



next

NEXT PLC RESULTS

HALF YEAR ENDED JULY 2009

A man with short brown hair, wearing a dark grey suit, a light blue striped shirt, and a dark tie, is looking off to the side with a serious expression. The background is a blurred industrial or urban setting with a large white structure on the left.

next

OUTLOOK

CONSUMER ENVIRONMENT

NET MARGINS

2010



next

**INVESTING IN
THE BRAND**

PRODUCT

STORE DEVELOPMENT

MARKETING

WEB DEVELOPMENT

Income Statement

next

£m	2009	2008	
Revenue	<u>1,512.3</u>	<u>1,501.0</u>	
Operating profit	199.5	197.9	
Interest	<u>(14.0)</u>	<u>(24.4)</u>	
Profit before tax	185.5	173.5	+6.9%
Taxation	<u>(53.8)</u>	<u>(50.3)</u>	
Profit after tax	<u>131.7</u>	<u>123.2</u>	
EPS	68.2p	63.4p	+7.6%
Interim dividend	19.0p	18.0p	+5.6%

Balance Sheet

next

£m	2009	2008
Fixed assets	600	636
Goodwill & Intangibles	55	38
Stocks	326	291
Debtors	575	570
Creditors	(863)	(781)
Pension fund deficit	(56)	(75)
Net debt	(514)	(755)
	<hr/>	<hr/>
Net assets / (liabilities)	123	(76)
	<hr/>	<hr/>

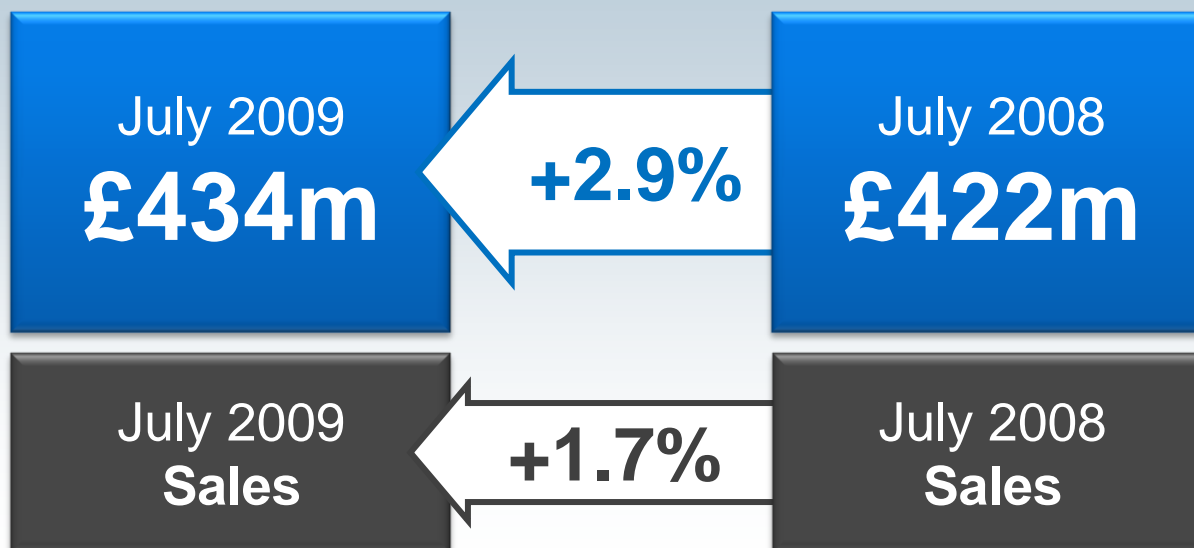
Balance Sheet

next

£m	2009	2008
Fixed assets	600	636
Goodwill & Intangibles	55	38
Stocks	326	291
Debtors	575	570

