

**MOTHERCARE PLC  
THIRD QUARTER TRADING UPDATE**

**1,000<sup>th</sup> store overseas; UK review on track**

Mothercare plc updates on trading for the 13 weeks ended 7 January 2012 ("third quarter").

***Group performance : third quarter***

- Worldwide network sales<sup>(1)</sup> up 3.0%
- Total group sales down 1.2%
- International retail sales<sup>(1)</sup> up 15.0% (up 18.5% at constant exchange rates)
- UK like-for-like sales<sup>(1)</sup> down 3.0%<sup>(2)</sup>
- Total UK sales down 6.9% mainly due to planned store closures
- UK Direct in Home sales down 2.2%<sup>(2)</sup>

***Group performance : year-to-date***

- Worldwide network sales<sup>(1)</sup> up 4.5%
- Total group sales up 2.0%
- International retail sales<sup>(1)</sup> up 15.5%
- UK like-for-like sales down 5.4%
- Total UK sales down 5.3%
- UK Direct in Home sales down 3.4%

***Alan Parker, Executive Chairman said:***

"Worldwide network sales increased by 3.0%, as a result of continuing strong growth in our profitable and cash-generative International business. We have opened our 1,000<sup>th</sup> store outside the UK and also launched in four new countries – Chile, Colombia, Iraq and Morocco.

"In the UK, the better like-for-like sales performance was achieved in an increasingly competitive consumer environment. Additional promotional activity was successful in driving a 5% like-for-like sales increase in December and managing overall UK inventory levels, which are currently 17% lower than last year. The management actions we have already taken, which include a new web platform to launch next financial year, are expected to improve Direct and overall performance in 2012.

"Both the search for our new CEO and the structural and operational review of our UK business are progressing well. The UK review, which is on plan to complete in the current quarter, has already highlighted key actions to improve the business for the future."

**Enquiries to:**

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There will be a conference call for analysts and investors at 08.00, 12 January. Dial-in: 020 3003 2666; password Mothercare.

**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.

**Note 2** – UK sales numbers in the trading statement are excluding VAT. Including VAT, UK like-for-like sales were down 1.8%, and UK Direct in Home sales down 0.6%.