

KEY PERFORMANCE INDICATORS

KPIs of earnings per share, group cash flows and divisional sales, revenues and profits are detailed in the Chief Executive's Review and elsewhere in this Annual Report. Details of other key performance indicators used in the management of the business are provided below:

NEXT Retail selling space	2015	2014	Annual change
Store numbers	539	541	-2
Square feet 000's	7,373	7,045	+4.7%

Selling space is defined as the trading floor area of a store which excludes stockroom and administration areas.

NEXT Retail stores and sales	2015		2014	
	No. stores	LFL Sales %	No. stores	LFL Sales%
Total like for like	523	+0.7%	535	-1.8%
Underlying	462	+1.4%	498	-1.4%

NEXT defines like for like stores as those that have traded for at least one full year and have not benefited from significant capital expenditure. Sales* from these stores for the current year are then compared with the same period in the previous year to calculate like for like sales figures. Underlying like for like sales applies the same calculation but excludes stores impacted by new store openings.

NEXT Retail operating margin movement	2015	2014
Net operating margin last year	15.5%	15.0%
Increase in achieved gross margin	+0.1%	+1.3%
Increase/decrease in store payroll	-0.3%	+0.1%
Decrease/increase in store occupancy	+1.1%	-0.7%
Increase in other costs	-0.1%	-0.2%
Net operating margin this year	16.3%	15.5%

Gross margin is the difference between the cost of stock and the initial selling price; achieved gross margin is after markdown and stock related costs. Net operating margin is profit after deducting markdowns and all direct and indirect trading costs. All are expressed as a percentage of achieved VAT exclusive sales*.

NEXT Directory customers (000's)	2015	2014	Annual change
Average active customers - credit	2,724	2,798	-2.6%
Average active customers - cash	1,394	901	54.7%
Average active customers - total	4,118	3,699	11.3%

Active customers are defined as those who have placed an order or made a payment in the last 20 weeks, calculated as a weighted average of each week's figure. Credit customers are those who order using a Directory credit account, whereas cash customers are those who pay when ordering.

NEXT Directory operating margin movement	2015	2014
Net operating margin last year	26.1%	24.8%
Decrease/increase in achieved gross margin	-0.8%	+1.9%
Decrease in bad debt expense	+0.3%	+0.1%
Decrease in interest income	-0.4%	-0.6%
Increase in other costs	-0.7%	-0.1%
Net operating margin this year	24.5%	26.1%

Share buybacks	2015	2014
Number of shares purchased (000's)	2,158	6,202
% of opening share capital	1.4%	3.8%
Total cost	£137.9m	£295.8m
Average cost per share	£63.89	£47.70

Total cost of shares purchased includes stamp duty and associated costs. The average price before costs was £63.50 (2014: £47.40).

* Sales includes the full value of commission based sales (as described in Note 1 to the accounts). Prior year figures have been restated.