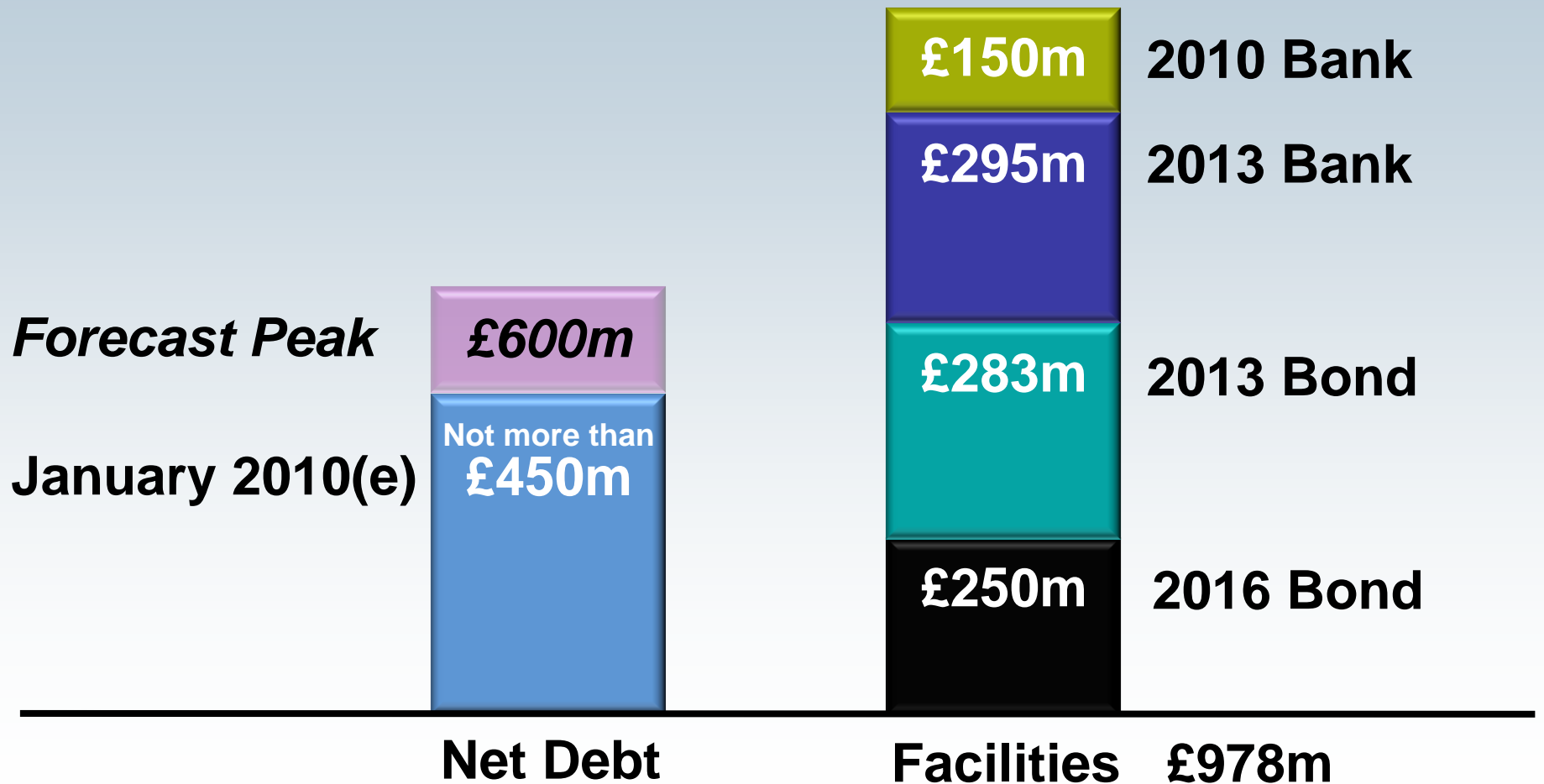
+1%

Directory Debtors



July 2009 Net Debt £514m

next



Cash Flow

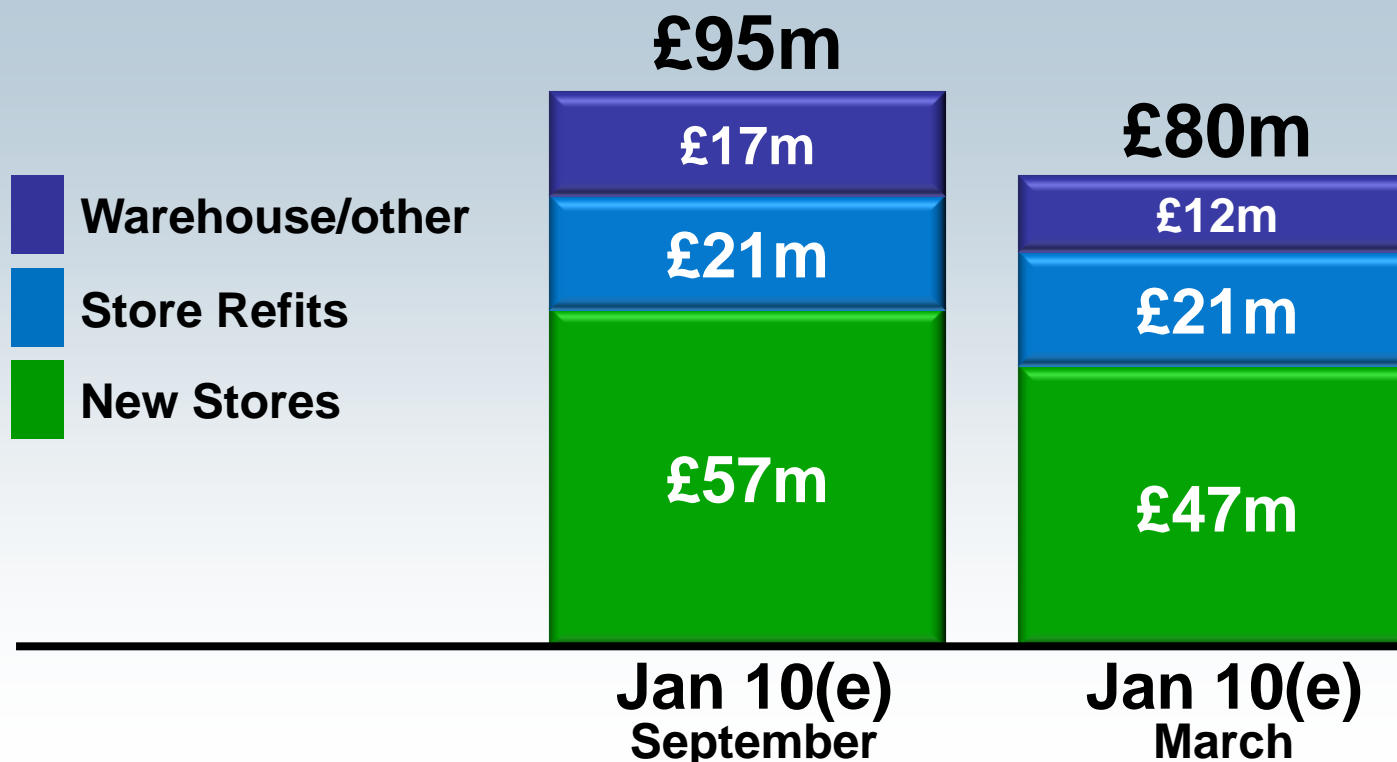
next

£m	2009	2008
Profit before tax	185	173
Depreciation / Disposals	62	60
Capital expenditure	(46)	(82)
Working capital / Other	28	21
Dividends paid	(71)	(72)
Tax paid	(44)	(63)
Share buybacks	(0)	(52)
Net cash flow	<u>114</u>	<u>(15)</u>

Cash Flow

next

£m	2009	2008
Profit before tax	185	173
Depreciation / Disposals	62	60
Capital expenditure	(46)	(82)



next

next

next

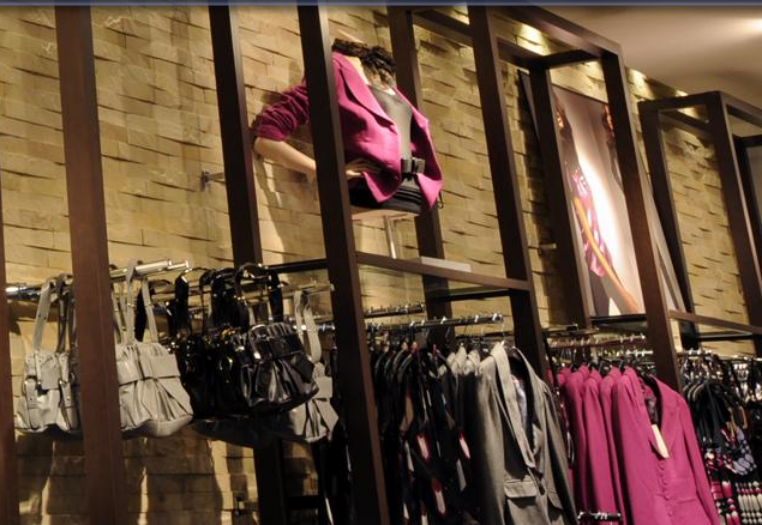
RETAIL

WOMEN

MEN

CHILDREN

HOME



Retail : Sales Analysis

next



£m

2009

2008

Revenue

1,004.3

996.4

+ 0.8%

Sales Analysis

- Net sales from new space
- Underlying LFL

Total

+ 3.3%

- 2.5%

Total Sales

+ 0.8%

Retail : Sales Analysis

next



£m	2009	2008	
Revenue	1,004.3	996.4	+ 0.8%

Sales Analysis

- Net sales from new space
- Underlying LFL

Total Sales

Total	Full Price
+ 3.3%	+ 3.2%
- 2.5%	- 1.2%
<hr/>	<hr/>
+ 0.8%	+ 2.0%



Retail : Profit Analysis

next



£m	2009	2008	
Revenue	1,004.3	996.4	+ 0.8%
Operating profit	112.3	107.6	+ 4.4%
% to revenue	11.2%	10.8%	

