



next

YEAR END STATEMENT

JANUARY 2009

A woman with dark hair pulled back, wearing a grey top and a necklace with large metal links, looking directly at the camera. The background is a bright, slightly blurred beach scene with a blue sky and ocean.

next

OUTLOOK

Consumer Environment

Currency

Costs & Margins



next

INVESTING IN THE BRAND

Product

Store Design

Marketing



next

YEAR END STATEMENT

JANUARY 2009

Income Statement

next

£m	2009	2008	
Revenue	<u>3,272</u>	<u>3,329</u>	
Operating profit	478	537	-11%
Interest	<u>(49)</u>	<u>(39)</u>	
Profit before tax	429	498	-14%
Taxation	<u>(127)</u>	<u>(144)</u>	
Profit after tax	<u>302</u>	<u>354</u>	
EPS	156.0p	168.7p	-7.5%

Sector Profit Analysis

next

£m	2009	2008	
Retail	289	320	- 9.7%
Directory	157	164	- 4.1%
International	9	7	
Sourcing	<u>32</u>	<u>33</u>	
Brand total	487	524	- 7.0%
Ventura	5	22	
Other	<u>(14)</u>	<u>(9)</u>	
Operating profit	<u>478</u>	<u>537</u>	

Balance Sheet

next

£m	2009	2008
Fixed assets	617	615
Goodwill	55	36
Stocks	319	319
Debtors	640	591
Creditors	(843)	(812)
Derivatives	66	12
Pension fund deficit	(69)	(46)
Share buybacks	-	(54)
Net debt	(629)	(740)
Net assets / (liabilities)	156	(79)

