stores

- Opened 3 stores
- Successful out of town
- At least 5 new stores in 2008

next
HOME



next

Directory

next

SUMMER 2008

Directory : Sales Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

| £m | 2008 | 2007 | |
|------------------|-------|-------|---------|
| Revenue | 799.8 | 774.5 | + 3.3% |
| Operating profit | 164.4 | 143.9 | + 14.3% |
| % to revenue | 20.6% | 18.6% | |

| Sales Drivers | 2008 | 2007 | |
|--------------------|-------|-------|---------|
| ▪ Active customers | 2.16m | 2.13m | + 1.2% |
| ▪ Printed pages | 3,652 | 3,136 | + 16.5% |



Directory : New Product Areas

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

799.8

774.5

+ 3.3%

Operating profit

164.4

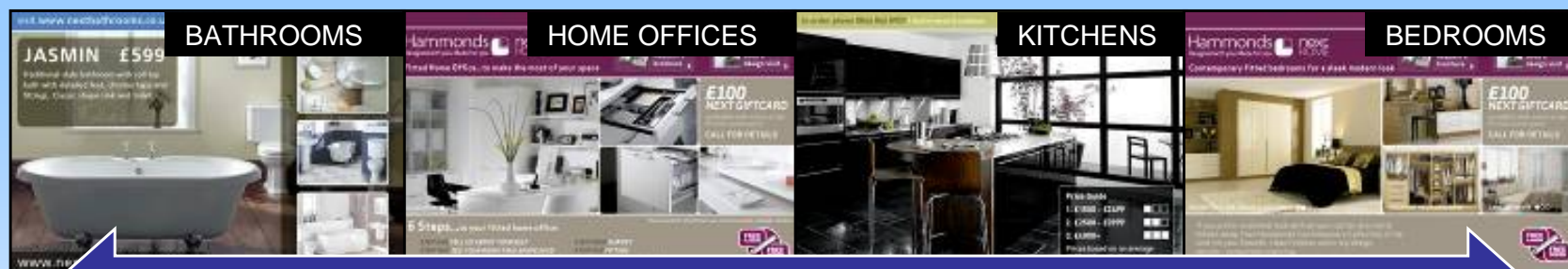
143.9

+ 14.3%

% to revenue

20.6%

18.6%



Next branded : bathroom to bedroom



Directory : New Product Areas

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

799.8

774.5

+ 3.3%

Operating profit

164.4

143.9

+ 14.3%

% to revenue

20.6%

18.6%

Non Next : laptops to lawnmowers



Directory : Profit Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

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|------------------|-------|-------|---------|
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| Operating profit | 164.4 | 143.9 | + 14.3% |
| % to revenue | 20.6% | 18.6% | |

Directory Margin Movement

| | |
|-------------------------|--------|
| ▪ Achieved gross margin | + 0.1% |
| Bought in margin | + 0.8% |
| Markdowns | - 0.5% |
| Provision | - 0.2% |



Directory : Profit Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

| £m | 2008 | 2007 | |
|------------------|-------|-------|---------|
| Revenue | 799.8 | 774.5 | + 3.3% |
| Operating profit | 164.4 | 143.9 | + 14.3% |
| % to revenue | 20.6% | 18.6% | |

Directory Margin Movement

- Achieved gross margin + 0.1%
- Service charge + 0.4%
- Bad debt + 2.7%
- Central Overheads - 1.2%



Directory : Profit Analysis

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

| £m | 2008 | 2007 | |
|------------------|-------|-------|---------|
| Revenue | 799.8 | 774.5 | + 3.3% |
| Operating profit | 164.4 | 143.9 | + 14.3% |
| % to revenue | 20.6% | 18.6% | |

Central Overheads - 1.2%

- Warehouse & distribution + 0.7%
- Book creation - 0.5%
- Other - 0.2%
- Marketing - 1.2%



International

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

54.1

49.8

+ 8.6%

Operating profit

7.1

6.0

+ 18.2%

% to revenue

13.2%

12.1%

▪ Franchise partner sales + 17.1%

International : Franchise

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

| | 2009(e) | 2008 | 2007 |
|--------------|------------|------------|------------|
| Europe* | 46 | 41 | 28 |
| Middle East | 65 | 54 | 52 |
| Far East | 55 | 49 | 40 |
| Total | 166 | 144 | 120 |

