

press release

26 March 2009

Next refuses to cut prices as it fights to cope with downturn

- Despite a 14% fall in profits Next refuses to cut prices
- The group maintains total dividend for the year at 55p
- The Share Centre lists Next as a short-term sell due to continuing pressure in retail sector

Shares in Next fell 10 pence this morning after the fashion retailer announced pre-tax profits fell 14 per cent to £428.8 million from £498.1 million. **Graham Spooner, investment adviser at retail stockbroker The Share Centre**, explains despite the fall in profits existing shareholders should be relieved, but why new investors should avoid the retail sector for the time being.

“Fortunately there is some positive news for shareholders in Next’s results. The group has maintained its total dividend for the year at 55 pence and has managed to reduce its debts by £111 million to £629 million at a time where many retailers are struggling with their debts.

“However, we believe the retail sector is going to remain under continuing pressure during 2009, with growing unemployment set to cause a decrease in spending. This will bring short term volatility for retail sales and makes forecasting hard for retailers. Next’s current challenge is the weakness of the sterling against the US dollar and the euro, which will bring further challenges for its buying teams.

“While Next appears to be coping with the economic downturn relatively well, we have listed them as a short-term sell.”

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thesharecentre:

For further information please contact:

The Share Centre
Lisa-Marie Nelson
PR Executive
01296 439 426
Lisamarie.nelson@share.co.uk

Lucy Forgan
PR Assistant
01296 439 256
Lucy.forgan@share.co.uk

Lansons Communications
Inez de Koning / Neil Gregory / Rachel Cashmore
0207 294 3623 / 0207 294 3611 / 0207 566 3663
thesharecentre@lansons.com

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Investing in general, and the products and services mentioned above, may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors and individual shares, including all of the post-privatisation/demutualization companies, on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#).

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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