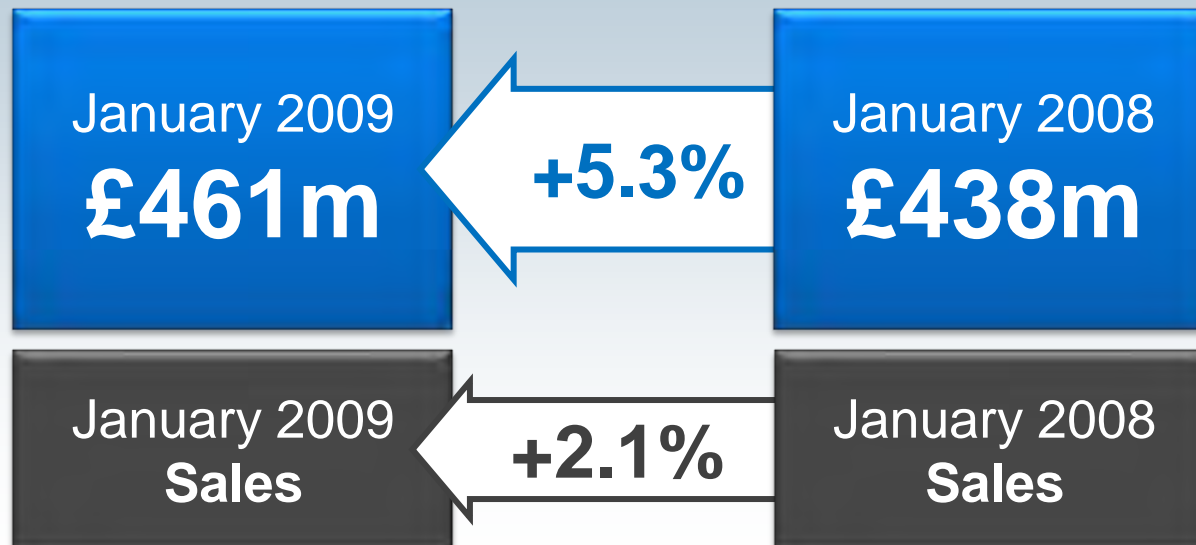
Balance Sheet

next

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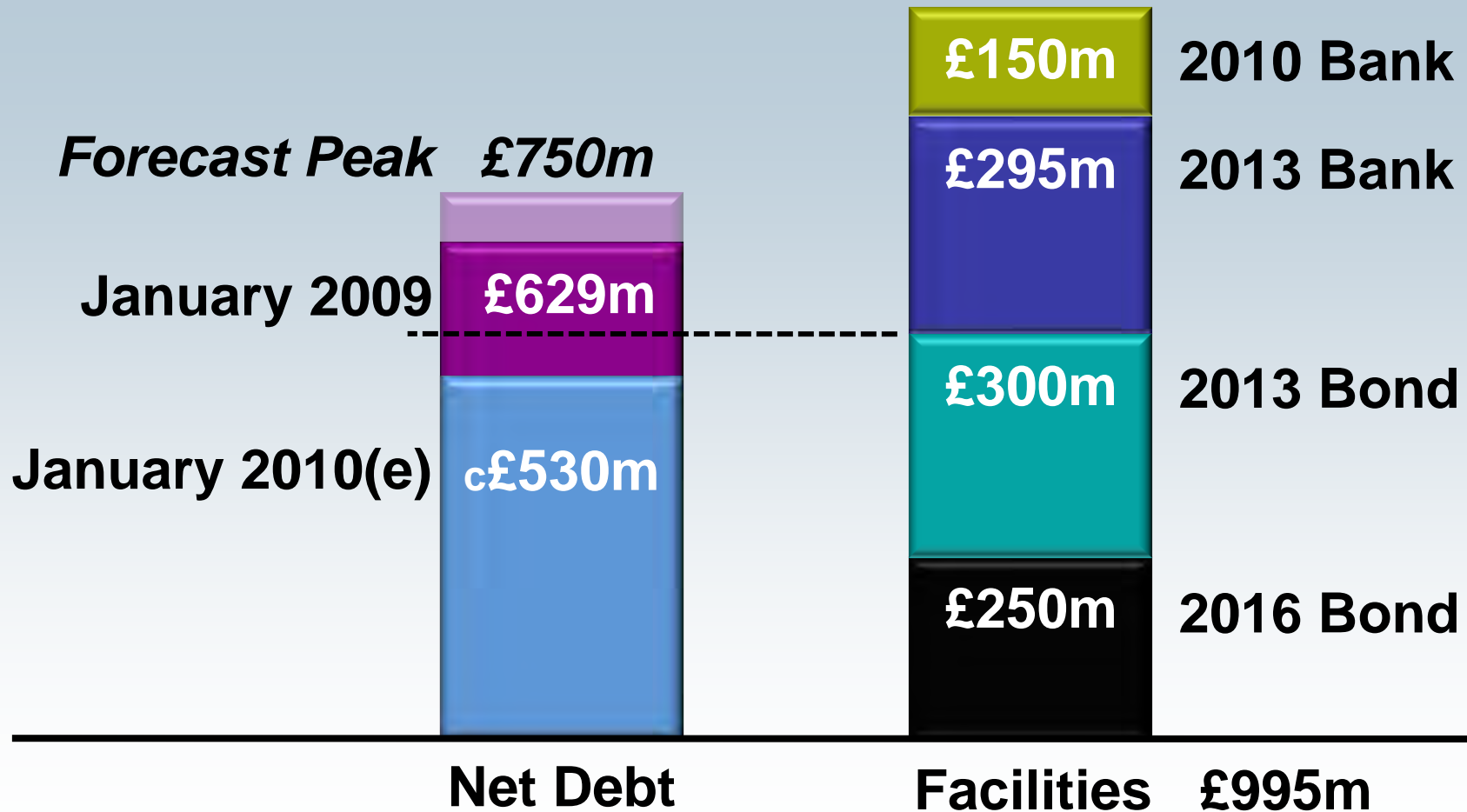
+8%