* Excluding Scandinavia, Czech Republic, Hungary, Slovakia

▪ **Royalty** **70%**

▪ **Cost Plus** **30%**

**Low
Risk**

**No
Capital**

**Low
Margin**

International : 100% Owned

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER



| | 2009(e) | 2008 | 2007 |
|-----------------------|---------|------|------|
| Scandinavia | 3 | 1 | 1 |
| Czech R/Hungary/Slov. | 16 | 12 | 9 |

Turnover
£12.5m

Purchase
price
£4.2m

Inc.
Cash flow
£1.3m

Payback
3.2 yrs

Based on last year actuals at current exchange rate

International : 100% Owned

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER



**Directory in
Spain and
Eire**

International : Joint Venture

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

| | 2009(e) | 2008 | 2007 |
|-------|---------|------|------|
| China | 5 | 1 | 0 |

- **75% Next ownership**
- **2 stores currently – Shanghai and Beijing**



International

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER



| | 2009(e) | 2008 | 2007 |
|-----------------------|------------|------------|------------|
| Franchise | | | |
| Europe | 46 | 41 | 28 |
| Middle East | 65 | 54 | 52 |
| Far East | 55 | 49 | 40 |
| Wholly Owned | | | |
| Scandinavia | 3 | 1 | 1 |
| Czech R/Hungary/Slov. | 16 | 12 | 9 |
| Joint Venture | | | |
| China | 5 | 1 | 0 |
| TOTAL | 190 | 158 | 130 |

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Total revenue

619.9

603.6

+ 2.7%

Operating profit

32.8

31.8

+ 3.3%

- Provides 55% of Brand purchases
- Profit 2008/9(e) circa £31m



RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Revenue

203.7

190.9

+ 6.7%

Operating profit

21.5

20.6

+ 4.3%

% to revenue

10.6%

10.8%



- Renegotiated a major contract
- Anticipate volume reductions
- Profit 2008/9(e) circa £16m

Ventura Network Distribution

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

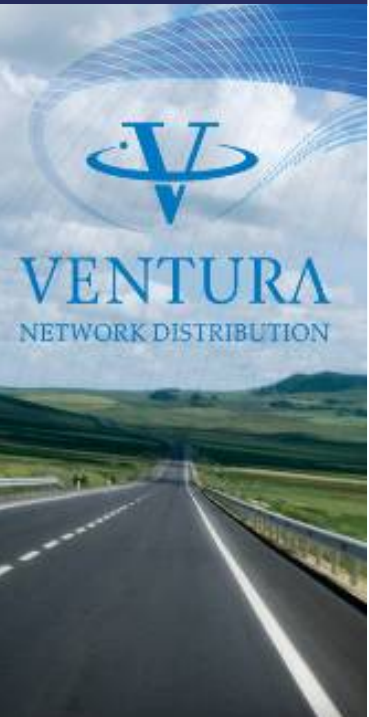
2007

Revenue

£3.4

-

- Warehousing and distribution services
- 3 existing clients
- 6 potential clients in 2008/9



Other

next

RETAIL

DIRECTORY

INT'L

SOURCING

VENTURA

OTHER

£m

2008

2007

Property

3.9

5.5

Associates

1.2

1.4

Pensions

(0.3)

(0.8)

Other

(6.9)

(7.2)

Total

(2.1)

(1.1)



OUTLOOK

Increasing Pressure on The Consumer

Source: The Times Newspaper, 10 March 2008

| Annual household expenditure | 2007 | 2008 | £ Increase | % Increase |
|------------------------------|----------------|----------------|---------------|------------|
| Unleaded petrol | £1,080 | £1,272 | £192 | 18% |
| Energy | £912 | £1,026 | £114 | 13% |
| Food | £2,856 | £3,180 | £324 | 11% |
| Property (mortgages) | £11,284 | £12,304 | £1,020 | 9% |
| Car insurance | £594 | £629 | £35 | 6% |
| Water | £312 | £330 | £18 | 6% |
| Public transport | £221 | £232 | £11 | 5% |
| Council tax | £1,321 | £1,380 | £59 | 4% |
| TOTAL | £18,580 | £20,353 | £1,773 | 9% |
| Avg. monthly expenditure | £1,548 | £1,696 | £148 | 9% |

