



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

At the Mothercare 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 11 July 2008 (first quarter).

Group performance

- Total group sales up 20.7% (up 0.8% on a proforma⁽¹⁾ basis)
- UK like-for-like sales⁽²⁾ up 1.0%
- Total UK sales up 19.5% (down 1.3% on a proforma basis due to the planned reduction of space from the implementation of our property strategy)
- Direct in Home sales up 77.7% (up 27.5% on a proforma basis)
- International franchisee like-for-like sales up 9.0%
- International franchisee retail sales up 50.4% (up 35.7% on a proforma basis) – total 526 overseas franchise stores in 49 countries

Ian Peacock, Chairman said:

"We are pleased to report a positive first quarter performance for the Mothercare group, reflecting the strength of the Mothercare and Early Learning Centre brands in the UK and around the world.

"The multi-channel UK business has shown resilience in a slow economic environment, strengthened by the successful Direct operations. The integration of the Early Learning Centre and the reshaping of the combined property portfolio are both progressing well. The International business goes from strength to strength, driven by strong franchisee like-for-like sales and 32 new store openings, including the opening of our first store in China in the quarter."

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Note 1 – On 19 June 2007, Mothercare completed the acquisition of the Early Learning Centre. For ease of analysis, certain results are also presented on a "proforma" basis which assumes that the Early Learning Centre had been owned for the entire first quarter this year and last year.

Note 2 - "Like-for-like" sales are defined as sales growth for stores that have been trading continuously from the same selling space for at least a year. Sales from the Early Learning Centre shops in Mothercare stores are included where they are trading in existing Mothercare space. Franchisee like-for-like sales are estimated. Like-for-like sales are presented on a proforma basis.

Note 3 - Mothercare expects to provide a second quarter trading update on 16 October 2008.