Directory Debtors



Debt and Facilities

next



Cash Flow

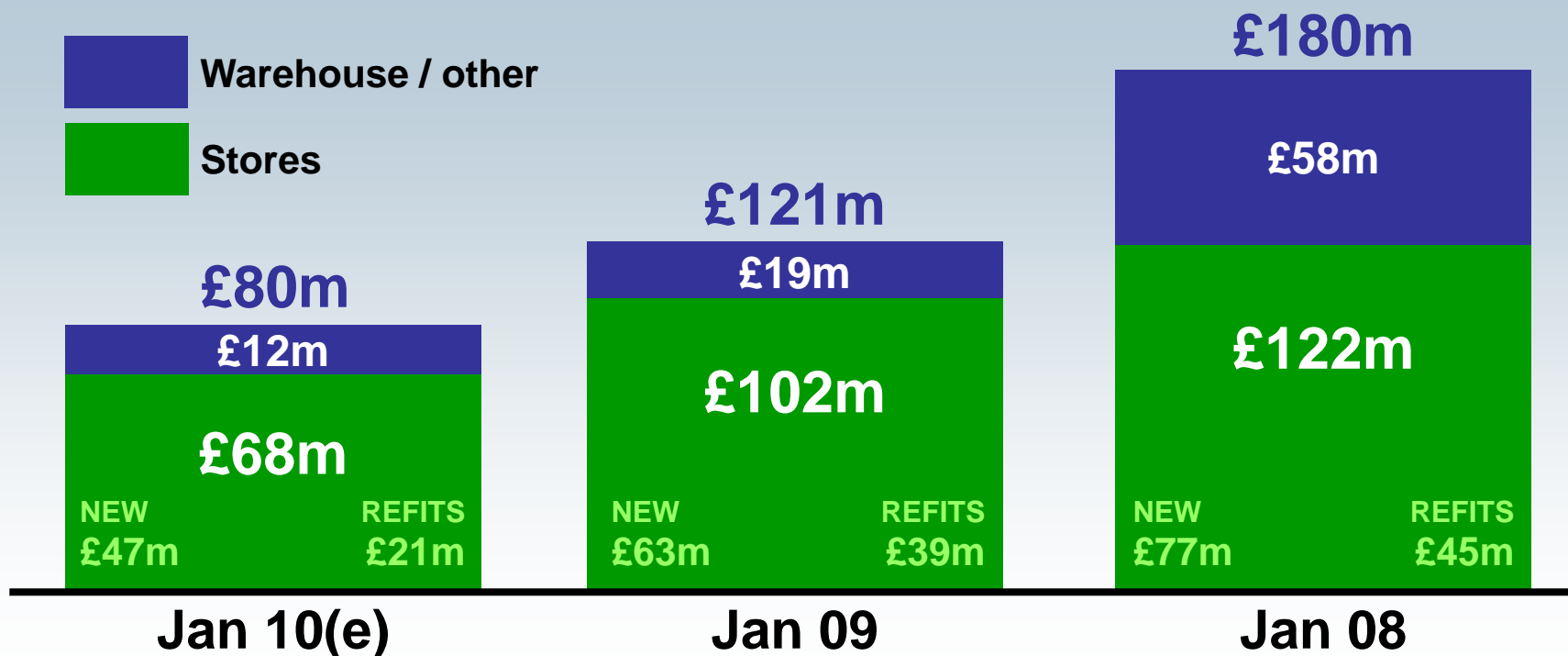
next

£m	2009	2008
Profit before tax	429	498
Depreciation / Disposals	123	114
Capital expenditure	(121)	(180)
Acquisitions	(14)	-
Working capital / Other	(18)	13
Dividends paid	(107)	(109)
Tax paid	(126)	(119)
Share buybacks	(55)	(513)
Net cash flow	111	(296)

Cash Flow

next

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Cash Flow

next

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	<hr/>	<hr/>
Net cash flow	111	(296)
	<hr/>	<hr/>
Operational cash flow	166	217

next

RETAIL

up to
MEN
down to
CHILDREN
HOME



Retail : Sales Analysis

next



£m	2009	2008	
Revenue	2,198	2,255	- 2.5%
Operating profit	289	320	- 9.7%
% to revenue	13.1%	14.2%	

Sales Analysis

- Net sales from new space + 4.0%
- Underlying LFL - 6.5%

Total Sales

Total

- 2.5%

Retail : Profit Analysis

next

£m	2009	2008	
Revenue	2,198	2,255	- 2.5%
Operating profit	289	320	- 9.7%
% to revenue	13.1%	14.2%	

Margin Movement

▪ Achieved gross margin	+ 1.4%
Bought in margin	- 0.1%
Markdowns	+ 1.6%
Other	- 0.1%



Retail : Profit Analysis

next



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Revenue	2,198	2,255	- 2.5%
Operating profit	289	320	- 9.7%
% to revenue	13.1%	14.2%	

Margin Movement

- Achieved gross margin + 1.4%
- Occupancy - 2.1%
- Rent/Rates/Service charge - 1.3%
- Depreciation - 0.4%
- Utilities - 0.4%

Retail : Profit Analysis

next



£m	2009	2008	
Revenue	2,198	2,255	- 2.5%
Operating profit	289	320	- 9.7%
% to revenue	13.1%	14.2%	

Margin Movement

▪ Achieved gross margin	+ 1.4%		
▪ Occupancy	- 2.1%		
▪ Branch payroll	+ 0.1%		
▪ Warehouse & Distribution	- 0.3%	Fixed - 0.6%	Variable + 0.3%
▪ Overheads / Other	- 0.2%		

Retail : Space Expansion

next



	Stores	Sq Ft (000's)	
January 2008	502	5,201	
New	19	306	
Re-sites (11)	-	72	
Closed	(11)	(73)	
January 2009	510	5,506	+ 5.9%

New Store Appraisal

- Net store contribution 17%
- Payback 19 months
- Performance vs target - 2%

Retail : Space Expansion

next



	Stores	Sq Ft (000's)	
January 2008	502	5,201	
New	19	306	
Re-sites (11)	-	72	
Closed	(11)	(73)	
January 2009	510	5,506	+ 5.9%
Mainline		140	
Home		120	
2009/10(e)		260	+ 4.7%

Home Stand Alones

next

A tough market but...

