

# INTERIM MANAGEMENT STATEMENT

## Interim management statement

### SALES FOR THE 14 WEEKS TO 2 MAY 2009

Sales for the 14 week period to 2 May 2009 were as follows:

Next Retail total	+1.1%
Next Retail like for like	-2.3%
Next Directory total	+1.6%
Next Brand total	+1.2%

Trading in the first quarter was better than we had anticipated. Next Retail like for like sales, at -2.3%, were well ahead of our estimate of -6% to -9% for the first half. We believe that the first quarter's figures need to be treated with caution as they are flattered by a number of factors:

- A later Easter which is good for retail generally
- Much warmer weather than last year which benefits sales of summer clothing
- Fewer people travelling overseas during the Easter holiday as a result of the weakness of sterling

We expect the second quarter will be weaker than the first as comparative figures are more challenging. Last year the second quarter was much better than the first. We are now forecasting that Next Retail like for like sales in the first half will be within the range of -4% to -7% and that Next Directory sales will be broadly flat. These estimates do not factor in any effects of a possible flu pandemic.

Generally, we are happy with the positioning and composition of our ranges. Stock levels are in line with our expectations and below last year's levels.

As a result of the better than expected sales to date we have added £15m to our internal profit forecasts. However, these improvements could yet be offset by the effects of pandemic flu, although at this stage it is hard to predict the impact on consumer behaviour.

ENDS

### Note to Editors

As is our practice, all sales figures are quoted after deducting VAT. In most years this makes no difference, however this year VAT rates are lower than last year. As a result VAT inclusive sales (i.e. the cash taken in stores) has not grown as much as the sales retained by the business (i.e. after VAT has been deducted). This is important, as the VAT exclusive sales give a slightly more optimistic view of the general consumer environment. VAT inclusive sales were approximately 1.7% below the numbers reported above.