

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

At the Mothercare Annual General Meeting to be held at 10.00am today, the Chairman will give the following update on trading for the 15 weeks ended 14 July 2012 (first quarter).

Group performance, first quarter

- Worldwide network sales⁽¹⁾ up 1.1%
- Total Group sales down 4.4%
- International retail sales⁽¹⁾ up 11.0%
- Total UK sales down 10.2%
- UK Direct in Home sales down 7.1%
- UK like-for-like sales⁽¹⁾ down 6.7%

Alan Parker, Chairman said:

"First quarter results were in line with our overall plans despite challenging trading conditions in the UK and the Eurozone. We have made good progress implementing the three-year Transformation and Growth plan with benefits to accrue during the second half of the year, as expected. International growth continues to offset weaker trading in the UK.

"Asia Pacific and the Middle East & Africa performed particularly well, tracking strong historic levels of growth. In contrast, Europe had a weaker quarter with a slight decline in sales. In line with our plans, we opened a net 25 stores outside the UK, taking the total overseas store numbers to 1,053, opening our 100th store in Saudi Arabia. Forward orders and store opening plans from our franchise partners give us confidence that we will deliver on our stated International growth targets.

"The UK store restructure programme, which is targeting the largest loss-making stores first, is progressing well with a reduction of 16 stores in the quarter. We moved our Mothercare website to a new platform in May and, whilst this resulted in significant disruption during the transfer process, recent performance has been very encouraging with positive sales growth in the last five weeks. The quarter ended with a clean stock position and our cashflows have been tightly controlled.

"We remain confident about the delivery of our three-year Transformation and Growth plan with the cost reduction programme on track."

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