- Comprehensive range
- Market share potential
- Good space opportunity



Current Out of Town Stores

Number of stores

9

MAT sales

£35m

Square feet

122k

Net store contribution

23%

Payback

18 months

next

DIRECTORY



Directory : Sales Analysis

next



£m	2009	2008	
Revenue	816	800	+ 2.1%
Operating profit	157	164	- 4.1%
% to revenue	19.3%	20.6%	

- Full price sales + 0.5%

Sales Drivers

	2009	2008	
▪ Active customers	2.20m	2.16m	+ 1.9%
▪ Printed pages	3,960	3,652	+ 8.4%

Directory : Profit Analysis

next

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Margin Movement

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Revenue	816	800	+ 2.1%
Operating profit	157	164	- 4.1%
% to revenue	19.3%	20.6%	

Margin Movement

- Achieved gross margin - 1.2%
- Bad debt 0.0%
- Service charge + 0.2%
- Book creation / Marketing - 0.4%
- Warehouse & Other + 0.1%



£m	2009	2008	
Revenue*	69	56	+ 22%
Operating profit	9	7	+ 25%
% to revenue	13.1%	12.8%	

- Franchise partner sales + 7%
- Eastern Europe now wholly owned
- Profits boosted by overhead savings & FX
- 2009/10(e) sales down, profits ~ £7m

* Prior year restated to include Denmark




£m	2009	2008	
Intra-group sales	595	613	-3.0%
Operating profit	32	33	-2.6%

- Local currency sales and profits decline
- Offset by sterling translation gains
- 2009/10(e) profits ~ £32m



£m	2009	2008	
Revenue	162	204	- 20%
Operating profit	5.1	21.5	- 76%
% to revenue	3.1%	10.6%	

- Reduced client activity
- Increased client in-sourcing
- Reduced margin on key contract
- 2009/10(e) profits ~ breakeven



£m	2009	2008
Property	0.8	3.9
Associates	0.9	1.2
Lipsy	(1.4)	-
Group / Other	(2.3)	(7.2)
Total	<u>(2.0)</u>	<u>(2.1)</u>



£m	2009
Loss	-1.4
Currency impact	0.6
Acquisition & integration costs	0.6
Alignment of accounting policies	0.3
Underlying profit	0.1

- Logic of acquisition
- Up to 10 retail stores by Jan 2010
- Expand internet business
- 2009/10(e) profits ~ £700k



LIPSY
LONDON



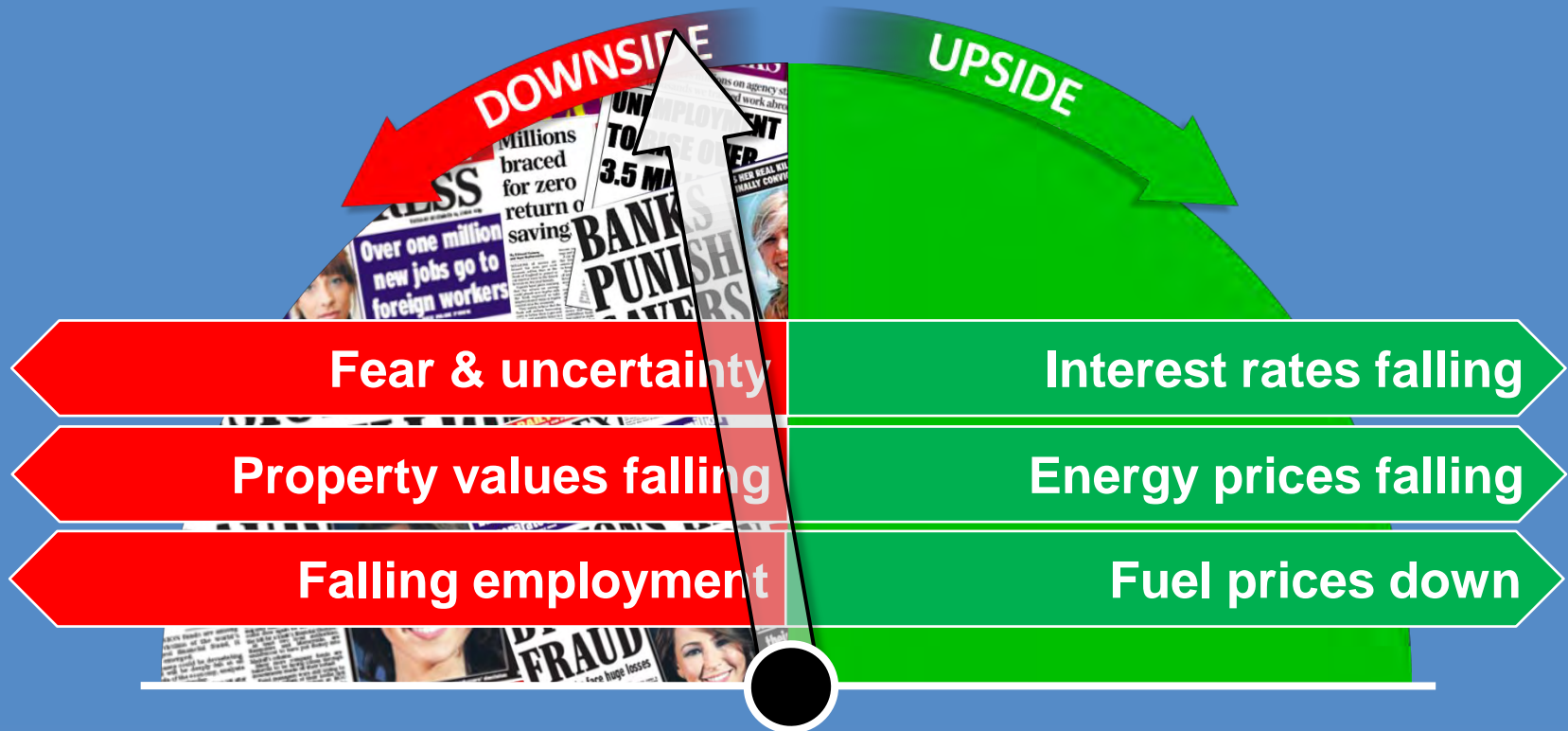
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OUTLOOK

