

**MOTHERCARE PLC**  
**PRE-CLOSE TRADING STATEMENT**  
**Transformation and Growth plan on track**

Mothercare plc, the leading international mother and baby retailer, today announces its pre-close statement for the first half of the year covering 28 weeks to 13 October 2012.

**Simon Calver, Chief Executive of Mothercare plc, summarised:**

"Our strategy outlined in May this year is showing early signs of progress. In the UK, we have put the customer back at the heart of what we do. This is already beginning to have a beneficial impact on like-for-like sales, which along with our online business have returned to growth. International continues to grow despite difficult trading conditions in the Eurozone and adverse currency movements. We recognise that our most important quarter which includes Christmas is still ahead of us. We are confident about delivering against the targets we set out in our three-year plan."

***Group performance, second quarter and first half***

	<b>Q2 – 13 weeks to 13 October 2012</b>	<b>H1 – 28 weeks to 13 October 2012</b>
Worldwide network sales <sup>(1)</sup>	+3.2%	+2.1%
Total group sales	(7.5%)	(5.9%)
<b><u>International</u></b>		
International retail sales <sup>(1)</sup>	+10.8%	+10.8%
International retail sales in constant currencies <sup>(1)</sup>	+15.2%	+15.2%
<b><u>UK</u></b>		
Total UK sales	(6.2%)	(8.3%)
UK like-for-like sales <sup>(1)</sup>	+0.3%	(3.4%)
Direct in Home sales	+11.0%	+0.9%

**Group sales**

Worldwide network sales strengthened during the second quarter to deliver growth of 2.1% for the first half of the year. International retail sales grew by 10.8% over the same period. Our forward orders and store opening plans for International indicate ongoing growth opportunities across the 60 territories in which we currently trade. This growth is offset by a UK sales decline of 8.3% and reflects our UK (and predominantly ELC focussed) store closure programme. Group sales, which include UK retail sales and receipts from our franchise partners, were down 5.9%. Working capital and cash have been tightly controlled.

**International**

International grew retail sales by 15.2% in constant currency while reported retail sales, impacted by adverse currency moves, were up 10.8% during the first half of the year. Asia Pacific and the Middle East & Africa continue to perform strongly and at the top end of our expectations while Europe remains weaker, particularly across our Eurozone markets. We opened a net 70 stores during the first half of the year and had 1,098 stores at the end of the period. Our full year goal of 150 stores and circa 16% space growth remains on track.

**UK**

Our strategy to transform the UK is based on improving product, customer service and availability while at the same time achieving targeted cost savings and cash margin. We now operate from 280 stores (203 Mothercare and 77 ELC) in the UK, having closed 31 stores versus our full year target of circa 50. Total UK sales were down 8.3% reflecting the impact of these closures, while UK like-for-like sales grew 0.3% during the second quarter, with a decline of 3.4% for the half year. In addition, following the transition to a new online platform, Direct in Home has returned to growth, up 11.0% for the second quarter and up 0.9% for the half year.

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**Note 1** – UK 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. International like-for-like sales are the estimated franchisee retail sales from stores that have been trading continuously from the same selling space for at least a year. Total International sales are International retail sales plus International Wholesale sales. Worldwide network sales are total International sales plus total UK sales.

**Note 2** – This announcement contains certain forward-looking statements concerning the company. Although the Board believes its expectations are based on reasonable assumptions, the matters to which such statements refer may be influenced by factors that could cause actual outcomes and results to be materially different. The forward-looking statements speak only as at the date of this document and the company does not undertake any obligation to announce any revisions to such statements, except as required by law or by any appropriate regulatory authority.