Margin Movement

▪ Achieved gross margin	+ 0.8%
Bought in margin	- 0.2%
Markdowns	+ 1.0%

Retail : Profit Analysis

next



£m	2009	2008	
Revenue	1,004.3	996.4	+ 0.8%
Operating profit	112.3	107.6	+ 4.4%
% to revenue	11.2%	10.8%	

Margin Movement

- Achieved gross margin + 0.8%
- Occupancy - 0.4%
- Rent/Rates - 0.5%
- Depreciation - 0.2%
- Utilities/Other + 0.3%

Retail : Profit Analysis

next



£m	2009	2008	
Revenue	1,004.3	996.4	+ 0.8%
Operating profit	112.3	107.6	+ 4.4%
% to revenue	11.2%	10.8%	

Margin Movement

- Achieved gross margin + 0.8%
- Occupancy - 0.4%
- Branch payroll 0.0%
- Warehouse & distribution + 0.5%
- Other overheads - 0.5%

Retail : Space Expansion

next



	Stores	Sq Ft (000's)
January 2009	510	5,506

New	8	58
-----	---	----

Re-sites (4)	-	26
--------------	---	----

Closed	(3)	(15)
--------	-----	------

July 2009	515	5,575	+ 5.1%
-----------	-----	-------	--------

Increase on
July 2008

New Store Appraisal

- Net branch contribution 18%
- Payback 18 months
- Performance vs target + 1%

Retail : Space Expansion

next



	Stores	Sq Ft (000's)	
January 2009	510	5,506	
Retail	8	178	
Home	11	126	
January 2010(e)	529	5,810	+ 5.5%

Home Stand Alone Stores

next

Out of town stores

▪ Number of stores

9

20

▪ Turnover

£35m

£66m

▪ Sq. Ft.

123k

249k

▪ Net store contribution

23%

20%

▪ Payback (months)

18

18



next



DIRECTORY

Directory : Sales Analysis

next



£m

2009

2008

Revenue

386.2

379.9

+ 1.7%

Sales Drivers

2009

2008

▪ Active customers

2.26m

2.19m

+ 2.8%

▪ Printed pages

1,998

1,976

+ 1.1%



Directory : Profit Analysis

next



£m	2009	2008	
Revenue	386.2	379.9	+ 1.7%
Operating profit	83.3	78.4	+ 6.4%
% to revenue	21.6%	20.6%	

Margin Movement

▪ Achieved gross margin	+ 0.5%
Bought in margin	- 0.9%
Markdowns	+ 1.4%



Directory : Profit Analysis

next




£m	2009	2008	
Revenue	386.2	379.9	+ 1.7%
Operating profit	83.3	78.4	+ 6.4%
% to revenue	21.6%	20.6%	

Margin Movement

- Achieved gross margin + 0.5%
- Warehouse & distribution + 1.2%
- Creation - 0.4%
- Other overheads - 0.3%





£m	2009	2008	
Revenue	30.0	29.5	+ 1.7%
Operating profit	3.1	3.4	- 8.7%
% to revenue	10.4%	11.6%	

- Franchise partner local sales - 3.3%
- AW09 new stores in Scandinavia & Germany
- Full year profit circa £7m



£m	2009	2008	
Intra-group sales	250.3	238.2	+ 5.1%
Operating profit	16.2	10.4	+ 55.5%

- FX translation £3m
- Costs down £3m
- Full year profit circa £37m



£m	2009	2008	
Revenue	72.2	87.5	- 17.5%
Operating profit	2.1	3.5	- 39.8%
% to revenue	2.9%	4.0%	

- Activity down as forecast
- Profit ahead of expectations
- Full year profit circa £6m to £7m



£m	2009	2008
Property	0.1	1.9
Associates inc. Lipsy	(0.4)	0.2
Pensions	-	0.6
Group / Options	(7.6)	(6.8)
Unrealised FX	(9.6)	(1.3)
Total	<u>(17.5)</u>	<u>(5.4)</u>

A man with short brown hair, wearing a dark grey suit, a light blue striped shirt, and a dark tie, is looking off to the side with a serious expression. The background is a blurred industrial or urban setting with a large white structure on the left.