Consumer Environment

Currency

Costs & Margins



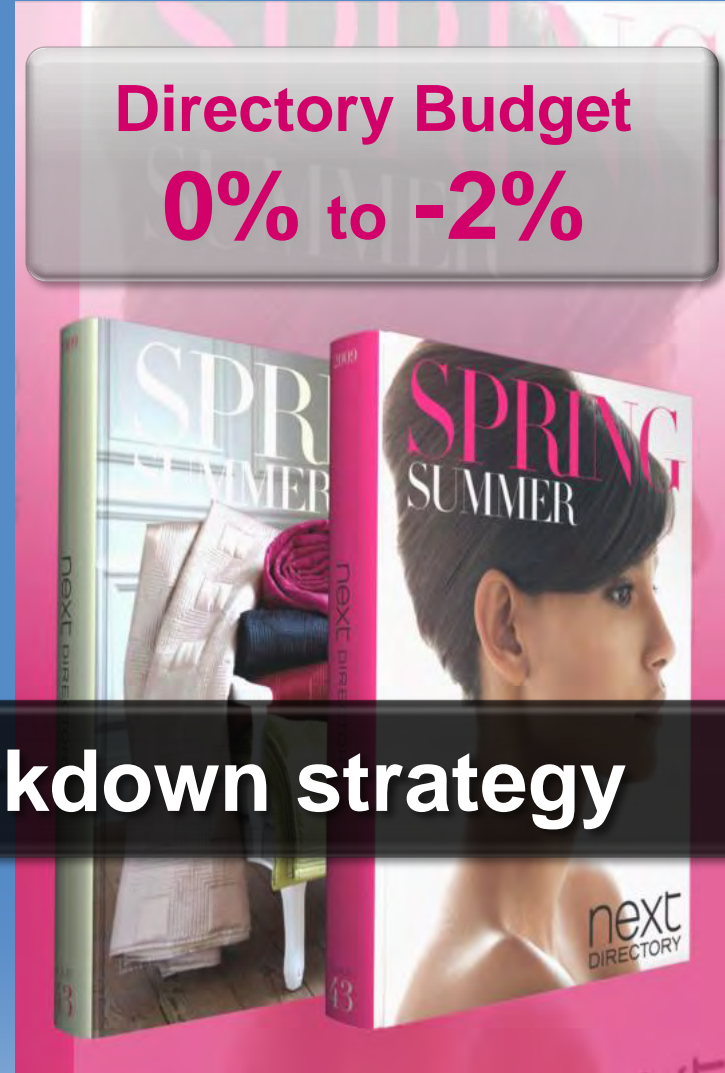
Next Outlook for 1st Half 2009(e)

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Retail LfL Budget
-6% to -9%



Directory Budget
0% to -2%



No change in markdown strategy

* Sales are VAT exc.

