

# INTERIM MANAGEMENT STATEMENT

## Interim management statement

### SALES FOR THE 13 WEEKS TO 1 MAY 2010

Sales (VAT ex) for the 13 week period to 1 May 2010 were as follows:

Like for like including direct	+2.2%
Like for like excluding direct	-0.8%
Retail total	+2.8%
Directory total	+7.2%
<b>Next Brand total</b>	<b>+4.1%</b>

These sales exclude VAT. This year VAT has reverted to its previous, higher level and VAT inclusive sales were approximately 1.5% higher than shown above.

### OUTLOOK

Total Brand sales are at the top end of our expectations and are encouraging. We are maintaining our Retail sales guidance for the first half given in March. Directory has made a good start and is comfortably ahead of our March range of 1% – 4%. However, the Autumn Directory will launch one week later this year which we believe will suppress first half Directory sales by around 2%. Therefore, we are revising the Directory range upwards but by only 1%.

#### First half estimate

#### Range

Next Retail like for like <i>excluding</i> direct sales	-2.5% to +0.5% (maintained)
Next Retail total	+0.5% to +3.5% (maintained)
Next Directory total	+2.0% to +5.0% (increased by +1%)

Product and operating costs remain well controlled throughout the Group and our foreign exchange requirements are covered for the year ahead. We reconfirm that, in the event of full year Retail like for like sales being -2.5%, then we would expect Group operating margin to increase by around 1%. Our internal profit before tax forecasts are towards the top end of the range of current City forecasts, most of which fall between £525m and £565m.

We remain very cautious in our outlook for the year ahead. Prior year comparisons become more demanding as the year progresses and we anticipate that a new Government will have to take action to tackle the budget deficit. Whatever form this action takes, it is likely that it will act to restrain growth in consumer spending. However, these factors were taken into consideration when we presented our results in March and nothing new has occurred since then to diminish our expectation for another year of growth in sales, profits, EPS and dividends.

ENDS

### NOTE FOR 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 higher than last year. As a result VAT inclusive sales (e.g. the cash taken in stores) have grown by more than the sales retained by the business (i.e. after VAT has been deducted). This is important, as the VAT exclusive sales give a slightly less positive view of the general consumer environment than actually experienced. VAT inclusive sales were approximately 1.5% higher than the sales reported above.
- Like for like sales are given including and excluding the growth in direct sales (through the Directory). In our view the measure excluding direct sales is more useful as it measures same store performance. However, the measure including direct sales is used generally across the industry which is why we have given it as our headline figure.