next

OUTLOOK

CONSUMER ENVIRONMENT

NET MARGINS

2010

JANUARY 2009 : ANXIOUS



SEPTEMBER 2009 : CAUTIOUS

- Mortgages - *remain cheap*

- Inflation - *under control*

- Employment - *down circa 2%¹*

- Savings Ratios - *up*



¹ Source: Labour Force Survey (SA)

Sales Outlook for 2nd Half

next

Retail LFL

- 6.5% to - 3.5%

Directory

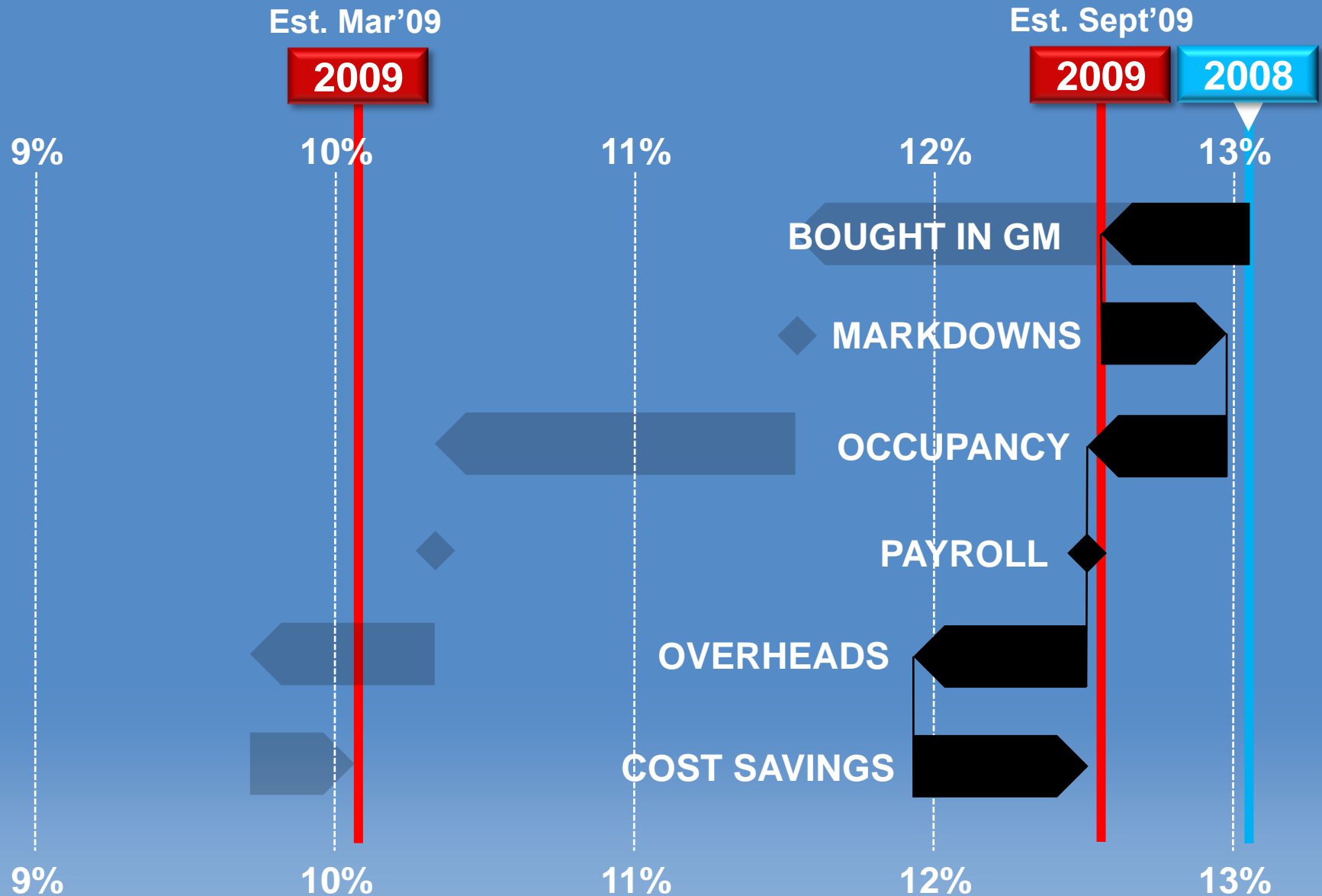
0.0% to + 2.0%

(Including new space) Total Brand - 2.3% to + 0.5%