A woman with dark hair pulled back, wearing a grey short-sleeved top and a necklace with large, dark and light-colored links. She is looking directly at the camera. The background is a bright, slightly blurred beach scene with a blue sky and ocean.

next

OUTLOOK

Currency

£/\$ Exchange Rate

next

MARCH 2008

\$2.0

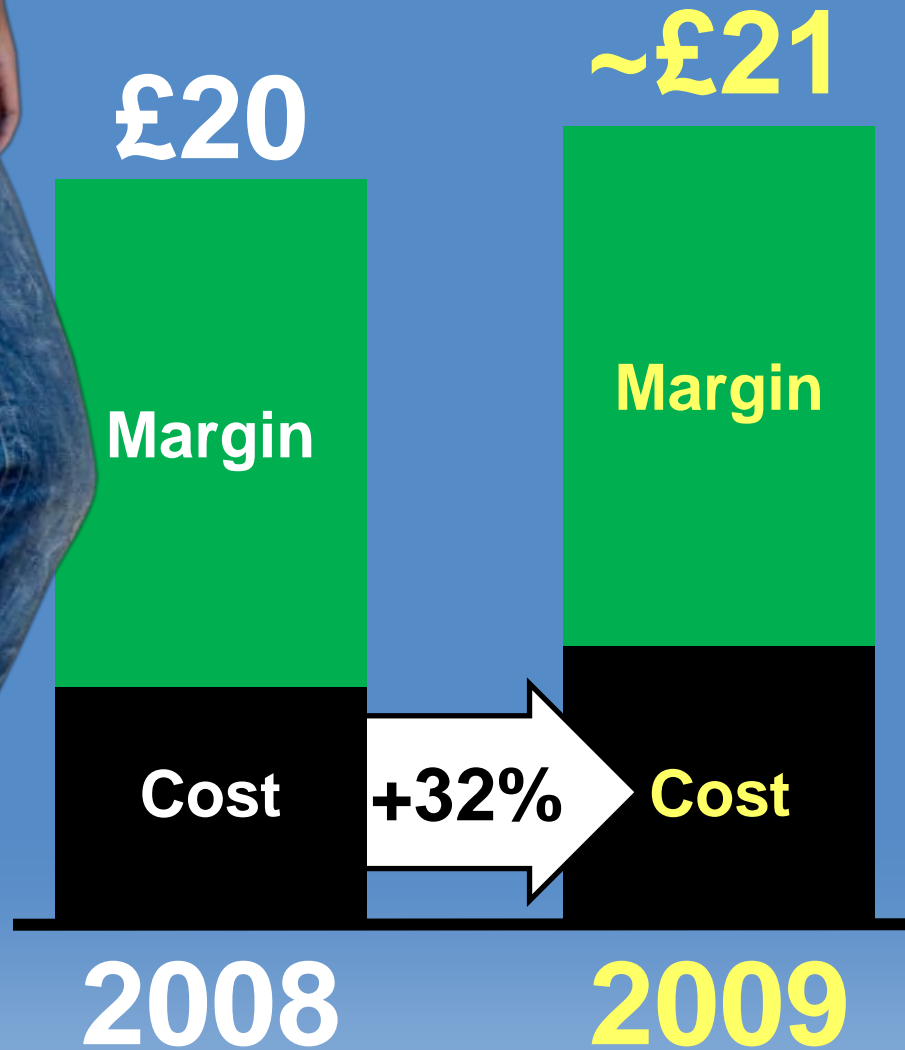


MARCH 2009

\$1.4

