

# INTERIM MANAGEMENT STATEMENT

## Interim management statement

### Current Trading

The combined sales of Next Retail and Next Directory for the fourteen week period from 29 July to 3 November 2007 were up 0.4% compared to the same period last year.

Next Retail sales in the period were level with last year. Mainline like for like sales in the 301 stores that were unaffected by new openings were down -2.9%.

Next Directory sales were up 1.2% in the period.

Markdowns in the last fourteen weeks (the majority of which were taken in our two day mid-season Sale) have been marginally less than in the same period last year.

The table below sets out the above sales performance compared to the trading statement made in September at the time of our interim results:

Sales	Six weeks to September 8	Fourteen weeks to November 3
Total Next Brand Sales	-2.9%	+0.4%
Total Next Retail Sales	-2.9%	0.0%
Next Retail Mainline LFL	-4.8%	-2.9%
Next Directory Sales	-2.9%	+1.2%

### Outlook for the Autumn Winter Season

The last eight weeks' sales have shown a significant improvement on the first six weeks. However, trading patterns remain extremely volatile with good sales in September giving way to a disappointing October. Whilst we are happy that we have made significant improvements to our product ranges, marketing and stores we remain cautious about the consumer environment, with many customers now experiencing considerable year on year increases in their mortgage repayments.

So whilst the outlook is uncertain, our forecast for Next Retail sales remains in line with the guidance we gave at the half year and we expect like for like sales to fall within a range of -1.0% to -3.5%. We now expect Directory sales to be between 0% and +2% up on last year.

Based on these sales ranges our current full year profit forecast for the group remains in line with market expectations.

### Share Buybacks

Since 11 September we have purchased a further 0.7% of our shares in issue at the start of this financial year, at a cost of £34m. For the year to date we have purchased 8.5% being 19.3m shares at a total cost of £402m. We remain committed to purchase a further 0.9m shares under Contingent Purchase Contracts.

### Sales and Trading Updates in 2008

As a consequence of the new Interim Management Statement regulations, Next will move to quarterly sales reporting, with a post Christmas trading statement in place of a Q4 statement. The table below sets out our intended sales statements for 2008:

Period	Announcement	Content
Christmas	Early January	Sales for the period 29 July to 24 December 2007.

Quarter 1	End April	Sales and trading for the first quarter to 26 April .
Quarter 2	End July	Sales for the second quarter and first half to 26 July.
Quarter 3	End October	Sales and trading for the third quarter to 25 October.

The full year announcement in March and interim results in September will therefore no longer contain a sales update for the short period between the financial period end and the date of the announcement.

END