Not expecting significant rate cuts

ABC1 25-45 likely to be worst hit

Next Retail LFL Expectations - 4% to - 7%

SS07 : A Season of Two Halves



Weeks
1 to 13



Weeks
14 to 26

Retail Total Sales

+ 3.0%

- 3.2%

Full Price Mainline LFL

- 1.3%

- 6.6%

Directory

+ 5.5%

+ 0.5%

SS07 : A Season of Two Halves



Full Season Weeks
1 to 26

Retail Total Sales

- 0.4%

Full Price Mainline LFL

- 3.8%

Directory

+ 3.1%

Full Year Net Cash Flow Sensitivities

Scenario 1
'Likely'

RETAIL LFL
- 5%

DIRECTORY
+ 2%

CASH FLOW
+£105m

Gross
CASH FLOW
+£159m

Scenario 2
'Possible'

RETAIL LFL
- 7.5%

DIRECTORY
0%

CASH FLOW
+£72m

Gross
CASH FLOW
+£126m

Scenario 3
'Unlikely'

RETAIL LFL
- 10%

DIRECTORY
- 2%

CASH FLOW
+£38m

Gross
CASH FLOW
+£92m

next

OUR FOCUS

A Plan for Tough Times

A Plan for Tough Times

next

Realistic Budgets

Surplus Stock Control

Cost Control

Investing in the Brand

Realistic Budgets

SS08

- 4% to - 7%

A Plan for Tough Times

next

Realistic Budgets

Surplus Stock Control

SS08 v LY - £50m

A Plan for Tough Times

next

Realistic Budgets

Surplus Stock Control

Cost Control

THREATS

- Rent
- Rates
- Depreciation (-ve LFL)
- Logistics overheads
- Book creation

OPPORTUNITIES

- Surplus control
- Gross margin
- Bad debt
- Retail marketing

A Plan for Tough Times

next

Realistic Budgets

Surplus Stock Control

Cost Control

Investing in the Brand

next



**EXCITING
BEAUTIFULLY
DESIGNED
EXCELLENT
QUALITY**

**CLOTHING AND HOMEWARE;
PRESENTED IN COLLECTIONS
THAT REFLECT THE ASPIRATIONS
AND MEANS OF OUR CUSTOMERS**

next

next



Product



Marketing



Shopfit

What did we say this time last year?

next

quality

Revitalising Next
Product teams focusing...

- Less on price, more on **quality**
- Less on history, more on **newness**

- Attention to **detail**



- Beautiful **fabrics**



- Great **colours**



- Wonderful **fit**



Average Selling Prices v Previous Year

next

| Clothing | AW07 | SS08* |
|------------------|------------|------------|
| Womens | +5% | +7% |
| Mens | +5% | +3% |
| Childrens | +4% | +5% |