Currency Impact on Price

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Margin Reduction

Supplier Costs

VAT Reduction

* Illustration only – not to scale

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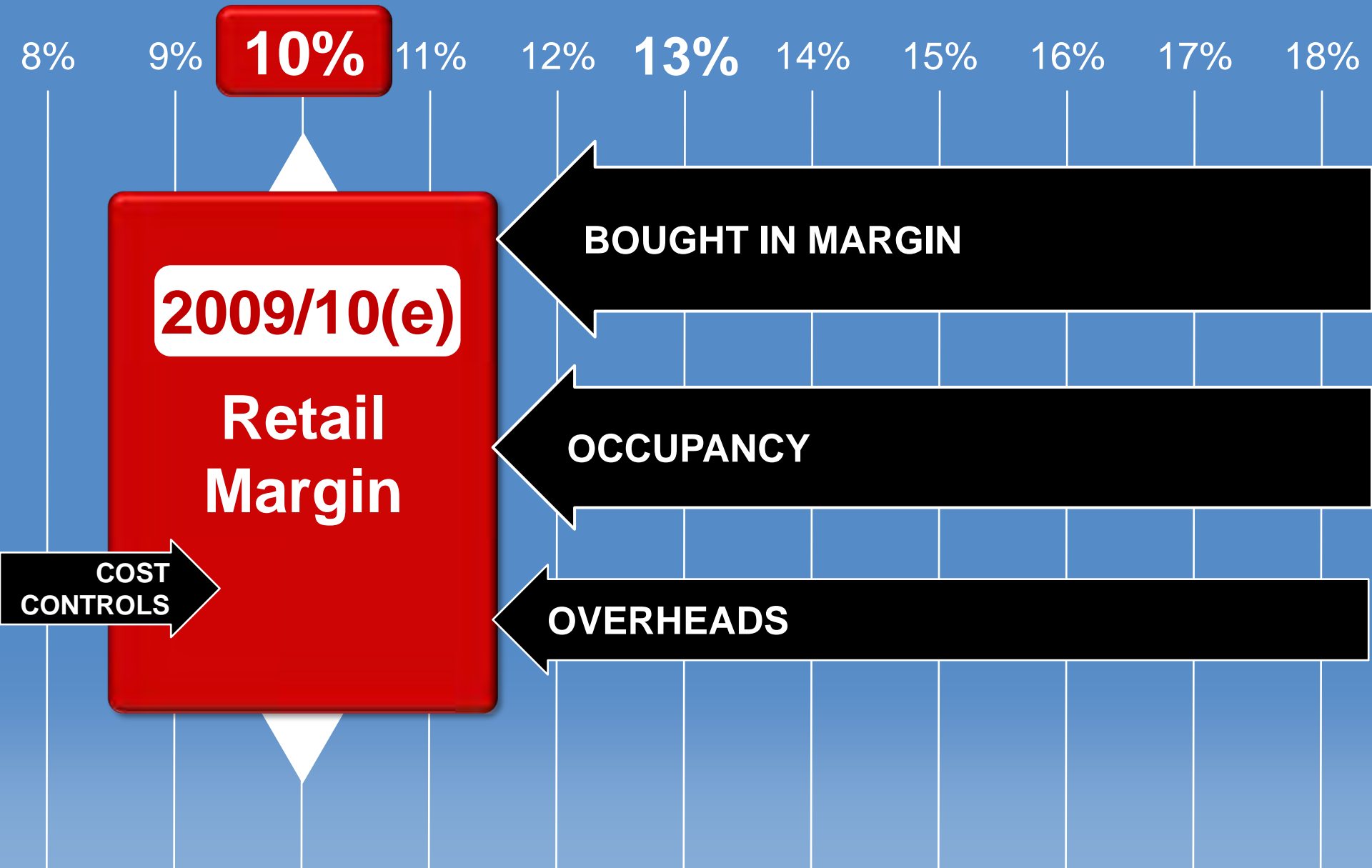
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OUTLOOK

Costs & Margins

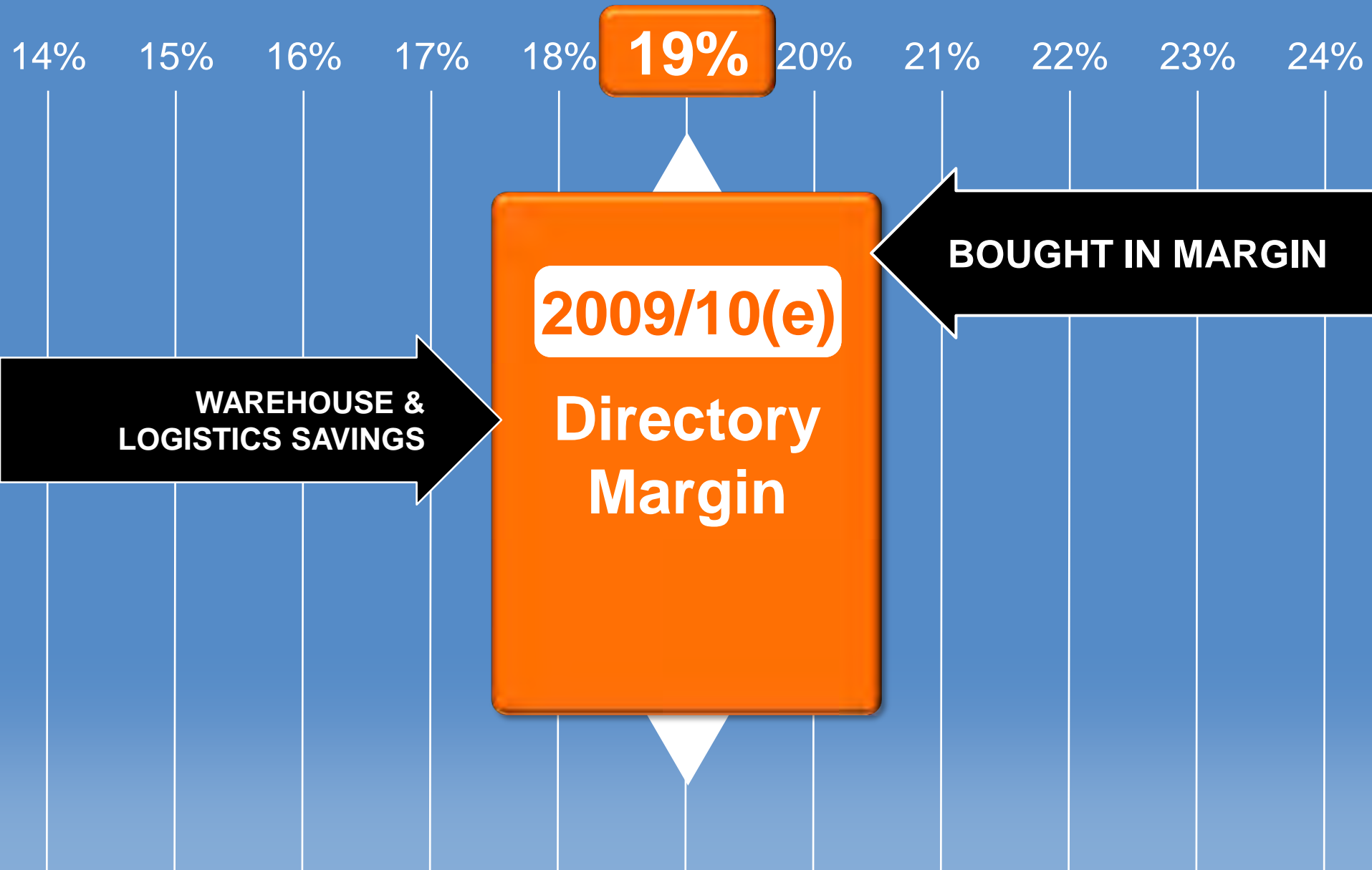
Retail Margin 2009/10(e)