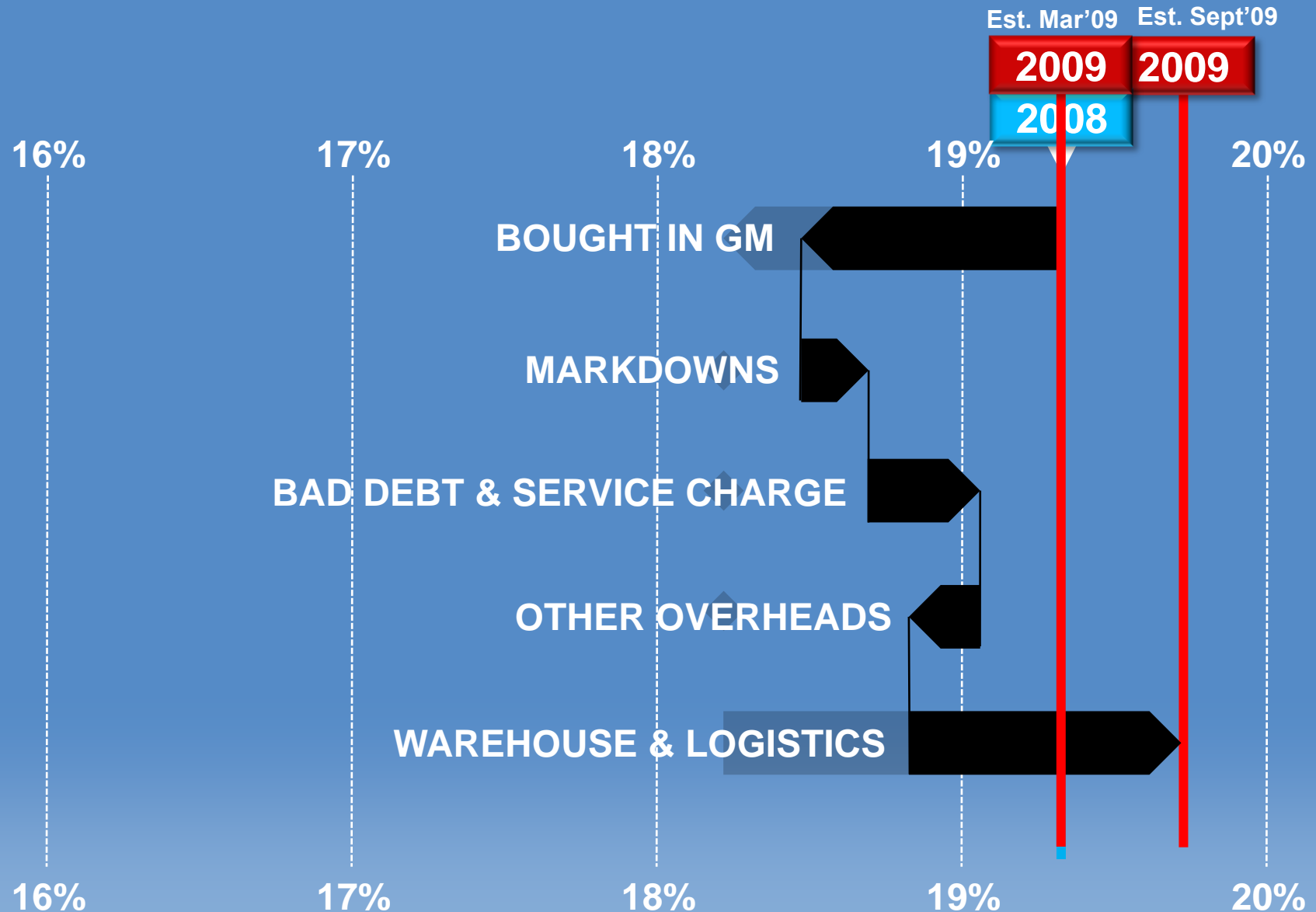


Full Year Retail Margin Movement

next



Full Year Directory Margin Movement **next**



Gross Margin Movement

next

EFFECT ON BRAND MARGIN
AW09 SS09

Theoretical FX impact

- 6.9%

- 3.5%

VAT reduction

+ 0.3%

+ 0.6%

Better sourcing

+ 6.0%

+ 2.5%

Net margin change

- 0.6 %

- 0.4%

Average selling price*

- 0.2%

+ 2.4%

* Excludes Home



2010 : STILL CAUTIOUS

PUBLIC SECTOR DEFICIT

- Tax rises?

