thesharecentre:

press release

14 September 2011

Next look ahead to a better 2012 for the retail sector

- Next announce 8.5% increase in profits for the first six months of 2011
- Next expect 2012 to be better for retailers
- The Share Centre currently list Next as a 'hold' for investors

As Next talks of a positive outlook for 2012, Graham Spooner, investment adviser at The Share Centre, explains what this means for investors.

"This morning, Next announced an 8.5% increase in profits for the first half of year as Next Directory and online sales rose to £486.7m – an increase of 15.1%. This increase offset a fall in store sales of 1.8%.

"What is encouraging for investors is that the retailer, who is usually cautious in its outlook, is slightly more upbeat than the rest of the sector regarding the state of the retail market for 2012. Next is confident that inflationary pressures will ease as commodity prices stabilise and as it has negotiated some of its prices for 2012 with suppliers already, feel there will be little inflation in its prices in store.

"Next is highly regarded by analysts as it has good cost controls, online sales growth, the prospect of share buybacks and a strong fashion range. However, despite Next's confidence that the difficulties facing retailers are set to improve we still have concerns over consumer spending and recommend investors stay on the side lines for the time being."

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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 SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds 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. The Share Centre blog is also available at http://blog.share.com.

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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