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Directory Margin 2009/10(e)

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NEXT Brand Response...

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**EXCITING
BEAUTIFULLY
DESIGNED
EXCELLENT
QUALITY**

**CLOTHING AND HOMEWARE;
PRESENTED IN COLLECTIONS
THAT REFLECT THE ASPIRATIONS
AND MEANS OF OUR CUSTOMERS**



next

INVESTING IN THE BRAND

Product

Store Design

Marketing

Investing in the Brand : Product

next



QUALITY



DESIGN



Womenswear
March new lines

SS09 58%

SS08 47%

NEWNESS



INVESTING IN THE BRAND

Store Design

Store Design

next

Sq Ft '000	New	Refits	Redec'	Total
To Jan 2009	900	1,600	1,100	3,600
To Jan 2010(e)	1,200	2,100	1,700	5,000
% of portfolio	21%	36%	28%	85%
% of turnover	17%	41%	30%	89%

Store Evolution

next

Natural materials



New paint finishes

New wall units



Props



Store Evolution

next



New Home shopfit

A woman with long dark hair, wearing a white long-sleeved button-down shirt and blue jeans, is posing against a textured, grey-blue wall. She is looking directly at the camera with a slight smile. The shirt is tied at the waist and has a small cutout at the waistline. She is wearing a silver bracelet on her left wrist.

next

**INVESTING IN
THE BRAND**

Marketing



next

**Spring Summer Advertising
Spend Maintained**



BEAT the credit crunch in style this party season by taking one stunning dress to create four very different looks.

one dress four looks

By Kate Clarke

BEAT the credit crunch in style this party season by taking one stunning dress to create four very different looks.

It's all about versatility, with this beautiful silver silk ruffle detail frock we found in Next in Swansea the key piece.

For a contemporary metallic and a winter best. If it's Christmas Eve and drinks with the girls, add a black military leather jacket, over-the-knee socks and patent peep toe shoe boots for total style. Accessorise with an oversized tassel clutch and a chunky plait bracelet for an outfit that turns heads in every bar. Whether you invest in all these looks, which can be found at Next, or choose a few pieces to update a wardrobe favourite, you simply need one dress, a selection of accessories and plenty of occasions!

one dress four looks

- Black leather jacket - £35
- Black leather over-the-knee socks - £5
- Black patent peep toe shoe boots - £30
- Black plait bracelet - £10
- Black tassel clutch bag - £15
- Black over-the-knee boots with the girls - £30
- Black leather over-the-knee socks - £5
- Black patent peep toe shoe boots - £30
- Black plait bracelet - £10
- Black tassel clutch bag - £15

**Editorial
Content
AW08**

+130%

Spring TV Campaign

next



The **NEW** Face of Next Menswear

next



Nathan

Outlook tough but NEXT will...

control budgets and costs

not compromise the Brand

continue to invest...





next



next



next