- Job cuts?





next

**INVESTING IN
THE BRAND**

PRODUCT

STORE DEVELOPMENT

MARKETING

WEB DEVELOPMENT

**Exciting,
beautifully designed,
and great quality
at affordable
prices.**



Pushing the Boundaries

next



Pushing the Boundaries

next



HOT TO TROT

470551 Black shoes £25 / €33 | 492401 Zebra print shoes £40 / €53 | 456520 Pink shoes £25 / €33

Improved Price Starters

next



Improved Price Starters

next

~~£16~~



£10

~~£32~~



£28

Improved Price Starters

next

~~£325~~



£275

~~£99~~

per pair



£75

New Products at Great Prices

next



£35 BEDDING
TWIN PACK



£349

INVESTING IN THE BRAND

STORE DEVELOPMENT







ARCHITECTURAL DETAIL



'HERITAGE' PANELS



NEW DENIM DEPARTMENTS



Store Development

next

the
SHOERoom



Store Development

next

the SHOEROOM

GATESHEAD

LEICESTER

PLYMOUTH

FOSSE PARK

THURROCK

JERSEY

BLUEWATER

DUBLIN

CARDIFF

ABERDEEN

LEEDS

NORTHAMPTON

GLASGOW

BARNSELY





**85% OF PORTFOLIO
NEW, REFITTED OR REDECORATED**

A man with short brown hair, wearing a dark grey suit, white shirt, and dark tie, stands on a city sidewalk. He is looking directly at the camera with a slight smile. The background shows a brick wall on the left and a subway entrance with tracks and overhead wires receding into the distance on the right.

**INVESTING IN
THE BRAND**

MARKETING

next
never

Press Advertising AW09

next



Vogue Editorial AW09

next



Editorial Content SS09

next



+30% v LY



next

**INVESTING IN
THE BRAND**

TV ADVERTISING

Autumn TV Ad

next





next

**INVESTING IN
THE BRAND**

WEB DEVELOPMENT

Search Redesign

next

AFTER

next

HOME | MY ACCOUNT | FIND

[Home](#) > [Shop By Product](#) > [Jeans](#)

[You searched for Jeans](#)

Search Next...

Back

Narrow Your Selection

Chosen Options

Jeans.....remove

Women.....remove

Select Colour:

Blue (77)Brown (1)

Black (12)Red (1)

Grey (5)White (1)

Select Length:

Full Length (92)

Cropped (3)

Ankle Grazer (1)

Select Waist:

Hipster (18)

Lowrise (13)

Highwaist (6)

Select Wash:

Dark (46)

Medium (38)

Light (10)

Clean (1)

Select Fit:

Bootcut (38)

Skinny (20)


Boyfriend (12)

Flared (8)

Straight (8)


Slim Fit (4)

Tapered (3)



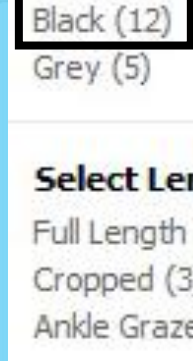
View >

Boot Cut Jeans (Blue/Black) £20




View >

Skinny Jeans (Black Overdye) £22



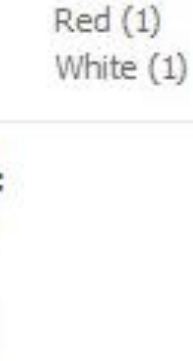
View >

Rinse Boot Cut Jeans £18



View >

High Rise Boot Cut Jeans (Blue/Black) £20



View >

Authentic Straight Leg Jeans (Blue/Black) £25

Chosen Options

Jeans.....remove

Women.....remove

Select Colour:

Blue (77)Brown (1)

Black (12)Red (1)

Grey (5)White (1)

Select Length:

Full Length (92)

Cropped (3)

Ankle Grazer (1)

Select Waist:

Hipster (18)

Lowrise (13)

Highwaist (6)

Select Wash:

Dark (46)

Medium (38)

0 ITEMS - £0.00
BAG :: CHECKOUT

Quickshop

Search Redesign

next

The screenshot shows the Next website's search results for 'Jeans'. The page layout includes a top navigation bar with the 'next' logo, links for HOME, MY ACCOUNT, FIND A STORE, and HELP, a search bar, and a shopping bag icon showing 0 items for £0.00. Below the navigation bar is a category menu with links for Women, Men, Children, Fashion Brands, Sport & Leisure, Home & Furniture, Electricals, Flowers & Wine, and Quickshop. The main content area features a search bar with the text 'Search Next...' and a 'Back' link. Below the search bar is a section titled 'Narrow Your Selection' with 'Chosen Options' (Jeans, Women, Black) and 'Select Waist' (Hipster (5), Highwaist (1)). The search results are displayed in a grid of product images, each with a 'View >' link. The products shown include Flared (1) Slim Fit (1), Boot Cut Jeans (Black), Flare Jeans (Rinse), Authentic Straight Leg Jeans (Black), Black Zip Detail Slim Boot Cut Jeans, Hi-Shine Skinny Jeans, Flare Jeans (Black Overdye), and Authentic Boot Cut Jeans (Black). The page also includes a 'Select Brand' section with 'Next (10)' and a 'Select Price' section with ranges from £10 to £25 and £25 to £50.

