

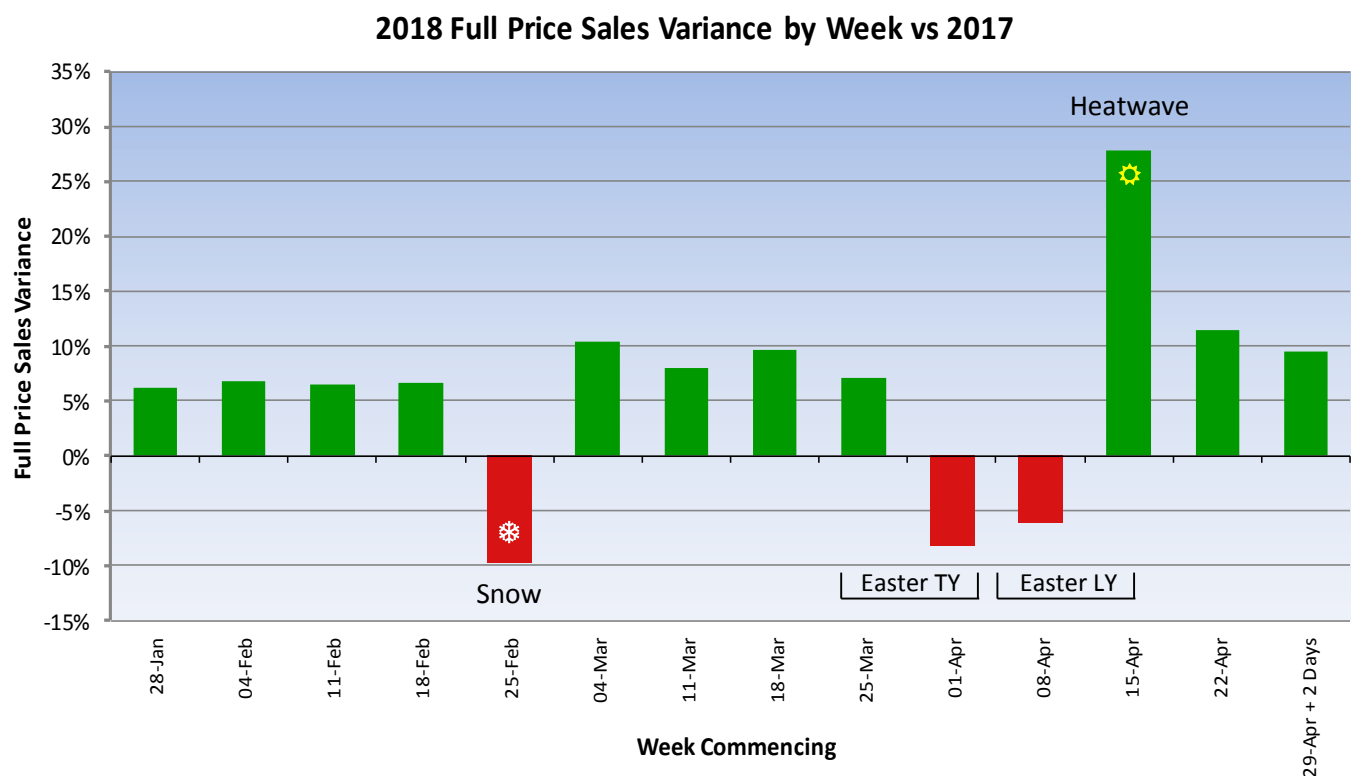
Trading Statement – 10 May 2018

FIRST QUARTER SALES PERFORMANCE TO 7 MAY 2018

Full price sales for the fourteen weeks to Monday 7 May were up +6.0% on last year. The table below sets out the full price sales performance in Retail stores and Online. Sales in our Online business were particularly strong and up +18.1%, driven by the growth of NEXT branded stock and third party brands on our UK platform along with continued growth from our overseas business.

Full Price Sales (VAT exclusive)	Fourteen weeks to 7 May
Retail	- 4.8%
Online	+18.1%
Brand Total	+6.0%
<i>Of which sales from new space</i>	<i>0.4%</i>

The graph below sets out the full price sales variance to last year by week.



SALES IN THE FIRST QUARTER

Sales in the first quarter were better than we expected and around £40m¹ ahead of our internal forecast, boosted in recent weeks by unusually warm weather. This sales over-performance adds around £12m to our full year profit and we are therefore increasing our central guidance for Group profit accordingly.

¹ Sales include VAT and interest income.

SALES GUIDANCE FOR THE REST OF THE YEAR

At our results presentation in March we set out our guidance for the full year. At that time, we anticipated that the sales performance in the first quarter would be flattered by the under-performance of our ranges in the same period last year, so we did not expect sales for the rest of the year to be as strong as the first quarter. We still believe this will be the case.

The table below sets out our full price sales growth for the first quarter (+6%), along with our estimate for the rest of the year (+1.0%) and the full year (+2.2%).

At first sight, the estimate for the rest of the year looks overly conservative. However, when compared to *two years ago*, our forecast looks more realistic. To clarify this point, the table below gives the actual and anticipated performance against two years ago in the right hand column.

	Vs 1 Year	Vs 2 Years
Quarter 1	+6.0%	+2.1%
Rest of year to 26 January 2019	+1.0%	+3.3%
Full year to 26 January 2019	+2.2%	+3.0%

PROFIT GUIDANCE FOR THE FULL YEAR

The table below sets out our revised central guidance for full price sales and Group profit for the year to January 2019. Our previous central guidance is shown in the right hand column of the table.

Full Year Estimate Year to January 2019	New Central Guidance	Previous Central Guidance
Total full price sales versus 2017/18	+2.2%	+1.0%
Group profit before tax	£717m	£705m
Group profit before tax versus 2017/18	- 1.3%	- 2.9%
Earnings Per Share growth versus 2017/18	+3.7%	+1.4%

CASH FLOW, SHARE BUYBACKS AND EPS

Our cash flow remains strong and we still expect to generate around £300m of surplus cash after deducting interest, tax, capital expenditure and ordinary dividends but before financing any increase in Online debtors. We intend to fund any increase in our debtor book through long-term bonds and bank facilities.

As outlined in our January 2018 trading statement, we intend to return this £300m surplus cash to shareholders by way of share buybacks. Of this £300m, we have already returned £195m (which includes £26m of shares bought back at the end of the last financial year). We intend to return the balancing £105m of surplus cash to shareholders through share buybacks over the course of the year, subject to market conditions.

We anticipate that our Earnings Per Share (EPS) will be enhanced by +4.7% as a result of share buybacks. This combined with a slightly lower tax rate means that we expect EPS to move forward faster than profits. At our central guidance we expect EPS to increase by +3.7%.

NEXT TRADING STATEMENT

Our next sales update will cover the first 26 weeks of the year, to 28 July 2018, and is scheduled for Wednesday 1 August 2018.

Forward Looking Statements

Certain statements in this Trading Update are forward looking statements. These statements may contain the words “anticipate”, “believe”, “intend”, “aim”, “expects”, “will”, or words of similar meaning. By their nature, forward looking statements involve risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. As such, undue reliance should not be placed on forward looking statements. Except as required by applicable law or regulation, NEXT plc disclaims any obligation or undertaking to update these statements to reflect events occurring after the date these statements were published.