

TRADING STATEMENT

Trading statement

Sales for the 26 weeks to 26 July 2008

NEXT BRAND

Sales for the first half year were in line with the guidance we gave earlier this year, with the second quarter being an improvement on the first as expected. It is important to note that the difference in the performance of the two quarters is due to the unusual weather patterns last year. The figures for the half year are more indicative of the underlying trends. The combined total sales of Next Retail and Next Directory for the first half were down -1.8% on last year.

Sales	1st Quarter 2008	2nd Quarter 2008	1st Half 2008
Brand total	-3.9%	+0.2%	-1.8%
Retail total	-5.0%	-1.4%	-3.1%
Directory total	-1.0%	+5.6%	+2.0%
Retail full price like for like	-9.4%	-2.4%	-6.0%

NEXT RETAIL

We anticipated a tough season and managed stock accordingly, as a result stock going into the end of season Sale was significantly down on last year. The Sale started well and clearance rates are ahead of last year. Retail full price sales for the first half were down -2.0%, however, as a result of much lower markdown sales, total Retail sales were down -3.1%. Like for like full price sales in the 353 stores that were unaffected by new openings were down -6.0% in the period, consistent with the guidance given in May.

NEXT DIRECTORY

Directory finished the half at the top end of our expectations with sales up +2.0%.

OUTLOOK

We remain very cautious about the outlook for the second half and can see no reason for any improvement in consumer spending, indeed, the economic risks appear to us to be on the downside. We believe that continued year on year increases in food, fuel and mortgage costs will weigh heavily on our customers. We are therefore currently planning for Retail full price like for like sales in the second half to be down by a similar amount to that of the first half.

INTERIM RESULTS ANNOUNCEMENT

We intend to announce our half year results on Wednesday 10 September 2008.