

next plc

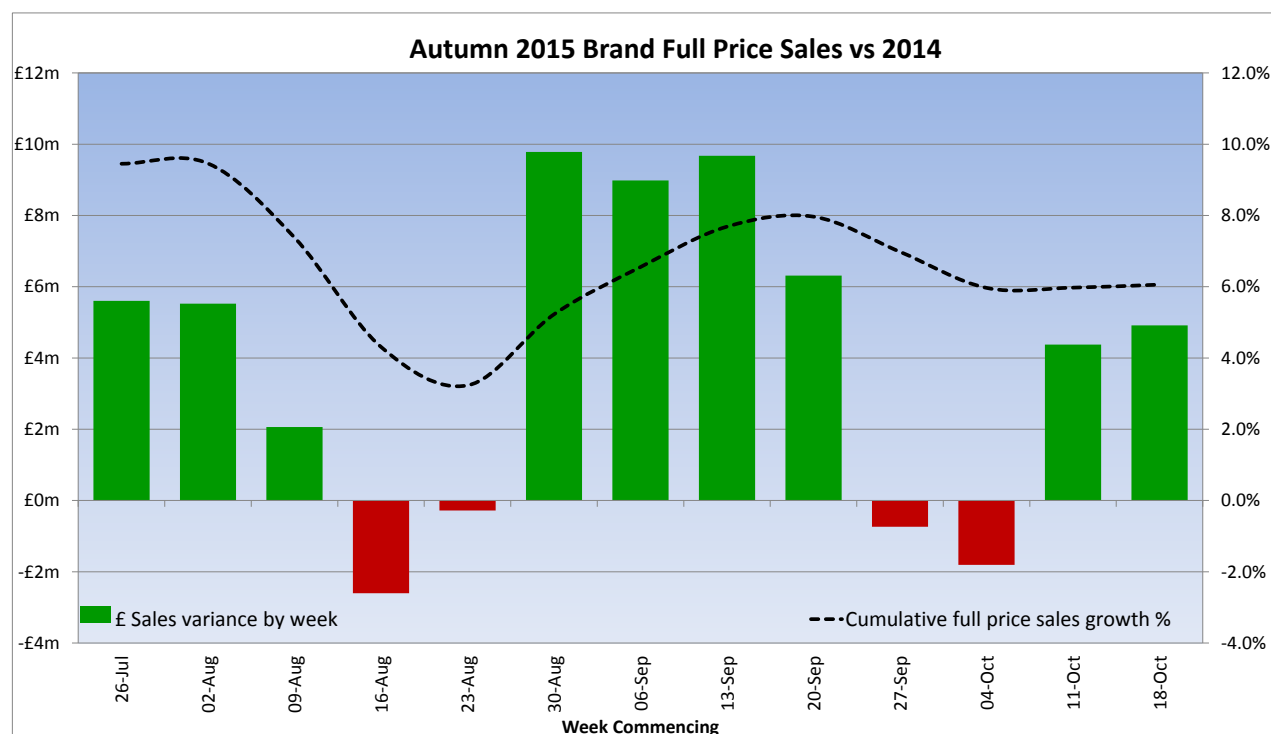
Trading Statement 28 October 2015

SALES FOR THE THIRD QUARTER TO 24 OCTOBER 2015

NEXT Brand full price sales for the third quarter were up +6.0%, which is just above the mid-point of our second half guidance range of +3.5% to +7.5%. The table below sets out full price sales growth for the third quarter and year to date.

Sales growth (VAT exclusive)	Third quarter	Year to date
NEXT Retail	+5.9%	+2.6%
NEXT Directory	+6.2%	+7.0%
NEXT Brand Total	+6.0%	+4.4%
<i>Of which sales from new space</i>	<i>+1.7%</i>	<i>+1.7%</i>

The graph below shows full price sales growth by week and demonstrates the continued volatility of consumer demand. September looks particularly strong but sales were flattered by poor comparative weeks last year. Retail had a good third quarter but its comparatives were much less demanding than Directory.



Total NEXT Brand sales for the third quarter, including markdown sales, were up +7.3%, as markdown sales grew faster than full price sales. Total sales for NEXT Retail were up +5.4% and NEXT Directory were up +9.8%. NEXT Directory total sales grew faster than full price sales mainly due to the timing of the Directory Summer Sale, more of which was sold in the second half of the year.

SALES AND PROFIT GUIDANCE FOR THE YEAR

The company's guidance for the full year remains broadly unchanged and is set out in the table below. We now expect Group profit before tax to be in the range £810m to £845m (previously £805m to £845m).

Guidance Estimates Full Year to January 2016 (52 week basis)	Lower end guidance	Upper end guidance
Total full price NEXT Brand sales growth	+4.0%	+6.0%
Group profit before tax	£810m	£845m
Group profit before tax growth	+3.6%	+8.0%
Earnings per share growth	+3.9%	+8.4%
Ordinary dividend yield ¹	2.2%	2.2%
Special dividend yield ¹	3.3%	3.3%
Total Shareholder Returns ²	9.4%	13.9%

This guidance is based on 52 weeks for the years ending January 2015 and 2016. The current financial year will actually be the 53 weeks to 30 January 2016 and we estimate the additional week will add approximately £15m to profit before tax.

SPECIAL DIVIDENDS AND SHARE BUYBACKS

As announced in our July Trading Statement, we will pay a further special dividend of 60 pence per share on 2 November. This will be paid to shareholders on the register at close of business on 9 October.

During the third quarter our share price has remained above our share buyback price limit of £69.62, so we have not used surplus cash to retire any shares in the period. In our Christmas Trading Statement we will issue guidance for next year's profit, a corresponding share buyback price limit and the Company's expected surplus cash generation.

CHRISTMAS TRADING STATEMENT

We intend to issue our usual sales update for the period to 24 December 2015 on Tuesday 5 January 2016.

ENDS

¹ Dividend yield is based on dividends expected to be declared for the current year. Yields are expressed as a percentage of our average share price during the first month of this financial year, which was £72.33.

² Total Shareholder Returns are defined as growth in EPS added to the total annual dividend yield.