

**MOTHERCARE PLC
ANNUAL GENERAL MEETING
INTERIM MANAGEMENT STATEMENT**

At the Mothercare plc Annual General Meeting to be held at 10.30 this morning, Ian Peacock, Chairman, will give the following update on trading for the 15 weeks ended 10 July 2010 (first quarter).

Group performance, first quarter:

- Worldwide network⁽¹⁾ sales up 8.0%
- Group sales up 0.4%
- International retail sales⁽¹⁾ up 20.3%
- UK sales down 2.6%
- UK like-for-like sales⁽¹⁾ down 4.1% (down 2.8% inc. VAT)
- Direct in Home sales up 13.7%
- Total 1,167 stores in 53 countries

Ian Peacock, Chairman said:

"Our strategy of focusing on the global expansion of the Mothercare and Early Learning Centre brands, whilst restructuring the UK business through our property strategy, continues to deliver results.

"We have once again seen strong growth in International. In the UK the environment remained challenging, and we were trading against strong first quarter comparatives of +5.1% last year. Direct delivered double-digit sales growth, reinforced by the recent launch of a new website for the Early Learning Centre. Our new Wholesale channel will be boosted by the partnership with Boots announced in February. We have also today announced the acquisition of the Blooming Marvellous brand and trademark.

"International has seen particularly strong growth in Eastern Europe, the Middle East, Asia and Australasia. At the end of the first quarter we had opened 56 new stores overseas, increasing overseas retail space by 6.2%.

"In the UK we continue to plan cautiously for the remainder of this year. In this context, we expect to invest further margin in our customer offer which will be offset, in part, by cost savings and our property restructure. Despite the uncertain UK consumer environment we remain well placed to deliver on our global strategy."

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Note 1 – "Like-for-like" sales are defined as sales for stores that have been trading continuously from the same selling space for at least a year and include Direct in Home and Direct in Store. International retail sales are the estimated retail sales of our overseas franchise partners and joint ventures. "Network" sales are total UK sales plus International retail and wholesale sales.