



INTERIM MANAGEMENT STATEMENT

Wednesday 2 May 2012

SALES AND COSTS FOR THE 13 WEEKS TO 28 APRIL 2012

Sales (VAT exclusive)	
Retail total	- 3.9%
Directory total	+11.8%
NEXT Brand total	+1.4%
<i>Of which net sales from new space +2.9%</i>	

NEXT Brand sales in the first quarter were up 1.4%. This is consistent with the first half guidance given in March of between +1% and +4%.

There has been little change in our product costs, gross margins or selling prices in the first quarter and we expect this to continue into the second quarter. Stock levels are running slightly ahead of last year and consistent with the growth in sales. Directory customer balances have risen with the growth in credit sales and bad debt remains at historically low levels.

FIRST HALF OUTLOOK TO JULY 2012

The second quarter's Retail comparatives are much less demanding than the first's, as exceptionally warm weather and the Royal Wedding boosted last year's first quarter sales. We remain confident that NEXT Brand sales for the first half will remain within our +1% to +4% guidance range and we are forecasting that profit for the first half will be ahead of last year.

FULL YEAR GUIDANCE TO JANUARY 2013

We now believe that the profit scenarios given in March represent a reasonable guidance range for the full year. To reiterate, we believe that if sales were up between +1% and +4% for the full year, then profits would be between £560m and £610m. This is in line with market expectations and the majority of Analyst forecasts fall within this range.

We intend to buy back up to £200m of shares from surplus cash flows, of which we have to date spent £36m buying 1.3 million shares. We now estimate the cumulative effects of intended share buybacks and cash generation, together with lower corporation tax rates, will increase this year's EPS by 6% more than the growth in profit (previously 5%).

The table below sets out our current guidance. Profit and EPS growth estimates are calculated on last year's underlying continuing business of £570m and basic EPS of 255.4p, which excludes last year's post tax exceptional profits of £45m.

FULL YEAR ESTIMATES	Low Scenario	High Scenario
Brand sales (VAT exclusive)	+1.0%	+4.0%
Group profit before tax	£560m	£610m
Profit before tax growth	- 2%	+7%
Share buyback estimate	£200m	£200m
Estimated growth in basic EPS	+4%	+13%

END