* To end February 2008



Signature

next

% of Total Womenswear Range

AW07

3%

SS08

3%

AW08

6%

NO LFL PRICE INCREASES

VIGILANCE NEEDED



Product Team Focus

next



08



07



next



Product



Marketing



Shopfit

Marketing Spend 2009 vs 2008

next



Press

LEVEL

Outdoor

DOWN

Windows

LEVEL

Instore

LEVEL

TV

LEVEL

next



Product



Marketing



Shopfit

Shopfit

DERBY

next



Shopfit reflects the aspiration of the brand

Shopfit

next

DERBY



Shopfit

DERBY

next



Shopfit

DERBY

next



Shopfit

SHEFFIELD

next



Shopfit now supports the Brand

Viewed as a maintenance cost

Lesson – Speed & Scope

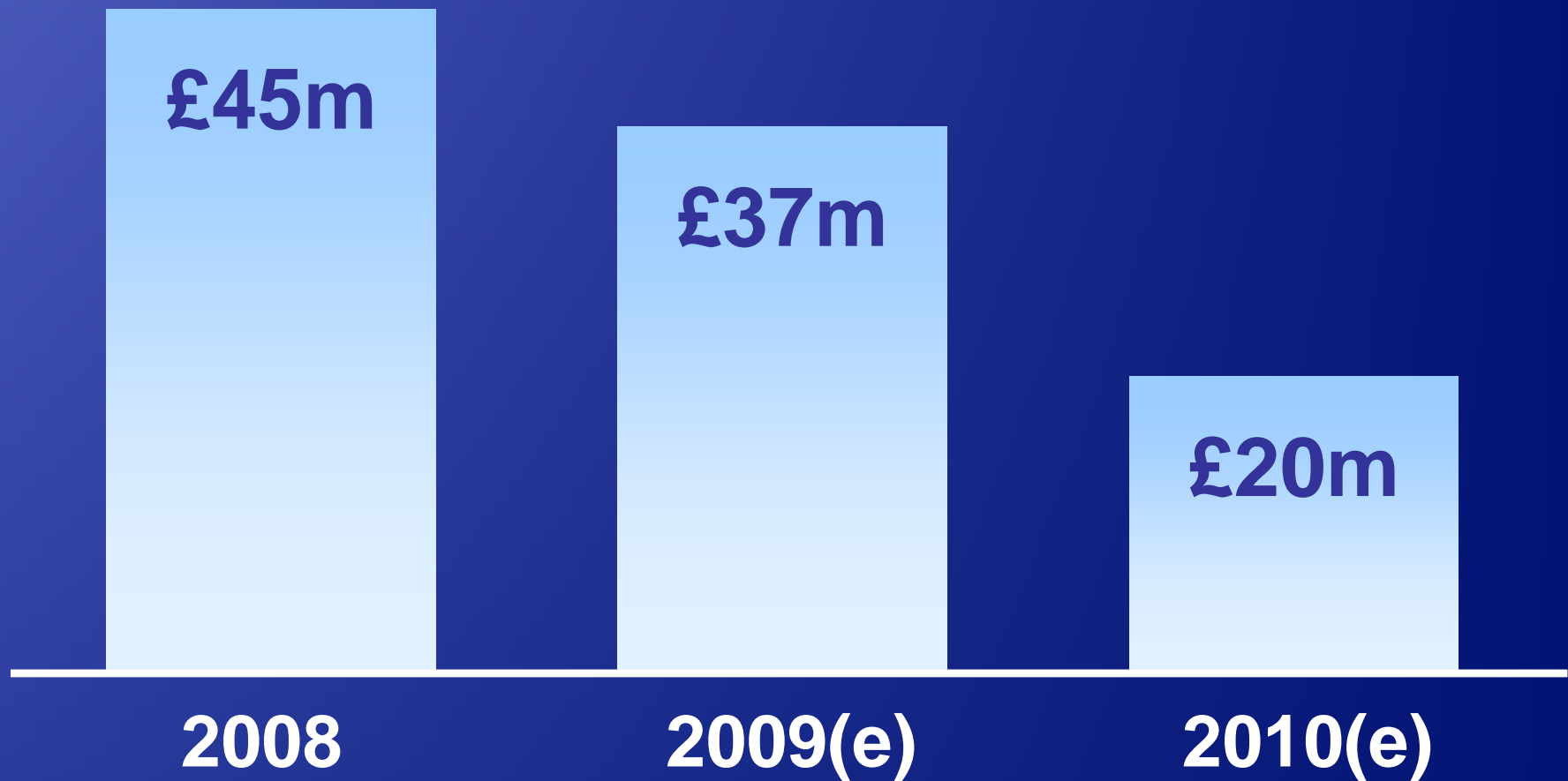
| | Average time to refit | Average cost of refit |
|-------------|--------------------------|--------------------------|
| Major Refit | 13 weeks | £65 /sq.ft. |
| Mini Refit | 7 weeks | £22 /sq.ft. |

Shopfit : Rollout

next

| Sq Ft '000 | New | Refits | Redec' | Total |
|----------------|-------|--------|--------|-------|
| 2008 Actual | 500 | 600 | 800 | 1,900 |
| 2009(e) | 500 | 1,000 | 600 | 2,100 |
| Total | 1,000 | 1,600 | 1,400 | 4,000 |
| % of portfolio | 18% | 29% | 19% | 66% |
| % of turnover | 16% | 32% | 24% | 72% |

Reducing Refit Spend



In summary...

next

A good year ... profit up 5.8%

EPS up 15.5%

Outlook remains tough

Next is financially robust

Continue to invest in the Brand

