

# next plc

## Trading Statement

29 July 2014

### SALES FOR THE 26 WEEKS TO 26 JULY 2014

NEXT Brand sales for the first half of our financial year were up 10.7%, of which 2.4% came from the opening of profitable new space. NEXT Retail sales were up 7.5% and NEXT Directory was up 16.2%.

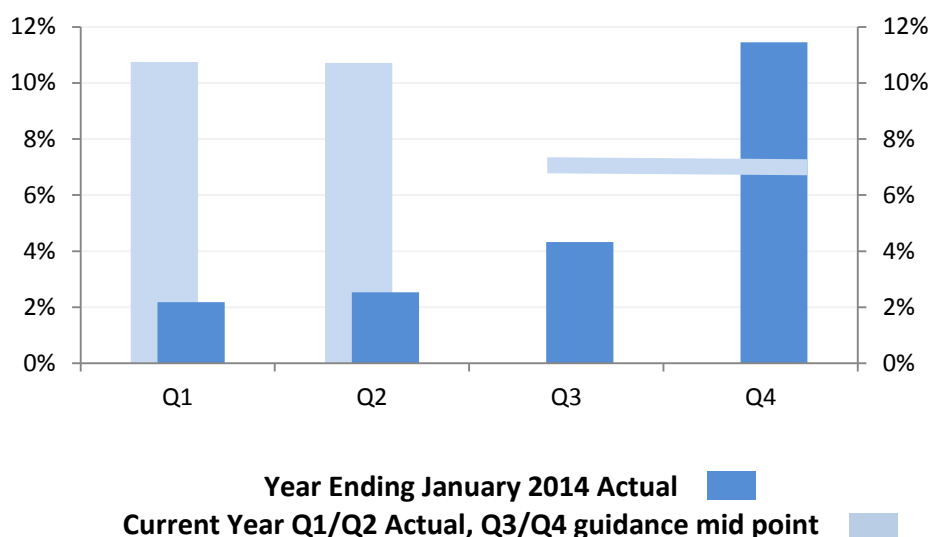
The table below details sales growth for each of the first two quarters and the first half of this year.

Sales (VAT exclusive)	Q1 to 26 April	Q2 to 26 July	26 weeks to 26 July 2014
Retail	8.8%	6.4%	7.5%
Directory	13.7%	18.8%	16.2%
<b>Total NEXT Brand</b>	<b>10.8%</b>	<b>10.7%</b>	<b>10.7%</b>
<i>Of which sales from new space</i>	<i>2.2%</i>	<i>2.5%</i>	<i>2.4%</i>

Sales are currently ahead of the 5.5% - 9.5% full year growth guidance we gave in April. We are therefore raising and narrowing our sales guidance range for the year to 7% - 10%.

It might appear overly cautious to forecast a full year sales range which is below our current rate of growth. However, last year's first two quarters were hampered by a particularly cold Spring and Easter which presented a soft comparison for this year. The chart below shows how last year sales progressively improved through the year and that the final quarter presents a challenging comparison. This pattern makes estimating second half sales particularly difficult so our guidance for the next six months is for growth of between 4% and 10%.

Sales Growth by Quarter



## SALES AND PROFIT GUIDANCE FOR THE FULL YEAR

As a result of the better than expected first half performance, we are raising our profit guidance by £25m. The new ranges are set out below, with our previous guidance shown in the right hand columns.

Guidance Full Year to January 2015	New Guidance		Previous Guidance	
	Lower	Upper	Lower	Upper
Total Brand sales growth	<b>+7%</b>	<b>+10%</b>	+ 5.5%	+9.5%
Profit before tax (PBT)	<b>£775m</b>	<b>£815m</b>	£750m	£790m
PBT growth	<b>+11%</b>	<b>+17%</b>	+ 8%	+ 14%
Earnings per share growth	<b>+12%</b>	<b>+18%</b>	+ 8%	+ 14%

## CASH FLOW, BUYBACKS AND SPECIAL DIVIDENDS

At the beginning of the year we forecast that we would generate around £325m of surplus cash, which we intended to return to shareholders through special dividends and or share buybacks.

We paid special dividends of 50p per share in February and May, and a third is being paid this week. We have now paid or declared £223m of special dividends and also returned a further £105m through share buybacks, for a combined total of £328m so far this year. We do not anticipate paying any further special dividends in the current year. Although, if our share price falls below our buyback limit price, we will continue to return further surplus cash through share buybacks.

The mid-point of our profit before tax guidance is now £795m and accordingly we are increasing our buyback share price limit to £66.

## CLOSE PERIOD AND INTERIM RESULTS

We are in a close period until we release our Interim Results for the 26 weeks to 26 July, scheduled for Thursday 11 September.

ENDS