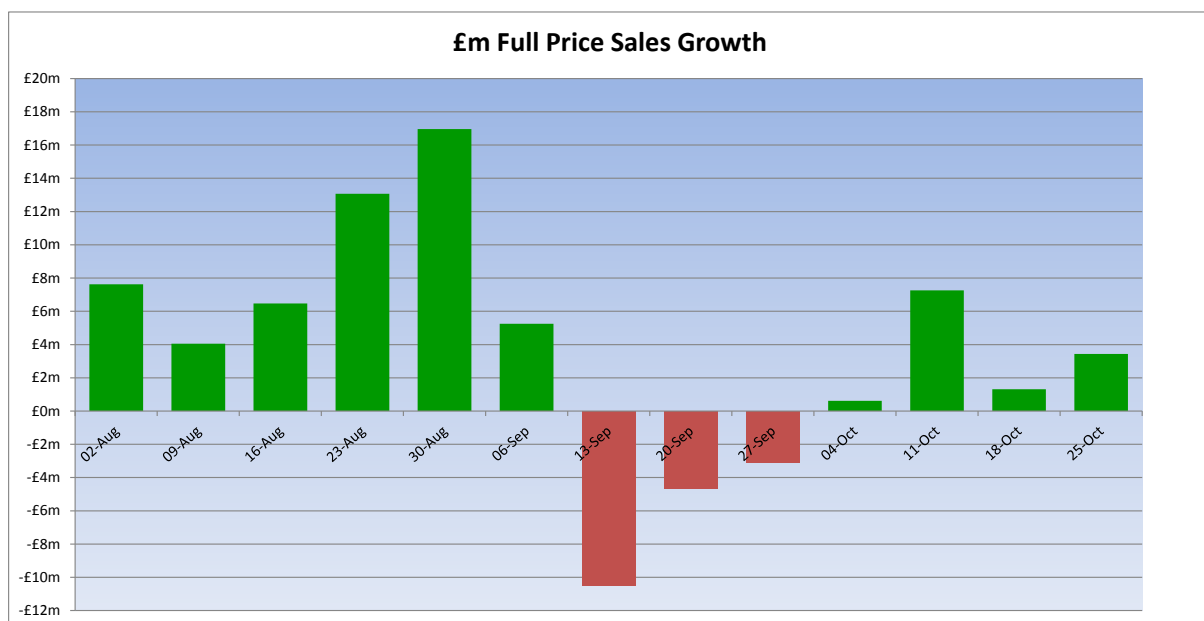


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Interim Management Statement 29 October 2014

Sales for the Third Quarter to 25 October 2014

On 30 September NEXT advised that we would reduce our sales and profit expectations if colder weather did not materialise during October. In the event October remained unseasonably warm and sales for the third quarter were up 5.4%, which compares to our original expectation of +10%. The graph below shows full price sales growth by week for the quarter. Whilst a cool August meant that the season started well, this was more than offset by much weaker sales in September and October.



The table below sets out our performance for the third quarter and year to date.

Sales Growth (VAT ex)	Third quarter	Year to date
Next Retail	2.4%	5.8%
Next Directory	9.7%	13.7%
Total	5.4%	8.8%
<i>Of which sales from new space</i>	<i>1.9%</i>	<i>2.2%</i>

Sales and Profit Guidance for the Full Year

Given the volatility of current trading and the very strong fourth quarter performance last year, we have moderated our expectations for the fourth quarter this year. We are now budgeting for full price sales in the final quarter to be within a range of -2% to +4%, with our central profit forecast for the year based on final quarter sales of +1%. This compares to our initial fourth quarter expectation of +4% and implies that full year total sales will now be in a range of +6% to +8% (previously +7% to +10%).

We have reduced our central profit guidance by 3% to £770m (previously £795m). Our new profit range is £750m to £790m, which would represent an increase over last year of between +8% and +14%. The table below sets out our latest full year guidance for sales, profit and earnings per share growth.

New Guidance Estimates Full Year to January 2015	Lower end	Upper end
Retail & Directory sales growth	+6%	+8%
Profit before tax	£750m	£790m
Profit before tax growth	+8%	+14%
Earnings per share growth	+10%	+16%

Christmas Trading Statement

We intend to issue our usual sales update for the period to 24 December 2014 on Tuesday 30 December 2014.

Special Dividends and Share Buybacks

This year we have returned £361m of surplus cash to shareholders, £223m was returned through special dividends and £138m through share buybacks. Our year end debt is forecast to be broadly in line with last year, so we do not intend to pay any further special dividends in this financial year.

We have capacity to make further buybacks this year and may do so if we believe it to be in the interests of our shareholders. Our price limit for buybacks next year will be issued at the end of December, with our Christmas Trading Statement, when we will have our first forecast for the year to January 2016. In the meantime we will not purchase shares above the maximum price we have paid to-date, which is £64.25.

End