

## **MOTHERCARE PLC TRADING UPDATE**

### ***Group performance, 12 weeks ended 1 October 2011***

- Worldwide network sales<sup>(1)</sup> up 4.5%
- Total group sales up 4.9%
- International retail sales<sup>(1)</sup> up 17.0%
- Total UK sales down 6.4%
- UK like-for-like sales<sup>(1)</sup> down 9.6% (down 8.5% inc. VAT)
- Direct in Home sales down 6.9% (down 5.8% inc. VAT)

### ***Group performance, 27 weeks ended 1 October 2011***

- Worldwide network sales up 5.7%
- Total group sales up 4.9%
- International retail sales up 16.0%
- Total UK sales down 4.0%
- UK like-for-like sales down 6.8% (down 5.7% inc. VAT)
- Direct in Home sales down 2.0% (down 1.0% inc. VAT)

### ***Ben Gordon, Chief Executive said:***

"Overall, total group sales increased by 4.9% in the second quarter reflecting a strong International performance and weak trading in the UK. We now have 1,322 stores in 55 countries, with 353 stores in the UK and 969 overseas.

"In the UK, trading conditions have become progressively more challenging and competitive, and our performance has been well below our expectations. We have seen a downturn in consumer confidence in the weeks following the UK riots and trading has deteriorated further in the last four weeks. In particular, the Home & Travel market has been affected by customers trading down on bigger ticket items and, although we have held market share, this has had a significant impact on our Direct business. Against the backdrop of this weakening trend, we believe that the outlook for the UK business in the important second half has materially worsened and this is likely to lead to a disappointing performance for the year as a whole.

"International continues to perform strongly with retail sales up 17.0% in the second quarter. Both brands continue to expand globally and we have opened a net 75 new overseas stores this year. We are on track to achieve the full year target of 150 new stores and International retail sales growth of 15% to 20%.

"The restructure of our UK property estate and the cost reduction programme recently announced are progressing well and our financial position remains robust, helped by our strong cash-generative International business and the refinancing of our facilities in May. Despite the difficult trading conditions in the UK, our strategy of focusing on the rapid global expansion of our brands whilst restructuring the UK business will create long-term sustainable value for shareholders."

### **Enquiries to:**

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**Note 1** – Like-for-like sales are defined as sales from 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 overseas franchisees and joint ventures and associates to their customers. Total International sales are International retail sales plus International Wholesale sales. Worldwide network sales are total International sales plus total UK sales.