

TRADING STATEMENT

Tuesday 30th July 2013

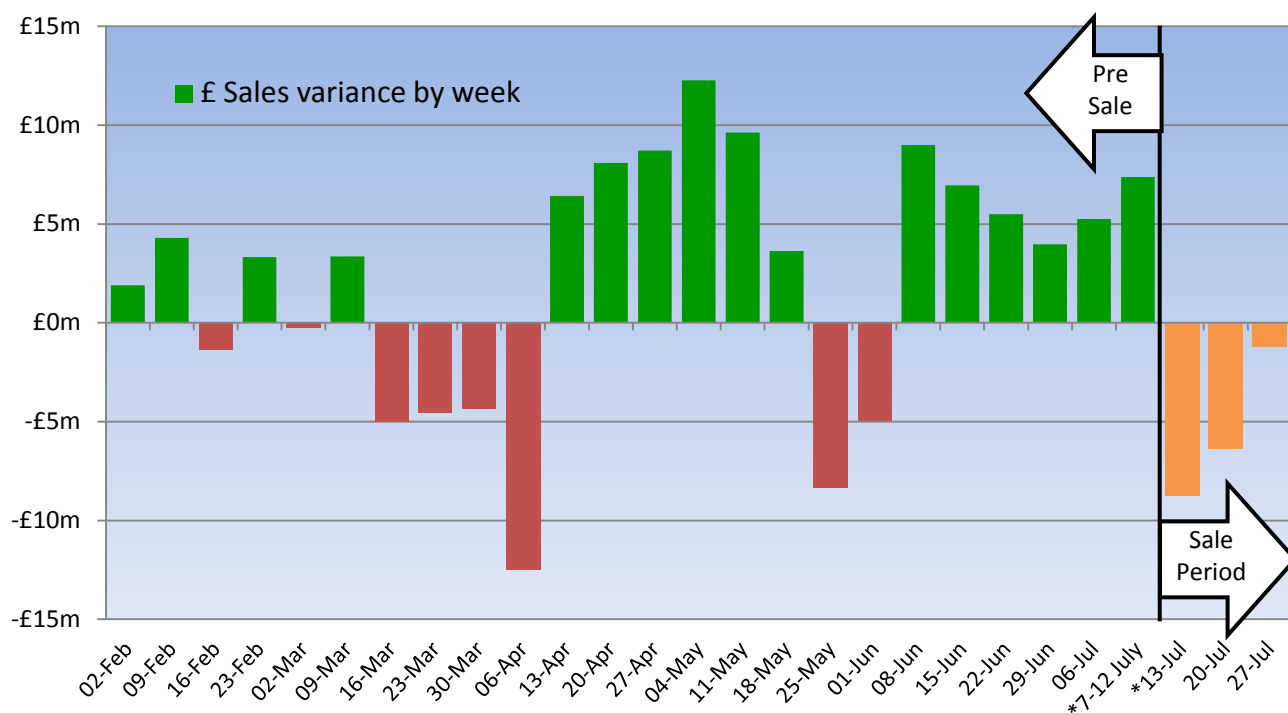
SALES FOR THE 26 WEEKS TO 27 JULY 2013

Total Next Brand sales in the first half were up 2.3%, around the mid point of the +1% to +4% guidance range we issued in March. Full price sales were somewhat better than the headline figure as a result of a much smaller End of Season Sale. Prior to the start of our Sale on 13th July, sales were 3.7% ahead of last year. We went into Sale with 20% less stock than last year, clearance rates improved and markdown sales were down only 13%. The table below shows sales including and excluding the effect of the End of Season Sale.

Sales (VAT exclusive)	Up to Sale 12 July 2013	26 weeks to 27 July 2013
Retail	0.0%	-0.9%
Directory	+9.9%	+8.3%
Total Next Brand	+3.7%	+2.3%
<i>Of which sales from new space</i>	<i>+1.8%</i>	<i>+1.8%</i>

CONTINUED SALES VOLATILITY

We continued to experience the weekly sales volatility which we saw in the first quarter. It would appear that consumers are becoming more spontaneous in their purchasing habits. As a result, weekly sales are more affected by short term events such as a change in the weather, the timing of Bank Holidays, school holidays, etc. The graph below shows Brand sales variance by week compared with last year, the last three bars show the Sale period (we have split week ending 13th July into two bars to better show the effect of the Sale).



* End of Season Sale started 13th July

We do not believe increased volatility has much effect on overall spending, but it does mean short term consumer trends are harder to read. Investors should be wary of drawing conclusions from sales information relating to short periods of time.

SALES GUIDANCE FOR THE FULL YEAR

We expect little change to the consumer environment and so we are issuing the same sales guidance for the second half as we did for the first; that is +1% to +4%. If we are within this range, then sales for the full year would be in the range of +1.5% to +3.5%.

PROFIT GUIDANCE FOR THE FULL YEAR

Full price sales for the first 26 weeks were in the top half of our full year forecast. More importantly, the reduction in residual stock resulted in much lower markdown costs. The combined effect of higher full price sales and lower markdown has added £10m to our first half profits and accordingly we are raising and narrowing our guidance for the full year, as set out below.

Full Year Estimates	Current Guidance	Previous Guidance
VAT exclusive Brand sales growth (%)	+1.5 to +3.5	+1.0 to +4.0
Group profit before tax (£m)	635 to 675	615 to 665
Profit before tax growth (%)	+2.2 to +8.6	-1.0 to +7.0
Share buyback estimate (£m)	250 to 350	250
Underlying Basic EPS growth (%)	+8 to +15	+4 to +13

CLOSE PERIOD AND INTERIM RESULTS

We are now in a close period until we release our Interim Results for the 26 weeks to 27 July 2013 on Thursday 12 September.

ENDS