next

HOME | MY ACCOUNT | FIND A STORE | HELP |

0 ITEMS - £0.00
VIEW BAG :: CHECKOUT

Women Men Children Fashion Brands Sport & Leisure Home & Furniture Electricals Flowers & Wine Quickshop

Search Next...
Back

Home > "Shop By Product" > Jeans > Women > Black

You searched for **Jeans**

Narrow Your Selection

Chosen Options

Jeansremove
Womenremove
Blackremove

Select Waist:

Hipster (5)
Highwaist (1)

Flared (1)
Slim Fit (1)

Boot Cut Jeans (Black) £20

Flare Jeans (Rinse) £20

Authentic Straight Leg Jeans (Black) £25

Also Available In:

Select Brand:

Next (10)
more [+]

Select Price:

£10 - £25 (5)
£25 - £50 (5)

Black Zip Detail Slim Boot Cut Jeans £30

Hi-Shine Skinny Jeans £30

Flare Jeans (Black Overdye) £20

Authentic Boot Cut Jeans (Black) £25

▪ Search traffic + 53%

▪ 40% of purchases via search

▪ Peak 1.3m searches in one day

360° Product View

next

next

HOME | MY ACCOUNT | FIND A STORE | HELP |

SEARCH

0 ITEMS - £0.00
VIEW BAG :: CHECKOUT

Women Men Children Fashion Brands Sport & Leisure Home & Furniture Electricals Flowers & Wine Quickshop

Home > Womens > Shoes & Boots > Runway Collection > Page 2

Zoom

Play Catwalk



Cobalt Blue Extreme Square Toe Shoes

£40

Heel height 10cm approx. Upper: leather. Lining and sock: other materials. Outer sole: other materials.
470-218-X44

Please Select Size: 37

ADD TO BAG

SHARE

CUSTOMERS ALSO BOUGHT



Purple Suede Hidden
Platform Court Shoes
£35

ADD TO BAG



Blue Suede Sloped
Almond Toe Shoes
£35

ADD TO BAG

FOLLOW US...



Widescreen Launches Nov'09

next

next

[Request A Directory](#) | [My Account](#) | [Find a Store](#) | [Help](#)

Search next.co.uk

Go



2 items £63.00

[View bag](#)

[Checkout](#)

[Women](#)

[Men](#)

[Children](#)

[Homeware](#)

[Electricals](#)

[Fashion & Sports Brands](#)

[Flowers](#)

[Quickshop](#)

[Offers](#)



coat tails

MUST HAVE COATS ➔

autumn 2009

1024 PIXELS

[New Arrivals](#)

[Home & Furniture](#)

[Childrenswear](#)

[Brands](#)



Europe & Overseas

next

- Delivery to 18 countries
- Delivery in 7-10 days for €5
- Sales less than £3m
- German language site soon



US Site Launched September 2009

next

next

HOME | MY ACCOUNT | WHO ARE NEXT? | HELP |

0 ITEMS
\$0.00 (excl. shipping)

VIEW BAG :: CHECKOUT

Womenswear
Autumn/Winter Collection 2009

- ▶ Dresses
- ▶ Knitwear
- ▶ Jeans
- ▶ Tops
- ▶ Cardigans
- ▶ Trousers
- ▶ Blouses
- ▶ Skirts
- ▶ Jackets & Coats
- ▶ Shoes
- ▶ Boots

WE'VE ARRIVED!

BRITISH STYLE COMES STATESIDE

shop the new fall collection from Next

■ Delivery in 10-14 days for \$10

SIGN UP FOR OUR NEXT NEWSLETTER AND EXCLUSIVE OFFERS

next

© 2009 Next Retail Ltd. All rights reserved.

Size Guide
My Account
Returns Information
Shipping Information

Privacy Policy
Terms & Conditions
Site Map

Media & Press
The Company
Careers@Next
Contact Us



- **Successful First Half**
- **Economy “Overcast”**
- **Resilient Strategy**
 - **Plan for negative LFL’s**
 - **Control costs and stock**
 - **Invest in the brand**
 - **Open new space**
 - **Develop online business**